

Legislative Fiscal Office

Oregon State Capitol
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Joint Committee on Ways and Means

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To: Transportation and Economic Development Subcommittee

From: Michelle Deister, Legislative Fiscal Office

Date: April 26, 2023

Subject: SB 5507 – Employment Department
Work Session Recommendations

Employment Department – Agency Totals

	2019-21 Actual	2021-23 Legislatively Approved	2023-25 Current Service Level	2023-25 LFO Recommended
General Fund	8,227,171	48,765,505	-	-
Other Funds	194,831,829	285,661,087	349,842,882	413,785,613
Other Funds NL	2,779,417,760	5,058,847,795	2,620,819,560	2,620,819,560
Federal Funds	236,771,214	310,599,469	167,807,824	178,751,667
Federal Funds NL	7,519,122,177	1,381,179,119	69,308,000	69,308,000
Total Funds	\$10,738,370,151	\$7,085,052,975	\$3,207,778,266	\$3,282,664,840
Positions	2,577	3,304	1,762	1,937
FTE	1,953.11	2,253.62	1,741.61	1,919.16

The Legislative Fiscal Office (LFO) recommends a 2023-25 total funds budget for the Employment Department of \$3,282,664,840, 1,937 positions, and 1,919.16 FTE. This is a 2.3% increase over the 2023-25 Current Service Level, and a 66.4% decrease from the 2021-23 Legislatively Approved budget.

Adjustments to Current Service Level

The LFO recommendation for the Employment Department (OED) includes the following policy option packages:

- 070 - Revenue Shortfalls - to balance expenditures to available revenue;
- 101 - Modernize Business Services and Technology Infrastructure - which provides expenditure limitation to complete the transition from outdated Information Technology systems used to track and deliver unemployment insurance (UI)

benefit claims, to a new system which will pay benefits for both UI and the Paid Leave Oregon program;

- 102 - Workforce Business Services and Technology Infrastructure will provide planning and independent quality management services associated with replacing worker case management, labor exchange, and reporting systems that support workers that qualify for specific federal programs.
- 103 - Paid Leave Oregon Implementation to staff up the Paid Leave Oregon program to be ready to go live to make benefit determinations and provide payments by the statutory deadline of September 2023.
- 104 - Employment Service Contracts includes expenditure limitation and position authority to provide employment services on a fee for service basis to clients of the Department of Human Services and to dislocated workers in southern Oregon.
- 105 - Federal Program Changes provides limitation and position authority to ensure that OED complies with new federal program requirements for several federal programs;
- 106 - Contributions and Recovery which creates a new a new budget structure by transferring employees from other divisions to allow seamless services and consistency to employers paying Unemployment Insurance taxes and Paid Leave Oregon contributions.
- Packages to enhance customer service, use existing staff more effectively, and provide OED with data and analytical capabilities to better respond to rapidly evolving economic conditions and increases in demands for service.
- 802 - Position Reductions eliminates vacant positions in multiple divisions within the department, which also serves to offset the cost of increase service enhancements in several of the aforementioned policy option packages.

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5507. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5507, with modifications. (VOTE)

Performance Measures

See attached “Legislatively Proposed 2023-25 Key Performance Measures.”

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)

Recommended Changes

LFO recommends a budget of \$413,785,613 Other Funds, \$178,751,667 Federal Funds and 1,937 positions (1,919.16 FTE), which is reflected in the -1 amendment.

MOTION: I move adoption of the -1 amendment to SB 5507. (VOTE)

Final Subcommittee Action

LFO recommends that SB 5507, as amended by the -1 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move SB 5507, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2021-23 Agy. Leg. Adopted	47,103,458	-	279,153,141	293,520,514	5,058,847,795	1,081,179,119	6,759,804,027	3,297	2,248.02
2021-23 Ebds, SS & Admin Act	1,662,047	-	6,507,946	17,078,955	-	300,000,000	325,248,948	7	5.60
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	48,765,505	-	285,661,087	310,599,469	5,058,847,795	1,381,179,119	7,085,052,975	3,304	2,253.62
2021-23 Leg Approved Budget (Base)	48,765,505	-	285,661,087	310,599,469	5,058,847,795	1,081,179,119	6,785,052,975	3,304	2,253.62
Summary of Base Adjustments	12,998,537	-	(299,429)	(86,736,108)	(2,438,028,235)	(1,011,871,119)	(3,523,936,354)	(1,538)	(508.01)
2023-25 Base Budget	61,764,042	-	285,361,658	223,863,361	2,620,819,560	69,308,000	3,261,116,621	1,766	1,745.61
010: Non-PICS Pers Svc/Vacancy Factor	1,095,428	-	228,032	(599,530)	-	-	723,930	-	-
020: Phase In / Out Pgm & One-time Cost	(11,223,254)	-	(33,393,789)	(27,473,401)	-	-	(72,090,444)	-	-
030: Inflation & Price List Adjustments	449,920	-	11,732,535	6,682,240	-	-	18,864,695	-	-
040: Mandated Caseload	-	-	-	(836,536)	-	-	(836,536)	(4)	(4.00)
050: Fundshifts and Revenue Reductions	(52,086,136)	-	85,914,446	(33,828,310)	-	-	-	-	-
2023-25 Current Service Level	-	-	349,842,882	167,807,824	2,620,819,560	69,308,000	3,207,778,266	1,762	1,741.61
070: Revenue Reductions/Shortfall	-	-	(3,536,000)	(2,163,308)	-	-	(5,699,308)	(2)	(2.00)
Adjusted 2023-25 Current Service Level	-	-	346,306,882	165,644,516	2,620,819,560	69,308,000	3,202,078,958	1,760	1,739.61
Total LFO Recommended Packages	-	-	67,478,731	13,107,151	-	-	80,585,882	177	179.55
2023-25 Legislative Actions	-	-	413,785,613	178,751,667	2,620,819,560	69,308,000	3,282,664,840	1,937	1,919.16
Net change from 2021-23 Leg Approved Budget	(48,765,505)	-	128,124,526	(131,847,802)	(2,438,028,235)	(1,311,871,119)	(3,802,388,135)	(1,367)	(334.46)
Percent change from 2021-23 Leg Approved Budget	(100.0%)	0.0%	44.9%	(42.5%)	(48.2%)	(95.0%)	(53.7%)	(41.4%)	(14.8%)
Net change from 2023-25 Adj Current Service Level	-	-	67,478,731	13,107,151	-	-	80,585,882	177	179.55
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	19.5%	7.9%	0.0%	0.0%	2.5%	10.1%	10.3%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2021-23 Agy. Leg. Adopted	13,709,923	-	17,771,446	36,371,080	-	-	67,852,449	229	207.37
2021-23 Ebds, SS & Admin Act	721,757	-	429,983	1,475,352	-	-	2,627,092	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	14,431,680	-	18,201,429	37,846,432	-	-	70,479,541	229	207.37
2021-23 Leg Approved Budget (Base)	14,431,680	-	18,201,429	37,846,432	-	-	70,479,541	229	207.37
Summary of Base Adjustments	(2,792)	-	452,662	(3,662,823)	-	-	(3,212,953)	(39)	(17.87)
2023-25 Base Budget	14,428,888	-	18,654,091	34,183,609	-	-	67,266,588	190	189.50
010: Non-PICS Pers Svc/Vacancy Factor	348,325	-	1,568	(99,169)	-	-	250,724	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	386	(653,280)	-	-	(652,894)	-	-
030: Inflation & Price List Adjustments	102,777	-	1,054,891	1,266,143	-	-	2,423,811	-	-
050: Fundshifts and Revenue Reductions	(14,879,990)	-	14,879,990	-	-	-	-	-	-
2023-25 Current Service Level	-	-	34,590,926	34,697,303	-	-	69,288,229	190	189.50
070: Revenue Reductions/Shortfall	-	-	(536,000)	(2,163,308)	-	-	(2,699,308)	(2)	(2.00)
Adjusted 2023-25 Current Service Level	-	-	34,054,926	32,533,995	-	-	66,588,921	188	187.50
Total LFO Recommended Packages	-	-	849,362	832,874	-	-	1,682,236	6	5.38
2023-25 Legislative Actions	-	-	34,904,288	33,366,869	-	-	68,271,157	194	192.88
Net change from 2021-23 Leg Approved Budget	(14,431,680)	-	16,702,859	(4,479,563)	-	-	(2,208,384)	(35)	(14.49)
Percent change from 2021-23 Leg Approved Budget	(100.0%)	0.0%	91.8%	(11.8%)	0.0%	0.0%	(3.1%)	(15.3%)	(7.0%)
Net change from 2023-25 Adj Current Service Level	-	-	849,362	832,874	-	-	1,682,236	6	5.38
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	2.5%	2.6%	0.0%	0.0%	2.5%	3.2%	2.9%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 070 Revenue Shortfalls

Package Description This package reduces Other Funds expenditure limitation to balance expenditures with available revenue. Federal Funding received for administrative purposes has decreased, and covers only about 70% of actual expenditures for administration of federal unemployment insurance compensation and workforce activities.

OED has made operational and organizational improvements to programs and customer service since the pandemic revealed multiple opportunities for improvements.

The adjustment to the shared services division reflects the elimination of two information specialist positions which supported the former UI information technology system and are currently vacant. Reductions of \$2.7 million represent cost savings due to the implementation of the new FRANCES IT system, which will be coming fully online early in the 2023-25 biennium. The majority of the savings is related to costs associated with maintaining the existing mainframe system.

LFO Recommendation Approve.

LFO Recommended	-	-	(536,000)	(2,163,308)	-	-	(2,699,308)	(2)	(2.00)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 107 Equitable Access to UI

Package Description This package provides Federal Funds expenditure limitation to administer federal grant resources aimed at ensuring that historically underserved populations can overcome barriers -- which may include language, technology, and accessibility -- that may be inhibiting access to unemployment insurance benefits. A total of 13 limited duration positions are associated with this work, which involves outreach events, creation of materials in multiple languages and formats, and analyzing uptake trends.

- Federal Funds expenditure limitation in the Shared Services Division supports the following position, which is dedicated to activity funded by the grant:
•One Public Affairs Specialist (0.38 FTE).

LFO Recommendation Approve.

LFO Recommended	-	-	-	97,169	-	-	97,169	1	0.38
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 112 Organizational Support and Resiliency

Package Description Contracted management consultant services provided a recommendation that the Employment Department have ongoing, permanent resources devoted to collecting and evaluating data to understand workload surges and drivers, so the Department can respond in a more timely, targeted manner to emerging situations. A team of data and project managers took on this function on an ad-hoc basis during the pandemic, and in the current biennium, these activities are being fulfilled through limited duration staffing and temporary reassignment of duties. This package dedicates permanent resources for these functions, helping the agency be better positioned to deal with future economic downturns. The package adds total of 12 positions focused on the following functions: project management; information systems specialists to collect and report data analytics; public records requests and data security compliance; equity and inclusion both internally and externally; and position management, including workload forecasting, payroll reporting, and budgeting/financial reporting.

LFO Recommendation Approve.

LFO Recommended	-	-	2,333,575	1,021,277	-	-	3,354,852	12	12.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 113 Accessibility and Clear Communication

Package Description A permanent, full-time Public Affair Specialist 3 is recommended to produce materials and facilitate access to clear, easy to find information about OED services. The impetus for this position arose from experience during the pandemic, during which time the Employment Department was utilizing communications professionals from other agencies on a temporary basis. This position would supervise communications around the Unemployment Insurance program, ensuring that information conveyed is consistent, strategic, and widespread, both internally and externally.

LFO Recommendation Approve.

LFO Recommended	-	-	197,261	84,541	-	-	281,802	1	1.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This package provides expenditure limitation associated with reclassifications of two positions in the Shared Services division, to enable existing position authority to be used more effectively.

The recommended reclassifications are as follows:
a Public Affairs Specialist 2 to a Public Affairs Specialist 3; and
an Electronic Publishing Design Specialist 3 to a Public Affairs Specialist 2.

LFO Recommendation Approve.

LFO Recommended	-	-	30,432	42,864	-	-	73,296	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 802 Vacant Position Reductions

Package Description Further reductions in expenditures and position authority are required to balance expenditures with available revenue, and provide the Employment Department with the capability to focus its efforts on improving customer services and outcomes pursuant to recommended investments in policy option packages being recommended by the Legislative Fiscal Office. In total, the package eliminates 43 positions (33.39 FTE), across three divisions (Unemployment Insurance, Contributions and Recovery and Shared Services).

In the Shared Services Division, positions recommended for elimination include payroll analyst positions, a human resource analyst, an economist, and information systems specialists.

LFO Recommendation Approve.

LFO Recommended	-	-	(1,711,906)	(412,977)	-	-	(2,124,883)	(8)	(8.00)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2021-23 Agy. Leg. Adopted	-	-	61,927,426	198,300,649	-	-	260,228,075	1,956	1,149.61
2021-23 Ebds, SS & Admin Act	-	-	1,498,342	8,043,840	-	-	9,542,182	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	-	-	63,425,768	206,344,489	-	-	269,770,257	1,956	1,149.61
2021-23 Leg Approved Budget (Base)	-	-	63,425,768	206,344,489	-	-	269,770,257	1,956	1,149.61
Summary of Base Adjustments	-	-	(20,980,862)	(81,528,199)	-	-	(102,509,061)	(1,425)	(637.38)
2023-25 Base Budget	-	-	42,444,906	124,816,290	-	-	167,261,196	531	512.23
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(131,197)	(503,846)	-	-	(635,043)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(4,603,612)	(19,439,284)	-	-	(24,042,896)	-	-
030: Inflation & Price List Adjustments	-	-	2,265,317	3,359,956	-	-	5,625,273	-	-
040: Mandated Caseload	-	-	-	(836,536)	-	-	(836,536)	(4)	(4.00)
050: Fundshifts and Revenue Reductions	-	-	29,935,253	(29,935,253)	-	-	-	-	-
060: Technical Adjustments	-	-	-	(785,529)	-	-	(785,529)	(3)	(3.00)
2023-25 Current Service Level	-	-	69,910,667	76,675,798	-	-	146,586,465	524	505.23
070: Revenue Reductions/Shortfall	-	-	(3,000,000)	-	-	-	(3,000,000)	-	-
Adjusted 2023-25 Current Service Level	-	-	66,910,667	76,675,798	-	-	143,586,465	524	505.23
Total LFO Recommended Packages	-	-	(3,816,317)	(24,165,929)	-	-	(27,982,246)	(129)	(125.33)
2023-25 Legislative Actions	-	-	63,094,350	52,509,869	-	-	115,604,219	395	379.90
Net change from 2021-23 Leg Approved Budget	-	-	(331,418)	(153,834,620)	-	-	(154,166,038)	(1,561)	(769.71)
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	(0.5%)	(74.6%)	0.0%	0.0%	(57.2%)	(79.8%)	(67.0%)
Net change from 2023-25 Adj Current Service Level	-	-	(3,816,317)	(24,165,929)	-	-	(27,982,246)	(129)	(125.33)
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	(5.7%)	(31.5%)	0.0%	0.0%	(19.5%)	(24.6%)	(24.8%)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 070 Revenue Shortfalls

Package Description This package reduces Other Funds expenditure limitation to balance expenditures with available revenue. Federal Funding received for administrative purposes has decreased, and covers only about 70% of actual expenditures for administration of federal unemployment insurance compensation and workforce activities.

OED has made operational and organizational improvements to programs and customer service since the pandemic revealed multiple opportunities for improvements.

LFO Recommendation Approve.

LFO Recommended	-	-	(3,000,000)	-	-	-	(3,000,000)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 106 Contributions & Recovery

Package Description This package moves administrative and technical support positions from the UI and Paid Leave Oregon programs to the new Contributions and Recovery budget structure. This structure is created to provide seamless services and consistency where possible to employers as they navigate and pay contributions for both UI and Paid Leave Oregon. The package moves a total of 149 positions from the UI and Paid Leave Oregon programs to this unit.

The services provided within Contributions and Recovery provide efficient and effective oversight and support services in the collection and distribution of contributions made by Oregon employers for both the Paid Leave Oregon and the UI.

LFO Recommendation Approve.

LFO Recommended	-	-	(3,570,623)	(23,236,877)	-	-	(26,807,500)	(116)	(115.50)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 107 Equitable Access to UI

Package Description This package provides the resources to expend funds received under a federal grant. U.S. DOL issued a grant opportunity encouraging states to promote equitable access to UI. The pandemic highlighted and magnified the difficulties historically underserved populations experience accessing the UI system. Oregon’s underserved populations faced language, technology, and accessibility barriers. OED applied for and received \$4.5 million in funding for the Equitable Access to UI grant. The time period in which OED may use this funding is Oct. 1, 2021, through March 31, 2024. The purpose of the grant is to increase awareness of and accessibility to the UI program for Oregon’s historically underserved populations. This POP will support the work during the first nine months of the 2023-25 biennium.

OED will accomplish this through community outreach events, creating information about the UI program in multiple languages and formats, and analyzing trends in UI reciprocity rates for historically underserved populations. Most of the grant activities represent an additional body of work that OED could not absorb with our current staffing.

Federal funds expenditure limitation in the UI division supports the following positions:

- Six Business and Employment Specialist 2 positions (2.30 FTE);
- Four Public Service Representatives (1.50 FTE);
- One Operations and Policy Analyst 2 (0.38 FTE); and
- One Employment Services Supervisor (0.38 FTE).

All positions are dedicated to grant activities.

LFO Recommendation Approve.

LFO Recommended	-	-	-	901,489	-	-	901,489	12	4.56
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 108 UI Benefits Reclass

Package Description This package provides for the reclassification of existing positions to better respond to workload fluctuations, both in terms of volume and responding to and managing emergent issues. Positions are recommended to be reclassified to more flexible classifications that allow program management to pivot as necessary, resulting in more efficient use of existing position authority. Approval of this policy option package results the following:

- Lateral, salary neutral reclassification of 146 existing permanent BES 2 positions to a Compliance Specialist 1 classification.
- Reclassification of eight existing Public Service Representative 3 positions upward to Public Service Representative 4;
- Reclassification of seven existing Public Service Representative 3 positions downward to six Administrative Specialist 2 positions;
- Abolishment of three existing Public Service Representative 3 positions.

LFO Recommendation Approve.

LFO Recommended	-	-	-	(211,984)	-	-	(211,984)	(3)	(3.00)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 111 UI Workforce Management and Analytics

Package Description Contracted management consultant services provided a recommendation that the Employment Department have ongoing, permanent resources devoted to collecting and evaluating data to understand workload surges and drivers, so the Department can respond in a more timely, targeted manner to emerging situations. OED stood up a small team during the pandemic to support the UI Division, with dynamic dashboards, reporting and forecasting. The information helped the Department evaluate needs and the extent to which effective responses to emerging situations were effective. This package expands the effort (from five positions), providing permanent, ongoing resources to support continuous improvement. These efforts will be particularly important as the new Frances system goes live for benefits, helping the agency become aware of and respond to any issues that may arise with the transition.

LFO Recommendation Approve.

LFO Recommended	-	-	30,294	3,428,374	-	-	3,458,668	10	10.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 112 Organizational Support and Resiliency

Package Description Contracted management consultant services provided a recommendation that the Employment Department have ongoing, permanent resources devoted to collecting and evaluating data to understand workload surges and drivers, so the Department can respond in a more timely, targeted manner to emerging situations. A team of data and project managers took on this function on an ad-hoc basis during the pandemic, and in the current biennium, these activities are being fulfilled through limited duration staffing and temporary reassignment of duties. This package dedicates permanent resources for these functions, helping the agency be better positioned to deal with future economic downturns.

This package adds a position in the UI division to further efforts at the Department related to equity and inclusion. During the pandemic, the Department learned it needed to do more to better serve all Oregonians as well as its staff, such as dramatically increasing language access work and training all employees on anti-racism. The equity and inclusion needs of a post-pandemic OED – with a robust focus on the accessibility of services – demand more resources than those currently provided.

LFO Recommendation Approve.

LFO Recommended	-	-	172,690	74,010	-	-	246,700	1	1.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 802 Vacant Position Reductions

Package Description Further reductions in expenditures and position authority are required to balance expenditures with available revenue, and provide the Employment Department with the capability to focus its efforts on improving customer services and outcomes pursuant to recommended investments in policy option packages being recommended by the Legislative Fiscal Office. In total, the package eliminates 43 positions (33.39 FTE), across three divisions (Unemployment Insurance, Contributions and Recovery and Shared Services).

LFO Recommendation Approve.

Positions recommended for elimination include full and part-time permanent Compliance Specialist 1 positions; Compliance Specialist 2 positions, a project manager, administrative specialist positions, and supervisory positions.

LFO Recommended	-	-	(448,678)	(5,120,941)	-	-	(5,569,619)	(33)	(22.39)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2021-23 Agy. Leg. Adopted	-	-	94,849,113	50,521,818	-	-	145,370,931	555	548.76
2021-23 Ebds, SS & Admin Act	-	-	2,294,888	7,221,989	-	-	9,516,877	7	5.60
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	-	-	97,144,001	57,743,807	-	-	154,887,808	562	554.36
2021-23 Leg Approved Budget (Base)	-	-	97,144,001	57,743,807	-	-	154,887,808	562	554.36
Summary of Base Adjustments	-	-	(1,635,756)	(1,497,924)	-	-	(3,133,680)	(41)	(33.36)
2023-25 Base Budget	-	-	95,508,245	56,245,883	-	-	151,754,128	521	521.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(174,136)	34,833	-	-	(139,303)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(6,661,320)	(7,380,837)	-	-	(14,042,157)	-	-
030: Inflation & Price List Adjustments	-	-	3,251,862	1,753,842	-	-	5,005,704	-	-
050: Fundshifts and Revenue Reductions	-	-	3,893,057	(3,893,057)	-	-	-	-	-
060: Technical Adjustments	-	-	-	785,529	-	-	785,529	3	3.00
2023-25 Current Service Level	-	-	95,817,708	47,546,193	-	-	143,363,901	524	524.00
Adjusted 2023-25 Current Service Level	-	-	95,817,708	47,546,193	-	-	143,363,901	524	524.00
Total LFO Recommended Packages	-	-	1,032,144	16,251,324	-	-	17,283,468	44	44.00
2023-25 Legislative Actions	-	-	96,849,852	63,797,517	-	-	160,647,369	568	568.00
Net change from 2021-23 Leg Approved Budget	-	-	(294,149)	6,053,710	-	-	5,759,561	6	13.64
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	(0.3%)	10.5%	0.0%	0.0%	3.7%	1.1%	2.5%
Net change from 2023-25 Adj Current Service Level	-	-	1,032,144	16,251,324	-	-	17,283,468	44	44.00
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	1.1%	34.2%	0.0%	0.0%	12.1%	8.4%	8.4%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 104 Employment Service Contracts

Package Description Additional Other Funds and Federal Funds expenditure limitation and position authority in this package support contracted services provided by the Employment Department to clients of the Department of Human Services for job readiness and employment services through the SNAP Training and Employment Program and the Able-Bodied Adults Without Dependents program. For the past three biennia, the Department relied primarily on limited duration positions to provide services, which were filled when justified by sufficient workload and funding availability. Given the consistency of contract work across multiple biennia and the expansion of the program from targeted regions to statewide, 23 permanent positions are recommended to support this population going forward. The reclassification of a Compliance Specialist 2 to a Program Analyst 2 is included to monitor and ensure contract obligations are met. Of the recommended limitation in Package 104, \$10.7 million in limitation is associated with these programs. \$5.3 million in recommended expenditure limitation, 7 permanent positions and 9 limited duration positions are associated with services under contract with Rogue Workforce Partnership to adults, dislocated workers, and individuals displaced by wildfires. These services and positions are supported by the federal Dislocated Worker Grant Programs.

LFO Recommendation Approve.

LFO Recommended	-	-	10,594,291	5,400,795	-	-	15,995,086	39	39.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 105 Federal Program Changes

Package Description A number of federal program changes drive the need for dedicated resources to fully comply with program requirements and better serve eligible workers. These enhancements are funded by the applicable grants to which they will be charged.

Expansion of the Reemployment Services and Eligibility Assessment program resulted in additional participation by claimants, which equates to two additional permanent positions (an Operations and Policy Analyst 2, and a Training and Development Specialist 2).

The U.S. Department of Labor has begun requiring that Oregon provide year-round full-time outreach to Migrant and Seasonal Farmworkers as part of the Migrant and Seasonal Farmworkers program, due to the high percentage of farmworkers in Oregon. A new permanent Supervisory position will oversee outreach services at field offices is across the state.

Two new positions and the reclassification of three existing positions are recommended to optimize benefits available to affected workers, by leveraging multiple funding opportunities and coordination across states, regions, and agencies.

Reclassification of two Office Coordinator positions to Business and Employment Specialists will accommodate Increased customer traffic and full services to clients in two workforce regions, and the reclassification of a Training and Development Supervisor to an Employment Service Manager will help to ensure that responsibilities under Wagner Peyser-funded programs are being met by the Department.

LFO Recommendation Approve.

LFO Recommended	-	-	23,399	1,264,983	-	-	1,288,382	5	5.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 803 Shift Position Costs to Appropriate Grant Funds

Package Description The Legislative Fiscal Office is recommending that 40 positions in the Workforce Operations Division that are currently funded with Other Funds be charged to applicable federal contract or grant resources where applicable. These positions can be funded using Trade Adjustment Assistance formula funding, which supports assessment, job search and training assistance to employees who have lost jobs as a result of foreign competition or increased imports. The Employment Department has evaluated caseloads and services provided by existing staff and determined that 40 positions currently funded with Other Funds (SEDAF, and fee for services funds), can be funded with this grant, due to the volume of eligible clients served and services provided.

The majority of the positions are classified as Business and Employment Specialist 2's; thirteen Program Analyst 1 positions, one Operations and Policy Analyst 2 position, and one Operations and Policy Analyst 2 are also recommended to be shifted from Other Funds to Federal Funds.

LFO Recommendation Approve.

LFO Recommended	-	-	(9,585,546)	9,585,546	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2021-23 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2021-23 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget (Base)	-	-	-	-	-	-	-	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2023-25 Base Budget	-	-	-	-	-	-	-	-	-
2023-25 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2023-25 Current Service Level	-	-	-	-	-	-	-	-	-
Total LFO Recommended Packages	-	-	12,802,674	19,946,882	-	-	32,749,556	146	145.50
2023-25 Legislative Actions	-	-	12,802,674	19,946,882	-	-	32,749,556	146	145.50
Net change from 2021-23 Leg Approved Budget	-	-	12,802,674	19,946,882	-	-	32,749,556	146	145.50
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	100.0%
Net change from 2023-25 Adj Current Service Level	-	-	12,802,674	19,946,882	-	-	32,749,556	146	145.50
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	100.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 106 Contributions & Recovery

Package Description This package moves administrative and technical support positions from the UI and Paid Leave Oregon programs to the new Contributions and Recovery budget structure. The package moves 152 positions from UI and Paid Leave Oregon, abolishes 17 positions and requests 19 additional positions, for a net of an additional position (1.00 FTE) in Contributions and Recovery.

The Contributions and Recovery Division structure was created to provide economic stability for Oregonians and Oregon Communities by providing seamless services to Oregon employers as they navigate and pay contributions for both UI and Paid Leave Oregon programs. The collection of such contributions provides funding for both the UI and Paid Leave Oregon programs, both of which provide critical safety nets for Oregon citizens. The services provided within Contributions and Recovery provide efficient and effective oversight and support services in the collection and distribution of contributions made by Oregon employers for both the Paid Leave Oregon and the UI.

LFO Recommendation Approve.

LFO Recommended	-	-	13,412,504	20,118,952	-	-	33,531,456	149	148.50
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 802 Vacant Position Reductions

Package Description Further reductions in expenditures and position authority are required to balance expenditures with available revenue, and provide the Employment Department with the capability to focus its efforts on improving customer services and outcomes pursuant to recommended investments in policy option packages being recommended by the Legislative Fiscal Office. In total, the package eliminates 43 positions (33.39 FTE), across three divisions (Unemployment Insurance, Contributions and Recovery and Shared Services).

Positions recommended for elimination in the Contributions and Recovery division include Compliance Specialist 2 positions and a Revenue Agent 3 position.

LFO Recommendation Approve.

LFO Recommended	-	-	(609,830)	(172,070)	-	-	(781,900)	(3)	(3.00)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2021-23 Agy. Leg. Adopted	-	-	34,731,375	-	-	-	34,731,375	126	112.80
2021-23 Ebds, SS & Admin Act	-	-	1,041,705	-	-	-	1,041,705	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	-	-	35,773,080	-	-	-	35,773,080	126	112.80
2021-23 Leg Approved Budget (Base)	-	-	35,773,080	-	-	-	35,773,080	126	112.80
Summary of Base Adjustments	-	-	2,465,616	-	-	-	2,465,616	(5)	7.08
2023-25 Base Budget	-	-	38,238,696	-	-	-	38,238,696	121	119.88
010: Non-PICS Pers Svc/Vacancy Factor	-	-	44,960	-	-	-	44,960	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	254,880	-	-	-	254,880	-	-
030: Inflation & Price List Adjustments	-	-	1,313,262	-	-	-	1,313,262	-	-
2023-25 Current Service Level	-	-	39,851,798	-	-	-	39,851,798	121	119.88
Adjusted 2023-25 Current Service Level	-	-	39,851,798	-	-	-	39,851,798	121	119.88
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2023-25 Legislative Actions	-	-	39,851,798	-	-	-	39,851,798	121	119.88
Net change from 2021-23 Leg Approved Budget	-	-	4,078,718	-	-	-	4,078,718	(5)	7.08
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	11.4%	0.0%	0.0%	0.0%	11.4%	(4.0%)	6.3%
Net change from 2023-25 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2021-23 Agy. Leg. Adopted	-	-	7,840,083	8,326,967	-	-	16,167,050	52	52.00
2021-23 Ebds, SS & Admin Act	-	-	189,692	337,774	-	-	527,466	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	-	-	8,029,775	8,664,741	-	-	16,694,516	52	52.00
2021-23 Leg Approved Budget (Base)	-	-	8,029,775	8,664,741	-	-	16,694,516	52	52.00
Summary of Base Adjustments	-	-	143,334	(47,162)	-	-	96,172	-	-
2023-25 Base Budget	-	-	8,173,109	8,617,579	-	-	16,790,688	52	52.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(24,008)	(31,348)	-	-	(55,356)	-	-
030: Inflation & Price List Adjustments	-	-	271,082	302,299	-	-	573,381	-	-
2023-25 Current Service Level	-	-	8,420,183	8,888,530	-	-	17,308,713	52	52.00
Adjusted 2023-25 Current Service Level	-	-	8,420,183	8,888,530	-	-	17,308,713	52	52.00
Total LFO Recommended Packages	-	-	25,968	-	-	-	25,968	-	-
2023-25 Legislative Actions	-	-	8,446,151	8,888,530	-	-	17,334,681	52	52.00
Net change from 2021-23 Leg Approved Budget	-	-	416,376	223,789	-	-	640,165	-	-
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	5.2%	2.6%	0.0%	0.0%	3.8%	0.0%	0.0%
Net change from 2023-25 Adj Current Service Level	-	-	25,968	-	-	-	25,968	-	-
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This package provides expenditure limitation associated with reclassifications of six positions in various divisions to enable existing position authority to be used more effectively.

For the Research and Economic Research Division, a Research Analyst and Statistics manager 2 position is reclassified to a Research Analyst and Statistics Manager 3.

LFO Recommendation Approve.

LFO Recommended	-	-	25,968	-	-	-	25,968	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2021-23 Agy. Leg. Adopted	31,481,161	-	7,622,610	-	-	-	39,103,771	301	99.48
2021-23 Ebds, SS & Admin Act	837,180	-	232,626	-	-	-	1,069,806	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	32,318,341	-	7,855,236	-	-	-	40,173,577	301	99.48
2021-23 Leg Approved Budget (Base)	32,318,341	-	7,855,236	-	-	-	40,173,577	301	99.48
Summary of Base Adjustments	13,063,150	-	16,951,646	-	-	-	30,014,796	(28)	173.52
2023-25 Base Budget	45,381,491	-	24,806,882	-	-	-	70,188,373	273	273.00
010: Non-PICS Pers Svc/Vacancy Factor	699,172	-	572,853	-	-	-	1,272,025	-	-
020: Phase In / Out Pgm & One-time Cost	(11,223,254)	-	3,960,325	-	-	-	(7,262,929)	-	-
030: Inflation & Price List Adjustments	321,271	-	1,873,677	-	-	-	2,194,948	-	-
050: Fundshifts and Revenue Reductions	(35,178,680)	-	35,178,680	-	-	-	-	-	-
2023-25 Current Service Level	-	-	66,392,417	-	-	-	66,392,417	273	273.00
Adjusted 2023-25 Current Service Level	-	-	66,392,417	-	-	-	66,392,417	273	273.00
Total LFO Recommended Packages	-	-	22,396,920	-	-	-	22,396,920	110	110.00
2023-25 Legislative Actions	-	-	88,789,337	-	-	-	88,789,337	383	383.00
Net change from 2021-23 Leg Approved Budget	(32,318,341)	-	80,934,101	-	-	-	48,615,760	82	283.52
Percent change from 2021-23 Leg Approved Budget	(100.0%)	0.0%	1030.3%	0.0%	0.0%	0.0%	121.0%	27.2%	285.0%
Net change from 2023-25 Adj Current Service Level	-	-	22,396,920	-	-	-	22,396,920	110	110.00
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	33.7%	0.0%	0.0%	0.0%	33.7%	40.3%	40.3%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 103 Paid Leave Oregon Implementation

Package Description This package provides the Department with the resources to continue implementation and begin administration of the Paid Leave Oregon program. Implementation planning is in progress with three major milestones. The first one is the requirement to begin processing Equivalent Plan applications by Sept. 6, 2022. The second milestone is to start employer and employee contributions Jan. 1, 2023. The third major milestone is to begin processing and issuing Paid Leave Oregon benefits and small business assistance grants beginning Sept. 3, 2023, which has 2023-25 biennium impacts. The current forecast for the program is that an average of 14,000 Paid Leave claims will be filed each month for the first sixteen months. The forecast informed the Department of the needed staff to conduct the associated workload.

Permanent positions added in this package include 140 compliance Specialist 1 positions to serve as point of contact for employers and employees, and to issue benefit determinations on a majority of claims, ten of which are associated with overpayment determinations. An additional 6 positions will serve an investigative function related to fraud prevention.

LFO Recommendation Approve.

LFO Recommended	-	-	29,464,834	-	-	-	29,464,834	146	146.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 106 Contributions & Recovery

Package Description The Contributions and Recovery Division structure was created to provide seamless services to Oregon employers as they navigate and pay contributions for both UI and Paid Leave Oregon programs. The collection of such contributions provides funding for both the UI and Paid Leave Oregon programs, both of which provide critical safety nets for Oregon citizens. The services provided within Contributions and Recovery provide efficient and effective oversight and support services in the collection and distribution of contributions made by Oregon employers for both the Paid Leave Oregon and the UI.

This package moves administrative and technical support positions from the UI and Paid Leave Oregon programs to a new Contributions and Recovery budget structure, while providing one additional position for Shared Services. This structure is created to provide seamless services and consistency where possible to employers as they navigate and pay contributions for both UI and Paid Leave Oregon. The package moves a total of 149 positions from the UI and Paid Leave Oregon programs to this unit.

LFO Recommendation Approve.

LFO Recommended	-	-	(7,121,146)	-	-	-	(7,121,146)	(36)	(36.00)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This package provides expenditure limitation associated with reclassifications of six positions in tvarious divisions, to enable existing position authority to be used more effectively.

Positions to be reclassified in the Paid Leave Oregon Division include a lateral reclass of an Operations and Policy Analyst 4, an Information Systems Specialist 8 to a Principal Executive Manager E, and an Operations and Policy Analyst 4 to a Principal Executive Manager E.

LFO Recommendation Approve.

LFO Recommended	-	-	53,232	-	-	-	53,232	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2021-23 Agy. Leg. Adopted	1,912,374	-	54,411,088	-	-	-	56,323,462	78	78.00
2021-23 Ebds, SS & Admin Act	103,110	-	820,710	-	-	-	923,820	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	2,015,484	-	55,231,798	-	-	-	57,247,282	78	78.00
2021-23 Leg Approved Budget (Base)	2,015,484	-	55,231,798	-	-	-	57,247,282	78	78.00
Summary of Base Adjustments	(61,821)	-	2,303,931	-	-	-	2,242,110	-	-
2023-25 Base Budget	1,953,663	-	57,535,729	-	-	-	59,489,392	78	78.00
010: Non-PICS Pers Svc/Vacancy Factor	47,931	-	(62,008)	-	-	-	(14,077)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(26,344,448)	-	-	-	(26,344,448)	-	-
030: Inflation & Price List Adjustments	25,872	-	1,702,444	-	-	-	1,728,316	-	-
050: Fundshifts and Revenue Reductions	(2,027,466)	-	2,027,466	-	-	-	-	-	-
2023-25 Current Service Level	-	-	34,859,183	-	-	-	34,859,183	78	78.00
Adjusted 2023-25 Current Service Level	-	-	34,859,183	-	-	-	34,859,183	78	78.00
Total LFO Recommended Packages	-	-	34,187,980	242,000	-	-	34,429,980	-	-
2023-25 Legislative Actions	-	-	69,047,163	242,000	-	-	69,289,163	78	78.00
Net change from 2021-23 Leg Approved Budget	(2,015,484)	-	13,815,365	242,000	-	-	12,041,881	-	-
Percent change from 2021-23 Leg Approved Budget	(100.0%)	0.0%	25.0%	100.0%	0.0%	0.0%	21.0%	0.0%	0.0%
Net change from 2023-25 Adj Current Service Level	-	-	34,187,980	242,000	-	-	34,429,980	-	-
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	98.1%	100.0%	0.0%	0.0%	98.8%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 101 Modernize Bus. Svcs. and Tech Infrastructure

Package Description Additional Other Funds expenditure limitation is recommended to finish the modernization of technology systems for the Unemployment Insurance and Paid Leave Oregon divisions of the Department. System functionality and business process related to the payment of benefits are scheduled to go live in September 2023 for Paid Leave, and March of 2024 for Unemployment Insurance. The recommended limitation covers implementation, testing, warranty, maintenance and support, and other related vendor support related to testing and go-live, as well as licensing and services for the remainder of the biennium.

LFO Recommendation Approve.

LFO Recommended	-	-	33,219,980	-	-	-	33,219,980	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 102 Workforce Bus. Svcs. and Tech Infrastructure

Package Description This package provides the Department with the resources to begin focusing on modernizing the agency's Workforce Operations Division information systems. The package provides a portion of necessary expenditure limitation to support planning and business case. It is anticipated that the Department will return to the Emergency Board for additional limitation once Stage Gate 2 endorsement is granted, at which time the agency will require additional limitation and resources identify system requirements, update foundational planning documents, and engage independent quality management services as the agency moves through the Stage Gate process towards issuing an RFP. The project is planned for completion in the 2025-27 biennium.

LFO Recommendation Approve.

LFO Recommended	-	-	968,000	242,000	-	-	1,210,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2021-23 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2021-23 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget (Base)	-	-	-	-	-	-	-	-	-
Summary of Base Adjustments	-	-	-	-	1,712,030,560	-	1,712,030,560	-	-
2023-25 Base Budget	-	-	-	-	1,712,030,560	-	1,712,030,560	-	-
2023-25 Current Service Level	-	-	-	-	1,712,030,560	-	1,712,030,560	-	-
Adjusted 2023-25 Current Service Level	-	-	-	-	1,712,030,560	-	1,712,030,560	-	-
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2023-25 Legislative Actions	-	-	-	-	1,712,030,560	-	1,712,030,560	-	-
Net change from 2021-23 Leg Approved Budget	-	-	-	-	1,712,030,560	-	1,712,030,560	-	-
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%	0.0%	0.0%
Net change from 2023-25 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 101 Modernize Bus. Svcs. and Tech Infrastructure

Package Description This package provides the revenue for the activities and expenditures associated with the Paid Leave Oregon portion of the Modernization Initiative. It specifically transfers Paid Leave Oregon revenues to Modernization Initiative program.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 103 Paid Leave Oregon Implementation

Package Description This package provides the Paid Leave Oregon revenue for the activities and expenditures associated with administration of the Paid Leave Oregon program. It specifically transfers Paid Leave Oregon revenues to the Paid Leave Oregon program.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 106 Contributions & Recovery

Package Description This package provides the revenue for the activities and expenditures associated with administration of the Paid Leave Oregon program. It specifically transfers Paid Leave Oregon revenue to the Contributions and Recovery unit.

The Contributions and Recovery Division structure was created to provide economic stability for Oregonians and Oregon Communities by providing seamless services to Oregon employers as they navigate and pay contributions for both UI and Paid Leave Oregon programs. The collection of such contributions provides funding for both the UI and Paid Leave Oregon programs, both of which provide critical safety nets for Oregon citizens. The services provided within Contributions and Recovery provide efficient and effective oversight and support services in the collection and distribution of contributions made by Oregon employers for both the Paid Leave Oregon and the UI.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 112 Organizational Support and Resiliency

Package Description This package provides the revenue to fund the work associated with the Paid Leave Oregon program within the proposed creation of the Office of Strategy, Innovation, and Performance within the agency. This office is intended to be a centralized unit, focused on enterprise-wide innovation, strategy, performance, and supporting data-driven decision making. Specifically, this program transfers funds to the Office of Strategy, Innovation, and Performance.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 113 Accessibility and Clear Communication

Package Description This package provides the revenue to fund the work associated with the Paid Leave Oregon program for the requested enhancements in the Department's communications program. Specifically, this package transfers Paid Leave Oregon revenues to the communications division.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2021-23 Agy. Leg. Adopted	-	-	-	-	5,058,847,795	1,081,179,119	6,140,026,914	-	-
2021-23 Ebds, SS & Admin Act	-	-	-	-	-	300,000,000	300,000,000	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	-	-	-	-	5,058,847,795	1,381,179,119	6,440,026,914	-	-
2021-23 Leg Approved Budget (Base)	-	-	-	-	5,058,847,795	1,081,179,119	6,140,026,914	-	-
Summary of Base Adjustments	-	-	-	-	(4,150,058,795)	(1,011,871,119)	(5,161,929,914)	-	-
2023-25 Base Budget	-	-	-	-	908,789,000	69,308,000	978,097,000	-	-
2023-25 Current Service Level	-	-	-	-	908,789,000	69,308,000	978,097,000	-	-
Adjusted 2023-25 Current Service Level	-	-	-	-	908,789,000	69,308,000	978,097,000	-	-
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2023-25 Legislative Actions	-	-	-	-	908,789,000	69,308,000	978,097,000	-	-
Net change from 2021-23 Leg Approved Budget	-	-	-	-	(4,150,058,795)	(1,311,871,119)	(5,461,929,914)	-	-
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	(82.0%)	(95.0%)	(84.8%)	0.0%	0.0%
Net change from 2023-25 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 101 Modernize Bus. Svcs. and Tech Infrastructure

Package Description This package provides the revenue for the activities and expenditures associated with the UI portion of the Modernization Initiative. Specifically, this package transfers Other Funds revenue to the Modernization Initiative program.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 102 Workforce Bus. Svcs. and Tech Infrastructure

Package Description This package provides the Other Funds revenue for the activities and expenditures associated with the Workforce Modernization Project. Specifically, this package transfers Other Funds revenue to the Modernization Initiative program.

LFO Recommendation Approve

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 104 Employment Service Contracts

Package Description This package provides certain Department Other Funds (SEDAF) revenue for the activities and expenditures associated with the STEP program. For the STEP grants, the Department is required to provide a matching source of funding, but is then reimbursed 50 percent from the federal government for those expenditures. Specifically this package transfers SEDAF funds to the Workforce Operations Program.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 105 Federal Program Changes

Package Description This package provides the Other Funds revenue for the activities and expenditures associated with work that will be performed in the Federal Program Changes package. Specifically, this package transfers Other Funds revenue to the Workforce Operations program.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 106 Contributions & Recovery

Package Description This package relates to the transfer of revenues for administration activities related to the UI program whin the Contributions & Recovery unit for UI programs. Specifically, this package reduces the transfer out of UI Other Funds revenues for administration due to savings achieved through Frances going online in September 2022.

The Contributions and Recovery Division structure was created to provide economic stability for Oregonians and Oregon Communities by providing seamless services to Oregon employers as they navigate and pay contributions for both UI and Paid Leave Oregon programs. The collection of such contributions provides funding for both the UI and Paid Leave Oregon programs, both of which provide critical safety nets for Oregon citizens. The services provided within Contributions and Recovery provide efficient and effective oversight and support services in the collection and distribution of contributions made by Oregon employers for both the Paid Leave Oregon and the UI.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 111 UI Workforce Management and Analytics

Package Description This package provides a small amount of Other Funds revenue (\$30,294) for the activities and expenditures associated with work to be performed for the UI Workforce Management and Analytics package. Specifically, this package transfers Other Funds revenue to the UI program.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 112 Organizational Support and Resiliency

Package Description This package provides revenue for the activities and expenditures associated with work to be performed for the Organizational Support and Resiliency package. Specifically, this package transfers Other Funds revenue to the Office of Strategy, Innovation and Performance.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 113 Accessibility and Clear Communication

Package Description This package provides revenue for the activities and expenditures associated with work to be performed for the Accessibility and Clear Communication package. Specifically, this package transfers Other Funds revenue to the Communications unit.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	-	-	-	-	-
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Legislatively Proposed 2023 - 2025 Key Performance Measures

Published: 4/21/2023 9:26:24 PM

Agency: Employment Department

Mission Statement:

The mission of the Oregon Employment Department is to Support Business and Promote Employment.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
1. ENTERED EMPLOYMENT - Percentage of job seekers who receive service from Workforce Operations that are still employed after six months.		Approved	58%	63%	63%
2. EMPLOYMENT RETENTION - Percent of job seekers who receive service from Workforce Operations that are still employed after 12 months.		Approved	63%	65%	65%
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.		Approved	\$2,899.00	\$451.00	\$451.00
4. FIRST PAYMENT TIMELINESS - Percentage of initial Unemployment Insurance payments made within 21 days of eligibility.		Approved	85%	89%	89%
5. NON-MONETARY DETERMINATIONS TIMELINESS - Percentage of claims that are adjudicated within 21 days of issue detection.		Approved	80%	80%	80%
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.		Approved	11%	10%	10%
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.		Approved	27%	60%	60%
8. NON-UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of orders issued within the standards established by the user agencies.		Approved	89%	93%	93%
9. AVERAGE DAYS TO ISSUE AN ORDER - Average number of days to issue an order following the close of record.		Approved	4.25	6.60	6.60
10. COST PER REFERRAL TO OAH - Average cost of hearing referral to the Office of Administrative Hearings.		Approved	\$472.00	\$942.00	\$942.00
11. HIGHER AUTHORITY APPEALS TIMELINESS - Percentage of cases requesting an appeal that receive a decision within 45 days of the date of request.		Approved	77%	80%	80%
12. TIMELINESS OF NEW STATUS DETERMINATIONS - Percentage of new status determinations completed within 90 days of the end of the liable quarter.		Approved	54%	80%	80%
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.	Expertise	Approved	69.92%	95.50%	95.50%
	Accuracy		67.47%	95.50%	95.50%
	Availability of Information		67.49%	95.50%	95.50%

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
	Timeliness		69.18%	95.50%	95.50%
	Overall		69.96%	95.50%	95.50%
	Helpfulness		71.28%	95.50%	95.50%
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.		Approved	73%	80%	80%

LFO Recommendation:

The Legislative Fiscal Office recommends key performance measures and targets as presented.

Anomalies due to caseload backlogs caused by pandemic-related claims and reduced staffing levels in the Employment Department because of low federal reimbursement rates are driving high costs per referral for KPM 10. A 2023-25 target for this KPM of \$942 is recommended by the Legislative Fiscal Office. OAH expects case loads to continue to be elevated in 2023-25 based on UI referral level trends to date, and as the benefits portion of Paid Leave Oregon goes live. Because of these anomalies, the Legislative Fiscal Office recommends that the Office of Administrative Hearings propose a new target for KPM 10 for consideration in the 2025 regular Legislative Session, based on additional data regarding costs, caseloads, and trends.

Results for KPM 13 (Customer Service) reflect the agency beginning to recover from Pandemic-related backlogs and frustrations experienced by Oregonians as they sought information on the status of their claim. OED reports that performance continues to improve, including a 17% overall increase in customer satisfaction between December 2022 and January 2023. OED retained management consulting services that helped to identify process improvements which were made permanent, and are expected to have a positive impact on customer service results going forward.

The Legislative Fiscal Office also recommends that the Employment Department propose a Key Performance Measure and targets for the Paid Leave Oregon program that considers the timeliness of benefit determinations and/or payments, once the program is operational.

SubCommittee Action: