

Employment Department readies new computer system

By PETER WONG
Oregon Capital Bureau



EO Media Group, File

Oregon's employment department has developed a new computer system that will automate employer payroll and tax records, employee claims and benefits from the state unemployment trust fund.

Oregon businesses and workers will begin to see the rollout of a new computer system for the Employment Department after more than a decade of false starts and frustrations.

When the transition is completed in more than three years, the new system will automate employer payroll and tax records, employee claims and benefits from the state unemployment trust fund — and also contributions and benefits for Oregon's new program of paid family leave, which starts in 2023.

"It is a complex project and a multiyear effort to transform the Employment Department business processes and core technology so that they are more flexible, adaptable and efficient," said David Gerstenfeld, acting director of the agency since May 2020.

On Sept. 6, the new system will go live with Oregon employers filing their third-quarter payroll reports, on which their unemployment tax payments are based. Employers also will use the new system to gain access to their unemployment tax rates.

On Aug. 28, the two current systems that handle those functions will shut down to allow for the transition to the new system.

"We are doing this to make sure all the remaining work is completed," Gerstenfeld said. "We think this will not have an impact on most employers," because they should have completed filing payroll reports for

the second quarter of 2022, which ended June 30.

He said some employers that took part in agency focus groups were invited to log on to a copy of the new system so they could become familiar with how it operates.

"It was positive overall," he said, and suggested adjustments will be incorporated into future work on the system.

"Our staff has run more than 1,500 test scenarios with a 99% pass rate," he added. "Those scenarios that did not pass were sent back to the team, fixed and will be retested. We are also working with other state agencies and organizations we share data and processes with to ensure those connections are intact and working the way they need to."

One of those agencies

is the Oregon Department of Revenue, which is the repository for the unemployment payroll taxes paid by employers. Employees do not contribute to the unemployment trust fund.

The new system, Frances Online, is named in honor of Frances Perkins, U.S. labor secretary during the 12 years Franklin D. Roosevelt was president and also the first woman appointed to a presidential Cabinet back in 1933.

It will be paid for from \$89.6 million that the U.S. Department of Labor granted to the state agency back in 2009, and has been sitting in the unemployment trust fund. The 2021 Legislature added more in the current two-year state budget for startup costs connected with paid family leave — Oregon is one of 10

states with such programs — but that money will be repaid from employer and employee contributions to the program.

States run their own unemployment trust funds, but the Department of Labor oversees them under an arrangement that goes back more than 80 years to the Great Depression.

The vendor is FAST Enterprises, based in Centennial, Colorado, outside Denver.

On Jan. 1, Oregon employers and employees will begin under a second phase of the new system to contribute their shares toward another fund for family-leave benefits. Overall contributions are capped at 1% of employee wages, split between 60% from employees (.6%) and 40% from employers (.4%).

Actual benefit payments are scheduled to start Sept. 3, 2023.

Lawmakers last year changed the start dates under the original 2019 law, which covers a range of situations.

A third phase of the new system will start in 2024, when claims and benefits for unemployed workers will make the transition.

The project is scheduled for completion by the end of 2025, six months after the end of the state's 2023-25 budget cycle.

Gerstenfeld was with the agency, but not its director, when Oregon got the \$89.6 million in federal funds for a new system back in 2009. The current mainframe system dates back to 1993, and it relies on a computer programming language that dates back to 1959.

Frequent changes in agency directors, and a lack of sustained focus, stalled the project for years.

The system proved unable to handle the flood of unemployment benefit claims filed with the agency at the onset of the coronavirus pandemic — more than half a million claims within a couple of months, as businesses shut down or curtailed operations — and also multiple benefit programs that Congress approved in response in 2020 and 2021. Among them: Benefits to self-employed and gig workers who had never before paid unemployment payroll taxes.

In contrast, during the Great Recession more than a decade ago, Congress approved repeated extensions of federal unemployment benefits — up to 99

weeks — when unemployed workers exhausted their 26 weeks of benefits from state trust funds. But it took 18 months for unemployment to reach peak levels during that downturn. The extensions ended in 2013.

Past performance

FAST Enterprises was the vendor for two other major Oregon projects in the past decade.

One is the GenTax system for the Department of Revenue, which rolled it out between 2013 and 2017 to replace a system that dated back to the 1980s. The other was a new system for the Division of Driver and Motor Vehicle Services, which completed its three-year rollout of its Service Transformation Project in 2011. It enables the DMV to comply with the requirements of the federal Real ID Act of 2005 to make driver licenses more secure.

FAST Enterprises also has done work for Portland city government.

State government has had a history of failed computer projects going back more than three decades.

Because of the fiasco with the Cover Oregon website, which led Oregon to abandon its own state-run health insurance marketplace in 2014 and rely on the federal exchange, new state computer projects are subject to greater scrutiny by the Department of Administrative Services, the Legislature and outside participants in addition to the agencies involved. Oregon and Oracle Corp. settled a lawsuit in 2016, but the state recouped only a portion of the \$240 million spent on the project.

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- CLUES ACROSS**
- Shoots the breeze
 - Whispered summons
 - Davis of "Thelma & Louise"
 - Peeve
 - Sound effect in a canyon
 - Demon's counterpart
 - Persia, now
 - Kim Possible, e.g.
 - Letter after rho
 - Celine Dion hit heard in "Titanic" (In this clue's answer, see letters 7-11)
 - Shrimp go-with, on a Southern menu
 - Intention
 - Mud bath venues
 - Go back to square one (Letters 2-7)
 - Race that's winding down?
 - "Certainly," by the Seine
 - Mixer at a bar, often
 - Part of UCLA
 - Opposite of 34-Across
 - Comedian's joke
 - Hat, slangily
 - Jazzy Jones or James
 - Arena arbiter
 - Qualities
 - Arcade game with a mallet (Letters 4-7)
 - Renders speechless
 - Big bother
 - Group that protects a QB
 - Aircraft's delay maneuvers, or what 20-, 27- and 48-Across are doing?
 - Cried "Foul," perhaps
 - Google Play purchases
 - Ugg product
 - Igneous rock source
 - Oaxacan bread?
 - Tropical destination
 - Says grace, e.g.
 - Where Adam and Eve met
 - Sports squad

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68							69				70			

- Ho-hum
- Westernmost country in Africa
- ___ dish (microbiologist's item)
- Big name in lawn care
- Demonstrates for
- Nobel prize
- Manipulated into questioning oneself
- Head-scratchers
- "Daylight savings waffle giveaway" brand
- Fish in a 2003 Pixar film
- Mathematician Turing
- Insurance fraud crime, commonly
- Wrangler's rope
- Sinful animal?
- Rigatoni or rotini
- Summer mo. without a federal holiday
- "Cross my heart!"
- Touches up, as text
- Mouthfuls of Bubblicious
- Large quantity
- Like almost all BYU students
- "The Matrix" protagonist
- Researcher's funding
- Much-thanked group on Oscar night, with "The"
- Bombed at the box office
- Just slightly
- Puma competitor
- Tick away
- "This means war"
- Camel part
- Ilhan in the House
- Org. for good drivers?
- Look surprised
- Pink hue
- Garden District's city, informally
- Flower stalk

- CLUES DOWN**
- Not looking good
 - Light and open

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Church Directory

Joseph United Methodist Church

3rd & Lake St. • Joseph

10 AM Worship
Online AND In Person

For More Info
541-432-3102
JosephUMC.ORG

Pastor Cherie Dearth

Grace Lutheran Church

409 West Main - Enterprise

SUNDAY WORSHIP
at 9am

Pastor John B. King Jr
phone (message): 541-426-4633
web: gracelutheranenterprise.com

Enterprise Christian Church

85035 Joseph Hwy • (541) 426-3449

We have 'In-person worship' @ 9:00 am
(Guidelines observed)

Sunday School at 10:30

Parking Lot Radio/Facebook @ 9:00

David Bruce
Pastor, Enterprise Christian Church

St. Patrick's Episcopal Church

100 NE 3rd St, Enterprise
NE 3rd & Main St

541-426-3439
Worship Service
Sunday 9:30am

Lostine Presbyterian Church

Discussion Group 9:30 AM
Worship Service 11:00 AM

Childrens program during service
Blog: dancingsforth.blogspot.com

541.398.0597
Hwy 82, Lostine
Stephen Kliever, Minister

Summit Church

Sundays at 10 am
at the Cloverleaf Hall in Enterprise

Pastor: David Pendleton

www.summitchurchoregon.org
Cloverleaf Hall • 668 NW 1st St • Enterprise, OR 97828

Wallowa Assembly of God

702 West Hwy 82
Wallowa, Oregon
541-886-8445

Sunday School • 9:am
Worship Service • 10:am

Pastor Tim Barton
Visit Us on

Christ Covenant Church

Pastor Terry Tollefson
Church Office: 541-263-0505

Family Prayer - 9:30 AM
Worship - 10:00 AM

723 College Street, Lostine

Seventh-Day Adventist Church & School

305 Wagner (near the Cemetery)
P.O. Box N, Enterprise, OR 97828
Church 541-426-3751
School 541-426-8339

Pastor David Ballard 503-810-9886

Worship Hour
10:30 a.m. - Noon

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Bible Study:
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