

# Ways And Means Joint Subcommittee on Transportation and Economic Development

Employment Department

David Gerstenfeld, Acting Director

Feb. 20, 2023

# Oregon Employment Department



**Our Mission:** Support Business and Promote Employment

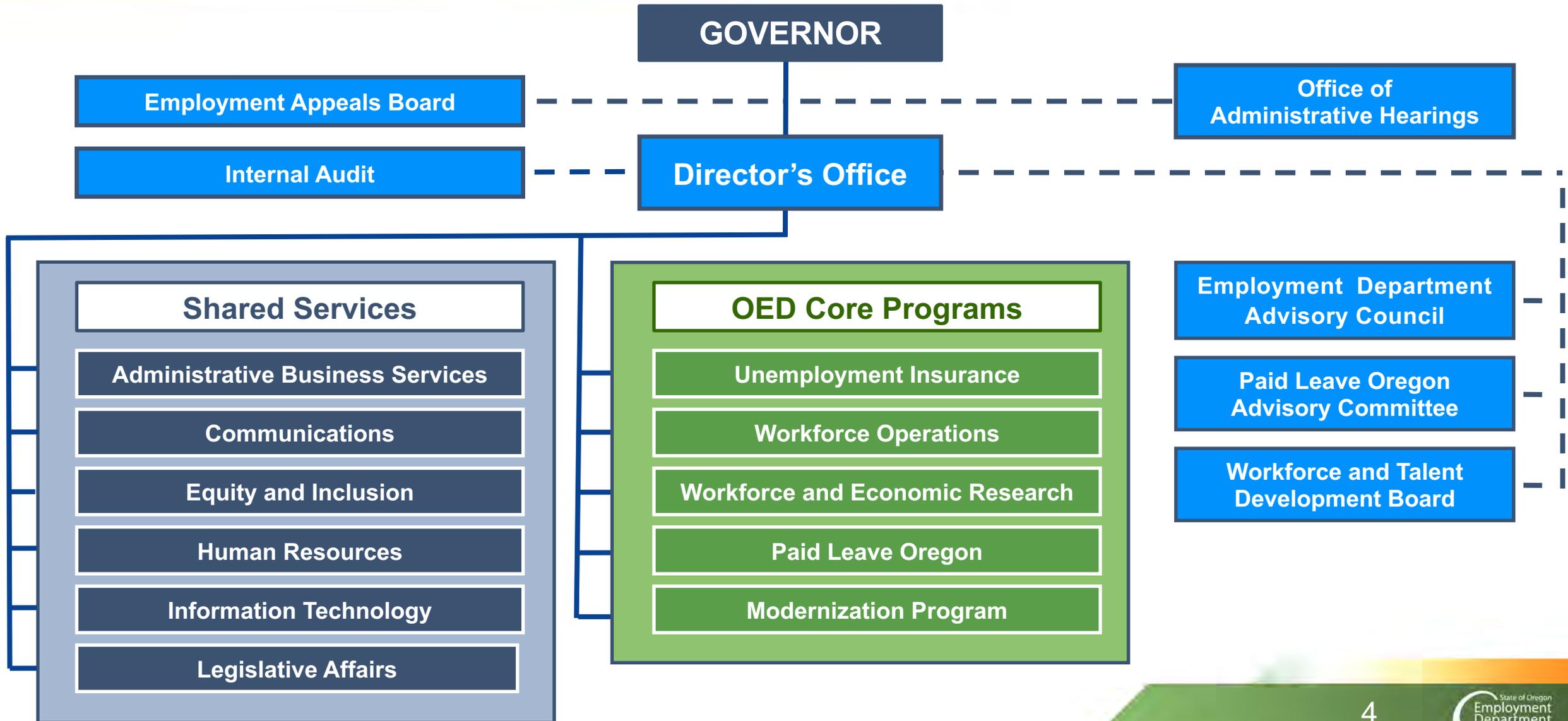
**Our Vision:** An Oregon where meaningful work enables the state's diverse people and businesses to realize their full potential, creating prosperity in every community

# Our Core Programs



# Current Agency Structure

Total Positions: 2,087



## 2023-25 Budget Context

- We manage expenditures to revenue
- We are dependent on federal reimbursements

Federal funding is now less than pre-pandemic levels

- ❖ Pandemic recession clean-up work continues
- ❖ We are managing multiple large projects
- ❖ The next recession is looming

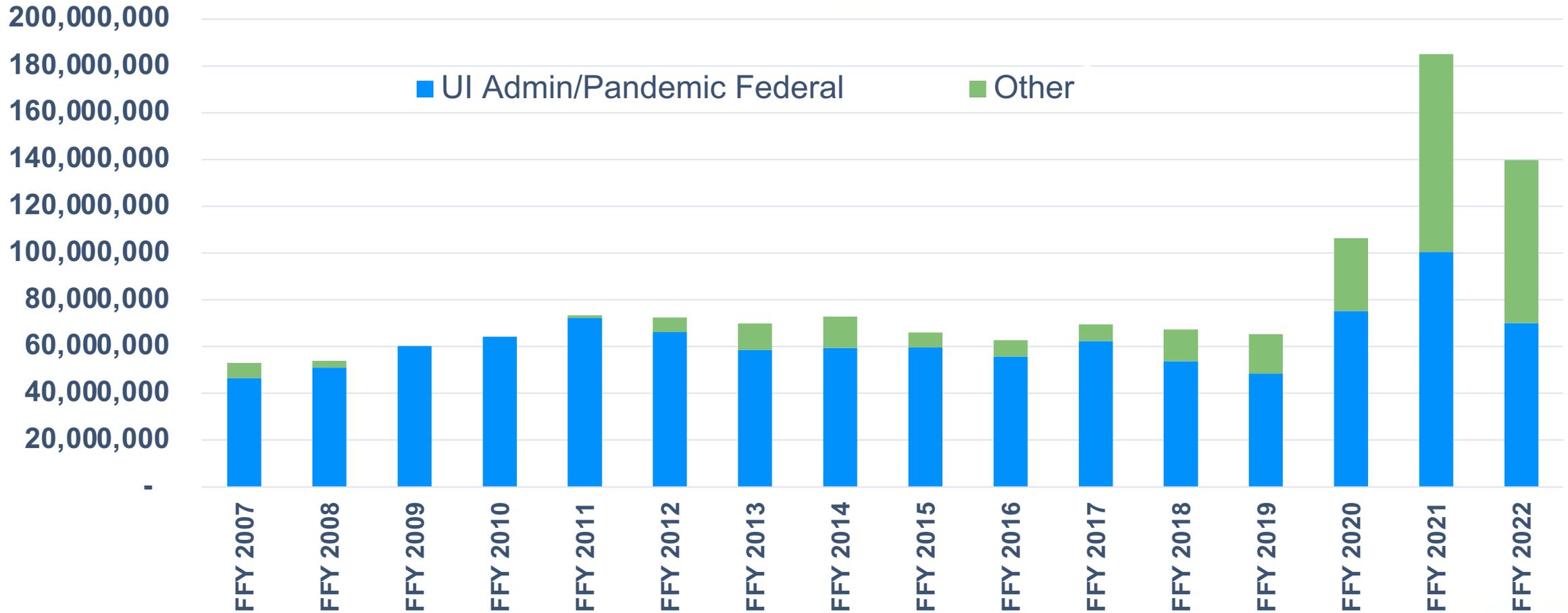
Lack of federal funding puts Oregon's priorities at risk

- ❖ Improving/maintaining customer service
- ❖ Reaching underserved communities
- ❖ Continuous improvement efforts



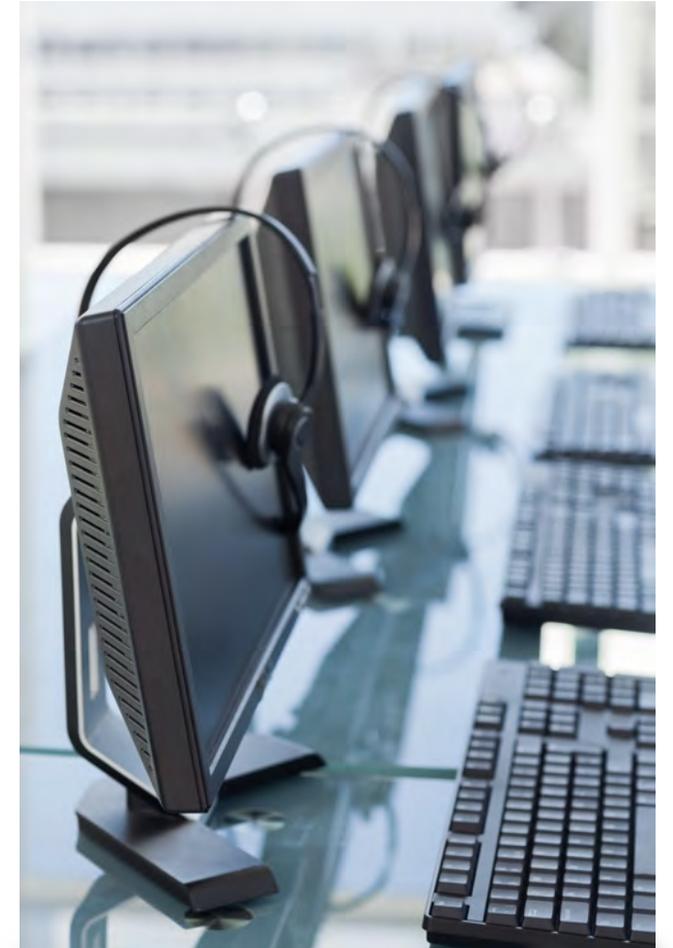
# 2023-25 Budget Drivers: Federal/UI Administrative Funds

## UI Administration Federal and Other Expenditures by Fund Type

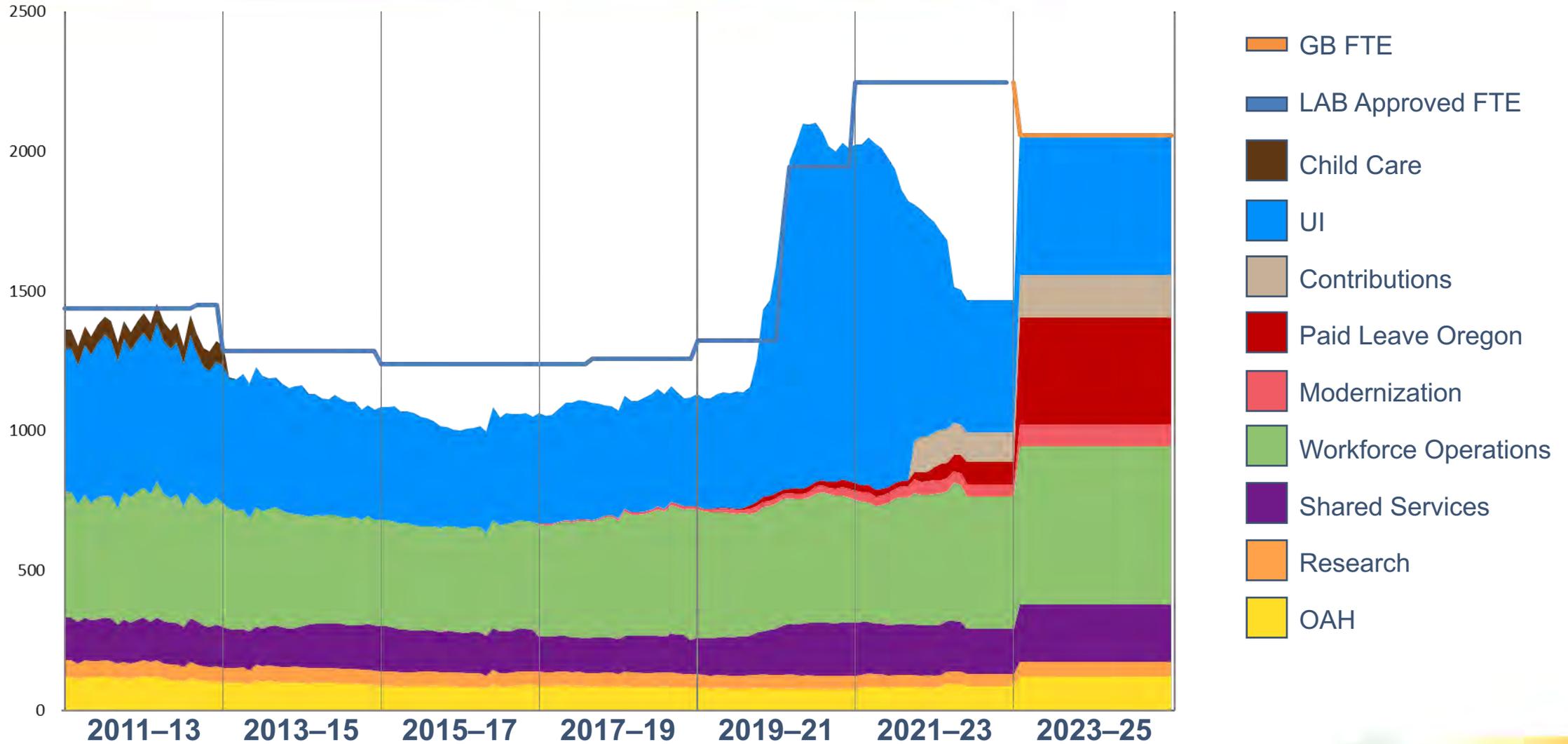


## 2023-25 Budget Drivers: Current Environment

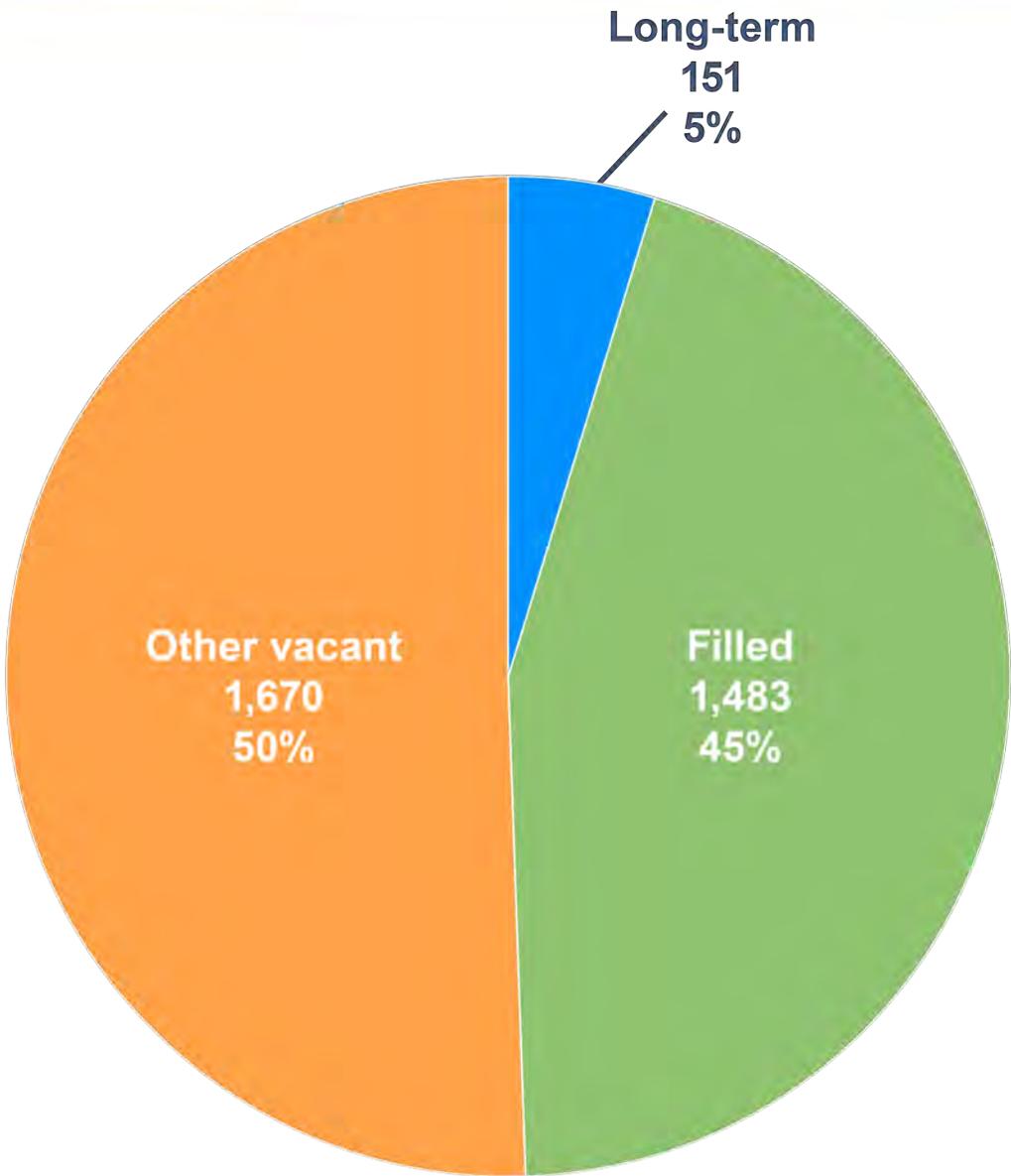
- We made great strides since the pandemic, but we have a long way to go
- Customer service level expectations remain high while workforce has gone down
- Without additional state investment, we cannot provide the level of customer service needed
  - ❖ Call wait times and turnaround on new claims
  - ❖ Communication, transparency and responsiveness
  - ❖ Providing services that people, regardless of background, can understand
- Need to rebuild operating reserves, currently less than one month



# Employment Department FTE



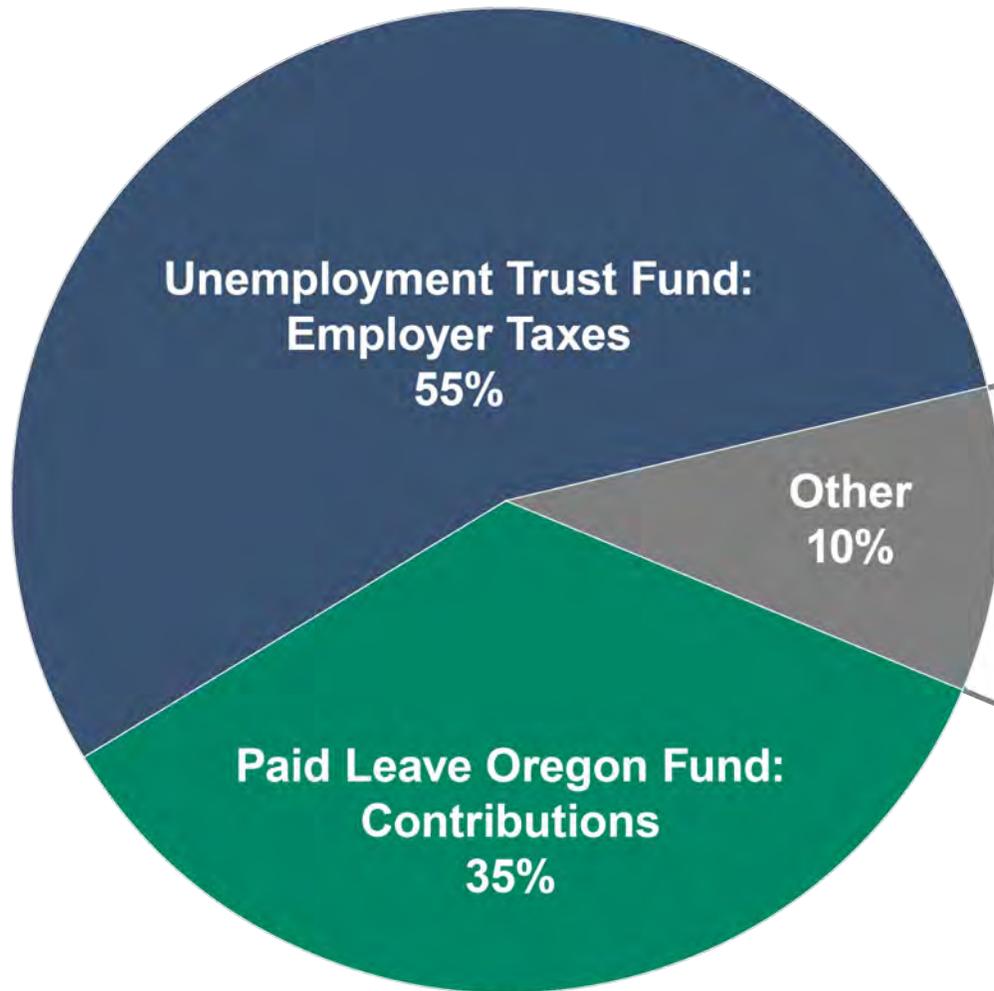
# Budget Drivers: Long-term Vacancies



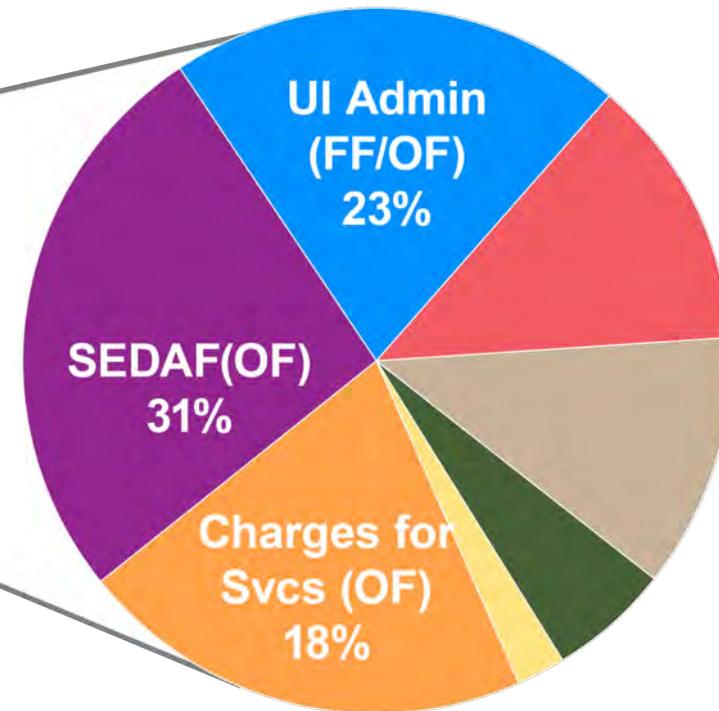
- 1,477 positions vacant due to lack of available funding
- 81% of positions vacant due to lack of funding

Timeframe	Count	Other Funds	Federal Funds	Eliminated in GB
12–18 months	29	\$3.91M	\$1.73M	1
19+ months	31	\$3.18M	\$3.02M	0
Biennium	91	\$15.99M	\$0.33M	13
<b>Total</b>	<b>151</b>	<b>\$23.08M</b>	<b>\$5.08M</b>	<b>14</b>

# Major Revenue Sources – Federal and Other Funds 2023–25

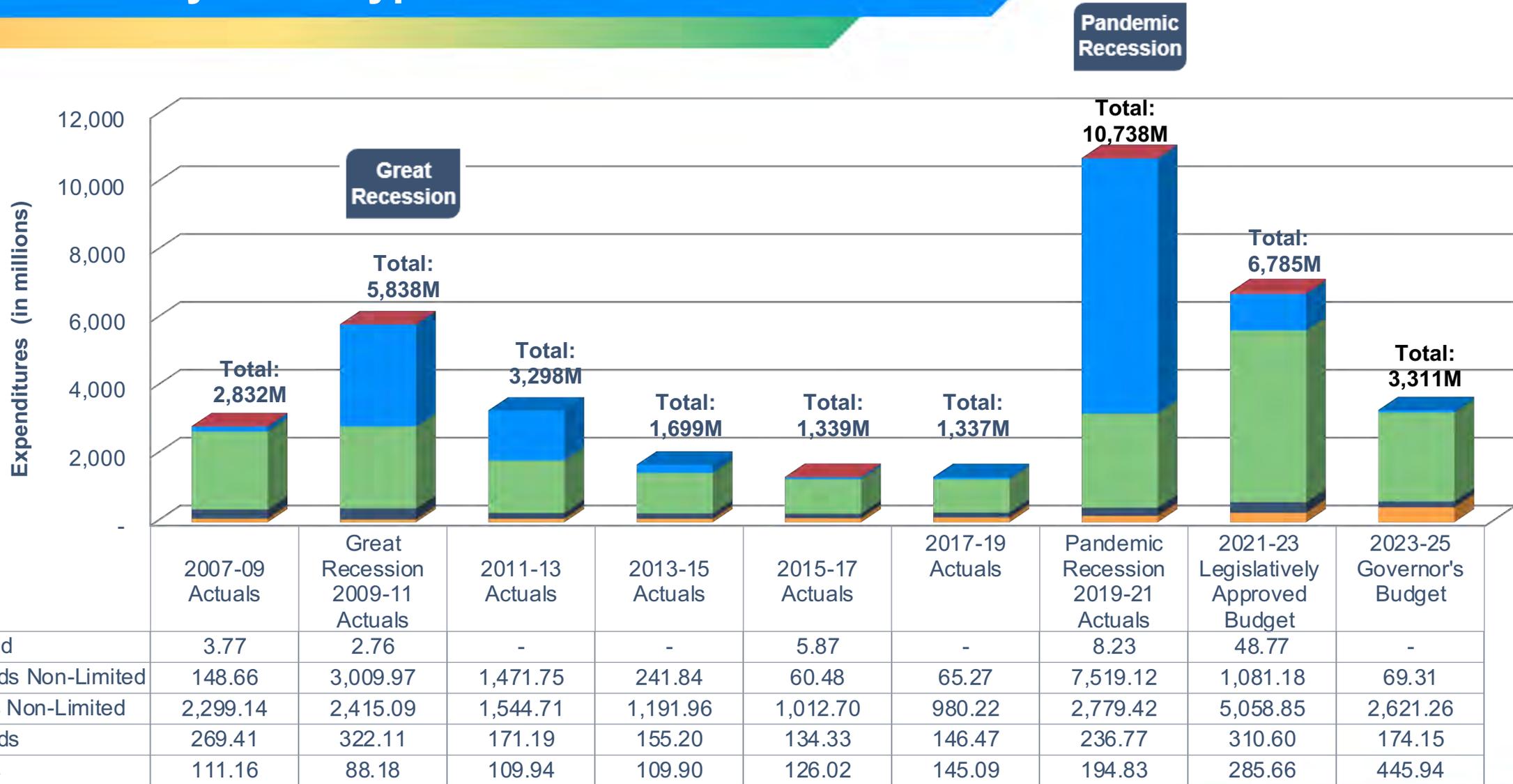


- Employment Services (FF) 11%
- Modernization (OF) 10%
- Penalties and Interest (OF) 5%
- Bureau of Labor Statistics (FF) 2%



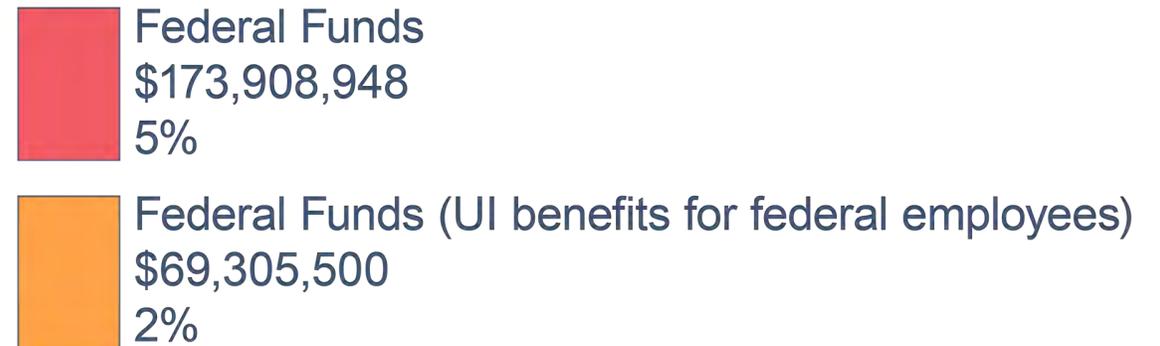
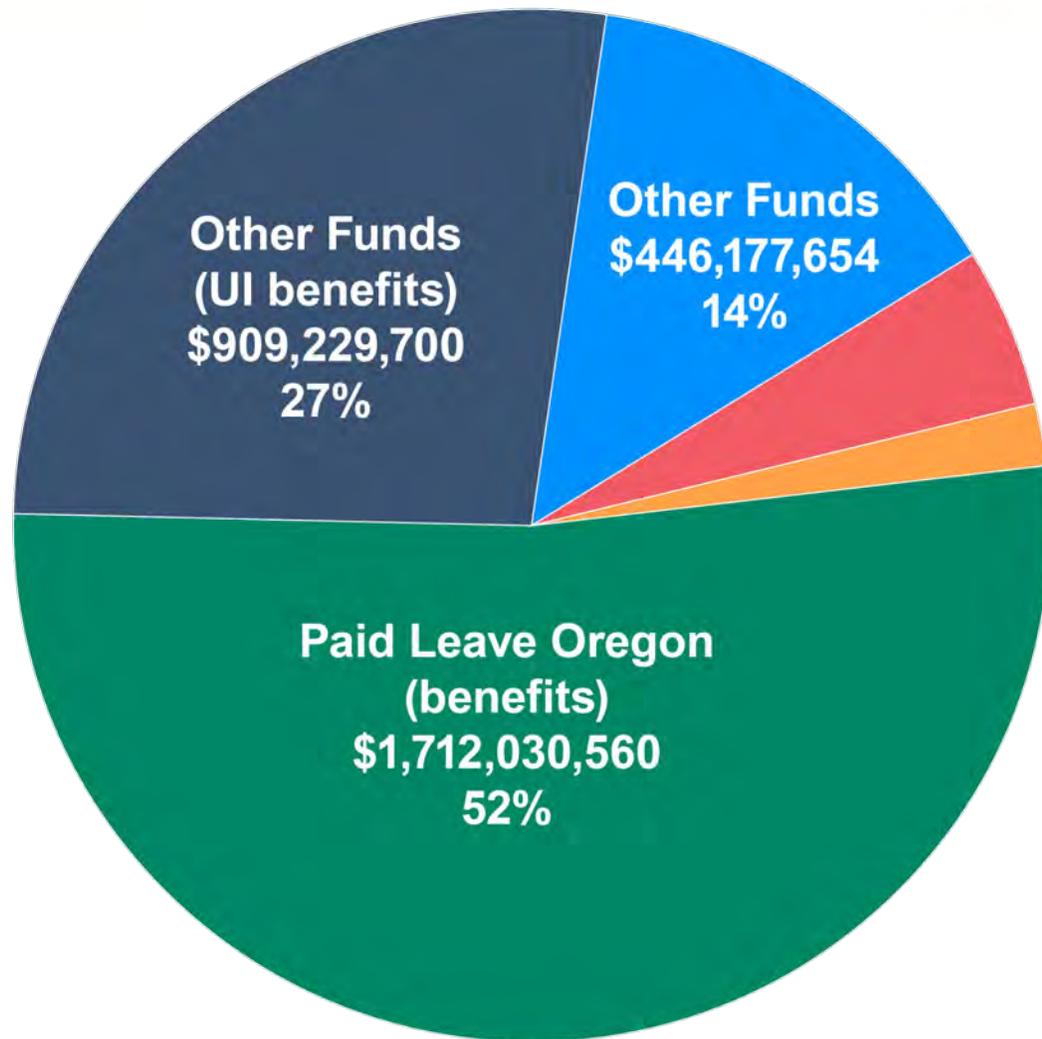
\*Employment Services includes Reemployment Services and Eligibility Assessments, Wagner-Peyser, Veterans Employment Services, Trade Act Administration, Work Opportunity Tax Credit, and Foreign Labor Certification Program

# Expenditures by Fund Type



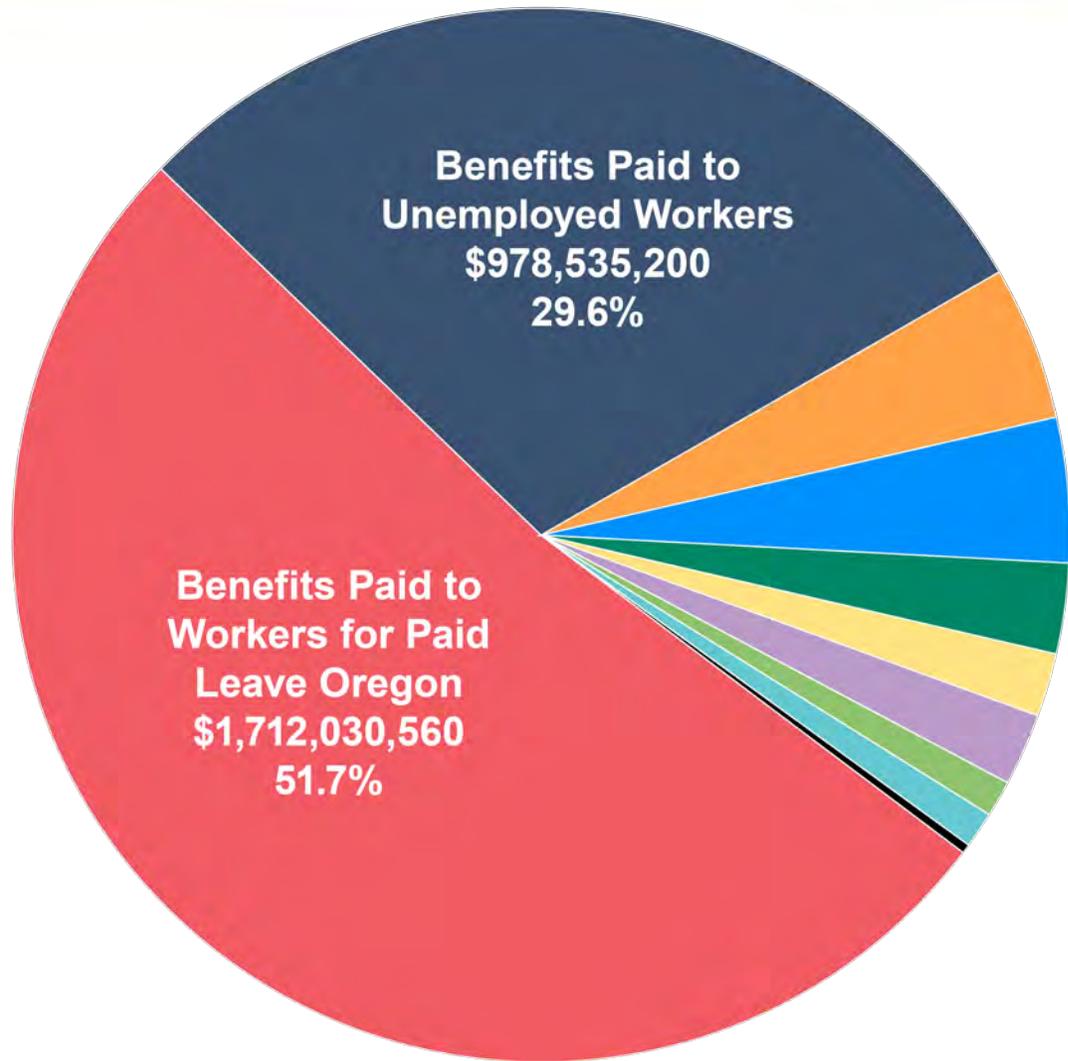
U.S. Department of Labor does not fully fund program administration

# 2023-25 Expenditures by Fund Type



**Total Expenditures: \$3.3 billion**

# 2023-25 Expenditures by Program



- Workforce Operations: \$159,670,115  
4.8%
- Unemployment Insurance: \$140,827,578  
4.3%
- Paid Leave Oregon: \$88,447,345  
2.7%
- Shared Services: \$70,861,200  
2.1%
- Modernization Program: \$69,114,013  
2.1%
- Office of Administrative Hearings: \$39,549,748  
1.2%
- Contributions and Recovery: \$34,441,208  
1.0%
- Workforce & Economic Research: \$17,175,395  
0.5%

**Total Expenditures: \$3.3 billion**

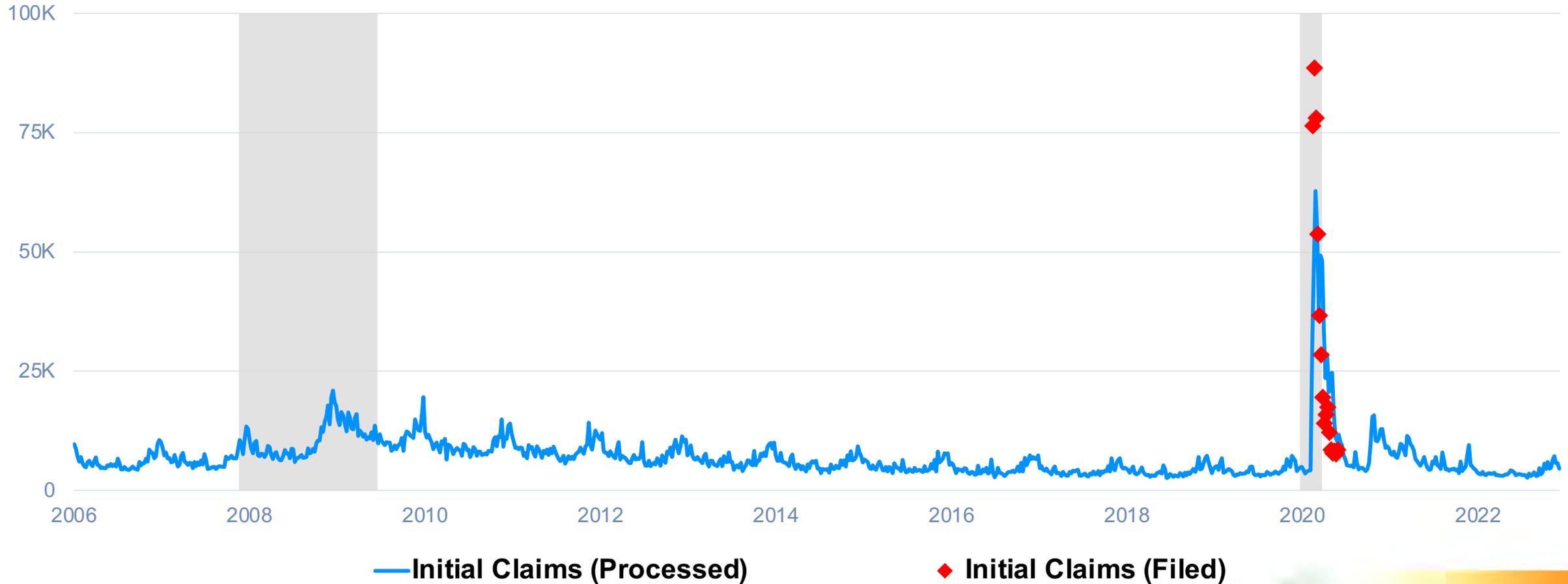
# 2023-25 Operational Budget: Positions

Program	2021–23 Legislatively Approved Budget	Change from 2021-23 to 2023-25	2023–25 Governor's Budget	Allocation of Positions in 2023–25
Unemployment Insurance	1,956	-73.2%	525	25.2%
Paid Leave Oregon	301	+27.2%	383	18.4%
Contributions and Recovery	0	+100%	153	7.3%
Workforce Operations	562	+1.1%	568	27.2%
Workforce and Economic Research	52	0%	52	2.5%
Modernization	78	0%	78	3.7%
Shared Services	229	-9.6%	207	9.9%
Office of Administrative Hearings	126	-4.0%	121	5.8%
<b>Total Agency</b>	<b>3,304</b>	<b>-36.8%</b>	<b>2,087</b>	<b>100.0%</b>

# Impact of COVID-19 Pandemic

## Oregon's Initial Claims for Unemployment Insurance, Weekly

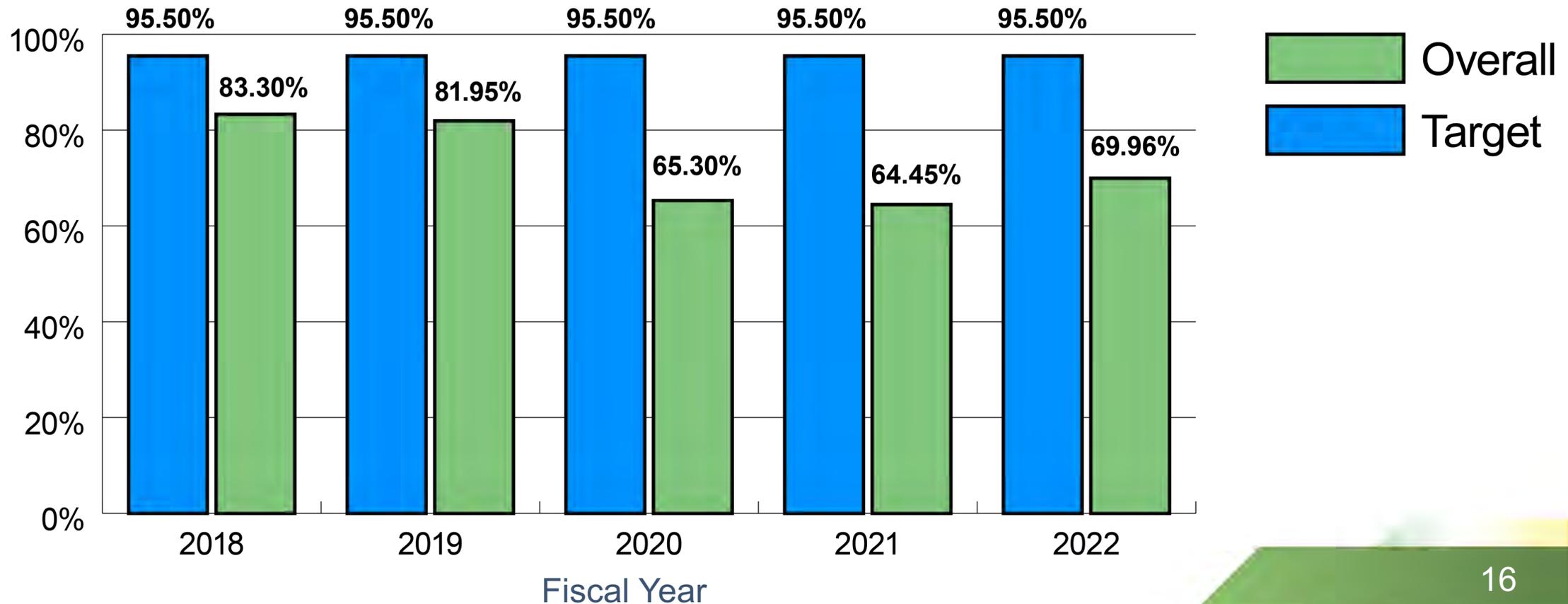
Gray = recession as defined by National Bureau of Economic Research



# Key Performance Measures and Outcomes for 2022

**KPM #13 Customer Service:** Percentage of customers rating their satisfaction with the agency's customer service as "good" or "excellent." A higher percentage is better.

Overall Service Quality



# Equity and Inclusion Focus



- Engaged and productive Equity and Inclusion Council
- Equity framework to guide new programs and projects
- Significant increase in access for underserved communities
- Growth of the Equity and Inclusion office and staff
- Creation of empowerment groups

# Looking Forward – 2023-25 Priorities

- Continue improved customer service and innovation
- Launch Paid Leave Oregon to support employees and businesses
- Modernize Unemployment Insurance and Workforce business processes and technologies
- Provide data and analysis to inform an equitable and robust economic recovery for Oregon

Commitment to ongoing customer service improvements:

- Highly effective assistance
- Quick adaptation to new changes
- Easy-to-understand communication

# Agency Structure with Policy Packages

**GOVERNOR**

**Employment Appeals Board**

**Office of  
Administrative Hearings**

**Internal Audit**

**Director's Office**

**Shared Services**

**Administrative Business Services**

**Communications**

**Equity and Inclusion**

**Human Resources**

**Information Technology**

**Legislative Affairs**

**Strategy, Innovation, and Performance**

**OED Core Programs**

**Unemployment Insurance**

**Workforce Operations**

**Workforce and Economic Research**

**Paid Leave Oregon**

**Modernization Program**

**Contributions and Recovery**

**Employment Department  
Advisory Council**

**Paid Leave Oregon  
Advisory Committee**

**Workforce and Talent  
Development Board**

# Investing in Contributions and Recovery Services

Policy Package Number: 106								
Expenditures			Fund type				Positions	
Personal Services	Services & Supplies	Total	OF	Paid Leave OF	FF	TF	Pos	FTE
\$708,240	\$72,000	\$780,240	(\$3,570,623)	\$6,762,330	(\$2,411,467)	\$780,240	2	2.0

- Establishes budget structure for a new division supporting UI and Paid Leave Oregon employer payroll reporting and payment, and debt collection functions.
- Based on what the public needs
- Creates operational efficiencies

# Investing in Organizational Support and Resiliency

Policy Package Number: 112								
Expenditures			Fund type				Positions	
Personal Services	Services & Supplies	Total	OF	Paid Leave OF	FF	TF	Pos	FTE
\$3,073,362	\$528,190	\$3,601,552	\$1,857,986	\$648,279	\$1,095,287	\$3,601,552	13	13.0

- Funding establishes a centralized unit for Strategy, Innovation, and Performance
- Institutionalizes lessons learned from the pandemic
- Increased focus on the agency performance
- Adds capacity for equity and inclusion

# Investing in Agency Communications

Policy Package Number: 113								
Expenditures			Fund type				Positions	
Personal Services	Services & Supplies	Total	OF	Paid Leave OF	FF	TF	Pos	FTE
\$241,172	\$40,630	\$281,802	\$146,537	\$50,724	\$84,541	\$281,802	1	1.0

- Funding builds on pandemic lessons learned
- Expands capacity to help customers have access to clear, understandable, and easy-to-find information about agency services
- Outcomes include supporting programs with communications to claimants, employers, and internal staff

# Investing in Service Levels with Inadequate Funding

Policy Package Number: 115						
Expenditures			Fund type		Positions	
Personal Services	Services & Supplies	Total	OF	TF	Pos	FTE
\$18,107,059	\$3,600,000	\$21,707,059	\$21,707,059	\$21,707,059	100	100.0

- Federal funding from the U.S. Department of Labor dropped rapidly post-pandemic
- Requested funding maintains and improves UI service levels to the public
- Most requested positions support UI fraud detection, investigations, and overpayment processes

# Unemployment Insurance

Lindsi Leahy, Division Director

# The Purpose of Unemployment Insurance

## Stability for Oregon's workers

- Temporary, partial wage replacement for unemployed workers
- Weekly, eligibility-based program that provides up to 26 weeks of benefits
- Helps stabilize individual incomes and the local economy

## Stability for Oregon's employers

- Preserves a trained workforce for local businesses
- WorkSource Oregon collaboration gets people back to work faster

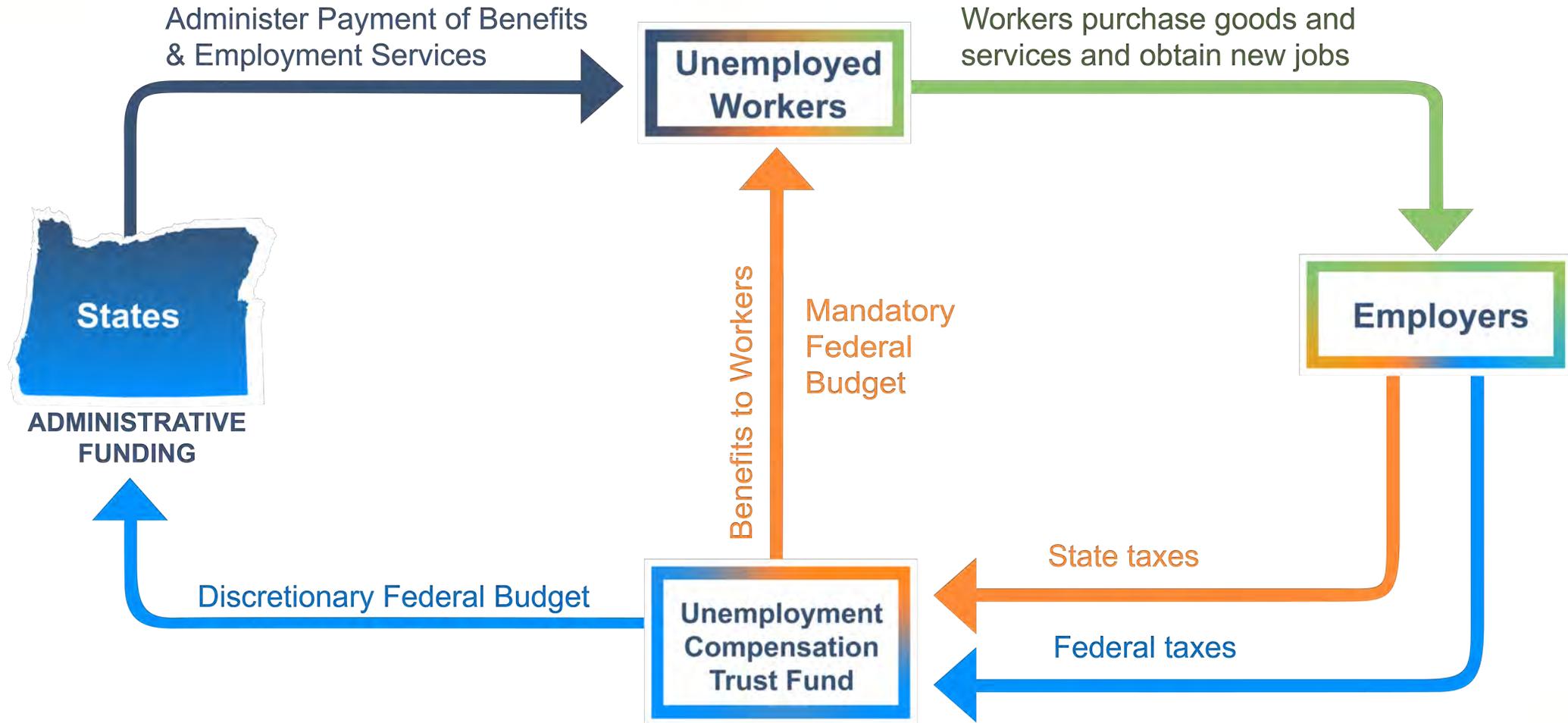
# Interagency Compliance Network

**Multi-agency group collaborating on common issues related to workers  
Created by statute (ORS 670.600) in 2009**

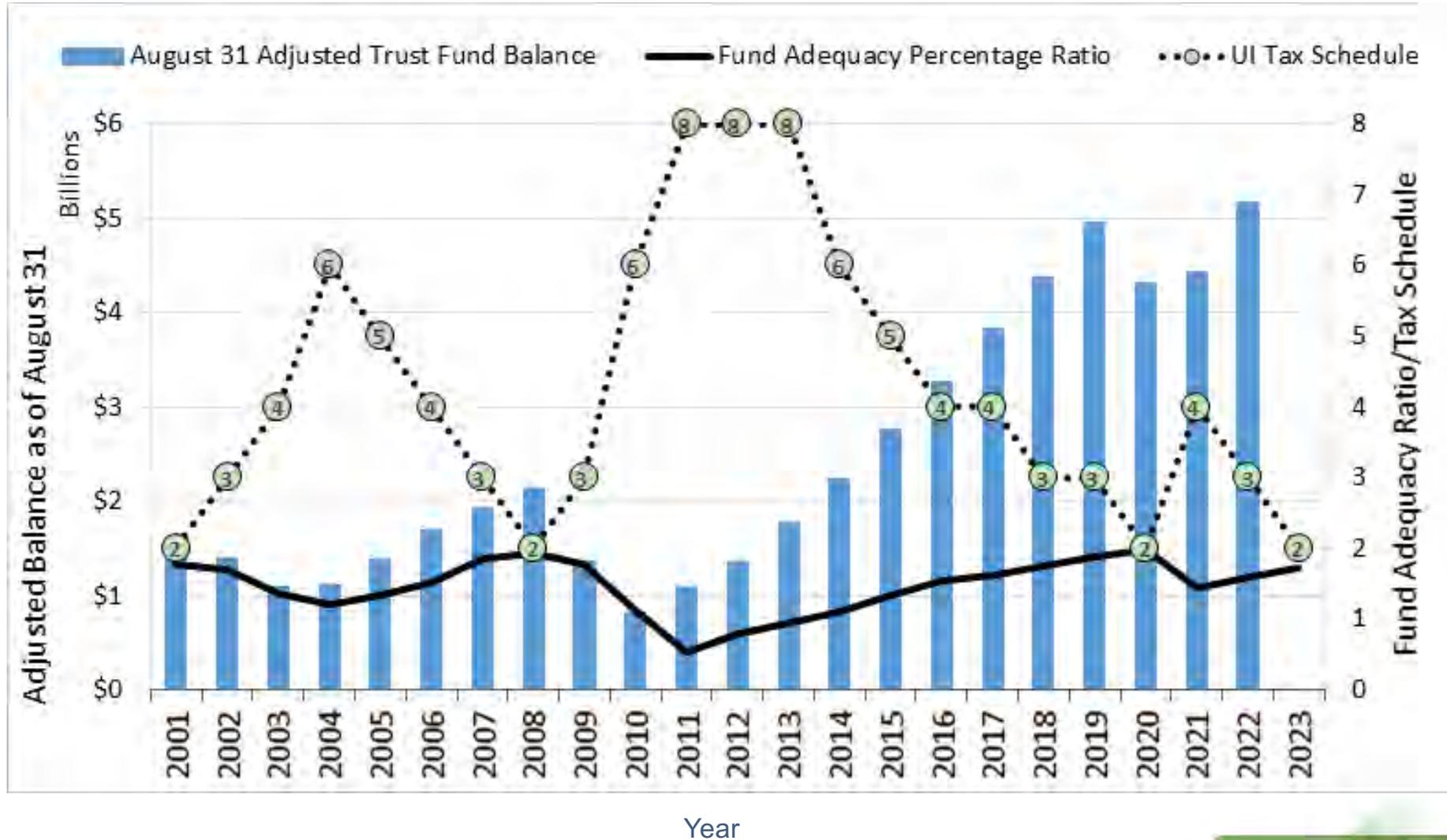
- Consistency in determinations relating to worker classification
- Gather and share information regarding improper payment practices
- Coordinate public education and enforcement efforts



# Unemployment Insurance System



# Oregon's Unemployment Insurance Trust Fund is Solvent



## Unemployment Insurance (UI)

*Employment Appeals Board*

### UI Tax

- Tax status determination
- Combined tax reporting
- Collections
- Field audits

### UI Benefits

- Process claims
- Determine benefit eligibility
- Pay benefits
- Prevent and detect fraud

### UI Policy

- Quality control
- Federal and state compliance
- Legislative and other changes
- Policy work

# Unemployment Insurance Programs

TEMPORARY LOCK OUT BENEFITS

WORK SHARE

UNEMPLOYMENT COMPENSATION FOR EX-SERVICE MEMBERS

SELF EMPLOYMENT ASSISTANCE

DISASTER UNEMPLOYMENT ASSISTANCE

UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

EXTENDED BENEFITS

TRADE READJUSTMENT ALLOWANCES

ADDITIONAL BENEFITS

SUPPLEMENTARY UNEMPLOYMENT FOR DISLOCATED WORKERS

TRAINING UNEMPLOYMENT INSURANCE



# Investing in Work Share Eligibility

Policy Package Number: 110						
Expenditures		Fund type			Positions	
Nonlimited	Total	Nonlimited OF	Nonlimited FF	TF	Pos	FTE
\$438,200	\$438,200	\$440,700	(\$2500)	\$438,200	0	0.0

- Increases the number of workers and employers who can benefit from the Work Share Program
- Removes some program requirements
- Expands the range of hours an employee may work to qualify for shared work benefits

## People Served by the Unemployment Insurance Program

<b>Employers</b>	<b>Calendar Year 2020</b>	<b>Calendar Year 2021</b>
Subject employers	140,000	145,000
Number of wage records filed	8.7 million	8.6 million
Amount of payroll taxes collected	\$910 million	\$1.1 billion

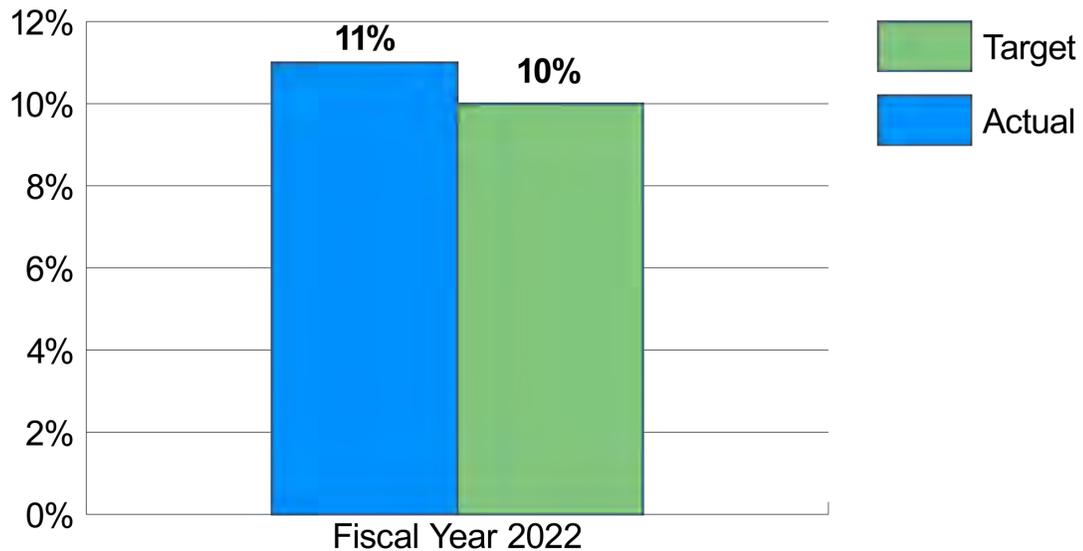
<b>Workers</b>	<b>Calendar Year 2019</b>	<b>Calendar Year 2020</b>	<b>Calendar Year 2021</b>	<b>Calendar Year 2022</b>
Claims for benefits	237,000	1.5 million	550,000	212,000
Weeks of benefits claimed	1.45 million	13 million	9.24 million	1.32 million
Workers receiving benefits	114,000	583,000	385,600	116,700
Amount of benefits paid	\$521 million	\$6.7 billion	\$4.57 billion	\$523 million

# Key Performance Measures and Outcomes for 2022

## KPM #6 UI Administrative Costs as a Percent of Benefits Paid:

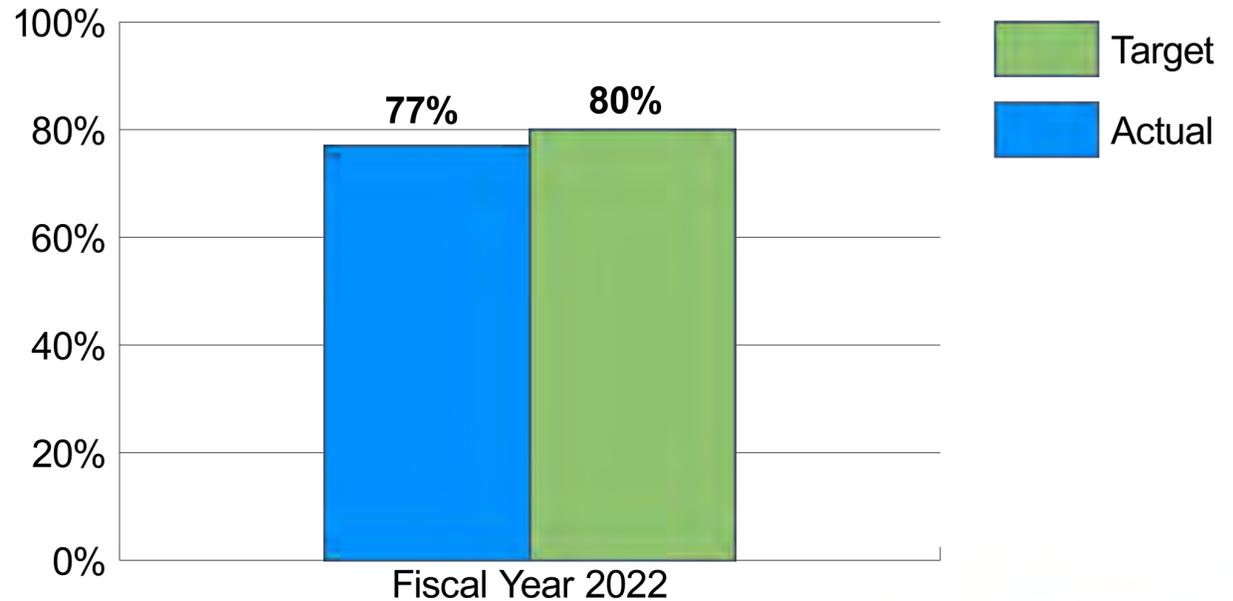
Compares cost of administering the program to dollars paid to unemployed workers.

A lower percentage is better.

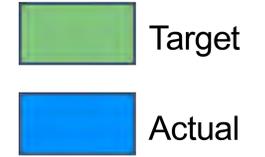


## KPM #11 Higher Authority Appeals Timeliness: Percentage of cases that get a decision within 45 days.

A higher percentage is better.



# Key Performance Measures and Outcomes for 2022



## KPM #12 Timeliness of New Status Determinations:

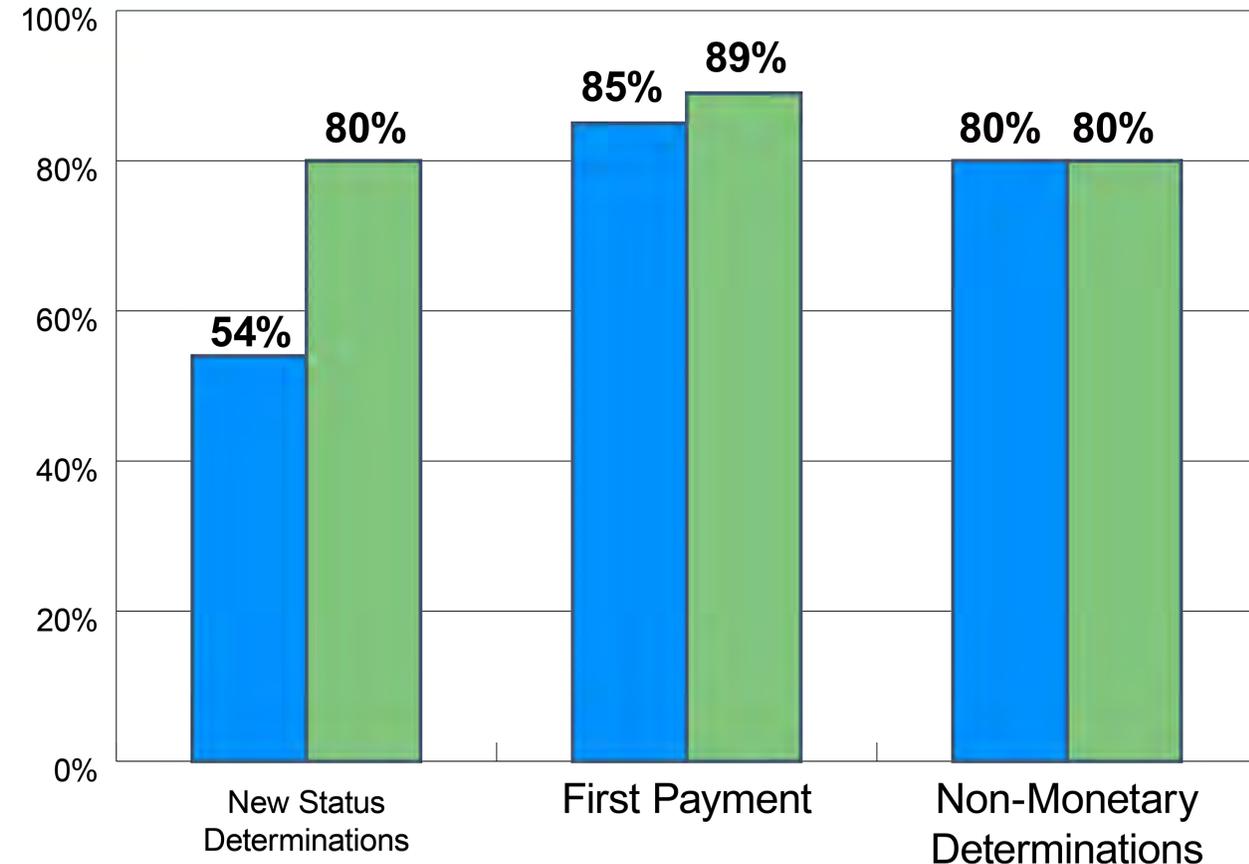
Percentage completed within 90 days.

## KPM #4 First Payment Timeliness:

Percentage made within 21 days of eligibility.

## KPM #5 Non-Monetary Determinations Timeliness:

Percentage of claims adjudicated within 21 days of issue detection.



A higher percentage is better for all three.

## Opportunities

- Years of inadequate federal funding
- Outdated technology and processes

## Focus on customer needs

- Equitable Access grant
- Better online access and technology
- Building on lessons learned

## Investing in data-driven improvements

- More data needed for better understanding of risks, opportunities
- Reclassifying workers for rapid response to changing needs



# Investing in Equitable Access to Unemployment Insurance

Policy Package Number: 107						
Expenditures			Fund type		Positions	
Personal Services	Services & Supplies	Total	FF	TF	Pos	FTE
\$820,818	\$177,840	\$998,658	\$998,658	\$998,658	13	4.94

- This funding supports equitable access to UI benefits for underserved populations
- Community outreach, translations, alternative formats, analyzing UI data trends

# Investing in Unemployment Insurance Operations

Policy Package Number: 108						
Expenditures			Fund type		Positions	
Personal Services	Services & Supplies	Total	FF	TF	Pos	FTE
(\$103,984)	(\$108,000)	(\$211,984)	(\$211,984)	(\$211,984)	-3	-3.00

- Builds on pandemic lessons learned
- Reclassification of positions provides flexibility for more seamless workflows within new modernized systems

# Investing in the Employment Appeals Board

Policy Package Number: 114						
Expenditures			Fund type		Positions	
Personal Services	Services & Supplies	Total	OF	TF	Pos	FTE
\$222,638	\$36,000	\$258,638	\$258,638	\$258,638	1	1.00

- Adds one position to address projected pandemic workload for the Employment Appeals Board

## Striking a careful balance

- Protect the UI Trust Fund and the tax dollars paid by employers
- Provide benefits quickly to customers who seek them

## Continually evolving countermeasures to detect fraud

- Ready to move rapidly to stop fraudsters
- Responsive to needs of legitimate claimants

## Overpayments

- Waiving overpayments based on hardship
- Outstanding debt will be an issue for years

Policy Package Number: 111							
Expenditures			Fund type			Positions	
Personal Services	Services & Supplies	Total	OF	FF	TF	Pos	FTE
\$2,218,668	\$1,240,000	\$3,458,668	\$30,294	\$3,428,374	\$3,458,668	10	10.00

- Funding expands existing positions that provide UI program data analytics support
- Enhances existing UI workforce management capacity
- Supports strong customer service outcomes

# Investing in Service Levels with Inadequate Funding

Policy Package Number: 115						
Expenditures			Fund type		Positions	
Personal Services	Services & Supplies	Total	OF	TF	Pos	FTE
\$18,107,059	\$3,600,000	\$21,707,059	\$21,707,059	\$21,707,059	100	100.00

- Federal funding from the U.S. Department of Labor dropped rapidly post-pandemic
- Requested funding maintains UI service levels to the public
- Nearly all requested positions support UI fraud detection, investigations, and overpayment processes

# Workforce Operations Division

Jim Pfarrer, Division Director

- Statewide network of public and private partners
- High-quality services to individuals and businesses
- Resulting in job attainment, retention, and advancement

## WSO partners include:

- Bureau of Labor and Industries
- Higher Education Coordinating Commission
- Oregon Department of Human Services
- Oregon Commission for the Blind
- Oregon Department of Corrections
- Local Workforce Development Boards
- Oregon Youth Authority
- Vocational Rehabilitation

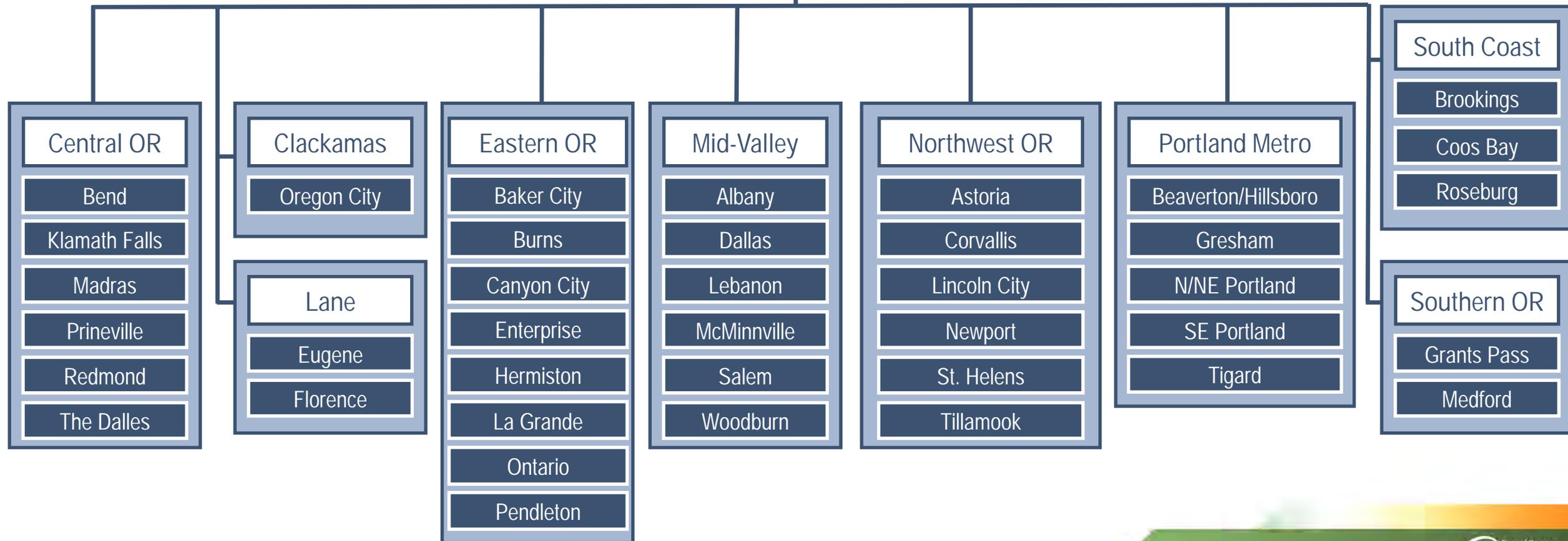
## OED Workforce Operations (WO) Division as a WorkSource Oregon public partner:

- Connects job seekers to employers
- Manages and delivers several key programs of WSO
- Serves as board members of all nine Local Workforce Development Boards
- Partners with other state agencies to serve customers

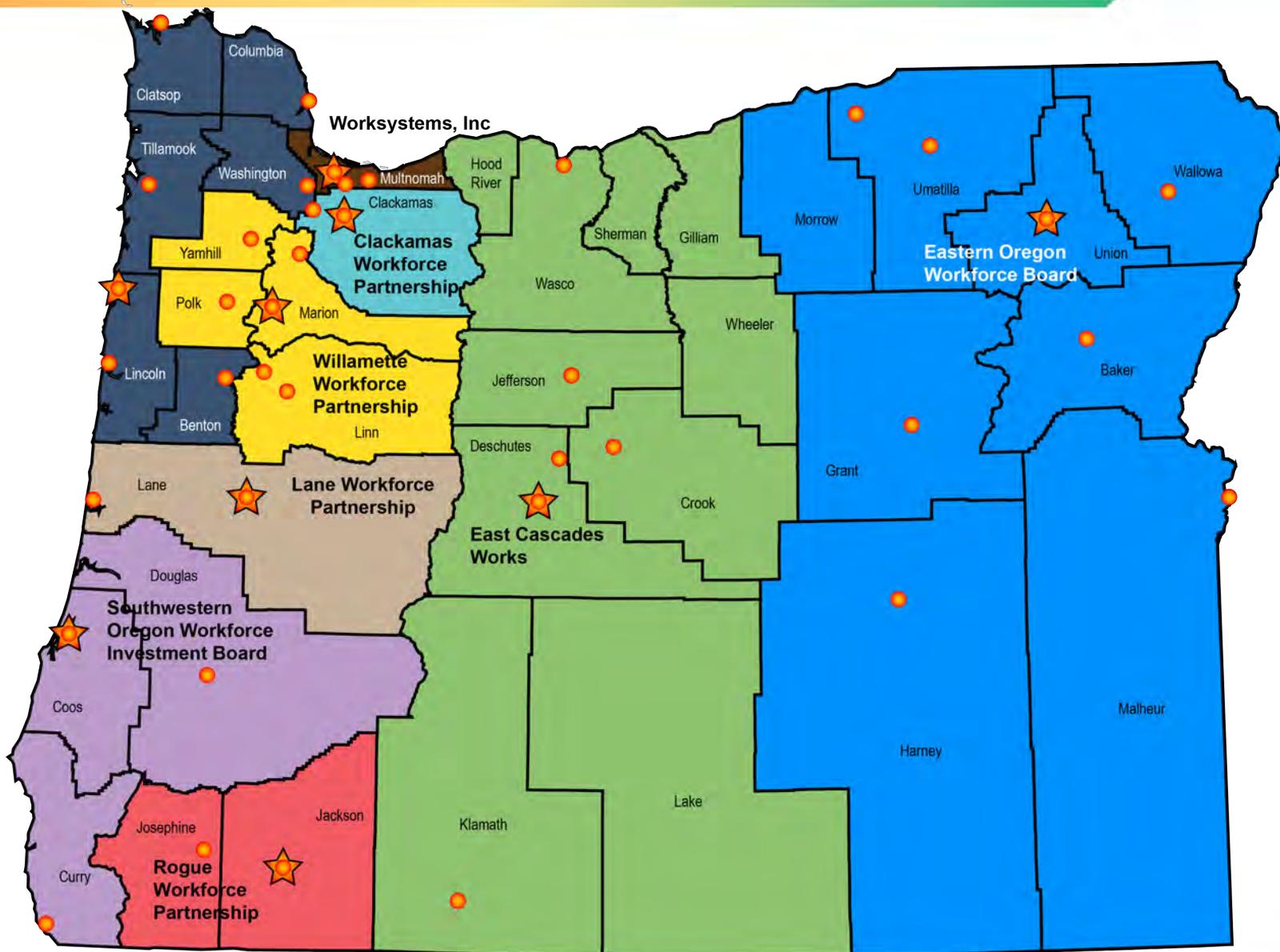


## Workforce Operations

### Central Office



# Oregon's WorkSource Centers



- ★ Local Workforce Development Boards
- WorkSource Centers

Total Positions:  
568

Budget:  
\$159,670,115

## Job Seekers

111,852

Program Year 21



**WORKFORCE  
OPERATIONS**

## Employers

9,015

Program Year 21



# Job Seekers and Businesses Served

**Job Seekers: 111,852 Businesses: 9,015**

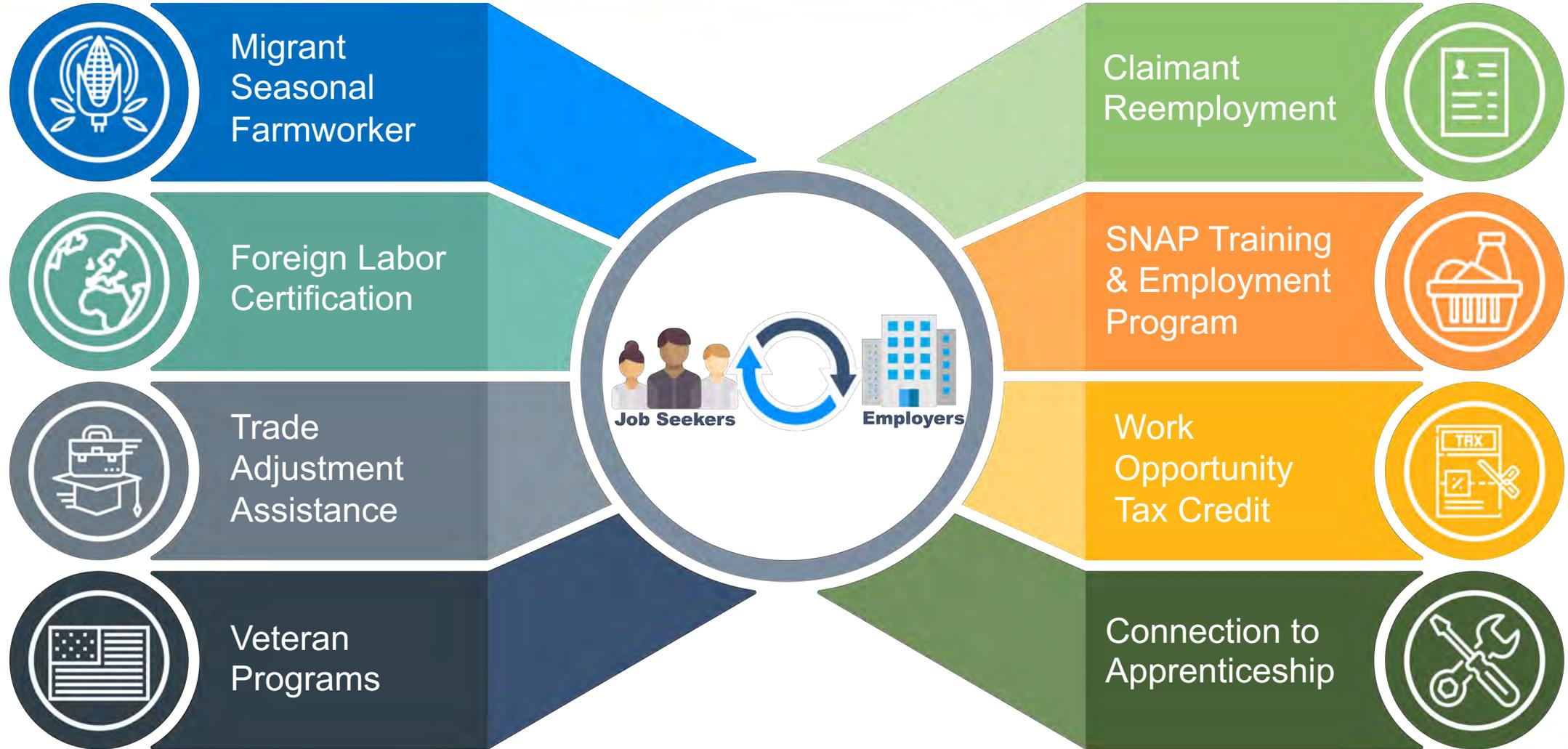
(Totals for July 1, 2021 to June 30, 2022)

WorkSource Center	Job Seekers	Employers
Albany	3,828	203
Astoria	1,333	164
Baker City	925	84
Bend	4,788	289
Brookings/Harbor	975	46
Burns	245	31
Canyon City	640	58
Coos Bay	3,562	311
Corvallis	2,007	124
Dallas	1,661	41
Enterprise	69	1
Eugene	11,489	656
Florence	467	71

WorkSource Center	Job Seekers	Employers
Grants Pass	3,732	130
Hermiston	1,918	144
Klamath Falls	3,156	269
La Grande	1,425	154
Lebanon	1,056	49
Lincoln City	570	58
Madras	201	26
McMinnville	3,776	257
Medford	8,620	398
Newport	1,887	235
Ontario	1,667	124
Oregon City	12,828	426
Pendleton	1,531	77

WorkSource Center	Job Seekers	Employers
Portland Metro - Beaverton/Hillsboro	10,113	290
Portland Metro - Gresham	9,456	298
Portland Metro - N/NE	17,950	631
Portland Metro - SE	5,583	150
Portland Metro - Tigard	13,452	1,546
Prineville	327	29
Redmond	3,232	341
Roseburg	5,156	232
Salem	13,943	508
St Helens	1,080	73
The Dalles	2,015	160
Tillamook	1,186	97
Woodburn	3,087	67

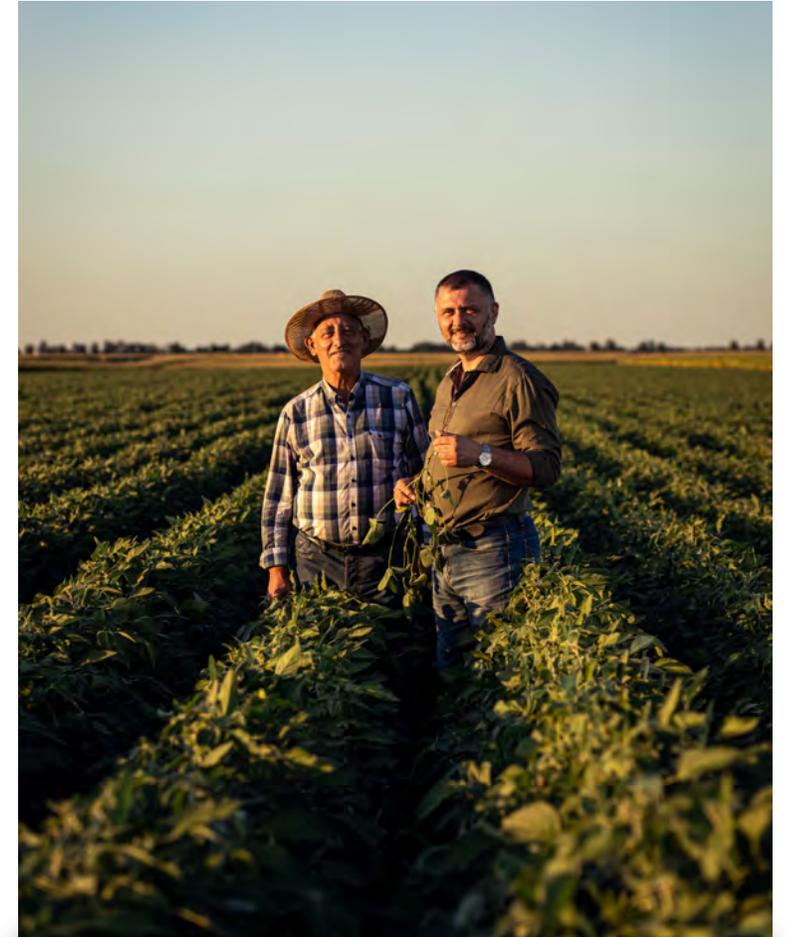
# Key Federal Programs





## Migrant and Seasonal Farmworker Program

- **26,651 Migrant and Seasonal Farmworkers (MSFWs)** contacted by outreach representatives across the state
- **173 MSFW** customers completed their initial registration in iMatchSkills in Program Year 2021
- MSFW outreach representatives spent more than **12,450 work-hours** conducting outreach and providing services to MSFWs in Fiscal Year 2021





## Foreign Labor Certification



**Foreign Labor Certification** received 283 applications in FY21, compared to 214 applications in Fiscal Year 2020. 180 housing consultations were completed in FY21.

**415 agricultural job listings** were posted and recruited for within iMatchSkills, OED's labor exchange system, in Program Year 2021.



## Trade Act

Oregon's **Trade Act Program** is considered the best in the nation. USDOL ranks Oregon's Trade Act program as number 2 in TAA petition filings.

### **Collaboration:**

Equitable technology access to historically underserved populations — a strategy to engage and educate justice-involved trade-affected workers

### **Accomplishment:**

Served more than 1,500 workers displaced from a large food manufacturer in the Willamette Valley in just 3 days.



## Jobs for Veterans' State Grant

**315 Oregon employers** received information about **USDOL HIRE Vets Medallion Program (HVMP)** – 280 of these through LVER contact. 14 businesses received HVMP award.

Added **541VETS** to OED Veterans Services webpage in November 2021. Designed to connect with rural veterans.



In Program Year 2021, **6,605 veterans accessed services** through local offices — 473 had significant barriers to employment.

### ***Stevens Amendment acknowledgement***

*The Jobs for Veterans' State Grant (JVSG) is 100% federally funded through the U.S. Department of Labor, Veterans' Employment and Training Service (USDOL-VETS). This grant is a part of an award grant totaling \$2,429,678 with 0% financed from non-governmental sources.*



## Reemployment Services & Eligibility Assessments

More than 27,000 unemployment insurance claimants participated in **Reemployment Services and Eligibility Assessments (RESEA)** in Program Year 2021.

### **Accomplishments:**

- Launched an online scheduling tool allowing customers to book either a virtual or in-person appointment with their local WorkSource Oregon center, primarily supporting RESEA customers
- Resumed subsequent RESEA appointments, approximately 6 weeks after completion of the initial appointment



## Supplemental Nutrition Assistance Program

Workforce Operations delivered intensive services to **15,248 supplemental nutrition assistance program (SNAP)** recipients in Program Year 2021.

**Able-Bodied Adults without Dependents (ABAWD)** program launch planned for June 1, 2023.



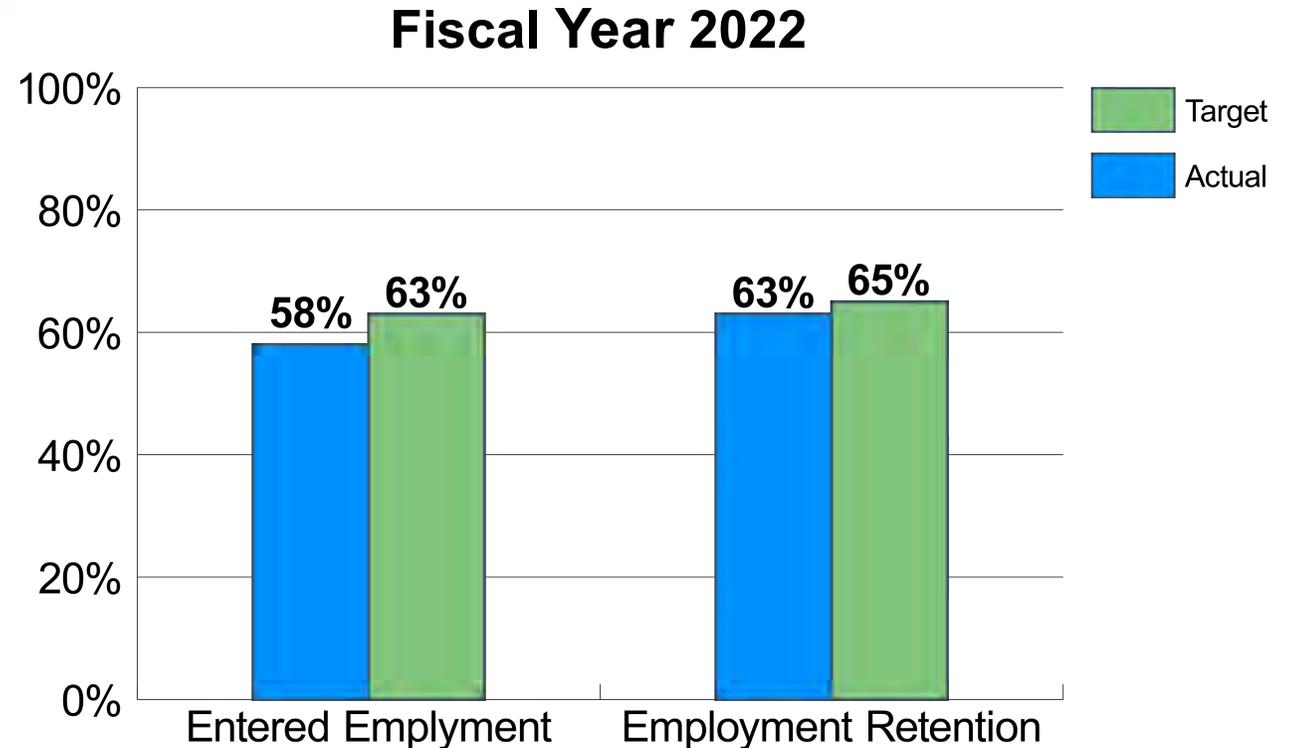
## Work Opportunity Tax Credit

New employer registrations increased by **55%** from 2020 to 2021. This was due largely to a quarterly Work Opportunity Tax Credit (WOTC) GovDelivery email blast implemented in 2021.

Due to the increased employer outreach, the number of WOTC-related tax credits from January 1, 2022 – June 30, 2022, was **\$99 million**.

# Key Performance Measures and Outcomes for 2022

- **KPM #1 Entered Employment:** Percentage of adult program participants who are in unsubsidized employment during the **second quarter** after using Workforce Operations services.
- **KPM #2 Employment Retention:** Percentage of adult program participants who are in unsubsidized employment during the **fourth quarter** after exiting the program.

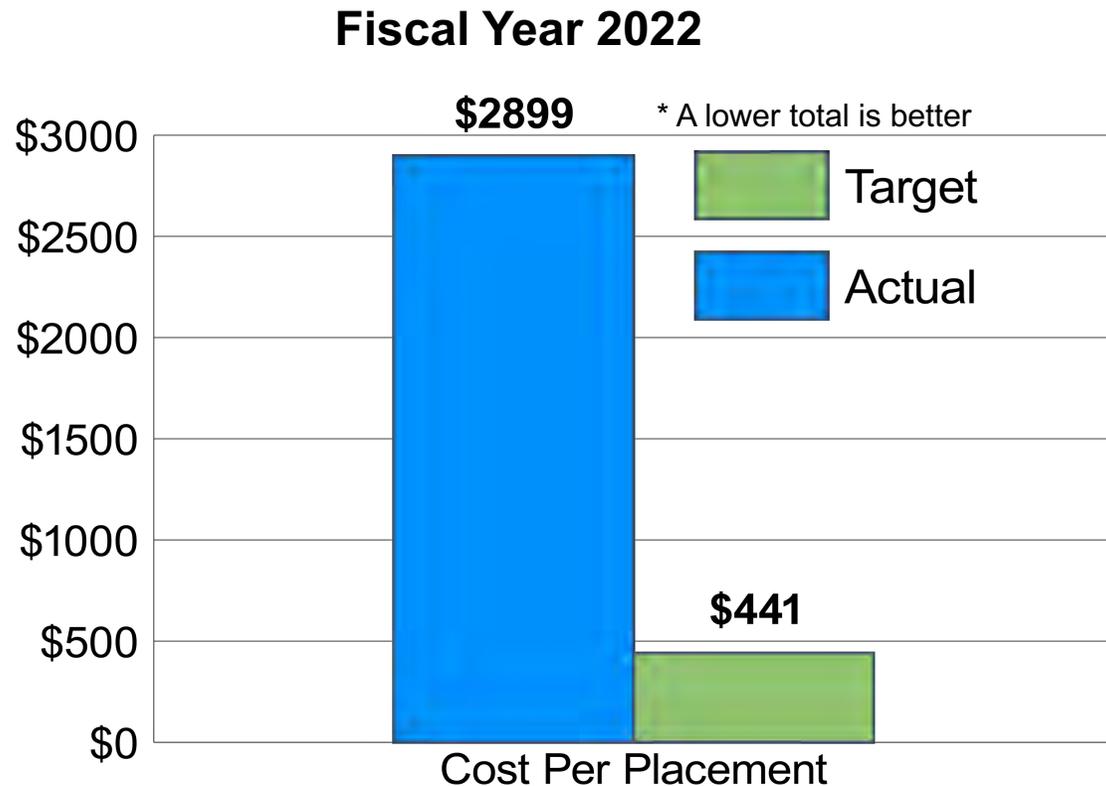


\* A higher percentage is better

# Key Performance Measures and Outcomes for 2022

## KPM #3 Cost Per Placement:

- Total cost of Workforce Operations program divided by the total number of job seekers entered into employment after receiving services.



## Extenuating Costs

- Customers are facing significant barriers and need more services
- Hired temp workers and security guards
- Closed offices
- Pandemic changes to work search requirements
- One-time, customer service technology improvement costs

# Investing in Workforce Operations Services

## Policy Package Number: 104

Expenditures				Fund type			Positions	
Personal Services	Services & Supplies	Special Payments	Total	OF	FF	TF	Pos	FTE
\$6,591,086	\$1,404,000	\$8,000,000	\$15,995,086	\$10,594,291	\$5,400,795	\$15,995,086	39	39.00

- Optimizes braided funded strategies
- Expanding local partnerships and collaborations with federal co-enrollment
- Expand Title 1 services in the Rogue Valley

# Investing in Workforce Business Services

Policy Package Number: 105							
Expenditures			Fund type			Positions	
Personal Services	Services & Supplies	Total	OF	FF	TF	Pos	FTE
\$1,108,382	\$180,000	\$1,288,382	\$23,399	\$1,264,983	\$1,288,382	5	5.00

- Expands capacity for reemployment services
- Requests position classification changes
- Focus on administration, technical assistance, and training of customer-service staff

### Grow with Google

- Pilot program ranked #1 among the 5 other participating states with the most enrollments
- Focus on increasing opportunities for learning skills needed for higher paying jobs in the technology field
- 316 Active Learners – 6 graduates – in Program Year 2021



### Collaboration:

Hosted “Fast Track to State Employment” Virtual Open House, supporting 13 state agencies with 16 divisions. Over 300 job seekers attended.

## Future Focus Areas

- Title 1 Adult and Dislocated Worker Program
- Partnership with Oregon Youth Authority
- Partnership with Oregon Department of Corrections
- Expanded Virtual Services Delivery Model
- Braided services partnership between Trade Act, Employment Services, and Title 1 Providers



# Modernization Program

Renee Royston, Modernization Director

# **Modernization** Program

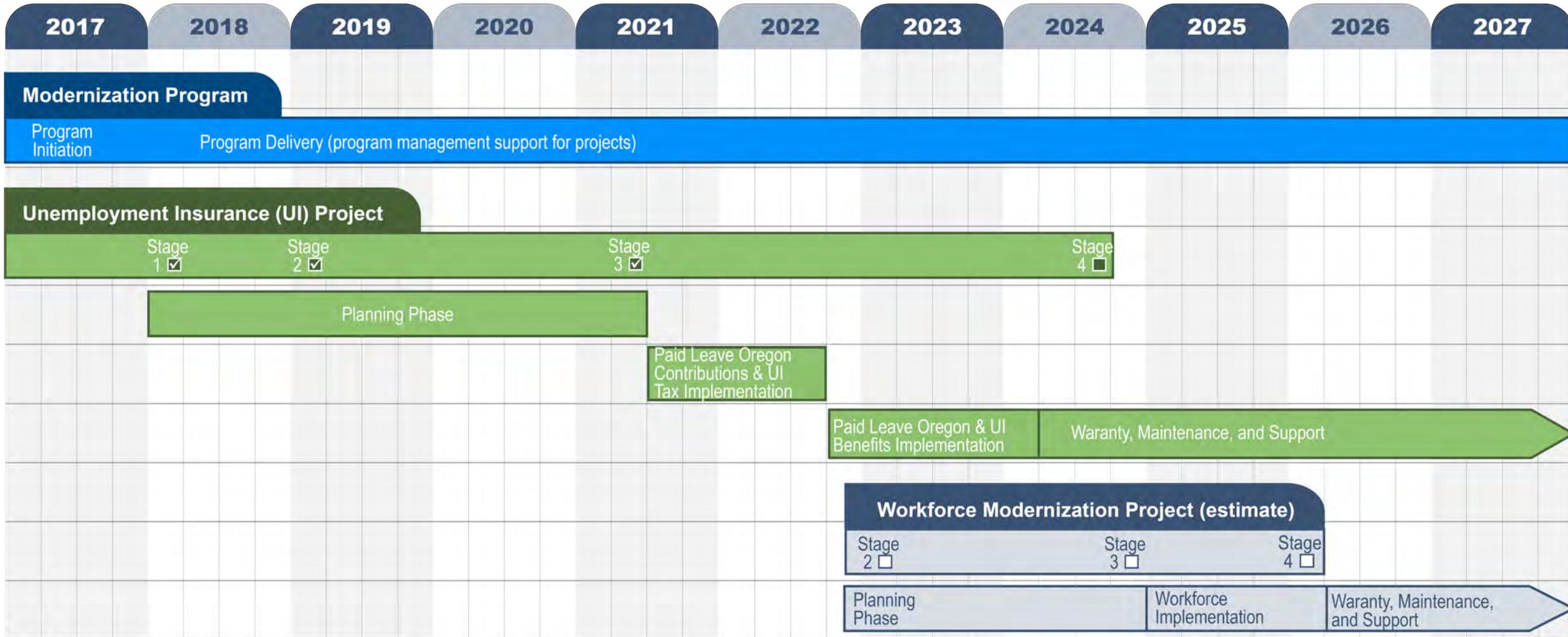
### Our program goals

- Enhance customer experience
- Modernize technology
- Transform business processes
- Improve data security
- Provide expandable technology

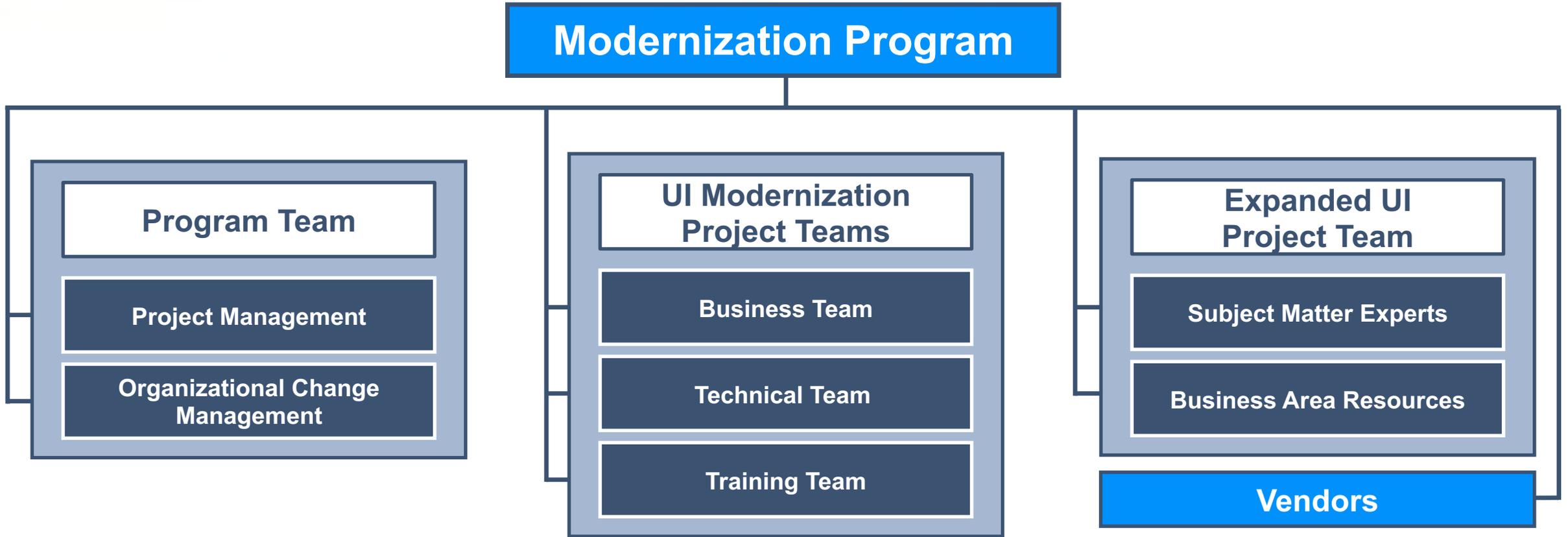
### Our guiding principles

- Focus on our customers' experience
- Deliver core services first
- Configure over customize whenever possible
- Seek opportunities for self-service
- Automate thoughtfully

# Modernization Program—A Multi-Biennia Effort

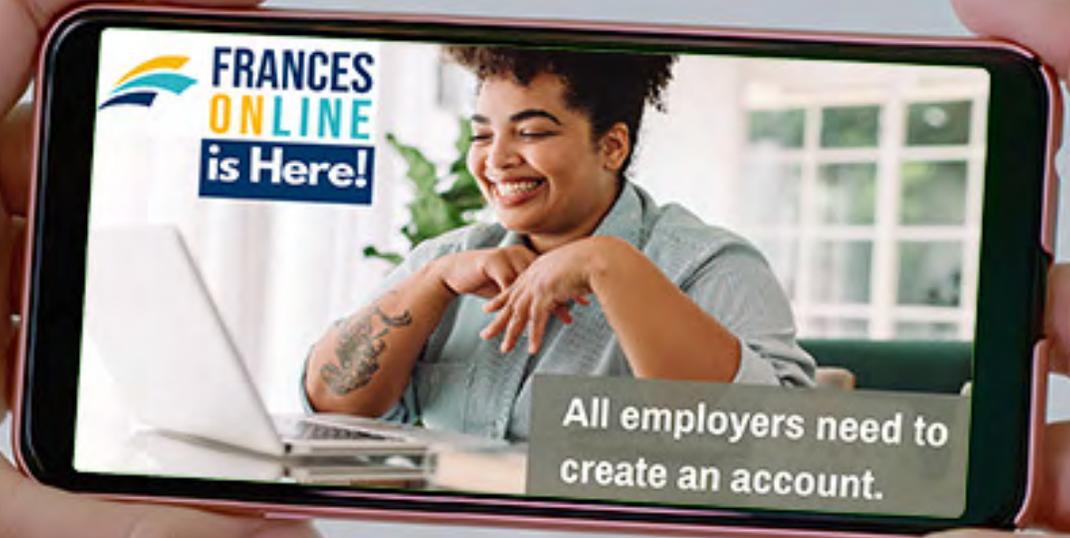


(Information accurate as of 02.15.2023)



# Frances Timeline





# Investing in UI and Paid Leave

## Modernize UI Business Services and Technology Infrastructure

Policy Package Number: 101						
Expenditures		Fund type			Positions	
Services & Supplies	Total	Other Funds	Paid Leave OF	Total Funds	Pos	FTE
\$33,219,980	\$33,219,980	\$10,393,622	\$22,826,358	\$33,219,980	0	0.00

- Continues investment of multi-biennia modernization effort
- Multiple services are included in contracts
- This funds multiple necessary services and expenses

# Investing in Workforce Operations Modernization

## Workforce Business Services and Technology Infrastructure

Policy Package Number: 102						
Expenditures		Fund type			Positions	
Services & Supplies	Total	Other Funds	Federal Funds	Total Funds	Pos	FTE
\$1,210,000	\$1,210,000	\$968,000	\$242,000	\$1,210,000	0	0.00

- Project initiation
- This funds multiple services and expenditures

# Paid Leave Oregon

Karen Madden Humelbaugh, Director

A new program that allows employees in Oregon to take paid time off for some of life's most important moments that impact our families, health and safety.

## **Our Mission**

To provide people who work, own businesses or run organizations in Oregon easy access to paid leave benefits so they have the support, resources, and peace of mind when it matters most

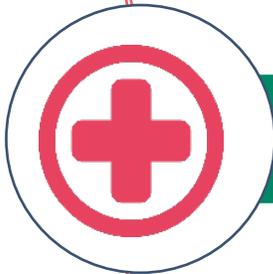
## **Our Vision**

A future Oregon where individuals, employers and families - ***of every kind*** – have the time and support they need to care for themselves and their loved ones during life's most important moments

# What is Paid Leave Oregon?



Family Leave



Medical Leave



Safe Leave

# Who is Covered by Paid Leave Oregon?



## **Employers**

- All employers with at least one employee working in Oregon

## **Employees**

- All employees working in Oregon

## **Elective Coverage**

- **Self-employed individuals and independent contractors**
- **Tribal governments**

# When does Paid Leave Oregon Start?

## 2019

August 2019

**August 2019,**  
Paid Leave  
HB 2005  
passed into  
Oregon law

## 2022

September 2022

**September 6,**  
Equivalent Plan  
applications  
begin

October

November

December

## 2023

January 2023

**January 1,**  
employers start  
withholding  
contributions  
  
Paid Leave  
wages reported and  
contributions paid  
starting the  
first quarter of 2023

September 2023

**September 3,**  
benefits and assistance  
grants start for  
Paid Leave Oregon  
  
Equivalent Plans  
become effective



## Contribution Rate:

- Set annually for calendar year
- Same rate for all employers (and employees)
- Maximum rate is 1% of employee wages, up to \$132,900

Employees	Large Employers
<b>60%</b> of contribution rate	<b>40%</b> of contribution rate

# Example of Payroll Contributions

	Annual earnings (weekly earnings)	Annual employee Paid Leave contributions	Annual employer Paid Leave contributions	One week's Paid Leave benefit
<b>Minimum wage employee</b>	\$28,080 (\$540)	\$168.48	\$112.32	\$540
<b>Median income employee</b>	\$67,058 (\$1,289.58)	\$402.35	\$268.23	\$1,042.86
<b>High income employee</b>	\$132,900 or more (\$2,555.78 or more)	\$797.40	\$531.60	\$1,469.78

# Commitment to Equity



- Commitment to accessibility and meeting communities where they are
- Equity program specialist and innovation and equity manager
- Diverse workforce representing our communities
- Trauma-informed
- Training



- Contributions are taken out after-tax and will not reduce your taxable income
- The Oregon Department of Revenue provided detailed information about the tax treatment for contributions and benefits in a memo, posted on the Paid Leave website
- Paid Leave Oregon benefits are taxable
- Taxes not automatically withheld

# Outreach and Communications

- Statewide outreach efforts
- Statewide mailer
- Social media and digital ads
- Radio ads
- Paid and earned media
- Employer toolkit



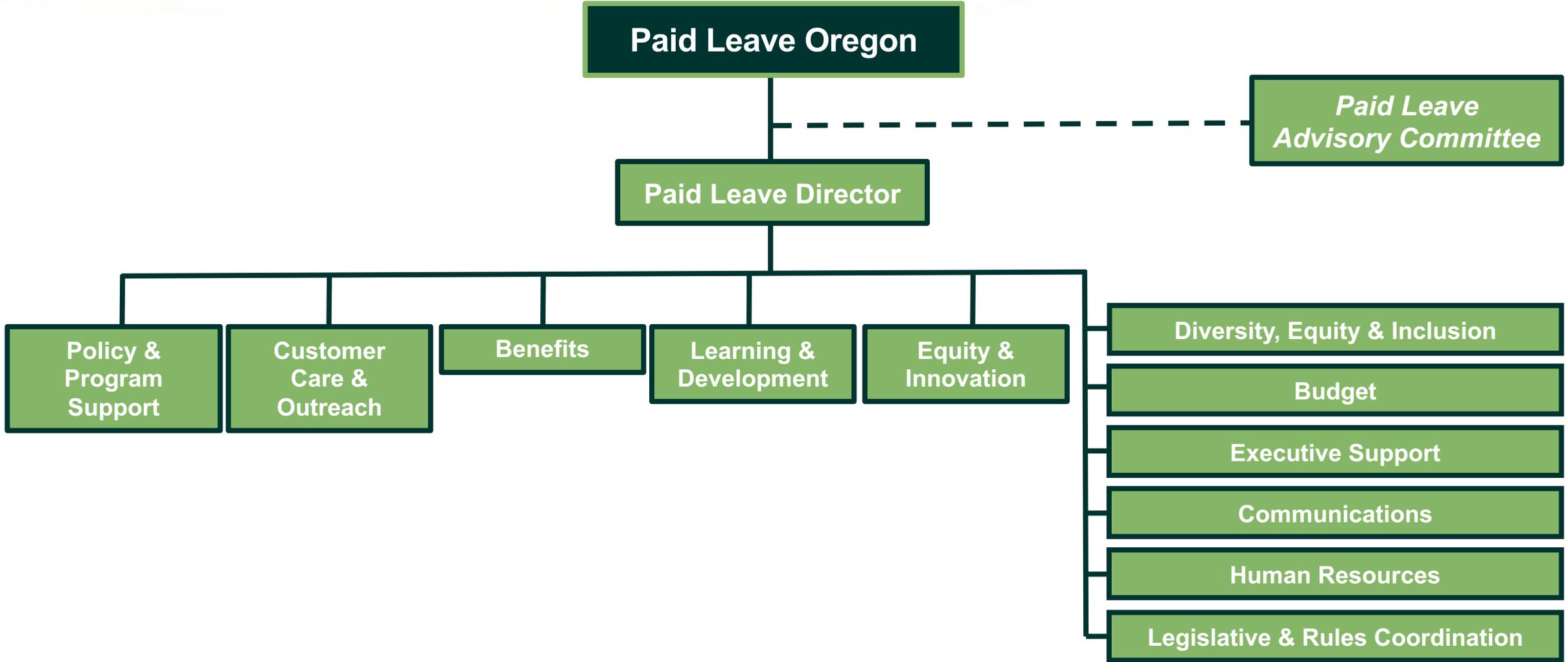
# Trust Fund

- Multiple data points used in forecast, updated quarterly
- Repay General Fund loan by end of June 2023
- Benefit claim rate
- Small versus large employers
- Opt-in for self-employed
- Interest, penalties, fees



# Organizational Structure

Total Positions: 383



# Staffing as of Governor's Requested Budget

Paid Leave Oregon - Program Areas	Total	Filled	Vacant	In Progress
Customer Care & Hearing Request Processing	7	7	0	0
Customer Care & Claims Processing	177	20	157	38
Equivalent Plans & Assistance Grants	18	8	10	0
Program Compliance	3	2	1	0
Benefits Eligibility (Adjudication), Overpayments & Appeals	50	0	50	0
Executive Support	1	1	0	0
Program Integrity	15	0	15	0
Office Coordinator	1	1	0	0
Policy & Operations Support	18	18	0	0
Program Equity & Innovation	2	2	0	0
Outreach & Engagement	10	7	3	3
Legislative Support	1	1	0	0
Project Management	1	1	0	0
Learning and Development	5	2	3	3
Management	32	16	16	3
Contributions & Recovery	42	22	20	8
<b>TOTALS</b>	<b>383</b>	<b>108</b>	<b>275</b>	<b>55</b>

- Hire all staff by June 2023 in phases/cohorts
- Recruiting diverse team members, statewide
- Collaborating with WorkSource to promote and recruit
- Bilingual team members for top 11 languages in Oregon

# Investing in Paid Leave Oregon Implementation

Policy Package Number: 103						
Expenditures			Fund type		Positions	
Personal Services	Services & Supplies	Total	Paid Leave OF	TF	Pos	FTE
\$24,208,834	\$5,256,000	\$29,464,834	\$29,464,834	\$29,464,834	146	146.00

- Supports continued implementation of the program
- Paid Leave Oregon customers will interact directly with nearly all the requested positions
- Remaining positions support program integrity

# Investing in Paid Leave Oregon Implementation

Policy Package Number: 109 (Revenue only)					
Expenditures		Fund type		Positions	
Services & Supplies	Total	Nonlimited OF	TF	Pos	FTE
\$0	\$0	\$0	\$0	0	0.00

Creates new statutes for revenue regarding:

- Employer penalties for equivalent plans
- Program collection processes
- Deduction of benefits paid in error
- Civil action
- Ineligibility for benefits upon fraud conviction

# Workforce and Economic Research

Bob Uhlenkott, Division Director

## Workforce and Economic Research

### Surveys and Analysis

- Partner with the Bureau of Labor Statistics to develop labor market information data foundational to the nation's workforce and economic system.

### Foundational

Official national, state and local workforce and economic data and information

### Services for Partners, Business and Workforce

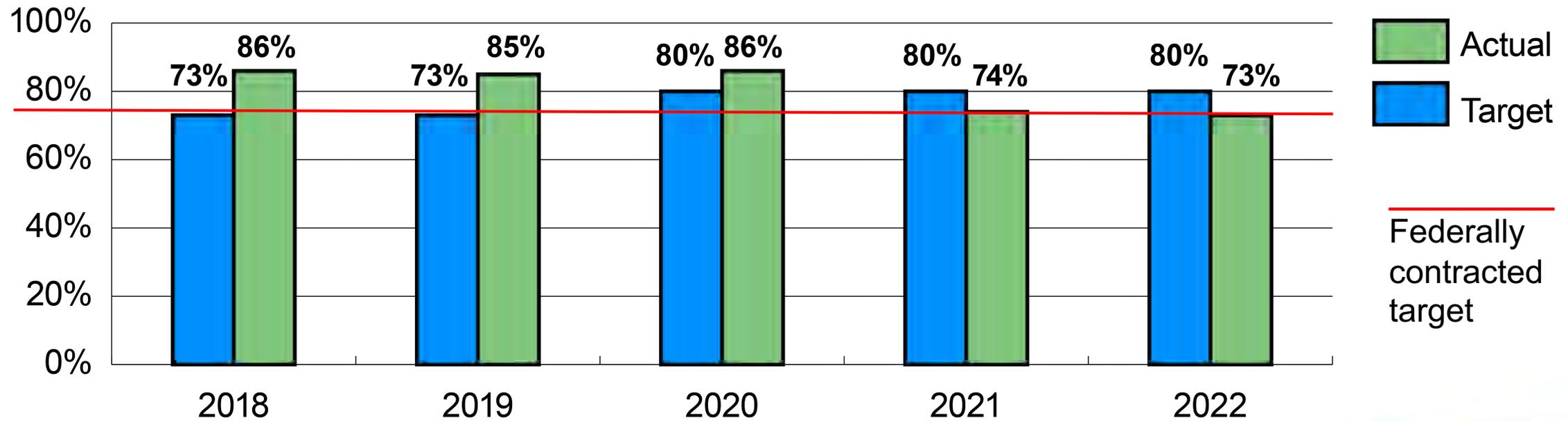
- Develop information products geared to Oregon businesses, the workforce, job seekers and more.
- Respond to customized information and data sharing requests for community and government entities.

### Systems

- Make available accurate and quality workforce and economic information through [QualityInfo.org](http://QualityInfo.org), and maintain Oregon's 'Performance Reporting Information System'

# Key Performance Measures and Outcomes for 2022

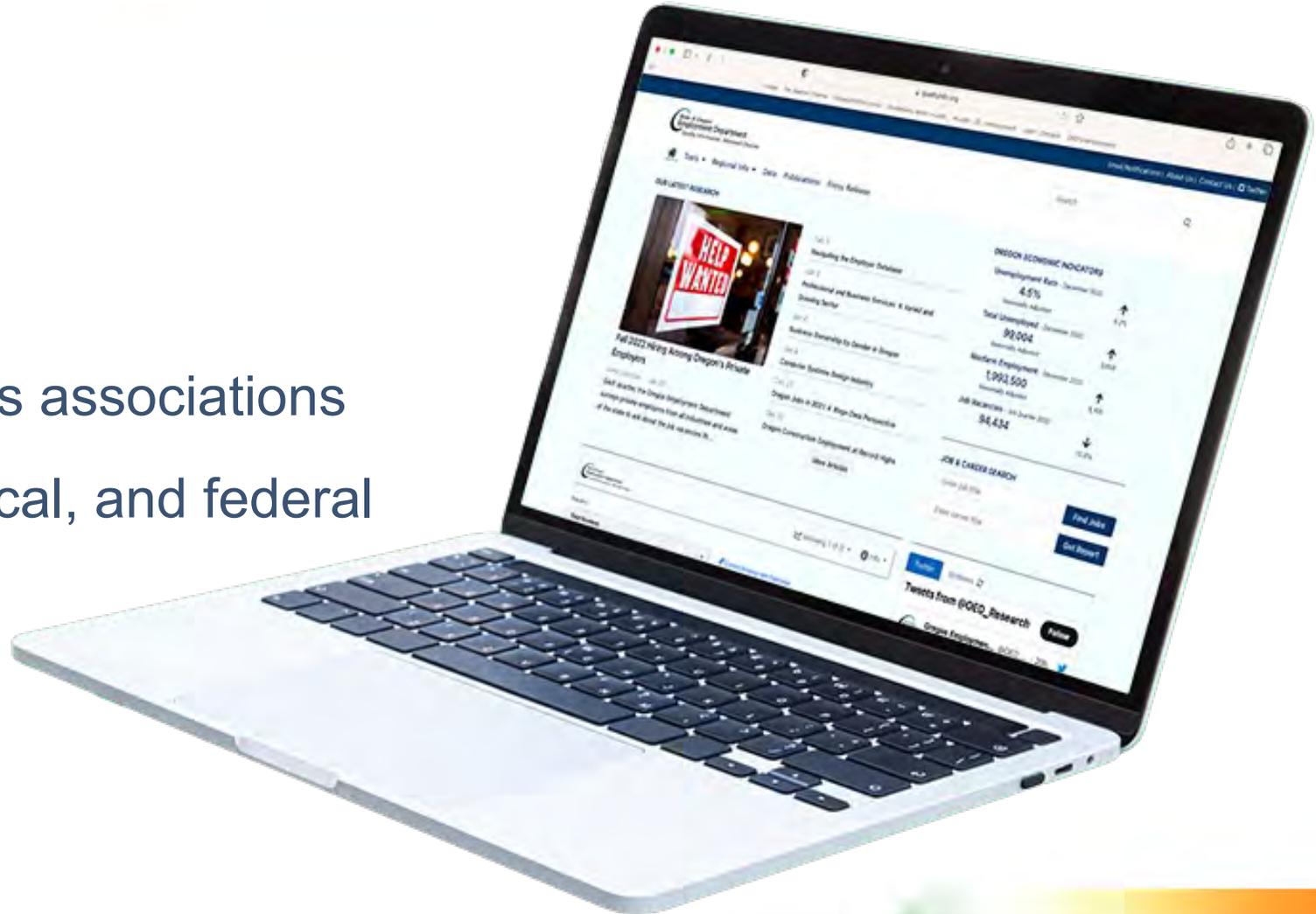
**KPM #14 Foundational Survey Response** : Ordinary (non-weighted) arithmetic mean of four annual response rates: (1) Occupational Employment Statistics employment; (2) Occupational Employment Statistics units; (3) Annual Refiling Survey employment; and (4) Annual Refiling Survey units.



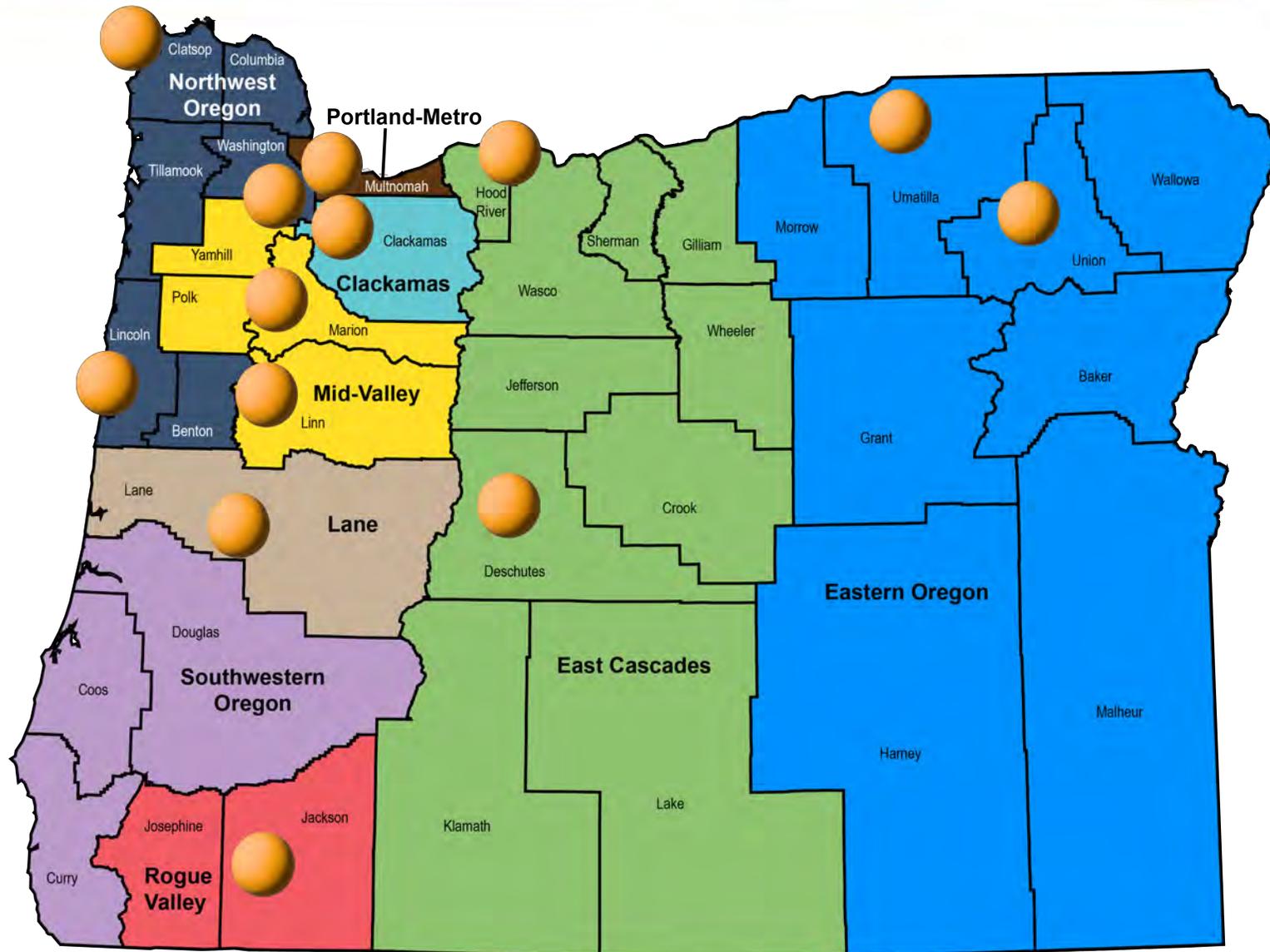
## Qualityinfo.Org

### Most Frequent Customers:

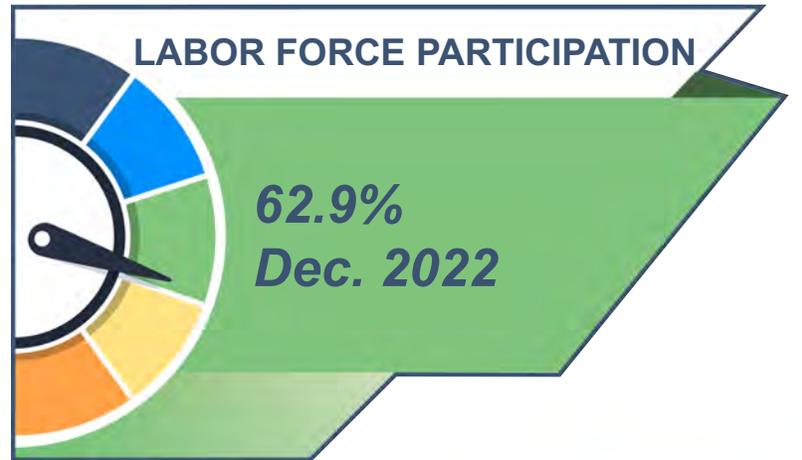
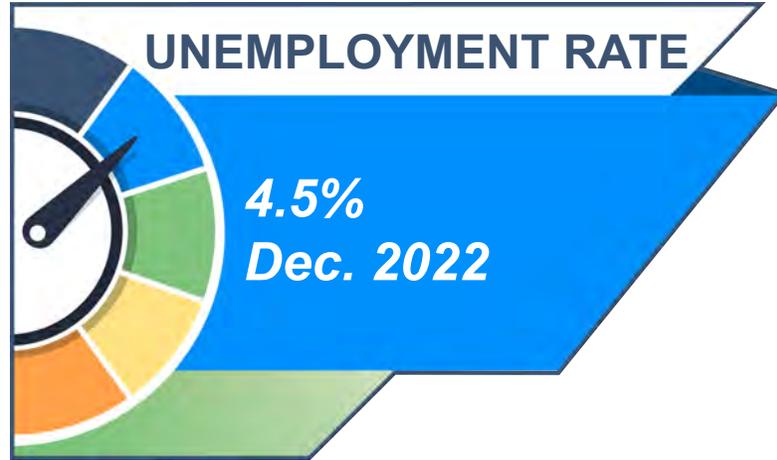
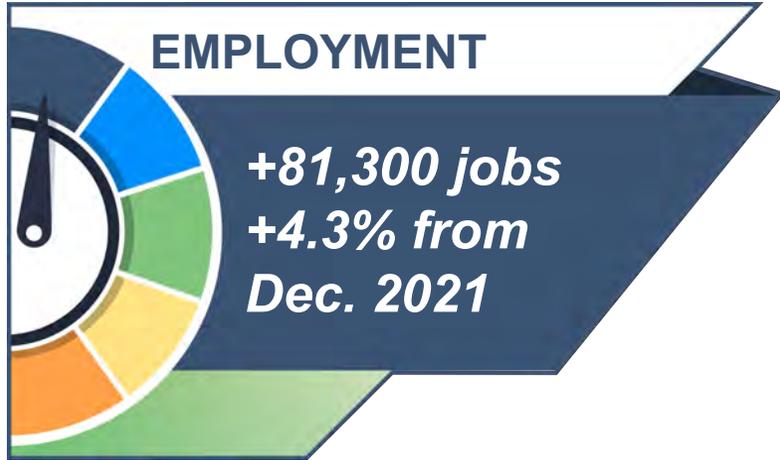
- Education
- Businesses and business associations
- All government: state, local, and federal
- Economic Development
- Workforce Boards
- News media



# Statewide reach



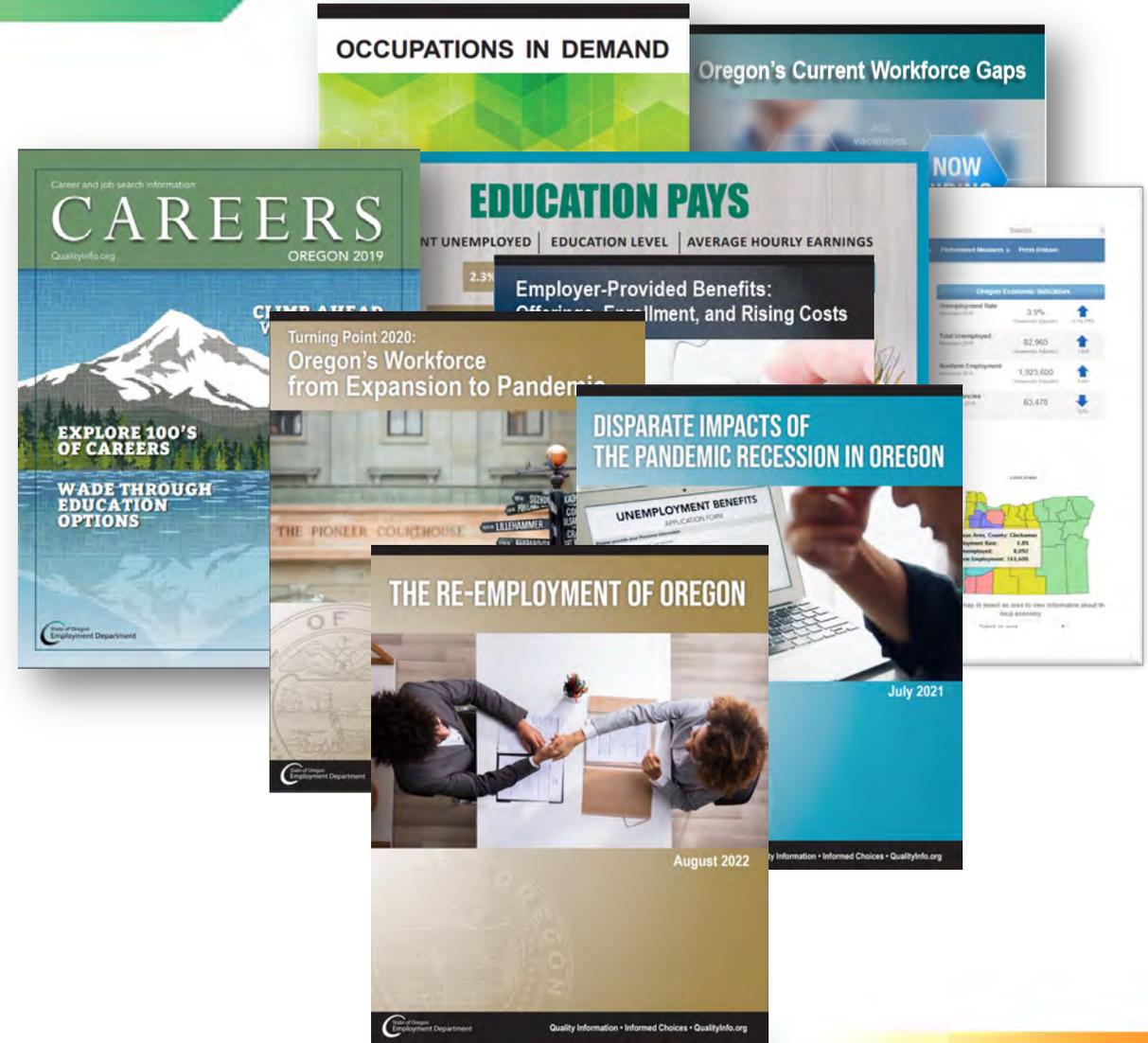
**Nine workforce areas**  
We “*work and live*” all throughout the state, in both rural and urban areas, to provide customized analysis and research to serve customers in those communities.





## 2023-2025 Focus:

- Provide accurate, reliable, and timely information about Oregon's state and local labor markets
- Provide quality information that helps our customers make informed choices



**Thank you**

# Office of Administrative Hearings

Jeffrey R. Rhoades

Chief Administrative Law Judge

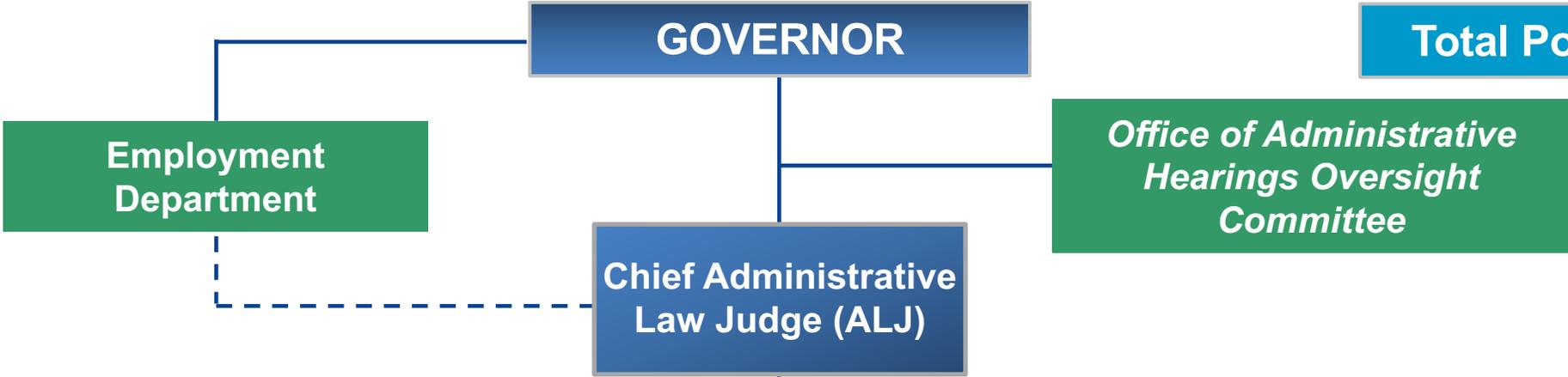


# Office of Administrative Hearings

- The Office of Administrative Hearings (OAH) is a central panel of administrative law judges responsible for conducting administrative hearings for over 70 state agencies in Oregon.
- Under the Administrative Procedures Act, all state agencies are required to use the OAH for administrative hearings unless specifically exempted by statute. (ORS 183.635)
- Many agencies not required to use the OAH have chosen to do so and have entered into interagency agreements for that purpose.

# Organizational Structure

Total Positions: 121



# Office of Administrative Hearings

## Types of Hearings

- Unemployment Insurance Benefits and Taxation;
- Social Service Benefits;
- Child Support;
- Driver License Suspensions;
- Oregon State Hospital;
- Water Resources;
- Professional Licensing and Regulatory;
- Paid Leave Oregon.

# The Office of Administrative Hearings

## Agencies That Voluntarily Use Our Services

Several state agencies have voluntarily entered into agreements to have the OAH conduct their hearings—these include:

- Oregon Department of Education;
- Department of Corrections;
- Oregon State Police;
- Oregon Youth Authority;
- Department of Justice – Charitable Activities Section;
- Special Contract Cases (e.g. Energy Facility Siting Council, City of Portland, Police & Fire Disability.)

# Office of Administrative Hearings

## Hearing Locations

- Many in-person hearings are held at one of our three main hearing offices in Eugene, Salem, and Tualatin and at a satellite office in Portland.
- In-person hearings are also held by ALJs located in Employment Department facilities in Medford, Bend, and Pendleton.
- The OAH also holds hearings in public buildings throughout Oregon when hearings are subject to geographical restrictions or when necessary to accommodate the needs of the parties.

# Office of Administrative Hearings

## Virtual & Telephonic Hearings

- The onset of the pandemic required a shift to virtual hearings in the majority of cases. These hearings are held either using a secure WebEx platform or telephonically.
- OAH leveraged new technology to keep serving Oregonians during the state of emergency.
- This shift has allowed OAH to better serve our citizens through increased access to justice and decreased travel costs.
- In-person hearings always remain an option.

# Pandemic Impacts & Looking to the Future

- Like agencies across the state enterprise, the business at OAH was greatly affected by the pandemic. The volume of cases coming to OAH was of such a magnitude that the agency was overwhelmed in a matter of weeks.
- The largest volume of new cases came to OAH's Unemployment Insurance (UI) program, where a backlog of cases built up.
- OAH, however, was and is uniquely positioned to take on pandemic and post pandemic challenges:
  - Shifting to remote hearings when practical (telephone and video);
  - When necessary or required, continuing to provide in-person hearings across the state.

# Pandemic Impacts & the Unemployment Insurance Program

- Immediately following the onset of the COVID-19 pandemic in March of 2020 unemployment referrals slowed to a standstill. This was a result of the Oregon Employment Department (OED) focusing its resources on processing initial claims and paying benefits as quickly as possible.
- During this period, however, a backlog of UI appeals was building up. These started to come to the Office of Administrative Hearings (OAH) in December of 2020.
- The volume of cases coming to OAH was of such a magnitude that the agency was overwhelmed in a matter of weeks.

# Pandemic Impacts & the Unemployment Insurance Program

- Central panels across the USA experienced similar challenges.
- When leadership changed at OAH, we immediately initiated a recruitment for additional UI Administrative Law Judges, effectively doubling the size of the OAH UI program.
- Other steps OAH took:
  - Cross trained ALJs from other program areas to conduct UI hearings;
  - Expanded hours to offer additional hearings;
  - Increased UI ALJ caseloads;
  - Leveraged temporary employees and retired ALJS.

# Pandemic Impacts & the Unemployment Insurance Program

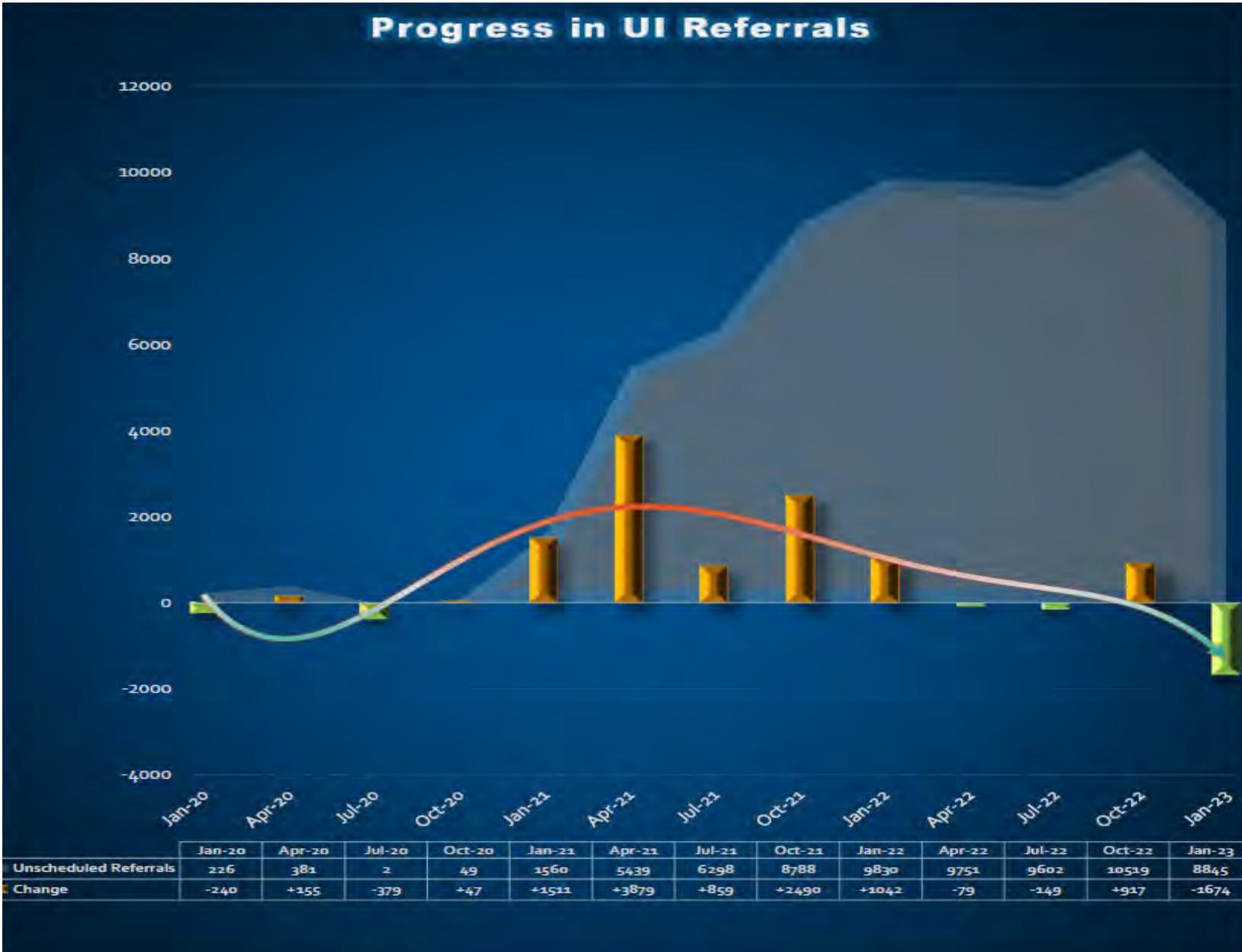
- 14 additional ALJs are now “up and running” with full caseloads. Because these are high skill positions, training can be labor intensive and time consuming.
- OAH has taken an “all hands on deck” approach- everyone from the Chief ALJ to the newest hires takes on UI hearings when possible in an effort to clear the backlog and better serve Oregonians.
- Now that training is complete and new ALJs have full caseloads, we are having the intended effect on the backlog.

# Pandemic Impacts & the Unemployment Insurance Program

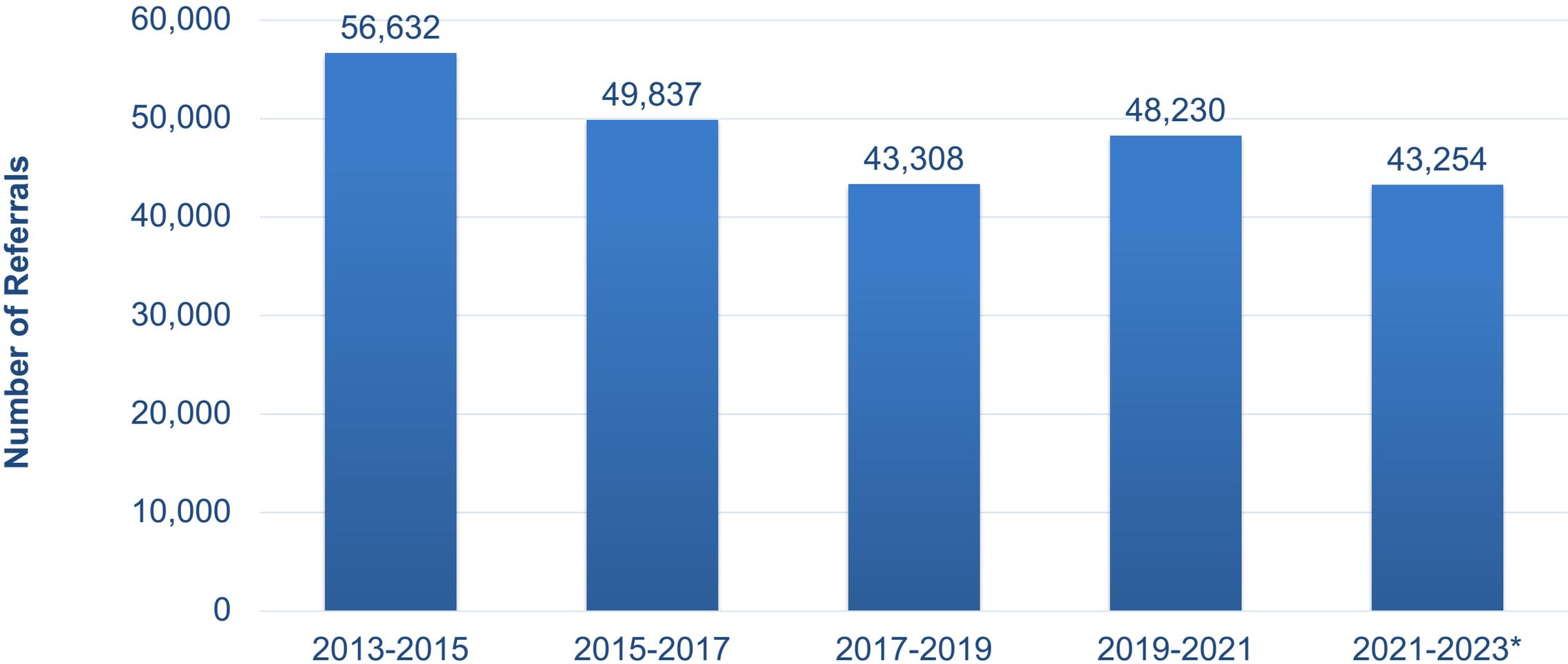
## What are the Numbers?

- In the last three months, we have reduced the backlog of UI appeals from over 10,700 cases to 8,632 cases, a decrease of over 2000;
- We are currently scheduling 600 cases per week, representing many more cases than are referred each week;
- However, UI referrals and the attendant workload are still higher than historical averages. Despite this challenge, all things being equal, OAH is on track to eliminate the UI appeals backlog by Q2 of 2023.

## Progress in UI Referrals



# AGENCY HEARING REFERRALS

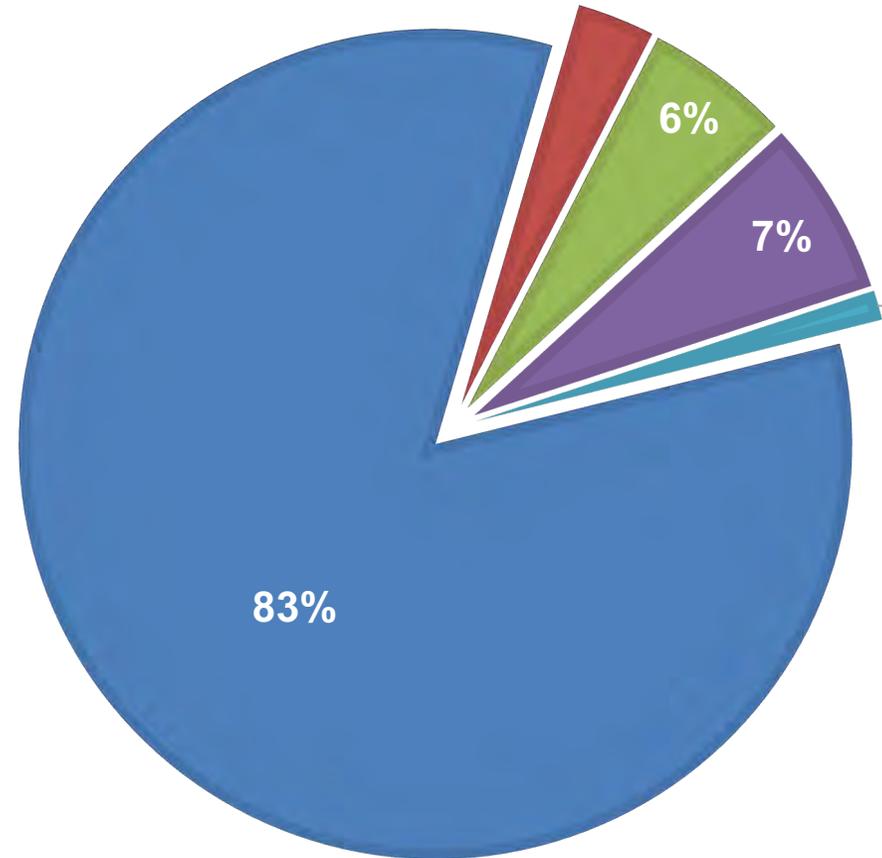


*\*Through Nov 2022*



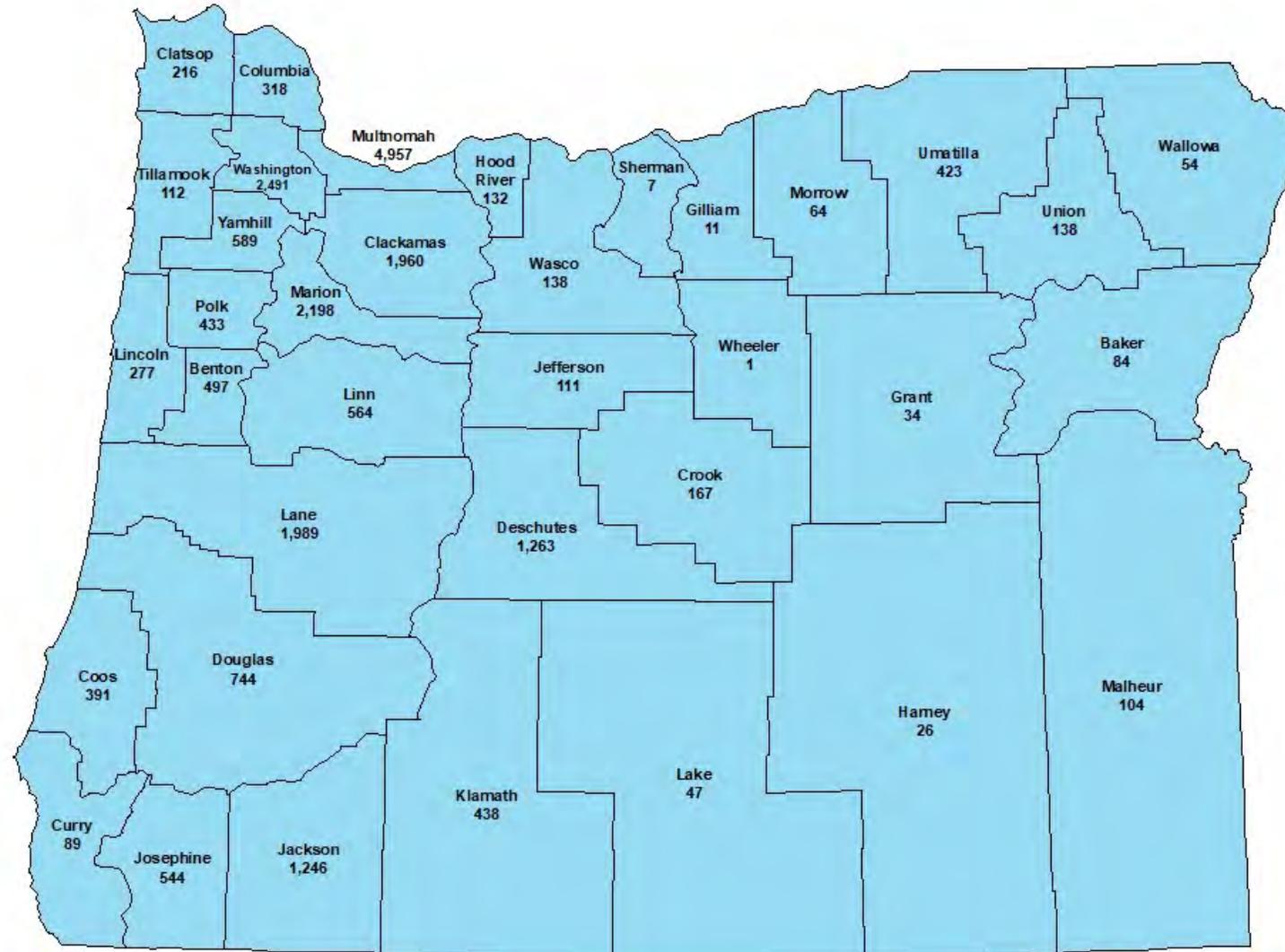
## HEARING REQUESTS FY 2021-2022

- Unemployment Insurance (83%)
- Child Support / UI Tax / Water (3%)
- DHS / OHA / Social Services (6%)
- DMV (7%)
- Agencies / Boards / Commissions (1%)



# Hearing Participants by County 2022

22,857  
Parties from  
All 36  
Oregon  
Counties



# Administrative Law Judge Travel 2021 and 2022

ALJs traveled to  
26 Cities in 23  
Oregon Counties  
to conduct  
hearings



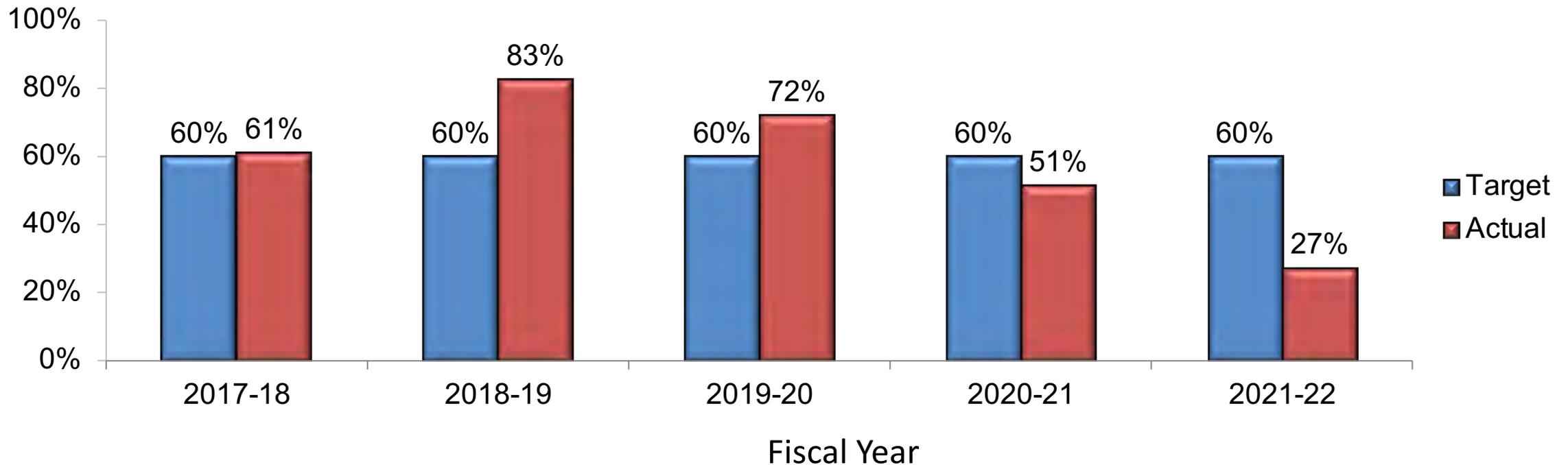
# Agency Billing

- The OAH will be increasing our rates starting July 1, 2023.
- Billing occurs on an hourly rate that is designed to be “cost neutral.”

Rates Scheduled for July 1, 2023	
Service	2023-25 hourly rate
Administrative Law Judge 3	\$244
Administrative Law Judge 2	\$202
Administrative Law Judge 1	\$175
Support Staff	\$110

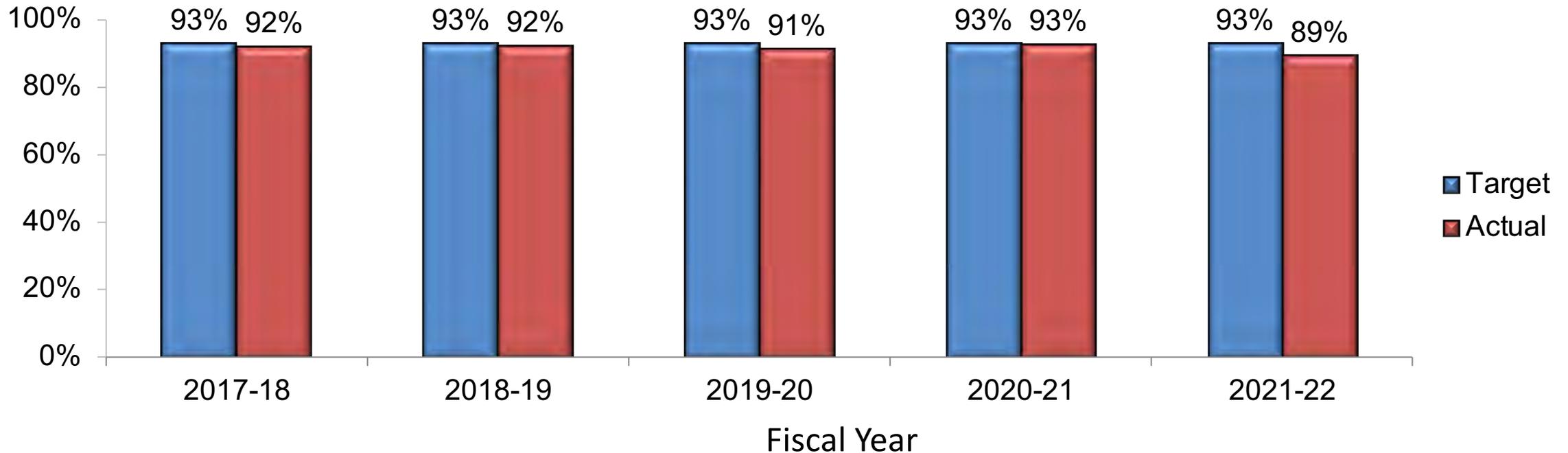
# Key Performance Measures and Outcomes FY 2017-2022

**KPM #7 Unemployment Insurance Appeals Timeliness:** Percentage of requested hearings heard or are otherwise resolved within 30 days of the request date. A higher percentage is better



# Key Performance Measures and Outcomes FY 2017-2022

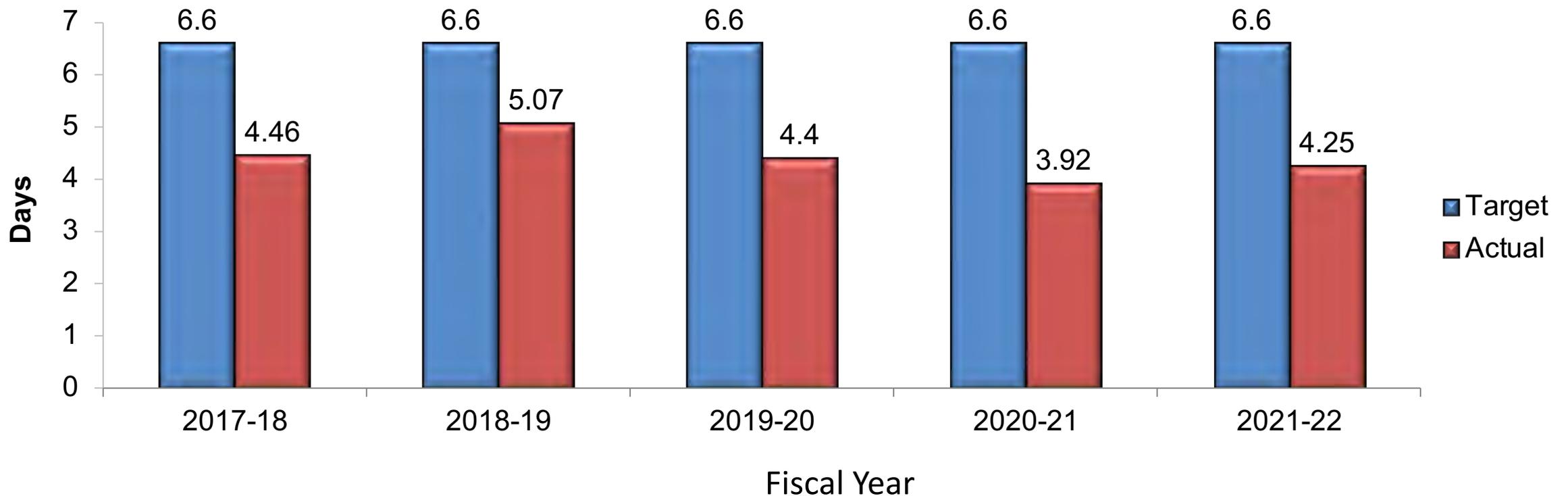
**KPM #8 Non-Unemployment Insurance Appeals Timeliness:** Percentage of orders issued within the standards established by the user agencies A higher percentage is better



# Key Performance Measures and Outcomes

## FY 2017-2022

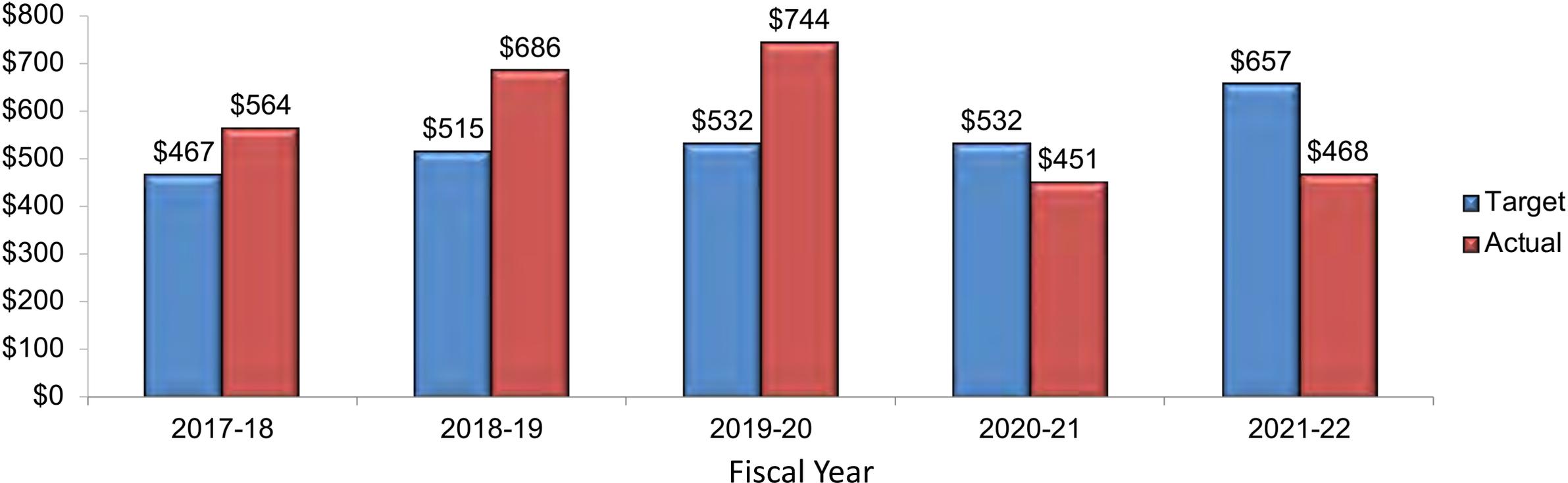
**KPM #9 Average Days to Issue an Order:** Average number of days to issue an order following the close of record Fewer days to issue a decision is better



# Key Performance Measures and Outcomes

## FY 2017-2022

**KPM #10 Cost Per Referral to OAH:** Average cost of hearing referral to the Office of Administrative Hearings A lower cost is better



# Areas of Future Focus

- Clear the UI case backlog as quickly and efficiently as possible, without sacrificing other program areas.
- Implement hearing program for Paid Leave Oregon (work has already begun in earnest);
- Work with the Oregon Water Resources Department on the rising number of referrals, including:
  - Hearings on new rules pertaining to the adult-use cannabis and hemp markets;
  - Increased referrals due to the proliferation of water conflicts across the state.
- Strategic and succession planning.



# Thank You



## **Jeffrey R. Rhoades**

Chief Administrative Law Judge

Oregon Office of Administrative Hearings

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[www.oregon.gov/OAH/Pages/default.aspx](http://www.oregon.gov/OAH/Pages/default.aspx)

