State of Oregon
Employment Department

Ways and Means Joint Committee
on Transportation and Economic Development

Presentation Supplemental Resource Document

February 20, 2023

2023 Ways and Means Committee Resource Document

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The Employment Department was created in 1993. The department is an active partner in the development of the state's workforce.

The Employment Department strives to promote the employment of Oregonians through developing a diversified, multi-skilled workforce, and providing support during periods of unemployment.

Through offices across the state, the department serves job seekers and employers by helping workers find suitable employment; providing qualified applicants for employers; supplying statewide and local labor market information; and providing unemployment insurance benefits to workers temporarily unemployed through no fault of their own.

The department offers a number of services. It serves employers through timely recruitment of a qualified workforce, customizing state and local labor market information for use as a business planning tool, and by offering job-matching services based on the need of each employer.

Employment department labor market economists and research analysts identify major workforce policy areas that require additional research and present their findings and ideas for solutions to decision makers. Statewide, regional, and local economic information is prepared for use by employers, community leaders, and policy makers.

The department helps job seekers find jobs that match their skills and employers' needs, provides them with up-to-date information about trends in occupations and skills needed for success in the job market, and works with other agencies to direct them to appropriate training programs and job experiences.

Oregon Employment Department

Vision

An Oregon where meaningful work enables the state's diverse people and businesses to realize their full potential, creating prosperity in every community

Mission

Support Business · Promote Employment

- Support economic stability for Oregonians and communities during times of unemployment through the payment of unemployment benefits
- Serve businesses by recruiting and referring the best qualified applicants to jobs, and provide resources to diverse job seekers in support of their employment needs
- Develop and distribute quality workforce and economic information to promote informed decision-making
- Help Oregon employers and workers maintain quality of life, economic stability, and peace of mind by providing accessible Paid Family and Medical Leave Insurance benefits

Values

Integrity	Respect	Community
We are trusted to keep our word, always acting with honesty and courage.	We value diverse perspectives, assume good intent, and act with compassion.	We foster a sense of belonging for our employees, partners, and customers, creating positive impacts where we live and work.

State of Oregon
Employment
Department

2019-2025 Strategic Plan

Operating Principles

- We are conscientious stewards of public resources.
- We are accountable for our actions and we admit when we are wrong.
- We are inclusive and transparent in our decision-making.
- We seek out and form effective alliances to address community needs.
- We promote a positive, safe, and learning environment.
- We work hard, and we're not afraid to laugh.

Goals

| Continually advance our partnerships and systems to provide innovative services to Oregon's diverse people and businesses | Engage with communities across the state to maximize awareness and use of public workforce resources | Foster an inclusive and fair work environment where employees feel valued and supported in reaching their full potential | Invite and retain talented, diverse people to help us exceed our customers' expectations |

Oregon Employment Department

Goals and Outcomes

Continually advance our partnerships and systems to provide innovative services to Oregon's diverse people and businesses

- Employees, partners, and customers have ready access to the consistent, reliable information they need to efficiently accomplish their goals.
- Our services are increasingly accessible, through the improved and expanded use of technology.
- Our services are personalized, interactive, and swift, so that we exceed customer expectations every time.
- Customers easily understand the services available to them and their responsibilities for receiving those services, because we clearly communicate using language, methods, and levels of detail most helpful to them.
- We anticipate how the world of work is changing and lead an effective transition to the jobs and careers of the future.

Engage with communities across the state to maximize awareness and use of public workforce resources

- The public and policymakers have high-quality, objective, and timely information with which to make informed decisions.
- Traditionally underserved populations have the support, resources, and services to reach their full potential.
- Tools and materials that clearly describe the services of the workforce system are readily available for all audiences.
- We are recognized as the foremost source of employment information in Oregon.
- All partners, including tribal governments, state agencies, educational institutions, and state and local workforce development boards, value our wisdom and engage us in their business strategies.

Goals and Outcomes

Foster an inclusive and fair work environment where employees feel valued and supported in reaching their full potential

- Our vision, mission, values, and operating principles guide our daily activities and decisions.
- All employees have opportunities for growth and development.
- All individuals have the opportunity to lead from where they are.
- Our leaders invite diversity of thought, honor all voices, and encourage new perspectives.
- We are a learning organization that takes informed risks, learns from our failures, and values innovation.
- All employees take accountability for actively contributing to a positive work culture and helping one another achieve greatness.

Invite and retain talented, diverse people to help us exceed our customers' expectations

- We have a strategy for our successful future and we develop and hire people who can implement it.
- Our customers are better served because our employees represent their diverse communities and interests.
- Our organization is resilient because we hire, retain, and promote motivated and contributing individuals.
- We recognize changes in workplace trends, embracing new approaches that serve both business goals and employee needs.

State of Oregon
Employment Department

Our Core Programs

Workforce Operations

Unemployment Insurance

Workforce and Economic Research

Paid Leave Oregon

State of Oregon Employment Department

Employment Department

Annual Performance Progress Report

Reporting Year 2022
**Published: 9/28/2022**

KPM #	Approved Key Performance Measures (KPMs)
1	ENTERED EMPLOYMENT - Percentage of job seekers who receive service from Workforce Operations that are still employed after six months.
2	EMPLOYMENT RETENTION - Percent of job seekers who receive service from Workforce Operations that are still employed after 12 months.
3	COST PER PLACEMENT - Total cost of Workforce Operations (Business & Employment Services) program divided by the total number of job seekers entered into employment after receiving services.
4	FIRST PAYMENT TIMELINESS - Percentage of initial Unemployment Insurance payments made within 21 days of eligibility.
5	NON-MONETARY DETERMINATIONS TIMELINESS - Percentage of claims that are adjudicated within 21 days of issue detection.
6	UNEMPLOYMENT INSURANCE ADMINISTRATIVE COSTS AS A PERCENT OF BENEFITS PAID - Compares dollars paid to unemployed workers against the cost of providing those benefits. Specifically, all costs associated with Unemployment Insurance administration, including related Department of Justice and Office of Administrative Hearings costs, less Re-Employment Eligibility Assessments and State Government Service Charges, divided by Total Unemployment Insurance Benefits paid.
7	UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of cases requesting a hearing that are heard or are otherwise resolved within 30 days of the date of request.
8	NON-UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of orders issued within the standards established by the user agencies.
9	AVERAGE DAYS TO ISSUE AN ORDER - Average number of days to issue an order following the close of record.
10	COST PER REFERRAL TO OAH - Average cost of hearing referral to the Office of Administrative Hearings.
11	HIGHER AUTHORITY APPEALS TIMELINESS - Percentage of cases requesting an appeal that receive a decision within 45 days of the date of request.
12	TIMELINESS OF NEW STATUS DETERMINATIONS - Percentage of new status determinations completed within 90 days of the end of the liable quarter.
13	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent," including overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.
14	FOUNDATIONAL SURVEY RESPONSE RATE - Ordinary (non-weighted) arithmetic mean of four annual response rates: (1) Occupational Employment Statistics employment; (2) Occupational Employment Statistics units; (3) Annual Refiling Survey employment; and (4) Annual Refiling Survey units.

Performance Summary		Green	Yellow	Red
		= Target to -5%	= Target -5% to -15%	= Target > -15%
Summary Stats:		50%	21.43%	28.57%

KPM #1	ENTERED EMPLOYMENT - Percentage of job seekers who receive service from Workforce Operations that are still employed after six months.
	Data Collection Period: Jul 01 - Jun 30

Upward Trend = positive result
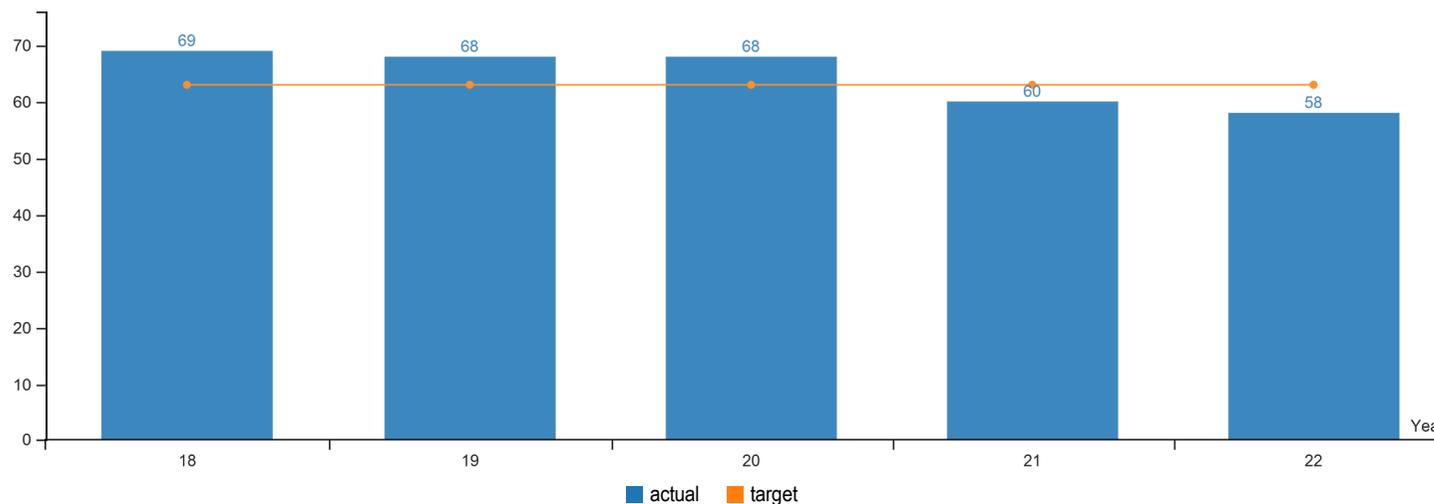
Report Year	2018	2019	2020	2021	2022
Entered Employment - Percent of Job Seekers who got a Job with New Employer					
Actual	69%	68%	68%	60%	58%
Target	63%	63%	63%	63%	63%

How Are We Doing

PERFORMANCE: The 6-month Entered Employment Rate for State Fiscal Year (SFY) 2022 is 58%, which is below the target of 63%.

OUR STRATEGY: To improve employment outcomes by providing services, in collaboration with our workforce partners, that are customized to the needs of individual job seekers.

ABOUT THE TARGET: Targets are negotiated directly between the U.S. Department of Labor and the Oregon Employment Department (the Department). A higher percentage is better.

HOW WE COMPARE: The performance in SFY 2022 was 58% compared to 60% in 2021, 68% in 2020 and 2019, and 69% in 2018. The national average for SFY 2021 was 62% (national data for SFY 2022 is not yet available). Of note, SFY 2021 regional performance varied across states with Alaska reporting 60%, California 53%, Hawaii 50%, Idaho 64%, and Washington 61%.

Factors Affecting Results

This measure is directly affected by labor market conditions. The COVID-19 pandemic and the recession that started in March 2020, which resulted in widespread business closures, including the closure of WorkSource Oregon centers for approximately 15 months to in-person services, significantly impacted this measure.

Despite the remarkable turnaround of the state's labor market in 2022, the Entered Employment Rate in SFY 2022 for those facing barriers to employment (ex-offenders, long-term unemployed, low-income, displaced homemakers and single parents) was 52%, well below the statewide average of 58%. Challenges in returning to work include lack of current and transferable skills, employment

gaps, transportation, child care and other factors disproportionally affecting underserved and underrepresented communities. Some of these individuals may have also delayed returning to work to look for more favorable working conditions given the abundance of job openings. The return and retention of these workers to employment is holding steady as Oregon's labor market tightens.

As the economy continues its recovery, the evolving job market has required job seekers to obtain training in virtual skills and other new areas. The Department, along with its WorkSource Oregon partners, has supported job seekers through the changing landscape by shifting service access to include online, and offering new workshops focused on topics such as Virtual Interview Skills. The department continues to provide reemployment services to job seekers in person and virtually; focusing on Unemployment Insurance claimants, migrant and seasonal farmworkers, SNAP recipients, Veterans, and other targeted and underrepresented populations.

Examples of reemployment services include virtual job-finding workshops; an online scheduling tool for setting up virtual or in-person meetings with staff; local resource rooms equipped with computers, phones, and photocopy machines; job fairs and networking events; and support services (transportation assistance, etc.) through the SNAP Training and Employment Program and other grants.

The Department has focused on business services, using a regional business services model to support workforce investment activities and meet the needs of local businesses. This model has proven successful in building high-functioning business services teams which serve as a single point of contact for businesses across the state in rural and metro communities. Improved communication and coordination of service delivery between workforce partners has resulted from this braided service approach, and allowed for more streamlined and targeted placement of WorkSource Oregon customers, particularly those facing barriers to employment.

KPM #2	EMPLOYMENT RETENTION - Percent of job seekers who receive service from Workforce Operations that are still employed after 12 months.
	Data Collection Period: Jul 01 - Jun 30

Upward Trend = positive result
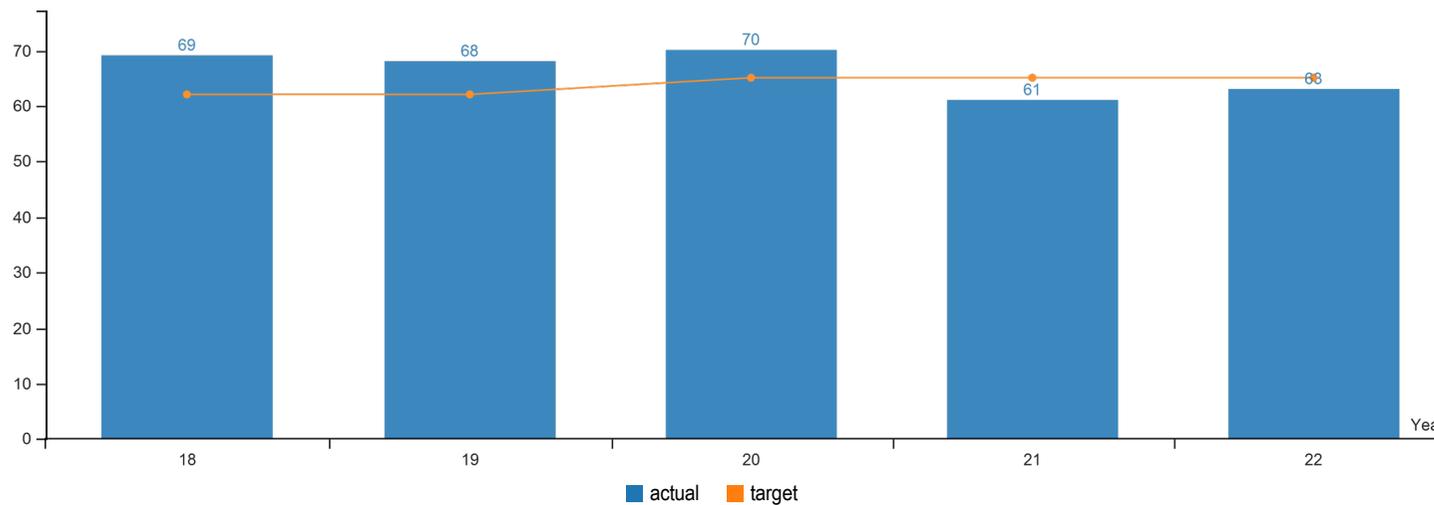
Report Year	2018	2019	2020	2021	2022
Employment Retention					
Actual	69%	68%	70%	61%	63%
Target	62%	62%	65%	65%	65%

How Are We Doing

PERFORMANCE: The 12-month Employment Retention Rate for SFY 2022 is 63%, which is below the target of 65%.

OUR STRATEGY: To improve long-term employment outcomes by providing services, in collaboration with our workforce partners, that are customized to the needs of individual job seekers.

ABOUT THE TARGET: Targets are negotiated directly between the U.S. Department of Labor and the Oregon Employment Department (the Department). A higher percentage is better.

HOW WE COMPARE: The performance was 63% in SFY 2022 compared to 61% in SFY 2021, 70% in 2020, 68% in 2019, and 69% in 2018. The national average for SFY 2021 was 62% (national data for SFY 2022 is not yet available). Of note, SFY 2021 regional performance varied across states with Alaska reporting 58%, California 56%, Hawaii 52%, Idaho 65%, and Washington 63%.

Factors Affecting Results

The SFY 2022 Employment Retention Rate increased two percentage points over SFY 2021, a clear indication of an improving economy. However, the ERR in SFY 2022 for many customers facing barriers to employment (ex-offenders, low-income, displaced homemakers, individuals with disabilities, and single parents) is 54%, and is 16 points below the statewide average of 70% in SFY 2020. Many of the challenges in returning to work faced by those with barriers to employment as descried in KPM #1 also apply to this measure. While this group has not returned to work as quickly as the statewide average, a 2% increase over last year indicates participation is increasing.

A strong alignment between employer needs and job seeker's interests and skills improves job retention. Prior results reflect that a high percentage of workers who obtain employment after receiving workforce services remained employed, indicating a good match was made between employers and new hires.

To build on that success, the Department has launched several innovative programs. These include a partnership with LinkedIn that allows employers to match to and network with WorkSource Oregon candidates through a recruiter platform; hiring job developers to help connect job seekers facing barriers to employment with businesses; and a 'work ready' pilot that provides a set of criteria for staff to assess an individual's readiness to plan and carry out a successful job search.

KPM #3	COST PER PLACEMENT - Total cost of Workforce Operations (Business & Employment Services) program divided by the total number of job seekers entered into employment after receiving services.
	Data Collection Period: Jul 01 - Jun 30

Upward Trend = negative result
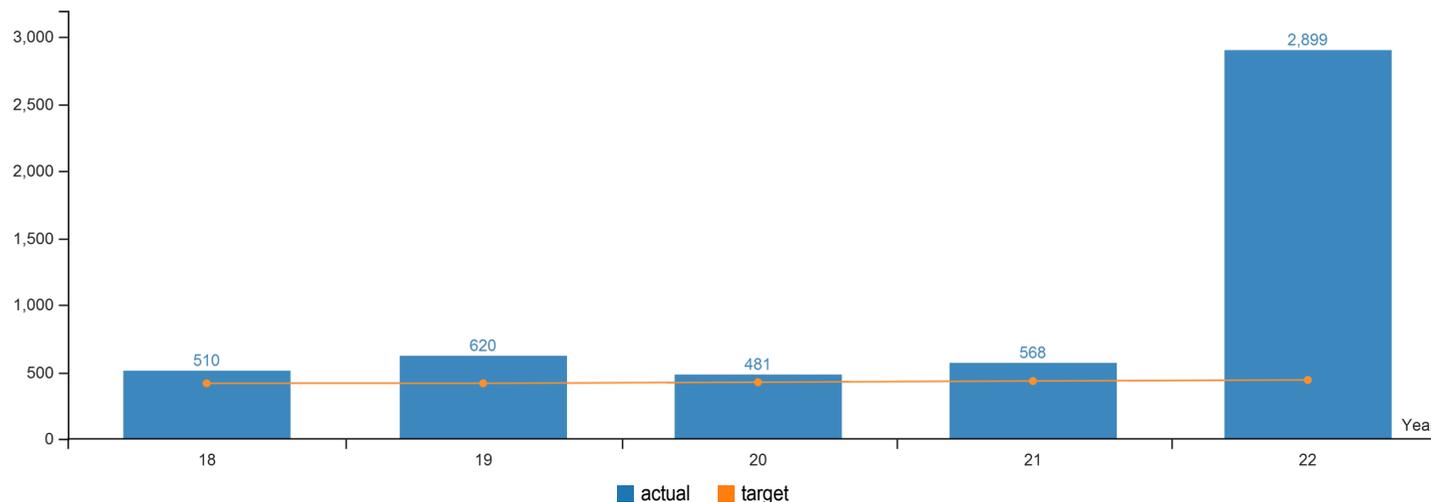
Report Year	2018	2019	2020	2021	2022
Cost per Placement					
Actual	$510.00	$620.00	$481.00	$568.00	$2,899.00
Target	$416.00	$416.00	$424.00	$433.00	$441.00

How Are We Doing

PERFORMANCE: The number of placements was 18,529 in SFY 2022 and expenditures in Workforce Operations were $53,715,876. The cost per placement was $2,899, which is 557% higher (worse) than the target.

OUR STRATEGY: To continue monitoring budgetary constraints and fiscal responsibility. We continue to work with our WorkSource Oregon partners to leverage resources, reduce costs, and address changing customer needs while seeking to improve outcomes across local communities.

ABOUT THE TARGET: Cost per placement measures the cost of the program between fiscal years. The targets will be adjusted for inflation each biennium by a maximum of 4%. A lower cost is better.
HOW WE COMPARE: The cost per placement increased by 410% between SFY 2022 and SFY 2021, when it was $568. There is not a national measure compiled for comparison.

Factors Affecting Results

Placements dropped from 52,013 in SFY 2021 to 18,529 in SFY 2022 due to operational disruptions resulting from the pandemic, while overall operating costs for Workforce Operations increased, in part due to increased staffing levels (approximately 28 positions were added), technology improvements enhancing our ability to serve customers virtually, building security, and inflation.

It's important to note that placements are a direct reflection of the number of customers served by the Department. Unfortunately the closure of WorkSource Centers to in-person traffic and the

suspension of the Department's claimant reemployment program (which normally serves upwards of 30,000 claimants annually) resulted in significantly fewer customers served during the time period in which placements were calculated for SFY 2022. This combination of factors has a compounding, negative effect on how this measure reflects cost performance.

Together, the drop in placements and corresponding increase in operating costs negatively impacted the cost per placement compared to prior fiscal years. The Department believes this measure will be closer to pre-pandemic levels in SFY 2023 now that WorkSource Centers are fully staffed and open for business, operating costs have normalized, and the Department's claimant reemployment program is operational.

As in the past, our business processes have and will continue to adapt to provide the necessary assistance to help job seekers find work, particularly those impacted by COVID-19. This service strategy aligns with our federal funders' expectations that workforce programs provide a higher level of intensive, customized service to individuals with barriers, which often requires more time and resources, thus increasing the cost for customer service.

The Department will continue working with state and local WorkSource Oregon partners to effectively address Oregon businesses' labor needs and to connect job seekers to available employment opportunities. We have had success providing customized services to employers and tailoring job seeker services to meet local demand. This program continues to produce higher levels of employer satisfaction and demand continues to grow. To help meet this demand, business and employment specialists are focusing on job development and other placement strategies to match targeted populations such as Unemployment Insurance claimants, migrant and seasonal farmworkers, SNAP recipients, Veterans, and other underrepresented populations with employment opportunities.

KPM #4	FIRST PAYMENT TIMELINESS - Percentage of initial Unemployment Insurance payments made within 21 days of eligibility.
	Data Collection Period: Jul 01 - Jun 30

Upward Trend = positive result
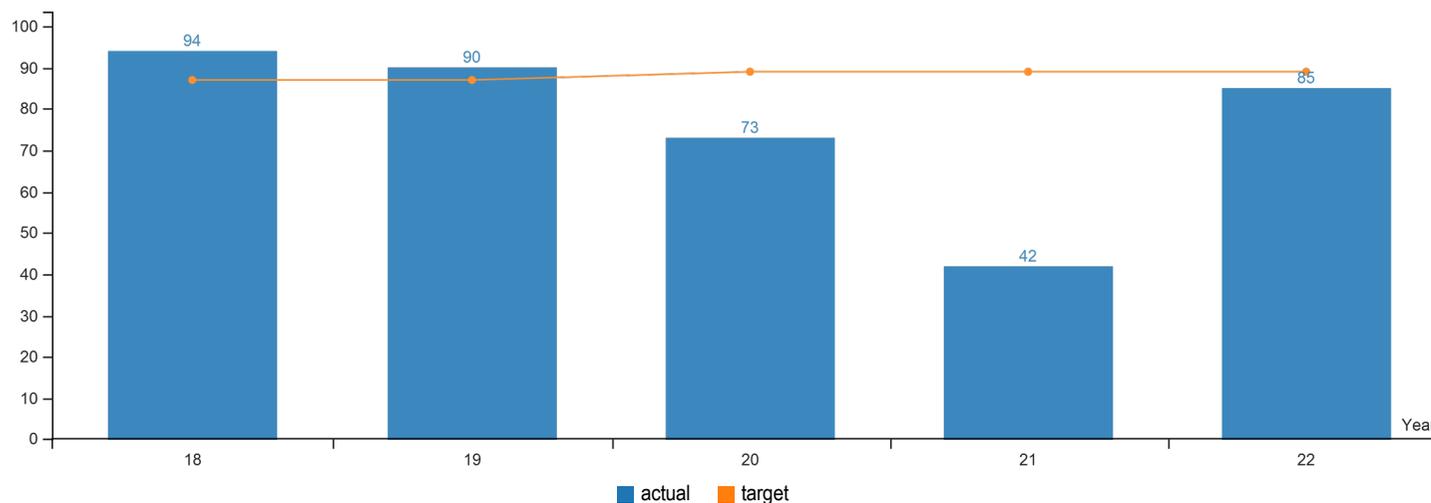
Report Year	2018	2019	2020	2021	2022
First Pay Timeliness					
Actual	94%	90%	73%	42%	85%
Target	87%	87%	89%	89%	89%

How Are We Doing

PERFORMANCE: The timeliness of first payments was 85% in SFY 2022, which is lower (worse) than the target of 89%.

OUR STRATEGY: We work in pursuit of efficiencies by streamlining UI processes and leveraging new technologies, which improve timeliness and the customer experience. We continue hiring and training employees and updating the employee training process and support tools. We are monitoring performance metrics and anticipating when and where reallocation of resources can improve performance.

ABOUT THE TARGET: The 89% target for this measurement was established in the 2019-21 biennium. This is 2% higher than the US Department of Labor (DOL) target. The percentage of claims paid within 21 days of the initial claim filing reflects the efficiency of determining eligibility and giving unemployed workers their first benefit payment. A higher percentage of timely first payments is better.

HOW WE COMPARE: The measure ranged from 42% to 94% between SFY 2018 and SFY 2022. The performance in SFY 2022 of 85% was above the average national performance of 57%. Oregon averaged 86% from January 2022 through March 2022 and 84% from April 2022 through June 2022. The national average for January 2022 through March 2022 was 60% and was 64% for April 2022 through June 2022.

Factors Affecting Results

The Department continues to prioritize timely benefit payments. Until May 2020, when the COVID-19 pandemic significantly affected the timeliness of first payments, the measure was above the target of 89%

.

By the end of June 2020, the Department had about ten times more employees processing claims than in March 2020. This was accomplished by hiring new employees, contracting with temporary employment agencies, re-deploying other agency staff to process the unprecedented volume of UI claims. Other major adjustments implemented to improve timeliness included leasing a new UI Contact Center in Wilsonville where the hundreds of new employees could work; setting up numerous new phone lines to support claimant call volumes; allowing hundreds of employees to work remotely under the state's remote guidelines during the COVID-19 pandemic; partnering with Google to develop an online application process for the new Pandemic Unemployment Assistance (PUA) program; and, leveraging partnerships across state agencies and branches of government.

This measure continued to be a challenge throughout SFY 2021 due primarily to the unprecedented number of initial claims the Department received. Oregon went from record low unemployment to seeing the most severe recession, and the quickest onset of a recession, in the state's history. These factors followed a period of many years of chronic federal underfunding of UI administration. Other challenges include the need to train hundreds of new employees on the wide range of new federal UI programs enacted under the CARES Act, often with delayed and changing federal guidance, outdated technology, and amid ongoing efforts to minimize fraud and benefit overpayments. The increased complexity of the multiple new, and changing, benefit programs was also a factor.

Additional factors related to the Department's normal claims taking and processing affect first payment timeliness. Processing initial claims within four to seven days of filing positively affects first pay timeliness. The backdating of initial claims resulted in situations where a timely first payment moved to a date that had already elapsed at the time of the backdating, causing the first payment to appear untimely. Waiving the waiting week also caused reporting complications and negatively impacted reporting of timely first payment data. A reduction of adjudication non-monetary timeliness such as that experienced between the first and second quarters of 2022 negatively affected first payment timeliness in claims where benefit payment was initially suspended and later determined to be payable. Pandemic-caused backlogs in investigations, lower authority appeals, and higher authority appeals can also negatively impact first payment timeliness in claims where an initial determination of ineligibility is reversed and later determined to be payable.

The Department has been in communication with the US DOL regarding reporting issues related to backdating initial claims and waiving the waiting week, and is following their instructions. However, to date, we are unable to correct the data issues of when an initial claim is backdated more than 21 days, even if it is processed the same day it was received, it will appear to be late since the first payment was issued more than 21 days after the effective date of the claim. The Department has developed comprehensive reporting dashboards to measure and monitor how quickly we process initial claims, non-monetary determinations, suspended claims, and investigation workloads. The Department has also developed reporting dashboards specific to first-payment timeliness to measure and monitor the workloads which significantly affect the metric and ensure we are correctly prioritizing those workloads. The Department is in the process of modernizing our technology systems for UI programs. While modernization is a multi-year endeavor, this data reporting issue will be corrected as part of this work effort.

KPM #5	NON-MONETARY DETERMINATIONS TIMELINESS - Percentage of claims that are adjudicated within 21 days of issue detection.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result
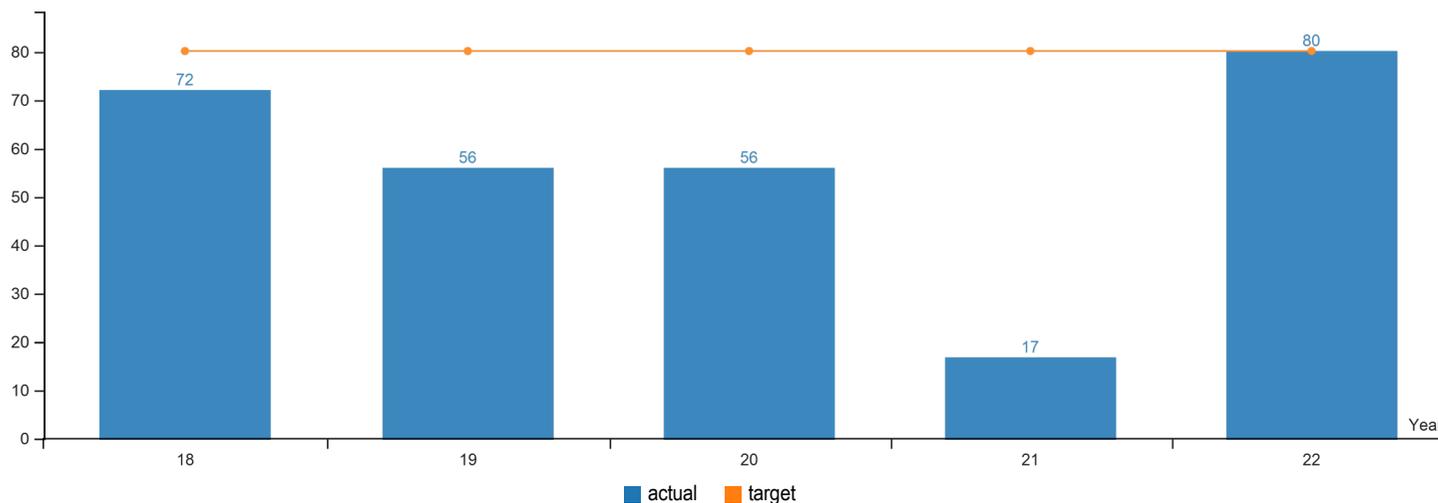
Report Year	2018	2019	2020	2021	2022
Percent of Claims that are Adjudicated with 21 days (Non-Monetary Determinations Timeliness)					
Actual	72%	56%	56%	17%	80%
Target	80%	80%	80%	80%	80%

How Are We Doing

PERFORMANCE: The percent of timely non-monetary determinations was 80%, meeting the target of 80%.

OUR STRATEGY: To seek new efficiencies through process improvements that will result in improved timeliness without adversely impacting other customer service standards, including developing new tools and reviewing and revising production standards. New telephone system capabilities are being leveraged to provide better data, allowing us to have adjudicators, who issue non-monetary decisions, spend more time focused on that work. The Department is prioritizing getting all adjudicator positions filled and building the skills and experience needed for employees to be able to resolve claims quickly. Additionally, the adjudicator training program is being restructured to better help new employees quickly become more proficient and better prepared to handle high volumes of work.

ABOUT THE TARGET: The 80% target is the target established by the DOL. A higher percentage of non-monetary determinations adjudicated within 21 days is better.

HOW WE COMPARE: This measure has ranged from 17% to 80% between SFY 2018 and SFY 2022. The performance of 80% in SFY 2022 is above the average national performance of 48%. From January 2022 through March 2022, Oregon showed improvement in this performance measure, averaging 88%, and from April 2022 through June 2022 averaging 84%. The national average for January 2022 through March 2022 was 45%, and the national average for April 2022 through June 2022 was 52%.

Factors Affecting Results

Prior to the pandemic, declining federal revenue led the Department to reduce costs that resulted in lower staffing levels, which ultimately had a negative impact on performance. The Department had proportionally higher staffing during the Great Recession. As staffing returned to non-recessionary levels and the complexity of laws added over several years increased, it has been more difficult to

make timely determinations. This complexity has resulted in additional processes, which take additional staff time that could otherwise be focused on timelier claims processing. With the strong economic conditions seen during the early part of SFY 2020, it also became more difficult to hire and retain employees for this work. It has and continues to be a challenge to balance the need to quickly make determinations and to have as complete information as possible to minimize fraud and potential overpayments.

Pandemic conditions resulted in historically low performance in the area of non-monetary timeliness, requiring surge-hiring large numbers of adjudicators to address the workloads. By the end of June 2020, the Department more than doubled the number of adjudicators working claims as compared to March 2020, and by the end of December 2020 the Department developed workload and performance monitoring tools to provide greater insight into origins and age of the adjudication workload, including: a daily timeliness monitoring dashboard; quarterly forecasting models that accurately predict workload trends and allow proactive adjustment of staffing assignments and priorities to meet workload demands and maintain timeliness; a daily dashboard that monitors incoming work, older work, and the median and average ages of all claims in the Adjudication workflow; a stale folder report that monitors the Adjudication workflow on a granular level, including tracking the amount of time that has lapsed since folders have been worked by staff; reporting to monitor the age of all claims with suspended payment, including those claims that are in the Adjudication workflow; monitoring staffing and attrition levels to maintain full staffing to the extent budget allows; and staff performance reports that monitor the productivity of each staff member. This large influx of new employees, comprehensive training initiatives, and enhanced suite of performance management tools had positive long-term results. By mid-2021, the Department had resolved its pandemic-related adjudication backlogs, and since January 2022, the Department has exceeded the 80% metric in eight out of nine months.

The Department will continue to be challenged to meet this measure due to long-term pressures from added program requirements, inadequate federal funding, and outdated technology. Aging technology, while not the sole cause of declining performance, continues as a very significant contributing factor and something that constrains the Department's ability to fully make process improvements. The Department is in the process of modernizing both our business processes and our technology systems for UI programs. While modernization is a multi-year endeavor, modernized systems and processes will allow for more system automation and gathering of important fact-finding information upfront, which will ultimately lead to sustained improved timeliness of non-monetary determinations.

KPM #6	UNEMPLOYMENT INSURANCE ADMINISTRATIVE COSTS AS A PERCENT OF BENEFITS PAID - Compares dollars paid to unemployed workers against the cost of providing those benefits. Specifically, all costs associated with Unemployment Insurance administration, including related Department of Justice and Office of Administrative Hearings costs, less Re-Employment Eligibility Assessments and State Government Service Charges, divided by Total Unemployment Insurance Benefits paid.
	Data Collection Period: Jul 01 - Jun 30
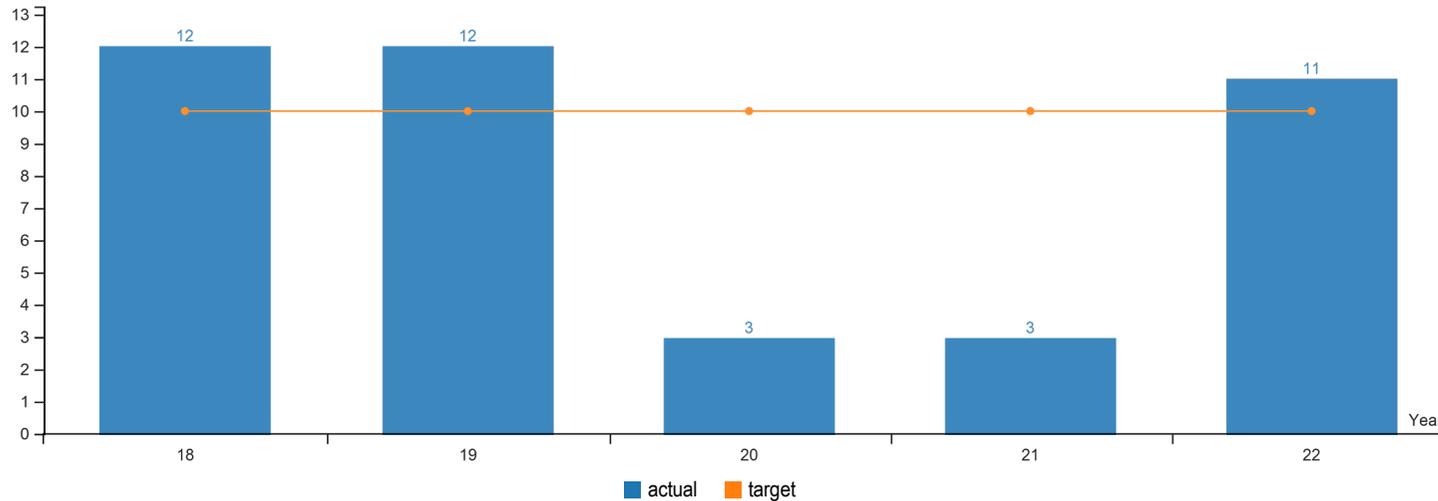
* Upward Trend = negative result

Report Year	2018	2019	2020	2021	2022
UNEMPLOYMENT INSURANCE ADMINISTRATIVE COSTS AS A PERCENT OF BENEFITS PAID					
Actual	12%	12%	3%	3%	11%
Target	10%	10%	10%	10%	10%

How Are We Doing

PERFORMANCE: Controllable administrative costs were $163,421,064 and benefit payments were $1,552,228,926 in SFY 2022 resulting in cost relative to benefits paid of 11%. This is higher (worse) than the target of 10%.

OUR STRATEGY: To continue pursuing efficiencies from centralization and new technology implementation to streamlined UI processes to improve timeliness and customer service. This pursuit includes a focus on expanding ways in which the public can more easily gain self-service access and obtain information that traditionally required staff involvement.

ABOUT THE TARGET: The target for this measurement was set at 10% in the 2017 Legislative Session. As a newer measurement, there was minimal historical data upon which to set this target. The ratio of administrative cost divided by benefits paid reflects the efficiency of making benefit payments. A lower percent is better.

HOW WE COMPARE: The 11% measure in SFY 2022 was the median value over the last 5 years. The measure was 12% in 2018 and 2019, and 3% in 2020 and 2021. There is not a national measure compiled for comparison.

Factors Affecting Results

The Department's experience is that administrative costs, as a percent of benefits paid, tends to be lower (better) during recessionary periods and higher (worse) with a strong economy. During a recession, benefits paid increase at a faster rate than administrative costs because while some administrative costs are fixed, more people claim more benefits for a longer period of time.

Under the CARES Act, Continued Assistance Act (CAA), and American Rescue Plan (ARP), dedicated staff rapidly set up several new federal benefit programs: Federal Pandemic Unemployment Compensation (FPUC), Pandemic Unemployment Assistance (PUA), Pandemic Emergency Unemployment Compensation (PEUC), Mixed Earners Unemployment Compensation (MEUC), and the Federal Emergency Management Agency (FEMA) program Lost Wages Assistance (LWA). These programs increased benefit payments in a number of ways, including the amount of each weekly payment (FPUC, MEUC, and LWA), the number of people eligible for payment (PUA), and the number of weeks eligible for payment (PEUC). Of these new programs, only PEUC and FPUC benefit payments were used in the calculation of this performance measurement. Inclusion of the other new programs would further improve the measurement's performance. As the economy improves and less benefits are paid out, this measure has started to move towards the historical average.

The Department's existing aging technology restricts the ability to fully automate many manual processes that could further improve the flow of benefit payments. Work to decrease overpayment of benefits and to better identify overpayments is required by the DOL to ensure the integrity of the UI system. This requirement creates additional manual work that tends to increase administrative costs more than it reduces benefits paid. Additionally, changes to overpayment waivers by the federal and state legislatures have created a significant workload that must be completed manually. Administrative costs were also increased by continued efforts to support how quickly people become re-employed.

Automating claims processes and modernizing the technical and business environments will improve staff efficiency. The Department remains focused on increasing self-service options for the public as a way to improve customer service and further decrease Department costs. The Department is currently in the process of modernizing the UI business processes and systems, which will eventually increase our efficiency and effectiveness in how we administer the UI benefits and other federal benefits programs.

KPM #7	UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of cases requesting a hearing that are heard or are otherwise resolved within 30 days of the date of request.
	Data Collection Period: Jul 01 - Jun 30

Upward Trend = positive result

Report Year	2018	2019	2020	2021	2022
Unemployment Insurance Appeals Timeliness					
Actual	61%	83%	72%	52%	27%
Target	60%	60%	60%	60%	60%

How Are We Doing

PERFORMANCE: The percent of timely UI appeals was 27% in SFY 2022, which is below (worse than) the target of 60%.

OUR STRATEGY: The Office of Administrative Hearings (OAH) responded by doubling the size of staff focused on UI program appeals. This staff increase was accomplished by leveraging creative recruitment and budget practices that included hiring both limited duration positions and offering job rotations for qualified OED adjudicators. OAH has also shifted and reprioritized existing resources. As a result of these practices, OED estimates that OAH will clear the lower appeals backlog by the end of Q1 2023.

ABOUT THE TARGETS: For UI cases, timeliness is defined as the percentage of cases in which a party has requested a hearing that are heard or otherwise resolved within 30 days of a hearing request. The target of 60% is the target established by the DOL. A higher percentage is better.

HOW WE COMPARE: SFY 2022 performance was 27%. The measure varied from 52% to 83% during SFY 2018-2021.

Factors Affecting Results

For many years the OAH has exceeded the targets set by the DOL. As recently as fiscal year ending June 30, 2020, the OAH issued decisions in 72% of all UI appeals within 30 days from the hearing request; a number that exceeded federal standards. The COVID-19 pandemic resulted in unprecedented demand on Oregon's unemployment benefits system. Record numbers of Oregonians filed initial claims resulting in a backlog in adjudication. As this demand worked through the system to lower appeals it naturally resulted in a significant increase in the number of requests for a UI hearing,

beginning in December of 2020. At the time these hearing requests were received by OAH, many were already past the 30 day timeliness standard. During previous economic downturns, associated workload increases occurred over a more protracted timeframe. However, as a result of the pandemic, OAH experienced a sharp spike in workload increase during a short 2-3 week period.

Hearing requests have continued at near record levels with the period of January 1, 2019 to July 1, 2019, receiving 6,121 UI referrals; yet, for the same period in 2022, OAH received 9,544 UI referrals (roughly 56% increase). The majority of these cases continue to be related to the COVID-19 pandemic, included CARES Act cases and work separations. OAH responded by bringing a record number of staff into the UI program. Recruitment began in May 2022 and resulted in hiring 14 additional staff which doubled the size of staff focused on UI program appeals. OAH leveraged creative recruitment and budget practices for these positions, hiring both for limited duration positions and offering job rotations for qualifying OED adjudicators. These new Administrative Law Judges (ALJ) began their work in late August of 2022. Additionally, ALJs from other program areas assisted by offering to take on UI cases as time allows. As a result of these practices, OED estimates that OAH will clear the lower appeals backlog by the end of Q1 2023.

KPM #8	NON-UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of orders issued within the standards established by the user agencies.
	Data Collection Period: Jul 01 - Jun 30

Upward Trend = positive result
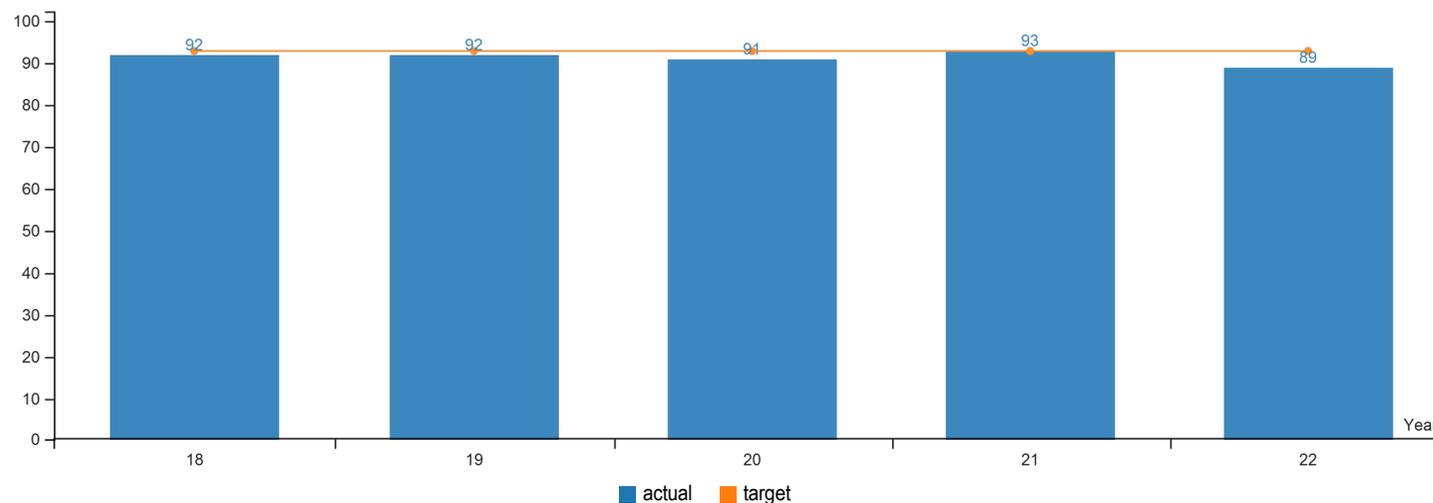
Report Year	2018	2019	2020	2021	2022
Non-UI Appeals Timeliness					
Actual	92%	92%	91%	93%	89%
Target	93%	93%	93%	93%	93%

How Are We Doing

PERFORMANCE: The percentage of non-UI cases disposed of within the standards for SFY 2022 was 89%, which is lower (worse than) the target of 93%.

OUR STRATEGY: The timeliness standards for non-UI appeals are mostly established by the user agencies. The OAH monitors decision deadlines to ensure that orders are issued within established timeframes.

ABOUT THE TARGETS: Most timeliness standards for non-UI hearings are established the user agencies. A higher percentage of orders issued within the standard set by the user agency is better.

HOW WE COMPARE: The OAH was below (worse than) the standard of 93% during SFY 2022. The OAH achieved this standard in SFY2021 yet ranged between 91% to 89% from SFY 2018-2022.

Factors Affecting Results

While non-UI hearings have not experienced the same spike in workload as UI, these program areas have not been immune to the effects of the pandemic. With unprecedented demand for public services, OAH has seen an increase in the number of hearings requests across the state enterprise. However, the backlog in UI cases has necessitated a reprioritization of existing resources. These combined factors have result in a slight negative impact to the non-UI timeliness standard. OAH continues to closely monitor decisions deadlines to ensure that orders are issued in a timely manner.

KPM #9	AVERAGE DAYS TO ISSUE AN ORDER - Average number of days to issue an order following the close of record.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = negative result
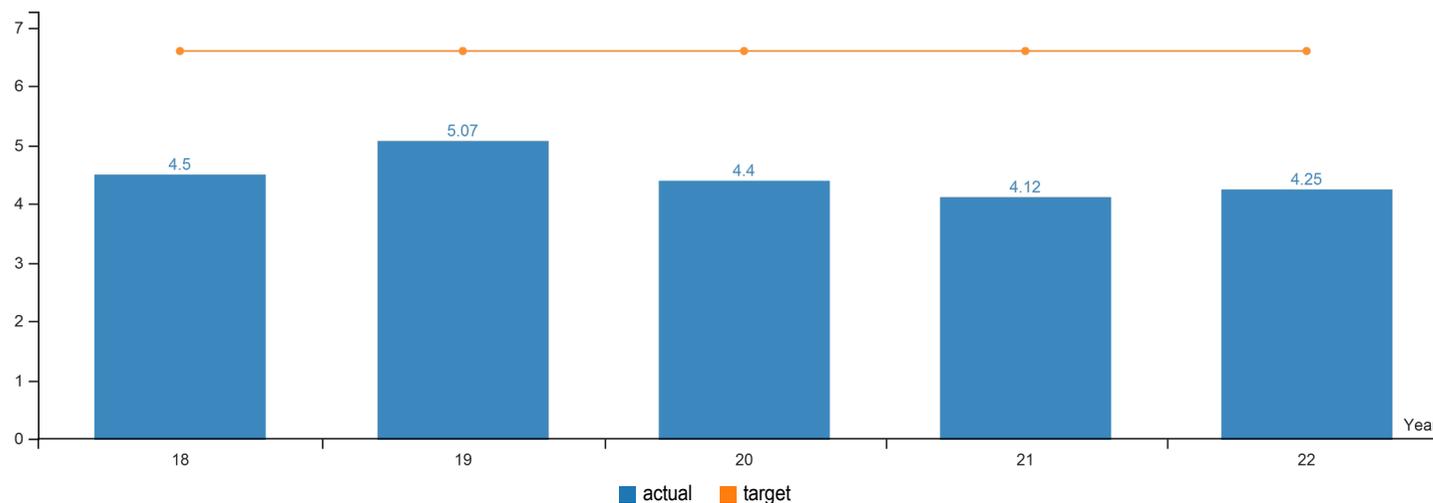
Report Year	2018	2019	2020	2021	2022
Average Days to Issue Order					
Actual	4.50	5.07	4.40	4.12	4.25
Target	6.60	6.60	6.60	6.60	6.60

How Are We Doing

PERFORMANCE: During SFY 2022 performance was 4.25 days, which is lower (better) than the target of 6.60 days.

OUR STRATEGY: The OAH monitors the number of days to produce legally sufficient decisions. The OAH goal is to be as prompt as possible.

ABOUT THE TARGETS: An important aspect of timeliness is the average number of days it takes an Administrative Law Judge to issue an order following the close of the record. The time needed to write and issue an order varies with the complexity and duration of a hearing. With quality maintained, the public is better served by orders that are issued promptly.

HOW WE COMPARE: The average days to issue an order was 4.25 days in SFY 2022. The measure varied from 4.1 to 5.07 days during SFY 2015-2021.

Factors Affecting Results

The average number of days in which cases were resolved in SFY 2022 was consistent with past years' performance. The complexity of cases handled in a year, the number of cases that settle prior to a hearing, and the number of cases in which a party fails to appear are all influencing factors.

Orders in UI cases are typically issued within a few days after the hearing. While there is a backlog of cases that have requested a hearing, this has not resulted in a tandem backlog in the issuance of orders. Thus, with the significant increase of UI cases, the OAH experienced a decline in the average number of days to issue an order in SFY 2021. That decline is likely to continue during SFY 2022 as UI caseloads are expected to remain higher than they were prior to December 2020.

KPM #10	COST PER REFERRAL TO OAH - Average cost of hearing referral to the Office of Administrative Hearings.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = negative result
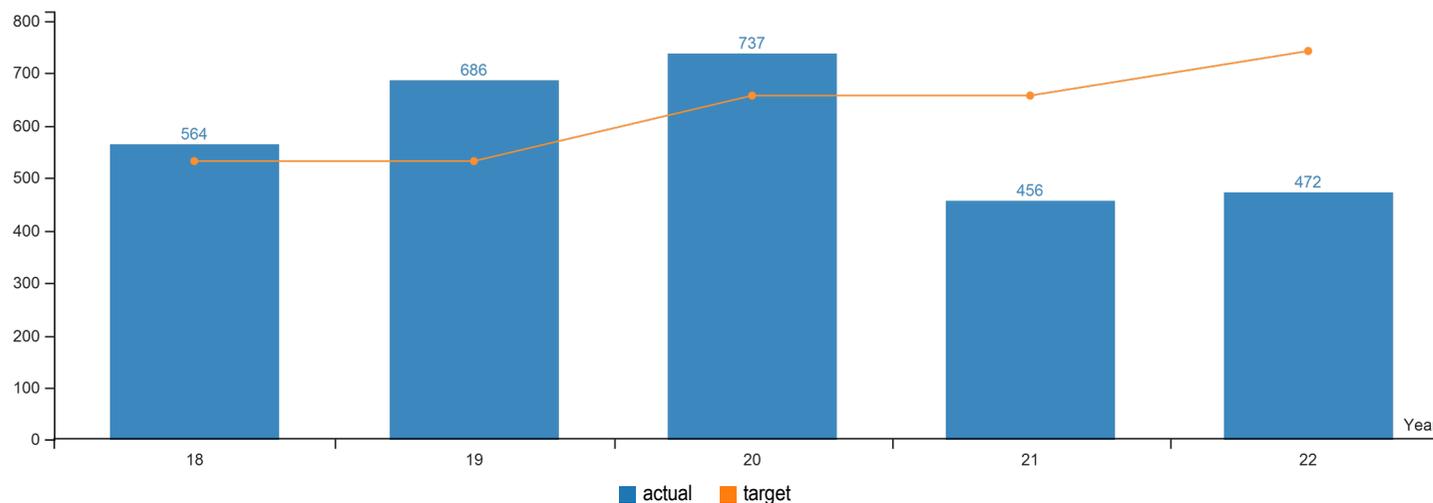
Report Year	2018	2019	2020	2021	2022
Cost Per Referral to OAH					
Actual	$564.00	$686.00	$737.00	$456.00	$472.00
Target	$532.00	$532.00	$657.00	$657.00	$742.00

How Are We Doing

PERFORMANCE: The cost per referral was $472 in SFY 2022, which is below (better) than the target of $742.

OUR STRATEGY: To maintain service levels without increasing costs to agencies that refer cases to the OAH.

ABOUT THE TARGETS: Cost per referral is derived from the cost of the OAH program between years. The target is adjusted for inflation and the mix of referrals each biennium based on the Governor's Budget. An estimated target of $742 was assigned for SFY 2022 and 2023 and will be updated as applicable within the schedule established by the Legislature. A lower cost per referral is better.

HOW WE COMPARE: The average cost per referral was $472 in SFY 2022, which is an increase of 4% compared to SFY 2021, a 37% decrease compared to SFY 2020, and a 31% decrease compared to SFY 2019.

Factors Affecting Results

The decreased cost per referral reflects the sharp increase in the number of UI cases referred to the OAH. In the immediate aftermath of the pandemic, the OAH saw a significant decrease in the number of UI hearings as the Department adopted more lenient eligibility rules and few employers contested claims for benefits. Those aspects changed dramatically in December 2020 when UI cases increased to levels not seen since the Great Recession. This increase has resulted in a similar effect to KPM #9. Because UI hearing are typically fairly brief, they are the least expensive hearings held at the OAH. Consequently, the increase in UI hearing referrals decreased the average overall cost per hearing for the OAH.

KPM #11	HIGHER AUTHORITY APPEALS TIMELINESS - Percentage of cases requesting an appeal that receive a decision within 45 days of the date of request.
	Data Collection Period: Jul 01 - Jun 30

Upward Trend = positive result
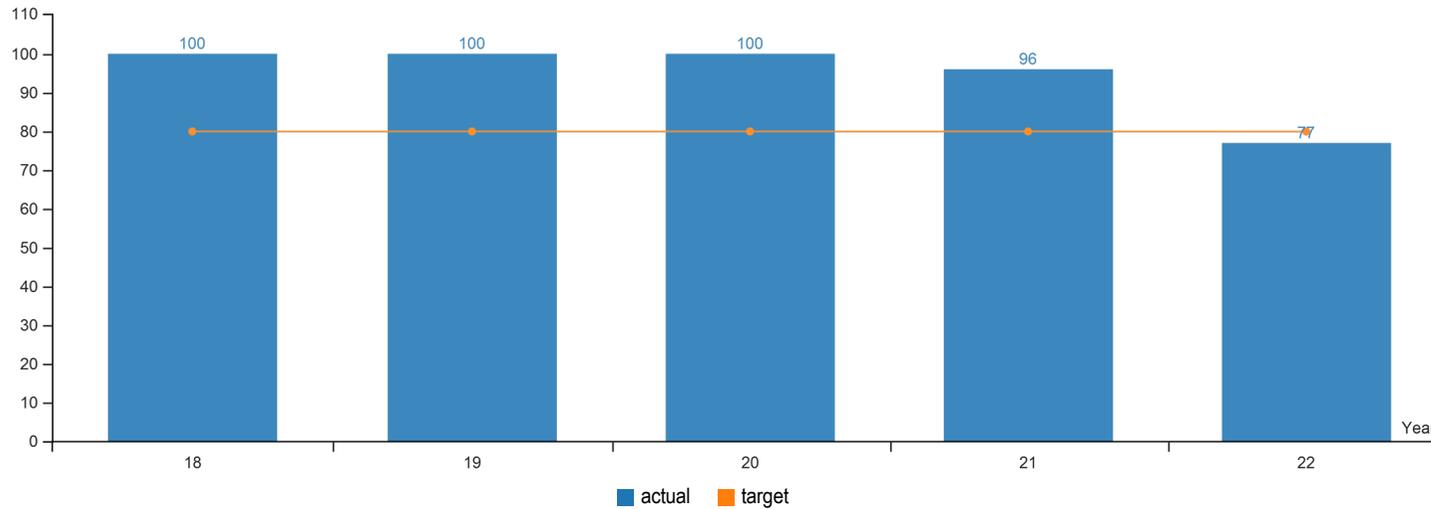
Report Year	2018	2019	2020	2021	2022
Higher Authority Appeals Timeliness					
Actual	100%	100%	100%	96%	77%
Target	80%	80%	80%	80%	80%

How Are We Doing

PERFORMANCE: During SFY 2022, the percent of appeals that received a decision within 45 days or less was 77%.

OUR STRATEGY: To follow an internal decision timeliness standard of issuing all decisions within 39 days of a party's application for review. To address the increase in applications for review, the Oregon Employment Appeals Board (EAB) has advocated for increased legal staff to write decisions, continues to streamline the decision-writing process where possible, and has shifted some decision-writing duties to board members.

ABOUT THE TARGET: The target of 80% is established by the DOL. A higher percentage is better.

HOW WE COMPARE: EAB performance in SFY 2022 was 77%. The performance of 77% is higher (better) than the average national performance of 44%.

Factors Affecting Results

Several factors caused the timeliness of Employment Appeals Board (EAB) decisions to decrease from 96% in report year 2021 to 77% in report year 2022. The percentage of orders issued by the Office of Administrative Hearings (OAH, KPM #10) that are appealed to EAB has remained consistent. However, the number of appeals to EAB increased progressively beginning in the fourth quarter of 2021. The increased number of appeals to EAB corresponded to an increased number of orders issued by OAH after OAH increased its number of administrative law judges conducting unemployment benefits hearings to address a backlog of hearing referrals from the Oregon Employment Department (OED). At the same time, due to budget limitations, one of EAB's staff positions responsible for writing decisions was

eliminated, and EAB did not have the funds to add staff to correspond with the increased workload from OAH. In addition, the percentage of applications for review that were referred to EAB from OED and lower appeals that were already more than 45 days old at the time of referral increased from July 1, 2021 through June 30, 2022. Parties file applications for review directly with EAB, with OED, or with OAH. EAB cannot issue a decision within 45 days when the application for review is more than 45 days old.

KPM #12	TIMELINESS OF NEW STATUS DETERMINATIONS - Percentage of new status determinations completed within 90 days of the end of the liable quarter.
	Data Collection Period: Jul 01 - Jun 30

Upward Trend = positive result
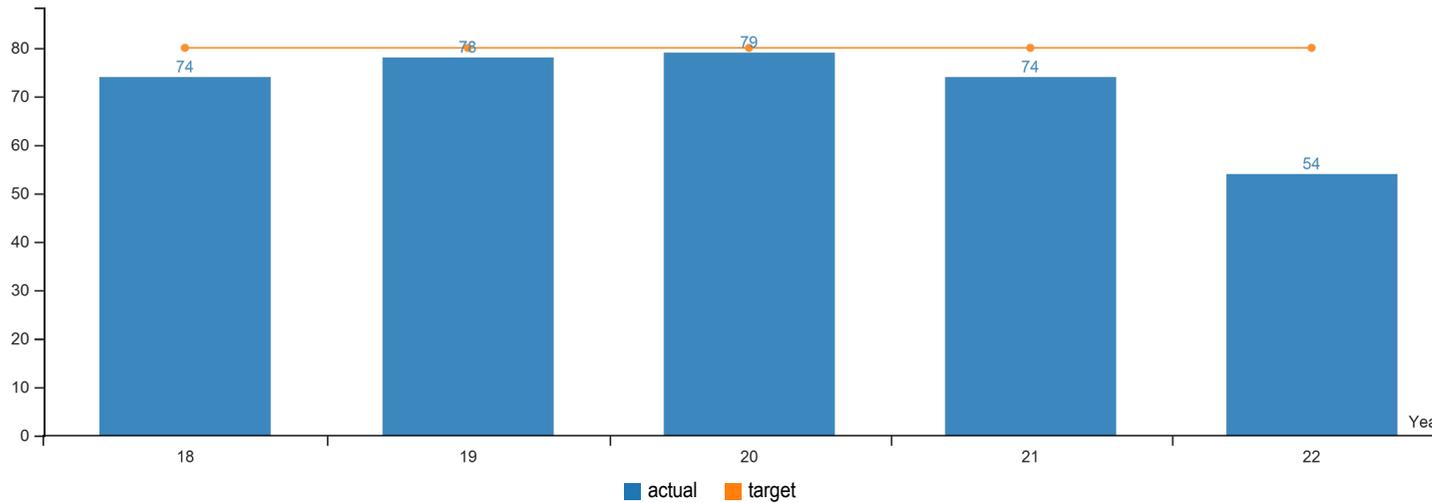
Report Year	2018	2019	2020	2021	2022
Timeliness of New Status Determination					
Actual	74%	78%	79%	74%	54%
Target	80%	80%	80%	80%	80%

How Are We Doing

PERFORMANCE: 54% of registrations were completed within 90 days in SFY 2022.

OUR STRATEGY: To implement processes to monitor and ensure tax accounts are established within 90 days of the end of the first of the quarter in which liability occurs. This includes working with those who do not provide the Department with timely information needed to start the status determination process and identifying ways to streamline processes and more agilely utilize our staff.

ABOUT THE TARGET: The DOL sets the target of the timeliness for new status determinations at 70%. The Department set a higher target based on the importance of this measurement to the Department's business and the long-term goal of the DOL to reach 89%. Determining employer status in a timely manner influences the timeliness of getting wage data that is needed to quickly and accurately process claims and influences the timeliness of UI tax payments.

HOW WE COMPARE: Performance in SFY 2022 was 54%. The measure ranged from 54% to 79% during SFY 2018-2022. The SFY 2022 performance is lower (worse) than the target of 80% and lower than the target of 70% established by the DOL.

Factors Affecting Results

In the last quarter of SFY 2020, there was an unprecedented demand for experienced UI staff to assist with processing the influx of initial claims in response to the pandemic and that demand continued into SFY 2021. Many of the staff who would otherwise focus on the tax work that improves the timeliness of new status determinations were temporarily reassigned to process claims.

Additionally, the unit processing status determinations experienced a loss of experienced staff and a record number of staff vacancies throughout the year. The loss in experienced staff was the primary factor in the reduction of performance of this KPM. While staffing the processing unit has been a challenge throughout the year, in mid-2022, additional staff were added and are in the process of being trained. As the newer staff become trained, registration timeliness will improve.

The Department's technology used to process the determinations is an aging infrastructure and must be updated to provide for more timely determinations and more automated processes. The Department implemented an automated report to monitor progress on a weekly basis, which helped improve the historical performance and allows for better management of the registration process. However, additional improvements to the online combined registration system are necessary to ensure registrations contain complete information and allow for more automated determinations. The Department continues to outreach to employers and their representatives to reduce the number of late registrations and to monitor timeliness.

A significant percentage of status determination work arrives at the Department as part of a shared combined business registration process coordinated by the Secretary of State, which also involves the Department of Revenue and the Department of Consumer and Business Services. Maintaining a system that meets the diverse needs of these agencies can also present challenges.

The Department is in the process of modernizing both our business processes and our technology systems for UI programs. While this is a multi-year endeavor, modernized systems and processes will allow for needed additional improvements to the online combined registration system and will ultimately provide for greater customer service. In addition, the increased reporting capabilities and the workflow tools of the modernized system create greater visibility into processing queues allow for continued process improvement and streamlining. This in combination with trained staff and the movement from legacy account determinations to account determinations native to the modernized system will have a positive effect on registration timeliness. Assuming stabilized staffing, we anticipate seeing improvements to this KPM starting in early 2023.

KPM #13	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent," including overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.
	Data Collection Period: Jul 01 - Jun 30
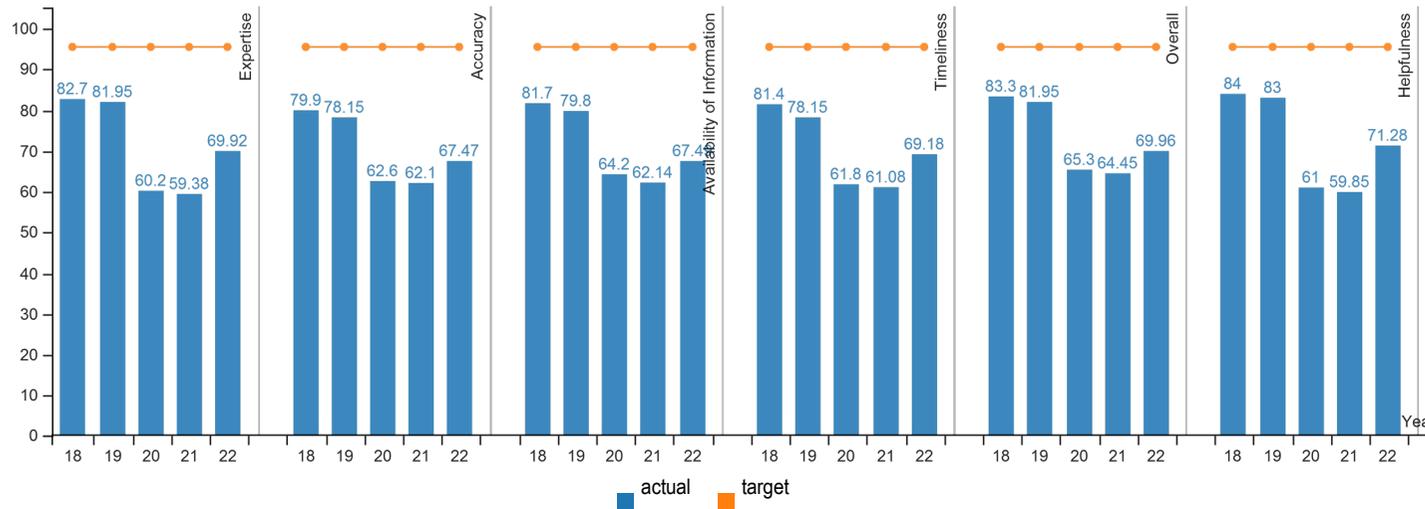
actual target

Report Year	2018	2019	2020	2021	2022
Expertise					
Actual	82.70%	81.95%	60.20%	59.38%	69.92%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
Accuracy					
Actual	79.90%	78.15%	62.60%	62.10%	67.47%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
Availability of Information					
Actual	81.70%	79.80%	64.20%	62.14%	67.49%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
Timeliness					
Actual	81.40%	78.15%	61.80%	61.08%	69.18%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
Overall					
Actual	83.30%	81.95%	65.30%	64.45%	69.96%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
Helpfulness					
Actual	84%	83%	61%	59.85%	71.28%
Target	95.50%	95.50%	95.50%	95.50%	95.50%

How Are We Doing

PERFORMANCE: Data for SFY 2022 represents survey responses from job seekers and employers who listed openings with the Department. Performance in overall service quality during SFY 2022 was 69.96% and is closely tied to the other measures of performance for customer satisfaction including expertise, accuracy, availability of information, timeliness, and helpfulness. The performance is below (worse than) the target of 95.50%.

OUR STRATEGY: To continuously prioritize and execute customer service improvements. The Department monitors the information received from monthly customer satisfaction surveys, seeking to identify ways to improve.

ABOUT THE TARGET: The Department set the target for favorable rating at 95.50% to aspire for the highest quality customer service for job seekers, businesses with recruitments, and UI claimants. Although the target was set based on a completely different survey methodology, the Department continues to pursue the high standard to support business and promote employment.

HOW WE COMPARE: The performance in overall service quality in SFY 2022 was 69.96%. The measure has varied between 64.45% and 83.30% during SFY 2018-2022.

UI claimants were excluded from the survey universe during SFY 2021 as a result of the COVID-19 pandemic. UI claimants were added again beginning with SFY 2022.

Factors Affecting Results

The drop in satisfaction across all categories beginning in SFY 2020 and continuing into SFY 2021 is a testament of the demand the COVID-19 pandemic and the unprecedented volume of claims placed on the Department. However, as employment services staff began the gradual shift away from UI claims support and back to employment services, a corresponding positive shift across customer satisfaction also followed. WorkSource Oregon (WSO) centers were closed to in-person services in April 2020, continuing into 2021, and a number of employment services were restricted. With the modification of work search requirements for SFY 2021, many employment services staff were shifted from providing job seeker and employer services to UI claims functions. Beginning in April 2021, a gradual shift of employment services staff back to employment service operations began. Primarily, only employment services staff who were fully-trained in UI Claims, PUA Claims, or Resolution Team members continued providing UI claims support. In January 2021, 169 employment services FTE were allocated to UI claims support. FTE numbers in April 2021 reduced to 156, and by June 2021, there were 84 FTE (approximately 25% of the employment services FTE total. By August 2021, there were 12 remaining employment services FTE assisting on the Resolution Team, UI Claims, and PUA Adjudication.

From October thru December 2021, leadership determined employment services staff would continue providing UI services up to their individual training. Beginning in January 2022, a transition to statewide standard service levels of UI support in the WSO centers was initiated which provided UI support by employment services staff at a level above pre-pandemic levels yet below the full extent provided during the pandemic. It also provided a uniform level of service to be provided by all employment services staff, rather than at tiered levels of support that was provided during the pandemic. Training has been implemented to support employment services new hires in providing UI support at this newly established level moving forward.

For job seekers and businesses: The Department has continued to actively focus on its evolving service delivery model as emergence from the pandemic progresses. Efficiencies, best-practices, and customer-centric services identified during the pandemic were retained and, in some cases, improved upon such as appointment scheduling for in-person and remote services. The Department continues to examine the design of WSO centers to reflect a customer-centric, professional, and welcoming environment to determine what customers are seeking and what can be retained as the Department moves forward.

Additionally, the Department is investing in technology to support system requirements that meet WSO Standards, and will continue working with system partners to provide customers with better resources and services that meet their needs. While current technology platforms limit the Department's ability to fully automate processes and make other adjustments, some efforts to streamline processes and improve the customer experience are being implemented. With the help of customer-based focus groups, public-facing documents have been revised to be more helpful and understandable as well as accessible in multiple languages. The Department has also implemented more digital communication tools, making the customer experience more convenient and providing a quicker option than a phone call. The multi-year endeavor to modernize both our business processes and our systems for UI programs continues, which will allow for more self-service options, more timely responses to claimants, and ultimately provides for greater customer satisfaction.

KPM #14	FOUNDATIONAL SURVEY RESPONSE RATE - Ordinary (non-weighted) arithmetic mean of four annual response rates: (1) Occupational Employment Statistics employment; (2) Occupational Employment Statistics units; (3) Annual Refiling Survey employment; and (4) Annual Refiling Survey units.
	Data Collection Period: Jan 01 - Dec 31

Upward Trend = positive result
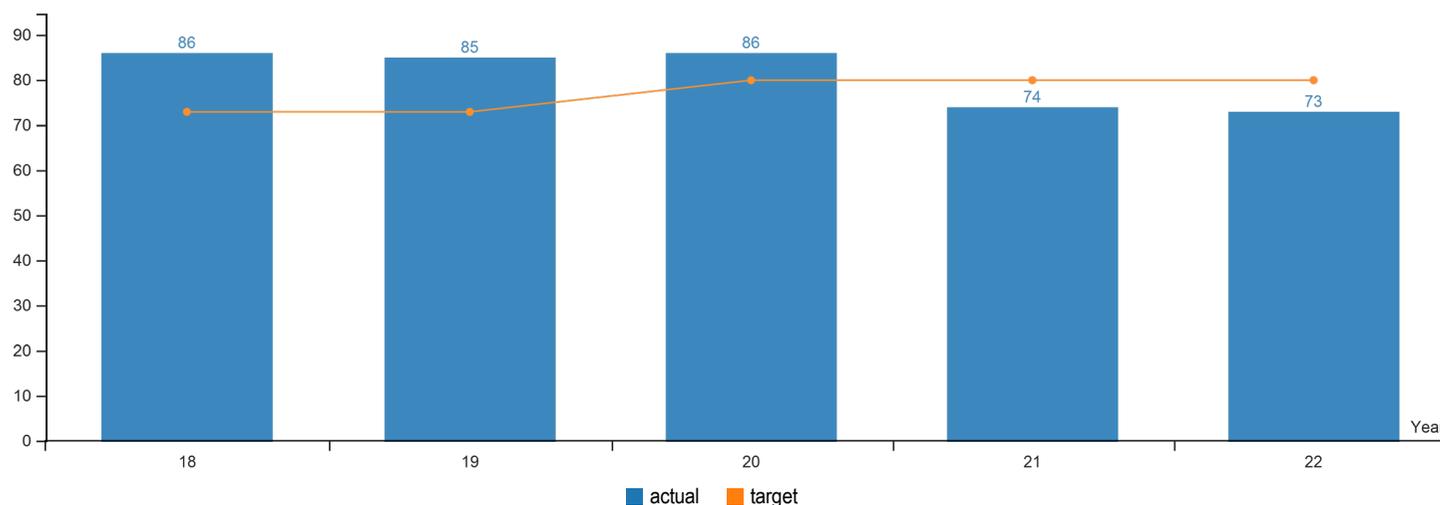
Report Year	2018	2019	2020	2021	2022
FOUNDATIONAL SURVEY RESPONSE RATE					
Actual	86%	85%	86%	74%	73%
Target	73%	73%	80%	80%	80%

How Are We Doing

PERFORMANCE: Data reported reflect response rates for the calendar year. The 2022 measure (based on 2021 calendar year data) shows a 73% response rate which is below (worse than) the target of 80%.

OUR STRATEGY: The Workforce and Economic Research Division (Research) follows a well-established research protocol in partnership with the federal Bureau of Labor Statistics (BLS) to complete the Quarterly Census of Employment and Wages and Occupational Employment Statistics surveys. Research staff work towards maximizing compliance and lessening reporting burden.

ABOUT THE TARGETS: Higher response rates (percent) lead to more robust data that can produce more reliable estimates. The target response rate incorporates data from both the BLS and the Department. The target response rate is 80%.

HOW WE COMPARE: The actual response rate of 73% for reporting year 2022 is below the target of 80%. The measure has varied between 73% and 86% during reporting years 2018-2022.

Factors Affecting Results

The data represent response rates from the Quarterly Census of Employment and Wages and the Occupational Employment and Wage Statistics surveys. These two sources of information, gathered from employers in every industry and area of Oregon, are foundational to the Research Division's published and publicly available industry and occupational statistics.

Survey response rates are influenced by: an appropriate survey length; relevancy of a survey topic to the recipient; follow-up actions, such as multiple contacts to request completions; and delivery methods. The Research Division uses survey instruments designed by the BLS to provide high-quality data that meet national statistical standards. Also, research staff work with employers to collect detailed and accurate responses.

In 2021 and the first two quarters of 2022, staffing levels were down 50% in the Occupational Employment and Wage Statistics (OEWS) program which made reaching the 80% target very difficult. Additionally, a new electronic reporting system, QUEST, was implemented by the BLS for the Quarterly Census of Employment and Wages (QCEW) program while at the same time the Department was training new staff and planning for the transition to the FRANCES system internally. Despite these challenges, the Research team continued to meet federal program deliverables. The Department anticipates continued challenges as new staff are onboarding, training, and settling into their new roles; and, the Department expects to increase performance in the 2023 calendar year.

OREGON EMPLOYMENT DEPARTMENT (OED) KEY PARTNERS

OED Advisory Council

[State of Oregon: Employment Department - Employment Advisory Council](#)

Haley Alves, Union Carpenter

Kurtis Barker, Confederated Tribes of the Siletz Indians

Robert Camarillo, Oregon State Building and Construction Trades

Marc Chrismer, Tillamook Creamery

Tom Cusack, Oregon Housing Blog

Catie Thiesen, Oregon AFL-CIO

Laurie Westenberg, Plumb Accounting Services and Software

Royce Williams, Tri-Met

*VACANT, Business/Employer Representative

*VACANT, Employee/Worker Representative

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OED Modernization Key Partners Board

[State of Oregon: Modernization - Modernization Key Partner Board](#)*

*Membership under review to reflect moving from the contributions phase to benefits phase of project

Service Delivery Partners

Blake Johnson, Central Services Division Administrator, Department of Consumer and Business Services

Karen L. Coleman, Project Executive, Department of Justice - Division of Child Support

Katie Lolley, Business Division Administrator, Department of Revenue

Randy Blackburn, Chief of Staff, Department of Human Services

Michael Kaplan, Deputy State Treasurer, Oregon State Treasury

Eloisa Miller, Corporations Division Director, Secretary of State

Customers

Andrea Paluso, Co-Director, Child Care for Every Family Network

Laurie Hoefer, Farmworker Program Director, Legal Aid Services of Oregon

James Weant, Manager Government Relations, Equifax Inc.

*VACANT, Tribal Representative

Derek Sangston, Director of Policy, Oregon Business & Industry

Tom Crowley, Director Government Affairs, ADP

Employment Department

Lindsi Leahy, Unemployment Insurance Division Director, Oregon Employment Department

Karen Madden Humelbaugh, Paid Leave Oregon Director, Oregon Employment Department

Contact:

Renee Royston, Modernization Director, Oregon Employment Department, Renee.royston@employ.oregon.gov

Modernization Oversight Forum

[State of Oregon: Modernization - Modernization Oversight Forum](#)

Oversight Forum Members

Senator Janeen Sollman, Oregon State Senator, Senate District 15

Senator Tim Knopp, Oregon State Senator, Senate District 27

Representative Nancy Nathanson, Oregon State Representative, District 13

Representative Paul Holvey, Oregon State Representative, District 8

Terrence Woods, State Chief Information Officer

Sean McSpaden, Principal Legislative (IT) Analyst, Legislative Fiscal Office (LFO)

Sponsors

David Gerstenfeld, Acting Director, Oregon Employment Department

Contact:

Renee Royston, Modernization Director, Oregon Employment Department, Renee.royston@employ.oregon.gov

Paid Leave Oregon Advisory Committee

[Paid Leave Oregon : Leadership: State of Oregon](#)

Advisory Committee Members

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Representing Employees

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Andrea Paluso, Co-Director, Child Care for Every Family Network

Eva Rippeteau, Political Coordinator, Oregon AFSCME Council 75

Catie Theisen, Political and Legislative Director, Oregon AFL-CIO

Representing Employers

Amanda Dalton, President, Dalton Advocacy

Jenny Dresler, Director of Grassroots, Public Affairs Counsel

Eric Hunter, President and Chief Executive Officer, CareOregon

JaJetta Dumdi, People Operations Manager, Global People & Culture A-Dec

Contact:

Karen Madden Humelbaugh, Chair, Paid Leave Oregon Director, Oregon Employment Department, Karen.m.humelbaugh@employ.oregon.gov

Tribal Government Key Partners

Burns Paiute Tribe

Confederated Tribes of the Coos, Lower Umpqua, and Siuslaw

Confederated Tribes of the Warm Springs Reservation

Confederated Tribes of Grand Ronde

Confederated Tribes of Siletz

Coquille Indian Tribe

Klamath Tribe

Cow Creek Bank of the Lower Umpqua Tribe of Indians

Confederated Tribes of the Umatilla Indian Reservation

Federal and State Government Key Partners

United States Department of Labor, Employment and Training Administration
Oregon Department of Revenue
Oregon Department of Consumer and Business
Bureau of Labor and Industries
Oregon Department of Human Services
Oregon Department of Emergency Management
Oregon Department of Justice

Community Organizations

American Federation of State, County, and Municipal Employees (AFSCME)
American Federation of Teachers – Oregon
(AFT) Asian Pacific Network of Oregon
(APANO) Associated General Contractors
(AGC) Associated of Oregon Counties (AOC)
Basics Rights Oregon
Black United Fund
Oregon Brown Hope
CASA of
Oregon Catholic
Charities
CAUSA (Latino immigrant rights)
Central City Concern
Children First for Oregon
Clackamas Women's Services
Coalition of Communities of Color
Community Action Agency
Network Community Alliance of
Tenants Disability Rights Oregon
Domestic Violence Resource Center
Elevate Oregon
Familias en Acción
Family Forward
Hacienda Community Development Corporation
International Brotherhood of Electrical Workers (IBEW)
Immigrant and Refugee Community Organization
Latino Business Alliance
Latino Network
League of Oregon Cities
Lower Colombia Hispanic Council (Consejo Hispano)
Metropolitan Family Services
Migrant and Seasonal Farmworkers
Momentum Alliance
Muslim Community Center of Portland
Muslim Education Trust
National Council of La Raza

National Federation of Independent Business (NFIB)
Native American Youth and Family Association
NeighborImpact
NeighborWorks
Northwest ADA Center
NW Credit Union Association
NW Grocery Association
NW Pulp and Paper Association
NW Workers Justice Project
Oregon Business and Industry
Oregon AFL-CIO
Oregon Association of Hospitals
Oregon Bankers Association
Oregon Building Trades Council
Oregon Community College Association
Oregon Council of Presidents (Universities)
Oregon Education Association
Oregon Farm Bureau
Oregon Forest and Industries Council
Oregon Health Care Association (Nursing Homes)
Oregon Home Builders Association
Oregon Law Center
Oregon Nurses Association

Oregon Restaurant and Lodging Association
Oregon School Boards Association
Oregon School Employees Association
Oregon State Firefighters Council
Oregon Trial Lawyers Association
Oregon Winegrowers Association
Oregon Child Development Coalition
Oregon Coalition Against Domestic Violence and Sexual Violence
Oregon Commission for the Blind
Oregon Latino Health Coalition
Oregon Rural Action

Oregon's Farmworker Union (PCUN)
Portland Business Alliance
Professional Business Development Group
REAP Youth Leadership
Salem Multicultural Institute
Service Employee International Union (SEIU)
Self Enhancement Inc.
Technology Association of Oregon
Tribal Governments
United Food and Commercial Workers (UFCW)
Unite Oregon
Urban League of Portland
Voz Workers Rights Education Project

Office of Administrative Hearings (OAH) is an outer agency division that operates independently from OED to provide due process. OED provides administrative functions such as budget.

Office of Administrative Hearings Oversight Committee

[OAH Oversight Committee](#)
Representative Paul Holvey, Chair, Speaker of the House Appointee
J. Kevin Shuba, Vice Chair, Governor Appointee
Denise Fjordbeck, Department of Justice, Attorney General Appointee
Kevin Gleim Governor's Office, Governor Appointee
Representative Ron Noble, State House, Speaker of the House Appointee
Senator Janeen Sollman, State Senate, Senate President Appointee
Renee Stineman Department of Justice, Attorney General Appointee
Senator Kim Thatcher, State Senate, Senate President Appointee
Contact:
Jeffrey Rhoades, Chief Administrative Law Judge, Ex-Officio Member Jeffrey.R.Rhoades@employ.oregon.gov

Legislation necessary to implement the Governor's budget proposals for the agency

2023-25 Policy Package Summary - Governor's Budget

The Oregon Employment Department Governor's Budget includes 15 policy packages for the 2023-25 biennium. The information below provides a high-level summary of the packages.

Package 101, Modernize Business Services and Technology Infrastructure, for one-time charges for the continuation of the Unemployment Insurance and Paid Leave Oregon modernization projects for contributions and benefits for those programs. No positions are requested in this policy package.

Package 102, Workforce Business Services and Technology Infrastructure, requests budget limitation needed for the required independent quality assurance (iQMS) contract, as part of the Oregon's Stage Gate process, to begin the Workforce Operations modernization project. As the stage gate process moves forward and additional information is known, limitation for the project activities will be requested. No positions are requested in this policy package.

Package 103, Paid Leave Oregon Implementation, includes the budget limitation needed to complete the benefits implementation for Paid Leave Oregon. The package includes 146 additional positions and associated service and supplies expenditures for staff needed to process benefits and small business assistance grants for the program.

Package 104, Employment Service Contracts, requests 39 additional permanent and limited duration positions for the expected increase in existing SNAP Training and Employment Program (STEP), Able-Bodied Adults Without Dependents (ABAWD) program, and Title 1 contracts for the Workforce Operations program. This is for reemployment services provided by OED employees under contract for Oregon Department of Human Services and local workforce boards.

Package 105, Federal Program Changes, proposes adding five additional positions and one position reclassification for Workforce Operations. Positions relate to the Reemployment and Eligibility Assessment (RESEA) program, Migrant & Seasonal Farmworker (MSFW) program; Trade Act Assistance (TAA) program; and program support staff to assist with increased customer traffic in workforce offices.

Package 106, Contributions and Recovery, establishes a combined Contributions and Recovery division for Unemployment Insurance and Paid Leave Oregon service delivery. This package transfers existing positions from the two programs into a separate Summary Cross Reference (SCR) and division, and requests establishing 19 positions and abolishing 17 others to align staffing needed to provide the best and most equitable service to employers and employees.

Package 107, Equitable Access to Unemployment Insurance, provides limitation in 2023-25 for 13 limited duration positions (nine month duration period) for the continuation of the Unemployment Insurance grant approved in 2021-23 to promote equitable access to unemployment compensation programs.

Package 108, Unemployment Benefits Reclassification, is a reclassification of Unemployment Insurance positions from BES2 to CS1 and existing PSR3 positions to PSR4 and AS2 positions for a net reduction of three positions. This change maximizes the use of resources by allowing additional flexibility in assigning work to classifications.

Package 109, Paid Leave Overpayments and Penalties, is aligned with legislative concept (LC 4028) filed by the Department to make the Paid Leave Oregon law relating to the overpayment and collection of benefits consistent with unemployment insurance (UI) law. Although the focus of this concept is consistency with UI law, the concept would also establish potential penalties for equivalent plan employers who fail to provide the same level of support as plans offered under Paid Leave Oregon. The department does not anticipate that it will often need to enforce these penalties and is only asking for this package because we anticipate a nominal increase to the Paid Leave Trust Fund as a result of this work. Therefore, this package only includes a $6,000 adjustment in revenue and no positions are being requested.

Package 110, Workshare Eligibility, is aligned with legislative concept (LC 504) filed by the Department related to expanding eligibility to employers and employees to the existing Workshare program. This policy package requests no positions.

Package 111, Unemployment Insurance Workforce Management and Analysis, combines a request for 10 additional positions for investigations and Unemployment Insurance analysis needs. This package also includes a request for additional budget limitation for workforce management software for the Unemployment Insurance contact center.

Package 112, Organizational Support and Resiliency, is a combination of resources needed for Shared Services that includes eight positions for the Office of Strategy, Innovation, and Performance, three positions for Equity and Inclusion, and two positions needed for Workday HRIS position management.

Package 113, Communications, requests one additional position for communications and transparency provided for the Unemployment Insurance program and moves one ISS8 position from Modernization to Shared Services to serve as Webmaster for the Department.

Package 114, Higher Authority Appeals Staffing, includes one limited duration Legal Staff writer for the expected increase in higher authority appeals related to Unemployment Insurance.

Package 115, Service Levels with Inadequate Funding (*updated in the Governor's Budget*), combines a request for 100 additional positions (71 limited duration; 29 permanent) to provide quality service levels across the Department. This request includes 95 positions for the Unemployment Insurance Division for investigations and other benefits-related workload, one position for higher authority appeals workload, and 4 positions in Shared Services for operational and communications workload.

Companion legislation that changes the percent of wages subject to tax which funds the Supplemental Employment Department Administrative Fund is required in order to implement this policy package.

Summary

The combination of all policy packages is a total increase of 327 positions (318.94 FTE) and $112,491,115 in budget limitation comprised of $102,161,728 Other Funds, $9,891,187 Federal Funds, and $438,200 Non-limited Funds (combination of Non-limited Other and Non-Limited Federal Funds).

Policy Package Summary - Governor's Recommended Budget 2023 - 25

| | | | Expenditures | | | | | Fund type | | | | | | | Positions | |
Division	Policy Pkg #	POP Name	Personal Services	S&S	Special Payments	Nonlimited	Total	General Fund	Other Funds	PL OF	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Fund	Pos	FTE
Modernization Unemployment Insurance Paid Leave	101	Modernize Business Services and Technology Infrastructure	$0	$33,219,980	$0	$0	$33,219,980	$0	$10,393,622	$22,826,358	$0	$0		$33,219,980	0	0.00
Modernization Workforce Operations Paid Leave	102	Workforce Business Services and Technology Infrastructure	$0	$1,210,000	$0	$0	$1,210,000	$0	$968,000		$242,000	$0		$1,210,000	0	0.00
Paid Leave	103	Paid Leave Oregon Implementation	$24,208,834	$5,256,000	$0	$0	$29,464,834	$0		$29,464,834	$0	$0		$29,464,834	146	146.00
Workforce Operations	104	Employment Service Contracts	$6,591,086	$1,404,000	$8,000,000		$15,995,086		$10,594,291		$5,400,795			$15,995,086	39	39.00
Workforce Operations	105	Federal Program Changes	$1,108,382	$180,000			$1,288,382		$23,399		$1,264,983			$1,288,382	5	5.00
Contributions and Recovery Shared Services	106	Contributions & Recovery	$708,240	$72,000	$0	$0	$780,240	$0	($3,570,623)	$6,762,330	($2,411,467)	$0	$0	$780,240	2	2.00
Unemployment Insurance	107	Equitable Access to UI	$820,818	$177,840	-		$998,658				$998,658			$998,658	13	4.94
Unemployment Insurance	108	UI Benefits Reclass	($103,984)	($108,000)	-		($211,984)				($211,984)			($211,984)	-3	-3.00
Paid Leave	109	Paid Leave Overpayments and Penalties (Revenue only)	$0	$0	$0	$0	$0	$0	$0		$0			$0	0	0.00
Unemployment Insurance	110	Workshare Eligibility				$438,200	$438,200					$440,700	($2,500)	$438,200	0	0.00
Unemployment Insurance	111	UI Workforce Management and Analytics	$2,218,668	$1,240,000	-		$3,458,668		$30,294		$3,428,374			$3,458,668	10	10.00
Shared Services	112	Organizational Support and Resiliency	$3,073,362	$528,190			$3,601,552		$1,857,986	$648,279	$1,095,287			$3,601,552	13	13.00
Shared Services	113	Communications	$241,172	$40,630			$281,802		$146,537	$50,724	$84,541			$281,802	1	1.00
Unemployment Insurance	114	Higher Authority Appeals Staffing	$222,638	$36,000	-		$258,638		$258,638					$258,638	1	1.00
Unemployment Insurance Shared Services	115	Service Levels with Inadequate Funding	$18,107,059	$3,600,000			$21,707,059		$21,707,059					$21,707,059	100	100.00
Total			**$57,196,275**	**$46,856,640**	**$8,000,000**	**$438,200**	**$112,491,115**	**$0**	**$42,409,202**	**$59,752,526**	**$9,891,187**	**$440,700**	**($2,500)**	**$112,491,115**	**327**	**318.94**

**The Governor's Recommended Budget will be available
and posted to the OED website in March.**

Employment Department Audits

Following is information regarding the one OED audit conducted by the Secretary of State under ORS 297.070 during the current biennium – the Performance Audit on Unemployment Insurance on the Claims Adjudication Process.

Following is our response to the audit, which includes recommendation quotes from the audit and our response to those recommendations.

Refer to the audit itself [here](http://records.sos.state.or.us/ORSOSWebDrawer/Recordhtml/8903079)
(the link is http://records.sos.state.or.us/ORSOSWebDrawer/Recordhtml/8903079).

Oregon
Kate Brown, Governor

July 20, 2022

Kip Memmott, Director
Oregon Secretary of State,
Audits Division
255 Capitol St. NE, Suite 180
Salem, OR 97310

Dear Mr. Memmott,

This letter provides a written response to the Oregon Secretary of State's Audits Division's final audit report titled "The Devastating Human Impact of the Pandemic Exposed Risks and Highlighted the Need to Modernize Oregon's Unemployment Insurance System."

The Oregon Employment Department (OED) appreciates the role of the Oregon Secretary of State's Audits Division in ensuring state agencies are well-managed and are providing a high level of service to Oregonians. We also appreciate the opportunity to respond to this audit report and the specific recommendations the auditors provided. OED has already made significant improvements in many areas the auditors evaluated, and we know we still have significant work to do to fully meet Oregonians' needs and expectations regarding the timely and efficient delivery of Unemployment Insurance (UI) benefits.

As noted throughout this report, the COVID-19 pandemic was an unprecedented period of financial hardship and job loss for Oregonians, which required multiple federal and state legislative actions to address. This included the creation of several new UI programs that provided benefits for unemployed workers who have never historically been covered by the UI program. Accordingly, extraordinary work within OED was needed to handle the dramatically increased workload involved in implementing these new programs and responding to Oregonians who were in dire need of financial support.

We greatly appreciated the context provided in this audit report related to OED's workload and achievements during this time. For example, as auditors noted, OED staff handled a 600% increase in paid claims and a 1,400% increase in benefits in 2020, compared with 2019, despite not having a modernized IT system. This equated to more than 580,000 people receiving benefits and nearly $7.5 billion in unemployment insurance benefits paid in a single year (2020). It is also worth noting that the average number of days between Oregonians' initial claim application for UI benefits and their first payment, while still too long, was less than the national average.

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To meet the challenges of the pandemic, OED hired and trained hundreds of new staff members during 2020 and 2021 and reassigned and trained most of our non-UI team to process UI claims. We did all of this while adapting to numerous changes in federal and state unemployment programs and policies. As a result, OED now has a much more experienced and knowledgeable workforce, ready to provide benefits to Oregonians now and into the future. During the pandemic, we learned many lessons about how better to serve Oregonians, and we have seized opportunities to apply what we learned to post-pandemic services, including preparations for future recessions. For example:

- We recognize that, in many cases, adjudication has taken far too long, and we have been committed to changing that. Delays in delivering benefits or resolving questions about benefits can have devastating consequences for those who are ultimately eligible to receive UI benefits. Although we currently lack a case-management system, we have built a number of tools to support claims processing, and we have enhanced training, performance management, case tracking and monitoring, workload forecasting, data reports and dashboards, and other aspects of adjudication work, to allow us to better plan for the future and ensure that cases are moving through the legally required steps efficiently and appropriately.

  - As a result of our work thus far, adjudication timeframes for Oregon UI benefits have improved significantly. They have been timely since January 2022, except for the month of April (78.96% timely) when we ran a clean-up project to complete older claims that were identified through workload tracking reports.

  - For the first calendar quarter of 2022, the last quarter for which the U.S. Department of Labor has complete data available, Oregon met or exceeded the federal target of issuing 80% of adjudication decisions within 21 days, issuing decisions that quickly 88% of the time. Oregon was the fifth best out of the 53 states and territories that have unemployment insurance programs and well above the national performance of just 45.1%.[i]

- We have incorporated solutions to some of the more-recently identified technological shortcomings into our ongoing Modernization project. Some of these solutions were already addressed in the project's request for proposals issued in 2019. We expect to find additional opportunities for improvements once our modernized system, Frances Online, goes live later this year, and those will be high priorities for OED to implement.

- We have implemented specific improvements focused on customer service that have dramatically reduced call wait times and case-resolution times, such as the "Contact Us" form and self-service information mentioned in this report. The vast majority of calls are now answered within five minutes, and the vast majority of "Contact Us" submissions are resolved within seven days. We also provide a weekly dashboard showing call wait

times and other customer-service data on our UI-focused website. We will continue to be transparent about any issues affecting customer service.

- We recognized the pandemic's disproportionate impact on some demographic groups, and we took steps to help people have equitable access to UI benefits and other resources. For example, in the past two years, we:

    o Set up a separate call center for people with limited English-language proficiency;

    o Worked with community-based organizations to reach marginalized communities to help them access UI benefits;

    o Applied for and were awarded more than $7 million in UI navigator and equity grant funding; and

    o Analyzed the potential impacts on different racial and ethnic groups associated with the use of the identity verification tool ID.me.

However, we share the concerns outlined in this report regarding equity—specifically, the disparities auditors found in timely service to different demographic groups. As noted in the report, some of the data needed to fully understand any disparities is voluntary for people to provide us, and so is incomplete. OED is fully dedicated to identifying the issues involved and to continuous improvements that ensure greater equity for all Oregonians. We are currently using grant funding to address potential barriers to equity and improve service delivery, we will continue to seek funding sources to make our efforts permanent. The UI program is a vital safety net, and we are committed to ensuring it is accessible and well serves those most in need of its support.

In summary, OED is committed to learning from the painful lessons of the pandemic and addressing, head on, where we have not met our own, or the public's, expectations. We have already started the work to make the much-needed, and sometimes long-overdue, improvements to the UI program. We want to make sure the Oregonians who rely on unemployment benefits and other services have the best possible experience as we determine their eligibility for the programs we administer – whether the economy is strong or the state is in a recession, or even a crisis such as the pandemic.

The following is our detailed response to each recommendation in the audit.

RECOMMENDATION 1

Implement formal policies and procedures for oversight of adjudicated and suspended claims and data systems;

    a. Monitor the suspended claims list and adjudication data reports that identify claim files that have not been reviewed within a set period.

Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree	Complete	Lindsi Leahy 503-947-1707

Narrative for Recommendation 1

In March 2021, UI managers began using a report specifically created to identify suspended claims – ones with outstanding issues that needed to be reviewed and, in many cases, resolved. In April 2021, the adjudication management team created and began using a new report that identifies claim files that have not been reviewed within a set period (referred to as the "stale folder" report). Since development of those reports, assigned managers within the UI program have reviewed the reports daily and weekly and have notified frontline staff and affected management of the need to resolve claims listed on each report. Effective July 15, 2022, formal policies and procedures were adopted, memorializing the steps adjudication managers and staff are expected to take with respect to claims appearing on both the suspense report and stale-folder report.

These reports have helped the UI program identify and address issues faster. This has helped monitor individual and team performance, and also to identify scenarios that are not being adequately handled using the current system of reports and tools, given the current absence of a case management system. Based on the success of these reports, further on-demand adjudication, suspense, and stale-folder monitoring tools will be developed during the definitions phase of the UI Benefits Modernization project for use within the modernized IT system after it goes live.

RECOMMENDATION 2

Incorporate controls and functionality in the modernized IT system to:

    a. Reduce data errors, such as illogical dates and manual entry errors;
    b. Automatically flag claims that have not been reviewed within a set period;
    c. Allow secure electronic communication methods and use claimants' preferred method of communication;
    d. Allow individuals to securely upload documents and track the progress of their claim;
    e. Continue to make communication available in languages other than English;

f. Provide accurate guidance, explanations, and tips for filling out claims applications.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities**	**Name and phone number of specific point of contact for implementation**
Agree	June 30, 2024	Lindsi Leahy 503-947-1707

Narrative for Recommendation 2

OED has specific business requirements that were created for the procurement process of the unemployment insurance (UI) program's modernized IT system, and we will review and reevaluate these business requirements as part of upcoming UI Benefits definition sessions to ensure that the new IT system, Frances Online, offers a high level of customer automation and frontline-staff automation in critical areas, including those listed in Recommendation 2.

a. The process to issue adjudication decisions is integrated into Frances Online. Frances Online has many configurable options to help minimize errors including prefilled dates, the use of calendars to select dates, and logic checks/warnings on manually entered dates. These will significantly reduce data errors.

b. The UI program does currently have a tracking system for claim issues. However, it is a manual process, and claims can get overlooked. Our current automation does set flags on both the initial claim and weekly claims, based on how the claimant answers specific questions. However, this information must be queried, and lists must be created for tracking and follow-up. Frances Online has the ability to prioritize work based on defined criteria within the system. This will enable the UI program to create a robust system for monitoring work items, such as initial and weekly claims as they flow through the adjudication process, automatically setting flags based on claimant answers, and follow-up reports based on predetermined timeframes. The system will also be configured to automatically escalate individual claims when they have not been addressed within defined time frames.

c. The UI program began using secure email in 2016 as a way to communicate confidential information with claimants. During the pandemic, OED began using an online customer ticketing system, "Contact Us", that allowed the agency to securely correspond with a claimant and provide information on the status of their claim. However, system limitations prevent us from capturing a claimant's preferred method of communication and using that preferred method to send all communication related to their claim and the secure email system is not as easy for the public to use as people would like. Frances Online will have a claimant portal that will allow claimants to select their preferred method of communication, and it

will allow the UI program to deliver communication according to the customer's selection (unless required by law or federal regulation to be delivered by U.S. postal mail). This will be a more user-friendly way to have secure electronic communication with OED about UI issues.

d. The current online claim system allows claimants to see some basic updates to their claim after the initial claim has been processed. This information is not updated in real time, however. Actions taken on a claim are updated once per day as part of a nightly batch process. The customer ticketing system mentioned above, which OED began using during the pandemic, continues to allow the UI program to securely correspond with a claimant and provide information on the status of their claim. This also allows claimants to securely upload documents. However, system limitations prevent detailed or real-time updates on the status of their claim through the online claim system. The claimant portal in Frances Online will allow claimants to securely upload documents and see additional details so that they can track the status of their claim in real time.

e. The Employment Department is committed to communicating with customers in their preferred language, both in oral and written communications. Our claimant-facing website, unemployment.oregon.gov, is available in 15 languages other than English, and claimants have access to free language interpretation when they call our UI Contact Center or visit a local WorkSource Oregon Center. Additionally, with mailed correspondence, we include a "Babel notice" in 12 languages, advising claimants that free translation and interpretation services are available in their preferred language at no cost. The Babel notice includes both the UI Contact Center phone number, through which claimants can request free interpretation, and an email address specifically for claimants who need language assistance. During the pandemic, the current legacy online claims system was made available in Spanish, and the automated weekly claims line was made available in Vietnamese, Russian, and Cantonese. The automated weekly claim line was and continues to be available in Spanish and English. Frances Online will be able to support multiple languages, and OED is committed to continuing to make information available in multiple languages. The agency will implement additional language functionality by prioritizing the most critical and commonly used system screens, help features, and correspondence, with the most commonly used languages being available first.

f. Prior to the pandemic, several videos were available on the agency's website, Oregon.gov/employ, that provided helpful information on topics such as:

- How to file an initial claim;
- How to file a weekly claim;
- Working while claiming;
- How to sign up for direct deposit;

- The adjudication process, and more.

During the pandemic, additional guides and videos were created in multiple languages to explain how to use the online claim system and how to apply for the pandemic programs. Additionally, OED conducted regular live webinars, simulcast in multiple languages, on a variety of unemployment insurance benefits topics throughout 2020 and 2021.

Frances Online will be configured to have embedded information and help screens to assist claimants with filing initial and weekly claims, among other useful items. In addition, the new system will be more intuitive, thus requiring fewer "help" resources.

RECOMMENDATION 3		
Explore whether other state workforce agencies use texting to communicate with claimants and consider offering texting as an option for claimants who prefer that contact method.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities**	**Name and phone number of specific point of contact for implementation**
Agree	December 31, 2022	Lindsi Leahy 503-947-1707

Narrative for Recommendation 3

OED agrees to explore using texting as an option for communicating with claimants. The unemployment insurance (UI) program continues to be concerned with using texting as an option for communication, because during the pandemic, texting was a very prolific avenue for fraudsters to contact claimants. Fraudsters, pretending to represent a state workforce agency, sent texts in an effort to hijack claims or commit other types of UI fraud. Without the proper fraud-prevention measures in place to help safeguard legitimate claimants from fraud attacks, OED would not be able to implement this recommendation before the launch of Frances Online.

Frances Online will have a secure claimant portal and will support the use of SMS texting. Claimants will be able to opt in to receive pushed communication advising them to log into their claimant portal and either review their claim or take specific actions requested by the agency. OED will use the information obtained from examining other states' UI programs experience with texting to determine how best to use texting as a way to increase access to benefits programs, without increasing the risk of fraud.

RECOMMENDATION 4		
Consolidate UI information into one website with detailed, updated guidance and resources for current and prospective claimants.		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree	December 31, 2022	Lindsi Leahy 503-947-1707

Narrative for Recommendation 4

Before the pandemic, all claimant information, guidance, and resources were available on the main OED website, Oregon.gov/employ, which is part of the State of Oregon website. OED is required to follow specific guidelines on Oregon.gov/employ that are designed to ensure a consistent look and feel across all State of Oregon websites.

However, during the pandemic, claimants had difficulty navigating these pages, and the machine translation of the page was not adequate to provide meaningful assistance to claimants who did not read English. Additionally, the pre-pandemic website did not support all of the languages we determined our customers needed. As a result, in 2020, OED created a separate unemployment insurance (UI) claimant-focused website, unemployment.oregon.gov, which was translated into 15 languages other than English. OED updated the new website's information throughout the pandemic, and the Oregon.gov/employ website directed visitors to the new website via a prominent yellow banner across the top of each page. This banner provided links to the new website and contact resources.

Unfortunately, during the pandemic, due to the rapid changes occurring within the UI program at a national and state level, it was not feasible to remove content from the old website in tandem with updating the information on the new website, and OED relied on the banner, information supplied to the media, key stakeholders, and written communication to direct customers to the new website that contained accurate information. In April 2022, the agency began a work effort to review all the content on the UI websites, consolidate information, and remove outdated content. This work is scheduled to be completed in December 2022. The old Oregon.gov/employ website will remain in place with basic information about the UI program, but it will direct visitors to unemployment.oregon.gov for all claimant-specific information, guidance, and resources, because that site supports the additional languages that best represent the population of Oregon.

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RECOMMENDATION 5		
Establish a central repository for adjudicator guidance and assign a manager or lead worker to regularly update that guidance.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities**	**Name and phone number of specific point of contact for implementation**
Agree	June 30, 2023	Lindsi Leahy 503-947-1707

Narrative for Recommendation 5

Beginning in late 2020, adjudication program managers and leads began a project to consolidate reference materials and index them onto a shared drive for easy access by adjudicators. In the third quarter of 2022, the work continues to audit the materials for completeness and provide updates as needed. We anticipate that work to continue through the fourth quarter of 2022 and the first quarter of 2023. In the second quarter of 2023, the consolidated materials will be labeled and indexed to support user-friendly access for adjudicators and other frontline staff and managers. This work is expected to be complete by June 30, 2023.

When Frances Online goes live with UI benefits, in 2024, it will be the repository for adjudicator guidance, and people will be assigned to regularly review and update that guidance.

RECOMMENDATION 6		
Study the creation of an ombuds office to help claimants navigate the complexities of the UI system and address unresolved claim issues, in consultation with the Governor's Office and other states.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities**	**Name and phone number of specific point of contact for implementation**
Agree	December 31, 2022	Lindsi Leahy 503-947-1707

Narrative for Recommendation 6

The unemployment insurance (UI) program has started gathering information and interviewing other states with UI ombuds or advocacy offices to learn about the services they provide, how effective their programs are, how the programs are funded, how many staff work in these offices, how work is tracked and reported, and what lessons they have learned since their offices began operating. Additionally, the UI program will interview ombuds and worker advocates who work in other State of Oregon agencies to hear their thoughts on how a successful office could be built at OED to help UI claimants. Once this phase is complete, we will

analyze the information and put together options for a possible UI ombuds program in Oregon. OED sees the potential value of such an office, but more information is needed to understand the likely scope of benefit to Oregonians, the cost of providing that help using limited resources, and how to ensure such an office helps those needing help, but does not become another route for general inquiries which could be hugely overrun in the event of another infrequent crisis, like a pandemic, related to the sudden shut down of large swaths of Oregon's economy. OED will consult with the Governor's Office on options and recommendations based on the information learned.

RECOMMENDATION 7		
Continue gathering and analyzing OED data for inequities to identify and address the causes for any confirmed inequities.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities**	**Name and phone number of specific point of contact for implementation**
Agree	September 30, 2023	Lindsi Leahy 503-947-1707

Narrative for Recommendation 7

OED agrees to continue gathering and analyzing data for inequities. We are deeply concerned about possible inequities in the unemployment insurance (UI) system and we remain committed to studying the available data, looking for opportunities to enhance the data that is incomplete, and to designing strategies to mitigate any inequities that are identified. We have already been taking action to increase access to UI benefits by historically and currently underserved communities. Those actions include making information available in 15 languages besides English, creating the current UI online claims system in Spanish, and increasing community engagement. We have already taken steps to gather and analyze data for inequities and address the causes for any confirmed inequities, including:

- An ID.me impact analysis report (February 2022), which studied the impact of using ID.me's identity verification services for OED customers and led to OED implementing several mitigation strategies.
- A separation impact study (March 2022), which reviewed the impact of adjudication timelines and outcomes across racial, linguistic, and socioeconomic demographics.

OED is committed to integrating equity work at every stage of operations. In June 2021, we adopted an Equity Framework, which includes principles of universal access, tribal consultation, cultural values and unconscious bias, and trauma-informed services. This framework is used as a guiding document for development of new programs and significant modifications of existing programs. The Equity Framework is a comprehensive tool used to outline the core elements for

engaging with and equitably serving our historically and currently marginalized communities and underserved populations.

OED's commitment to equity work is further demonstrated by our application for grant funds to further support equity work that includes outreach and impact analysis. In March 2022, we were awarded a more-than $4.5 million UI Equity Grant to fund activities ensuring all eligible workers—particularly those who experience significant barriers to access or have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality—have fair access to UI services and to support activities that promote equitable access to UI programs, including eliminating administrative barriers and improving timeliness of payments to eligible individuals. Part of the UI Equity Grant is reserved specifically for data gathering and impact analysis. The period of performance for the UI Equity Grant ends September 30, 2023.

In June 2022, we were awarded an additional $3 million in competitive grant funds. We will use this UI Navigator Grant to fund collaboration activities with community-based organizations and to improve opportunities for all workers to learn about, apply for, and, if eligible, receive unemployment insurance benefits and related services. The period of performance for the UI Navigator Grant ends June 14, 2025.

Additionally, OED worked with the U.S. Department of Labor's State Tiger Team to identify several equity and accessibility "quick win" concepts recommended for implementation by OED that we plan to implement, including:

- Enhancing the online environment to provide better support for individuals with vision and hearing impairments, software to monitor online accessibility, and work with vendors to optimize the online environment
- Translation service enhancement through third-party vendors
- Community outreach through the UI Equity Grant
- Claimant experience enhancement by streamlining the application process, improving the quality of and access to instructions at each phase, and expanding access to online services
- Communications review and improvements
- Improving agency diversity training and tools, including recruitment tools that remove potential bias from the recruitment process, and providing evidence-based anti-bias training and tools

Again, we appreciate the Oregon Secretary of State's commitment to an objective review of state performance so Oregonians receive the best possible services. OED shares this goal. We recognize that OED, like state workforce agencies throughout the nation, was not able to perform up to the public's expectations during the pandemic. OED is a very different organization now than at the beginning of 2020. Specific to the subject of this audit, we are

now consistently meeting adjudication timeliness standards and outperforming most other states. We know there are still many opportunities to do better. We are excited to use our approach of ongoing learning and continuous improvement to provide even better, quicker, services to Oregonians.

If you have any questions, please contact Unemployment Insurance Division Director Lindsi Leahy at Lindsi.K.LEAHY@employ.oregon.gov or 503-947-1707.

Sincerely,

David Gerstenfeld
Acting Director
Oregon Employment Department

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[i] Data Source: U.S. Department of Labor Core Measures - State Results
https://oui.doleta.gov/unemploy/ranking.asp

Legislative history of span of control
in Oregon state government

On June 14, 2017 Governor Brown signed HB 2332 (2017). Pursuant to Section 3 of HB 2332, ORS 291.229 and Section 2, Chapter 622, Oregon Laws 2015 are repealed, meaning effective January 1, 2018 the 1:11 ratio is no longer mandatory and the exception request process is no longer required until after the agency's 2019-2021 budget is approved in accordance with the maximum supervisory ratio requirement of HB 2332.

Agency Span of Control as of 7/2021

Agency	Agency Max Supervisory ratio	Total # EEs *	Total # Non-supervisory EEs	÷	Total # Supervisory EEs	Total # EEs not assigned a Representation **	1	:	Adjusted Actual Ratio	Actual ratio
Bureau of Labor and Industries	(1:8)	12	107	÷	14	0	1	:	8	7.64
Department of Administrative Services	(1:10)	1026	931	÷	95	0	1	:	10	9.80
Department of Agriculture	(1:8)	816	765	÷	51	0	1	:	15	15.00
Department of Consumer and Business Services	(1:11)	987	903	÷	84	0	1	:	11	10.75
Department of Corrections	(1:10)	5081	4662	÷	418	1	1	:	11	11.15
Department of Environmental Quality	(1:10.25)	870	796	÷	74	0	1	:	11	10.76
Department of Fish and Wildlife	(1:6)	1458	1266	÷	191	1	1	:	7	6.63
Department of Human Services	(1:8.39)	11107	10100	÷	998	9	1	:	10	10.12
Department of Justice	(1:11.88)	1638	1512	÷	124	2	1	:	12	12.19
Department of Public Safety Standards and Training	(1:27)	451	432	÷	16	3	1	:	27	27.00
Department of Revenue	(1:11)	1136	1041	÷	95	0	1	:	11	10.96
Department of State Lands	(1:8)	146	132	÷	14	0	1	:	9	9.43
Department of Transportation	(1:11)	5777	5392	÷	448	0	1	:	12	12.04
Employment Department	(1:11)	3041	2833	÷	208	0	1	:	14	13.62
Forestry Department	(1:7)	1625	1460	÷	165	0	1	:	14	13.62
Higher Education Coordinating Commission	(1:7)	167	148	÷	19	0	1	:	9	8.85
Oregon Business Development Department	(1:9)	170	152	÷	18	0	1	:	8	7.79
Oregon Department of Education	(1:9)	1001	910	÷	84	7	1	:	11	10.83
Oregon Health Authority	(1:8.6)	5389	4953	÷	453	1	1	:	11	10.93
Oregon Housing and Community Services	(1:9)	409	369	÷	40	0	1	:	9	9.23
Oregon Liquor Control Commission	(1:11)	411	384	÷	27	0	1	:	14	14.22
Oregon State Department of Police	1:12	1571	1430	÷	136	5	1	:	11	10.51
Oregon Youth Authority	(1:9)	1086	987	÷	99	0	1	:	10	9.97
Parks and Recreation Department	(1:8)	903	820	÷	83	0	1	:	10	9.88
Public Employees Retirement System	(1:10)	420	385	÷	35	0	1	:	11	11.00
Public Utility Commission of Oregon	(1:5)	132	112	÷	20	0	1	:	6	5.60
State of Oregon Military Department	(1:10)	608	556	÷	52	0	1	:	11	10.69
Water Resources Department	(1:8)	191	173	÷	18	0	1	:	10	9.61
Veteran Affairs		109	92	÷	17	0	1	:	5	5.41

* This total number includes positions which were flagged by Workday as NOT having a Repr code assigned. Each position was reviewed and assigned to a supervisory or non supervisory category.
** These numbers are showing up in Workday as not having a Repr code assigned. They were reallocated to a supervisory or non-supervisory category and folded into the Total on column C.
Ratio within Maximum supervisory ratio   Ratio not within Maximum supervisory ratio

Enterprise Information Technology Governance Committee Project Prioritization | 2023-25

			UI Modernization Project	Workforce Modernization Project
		TOTAL PROJECT SCORE (0-100)	**94**	**72**
CRITERIA	**WEIGHT**	**SCORING GUIDE**		
Technology and Strategic Alignment	**35%**	**WEIGHTED SUBTOTAL**	**35**	**29**

Alignment to Strategic Plans
- Does this investment adhere to the Governor's Strategic Plan (Action Plan: User Friendly, Reliable and Secure: Modernizing State Information Technology Systems and Oversight)
- Does this investment align with and support the vision, goals, and guiding principles outlined in the EIS Strategic Framework, Cloud Forward: A Framework for Embracing the Cloud in Oregon, Oregon's Data Strategy: Unlocking Oregon's Potential, and the Modernization Playbook?
- Does this investment align with and support the State of Oregon, Diversity, Equity, and Inclusion (DEI) Action Plan: A Roadmap to Racial Equity and Belonging, the sponsor's agency-specific Racial Equity Plan, and ethical use of date—investing in data justice and representation, visibility, and ethics to serve all Oregonians?
- Does this investment optimize service delivery to the public and/or internally by modernizing agency-specific and cross-agency systems?
- Does this investment align with and support the agency's IT and business strategic plans, including strategies for modernizing legacy systems?
- Does this investment fulfill a legislative mandate, enable compliance with current State or Federal law, or address specific audit findings?

Scoring Guide:
3 - Fully Aligned (all applicable criteria addressed)
2 - Mostly Aligned (most applicable criteria addressed)
1 - Partially Aligned (some applicable criteria addressed)
0 - Not Aligned (no or very few applicable criteria addressed)

UI Modernization	Workforce Modernization
3	3

Technology Best Practices and Priorities
- Does this investment align with and support the following enterprise information technology priorities?
  - *Information Security .* Improving the security and resilience of the state's systems
  - *Modernization .* Optimizing service delivery through resilient, adaptive, secure, and customer-centered digital transformation
  - *A Better Oregon Through Better Data .* Leveraging data as a strategic asset—improving data analysis, data quality, information-sharing, decision-making, and ethical use.
  - *Cloud Forward .* Enabling Oregon to conduct 75% of its business via cloud-based services and infrastructure
- Does this investment align with IT best practices (e.g., cloud-first, modular implementation, agile practices, configuration over customization, open systems, transparency and privacy by design, security principles, and other modern hosting technologies)?
- For system modernizations that include data or data systems, has the agency evaluated the current data being collected, its overall quality, and a migration approach if relevant?
- Has there been evaluation of the data contained within the system to see if changes need to be made to the data collection itself?

Scoring Guide:
3 - Fully Aligned (all applicable criteria addressed)
2 - Mostly Aligned (most applicable criteria addressed)
1 - Partially Aligned (some applicable criteria addressed)
0 - Not Aligned (no or very few applicable criteria addressed)

UI Modernization	Workforce Modernization
3	2

Business and People-Centered Approach	**25%**	**WEIGHTED SUBTOTAL**	**22**	**17**

People-Centered Approach
- Does this investment put people first—the people who rely on essential services and those working to provide those services?
- Does this investment help to eradicate racial and other forms of disparities in state government?
- Does this investment improve equitable access to services, programs, and resources, or make the agency's overall service portfolio more accessible or usable for diverse populations?
- Does the agency intend to strengthen public involvement through transformational community engagement, access to information, and decision-making opportunities?
- Does this investment reduce or eliminate administrative burdens* that have created barriers to access or reinforced existing inequalities for historically underserved and underrepresented communities?
- Has the agency utilized the Racial Equity Toolkit within the DEI Action Plan in assessing and planning the project?
- If the investment is for agency use, does it improve the agency users' experience?

Scoring Guide:
3 - Fully Aligned (all applicable criteria addressed)
2 - Mostly Aligned (most applicable criteria addressed)
1 - Partially Aligned (some applicable criteria addressed)
0 - Not Aligned (no or very few applicable criteria addressed)

UI Modernization	Workforce Modernization
2	2

Business Process Transformation
- Does this investment contribute to business process improvement/transformation?
- Does this investment improve service delivery to customers, partners, or other stakeholders?
- Has the agency done public engagement, outreach, or an internal evaluation to identify which populations are most highly impacted (positively and negatively) by these business process changes (e.g., considering populations without home internet in creating a digital application process)?
- Have measurable business outcomes and benefits been established, including the return on investment if applicable?

Scoring Guide:
3 - Fully Aligned (all applicable criteria addressed)
2 - Mostly Aligned (most applicable criteria addressed)
1 - Partially Aligned (some applicable criteria addressed)
0 - Not Aligned (no or very few applicable criteria addressed)

UI Modernization	Workforce Modernization
3	2

Investment Risk
- Would inaction impact systems or solutions that support critical business functions?
- Would inaction increase risk to continuity of services to customers, particularly vulnerable or underserved populations?
- Are there community impacts of not undertaking this project?
- Has the agency identified an inequity or imbalance in service provision that this initiative would resolve?
- Is there increased risk if investment is not addressed during this budget cycle (e.g., security, safety, legal, funding source, or any other related risk)?
- Does the investment address non-compliance of federal or state requirement, audit finding, or mandate?
- Does this investment address an identified and documented highly probable agency risk?

Scoring Guide:
3 - Fully Aligned (all applicable criteria addressed)
2 - Mostly Aligned (most applicable criteria addressed)
1 - Partially Aligned (some applicable criteria addressed)
0 - Not Aligned (no or very few applicable criteria addressed)

UI Modernization	Workforce Modernization
3	2

Agency Readiness and Solution Appropriateness	40%	WEIGHTED SUBTOTAL	37	27
Organizational Change Management (OCM) • Does the investment significantly impact operations throughout the organization? • Does the agency have, or intend to acquire, OCM resources with the skillsets and experience for the size and complexity of the project? • Does the agency plan to address and mitigate impact or adoption risks through a change management plan or intend to follow a formal OCM methodology? • Has the agency identified community engagement or community involvement as a component of the change management process? • Is external outreach or training planned to implement this change with constituents?		**3 - Fully Aligned** (all applicable criteria addressed) **2 - Mostly Aligned** (most applicable criteria addressed) **1 - Partially Aligned** (some applicable criteria addressed) **0 - Not Aligned** (no or very few applicable criteria addressed)	3	2
Solution Scale and Approach • Has the agency engaged customers, partners, and communities to understand and structure the business problem, benefits, and outcomes? • Does the investment fully address the agency's business problem, benefits and outcomes? • Is the solution of the appropriate size and scale? • Does this investment adhere to principles in *EIS Cloud Forward* (p.4) or *Modernization Playbook* (p.6), etc.? • Will this investment continue to engage customers and communities to inform design, approach, and usability of the solution?		**3 - Fully Aligned** (all applicable criteria addressed) **2 - Mostly Aligned** (most applicable criteria addressed) **1 - Partially Aligned** (some applicable criteria addressed) **0 - Not Aligned** (no or very few applicable criteria addressed)	3	2
Capacity • Has the agency considered skillsets and capacity requirements needed to effectively resource this initiative? • Does the agency have resources with the necessary skillsets and knowledge, or can the agency acquire the resources? • Will this investment impact the agency's ability to deliver on its core business functions? • Has the agency considered capacity for various non-technical resources, including organizational change management, project management, business analysis, testing, communication and community engagement activities? • Does the agency or project environment foster an inclusive workplace culture and promote equitable hiring, retention, and promotion practices?		**3 - Fully Aligned** (all applicable criteria addressed) **2 - Mostly Aligned** (most applicable criteria addressed) **1 - Partially Aligned** (some applicable criteria addressed) **0 - Not Aligned** (no or very few applicable criteria addressed)	3	2
Governance and Project Management Processes • Does the agency have formal IT governance in place that will oversee this investment? • Does the investment have executive sponsorship and steering committee in place? • Does the agency employ adequate project governance structure and practices to oversee vendor/contract management, change control, quality control and quality assurance, and data management and usage? • For projects that impact data or data systems, is there a data governance body or other body responsible for data management that is engaged in the process? Is there an agency data lead who is engaged as part of the project? • Are agency DEI staff involved in the IT Governance and prioritization process? • Does the agency intend to involve customer or partner representation on project forums (i.e. steering committees, advisory boards, etc.)? • Has the agency established processes for community outreach, feedback, engagement, or advice in accordance with the Racial Equity Framework and DEI Action Plan? • Does the agency have, or intend to acquire, project management resources with the skillsets and experience for the size and complexity of the project? • Does the agency use mature project management practices (PMBOK)?		**3 - Fully Aligned** (all applicable criteria addressed) **2 - Mostly Aligned** (most applicable criteria addressed) **1 - Partially Aligned** (some applicable criteria addressed) **0 - Not Aligned** (no or very few applicable criteria addressed)	2	2

References:

*Administrative burdens include learning costs, such as finding out whether one is eligible for a program; compliance costs, such as burdensome paperwork and documentation; and psychological costs, such as the stress and stigma that people feel when interacting with government programs. Health Affairs, Herd., P., Moynihan, D. (2020, October 2). *How Administrative Burdens Can Harm Health* . www.Healthaffairs.Org. Retrieved February 9, 2022, from https://www.healthaffairs.org/do/10.1377/hpb20200904.405159/full/#:~:text=Administrative%20burdens%20include%20learning%20costs,when%20interacting%20with%20government%20programs.

Scores
3
2
1
0

There are no proposed Capital Construction projects

Note: Complete a separate form for each project

Agency	Oregon Employment Department			Schedule	
		Cost Estimate	Cost Est. Date	Start Date	Est. Completion
Project Name	None				
		GSF	# Stories	Land Use/Zoning Satisfied	
Address /Location				Y	N

Funding Source/s: Show the distribution of dollars by funding source for the full project cost.	General Funds	Lottery	Other	Federal

Description of Agency Business/Master Plan and Project Purpose/Problem to be Corrected

Project Scope and Alternates Considered

Project Budget Estimate - Escalate to the mid-point of construction. Use 4.5% Annual Escalation.			

DIRECT CONSTRUCTION COSTS	$	% Project Cost	$/GSF
1 Building Cost Estimate			
2 Site Cost Estimate (20 Ft beyond building footprint)			
3 **TOTAL DIRECT CONSTRUCTION COSTS**	=		

INDIRECT CONSTRUCTION COSTS

4 Owner Equipment / Furnishings / Special Systems			
5 Construction Related Permits & Fees			
6 Other Indirect Construction Costs Including 1% Art, 1.5% Renewable Energy and other state requirements			
7 Architectural, Engineering Consultants			
8 Other Design and PM Costs			
9 Relocation/Swing Space Costs			
10 **TOTAL SOFT COSTS**			

11 **OWNER'S PROJECT CONTINGENCY**			

	$	% Project Cost	$/GSF
TOTAL PROJECT COST			

Cost Estimate Source (EG Agency, Cost Estimator, A/E, etc.)

Project Image/Illustration (optional)

Program Prioritization for 2023-25

Program/Division Priorities for 2023-25 Biennium

1		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
Agcy	Prgm/ Div																					
1	1	OED	UI	Pay UI Benefits--Provide equitable access to UI benefits and process initial and continued weeks claims includes determination of validity of the claim	4, 5, 12	6			55,441,426	908,789,000	58,836,276	47,508,000	$ 1,070,574,702	402	387.69	N	Y	FO,S	26 U.S.C. § 3304 ORS 657.150-280	Federal grant funding and significant federal tax credits for Oregon businesses requires taking UI claims, adjudicating eligibility and making benefit payments.	
2	1	OED	PFMLI	Pay Paid Leave/PFMLI Benefits--Provide equitable access to benefits and process initial and continued weeks claims includes determination of validity of the claim		4, 12			49,368,722				$ 49,368,722	203	203.00	Y	N	S	ORS chapter 657B	Required under the Paid Family and Medical Leave Insurance act of 2019.	
3	2	OED	UI	Collect UI Tax Wage Reports & Quarterly Payments from Employers	12	6			8,786,571		9,636,832		$ 18,423,403	66	63.50	N	Y	FO,S	26 U.S.C. § 3304 ORS 657.405-575	Federal grant funding and significant federal tax credits for Oregon businesses requires collection of wage reports and payments.	
4	2	OED	PFMLI	Collect Paid Leave Contributions & Quarterly Payments from Employers		4, 12			8,025,457				$ 8,025,457	33	33.00	Y	N	S	ORS chapter 657B	Required under the Paid Family and Medical Leave Insurance act of 2019.	
5	1	OED	Research	Core Survey Programs - provide essential data for economic analysis, primarily statewide, with some data for metro areas and counties.	14	6			2,266,972		2,393,066		$ 4,660,038	14	14.00	N	N	FM, S	WIOA Title III (W-P Act), ORS 657	Acceptance of the Federal Funds require the Oregon Employment Department to operate the program or provide the service.	
6	1	OED	WO	Field Office Core Services - Serves businesses by recruiting and referring the best qualified applicants to employers by matching the skills and experience of job seeker with employer openings at 37 locations throughout Oregon. Includes reemployment services & eligibility assessment activities (RESEA) for UI Claimants.	1, 2, 3,13	6			95,467,708		29,236,193		$ 124,703,901	427	427.00	N	Y	FM, S	WIOA Title III (W-P Act), ORS 657	Acceptance of the Federal Funds requires the Oregon Employment Department to operate the program or provide the service.	
7	2	OED	Research	Statewide analysis - develop and distribute standard and custom analysis at the statewide level.		6			2,428,899		2,563,999		$ 4,992,898	15	15.00	N	Y	FM, S	657.730, WIOA	Required under the Workforce Innovation and Opportunity Act	
8	3	OED	UI	UI Benefit Payment Control--Detect and collect on UI overpayments		6					6,153,914		$ 6,153,914	42	40.55	N	Y	FO	26 U.S.C. § 3304	Federal grant funding and significant federal tax credits for Oregon businesses requires that we prevent, detect, establish and recover overpaid benefits.	
9	3	OED	PFMLI	PFMLI Benefit Payment Control--Detect and collect on overpayments		4, 12			2,675,152				$ 2,675,152	11	11.00	Y	N	S	ORS chapter 657B	Required under the Paid Family and Medical Leave Insurance act of 2019.	

Agency Name: Oregon Employment Department

2023-25 Biennium

Priorities in Agency wide order   **Agency Number: 47100**

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	Prgm/ Div																				
10	3	OED	Research	Information dissemination - ensure that customers have access to workforce data, analysis and tools.		6			971,560		1,025,600		$ 1,997,160	6	6.00	N	Y	FM, S	657.730, WIOA	Required under the Workforce Innovation and Opportunity Act	
11	4	OED	WO	Veteran Services - Programs to meet the employment and training needs of service-connected special disabled veterans, service connected disabled veterans and other eligible veterans.	1, 2, 3, 13	6					5,200,000		$ 5,200,000	25	25.00	N	Y	FM	WIOA, US Code Title 38	Acceptance of the Federal Funds requires the Oregon Employment Department to operate the program or provide the service.	
12	4	OED	Research	Regional Analysis - develop and distribute standard and custom analysis at the county and workforceare levels.		6			1,295,413		1,367,466		$ 2,662,879	8	8.00	N	N	FM, S	657.730, WIOA	Required under the Workforce Innovation and Opportunity Act	
13	3	OED	WO	Trade Act Program - Provides benefits and services to workers who have lost their jobs due to imports and/or shift in production to certain countries. Benefits include retraining, job search and relocation allowances, and special UI benefits.	1,2,13	6					12,000,000	21,800,000	$ 33,800,000	65	65.00	N	Y	FM	WIOA, Trade Act of 1974	Acceptance of the Federal Funds requires the Oregon Employment Department to operate the program or provide the service.	
14	4	OED	UI	UI Tax Audit and Collections of Deliquent Employer Accounts	1, 2, 3,13	6			1,868,011		2,048,775		$ 3,916,786	14	13.50	N	Y	FO	26 U.S.C. § 3304 ORS 657.405-575	Federal grant funding and significant federal tax credits for Oregon businesses requires auditing of tax accounts and colle ction of delinquent taxes.	
15	2	OED	WO	Work Opportunity Tax Credit - provides employers an incentive, in the form of tax credits, to hire certain target group members.	1,2,13	6			150,000		480,000		$ 630,000	4	3.50	N	Y	FM	US Code Title 26, § 51	Acceptance of the Federal Funds requires the Oregon Employment Department to operate the program or provide the service.	
16	5	OED	WO	Foreign Labor Certification - Program that processes employer applications to hire foreign workers and to assure that efforts have been explored to fill their positions with U.S. workers.	13	6			200,000		630,000		$ 830,000	4	3.50	N	Y	FM	US Code Title 8, § 1188	Acceptance of the Federal Funds requires the Oregon Employment Department to operate the program or provide the service.	
17	4	OED	PFMLI	Equivalent Plans - provides an option to employers who elect to establish their own paid leave program.	4, 12				3,891,131				$ 3,891,131	16	16.00			S		Required under the Paid Family and Medical Leave Insurance act of 2019.	
18	5	OED	Research	Service to Business and Education - provide customized information and support to business and education customers.		6			1,457,339		1,538,399		$ 2,995,738	9	9.00	N	Y	FM, S	657.730, WIOA	Consistent with the Workforce Innovation and Opportunity Act	
19	5	OED	PFMLI	Small Employer Grants - Provides financial assistance to small employers, to help with the costs of hiring a replacement worker or other significant wage-related costs.	4, 12				2,431,957				$ 2,431,957	10	10.00	Y	N	S	ORS chapter 657B	Required under the Paid Family and Medical Leave Insurance act of 2019.	

Agency Name: Oregon Employment Department

2023-25 Biennium | Agency Number: 47100

Priorities in Agency wide order

Program/Division Priorities for 2023-25 Biennium

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)				Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
Agcy	**Prgm/ Div**																						
OED Operating											236,726,318	908,789,000	133,110,520	69,308,000	1,347,933,838	1,374	1,354						
Central administrative costs																							
Agcy	**Prgm/ Div**																						
				OED	Shared Services	Strategic and operational services for all agency programs.		4			34,590,926		34,697,303		$ 69,288,229	190	148.58						
				OED	Modernization Program	Multi-biennium effort to modernize core unemployment insurance and employment services business and information technology systems to ensure the agency can continue to fulfill its mission to *Support Business and Promote Employment* .		4			34,859,183				$ 34,859,183	78	78.00						
OED administrative costs											69,450,109	0	34,697,303	0	104,147,412	268	226.58						
Total OED											306,176,427	908,789,000	167,807,823	69,308,000	1,452,081,250	1,642	1,580.82						

Program Prioritization for 2023-25

Agency Name: Oregon Employment Department

2023-25 Biennium

Agency Number: 47100

Priorities in Agency wide order

Program/Division Priorities for 2023-25 Biennium

1		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
Agcy	Prgm/ Div																					
1	1	OED	OAH	Unemployment Insurance Hearings--Determine whether an unemployed person is eligible for unemployment insurance benefits. Failure to meet timelines set by the federal government may result in loss of federal funds to the state.	7, **9**, 10	4			16,467,685				$ 16,467,685	50	49.88	N	Y	C, FM, S	US Const, Amend XIV, Secretary, DOL Standard, ORS 657.270	Due process hearing required under US Const, Amend XIV, Acceptance of the Federal Funds requires the Oregon Employment Department to operate the unemployment insurance program and provide the right to a hearing.	
2	2	OED	OAH	Implied Consent Hearings--Determine whether the driver license of a person arrested for driving under the influence of intoxicants may be suspended. Hearing must be held and order issued within 30 days of driver's arrest or ageny loses jurisdiction to suspend.	8, **9**, 10	4			8,892,550				$ 8,892,550	27	26.00	N	Y	C, S	US Const, Amend XIV, ORS 813.410	Due process hearing required under US Const, Amend XIV	
3	3	OED	OAH	Division of Child Support Hearings--Establish the monetary obligation of parents for support of their minor children. There is no statutory timeline for order issuance. However, delay in holding hearing may delay establishment of support and/or result in a parent cointinuing to pay support that is inappropriate in light of the parent's rescources.	8, **9**, 10	4			4,940,306				$ 4,940,306	15	15.00	N	Y	S	ORS 180.380(1)(d)		
4	4	OED	OAH	Department of Human Services and Oregon Health Authority Administrative Hearings. Hearing delays may result in loss of social service benefits related to food, housing, and financial need.	8, 9, 10	4			5,928,367				$ 5,928,367	18	18.00	N	Y	C, S	US Const, Amend XIV, ORS 411.095	Due process hearing required under US Const, Amend XIV	
5	5	OED	OAH	All Other Hearings--Provide due process to Oregonians in their disputes with state regulatory and licensing agencies. These hearings generally are not subject to statutory or regulatory timelines.	8, **9**, 10	4			3,622,891				$ 3,622,891	11	11.00	N	Y	C, S	US Const, Amend XIV, ORS 183.635	Due process hearing required under US Const, Amend XIV	
Total OAH							0	0	39,851,799	0	0	0	$ 39,851,799	121	119.88						
Total Agency-wide							-	-	346,028,226	908,789,000	167,807,823	69,308,000	1,491,933,049	1,763	1,700.70						

7. Primary Purpose Program/Activity Exists
1 Civil Justice
2 Community Development
3 Consumer Protection
4 Administrative Function
5 Criminal Justice
6 Economic Development
7 Education & Skill Development
8 Emergency Services
9 Environmental Protection
10 Public Health
11 Recreation, Heritage, or Cultural
12 Social Support

19. Legal Requirement Code
C Constitutional
D Debt Service
FM Federal - Mandatory
FO Federal - Optional (once you choose to participate, certain requirements exist)
S Statutory

OTHER FUNDS ENDING BALANCES FOR THE 2021-23 & 2023-25 BIENNIA

January 2023

Agency: Employment
Contact Person (Name & Phone #): Katharine Williams, (503) 856-2893

Other Fund Type (a)	Program Area (SCR) (b)	Treasury Fund #/Name (c)	Category/Description (d)	Constitutional and/or Statutory reference (e)	2021-23 Ending Balance In LAB (f)	Revised (g)	2023-25 Ending Balance In CSL (h)	Revised (i)	Comments (j)
OTHER FUNDS NON-LIMITED AND NON-BUDGETED									
OF Non-Limited	087-02-00-00000	455 - Compensation Trust Fund	Trust Fund - UI Trust Fund Control	ORS 657.805	871,174,006	5,813,435,353	7,168,337,275	7,664,729,973	Funds include State Unemployment tax payments from employers, UI Modernization funds ($47.7M). Trust Fund restricted to benefit payments only. One-time Modernization funds provided by the USDOL from employer paid FUTA taxes and are planned for Modernization and other program expenditures as needed. The forecast is aligned with OEA's December Revenue and Economic Forecast. UI Trust Fund is self-balancing, formula-based, and counter-cyclical to build during good economic times and to keep employer taxes lower during bad economic times.
OF Non-Budgeted	087-09-00-00000	548 - Local Gov Employer Benefit Trust	Trust Fund - LGEBTF	ORS 294.730	25,192,000	25,192,000	25,192,000	25,192,000	A private purpose trust fund for political subdivisions (ORS 294.730). Monies deposited by political subdivisions into this fund are used only for payment of unemployment compensation benefits for these employers only and related administrative expenses. Interest earned on the fund balance is deposited into the fund.
OF Non-Limited	087-06-00-00000	456 - Special Admin	Operations - Spec Admin Fund (P&I)	ORS 657.515	9,130,482	9,289,774	1,779,084	2,978,620	Funds are payments from employers of penalties and interest for delinquent tax payments. Funds are dedicated to agency administrative costs. Ending balance is needed for agency operating capital needs; and, when combined with SEDAF ending balance is targeted at a minimum of 90 days ($52M).
OF Non-Limited	087-07-00-00000	522 - SEDAF	Operations - Supplemental Employment Department Administration Fund (SEDAF)	ORS 657.783	24,124,085	17,578,626	572,324	13,569,271	Funds diverted from employer tax payments at 0.09% for agency administrative purposes. Ending balance is needed for agency operating capital; and, when combined with P&I ending balance is targeted at a minimum of 90 days ($52M). SEDAF is projected on a quarterly basis and the agency manages to that projected revenue.
OF Non-Limited	087-13-00-00000	827 - Special Fraud Control	Operations - Special Fraud Control	ORS 657.400	3,466,745	-	532,394	-	Funds are payments of interest and penalties received from claimants on UI benefit overpayments due to fraud. Use of funds is restricted to costs associated with prevention, detection, and collection of unemployment benefit overpayments; costs associated with the Lost Wages Assistance (LWA) program; costs associated with reimbursing FEMA for overpayments; and administration of other agency benefit programs.
OF Non-Limited	010-80-00-00000	47180 - Paid Leave Trust Fund	Trust Fund - Paid Family and Medical Leave Insurance Fund	ORS 657B.430	213,673,384	169,144,298	671,831,448	509,389,646	Paid Leave Oregon Trust fund revenues include contributions (ORS 657B.150, contribution rate = 1% of wages, 60% paid by employer and 40% paid by employee); equivalent plan fees (ORS 657B.210, $250 per intial application); and penalties (ORS 657B.920, late filing =0.02% of employer wages, rounded to the nearest $100 and varies from $10-$100 for employers with no employees during the reporting quarter).
OTHER FUNDS LIMITED*									
OF Limited	010-10-00-00000		Operations - Unemployment Insurance		-	-	-	-	No ending balance. OF is transferred in from Non-Limited DCR.
OF Limited	010-20-00-00000		Operations - Workforce Operations		-	-	-	-	No ending balance. OF is transferred in from Non-Limited DCR.
OF Limited	010-40-00-00000		Operations - Office of Admin Hrgs		1,714,937	2,598,643	2,385,669	2,385,669	Ending balance is 60 days working capital for OAH.
OF Limited	010-50-00-00000		Operations - Workforce & Economic Research		-	-	-	-	No ending balance. OF is transferred in from Non-Limited DCR.
OF Limited	010-05-00-00000		Operations - Shared Services		-	-	-	-	No ending balance. OF is transferred in from Non-Limited DCR.
OF Limited	010-80-00-00000		Operations - Paid Leave Oregon		-	-	-	-	No ending balance. OF is transferred in from Non-Limited DCR.
OF Limited	010-90-00-00000		Operations - Modernization		-	-	-	-	Balance remains in UI Trust Fund until needed.

* Please Note: All of the agency's ARPA funding was received directly from the Department of Labor and considered Federal Funds.

Objective: Provide updated Other Funds ending balance information for potential use in the development of the 2023-25 legislatively adopted budget.

Instructions:

Column (a): Select one of the following: Limited, Nonlimited, Capital Improvement, Capital Construction, Debt Service, or Debt Service Nonlimited.

Column (b): Select the appropriate Summary Cross Reference number and name from those included in the 2021-23 Legislatively Approved Budget. If this changed from previous structures, please note the change in Comments (Column (j)).

Column (c): Select the appropriate, statutorily established Treasury Fund name and account number where fund balance resides. If the official fund or account name is different than the commonly used reference, please include the working title of the fund or account in Column (j).

Column (d): Select one of the following: Operations, Trust Fund, Grant Fund, Investment Pool, Loan Program, or Other. If "Other", please specify. If "Operations", in Comments (Column (j)), specify the number of months the reserve covers, the

Column (e): List the Constitutional, Federal, or Statutory references that establishes or limits the use of the funds.

Columns (f) and (h): Use the appropriate, audited amount from the 2021-23 Legislatively Approved Budget and the 2023-25 Current Service Level at the Agency Request Budget level.

Columns (g) and (i): Provide updated ending balances based on revised expenditure patterns or revenue trends. Do not include adjustments for reduction options that have been submitted. The revised column (i) can be used for the balances included in

Column (j): **Please note any reasons for significant changes in balances previously reported during the 2021 session.**

Additional Materials: If the revised ending balances (Columns (g) or (i)) reflect a variance greater than 5% or $50,000 from the amounts included in the LAB (Columns (f) or (h)), attach supporting memo or spreadsheet to detail the revised forecast.

Supplemental Employment Department Administrative Fund (SEDAF)

State of Oregon Employment Department

What is the Supplemental Employment Department Administrative Fund (SEDAF)?

By law, most employers in Oregon are required to pay payroll taxes into the Unemployment Compensation Trust Fund (Trust Fund). The Trust Fund is what Oregon uses to pay unemployment insurance benefits. Oregon has one of the healthiest trust funds in the country, and it is designed to be self-balancing. The Trust Fund balance also earns interest, which also helps keep employers' tax rates lower.

The Legislature created SEDAF through statute in 1991. It was last updated in 2005 to divert 0.09% of taxable payroll into a fund separate from the Trust Fund. Just like the Trust Fund, revenue for SEDAF comes from employer-paid unemployment taxes. The SEDAF revenue forecast is based on the employer unemployment taxes forecast, which the Oregon Employment Department performs each quarter, based on the state's economic forecast.

What does SEDAF pay for?

By law, the Employment Department may only use these funds for administration expenses where federal funding has been reduced, eliminated, or otherwise not available. Any use of SEDAF funds must be a part of the agency's legislatively approved budget (ORS 657.783).

How does SEDAF fit into the Agency's general revenue stream?

The U.S. Department of Labor reimburses Oregon for administering the Employment Department's federal programs; however, the federal funding does not cover the entire cost of running the programs. The balance is covered by other funds, which includes SEDAF and interest and fees from overpaid benefits and late taxes.

UI Administration Federal and Other Expenditures by Fund Type

UI Admin/Pandemic Federal ■ Other funds

*Note 1: Other includes Coronavirus Relief Fund
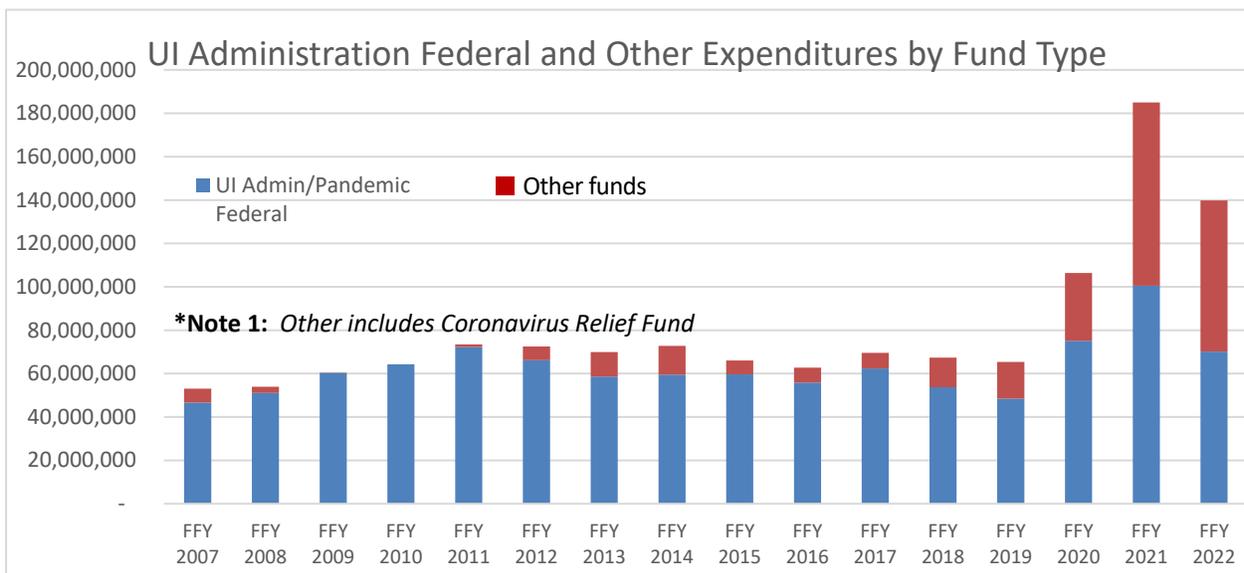
Supplemental Employment Department Administrative Fund (SEDAF)

What is Policy Package 115?

The 2023 Governor's budget **increases** the Supplemental Employment Department Administrative Fund (SEDAF) allocation amount from **0.09 percent to 0.109 percent** as a part of Policy Package 115.

What will Policy Package 115 pay for?

Policy Package 115 supplements inadequate federal funding for the Unemployment Insurance Program to support customer service levels that Oregonians expect from their state agencies. It provides needed resources to maintain and expand operational and organizational improvements the agency made during the pandemic and combat unemployment insurance fraud.

Will employers pay more for UI taxes?

No. There is no increase in overall tax amounts due. The additional amount comes from a diversion of funds from the Trust Fund. In other words, employers pay the same amount, but some of the revenue goes to SEDAF instead of going into the Trust Fund. If SEDAF balances are higher than needed, the revenue goes back to the Trust Fund.

What kinds of customer service improvements are included?

Package 115 adds customer service capacity in the Unemployment Insurance Program by adding staff to its Investigations, Compliance, and Operations teams. This affects the agency's ability to process claims, answer the phones, and communicate with claimants, all in a timely manner, and to protect the Unemployment Insurance Trust Fund by combatting fraud.

Employment Department Program Presentations

Supplemental Information

Employment, economic indicators, and recession planning

After unparalleled job losses in the pandemic recession, Oregon has experienced a remarkable turnaround. While layoffs during the recession led unemployment surging to a record-high rate of 13.3% in early 2020, the relatively fast jobs recovery has since brought unemployment back down near record low levels. Oregon's unemployment rate has been at or below 4.5% since September 2021. Oregon has been experiencing a tight labor market, with more job openings than unemployed workers, and competition among employers to fill their job openings.

Employment trends

Oregon lost 282,000 total nonfarm jobs lost in spring 2020. As of August 2022, all those job losses were added back. Employment growth generally remains widespread, with nearly all sectors expanding over the past year.

Indexed Total Nonfarm Employment in Oregon

Source: Oregon Employment Department, Current Employment Statistics
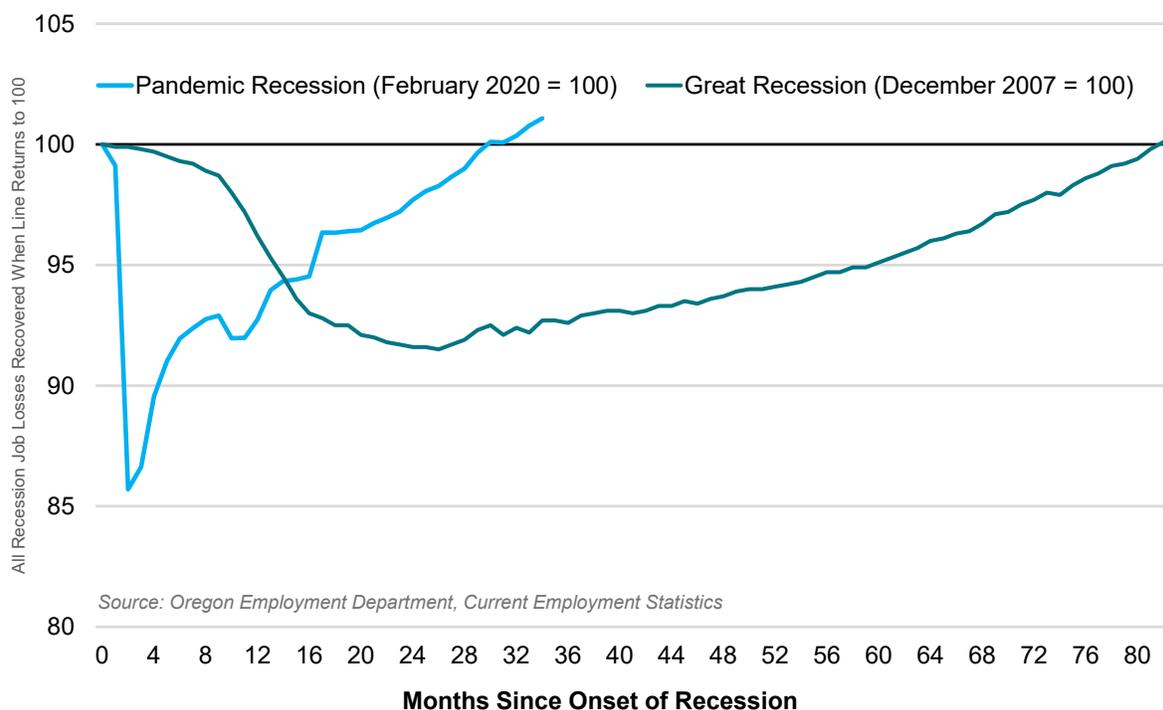
- Areas of the economy with more jobs in December 2022 than in February 2020 include construction; manufacturing; trade, transportation, and utilities; financial activities; professional and business services; and private education services.

- Although leisure and hospitality added the most jobs of any broad sector over the past year (16,900), Oregon's hotels, restaurants, bars, and entertainment places remain 8,000 jobs (or -3.7%) below their pre-recession employment level.

- Local government education has struggled to regain jobs. Retail trade and other services haven't fully recovered their job losses either.

Economic indicators

Concerns have grown about the possibility of another recession in Oregon and the U.S. Low unemployment and job growth trends in the Employment Department's current data did not suggest recession conditions at the end of 2022. Unemployment insurance claims also remain low. Although we see some high-profile announcements, there are generally few layoffs right now.

Initial and Continued Claims for Unemployment Insurance Benefits

Source: Oregon Employment Department, Unemployment Insurance
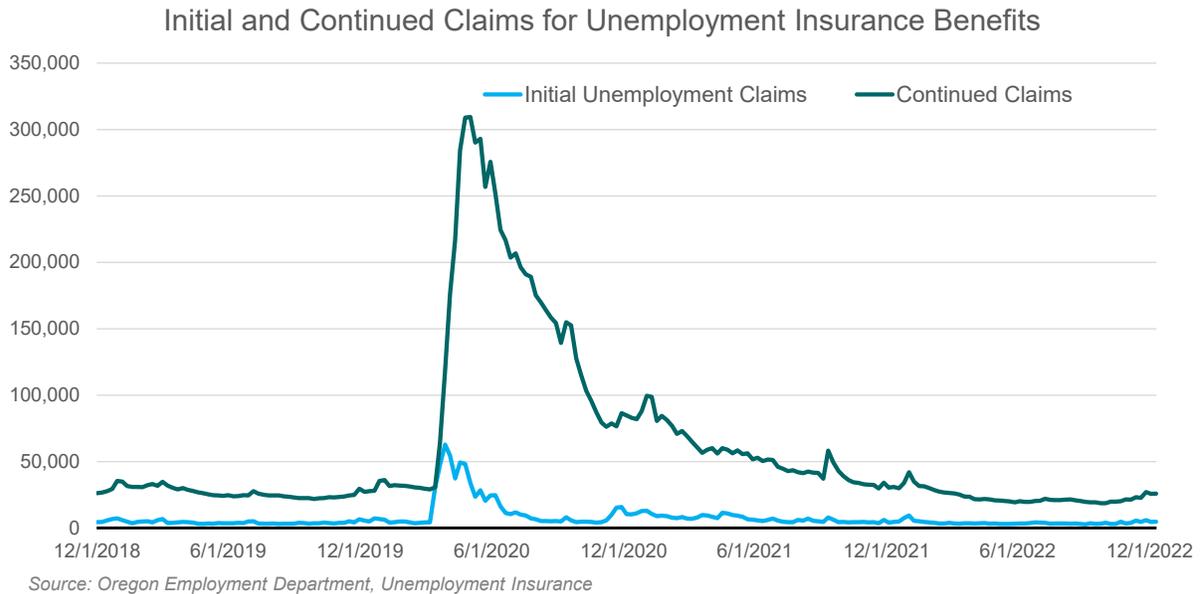
Hiring demand remains near record-high levels for both Oregon and the U.S. Oregon's private employers reported 86,000 job openings in fall 2022, down slightly from 106,000 in spring. Before the pandemic recession, the largest number of job openings totaled about 67,000 in summer 2017. The ongoing, historically high number of job openings is not consistent with traditional recession conditions.

Job Openings with Private Employers in Oregon, 2013-2022
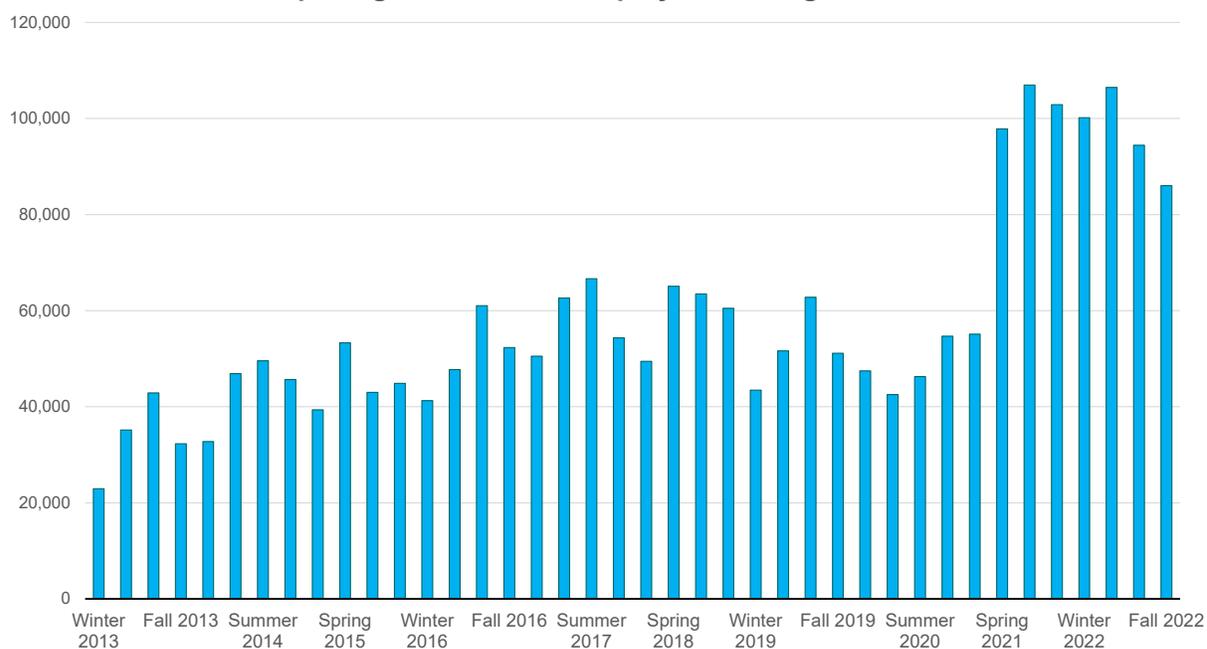
Source: Oregon Employment Department, Quarterly Job Vacancy Survey

Looking beyond Employment Department data, Gross Domestic Product (GDP) measures the value of the final goods and services produced in the U.S. Changes in GDP are an indicator of the nation's overall economic health.

U.S. GDP rose by 3.2% in the third quarter, after declining in the first half of the year. Two consecutive quarters of negative GDP has historically signaled recession. Third quarter GDP gains occurred amid less inventory investment, fewer imports, and more government spending. Residential investment declined. Consumer spending – the primary driver of the economy – grew but slowed.

Real GDP: Percent change from preceding quarter
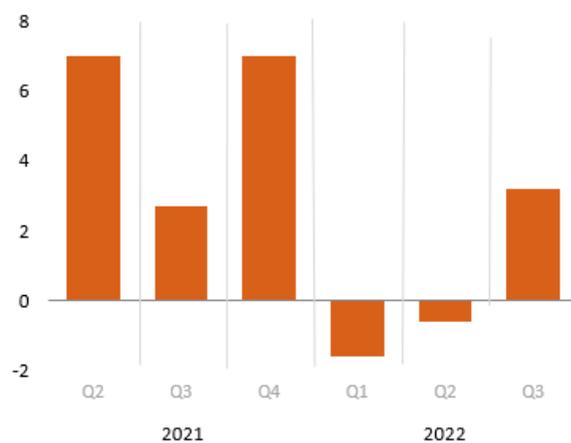
U.S. Bureau of Economic Analysis   Seasonally adjusted annual rates

The yield on 10-year Treasury notes fell below the two-year rate. This inversion happened twice in 2022, continuing into 2023. The inverted yield curve itself does not cause or predict a recession.

It does indicate enough short-term weakness that additional economic shocks could result in a recession. When the yield curve inverts, a recession typically follows within a couple of years.

FRED — 10-Year Treasury Constant Maturity Minus 2-Year Treasury Constant Maturity

Shaded areas indicate U.S. recessions. Source: Federal Reserve Bank of St. Louis fred.stlouisfed.org
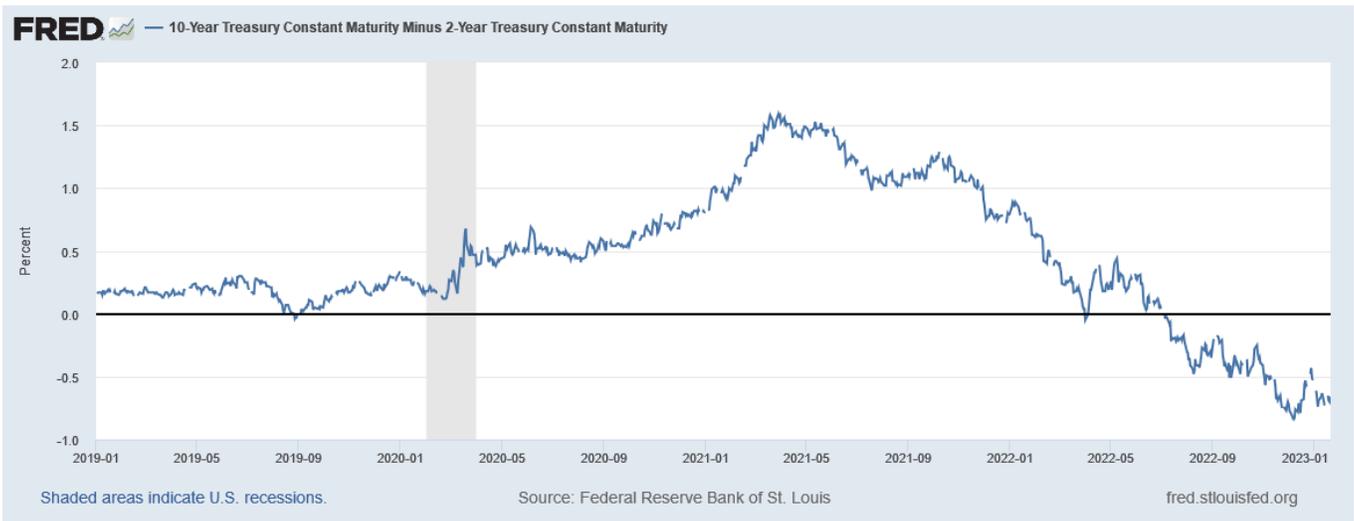
Economic cycle plan

The Oregon Office of Economic Analysis forecasts a mild recession in Oregon starting in mid-2023. When indicators do start to show signs of trouble, the Employment Department's Economic Task Force helps us be proactive and focused on operational needs prior to, at the onset of, and after the conclusion of an economic downturn. The Task Force is also updating the plan based on feedback gathered agency-wide about lessons learned from the pandemic recession. The plan includes:

- A chartered cross-functional agency Task Force that meets quarterly;
- Monthly tracking and reporting of key economic indicators;
- A checklist with key points to consider during an economic downturn;
- A communication plan with direction for engaging with key partners;
- General information regarding incorporating necessary changes into daily workflow; customer service and budgetary considerations; and a staffing guide; and
- A scorecard for use after the economic downturn to determine how we can improve the plan.

Unemployment Insurance Division _____

Unemployment benefits paid by Oregon county in 2022

COUNTY	TOTAL		REGULAR	
	PAYMENTS	AMOUNT	PAYMENTS	AMOUNT
STATE TOTAL	1,164,306	$ 523,450,718	1,102,848	$ 501,437,720
BAKER	4,116	1,599,636	3,991	1,563,295
BENTON	12,648	5,474,768	11,937	5,201,137
CLACKAMAS	94,437	45,767,530	88,422	43,541,343
CLATSOP	9,261	3,954,124	8,707	3,760,876
COLUMBIA	14,799	7,090,304	14,131	6,821,506
COOS	17,291	7,028,777	16,647	6,819,516
CROOK	7,448	3,444,018	7,147	3,314,888
CURRY	5,793	2,245,746	5,411	2,115,596
DESCHUTES	60,420	28,382,126	57,681	27,351,388
DOUGLAS	31,365	12,850,742	29,569	12,213,224
GILLIAM	310	118,533	299	111,790
GRANT	3,018	1,220,911	2,991	1,212,273
HARNEY	2,004	821,122	1,983	815,651
HOOD RIVER	7,259	2,954,102	7,065	2,891,233
JACKSON	65,172	25,999,812	62,500	25,194,388
JEFFERSON	5,972	2,450,717	5,517	2,254,938
JOSEPHINE	28,983	11,742,628	27,822	11,367,494
KLAMATH	25,493	9,893,031	24,025	9,338,459
LAKE	2,371	927,352	2,322	913,135
LANE	100,738	43,173,140	95,497	41,454,736
LINCOLN	12,446	5,012,445	12,000	4,857,619
LINN	36,171	15,834,002	34,127	15,044,631
MALHEUR	5,687	1,964,620	5,494	1,903,884
MARION	87,368	37,959,602	83,664	36,650,657
MORROW	2,524	1,035,579	2,473	1,018,981
MULTNOMAH	233,282	107,713,878	217,586	102,133,274
POLK	18,503	7,925,126	17,878	7,763,919
SHERMAN	280	138,228	230	128,812
TILLAMOOK	5,784	2,307,926	5,628	2,260,455
UMATILLA	20,842	8,333,436	20,505	8,213,961
UNION	6,087	2,563,307	5,928	2,516,287
WALLOWA	2,505	1,025,624	2,492	1,023,061
WASCO	7,161	2,910,847	6,889	2,830,865
WASHINGTON	118,856	58,528,312	112,121	56,057,580
WHEELER	204	82,784	156	63,976
YAMHILL	25,185	11,273,296	23,878	10,804,510
Unknown	37	18,490	14	6,474
990 Out of State	38,124	19,880,993	37,570	19,681,708
Commuters	44,362	21,803,104	40,551	20,220,200

Most unemployment benefits are paid through regular unemployment insurance payments. Other programs include Trade Readjustment Allowances, Supplemental Unemployment for Dislocated Workers, Extended Benefits, and Pandemic Emergency Unemployment Compensation.

UI eligibility decisions

	CY 2020	CY 2021	CY 2022
Total number of weekly benefits claimed	13,025,312	9,242,145	1,325,650
Total number of decisions about eligibility issued	107,867	207,285	115,188
Total number of Office of Administrative Hearings appeals disposed	8,120	13,042	15,105
Total number of Employment Appeals Board appeals disposed	710	1,016	1,078
Total number of Oregon Court of Appeals decisions	4	14	8

Unemployment Insurance is a weekly program. For the 13 million weeks claimed in 2020, reflected in the first box on the left, each week is reviewed to make sure people are eligible. Some reviews are automated, but many must go through an adjudication process that ranges from a quick examination to a full investigation, including interviewing multiple parties.

Just a percentage of those requiring adjudication result in formal written decisions, which is reflected in the second box. Workers and employers have the right to appeal those decisions to the Office of Administrative Hearings. Those decisions can be appealed further to the Employment Appeals Board and from there to the Oregon Court of Appeals. The process can take several months or longer.

Fighting back against fraud

Oregon has seen, and will continue to see, unemployment insurance fraud. But employers and individuals can help us fight fraud! Find out more on our website unemployment.oregon.gov. There you can find dedicated pages where you can:
- report fraud.
- learn how to recognize and avoid unemployment insurance scams.
- learn the signs you may be a victim of identity theft.
- learn what to do if you are a victim of identity theft.
- learn about "hijacked claims."

Fraud is an ongoing challenge. We need assistance from the public to quickly identify fraudsters, the continued partnership of other states and organizations to share best practices, tips, and leads, and from federal partners to help with criminal investigations and prosecutions across state and national boundaries.

Monthly Unemployment Insurance Benefits

Legend: —Amount of UI Benefits Paid   —Number of People that Received UI Benefits
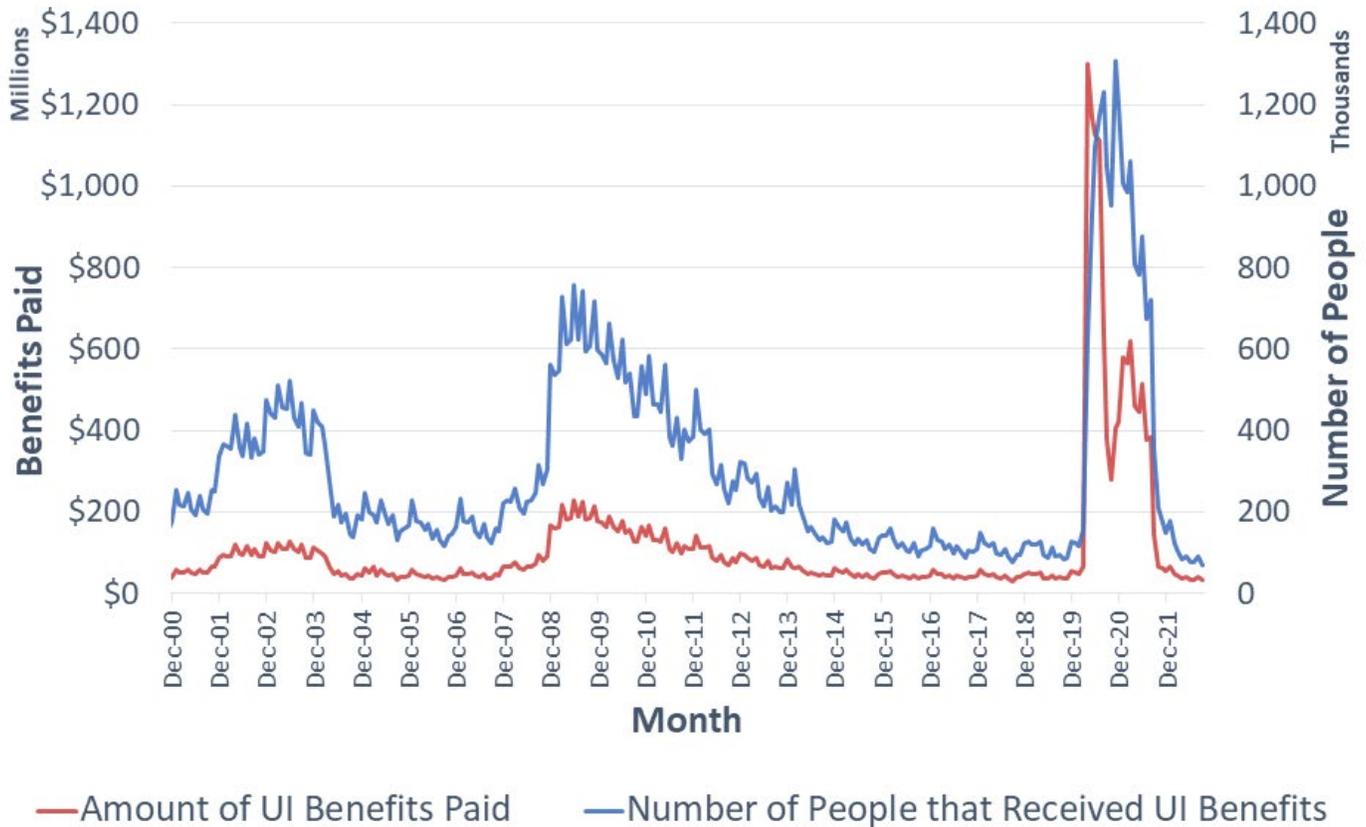
This chart shows the number of people who received unemployment benefits and the benefits paid each year from 2000 through 2022. The spike showing the Great Recession is shown in the center of the chart.

It's easy to see the steep increase in claims that we had over the course of about 27 months and the gradual recovery that took more than four years. On the far right, note the dramatic and sudden impact of the Pandemic Recession. Instead of an increase over 27 months, we had a much steeper and more severe increase that essentially happened overnight.

Modernization Program governance
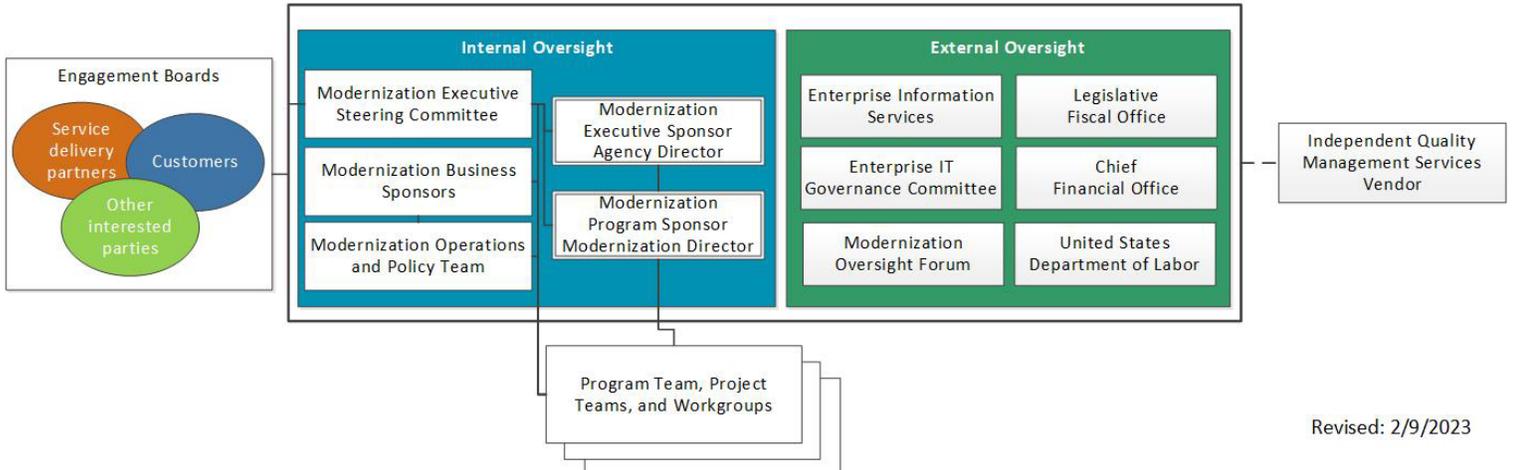
Revised: 2/9/2023

This graphic illustrates the Modernization Program's oversight and governance including executive and business sponsors, a steering committee, Engagement boards representing multiple customer groups, and an oversight forum that includes four legislators.

Joint Legislative & Executive Branch Stage Gate Process
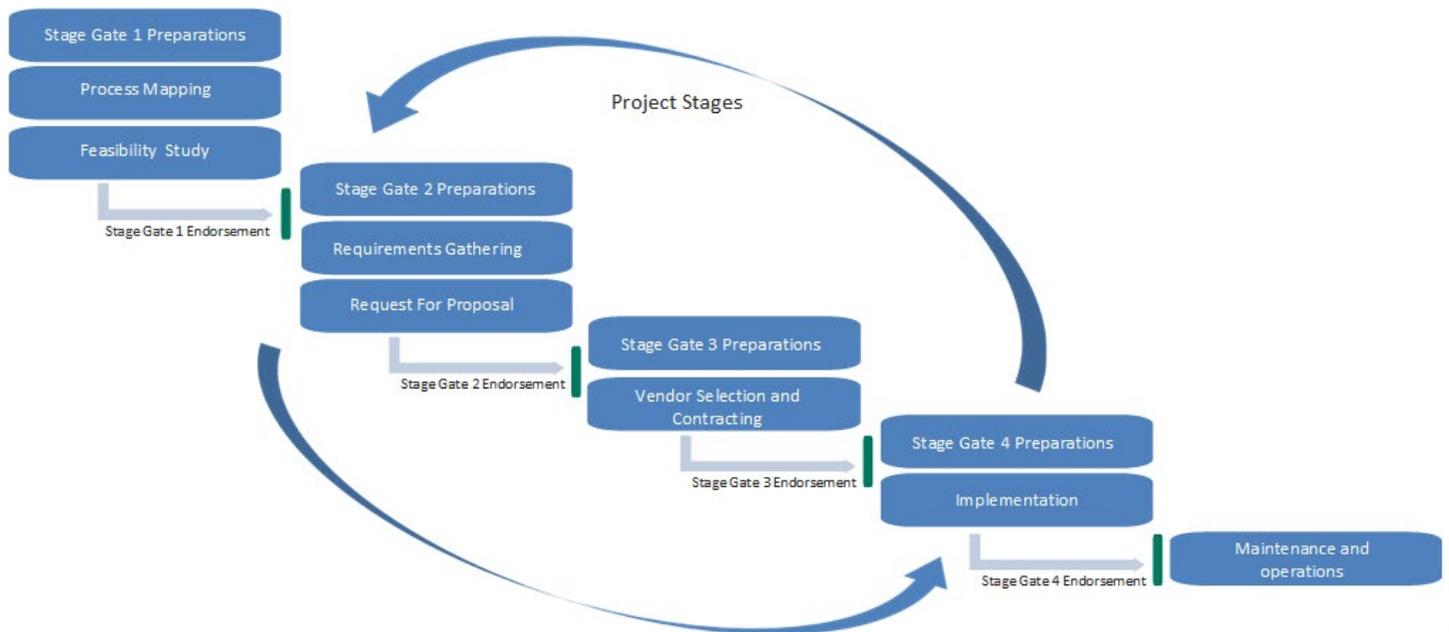
The stage gate process allows the Legislature and the State's Enterprise Information Services to provide oversight and ensure we are on track and meeting requirements throughout each stage of our modernization projects.

The UI Modernization Project is currently in stage 4, the implementation stage.
We are preparing to submit the required artifacts for stage gate 2 for the Workforce Modernization Project, allowing us to begin developing the Request for Proposal.

Paid Leave Oregon Program _____

Trust Fund forecast

Biennium	2021-23	2023-25
(A) Beginning Fund Balance		169,144,299
Revenue		
(B) General Fund Loan to PFML Insurance fund		
(C) Contributions (begin 1/1/23)	228,055,454	1,848,065,117
(D) Fees (Employer Equivalent Plans)	724,250	1,448,500
(E) Interest and Penalties	586,103	8,374,661
(F) Interest on Fund	1,503	83,167,139
(G) Subtotal (B+C+D+E+F)	**229,367,310**	**1,941,055,417**
Expenditures		
(H) General Fund Loan Repayment	50,272,172	
(I) Benefit Payments (begin 9/3/2023)		1,463,195,690
(J) Grant Payments		1,748,481
(K) Administrative Costs*	9,950,839	88,736,105
(L) Subtotal (H+I+J+K)	**60,223,011**	**1,553,680,276**
(M) Ending Fund Balance (A+G-L)	**169,144,299**	**556,519,440**

*Administrative Costs projected to be paid by Paid Leave Oregon Trust Fund

This chart shows the projected forecast for Paid Leave Oregon's trust fund, including revenue and expenditures, for 2021-23 and 2023-25.

Information is based on Q4-2022 forecast.

Leave program comparison

- Paid Leave Oregon
- Oregon Family Leave Act (OFLA)
- Family and Medical Leave Act (FMLA)
- Oregon Sick Leave

Paid Leave Oregon and the Oregon Bureau of Labor & Industries created these charts as a general program comparison. It is not intended to provide legal or financial advice and does not cover all possible exceptions. Each program has different qualifications and factors that determine eligibility.

Contact each agency directly to determine eligibility for their programs.

ELIGIBILITY REQUIREMENTS	Paid Leave Oregon	OFLA	FMLA	Oregon Sick Leave
Covered Employers	All employers except federal or tribal governments	Employers with 25 or more employees	Employers with 50 or more employees and all public employers	All employees are eligible for protected unpaid time
Wages required to be eligible for leave	$1,000 in wages the previous year	n/a	n/a	n/a
Required time worked for employer before taking leave and before job protection applies	No work time requirement for Paid Leave benefits, but must have worked 90 days to have job protection	180 days	12 months	90 days
Required hours worked for employer to be eligible for leave	n/a	25 hrs/week in past 180 days. *Does not apply to parental leave*	1,250 hours in previous 12 months	1 sick time hour earned for every 30 hours worked
Geographic requirement	n/a	n/a	Location with 50 employees within 75 miles	n/a

Eligibility requirement

Not a requirement

QUALIFYING PURPOSES	Paid Leave Oregon	OFLA	FMLA	Oregon Sick Leave
Family Leave				
Birth, adoption or foster placement	Yes	Yes	Yes	Yes
Family member's serious health condition *(family member definitions vary)*	Yes	Yes	Yes	Yes
Medical Leave				
Individual's own serious health condition	Yes	Yes	Yes	Yes
Safe Leave				
Domestic violence, sexual assault, harassment or stalking	Yes	No *Serious health condition and reasonable safety accommodations under ORS 659A may include leave.*	No	Yes
Other Leave Types				
Extended leave for a pregnancy* *In addition to leave for serious health condition*	Yes	Yes	No	No
Sick child leave	No	Yes	No	Yes
Military family leave	No	Yes	Yes	No
Bereavement leave	No	Yes	No	Yes
Public health emergency	No	Yes Active Public Health Emergency allows for sick child leave for school/child care closures	No	Yes

Covered
Not Covered

LEAVE DURATION AND BENEFIT PAYMENTS	Paid Leave Oregon	OFLA	FMLA	Oregon Sick Leave
Leave duration (most cases)	12 weeks in a one-year period	12 weeks in a one-year period	12 weeks in a one-year period	40 hours in a one-year period
Maximum leave duration (for certain combinations of leave types)	14 weeks in a one-year period	36 weeks in a one-year period	26 weeks in a one-year period	Employers may cap use at 40 hours per year
Payment	Paid Leave	Unpaid Leave	Unpaid Leave	Paid Leave for employers with 10 or more employees (6 or more in Portland)
Benefit amount	Varies based on employee's average weekly wage. Up to 100% for lower-income workers.	n/a	n/a	100% of regular wages

OFFICE OF ADMINISTRATIVE HEARINGS
WATER ADJUDICATION

In the 2021-23 biennium, the legislature provided one-time $2.1 million funding to the Oregon Water Resources Department (OWRD) for investigation and enforcement of water cases. The Office of Administrative Hearings (OAH) has seen a sharp increase in referrals as a result.

Increased Referrals:

- FY 2017-2019, 6 cases.
- FY 2019-2021, 4 cases.
- FY 2021-Dec. 2022, 40 cases.

These numbers demonstrate that, as a direct result of this increased funding, the OAH has a record number of active water cases open and in process.

Disposition of the FY 21-22 40 Referrals:

- 1 case completed, proposed and final order issued;
- 16 cases that are working the way through discovery, motions and pre-hearings towards hearings;
- 13 cases withdrawn by OWRD as resolved, settled or modified;
- 10 cases pending with OAH. OWRD is working on possible resolution before requesting the OAH schedule a pre-hearing conference.

Referring the matter to the OAH is causing the parties to negotiate for the first time, creating settlements that would not have happened without this funding.

Deepening the Bench and Leveraging OAH Resources:

- 8 Administrative Law Judges (ALJs) are now trained and conducting water cases, including all senior ALJs for the OAH;
- 3 operations staff are trained for water cases;
- The OAH has been able to immediately assign an ALJ to every case OWRD has requested move forward;
- The OAH is ready for new cases that may result from 2022's HB 4061, which regulates the use of water relating to production of Hemp and Cannabis.