

HB 5049 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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**Employment Department
2023-25**

PRELIMINARY

Budget Summary*

	2021-23 Legislatively Approved Budget ⁽¹⁾	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 5,767,819	\$ 5,767,819	100.0%
Federal Funds Limited	\$ -	\$ -	\$ (2,097,000)	\$ (2,097,000)	100.0%
Total	\$ -	\$ -	\$ 3,670,819	\$ 3,670,819	100.0%

Position Summary

Authorized Positions	0	0	72	72
Full-time Equivalent (FTE) positions	0.00	0.00	27.00	27.00

⁽¹⁾ Includes adjustments through January 2023

* Excludes Capital Construction expenditures

Summary of Revenue Changes

HB 5049 appropriates \$5,767,819 General Fund to the Oregon Employment Department (OED) for operating expenses in the 2023-25 biennium. The General Fund appropriation funds positions in the Unemployment Insurance and Shared Services divisions needed to meet workload requirements generated by U.S. Department of Labor requirements and legal settlements for timeliness and access to information. OED has been navigating an ongoing revenue shortfall due to historically low reimbursement rates for Unemployment Insurance administration since the ebbing of the COVID-19 pandemic. Federal negotiations and agreements related to the national debt ceiling will result in further reductions of federal funding to the department.

Summary of Joint Committee on Ways and Means Action

HB 5049 appropriates \$5,767,819 General Fund on a one-time basis to the Employment Department for operating expenses in the Unemployment Insurance and Shared Services divisions. General Fund is sufficient to support 72 (27.00 FTE) limited duration positions to accomplish the following: eliminate backlogs in fraud investigations and overpayments; maintain timely benefit determinations and payments; provide adequate supervisory support; and allow for additional access to information, through translation of Department information and materials for non-native English speakers. It is anticipated that the Department will request that 27 of these positions be permanent once an ongoing source of revenue to support these positions is identified and secured.

Federal Funds expenditure limitation is reduced by \$2,097,000 to recognize additional reductions in federal funds revenue that OED expects to receive as a result of recent federal budget decisions.

Unemployment Insurance Division -

General Fund in the amount of \$5,594,112 supports expenses in the Unemployment Insurance division related to the addition of 70 limited duration positions (26.25 FTE), as follows:

- | | |
|--------------------------------------|---|
| 20 Investigator 2 positions | 4 Operations and Policy Analyst 1 positions |
| 10 Investigator 3 positions | 2 Investigator Supervisor 2 positions |
| 29 Compliance Specialist 1 positions | 1 Administrative Specialist 1 positions |
| 3 Employment Supervisor 1 positions | 1 Operations and Policy Analyst 2 position |

The compliance specialist positions will identify and resolve overpayment and audit issues, as well as benefit determination and payment support; Investigator 3 positions will focus on identify theft and fraud scheme cases; the Operations and Policy Analyst 2 position will design fraud prevention and mitigation strategies; Operations and Policy Analyst 1 positions will provide data analysis to meet state and federal reporting requirements and allow for identification and shifting of resources to demand, as necessary. Supervisory positions will direct work and provide appropriate management ratios.

Federal Funds expenditure limitation was reduced by \$2,097,000 to recognize additional reductions in federal funds revenue that OED expects to receive as a result of recent federal budget decisions.

Shared Services Division -

The Committee approved General Fund in the amount of \$173,707. These funds support personal services and related services and supplies costs of two positions (0.75 FTE): a limited duration Administrative Specialist 2 position (0.375 FTE) to support language access and improve materials and communications with non-native English speakers; and a limited duration Fiscal Analyst 3 position (0.375 FTE).

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Employment Department
 Tamara Brickman – (971) 719-3492

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 47100-010-05 - Shared Services									
Personal Services	\$ 146,708	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,708	2	0.75
Services and Supplies	\$ 27,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,000		
SCR 47100-010-10 - Unemployment Insurance									
Personal Services	\$ 4,649,111	\$ -	\$ -	\$ -	\$ (1,398,070)	\$ -	\$ 3,251,041	70	26.25
Services and Supplies	\$ 945,000	\$ -	\$ -	\$ -	\$ (698,930)	\$ -	\$ 246,070		
TOTAL ADJUSTMENTS	\$ 5,767,819	\$ -	\$ -	\$ -	\$ (2,097,000)	\$ -	\$ 3,670,819	72	27.00
SUBCOMMITTEE RECOMMENDATION *	\$ 5,767,819	\$ -	\$ -	\$ -	\$ (2,097,000)	\$ -	\$ 3,670,819	72	27.00

*Excludes Capital Construction Expenditures

PRELIMINARY