

# Joint Ways and Means Subcommittee on Transportation and Economic Development

Employment Department

David Gerstenfeld, Director

Feb. 10-13, 2025

# Oregon Employment Department



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

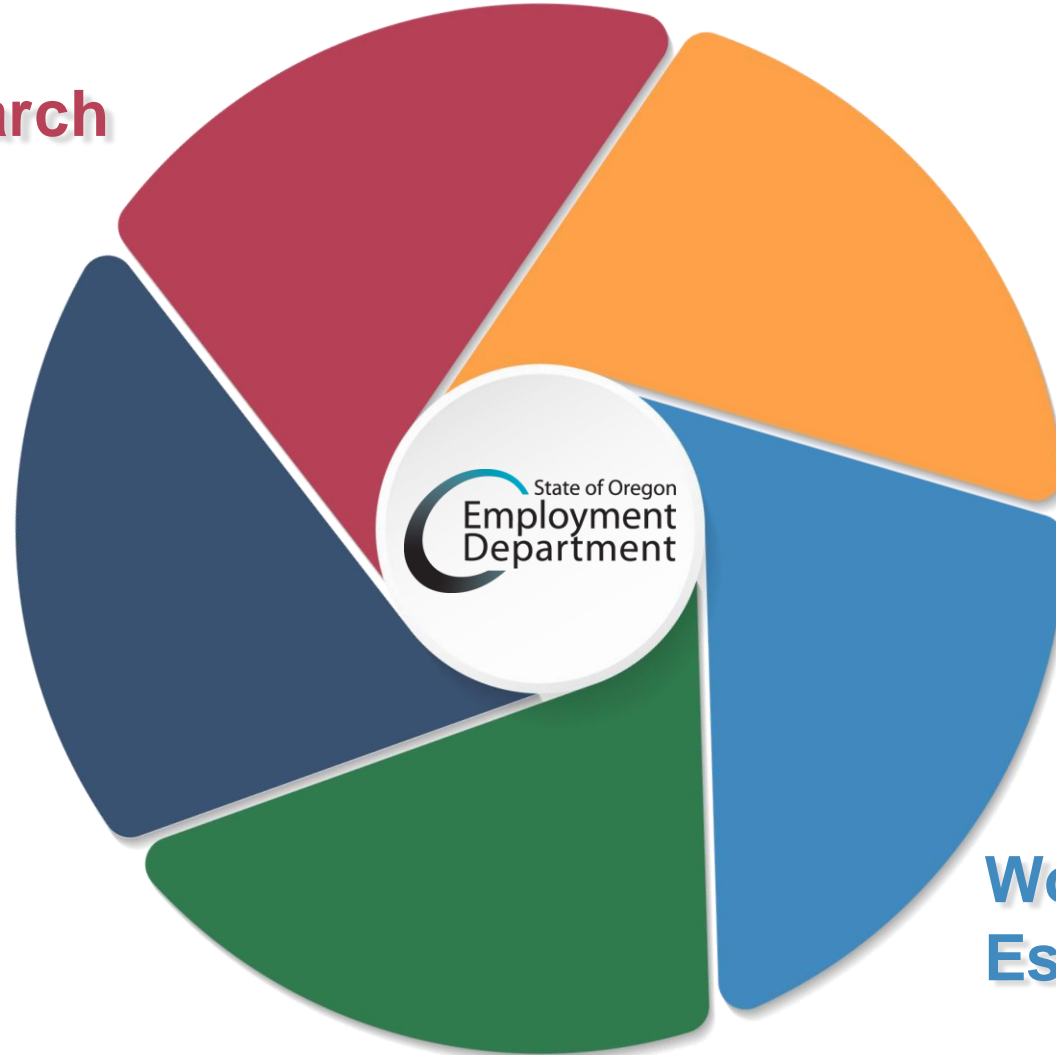
**Our Vision:** An Oregon where meaningful work enables the state's diverse people and businesses to realize their full potential, creating prosperity in every community

# Our Core Programs & Goals

**Workforce and  
Economic Research**  
Est. 1935

**Unemployment  
Insurance**  
Est. 1935

**Contributions and  
Recovery**  
Est. 2023

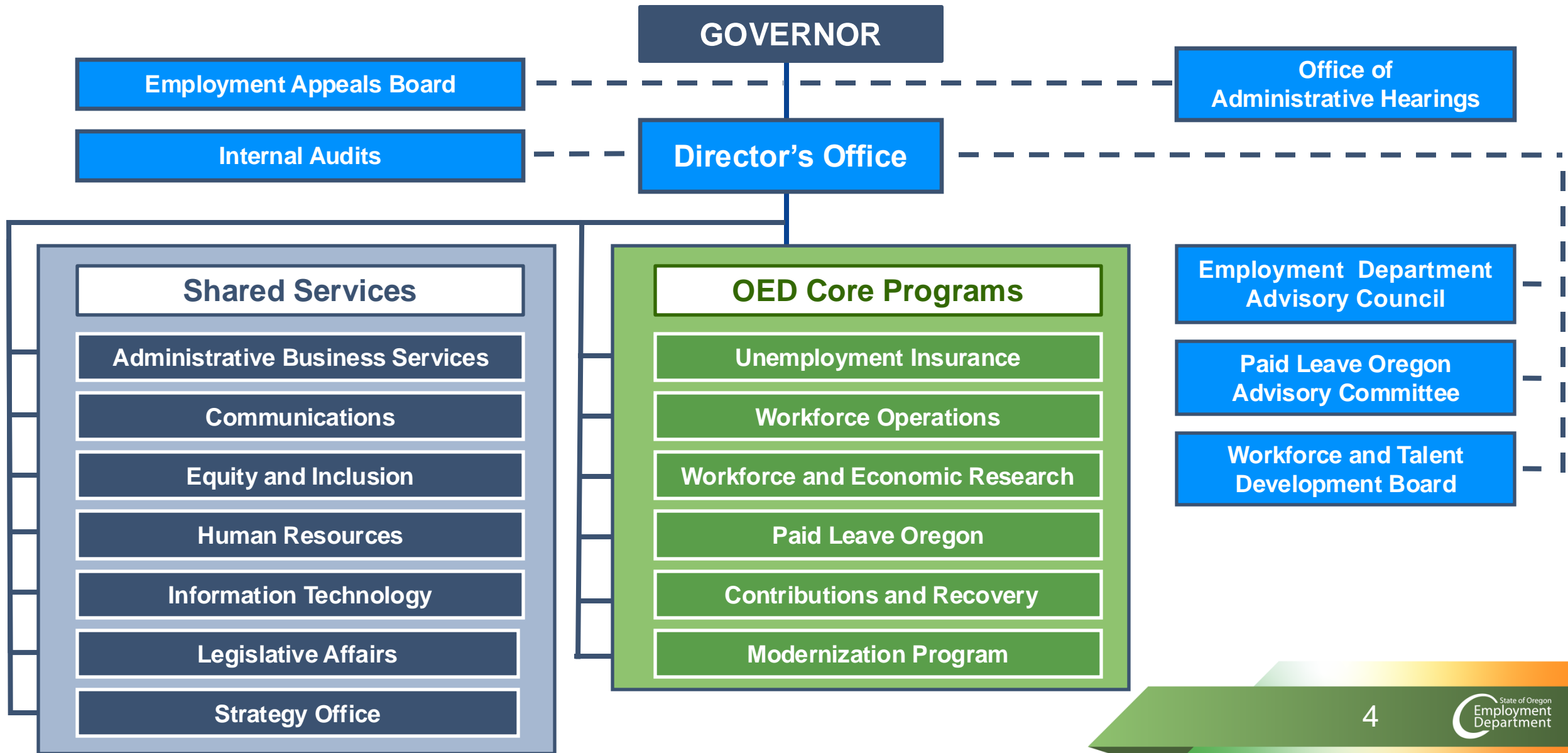


**Workforce Operations**  
Est. 1935

**Paid Leave Oregon**  
Est. 2019

# Current Agency Structure

Total GB Positions:  
2,028



# Key Partners

## We collaborate with:

### Business and worker advocates

- Oregon Restaurant and Lodging Association
- Oregon Business & Industry (OBI)
- AFL-CIO
- Small Business Development Corporation
- National Federation of Independent Businesses (NFIB)
- Service Employees International Union (SEIU)

### Community advocates

- Migrant Education Conference
- Oregon Coalition Against Domestic and Sexual Violence
- Family Forward

### Other state agencies

- Bureau of Labor and Industries (BOLI)
- Department of Consumer and Business Services (DCBS)
- Department of Revenue (DOR)
- Oregon Health Authority (OHA)
- Oregon Department of Human Services (ODHS)
- Secretary of State



# Operational changes in OED budget 2019-2025

## 2019-2021

- UI Modernization Project received Stage Gate 3 approval
- Paid Leave Oregon created by Legislature
- Pandemic programs and expansion of services

## 2021-2023

- Established Equity & Inclusion and Strategy Offices
- Began collecting Paid Leave Oregon contributions through Frances Online
- Launched UI taxes in Frances Online

## 2023-2025

- Paid Leave launched benefits in Frances Online
- Contributions & Recovery Division established
- UI benefits live in Frances Online
- SEDAF increase

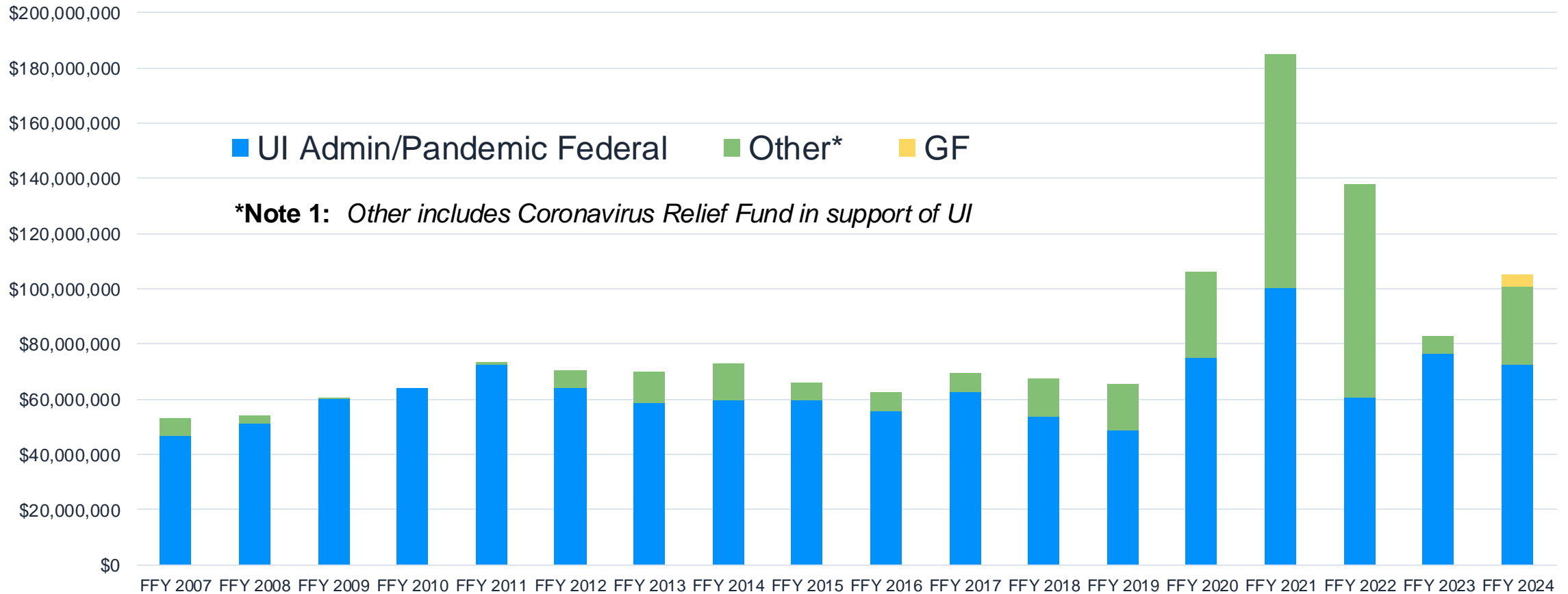
## Budget Drivers: Context

- We manage expenditures to revenue
- We are highly dependent on federal reimbursements
- Workload varies widely with economic changes
- Federal funding is now less than pre-pandemic levels
  - ❖ We are managing multiple large projects
  - ❖ We must be ready for the next recession
- Lack of federal funding puts Oregon's priorities at risk
  - ❖ Improving/maintaining customer service
  - ❖ Reaching underserved communities
  - ❖ Equitable access
- Ongoing federal funding uncertainty



# Budget Drivers: Federal/UI Administrative Funds

## UI Administration Federal and Other Expenditures by Fund Type

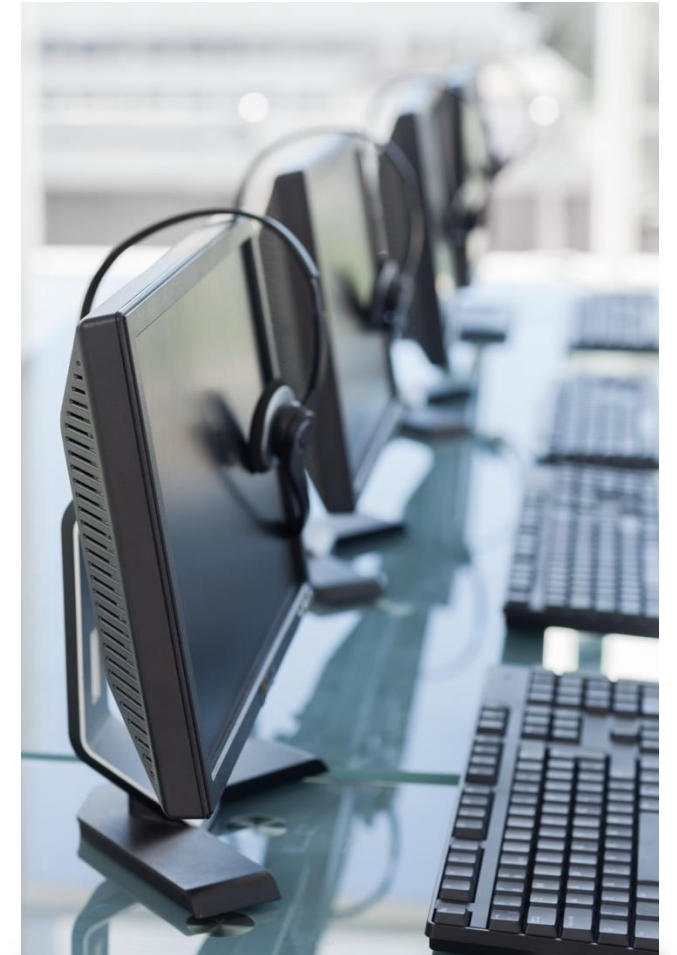


**\*Note 1:** Other includes Coronavirus Relief Fund in support of UI



## Budget Drivers: Current Environment

- Workload remains high despite near-historic low rates of unemployment
- Workforce costs have increased – COLAs, pay equity
- Without additional state investment, customer service levels will decline
  - ❖ Call wait times and turnaround on new claims
  - ❖ Communication, transparency and responsiveness
- Fighting fraud takes significant resources
- Need to rebuild operating reserves, currently less than one month



# Budget Drivers – Recent Changes

## Less revenue projected

- Since the Governor's Request Budget was calculated:
  - ❖ New economic forecasts predict less revenue for OED for next biennium.
  - ❖ Trade Act has not been reauthorized by Congress.
- OED has to balance expenditures to available revenue.
- With less projected revenue, OED will have to reduce 2025-27 spending.



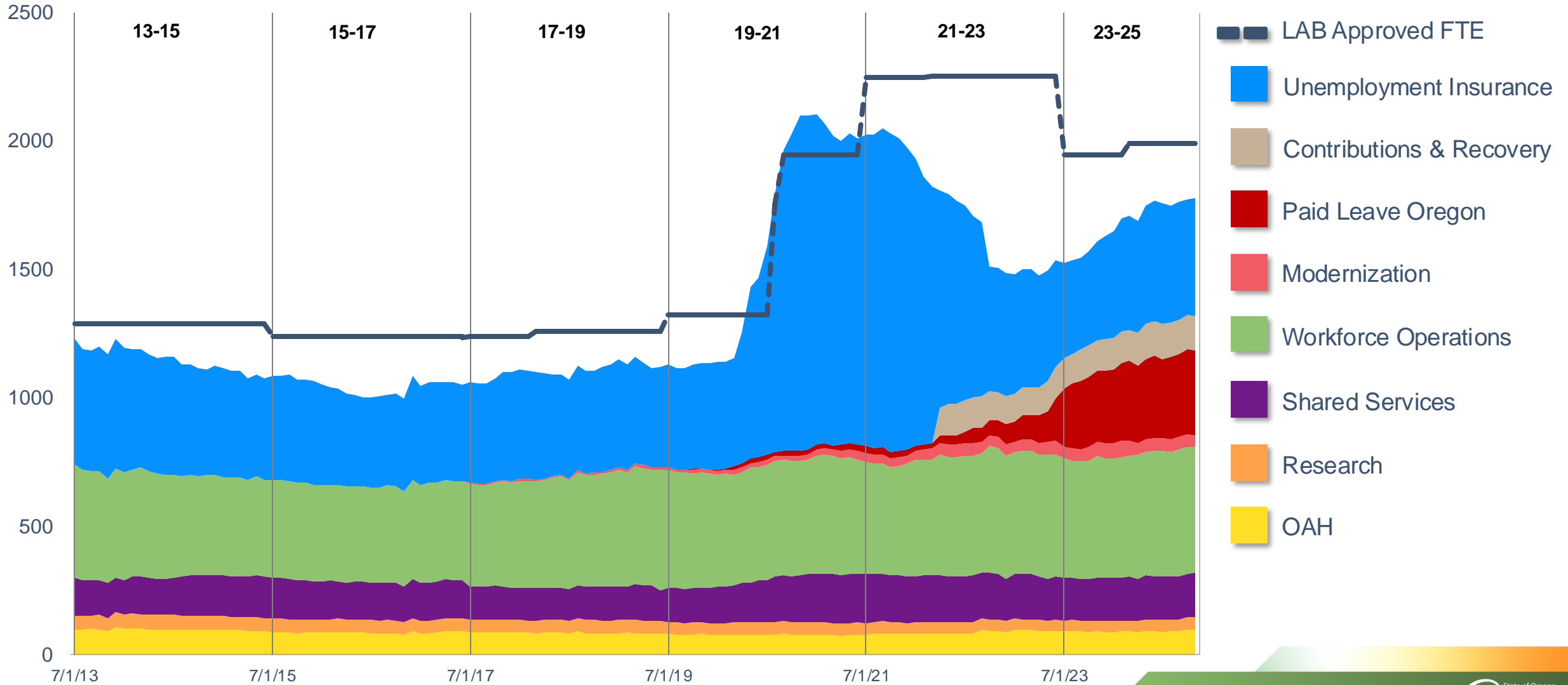
### **Striking a balance between security and functionality**

- Protect the UI Trust Fund and the tax dollars paid by employers
- Protect the Paid Leave Oregon Trust Fund and the contributions paid by employees and employers
- Provide benefits quickly to people who seek them

### **Continually evolving countermeasures to prevent and detect fraud**

- Ready to move rapidly to stop fraud
- Responsive to needs of legitimate claimants
- Fraud schemes are more common and complex each year

# Employment Department FTE

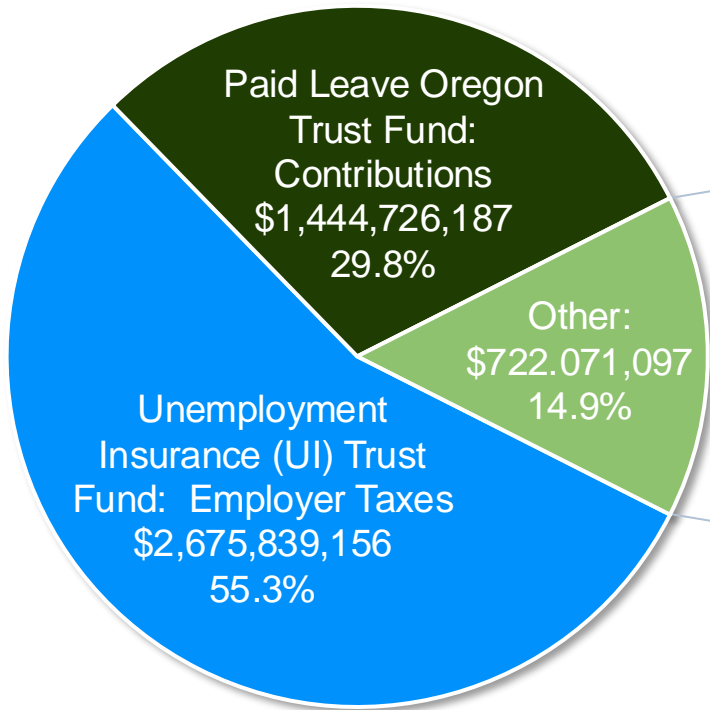


# Operational Budget: Positions

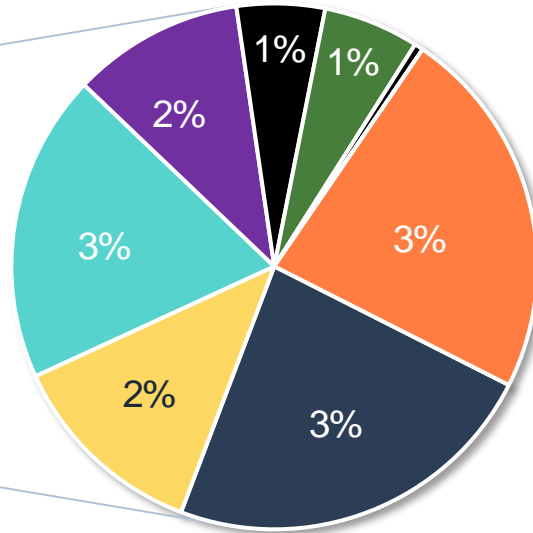
Program	2023-25 Legislatively Approved Budget	Change from 2023-25 to 2025-27	2025-27 Governor's Budget	Percentage of Agency in 2025-27
Unemployment Insurance	479	-1.46%	472	23.27%
Paid Leave Oregon	366	1.37%	371	18.29%
Contributions and Recovery	150	11.33%	167	8.23%
Workforce Operations	568	0.53%	571	28.16%
Workforce and Economic Research	52	0.00%	52	2.56%
Modernization	62	-1.61%	61	3.01%
Shared Services	211	0.47%	212	10.45%
Office of Administrative Hearings	122	0.00%	122	6.02%
<b>Total Agency</b>	<b>2,010</b>	<b>10.63%</b>	<b>2,028</b>	<b>100.00%</b>

# Major Revenue Sources – 2025–27 Federal and Other Funds

**Total Revenue**  
85.1% passes through directly as benefits



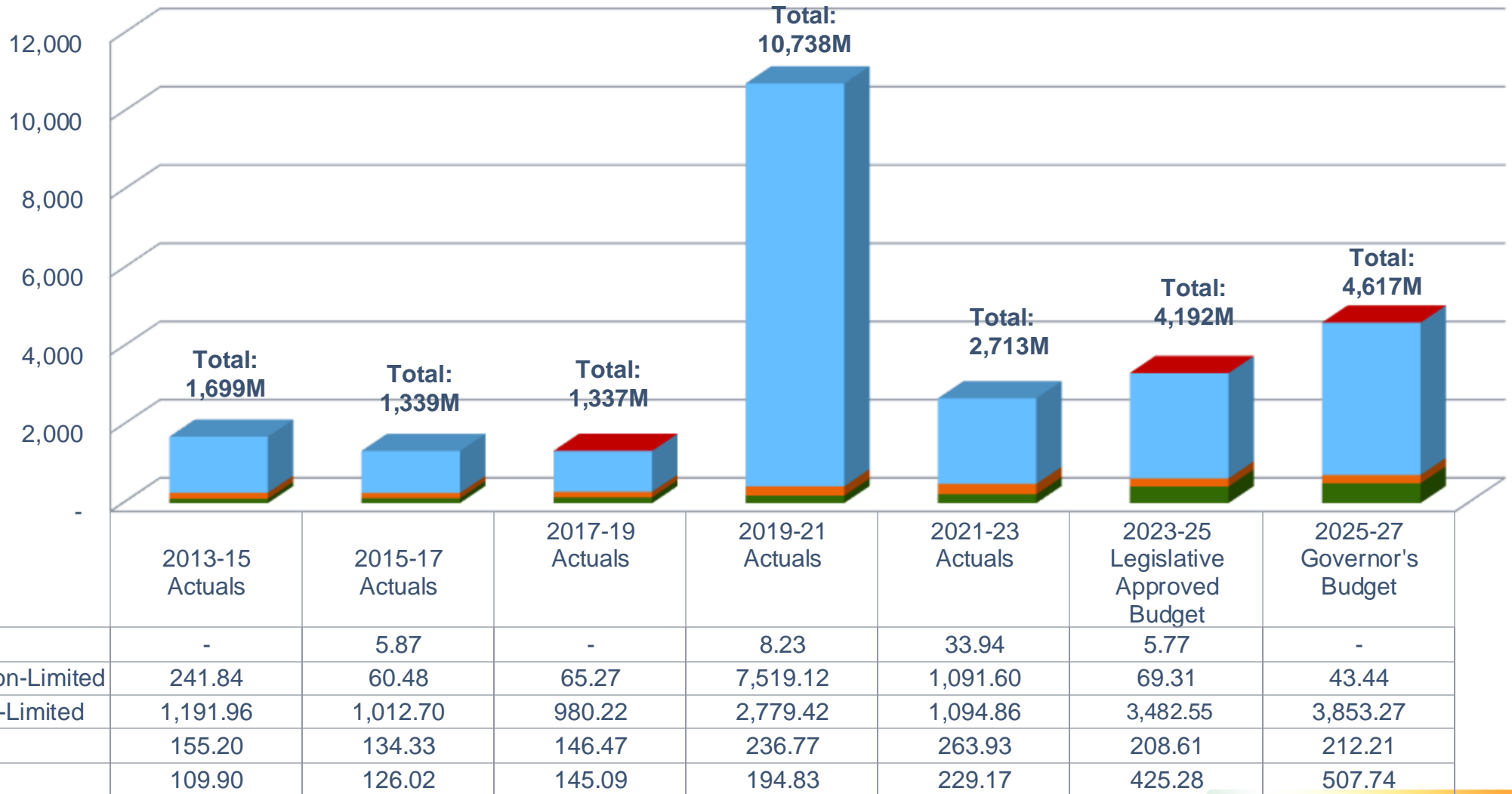
**Other Revenue**  
Breakdown of the other 14.9%



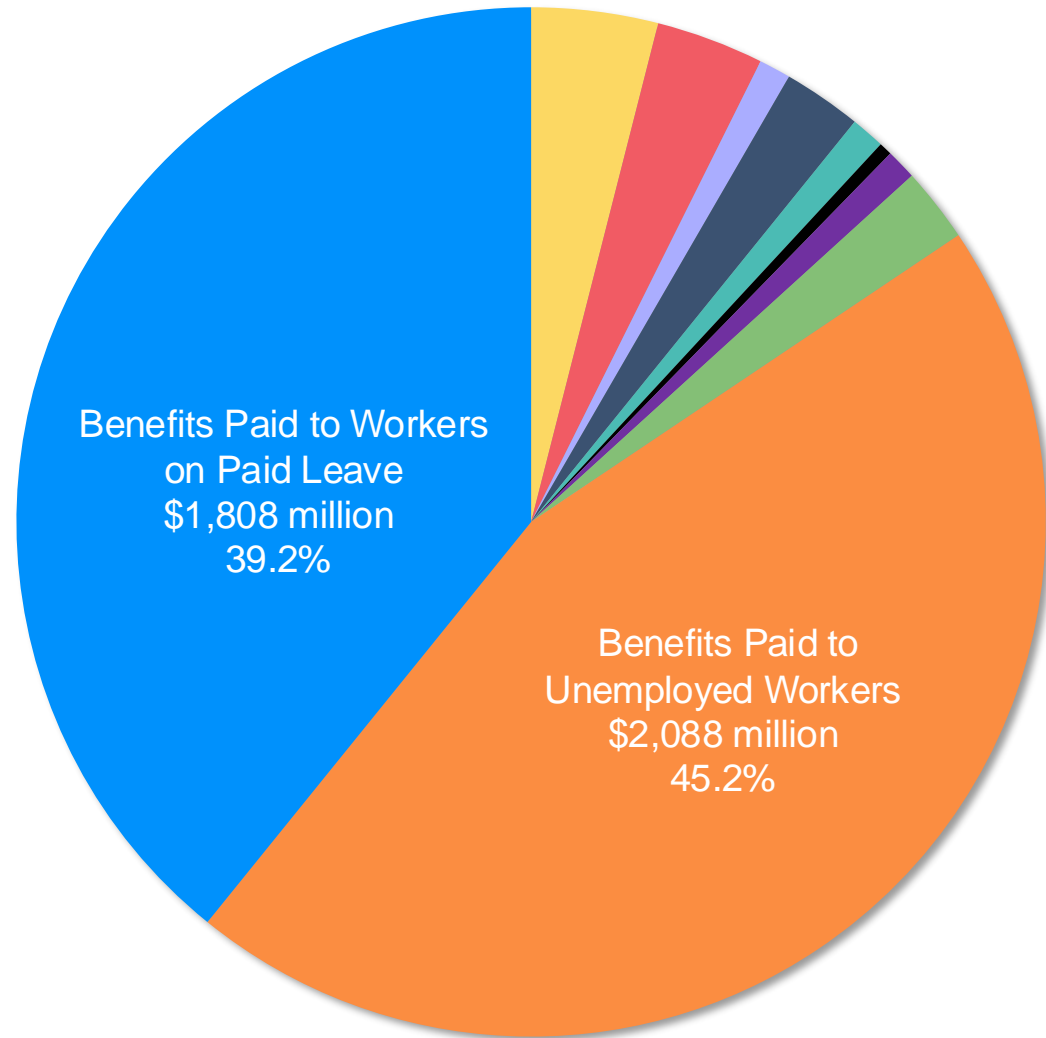
- UI Trust Fund: Employer Taxes  
\$2.675 billion, 55.3%
- Paid Leave Oregon Trust Fund: Contributions  
\$1.444 billion, 29.8%
- SEDAF (OF)  
\$168.3 million, 3%
- Paid Leave Admin  
\$165.43 million, 3%
- UI Admin (OF/FF)  
\$137.1 million, 3%
- Employment Services (FF)  
\$76.25 million, 2%
- Charges for Services (OF)  
\$89.3 million, 2%
- Penalties and Interest (OF)  
\$42 million, 1%
- Modernization (OF)  
\$39.16 million, 1%
- Bureau of Labor Statistics (OF)  
\$3.924 million, 0%

# Expenditures by Fund Type

- General Fund expenditures 2015-17 include the Oregon Talent Council.
- General Fund expenditures for 2019-21 and 2021-23 include the loan for Paid Leave Oregon. It was repaid in 2023.
- General Fund expenditures for 2025-27 include temporary funding for the delay in the SEDAF rate increase.



# 2025-27 Governor's Budget by Program



- Workforce Operations  
\$183.4million, 3.97%
- Unemployment Insurance  
\$156.1 million, 3.4%
- Contributions and Recovery  
\$46.1 million, 1.0%
- Paid Leave Oregon  
\$113.8 million, 2.5%
- Modernization Program  
\$49.2 million, 1.1%
- Workforce & Economic Research  
\$19.0 million, 0.4%
- Office of Administrative Hearings  
\$44.2 million, 1.0%
- Shared Services  
\$108.1 million, 2.3%

Benefit payments make up approximately 84.4% of OED's budget.



# Shared Services – Governor's Budget

## Shared Services

- Support core programs by providing essential infrastructure
- Play key roles in agency's customer service goals and strategies

- ❖ Administrative Business Services
- ❖ Communications Office
- ❖ Equity & Inclusion
- ❖ Human Resources
- ❖ Information Technology
- ❖ Legislative Affairs
- ❖ Strategy Office

Shared Services – Governor's Budget					
Operations	Other Fund	Federal Fund	Total Fund	Positions	FTE
	\$76,218,535	\$31,793,540	\$108,012,075	212	211.50

# Governor's Budget Analyst Adjustments

- **Package 92 – Statewide Attorney General Adjustment: -\$143,595**
  - ❖ -\$67,962 in Other Funds
  - ❖ -\$75,633 in Federal Funds
- **Package 93 – Statewide Adjustment DAS Charges: -\$1,985,222**
  - ❖ -\$1,400,083 in Other Funds
  - ❖ -\$585,139 in Federal Funds

## **Efficiencies and cost savings**

- Consolidating office space to save on leasing costs – Saved more than \$1.9 million
- Transitioning more than 680 employees to work fully remote
- Holding positions vacant to manage revenue – Approx. \$15 million per biennium
- Creation of the Contributions & Recovery Division

## **Customer service**

- Creation of the Strategy Office
- Strategic Plan
- Frances Online
- Customer Service Strategy

## Looking Forward – 2025-27 Priorities

- Stabilization
- Continue improving customer service and innovation
- Supporting an engaged workforce
- Modernize Workforce Operations business processes and technologies
- Provide data and analysis to inform an equitable and robust economy for Oregon
- Supporting the Governor's priorities to address houselessness, healthcare, and education

Commitment to ongoing customer service improvements:

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

- **HB 3021:** OED Housekeeping
- **HB 3022:** Other Agency Data Sharing
- **HB 3024:** Repeal Reduction to UI Benefits Due to Disqualification
- **SB 858:** Paid Leave Oregon Various Changes and Technical Corrections
- **SB 859:** Paid Leave Oregon Waiver of Employer Penalties and Interest

## Policy Package 105

- Permanent Fiscal Analyst 1 (1 position) – Supports the agency's overall service quality through budget development, execution, and monitoring
- Administratively moves an existing permanent public affairs specialist 2 position from Modernization to the Communications Office performing ongoing work related to Frances Online

Policy Package Number: 105 – Shared Services				
Other Fund	Federal Fund	Total Fund	Pos	FTE
\$494, 920	\$120,326	\$615,246	2	2.00

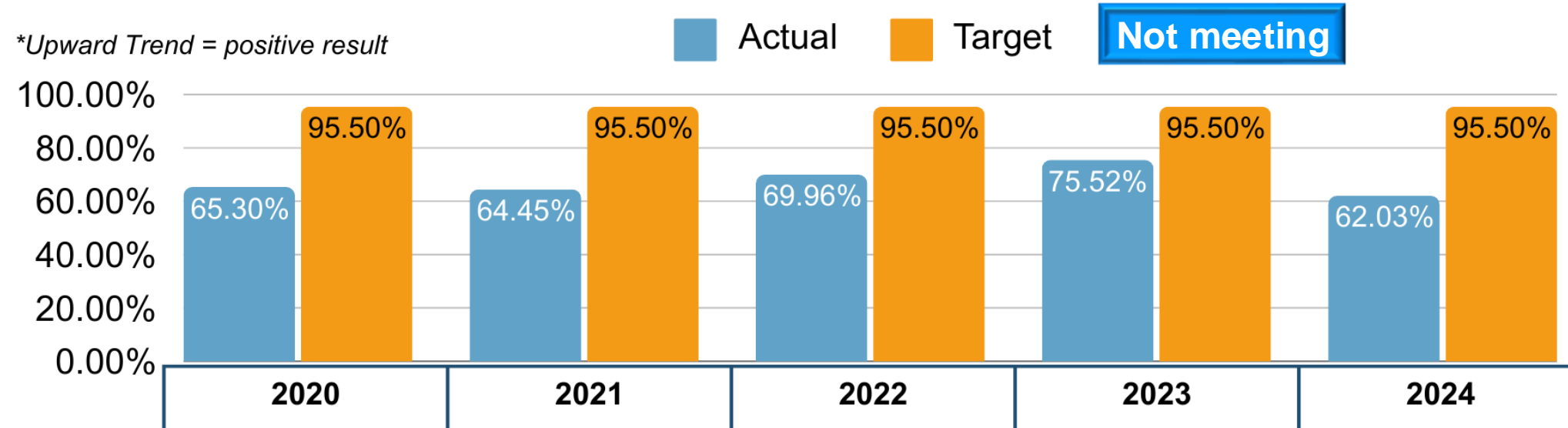
## Policy Package 106

- Plan for significant, rapid fluctuations in workload due to seasonal and economic conditions
- Improve efficiency, increase coverage, and maintain adaptability
- Compensates employees for specialized work, e.g. language translations

Policy Package Number: 106 – Shared Services				
Other Fund	Federal Fund	Total Fund	Pos	FTE
\$1,026,985	\$443,015	\$1,470,000	-	-

# Key Performance Measures and Outcomes

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



Overall Service Quality					
	2020	2021	2022	2023	2024
<b>Actual</b>	65.30%	64.45%	69.96%	75.52%	62.03%
<b>Target</b>	95.50%	95.50%	95.50%	95.50%	95.50%



# Workforce Operations Division

Jim Pfarrer, Division Director

# Workforce Operations

## As a WorkSource Oregon partner:

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



Workforce Operations – Governor's Budget					
Operations Budget	Other Fund	Federal Fund	Total Fund	Positions	FTE
	\$138,862,111	\$44,580,378	\$183,442,489	571	569.58

# Organizational Structure

Total GB Positions:  
571

## Workforce Operations

### Central Office

#### Central OR

Bend

Klamath Falls

Madras

Prineville

Redmond

The Dalles

#### Clackamas

Oregon City

#### Lane

Eugene

Florence

#### Eastern OR

Baker City

Burns

Canyon City

Enterprise

Hermiston

La Grande

Ontario

Pendleton

#### Mid-Valley

Albany

Dallas

Lebanon

McMinnville

Salem

Woodburn

#### Northwest OR

Seaside

Corvallis

Lincoln City

Newport

St. Helens

Tillamook

#### Portland Metro

Beaverton/Hillsboro

Gresham

N/NE Portland

SE Portland

Tigard

#### South Coast

Brookings

Coos Bay

Roseburg

#### Southern OR

Grants Pass

Medford

# Workforce Operations customers

## Job Seekers

74,829

Program Year  
July 2023 – June  
2024



**WORKFORCE  
OPERATIONS**

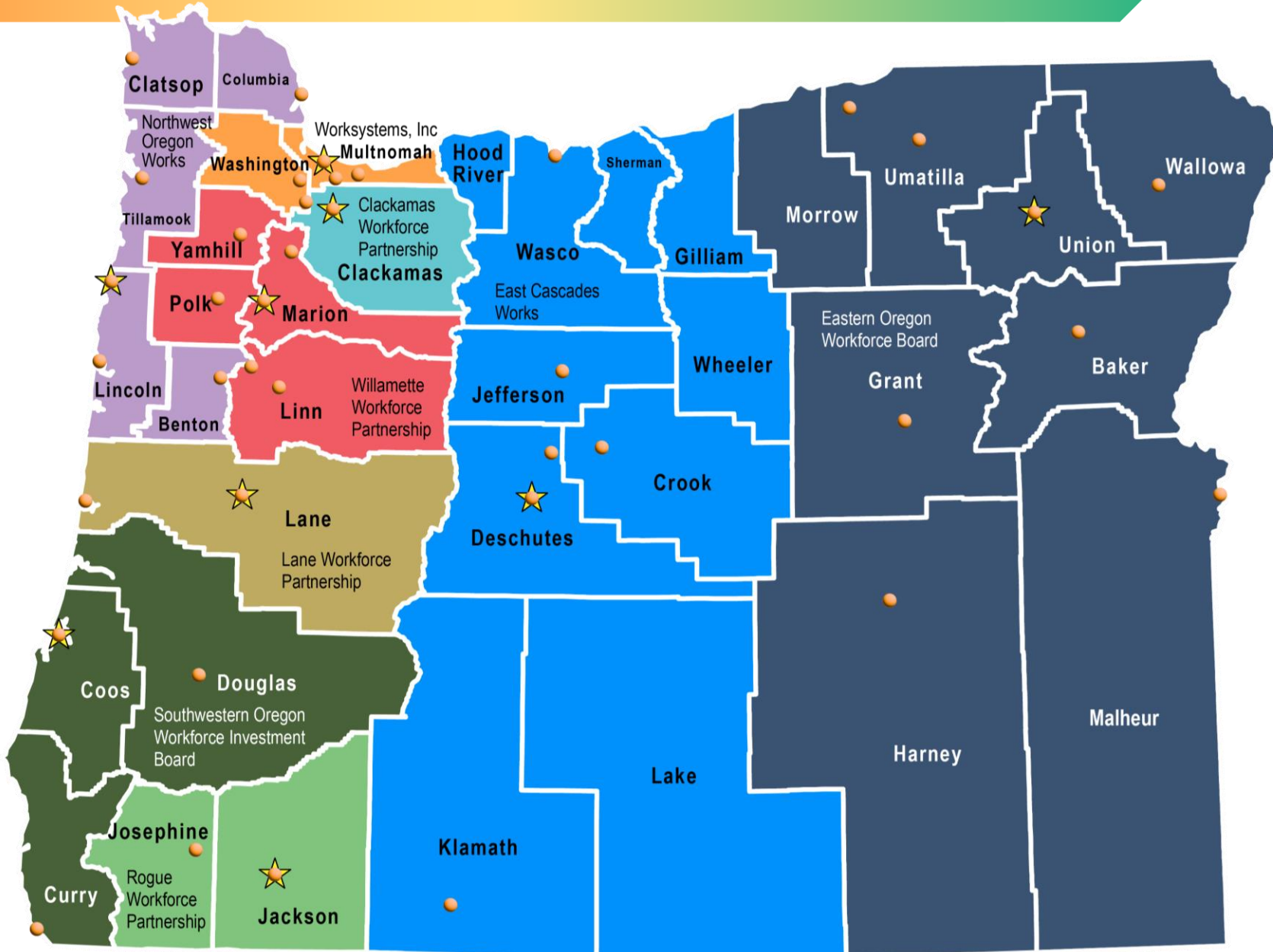
## Employers

7,507

Program Year  
July 2023 –  
June 2024



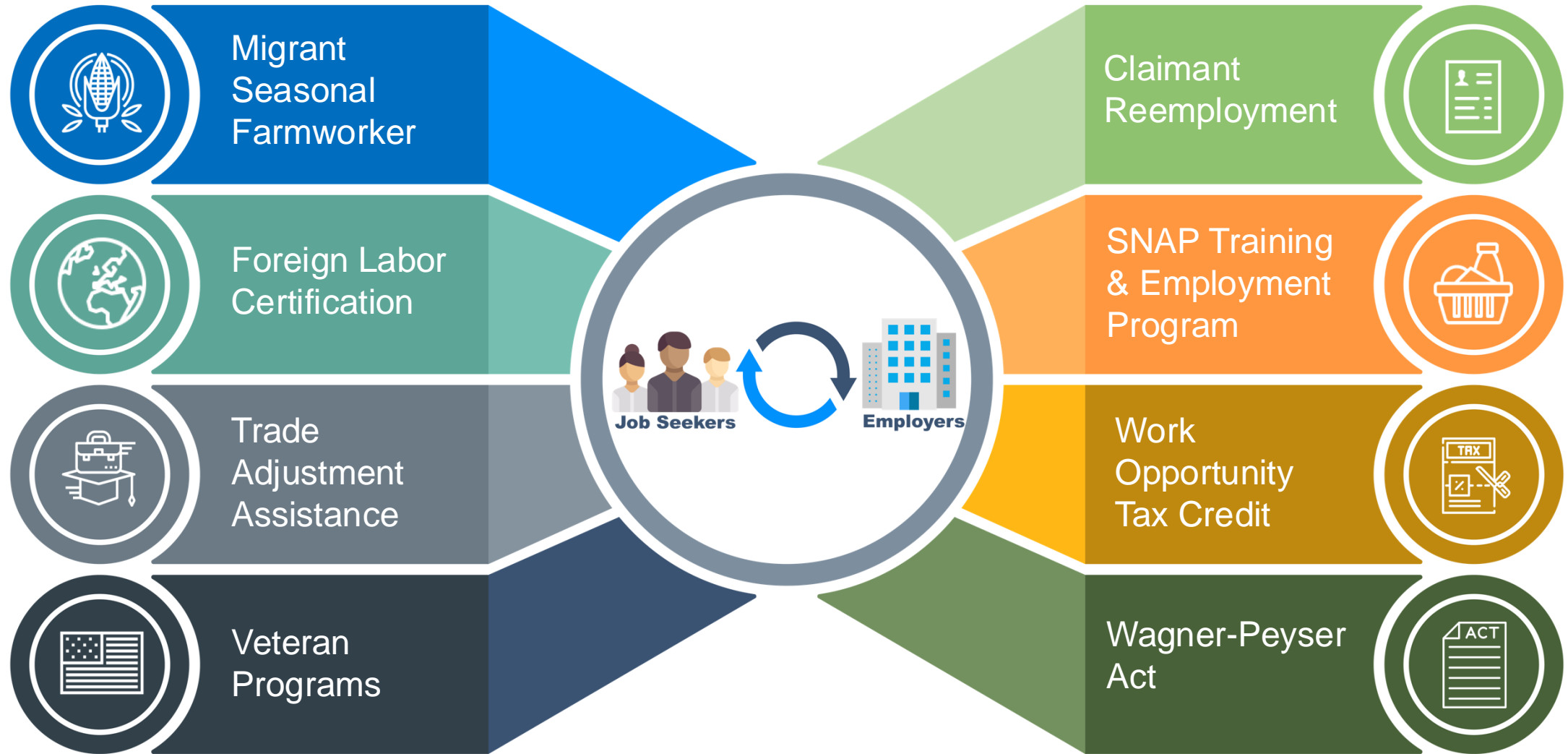
# Oregon's WorkSource Centers



**39 WorkSource Centers statewide**

**571 Positions**

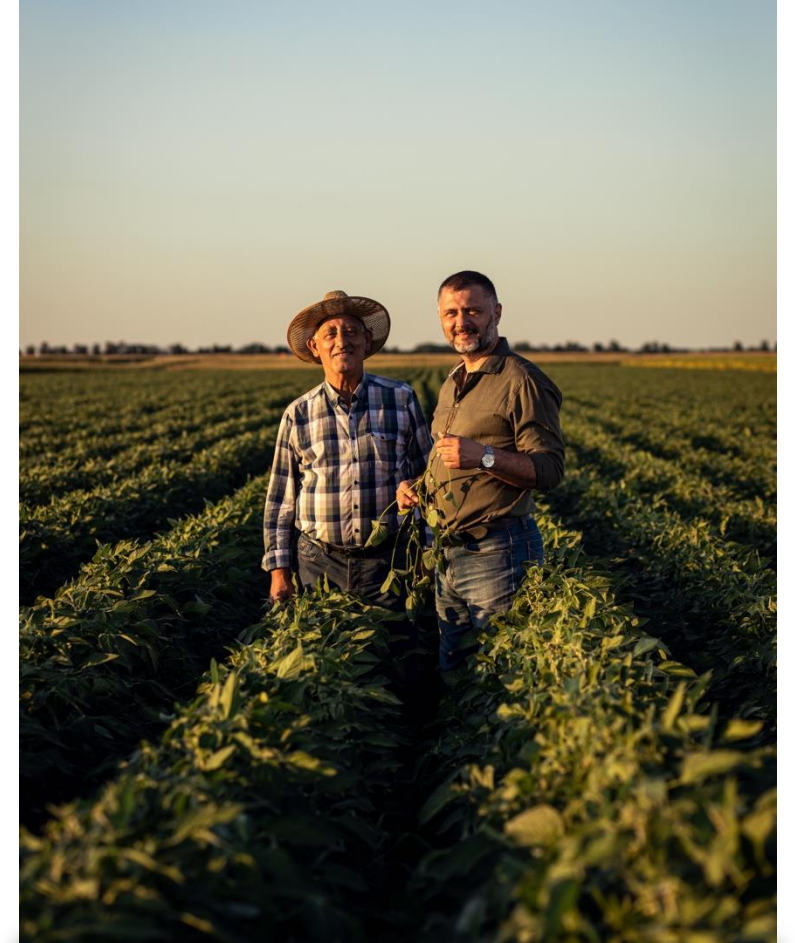
# Key Federal Programs





## Migrant and Seasonal Farmworker Program

- **31,861 Migrant and Seasonal Farmworkers (MSFWs)** contacted by outreach representatives across the state.
- 4,297 MSFW customers completed their initial registration in iMatchSkills in Program Year 2023.
- MSFW outreach representatives spent more than 9,500 work-hours conducting outreach and providing services to MSFWs in Program Year 2023





## Foreign Labor Certification



- **Foreign Labor Certification** received 211 applications in Fiscal Year 2023, compared to 207 applications in Fiscal Year 2022.
- **268 housing consultations** were completed in Fiscal Year 2023.
- **4,456 agriculture job listings** were requested by employers to fill with foreign workers in Fiscal Year 2023.





## Trade Act

### Oregon's Trade Act Program

- Supports 171 worker groups and an estimated 11,560+ Oregonians who will lose access to benefits and services without Federal reauthorization.
- USDOL ranks Oregon's Trade Act program as number 1 for national percentage of Trade-affected workers currently in approved training.

### Collaboration:

- Funded three WorkSource Oregon vans
  - ❖ Serving underserved and under-resourced communities and available to mobilize for state emergency response as needed



# Jobs for Veterans' State Grant

## 541VETS Tactical Career Planning

- 34% increase in pageviews over the past year, totaling 4,411 individual video views.

## Veterans' Services

- 7,327 veterans accessed WSO services; 1,367 referred to DVOP Specialists
- 17 DVOP Specialists served 890 eligible veterans with significant barriers to employment
- 404 Oregon employers received information about USDOL HIRE Vets Medallion Program (HVMP) – 10 businesses received HVMP award.

## Challenges

- Federal grant funding decline will require reducing JVSG staffing levels in August 2025.



### Oregon's Reemployment Services and Eligibility Assessments (RESEA) program

- Awarded PY2023 Performance Outcome Award for exceeding USDOL benchmarks.
- Completion rates: Average **73% (initial)** and **83% (subsequent)**, with ongoing improvements.
- Average number of weeks of benefits for claimants continues to **decline**.

### Program Evaluation

- Partnering with Portland State University for a three-year evaluation of redesigned subsequent interventions to make it more efficient and effective.



## SNAP Training & Employment Program



### Supplemental Nutrition Assistance Program

- Workforce Operations provided 11,594 **supplemental nutrition assistance program (SNAP) E&T Orientations** to SNAP recipients in Program Year 2023.
- Of that number, OED's SNAP E&T program served 8,091 SNAP recipients.
- 306 Oregonians in the ABAWD program. The program is currently on pause and expected to return in October 2025.

## Work Opportunity Tax Credit (WOTC)

During calendar years 2022 and 2023, Oregon processed 147,247 applications resulting in 52,808 certifications valued at \$155,444,200 in tax credits for Oregon businesses.

The WOTC Program processed over 2,500 ETA 9198 Employer Representative Declaration forms without creating any backlog. Completing the form allows authorized representatives (third-party administrators) to continue submitting applications and retrieving determinations for their employer clients.



## Outreach and Partnerships

- The Business Services team posted 331 jobs on LinkedIn, which yielded 83,436 additional views and received 3,433 applicants.
- During Program Year 2023, Business Services coordinated and participated in over 100 hiring events, job fairs, conferences, and other events to promote WSO services to employers.
- The Trade Act funded Career Development Coordinators successful placed 448 job seekers from diverse backgrounds in Program Year 2023.

## Collaboration:

Hosted “Fast Track to State Employment” Virtual Open House, supporting 19 state agencies with 22 divisions. Over 1,208 job seekers attended.

# Future Focus Areas

- **Modernized systems**
- **Centralization of virtual services**
- **Training to increase statewide consistency**
- **Creation of customized marketing plans to local businesses**



## Key Partners

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

**worksource** |  
**OREGON** |

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



## Policy Package 103

- Optimizes braided funded strategies
- Continues to support Title 1 services in the Rogue Valley
- Supports new TANF JOBS program in the Rogue Valley

Policy Package Number: 103				
Other Fund	Federal Fund	Total Fund	Pos	FTE
\$2,056,262	\$3,245,994	\$5,302,206	11	9.66

## Policy Package 104

- Expands capacity for managers supervising Business Services staff to better support employer outreach and assistance in recruiting qualified candidates
- Focus will be to create consistency within the Business Services Program Analyst 1 team as well as provide coaching to increase the reach and strength of WorkSource Oregon's overall business services team.

Policy Package Number: 104				
Other Fund	Federal Fund	Total Fund	Pos	FTE
-	\$267,841	\$267,841	1	0.92

# Key Performance Measures and Outcomes

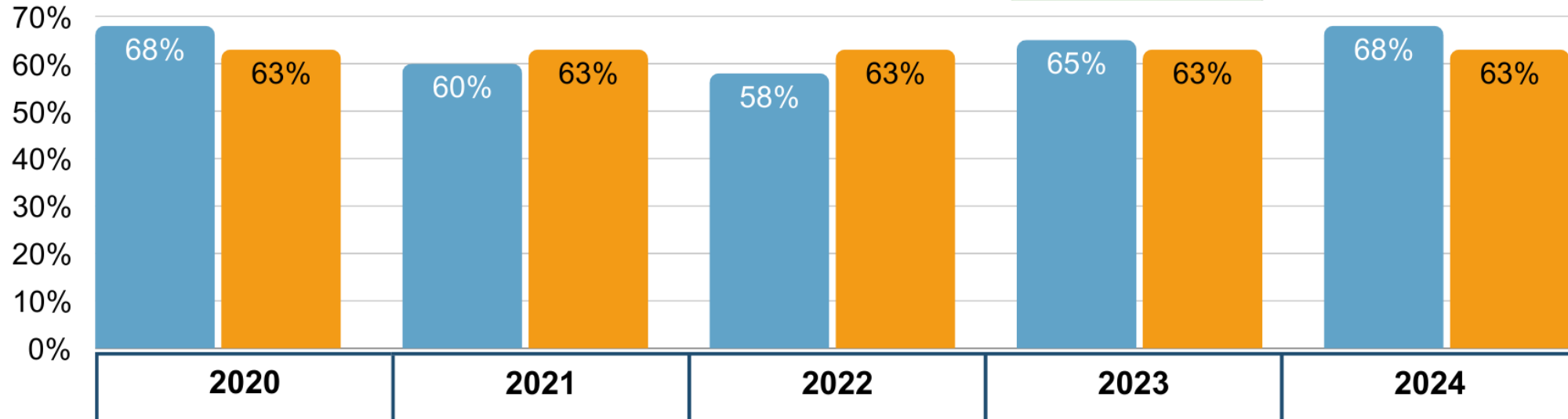
**KPM #1 Entered Employment:** Percentage of job seekers who receive service from Workforce Operations that are still employed after six months. Data Collection Period: Jul 01 - Jun 30

*\*Upward Trend = positive result*

Actual

Target

Meeting

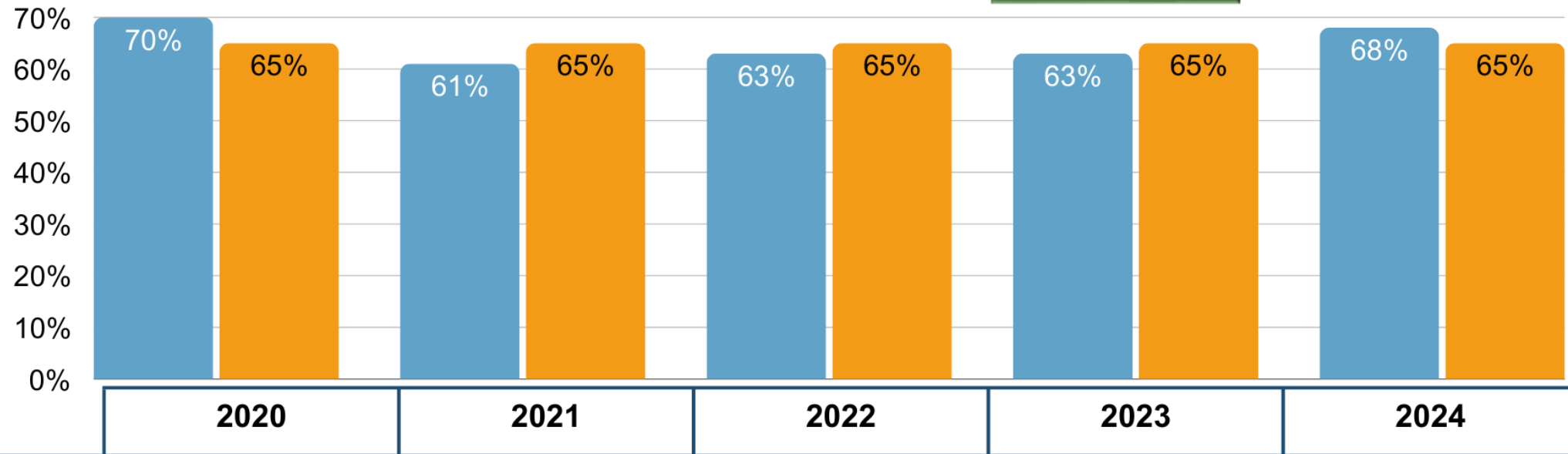


Entered Employment - Percent of Job Seekers who got a Job with New Employer					
<b>Actual</b>	68%	60%	58%	65%	68%
<b>Target</b>	63%	63%	63%	63%	63%

# Key Performance Measures and Outcomes

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

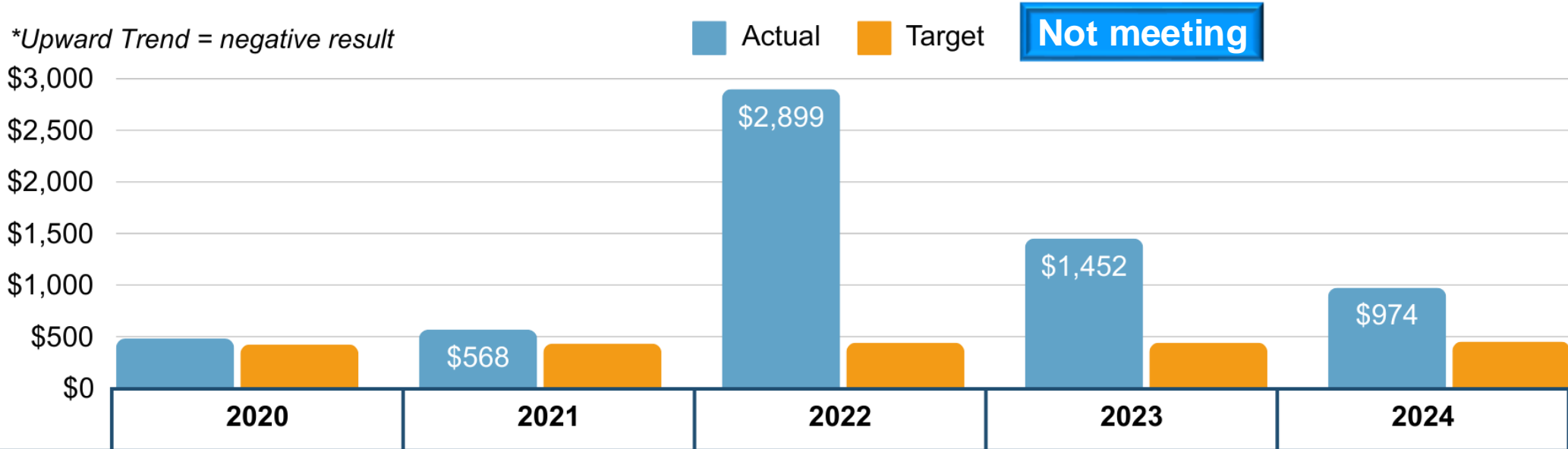
*\*Upward Trend = positive result*



Employment Retention					
	2020	2021	2022	2023	2024
<b>Actual</b>	70%	61%	63%	63%	68%
<b>Target</b>	65%	65%	65%	65%	65%

# Key Performance Measures and Outcomes

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



Cost per Placement					
	2020	2021	2022	2023	2024
<b>Actual</b>	\$481	\$568	\$2,899	\$1,452	\$974
<b>Target</b>	\$424	\$433	\$441	\$441	\$451

# Unemployment Insurance

Lindsi Leahy, Division Director

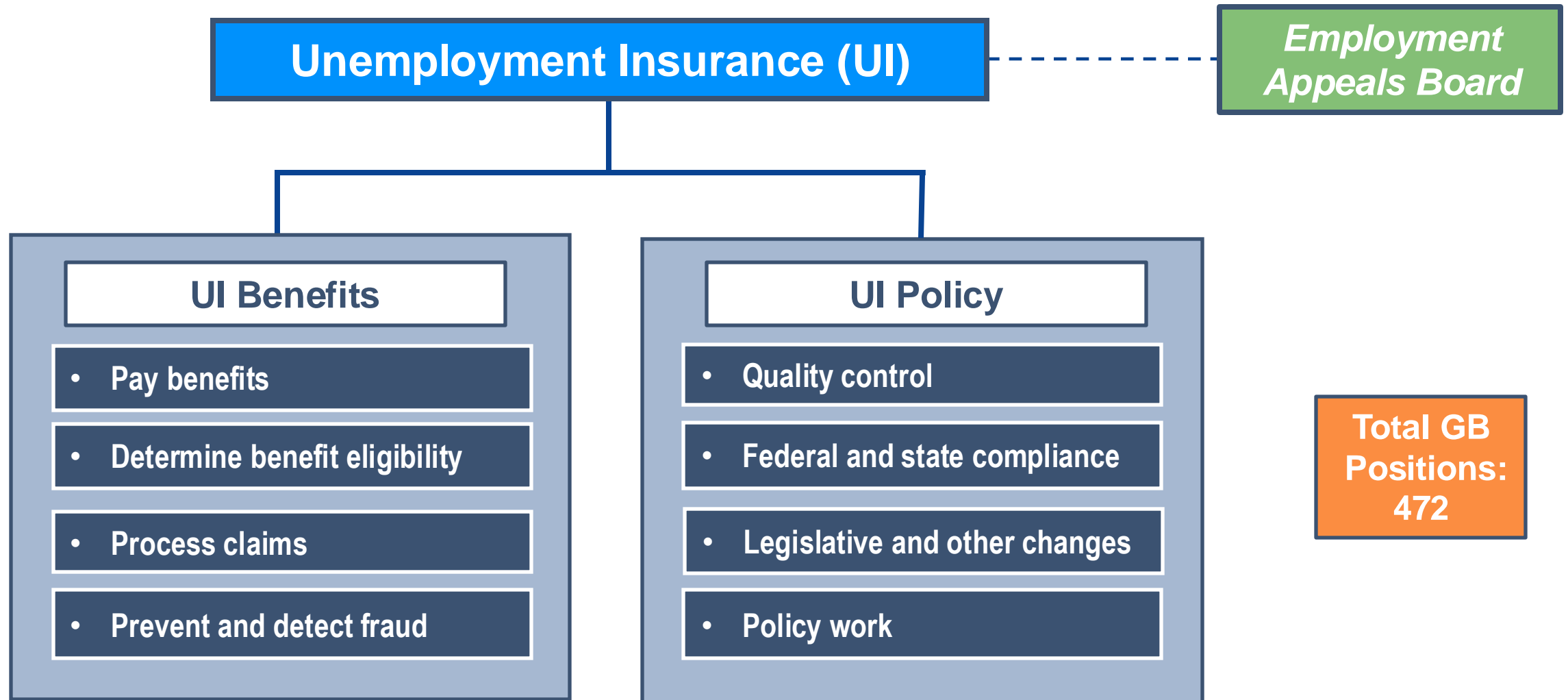
## An economic safety net

- Federal-State partnership with U.S. Department of Labor to support economic stability
- Weekly payments for people who meet program eligibility requirements
- Benefit amounts are based on the amount a person earned during their base year
- Up to 26 weeks of benefits during a 52-week benefit year



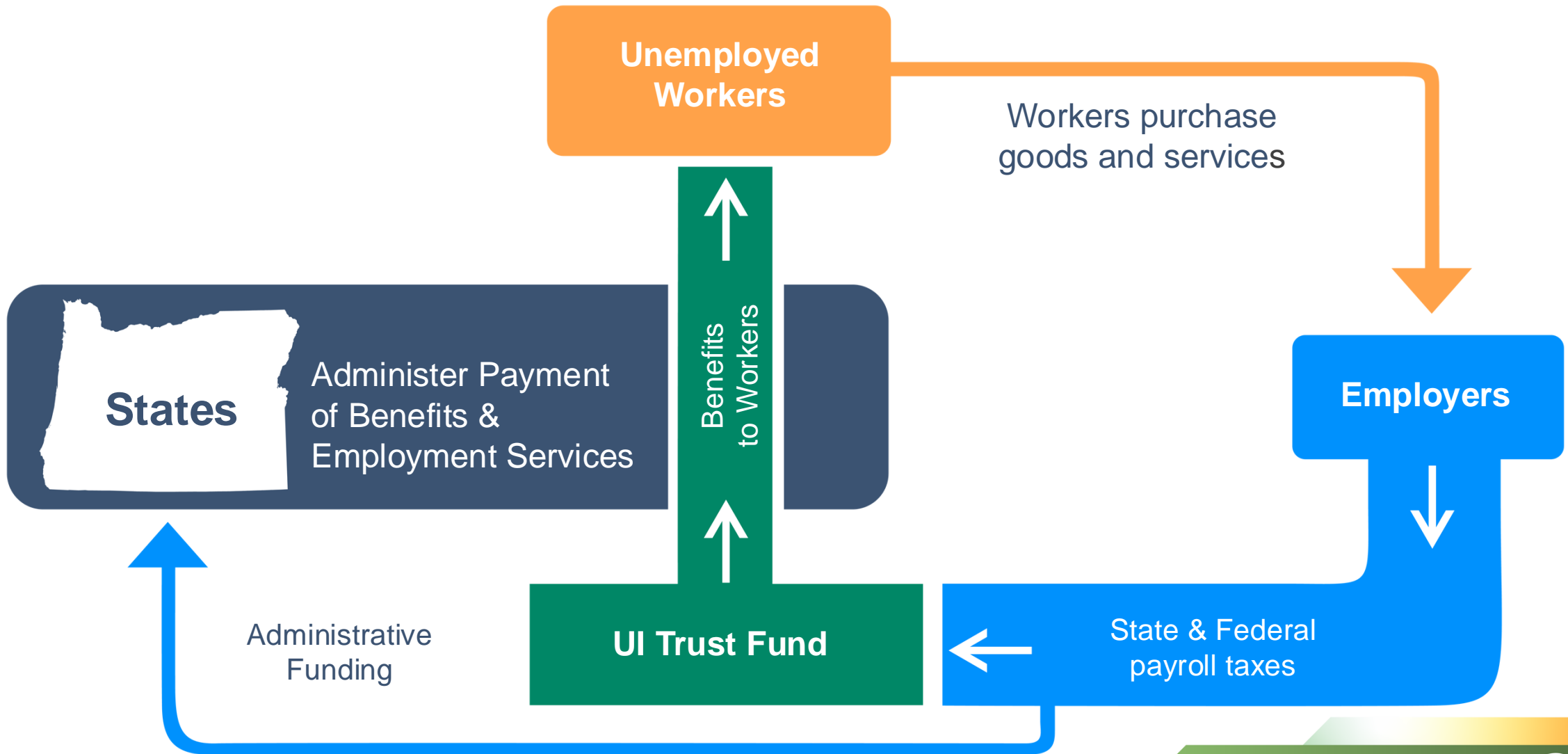
Unemployment Insurance – Governor's Budget					
Operations Budget	Other Fund	Federal Fund	Total Fund	Positions	FTE
	\$58,485,673	\$97,657,858	\$156,143,531	472	464.34

# Organizational Structure

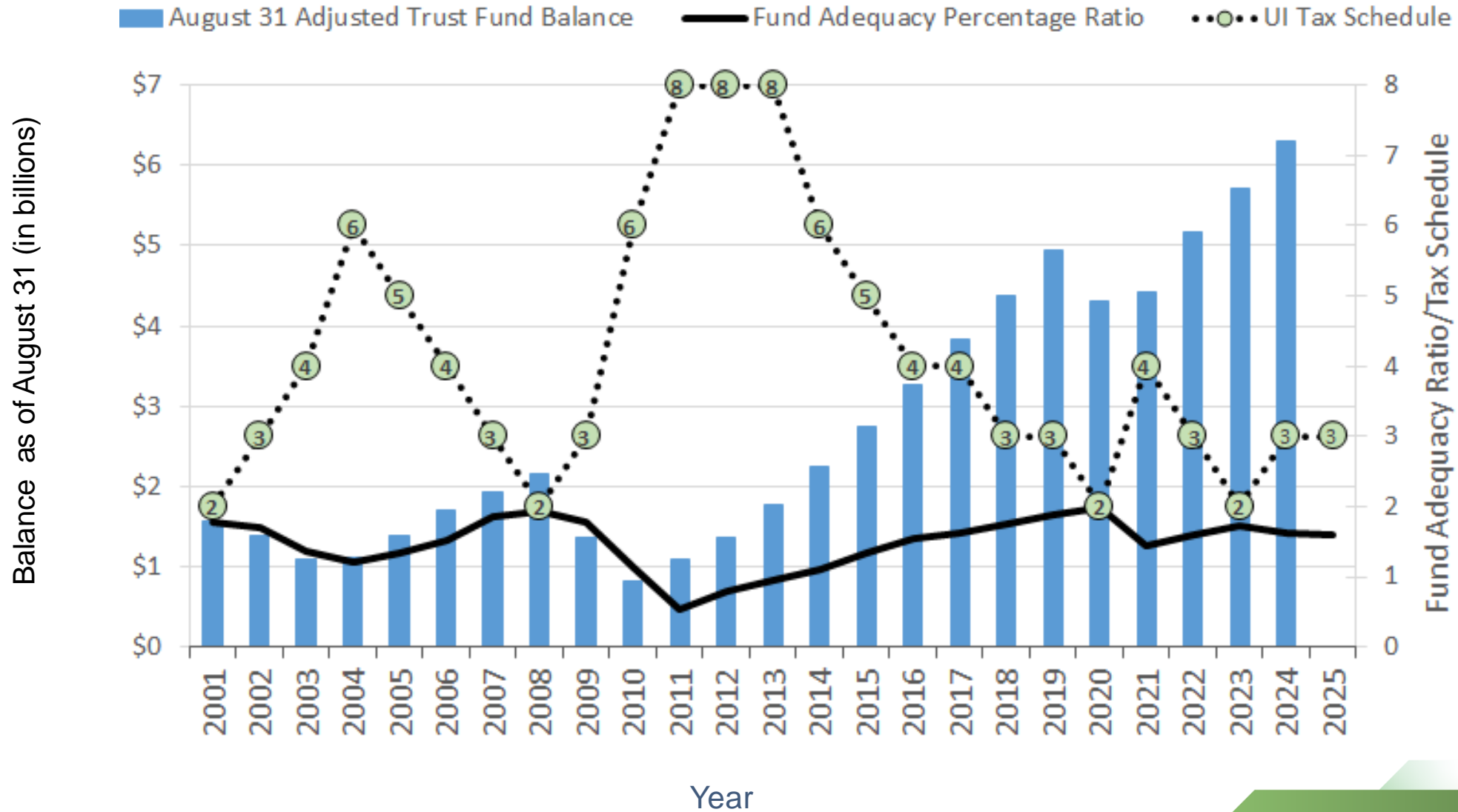




# Unemployment Insurance System



# Oregon's Unemployment Insurance Trust Fund is Solvent



# Unemployment Insurance Benefits

## The basics

- Weekly payments for people who lose their job and meet program eligibility requirements
- Benefit amounts are based on the amount earned during the base year
- Up to 26 weeks of benefits during a 52-week benefit year

## Purpose

- An economic safety net
- Support workers and their families
- Provide economic stability to communities, businesses, and the state overall



# 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



## People Served by the Unemployment Insurance Program

Workers	Calendar Year 2021	Calendar Year 2022	Calendar Year 2023	Calendar Year 2024
Claims for benefits	550,000	212,000	252,000	243,000
Weeks of benefits claimed	9.24 million	1.32 million	1.72 million	1.55 million
Workers receiving benefits	385,600	116,700	123,000	127,000
Amount of benefits paid	\$4.57 billion	\$523 million	\$732 million	\$783 million

# Outcomes and Opportunities

## Focus on customer needs

- Clear communication to customers
- Focus on accessibility and ease of use
- Continuous improvement

## Leveraging data and technology

- Building our reporting systems to improve operational efficiency, responsiveness, and transparency.
- Refining our processes with the new system

## Opportunities

- Remaining vigilant on fraud detection and prevention



## Policy Package 102

- Supports continuous improvement efforts to adjust and optimize Frances Online
  - Operations & Policy Analyst 2 (4 positions) – Support for team members who provide direct customer service to UI claimants daily
  - Operations & Policy Analyst 3 (1 position) – Ensure new business processes do not have unintended eligibility consequences and comply with federal and state legislation and guidelines

### Policy Package Number: 102 – Unemployment Insurance

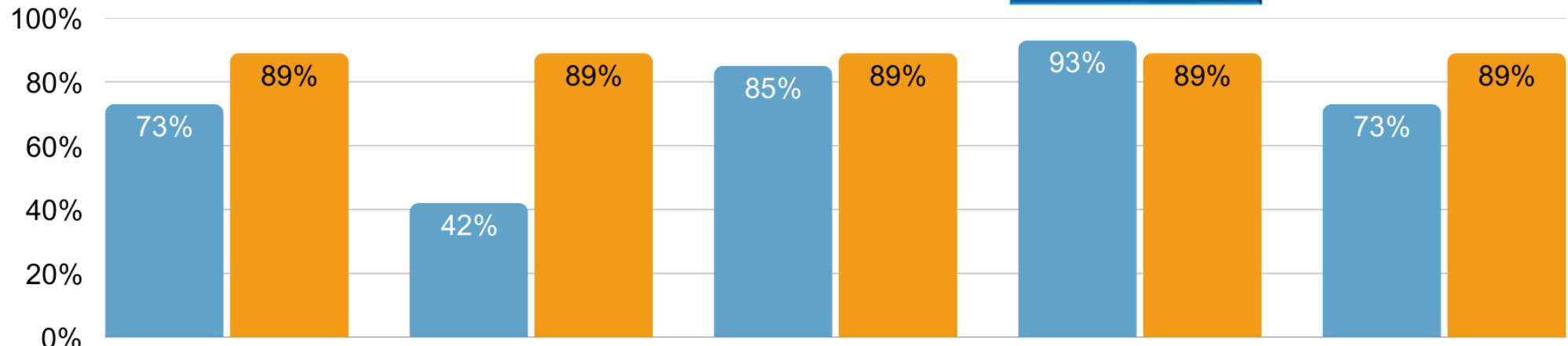
Other Fund	Federal Fund	Total Fund	Pos	FTE
\$428,587	\$1,000,026	\$1,428,613	5	5.00

# Key Performance Measures and Outcomes for 2025

**KPM #4 First Payment Timeliness:** Percentage of initial Unemployment Insurance payments made within 21 days of eligibility. Data Collection Period: Jul 01 - Jun 30

\*Upward Trend = positive result

Actual Target **Not meeting**

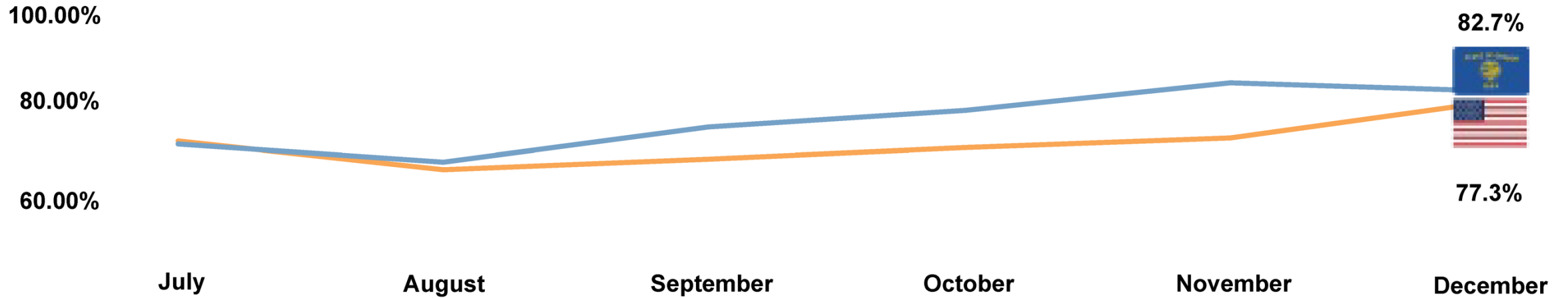


First Payment Timeliness					
	2020	2021	2022	2023	2024
<b>Actual</b>	73%	42%	85%	93%	73%
<b>Target</b>	89%	89%	89%	89%	89%



# National Comparison: First Payment Timeliness

## July to December 2024

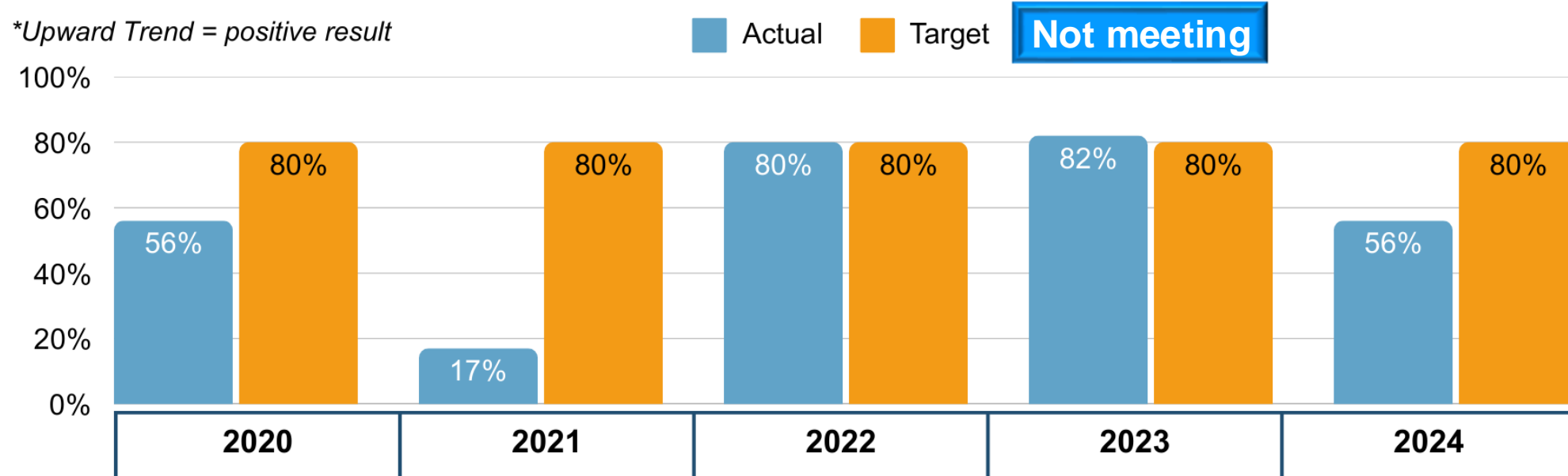


## 2019 to Present:



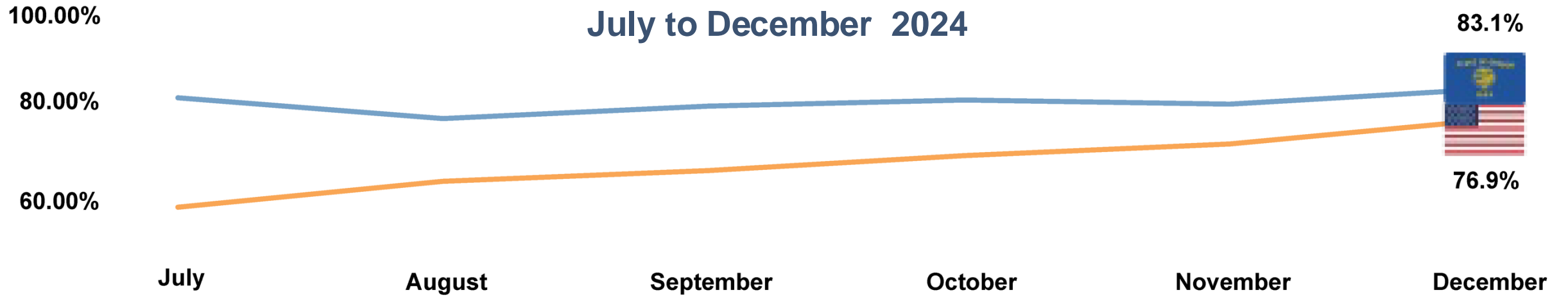
# Key Performance Measures and Outcomes for 2024

**KPM #5 Non-Monetary Determinations Timeliness:** Percentage of claims that are adjudicated within 21 days of issue detection. Data Collection Period: Jul 01 - Jun 30

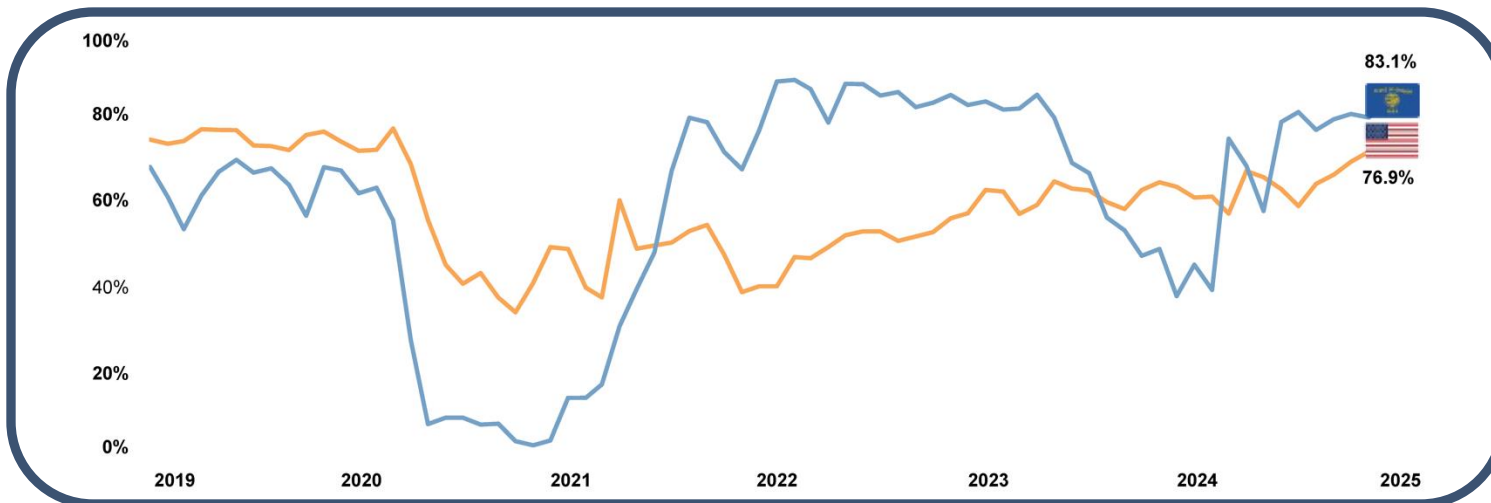


Non-Monetary Determinations Timeliness					
	2020	2021	2022	2023	2024
<b>Actual</b>	56%	17%	80%	82%	56%
<b>Target</b>	80%	80%	80%	80%	80%

# National Comparison: Non-monetary Timeliness



### 2019 to Present:



# Key Performance Measures and Outcomes for 2024

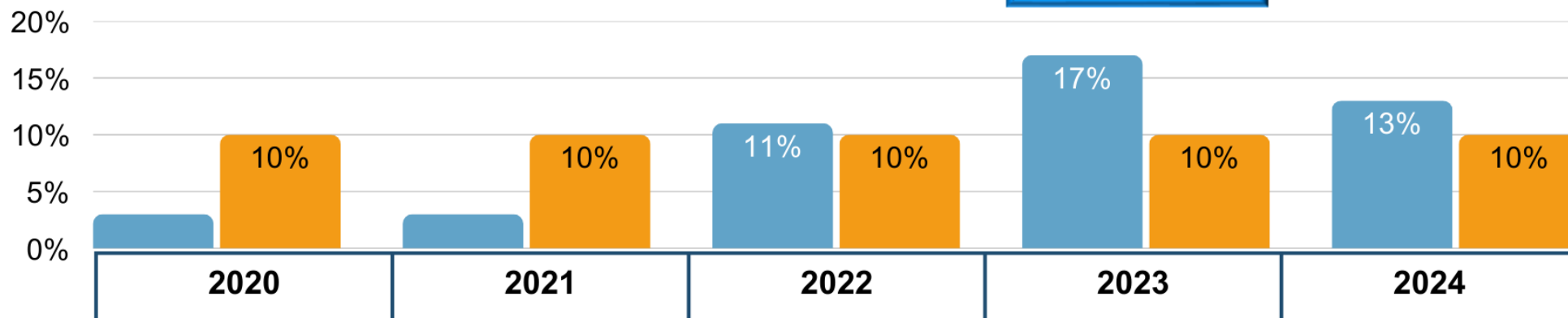
**KPM #6 Unemployment Insurance Administrative Costs as a Percent of Benefits Paid:** Compares dollars paid to unemployed workers against the cost of providing those benefits. Specifically, all costs associated with Unemployment Insurance administration, including related Department of Justice and Office of Administrative Hearings costs, less Re-Employment Eligibility Assessments and State Government Service Charges, divided by Total Unemployment Insurance Benefits paid. Data Collection Period: Jul 01 - Jun 30

*\*Upward Trend = negative result*

Actual

Target

**Not meeting**



Unemployment Insurance Administrative Costs as a Percent of Benefits Paid					
	2020	2021	2022	2023	2024
<b>Actual</b>	3%	3%	11%	17%	13%
<b>Target</b>	10%	10%	10%	10%	10%

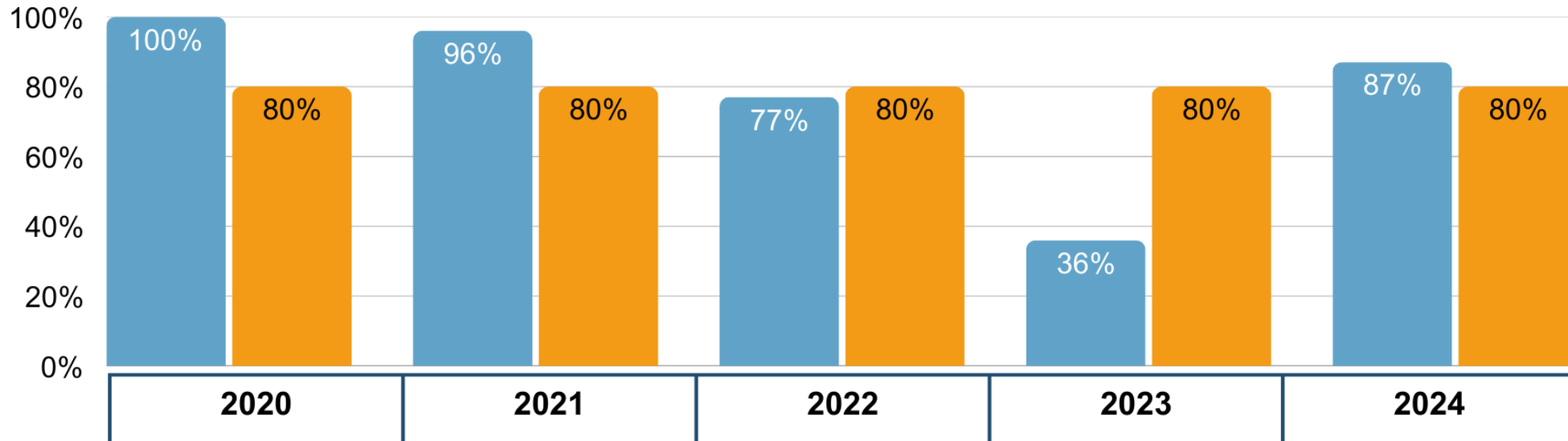
# Key Performance Measures and Outcomes for 2024

**KPM #11 Higher Authority Appeals Timeliness:** Percentage of cases requesting an appeal that receive a decision within 45 days of the date of request. Data Collection Period: Jul 01 - Jun 30

\*Upward Trend = positive result

Actual Target

Meeting



Higher Authority Appeals Timeliness					
	2020	2021	2022	2023	2024
<b>Actual</b>	100%	96%	77%	36%	87%
<b>Target</b>	80%	80%	80%	80%	80%

# Paid Leave Oregon

Karen Madden Humelbaugh, Director

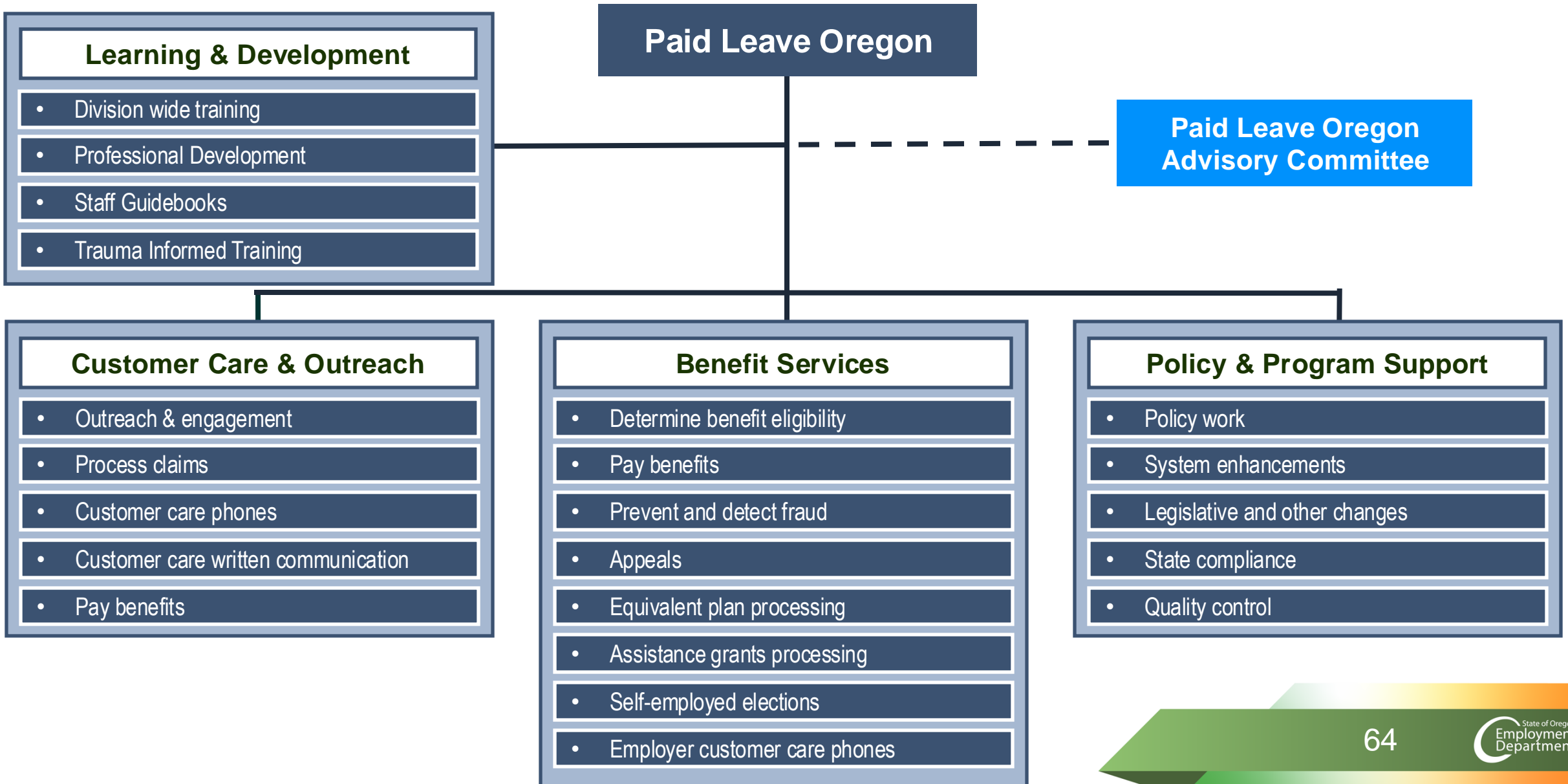
- Allows employees in Oregon to take paid time off for some of life's most important moments that impact our families, health, and safety.
- Provides people who work, own businesses, or run organizations in Oregon easy access to paid leave benefits so they have the support, resources, and peace of mind when it matters most.



Paid Leave Oregon – Governor's Budget					
	Other Fund	Federal Fund	Total Fund	Positions	FTE
Operations	\$113,887,813	-	\$113,887,813	371	371.00

# Organizational Structure

Total GRB Positions:  
371

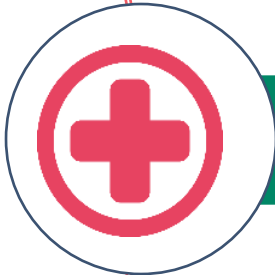




# What is Paid Leave Oregon?



Family Leave



Medical Leave



Safe Leave



## Contributing together

### Contribution Rate:

- Set annually for calendar year
- Same rate for all employers (and employees)
- Maximum rate is 1% of employee wages, up to \$176,100

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

## Eligibility requirements

- You are employed and your work is located in Oregon.
- You earned at least \$1,000 in wages in the year before your qualifying life event.
- You contributed to Paid Leave through payroll deductions.
- You experience a qualifying life event.



# Who is Covered by Paid Leave Oregon?



## **Employers**

- Employers with at least one employee working in Oregon

## **Employees**

- Employees working in Oregon

## **Elective Coverage**

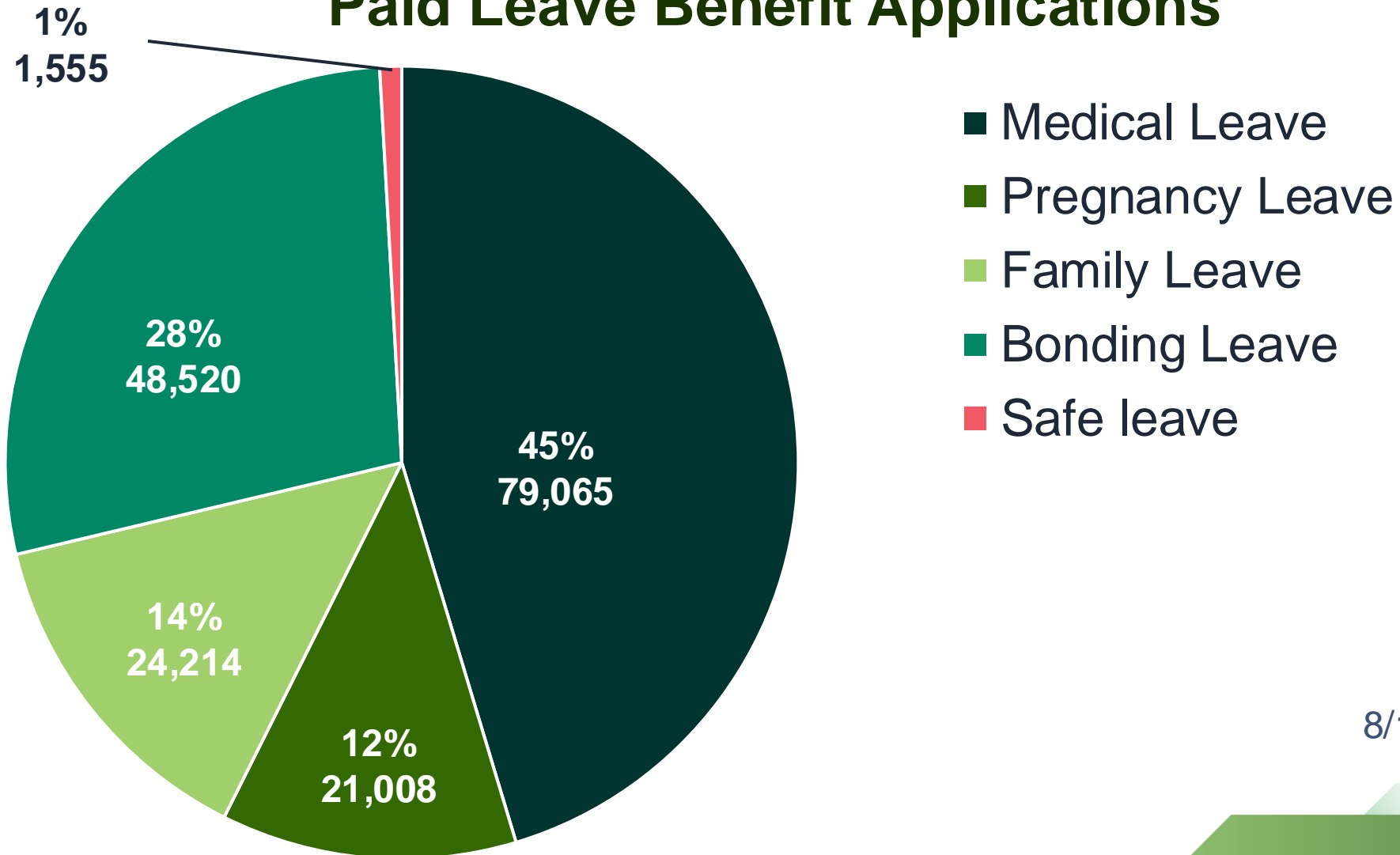
- Self-employed individuals and independent contractors
- Tribal governments

# Paid Leave Trust Fund is Solvent

Year	Contributions Collected (\$)	Benefit Payments (\$)	Admin Expenses (\$)	Trust Fund Balance (\$)	Months Reserve (for projected expenditures)
2023	624,206,000	176,264,000	41,951,000	376,997,000	6.3
2024	845,898,000	685,705,000	72,486,000	501,104,000	6.5
2025 (Projected)	919,387,000	848,212,000	73,753,000	523,652,000	6.7

As of 12/31/2024

## Paid Leave Benefit Applications



8/13/23 – 12/16/24

# Paid Leave Benefit Payments to Date

Leave type	Total Rounded to the Nearest \$100,000
Medical Leave	\$ 421 Million
Family Leave	\$ 479.3 Million
Safe Leave	\$ 6.7 Million
<b>TOTAL</b>	<b>\$ 906.7 Million</b>

As of Jan. 27, 2025

Total Claimant Paid	Total Claimants Not Paid
97,544	3,679

Total Claims Resolved
121,560

As of Dec. 31, 2024

# Paid Leave Equivalent Plan Data

Statistics	
Employees covered	324,953 (13.2%)
Large employers	1,882 (17.1%)
Small employers	1,173 (0.98%)

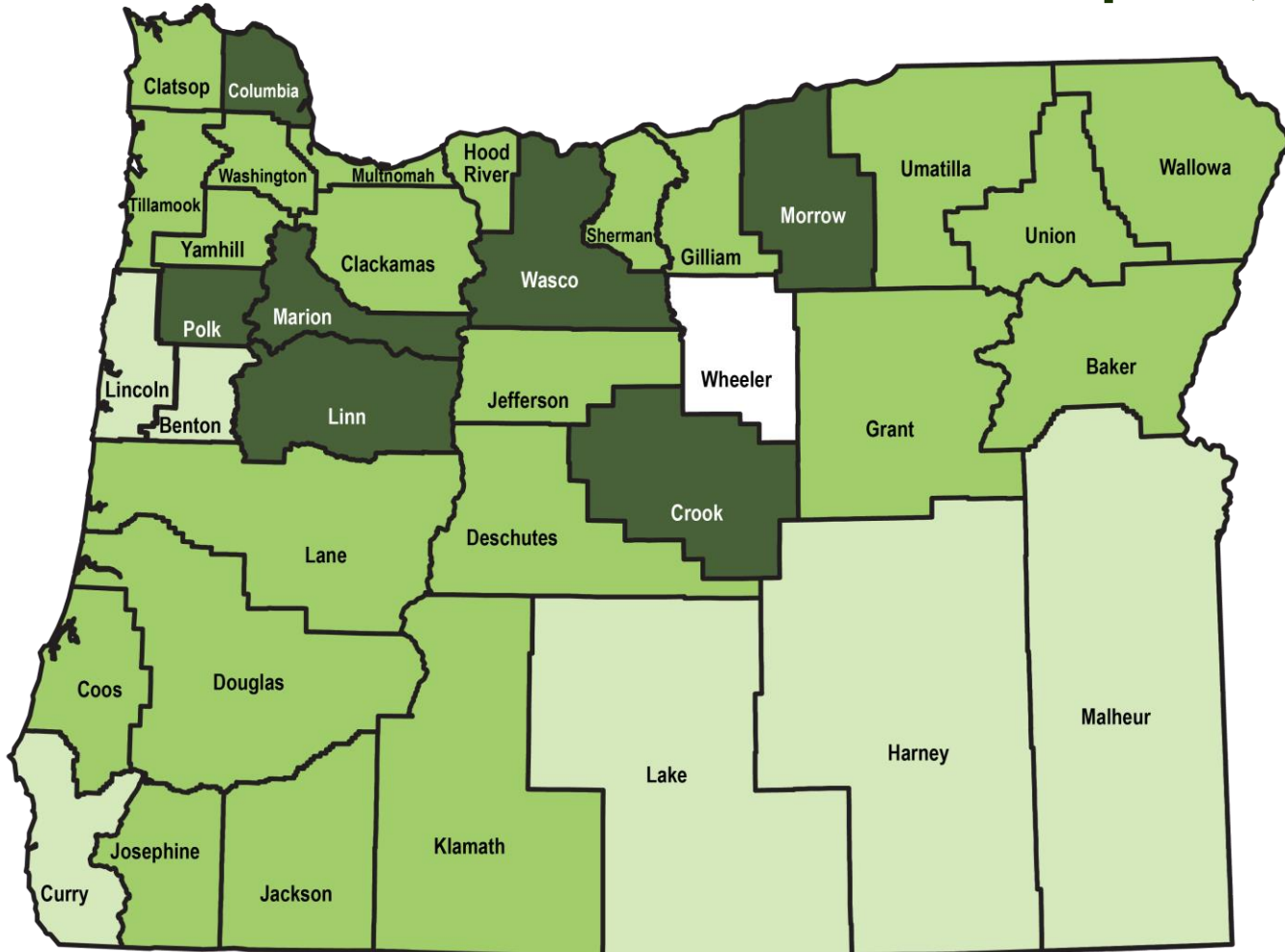
Year	Anticipated Lost Contributions	Anticipated Benefits Saved	Trust Fund Impact
2023	\$ 227 Million	\$ 68 Million	(\$159 Million)
2024	\$ 239 Million	\$ 159 Million	(\$80 Million)
2025	\$ 256 Million	\$ 155 Million	(\$101 Million)

As of 12/16/2024



# Paid Leave Oregon Demographics

## Claimants per 1,000 residents



	Rural	Urban	Frontier	Out of State
Applications	30.06%	60.18%	3.83%	5.93%

### Relative Application Levels

- 1 – Significantly Lower
- 2 – Slightly Lower
- 3 – Normal
- 2 – Slightly Higher

Applications submitted between  
8/13/2023 and 12/13/2024

## Average Days from Application Received to Decision, by Leave Type

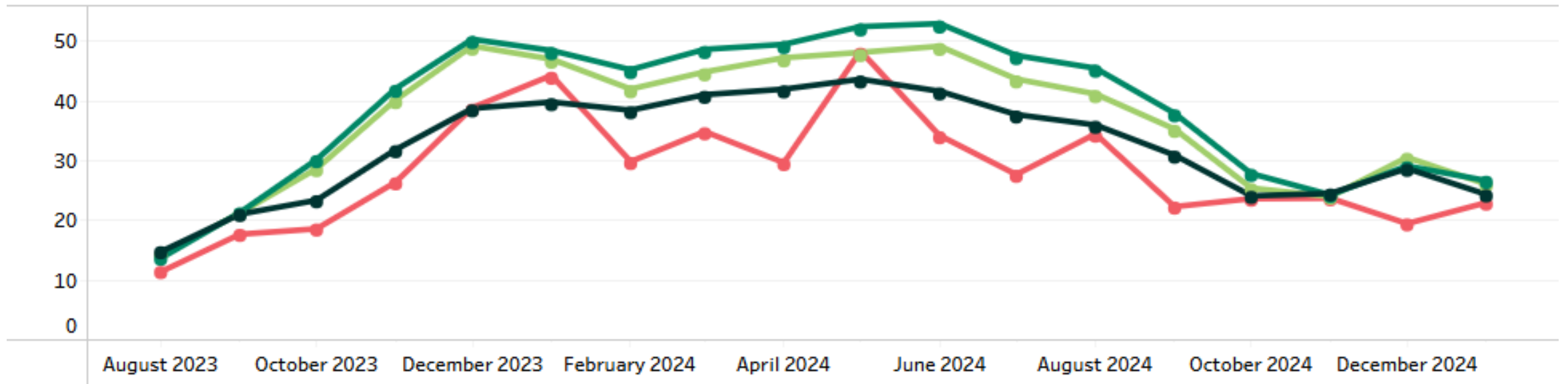
January

Bonding Leave  
24 days

Family Leave  
27 days

Medical Leave  
26 days

Safe Leave  
23 days



As of 1/23/2025

# Commitment to Equity



- Commitment to accessibility and meeting communities where they are
- Embedded equity and inclusion expertise and analytics
- In-house translators for six languages
- Diverse workforce representing our communities
- Trauma-informed training

# Outcomes and Opportunities

## Opportunities

- New program, still learning
- Need time for stabilization

## Focus on customer needs

- Better information for employers
- Quicker processing times
- Building on lessons learned

## Investing in data-driven improvements

- Understanding the one year of data for better understanding of risks, opportunities



## Policy Package 102

- Supports continuous improvement efforts to adjust and optimize Frances Online
- Operations & Policy Analyst 2 (3 positions) – Use community feedback to inform customer service improvements in Frances Online
- Operations & Policy Analyst 3 (2 positions) – Perform strategic planning and project management of key system changes and improvements that involve Frances Online

Policy Package Number: 102 – Paid Leave Oregon				
Other Fund	Federal Fund	Total Fund	Pos	FTE
\$1,467,272	\$-	\$1,467,272	5	5.00

# Contributions & Recovery

Nathan Stevens, Division Director

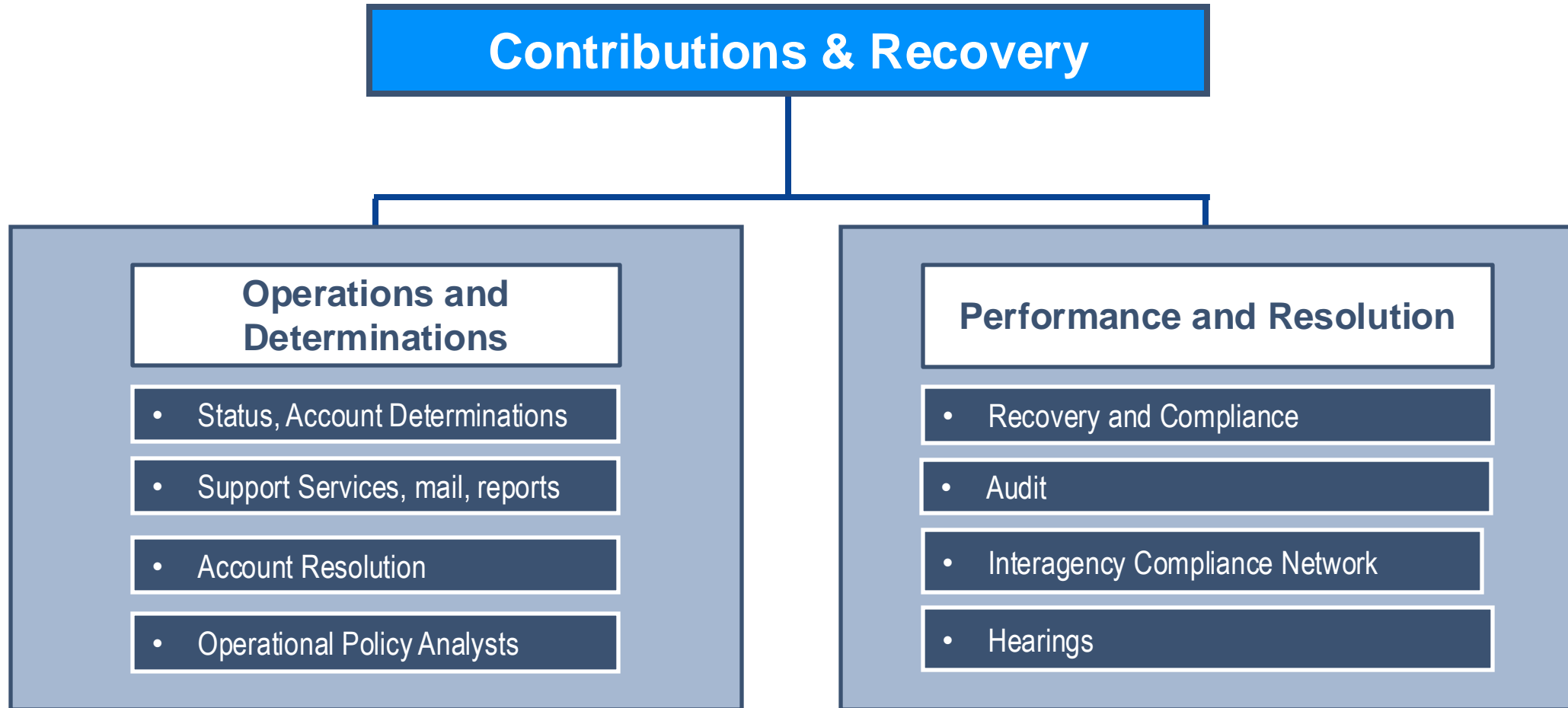
## Contributions and Recovery Division

Ensures the accurate, timely, and efficient collection of payroll taxes and contributions that fund the Unemployment Insurance and Paid Leave programs, while providing excellent customer service to employers.



### Contributions and Recovery – Governor's Budget

	Other Fund	Federal Fund	Total Fund	Positions	FTE
Operations	\$21,218,778	\$24,919,987	\$46,138,765	167	165.14



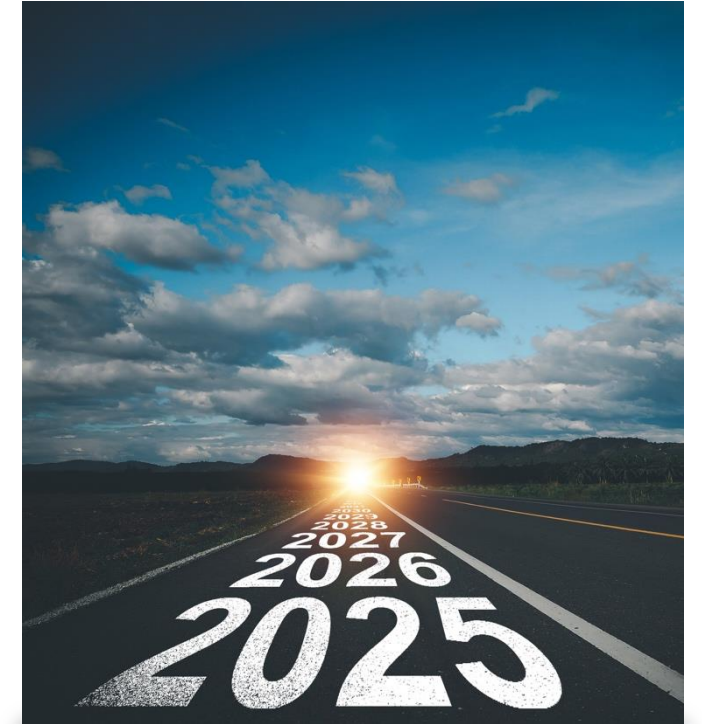


## Program Outcomes

- Established Contributions and Recovery as a new division
- Modernization – Moved C&R operations to Frances Online
- Supported the new Paid Leave benefits program

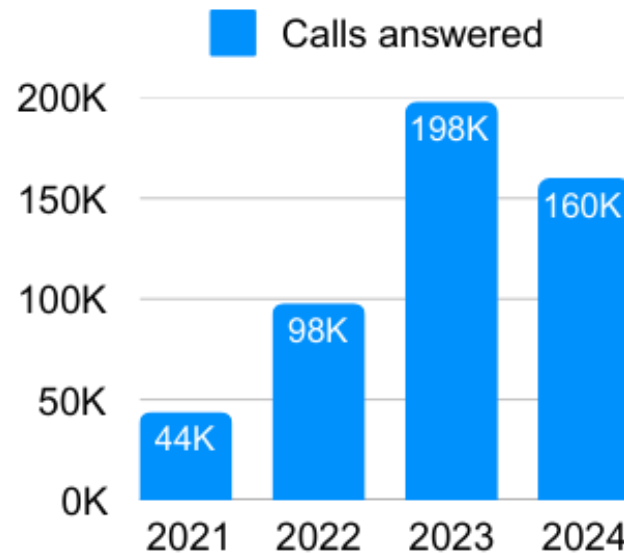
## Program Strategic Plans and Opportunities

- Eliminate work backlogs
- Calibrate Frances Online for maximum productivity
- Address staffing and training needs
- Customer outreach



# People Served by Contributions & Recovery

People Served	2023	2024
Subject Employers	139,319	159,788
Payroll Reports processed	936,679	741,602
Number of Wage Records filed	9,778,745	8,673,711
Taxes and Contributions collected	\$1,883,204,080	\$2,291,299,763
Debt Recovery	\$36,169,999	\$56,935,747



# Key Partners: Interagency Compliance Network

## Multi-agency group collaborating on common worker issues Created by statute (ORS 670.700) in 2009

- Consistency in worker classification determinations
- Gathers and shares information about improper payment practices
- Coordinates public education and enforcement efforts



## Policy Package 105

- Helps improve and maintain overall customer service levels to employers
- Provides outreach and training for employers
- Supports revenue through the collection of overpayments and unpaid taxes

Policy Package Number: 105 – Contributions & Recovery				
Other Fund	Federal Fund	Total Fund	Pos	FTE
\$3,420,179	\$-	\$3,420,179	17	15.64

# 2024 Key Performance Measures

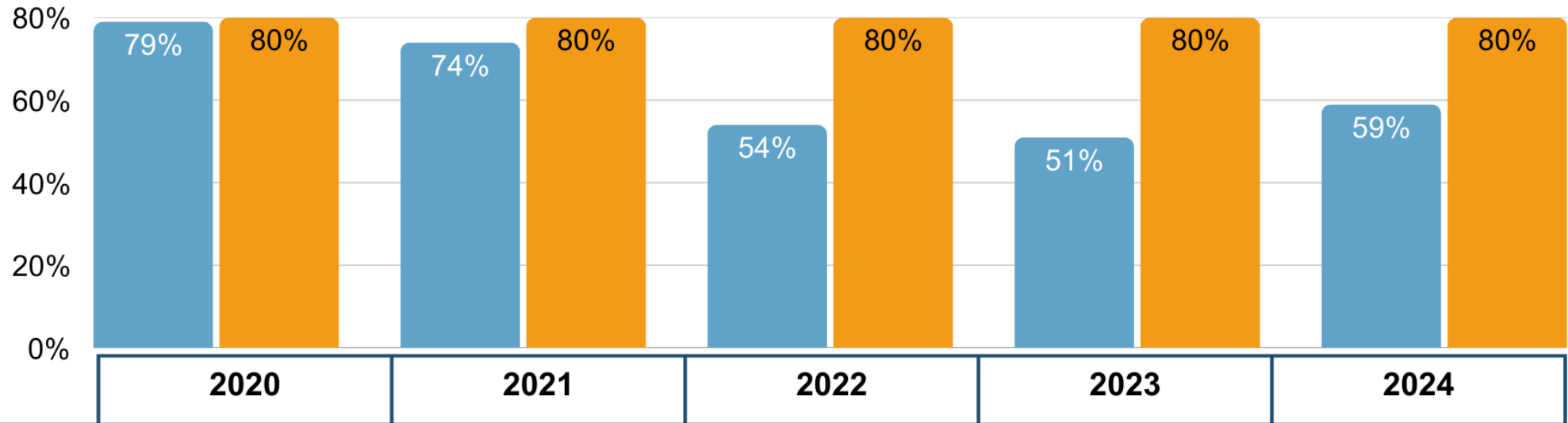
**KPM #12 Timeliness of New Status Determinations:** Percentage of new status determinations completed within 90 days of the end of the liable quarter. Data Collection Period: Jul 01 - Jun 30

\*Upward Trend = positive result

Actual

Target

**Not meeting**



Timeliness of New Status Determinations					
	2020	2021	2022	2023	2024
<b>Actual</b>	79%	74%	54%	51%	59%
<b>Target</b>	80%	80%	80%	80%	80%

# Modernization Program

Rebecca Jensen Craven,  
Modernization Director

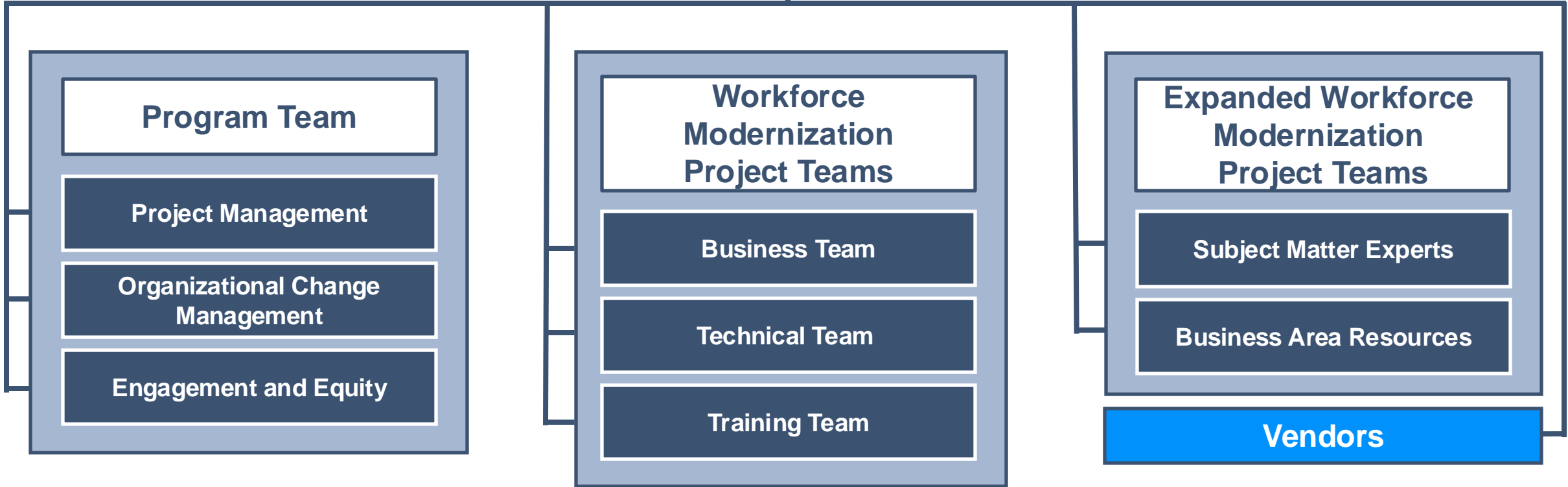
Transforming business processes and core technology systems to better serve Oregonians and businesses.

Focused on new systems for **collecting unemployment insurance (UI) taxes and Paid Leave Oregon contributions**, paying **UI and Paid Leave Oregon benefits**, and **delivering employment services**.

We will also optimize business processes to leverage the new systems for greater opportunities and benefits.

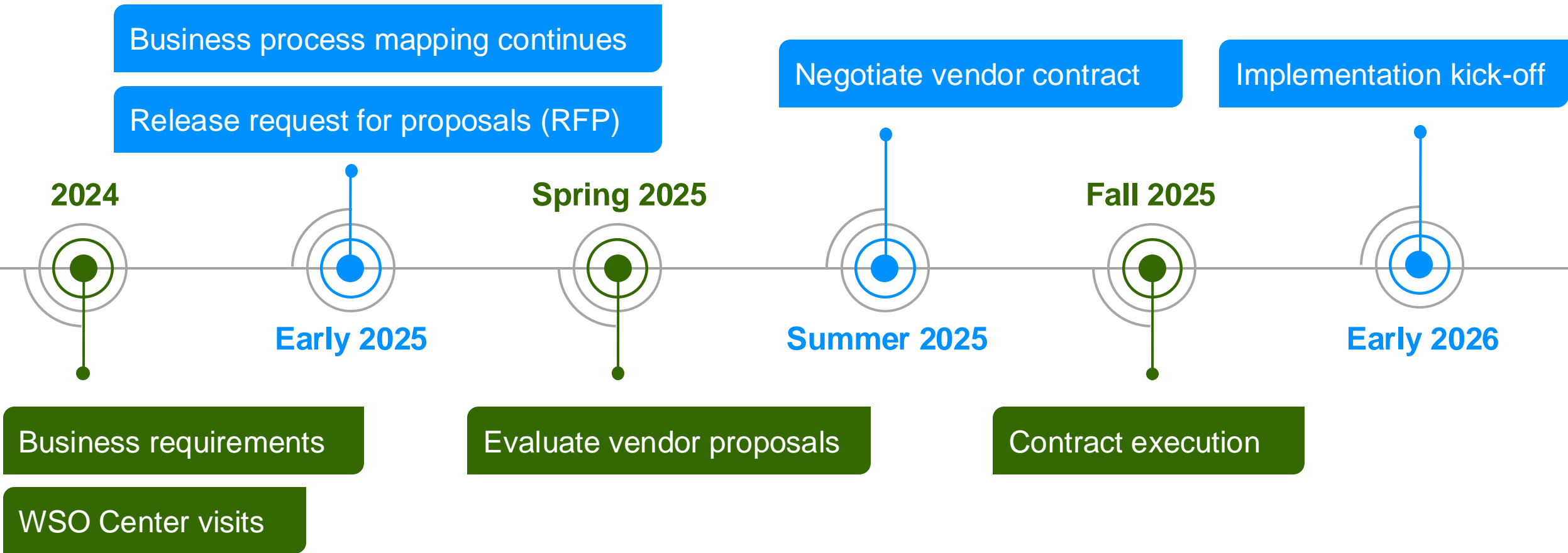
Modernization Program – Governor's Budget					
Operations	Other Fund	Federal Fund	Total Fund	Positions	FTE
	\$40,866,430	\$8,328,149	\$49,194,579	61	61.00

## Modernization Program



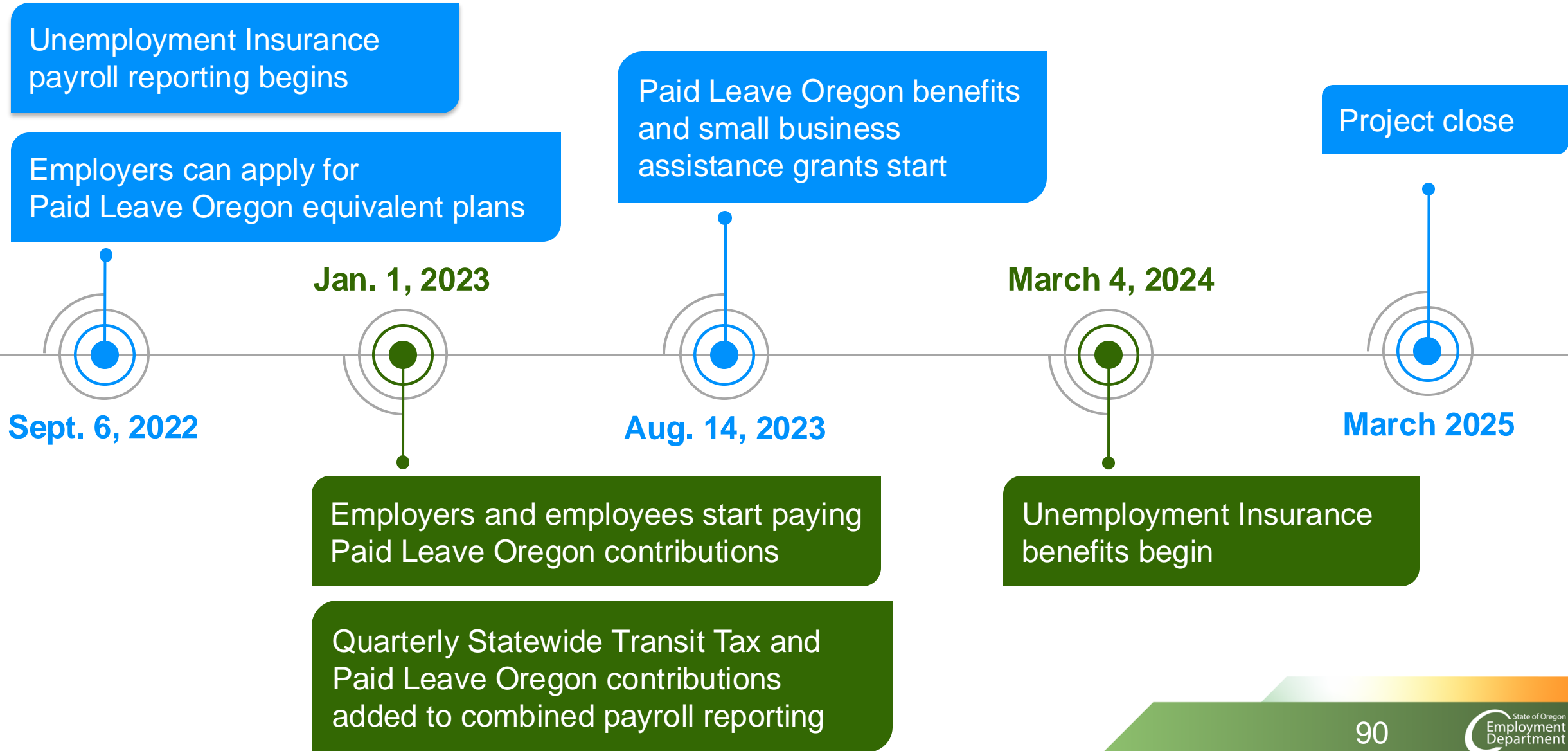


# Workforce Modernization Project Timeline



Timeline tentative and may change as planning continues.  
Updated 12-27-24

# Frances Project Timeline



## Partnerships for success:

- Enterprise Information Services
- Chief Financial Office
- Legislative Fiscal Office
- Modernization Oversight Forum
- United States Department of Labor



## Policy Package 101

- Supports planning and implementation of the Workforce Modernization Project
- Provides for independent quality management services (iQMS) and procurement costs
- This multi-biennia project has projected expenditures through the 2027-29 biennium

Policy Package Number: 101				
Other Fund	Federal Fund	Total Fund	Pos	FTE
\$10,305,270	\$5,075,730	\$15,381,000	-	-

# Investing in Frances Maintenance and Support

## Policy Package 102

- Operationalizes vendor and other service-and-supply costs to maintain Frances Online on an ongoing basis
- Funds vendor product licensing and vendor resources to support Frances Online maintenance and enhancements

Policy Package Number: 102 – Modernization				
Other Fund	Federal Fund	Total Fund	Pos	FTE
\$14,938,097	\$4,011,263	\$18,949,360	-	-

## Policy Package 105

- Public Affairs Specialist 2 (net 0 position) – Moves a permanent position from Modernization to the Communications Office to perform ongoing work related to Frances

Policy Package Number: 105 – Modernization				
Other Fund	Federal Fund	Total Fund	Pos	FTE
(\$375,574)	\$-	(\$375,574)	(1)	(1.00)

# Workforce and Economic Research

Bob Uhlenkott, Division Director

## Quality workforce and economic information to promote informed decision making

- Businesses
- Workers
- Students
- Media
- Educational Institutions
- Workforce Boards
- Government
  - ❖ Cities
  - ❖ Counties
  - ❖ Agencies

Workforce & Economic Research – Governor's Budget					
Operations	Other Fund	Federal Fund	Total Fund	Positions	FTE
	\$14,023,544	\$4,926,777	\$18,950,321	52	52.00



## Workforce and Economic Research

### Surveys and Analysis

#### Foundational Data

- Official national, state and local workforce and economic data and information
- Partnership with Bureau of Labor Statistics and the Census Bureau
- Crucial for the national workforce and economic system

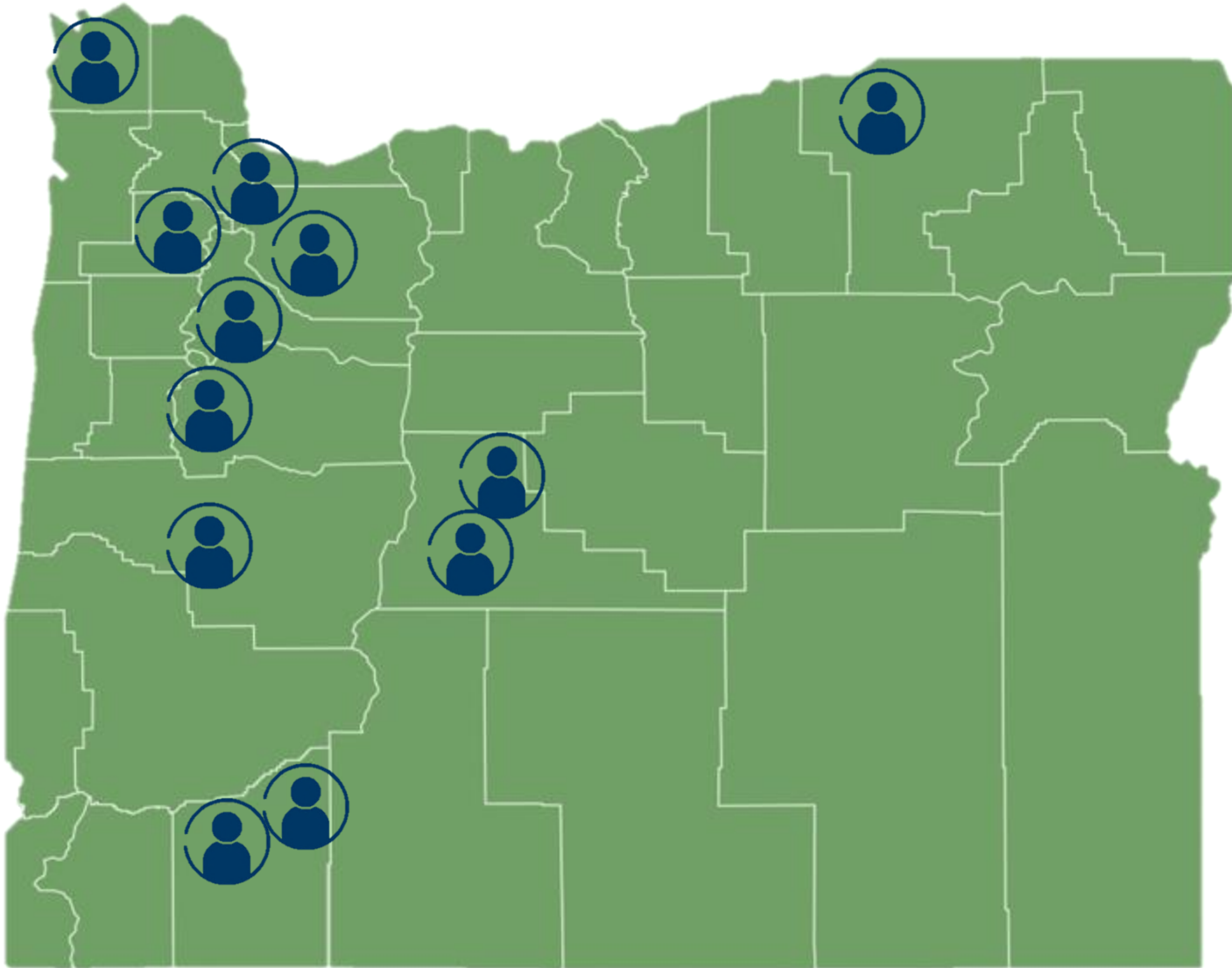
### Services for Partners, Business and Workforce

- Information products for:
  - Businesses
  - Workers
  - Job seekers
  - Students
- Customize data for community and government entities

### Systems


- QualityInfo.org
- Maintain Oregon's *'Performance Reporting Information System'*

## Statewide reach



We *work and live* throughout Oregon, in both rural and urban areas, to provide customized analysis and research to serve customers in those communities.

**JOB GROWTH**




**+22,000 jobs**  
**+1.1% from**  
**Dec. 2023**

**UNEMPLOYMENT RATE**



**4.1%**  
**Dec. 2024**

**REAL WAGES**



**\$36.62 per hour**  
**+1.9% from**  
**Dec. 2023**

**AGING WORKFORCE**



**24% Job Holders**  
**Ages 55+**  
**Winter 2022**

**JOB VACANCIES**



**50,000 in Fall 2024**  
**-23% from**  
**Fall 2023**


**LABOR FORCE PARTICIPATION**



**63.0%**  
**Dec. 2024**

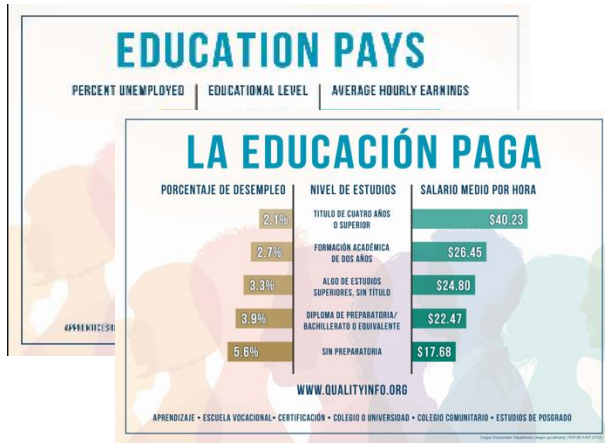
# Recent publications and tools

## Oregon's Labor Force: What Slower Population Growth and Increasing Retirements Mean for the Workforce




July 2024

State of Oregon Employment Department  
Quality Information • Informed Choices • QualityInfo.org



### EMPLOYMENT PROJECTIONS



Dec 17, 2024  
Oregon Employment Department  
Are you working in an economy? Explore occupational areas.

## OCCUPATIONS IN DEMAND 2024

QUALITY INFORMATION | INFORMED CHOICES | WWW.QUALITYINFO.ORG

Consider a Career in

## Biological Sciences

Consider a Career in

## Computer Science

Consider a Career in

## Health Care

Consider a Career in

## Drafting & Engineering

Engineers design structures, machines, devices, materials, systems, and processes

Consider your career information.

## CAREERS

OREGON 2024

CONÉCTESE CON MÁS QUE UNA CARRERA

AYÚDESE A SI MISMO AYUDANDO A LOS DEMÁS

HAGA QUE SU BÚSQUEDA DE EMPLEO CUENTE

### Oregon Career Aware

Follow the Career Cat!

Just like my whiskers make me aware of things around me, I'll help you develop career awareness for discovering the thousands of career opportunities in our big world!

Book 1 of 4

Book 2 of 4

### PARENT INVOLVEMENT = FUTURE SUCCESS

### PARTICIPACIÓN DE LOS PADRES = ÉXITO FUTURO

Are you a **parent** or the **influential** person in a **child's** life? If so, you are an **influential** person in **career decisions**.

¿Es **padre, madre** o el **adulto influyente** en la vida de un **niño**? De ser así, es la persona con mayor **influencia** en las **decisiones profesionales** de ese niño.

POCI

# Most Frequent Customers

- Education
- Students
- Businesses / business associations
- Economic Development
- Workforce Boards
- Job Seekers
- News media
- Legislators
- Federal, state, and local governments



## QualityInfo.org

# Key Partnerships and Collaborations

- Higher Education Coordinating Commission (HECC)
- Oregon Longitudinal Data Collaborative (OLDC)
- Department of Consumer and Business Services (DCSBS)
- Bureau of Labor and Industry (BOLI)
- Department of Human Services (DHS)
- Oregon Department of Education (ODE)
- Oregon State Treasury
- U.S. Bureau of Labor Statistics
- U.S. Census Bureau
- Colleges and universities
- Cities and counties
- TriMet
- Port of Portland



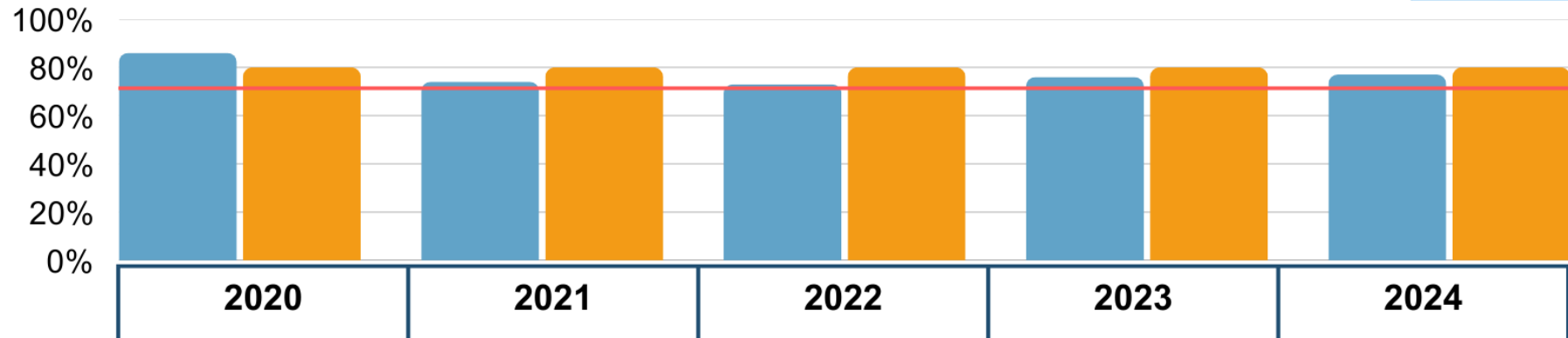
# Key Performance Measures and Outcomes for 2024

**KPM #14 Foundational Survey Response Rate:** Ordinary (non-weighted) arithmetic mean of four annual response rates: (1) Occupational Employment Statistics employment; (2) Occupational Employment Statistics units; (3) Annual Refiling Survey employment; and (4) Annual Refiling Survey units. Data Collection Period: Jul 01 - Jun 30

*\*Upward Trend = positive result*

Actual Target Federal obligation

**Not meeting**



Foundational Survey Response Rate					
	2020	2021	2022	2023	2024
<b>Actual</b>	86%	74%	73%	76%	77%
<b>Target</b>	80%	80%	80%	80%	80%
<b>Federal obligation</b>	73%	73%	73%	73%	73%

# Questions

David Gerstenfeld,  
Oregon Employment Department Director





# OREGON OFFICE OF ADMINISTRATIVE HEARINGS



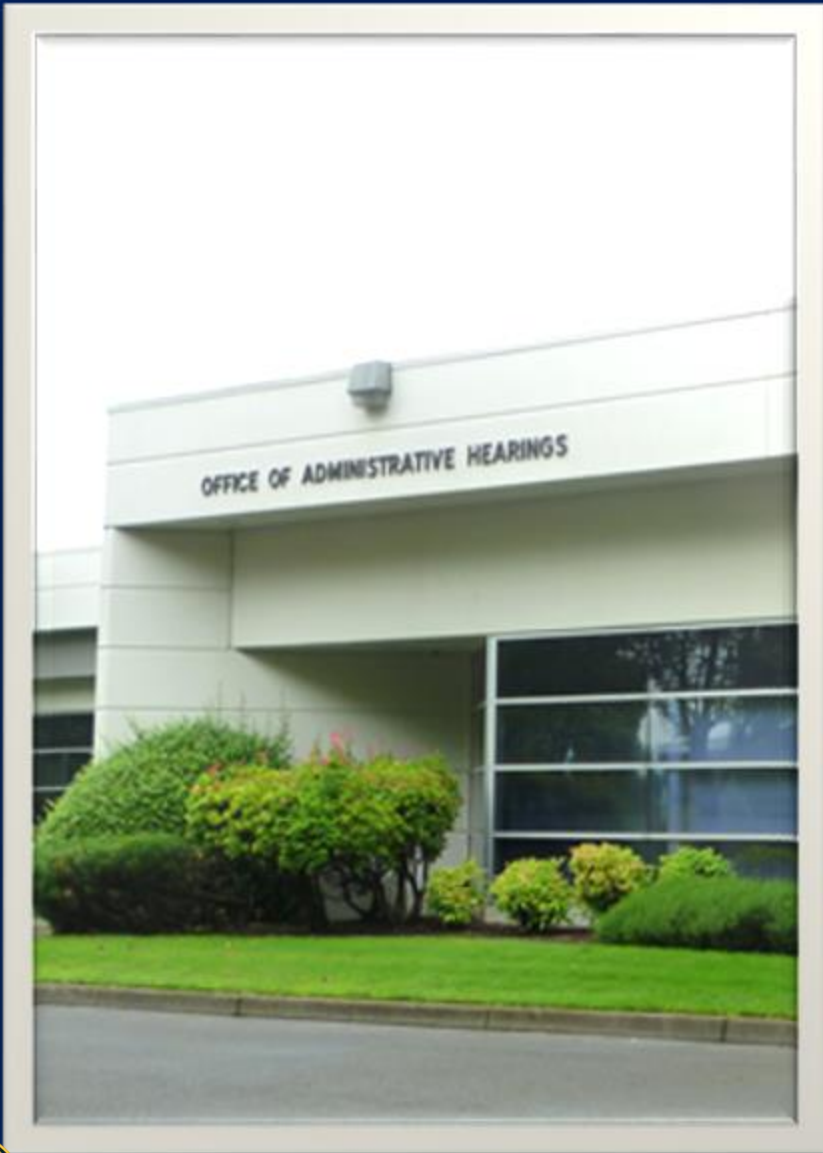
Jeffrey R. Rhoades

Chief Administrative Law Judge

*Providing Fair, Accessible and Efficient Contested Case Services  
in a Neutral Forum*

# Presentation Roadmap

3	Agency Overview
10	Strategic Planning
13	Biennial Accomplishments
16	Unemployment Insurance Hearings
20	OAH Agencywide Datasets
23	Key Performance Measures



*Providing Fair, Accessible & Efficient Contested Case Services  
in a Neutral Forum*



# The Office of Administrative Hearings

## Enabling Statute / Overview

- 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.



# Example Program Areas & Hearing Types

- Unemployment Insurance (UI) & Taxation;
- Department of Motor Vehicle / Transportation;
- Paid Leave Oregon;
- Child Support;
- Department of Human Services;
- Oregon Health Authority;
- Professional Licensing;
- Boards & Commissions;
- Water Resources.



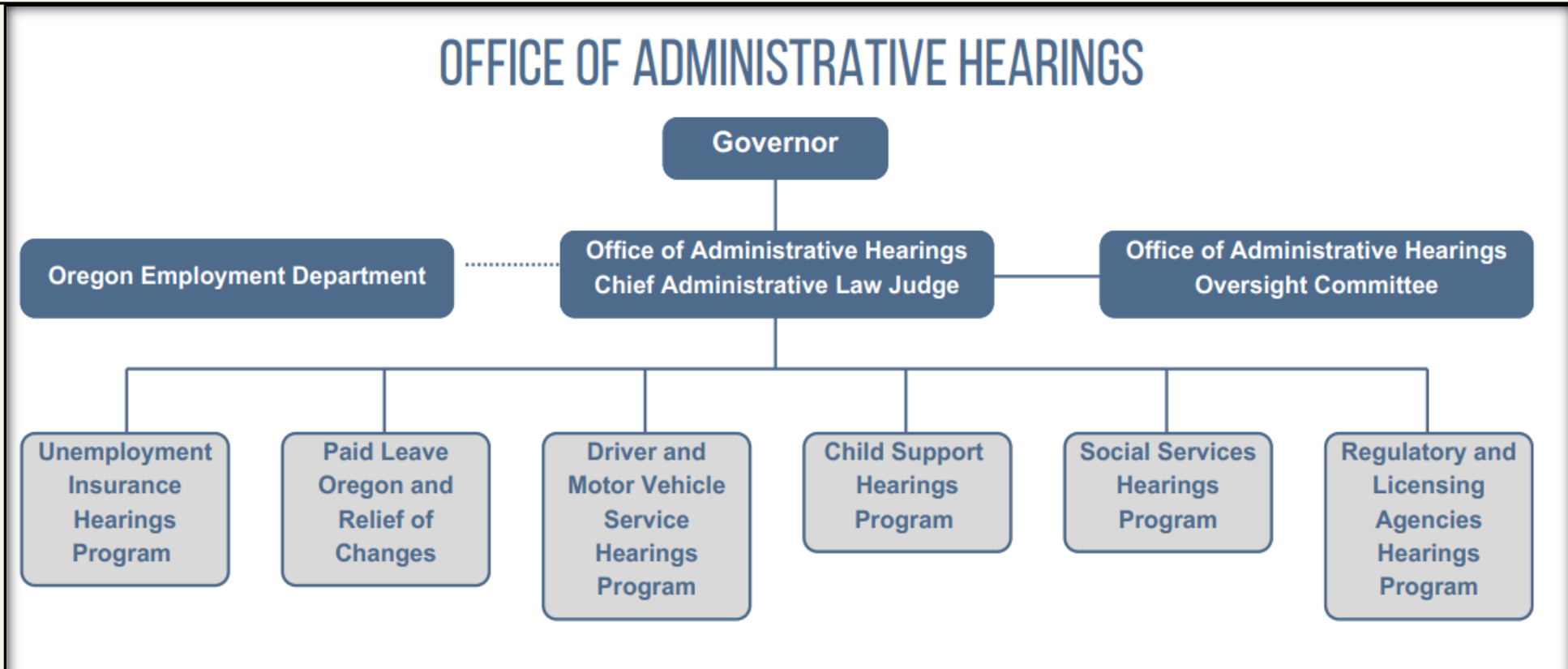
# Voluntary Use of OAH Services

Although exempt under ORS Ch. 183, many agencies voluntarily use OAH contested case services due to expertise and relative low cost. These include, but are not limited to:

- Department of Education;
- Department of Corrections;
- Oregon State Police;
- Oregon Youth Authority;
- Oregon Department of Justice;
- Special Contract Cases.



# Organizational Chart



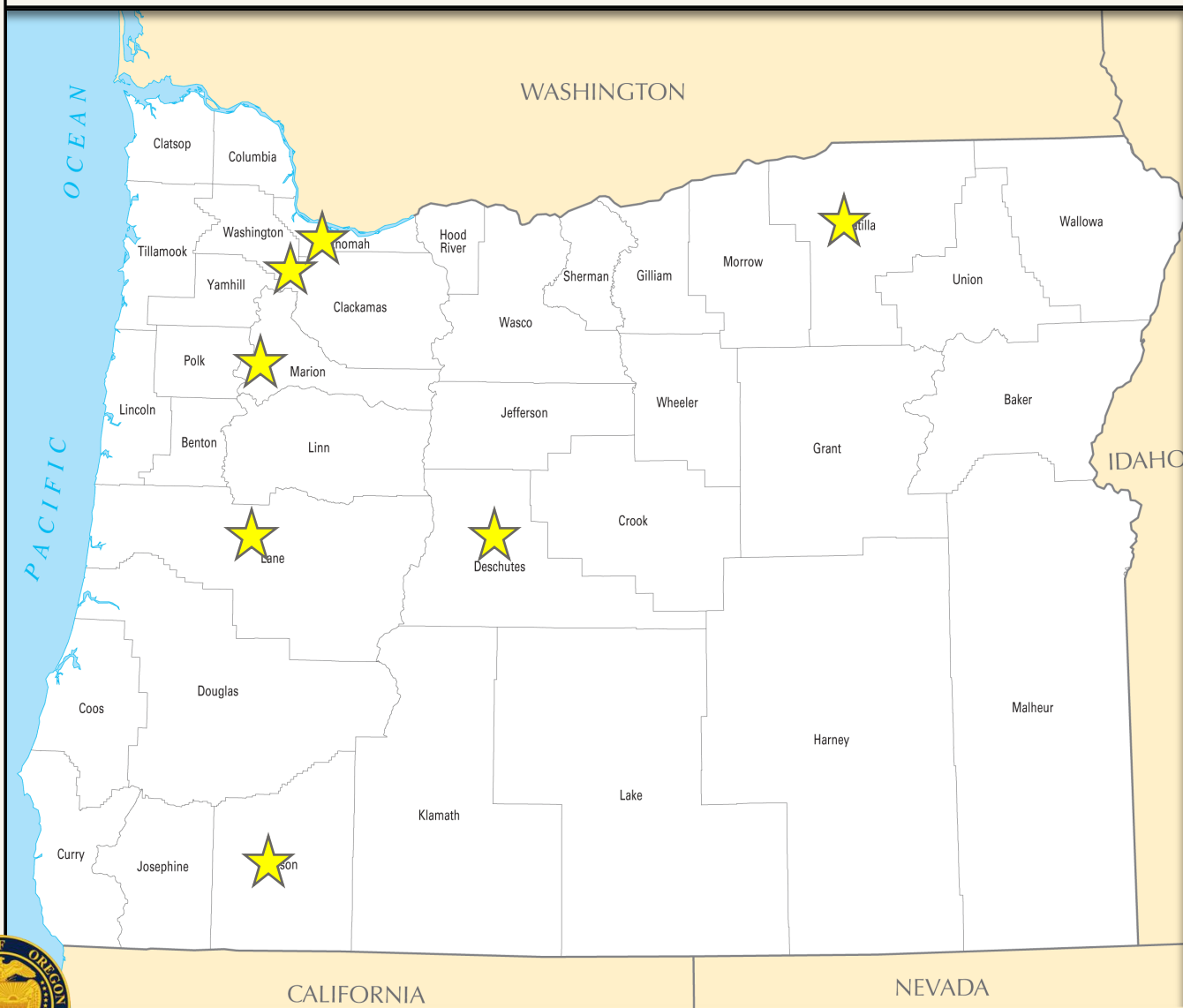
Office of Administrative Hearings Governor's Recommended Budget			
<b>Operations</b>	<b>Other Funds</b> 44,172,707	<b>Federal Funds</b> n/a	<b>Total Funds</b> 44,172,707

Budget Summary Level

	2023-25	2025-27
<b>Pos:</b>	122	122
<b>FTE:</b>	120.51	120.88



# OAH Office & Hearing Locations

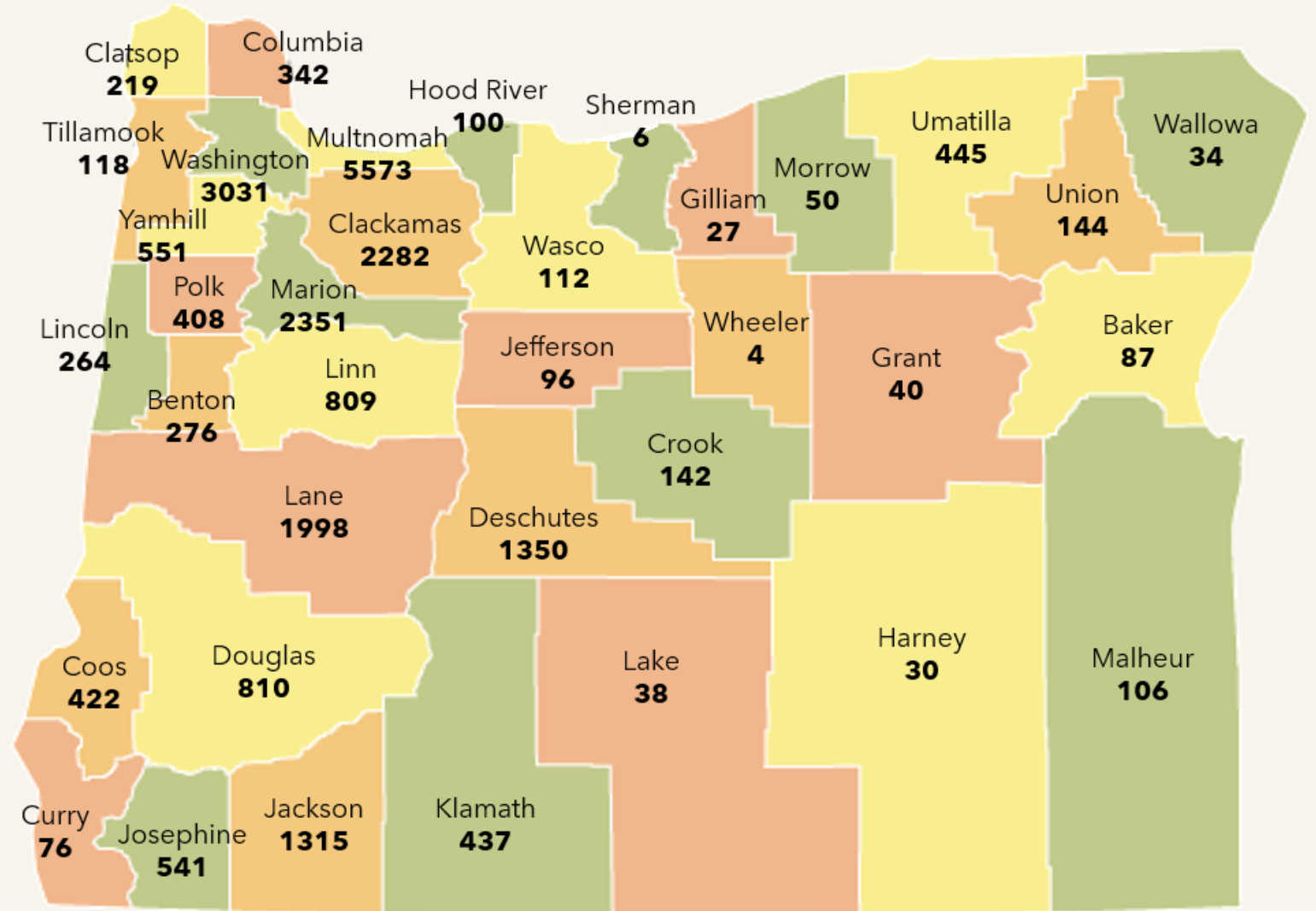


- The Oregon Office of Administrative Hearings conducts hearings throughout the State of Oregon;
- Primary office locations are in Tualatin, Salem & Eugene;
- Secondary Office locations in Portland, Medford, Bend & Pendleton;
- The OAH also holds hearings in public buildings throughout Oregon when hearings are subject to geographical restrictions or when necessary to accommodate the needs of the parties.



# Contested Case Referrals by County

- During the last year, the Office of Administrative Hearings conducted hearings for participants in all of Oregon's 36 counties;
- In-person hearings conducted all over the state.





# Contested Cases: Hearing Types

## In-Person Hearings

- Department of Motor Vehicle (DMV) Implied Consent;
- Water Resources;
- Agency / Boards / Commissions;
- Other.

## Virtual Hearings

- Default for most hearings;
- Held securely over the WebEx platform;
- Able to accommodate multiple parties and witnesses.

## Telephonic Hearings

- Unemployment Insurance;
- Some DMV hearings.



# 2023-2027 Strategic Plan



## Executive Team Sessions

OAH Executive Team began planning sessions during the summer of 2023 at the Salem Central Office.

①

## Draft Document Produced

After multiple planning sessions, a draft document was produced reflecting group consensus.

②

## Employee & Stakeholder Outreach

Managers presented plan to teams for input and feedback. Outreach to stakeholders, including internal committees.

③

## Formal Plan Adopted

Consensus-based document reflecting input from all levels of the organization

④





# Mission Statement

*To serve the public by providing fair, accessible and efficient contested case services in a neutral forum*

## Guiding Principles:

- Public Service;
- Government Efficiency & Accountability;
- Equity, Fairness & Access to Justice.

# 2023 – 2027 OAH Strategic Plan



<b>Ensure high-quality, efficient, and timely delivery of services</b>	<ul style="list-style-type: none"><li>▪ Providing high quality services to Oregonians;</li><li>▪ Maintaining appropriate staffing levels for timely delivery of services;</li><li>▪ Improving phone response times and updating procedures;</li><li>▪ Leveraging technology to provide access to justice for all Oregonians.</li></ul>
<b>Foster a respectful workplace where all OAH employees can thrive</b>	<ul style="list-style-type: none"><li>▪ Building a cohesive team culture in a hybrid work environment;</li><li>▪ Clear communication of expectations;</li><li>▪ Providing training and opportunities for career advancement.</li></ul>
<b>Apply forward-thinking and be adaptable in the use and application of technology</b>	<ul style="list-style-type: none"><li>▪ Continuing to maintain internal systems at a high level, including the OAH Case Management System (CMS);</li><li>▪ Ensuring the availability of high quality, up-to-date equipment for OAH employees;</li><li>▪ Updating file transfer protocols to ensure security, as well as ease of use.</li></ul>

# OAH Accomplishments from 2023-2025

## Clearing the Pandemic Backlog

- Unemployment Insurance Backlog Cleared (~11,000 contested cases) (*reported goal in 2023;*)
- DMV / ODOT fully up to date and all regions of the state open for in-person hearings.

## Good Governance

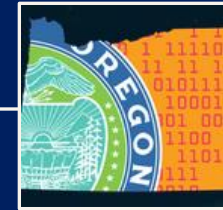
- Adoption of the 2023-2027 Strategic Plan;
- Succession Planning Exercises;
- Active Threat Policy / Safety planning;
- New computers / technology upgrades.

## Successful Implementation

- Paid Leave Oregon / ROC Team; (*reported goal in 2023*)
- Wildfire Hazard Map Appeals Program;
- Changes in Water Law; (*reported goal in 2023*)



# Other Notable Accomplishments



## Paid Leave Oregon

- Fully implemented new program area;
- Processed over 750 referrals since Nov 2023;
- Tight timelines for cases (scheduling w/in days, hearing 3-4 weeks.)

## DMV

- Fully cleared pandemic backlog of cases;
- Opened all regions for in-person hearings;

## DHS / OHA

- Summer EBT Program;
- Healthcare Market Oversight;
- Health Related Social Needs.

## CSP / Water

- Servicemember Civil Relief Act Trainings;
- Managing increase in OWRD Referrals.

## Technology

- New tech deployment;
- Frances Go-Live Coordination;
- Automation for added efficiency;
- Keeping things "in house."



# 2023-2025 Biennium New Program Areas

- Paid Leave Oregon;
- Oregon Military Department;
- Oregon Employment Department – Human Resources;
- Higher Education Coordinating Commission;
- Office of Private Postsecondary Education;
- Revenue Fitness Determination;
- OHA - Health Care Market Oversight Program;
- DHS - Summer EBT Program (SEBT);
- Forestry Wildfire Hazard Map Program;
- Klamath Basin Adjudication (Re-Referred to the OAH in May 2024.)



# Unemployment Insurance Program



- The OAH Unemployment Insurance (UI) Program represents the largest body of work for the OAH by volume;
- At the beginning of the previous biennium, the UI program had a pandemic related backlog of roughly 11,000 contested case referrals;
- During the 2023-25 biennium, the OAH worked through the entirety of this backlog;
- As represented in KPM #7, new challenges have arisen.





# UI by the Numbers

## **Pandemic Backlog:**

- We have successfully cleared the immense pandemic backlog;
- Between January 2020 through March 2024, OAH ALJs issued 63,980 UI orders.

## **Mark of Success:**

- Every quarter, we evaluate the quality of UI hearings and orders according to US Department of Labor quality evaluation criteria;
- UI ALJs consistently receive very high marks on the quality of their hearings and orders;
- For the past four quarters, the average review score was 98.8%, with a Department of Labor score of 100% (meaning that 100% of hearings reviewed received a score of 85% or higher).



# UI Program Challenges

- OED migration to the Frances Online interface caused contested cases to build up on the OED side of the referral process;
- Once those cases became unstuck from the system, they came over to the OAH in large batches. These cases were often aged past 30 days, which is the metric used for KPM #7;
- UI referrals are also increasing in volume generally, which has been addressed by the growth of the UI team;
- Although KPM #7 has suffered as a result, this situation is far different than the backlog of the pandemic era.



# Addressing UI Program Needs



## Increased UI Team Size

We now have 20 ALJs, in contrast to pre-pandemic levels (roughly 12);

Ⓘ

## Shifting Resources

ALJs from other teams have been filling in and taking UI cases where possible;

Ⓙ

## Help from Recent Retirees

The OAH has brought back recently retired ALJs to assist specifically with mentorship and training;

Ⓜ

## Permanent UI Growth

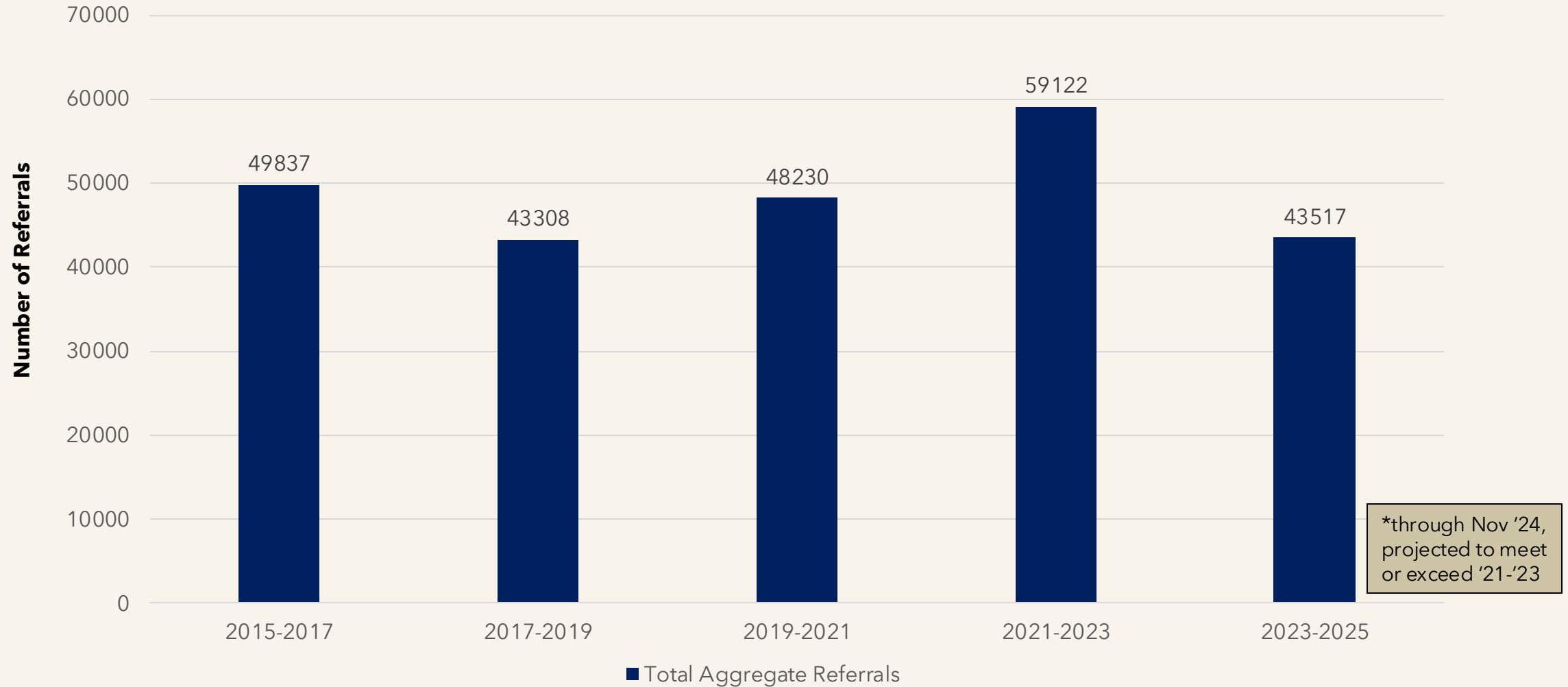
OAH has permanently increased the size of the UI team.

Ⓝ

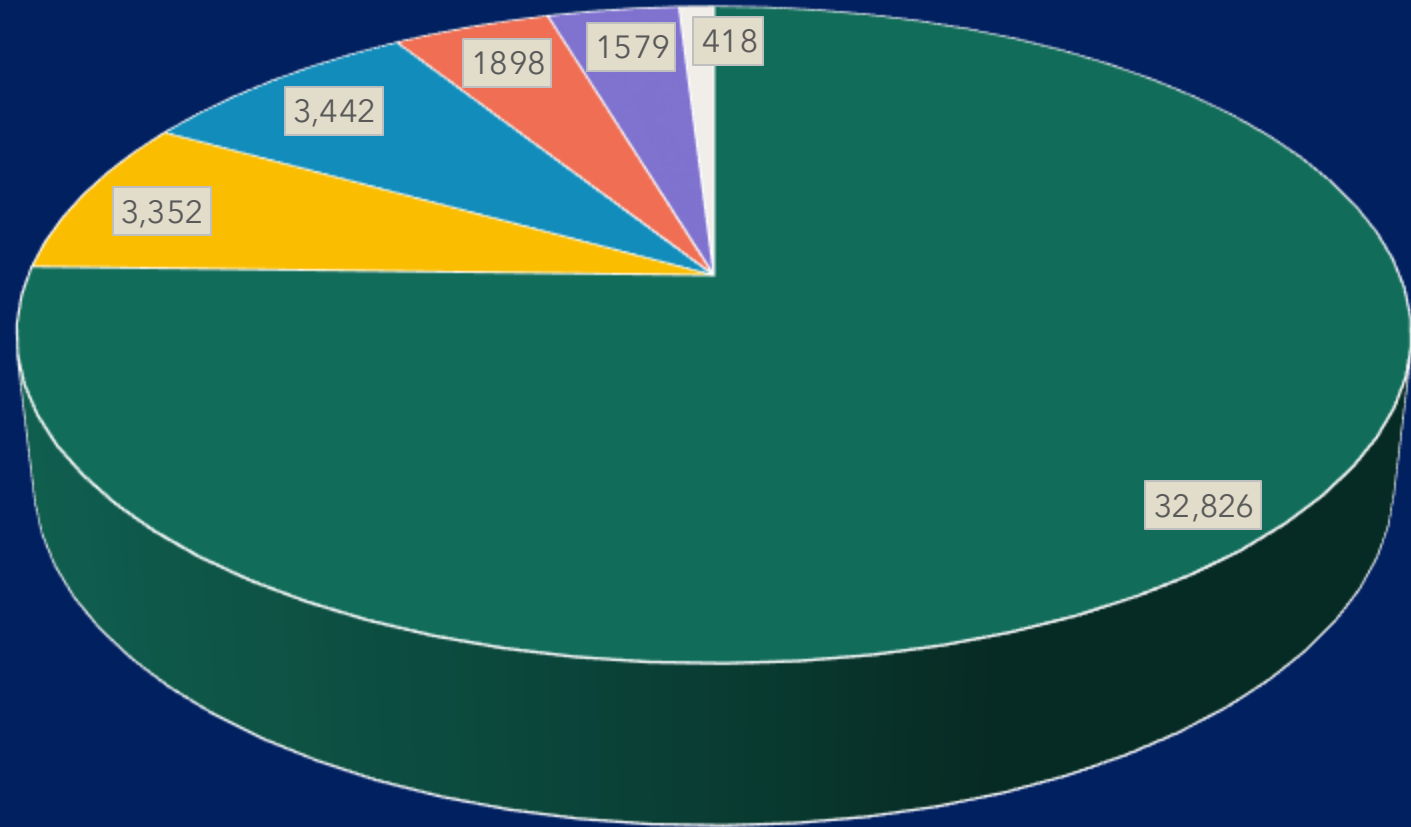
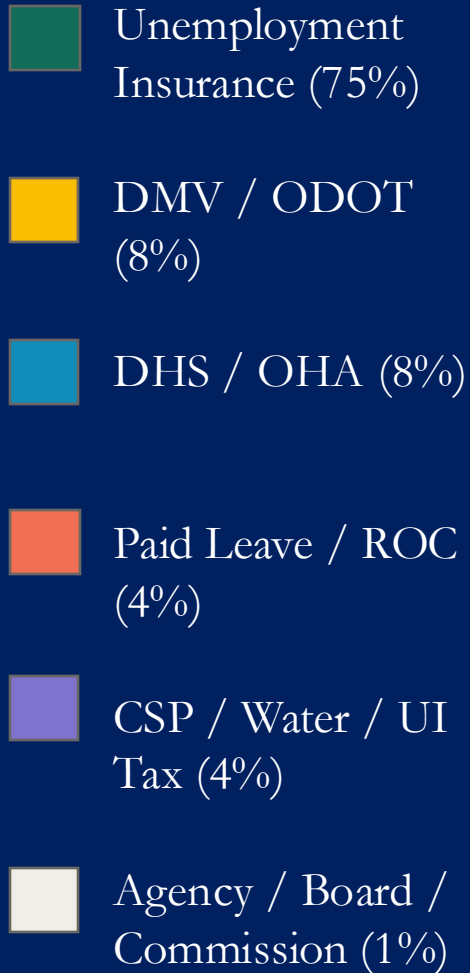


# OAH Total Agency Referrals

## 2021-2023 Set a Record for Referrals



# Hearing Request Distribution



# OAH Billing / Rates

## All Rates are Designed to be Cost Neutral

- Services from the Office of Administrative Hearings are billed at an hourly rate;
- Rates increase each biennium and will be increasing again for the 2025-27 biennium.

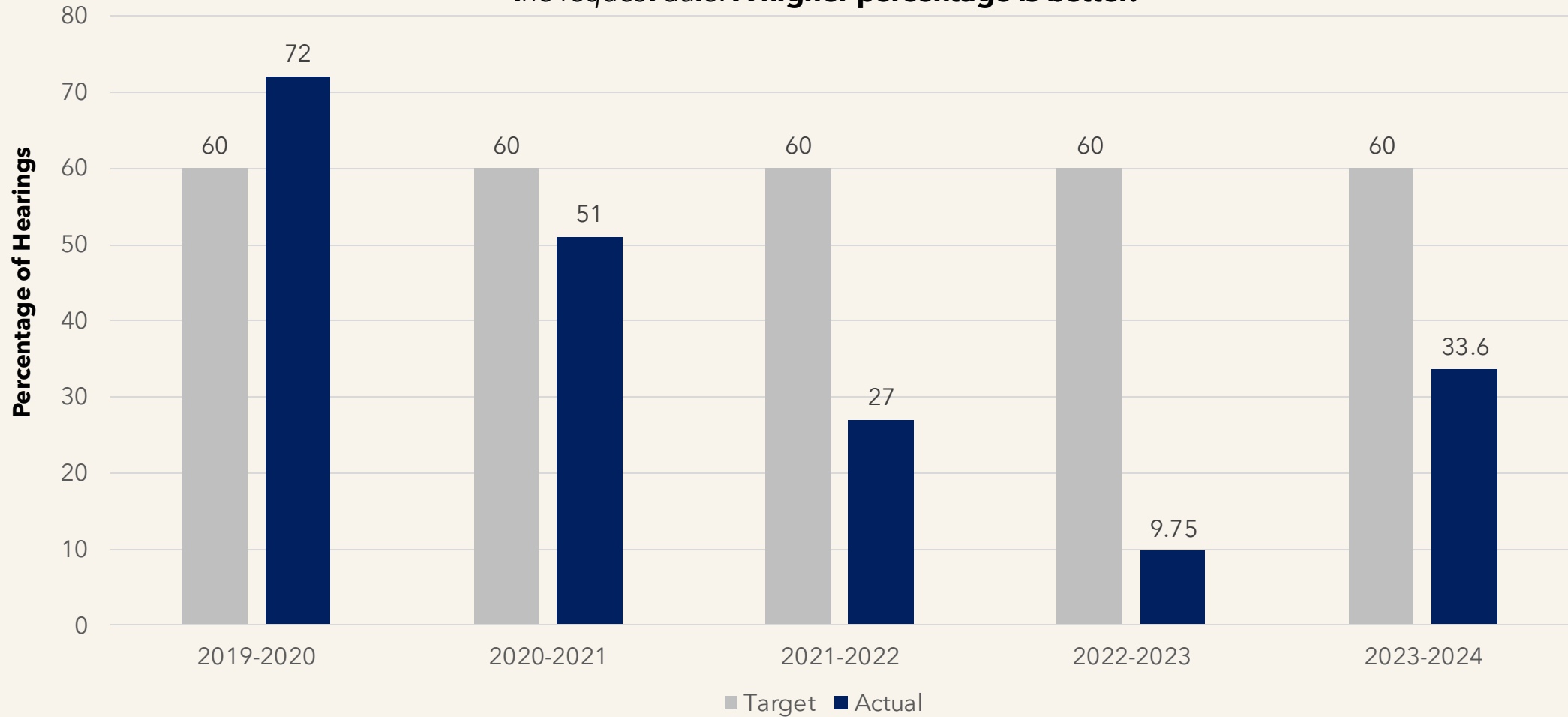
<b>Rates Scheduled for July 1, 2025</b>	
<b>Service</b>	<b>2025-27 Hourly Rate</b>
Administrative Law Judge 3	\$283
Administrative Law Judge 2	\$229
Administrative Law Judge 1	\$198
Support Staff	\$126



# Key Performance Measures and Outcomes FY 2019-2024

## KPM #7: Unemployment Insurance Timeliness

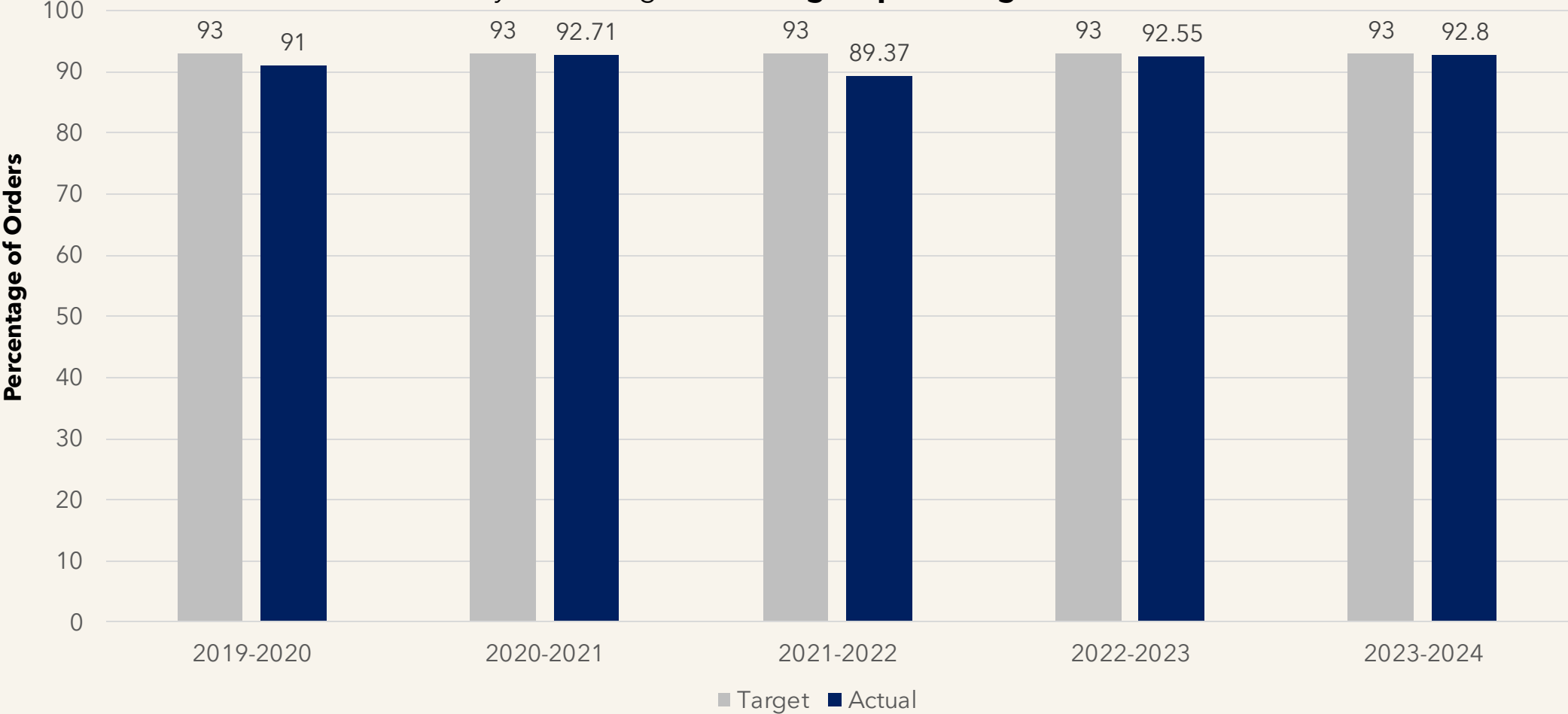
Percentage of requested hearings resolved within 30 days of the request date. **A higher percentage is better.**



# Key Performance Measures and Outcomes FY 2019-2024

## KPM #8: Non UI Appeals Timeliness

Percentage of orders issued within the standards established by the user agencies. **A higher percentage is better.**

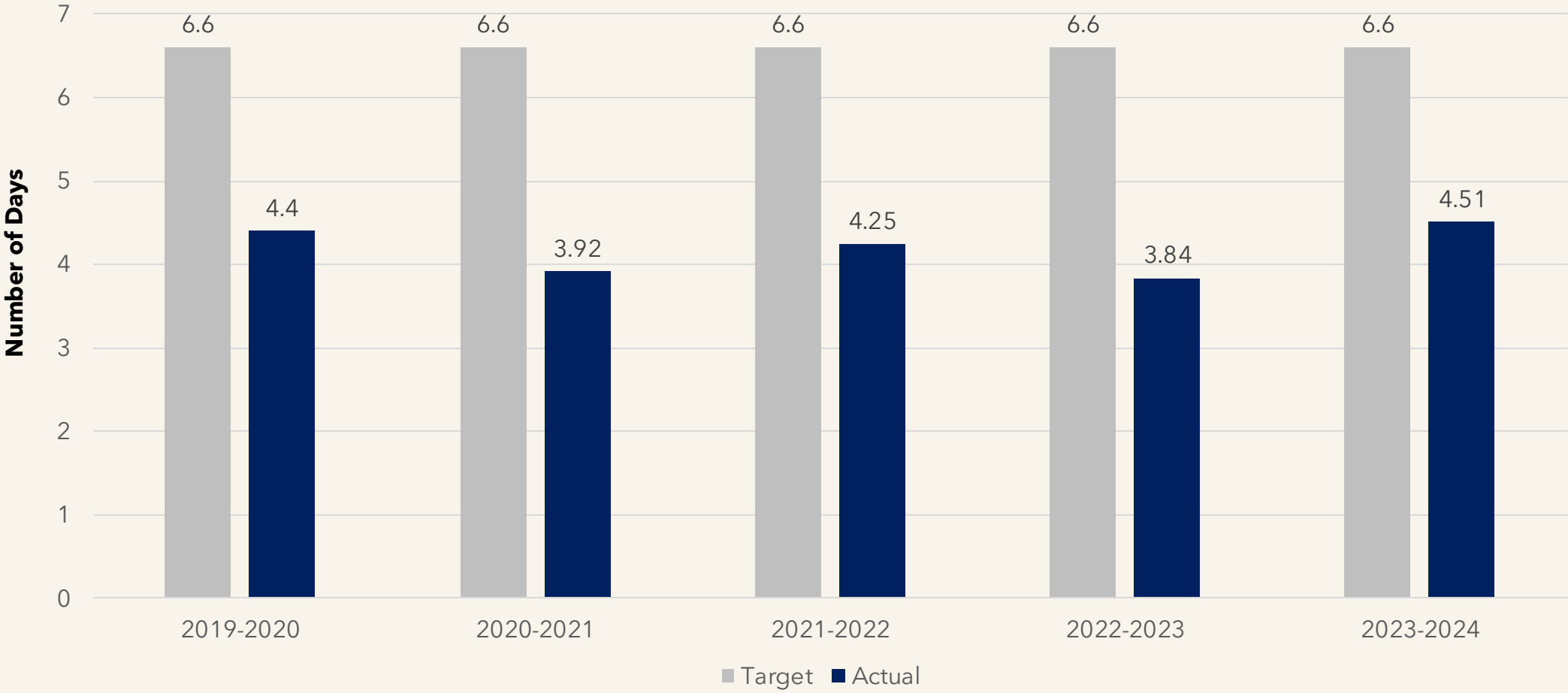




# Key Performance Measures and Outcomes FY 2019-2024

## KPM #9: Average Days to Issue Order

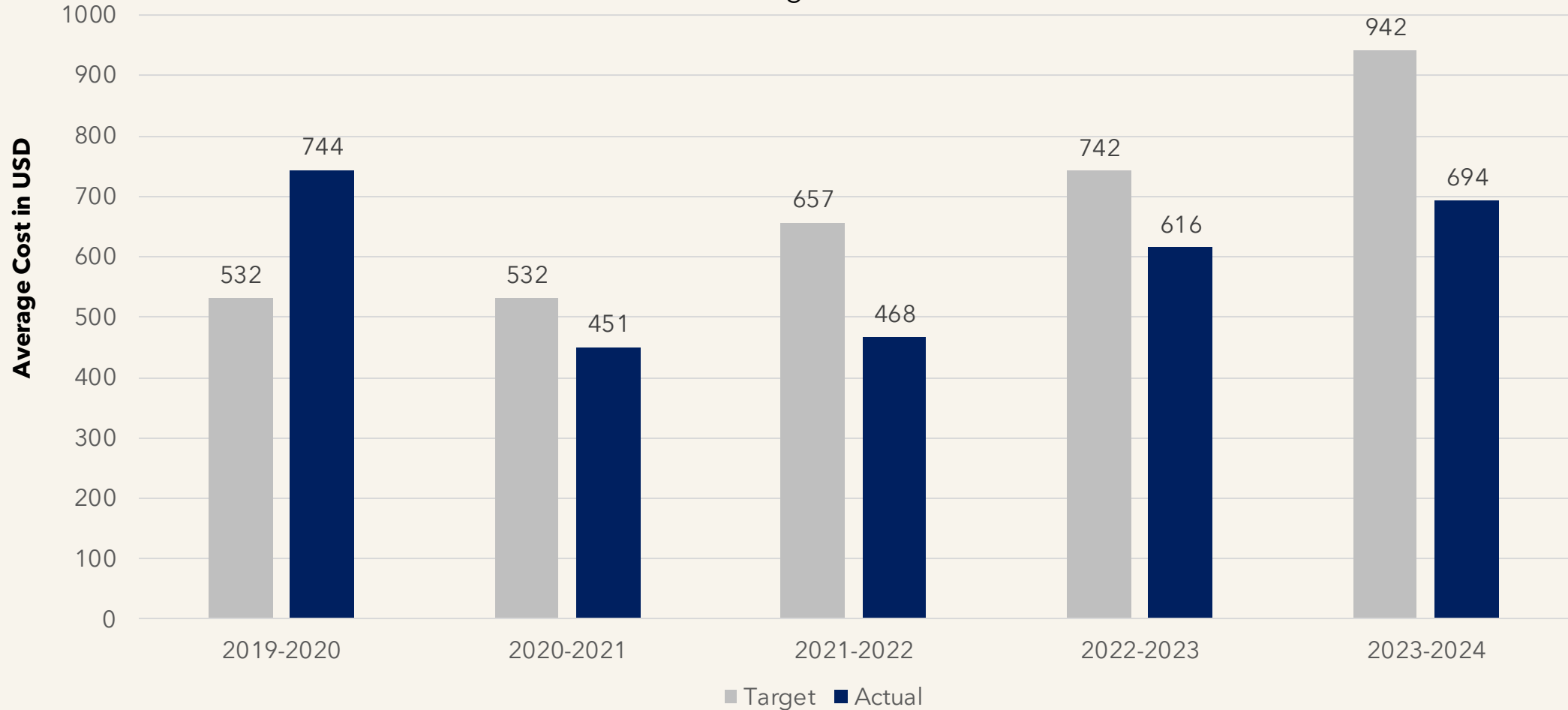
Average number of days to issue an order following the close of record. **Fewer days to issue a decision is better.**



# Key Performance Measures and Outcomes FY 2019-2024

## KPM #10: Cost per Referral to the OAH

Average cost in USD of hearing referral to the Office of Administrative Hearings. **A lower cost is better.**



# 2025-2027 & Beyond

## What's next for the Oregon Office of Administrative Hearings?

- Wildfire Hazard Mapping Hearings Program;
- Ever-changing Water Law landscape;
- Managing changes to UI workflow;
- Continuing to refine the Paid Leave Oregon program;
- Adjusting staffing practices to better suit the organization;
- Effectuating the Strategic Plan:
  - Website & Case Management System updates;
  - Technology deployment;
  - Re-evaluation of physical office infrastructure.



# Thank You!



## **Jeffrey R. Rhoades**

Chief Administrative Law Judge  
Oregon Office of Administrative Hearings  
7995 SW Mohawk St. Tualatin, OR 97062  
jeffrey.r.rhoades@employ.oregon.gov  
[www.oregon.gov/OAH/Pages/default.asp](http://www.oregon.gov/OAH/Pages/default.asp)

