

LEGISLATIVE FISCAL OFFICE
900 Court Street NE, Room H-178
Salem, Oregon 97301
(503) 986-1828

Amanda Beitel, Legislative Fiscal Officer
Paul Siebert, Deputy Legislative Fiscal Officer
John Terpening, Deputy Legislative Fiscal Officer



JOINT COMMITTEE ON WAYS AND MEANS

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To: Transportation and Economic Development Subcommittee

From: Michelle Deister, Legislative Fiscal Office

Date: May 28, 2025

Subject: HB 5007 – Employment Department
Work Session Recommendations

Employment Department <i>Agency Totals</i>				
FUND TYPE	2021-23 ACTUAL	2023-25 LEGISLATIVELY APPROVED	2025-27 CURRENT SERVICE LEVEL	2025-27 LFO RECOMMENDED
General Fund	33,941,652	5,767,819	-	-
Other Funds	229,168,063	425,276,313	475,441,638	502,083,817
Other Funds NL	1,094,856,806	3,482,550,560	3,853,268,759	3,853,268,759
Federal Funds	263,929,613	208,606,201	198,703,316	192,329,282
Federal Funds NL	1,091,595,352	69,308,000	43,444,000	43,444,000
TOTAL FUNDS	2,713,491,486	4,191,508,893	4,570,857,713	4,591,125,858
Positions	3,304	2,010	1,988	1,937
FTE	2,250.52	1,991.79	1,978.22	1,921.37

The Legislative Fiscal Office (LFO) recommends a 2025-27 total funds budget for the Employment Department of \$4,591,125,858 and 1,937 positions (1,921.37 FTE). This is a 9.5% increase from the 2023-25 legislatively approved budget, and a 0.4% increase from the 2025-27 current service level.

This budget recommendation assumes passage of SB 143 as amended by the -2 amendment, which was reported out of the Senate Finance and Revenue Committee on Wednesday, May 21. That measure generates an additional \$39.7 million in revenue for Employment Department administrative functions, by increasing the amount of existing employer taxes that are allowed to be diverted from the Unemployment Insurance Trust Fund to the Supplemental

Employment Department Administrative Fund. The amount of the diversion increases from 0.109% (which generates \$159 million) to 0.135%. The measure will help to backfill declining federal administrative reimbursement rates received from the U.S. Department of Labor.

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

- \$15.4 million to modernize IT systems used for labor exchange and case management functions used by the Workforce Operations Division and agency partners;
- \$21.8 million and 10 positions (10.00 FTE) for planning and testing of UI and Paid Leave system updates, as well as licensing, security, and maintenance costs;
- \$5.3 million, 10 limited duration positions and one permanent position (9.66 FTE) for employment services provided on a fee for service basis to clients of the Department of Human Services and to dislocated workers in southern Oregon;
- \$3.7 million, nine limited duration positions, and eight permanent positions to improve customer service by hastening claim determinations;
- \$1.5 million to manage seasonal workload fluctuations;
- A net-zero technical adjustment to maximize utilization of existing position authority; and
- A reduction of \$27.4 million and 90 positions (93.15 FTE) to phase out services funded by the Trade Adjustment Act, which was not reauthorized by Congress.

Adjustments to Current Service Level

See attached “Work Session Presentation Report.”

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 HB 5007. *(vote)*

OR

Modify LFO Recommendation

MOTION: I move the LFO recommendation to HB 5007, with modifications. *(vote)*

Performance Measures

See attached “Legislatively Proposed 2025-27 Key Performance Measures.”

Accept LFO Recommendation

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

OR

Modify LFO Recommendation

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

Amendment

LFO recommends a budget of \$502,083,817 Other Funds, \$192,329,282 Federal Funds, \$3,853,268,759 Other Funds Nonlimited, \$43,444,000 Federal Funds Nonlimited and 1,937 positions (1,921.37 FTE), which is reflected in the –2 amendment.

MOTION: I move adoption of the –2 amendment to HB 5007. *(vote)*

Final Subcommittee Action

LFO recommends that HB 5007, as amended by the –2 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 5007, as amended, to the Full Committee with a do pass recommendation. *(vote)*

Carriers

Full Committee:

House Floor:

Senate Floor:

LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 47100-000-00-00-00000
Employment Department

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	5,767,819	-	412,010,052	176,466,400	2,620,819,560	69,308,000	3,284,371,831	2,009	1,946.16
2023-25 Ebds, SS & Admin Act	-	-	13,266,261	32,139,801	861,731,000	-	907,137,062	1	45.63
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	5,767,819	-	425,276,313	208,606,201	3,482,550,560	69,308,000	4,191,508,893	2,010	1,991.79
2023-25 Leg Approved Budget (Base)	5,767,819	-	425,276,313	208,606,201	2,620,819,560	69,308,000	3,329,777,893	2,010	1,991.79
Summary of Base Adjustments	(4,795,819)	-	48,223,463	20,353,533	1,232,449,199	(25,864,000)	1,270,366,376	(22)	(13.57)
2025-27 Base Budget	972,000	-	473,499,776	228,959,734	3,853,268,759	43,444,000	4,600,144,269	1,988	1,978.22
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(8,631,840)	(3,517,606)	-	-	(12,149,446)	-	-
020: Phase In / Out Pgm & One-time Cost	(972,000)	-	(33,176,607)	(2,743,840)	-	-	(36,892,447)	-	-
030: Inflation & Price List Adjustments	-	-	15,556,219	4,199,118	-	-	19,755,337	-	-
050: Fundshifts and Revenue Reductions	-	-	28,194,090	(28,194,090)	-	-	-	-	-
2025-27 Current Service Level	-	-	475,441,638	198,703,316	3,853,268,759	43,444,000	4,570,857,713	1,988	1,978.22
Adjusted 2025-27 Current Service Level	-	-	475,441,638	198,703,316	3,853,268,759	43,444,000	4,570,857,713	1,988	1,978.22
Total LFO Recommended Packages	-	-	26,642,179	(6,374,034)	-	-	20,268,145	(51)	(56.85)
2025-27 Legislative Actions	-	-	502,083,817	192,329,282	3,853,268,759	43,444,000	4,591,125,858	1,937	1,921.37
Net change from 2023-25 Leg Approved Budget	(5,767,819)	-	76,807,504	(16,276,919)	370,718,199	(25,864,000)	399,616,965	(73)	(70.42)
Percent change from 2023-25 Leg Approved Budget	(100.0%)	0.0%	18.1%	(7.8%)	10.7%	(37.3%)	9.5%	(3.6%)	(3.5%)
Net change from 2025-27 Adj Current Service Level	-	-	26,642,179	(6,374,034)	-	-	20,268,145	(51)	(56.85)
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	5.6%	(3.2%)	0.0%	0.0%	0.4%	(2.6%)	(2.9%)

LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 47100-010-05-00-00000

Shared Services

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	173,708	-	34,685,793	33,342,591	-	-	68,202,092	196	193.63
2023-25 Ebds, SS & Admin Act	-	-	6,500,756	-	-	-	6,500,756	15	15.00
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	173,708	-	41,186,549	33,342,591	-	-	74,702,848	211	208.63
2023-25 Leg Approved Budget (Base)	173,708	-	41,186,549	33,342,591	-	-	74,702,848	211	208.63
Summary of Base Adjustments	(146,708)	-	4,507,017	4,300,364	-	-	8,660,673	(1)	0.87
2025-27 Base Budget	27,000	-	45,693,566	37,642,955	-	-	83,363,521	210	209.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	88,760	(115,672)	-	-	(26,912)	-	-
020: Phase In / Out Pgm & One-time Cost	(27,000)	-	28,095	(13,680)	-	-	(12,585)	-	-
030: Inflation & Price List Adjustments	-	-	585,884	(2,314,227)	-	-	(1,728,343)	-	-
050: Fundshifts and Revenue Reductions	-	-	12,376,452	(12,376,452)	-	-	-	-	-
060: Technical Adjustments	-	-	1,738,174	4,632,521	-	-	6,370,695	-	-
2025-27 Current Service Level	-	-	60,510,931	27,455,445	-	-	87,966,376	210	209.50
Adjusted 2025-27 Current Service Level	-	-	60,510,931	27,455,445	-	-	87,966,376	210	209.50
Total LFO Recommended Packages	-	-	37,362,985	11,698,144	-	-	49,061,129	18	18.00
2025-27 Legislative Actions	-	-	97,873,916	39,153,589	-	-	137,027,505	228	227.50
Net change from 2023-25 Leg Approved Budget	(173,708)	-	56,687,367	5,810,998	-	-	62,324,657	17	18.87
Percent change from 2023-25 Leg Approved Budget	(100.0%)	0.0%	137.6%	17.4%	0.0%	0.0%	83.4%	8.1%	9.0%
Net change from 2025-27 Adj Current Service Level	-	-	37,362,985	11,698,144	-	-	49,061,129	18	18.00
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	61.8%	42.6%	0.0%	0.0%	55.8%	8.6%	8.6%

LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 47100-010-05-00-00000

Shared Services

	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 POP 102 Frances Maintenance & Support

Package Description The UI Modernization project consisted of replacing the state's payroll tax and reporting system used by both Paid Leave and the Unemployment Insurance programs, and replacement of the benefits processing and payment system, which is used by both programs. These systems are now live, and must now be maintained. Examples of maintenance include ongoing licensing, certain complex maintenance and reprogramming needs that will be contracted back to the developer, state data center costs, and IT security modules. The package is supported by revenue generated by the Supplemental Employment Department Administrative Fund, UI administrative grant funds, and Penalty and Interest funding.

The LFO recommendation includes \$14.9 million Other Funds, and \$4 million Federal Funds in the Shared Services division; \$17.6 million is associated with system vendor costs for programming adjustments and subscriptions to security and ongoing maintenance services. Data processing including hosting of the solution is \$1.3 million of the package total.

LFO Recommendation Approve.

LFO Recommended	-	-	14,938,097	4,011,263	-	-	18,949,360	-	-
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 47100-010-05-00-00000

Shared Services

	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 Agency Workload Needs

Package Description This package is a net-zero change agency-wide, and moves an existing position from the Modernization division to the Shared Services division to make more efficient use of existing position authority. A fiscal Analyst 1 position is added to add capacity in tracking, updating and maintaining fiscal records, and one Public Affairs Specialist 2 position is transferred from the modernization division. The package increases Other Funds expenditure limitation by \$494,920 and Federal Funds expenditure limitation is increased by \$120,326.

LFO Recommendation Approve.

LFO Recommended	-	-	494,920	120,326	-	-	615,246	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 106 Overtime, Differentials & Temps

Package Description This package increases expenditure limitation for differentials to support improved customer service delivery and respond to seasonal workload changes. .

LFO Recommendation Approve.

LFO Recommended	-	-	416,961	273,671	-	-	690,632	-	-
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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 - Package 801 is a net-zero adjustment to the Department's budget on an agency-wide basis, but reflects the movement of existing positions between divisions, allowing the agency to more effectively utilize its existing position authority. The package transfers a total of 16 positions (16.00 FTE) to the Shared Services Division, increasing the division's expenditure limitation by \$5.0 million Other Funds, and \$296,405 Federal Funds. Positions coming to Shared Services from other divisions are the result of operationalizing the Frances system, and include the following:

- An Economist 4 and an Operations and Policy Analyst 2 position from the Unemployment Insurance Division;
- An Information Systems Specialist, two Operations and Policy Analyst 2 positions, and twelve Operations and Policy Analyst 3 positions from the Modernization Division; and
- Transfers two Information System 8 positions to the Modernization division.

The package also centralizes all state government service charges limitation in the Shared Services division.

LFO Recommendation Approve.

LFO Recommended	-	-	21,513,007	7,292,884	-	-	28,805,891	16	16.00
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 47100-010-10-00-00000

Unemployment Insurance

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	5,594,111	-	62,724,369	50,371,760	-	-	118,690,240	465	406.15
2023-25 Ebds, SS & Admin Act	-	-	8,651,078	10,853,216	-	-	19,504,294	14	57.75
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	5,594,111	-	71,375,447	61,224,976	-	-	138,194,534	479	463.90
2023-25 Leg Approved Budget (Base)	5,594,111	-	71,375,447	61,224,976	-	-	138,194,534	479	463.90
Summary of Base Adjustments	(4,649,111)	-	10,736,814	9,601,305	-	-	15,689,008	(12)	(4.56)
2025-27 Base Budget	945,000	-	82,112,261	70,826,281	-	-	153,883,542	467	459.34
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(1,678,730)	(2,081,258)	-	-	(3,759,988)	-	-
020: Phase In / Out Pgm & One-time Cost	(945,000)	-	983,278	(164,160)	-	-	(125,882)	-	-
030: Inflation & Price List Adjustments	-	-	2,427,878	5,138,306	-	-	7,566,184	-	-
050: Fundshifts and Revenue Reductions	-	-	(25,333,555)	25,333,555	-	-	-	-	-
060: Technical Adjustments	-	-	(409,935)	(2,187,914)	-	-	(2,597,849)	-	-
2025-27 Current Service Level	-	-	58,101,197	96,864,810	-	-	154,966,007	467	459.34
Adjusted 2025-27 Current Service Level	-	-	58,101,197	96,864,810	-	-	154,966,007	467	459.34
Total LFO Recommended Packages	-	-	1,076,961	(6,487,510)	-	-	(5,410,549)	2	2.00
2025-27 Legislative Actions	-	-	59,178,158	90,377,300	-	-	149,555,458	469	461.34
Net change from 2023-25 Leg Approved Budget	(5,594,111)	-	(12,197,289)	29,152,324	-	-	11,360,924	(10)	(2.56)
Percent change from 2023-25 Leg Approved Budget	(100.0%)	0.0%	(17.1%)	47.6%	0.0%	0.0%	8.2%	(2.1%)	(0.6%)
Net change from 2025-27 Adj Current Service Level	-	-	1,076,961	(6,487,510)	-	-	(5,410,549)	2	2.00
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	1.9%	(6.7%)	0.0%	0.0%	(3.5%)	0.4%	0.4%

LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

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Unemployment Insurance

	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 POP 102 Frances Maintenance & Support

Package Description The UI Modernization project consisted of replacing the state's payroll tax and reporting system used by both Paid Leave and the Unemployment Insurance programs, and replacement of the benefits processing and payment system, which is used by both programs. These systems are now live, and must now be maintained. Examples of maintenance include ongoing licensing, certain complex maintenance and reprogramming needs that will be contracted back to the developer, state data center costs, and IT security modules. The package is supported by revenue generated by the Supplemental Employment Department Administrative Fund, and Penalty and Interest funding.

The UI division's share of these costs is \$1.4 million Other Funds. Five permanent Operations and Policy Analyst positions (5.00 FTE) are included to plan and test maintenance and programming changes, and inform and train system users and partners, to mitigate unforeseen impacts of policy and system changes to employers and claimants.

LFO Recommendation Approve.

LFO Recommended	-	-	1,428,613	-	-	-	1,428,613	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 106 Overtime, Differentials & Temps

Package Description This package increases expenditure limitation for wage differentials and temporary workers, to support improved customer service delivery and address seasonal workload fluctuations.

LFO Recommendation Approve.

LFO Analyst Notes

LFO Recommended	-	-	269,988	(1)	-	-	269,987	-	-
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 47100-010-10-00-00000

Unemployment Insurance

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

Package 801 LFO Analyst Adjustments

Package Description Three positions are transferred from the Unemployment Insurance Division to Shared Services, enabling the Employment Department to more effectively use existing position authority. The Positions are an Economist 4 position, and two Operations and Policy Analyst positions, resulting in a reduction to personal services expenditure limitation of \$513,640 Other Funds and \$594,368 Federal Funds. Services and Supplies expenditure limitation is reduced by \$108,000 Other Funds and \$5.9 million Federal Funds, reflecting the centralization of state government service charges, which will now be budgeted in the Shared Services division.

LFO Recommendation Approve.

LFO Recommended	-	-	(621,640)	(6,487,509)	-	-	(7,109,149)	(3)	(3.00)
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 47100-010-20-00-00000

Workforce Operations

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	96,383,658	63,692,447	-	-	160,076,105	568	568.00
2023-25 Ebds, SS & Admin Act	-	-	(7,514,124)	19,674,704	-	-	12,160,580	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	88,869,534	83,367,151	-	-	172,236,685	568	568.00
2023-25 Leg Approved Budget (Base)	-	-	88,869,534	83,367,151	-	-	172,236,685	568	568.00
Summary of Base Adjustments	-	-	9,858,290	2,923,800	-	-	12,782,090	(9)	(9.00)
2025-27 Base Budget	-	-	98,727,824	86,290,951	-	-	185,018,775	559	559.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(3,454,942)	(1,145,681)	-	-	(4,600,623)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	-	(2,324,000)	-	-	(2,324,000)	-	-
030: Inflation & Price List Adjustments	-	-	2,101,827	434,629	-	-	2,536,456	-	-
050: Fundshifts and Revenue Reductions	-	-	39,824,063	(39,824,063)	-	-	-	-	-
060: Technical Adjustments	-	-	-	(2,251,550)	-	-	(2,251,550)	-	-
2025-27 Current Service Level	-	-	137,198,772	41,180,286	-	-	178,379,058	559	559.00
Adjusted 2025-27 Current Service Level	-	-	137,198,772	41,180,286	-	-	178,379,058	559	559.00
Total LFO Recommended Packages	-	-	(13,332,486)	(15,892,629)	-	-	(29,225,115)	(79)	(83.49)
2025-27 Legislative Actions	-	-	123,866,286	25,287,657	-	-	149,153,943	480	475.51
Net change from 2023-25 Leg Approved Budget	-	-	34,996,752	(58,079,494)	-	-	(23,082,742)	(88)	(92.49)
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	39.4%	(69.7%)	0.0%	0.0%	(13.4%)	(15.5%)	(16.3%)
Net change from 2025-27 Adj Current Service Level	-	-	(13,332,486)	(15,892,629)	-	-	(29,225,115)	(79)	(83.49)
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	(9.7%)	(38.6%)	0.0%	0.0%	(16.4%)	(14.1%)	(14.9%)

LFO102 - Work Session Presentation Report
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Cross Reference: 47100-010-20-00-00000

Workforce Operations

	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 Contracted Employment Services

Package Description Personal Services Costs of \$1.9 million and position-related services and Supplies costs of \$384,525 are included to support 11 positions (9.66 FTE) to provide Workforce Innovation and Opportunity Act Title 1 reemployment and training services to adults and dislocated workers in Jackson and Josephine Counties through a contract with Rogue Workforce Partnership. One Business and Employment Services 2 position (0.92 FTE) is recommended as permanent. The limited duration positions include eight Business and Employment Specialist 2 positions (6.90 FTE), an Employment Services Supervisor 2 position (0.92 FTE), and a Program Analyst 2 position (0.92 FTE). Federal Funds expenditure limitation in the amount of \$3 million is included for training and support services (special payments on behalf of qualifying enrolled workers).

LFO Recommendation Approve.

LFO Recommended	-	-	2,056,262	3,245,944	-	-	5,302,206	11	9.66
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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 Overtime, Differentials & Temps

Package Description This package increases expenditure limitation for differentials to support improved customer service delivery.

LFO Recommendation

LFO Recommended	-	-	35,644	23,740	-	-	59,384	-	-
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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 reduces Other Funds expenditure limitation in the Workforce Operations division by \$7.2 million, reflecting the centralization of state government service charges, which will now be budgeted in the Shared Services division.

LFO Recommendation Approve.

LFO Recommended	-	-	(7,196,548)	-	-	-	(7,196,548)	-	-
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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 Federal Revenue Shortfall

Package Description Expenditure limitation of \$8.3 million Other Funds, \$19.2 million Federal Funds, 90 positions and 93.15 FTE are eliminated from the Employment Department's budget to reflect that the Federal Trade Act failed to be renewed by Congress. Funding for case managers and worker training and benefits will no longer be available to displaced workers beginning in 2025-27. The program will continue to serve people authorized by current petitions that were already approved by the USDOL prior to the program sunset. Fifteen positions will remain with the program through January 2027 (3.15 FTE), which is the estimated timing for when current TAA funding will run out.

LFO Recommendation Approve.

LFO Recommended	-	-	(8,227,844)	(19,162,313)	-	-	(27,390,157)	(90)	(93.15)
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 47100-010-30-00-00000

Contributions and Recovery

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	12,697,862	19,935,236	-	-	32,633,098	146	145.50
2023-25 Ebds, SS & Admin Act	-	-	1,979,487	1,066,151	-	-	3,045,638	4	4.00
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	14,677,349	21,001,387	-	-	35,678,736	150	149.50
2023-25 Leg Approved Budget (Base)	-	-	14,677,349	21,001,387	-	-	35,678,736	150	149.50
Summary of Base Adjustments	-	-	2,155,722	2,990,244	-	-	5,145,966	-	-
2025-27 Base Budget	-	-	16,833,071	23,991,631	-	-	40,824,702	150	149.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(46,846)	(142,820)	-	-	(189,666)	-	-
030: Inflation & Price List Adjustments	-	-	1,037,213	1,148,349	-	-	2,185,562	-	-
2025-27 Current Service Level	-	-	17,823,438	24,997,160	-	-	42,820,598	150	149.50
Adjusted 2025-27 Current Service Level	-	-	17,823,438	24,997,160	-	-	42,820,598	150	149.50
Total LFO Recommended Packages	-	-	2,329,493	(702,920)	-	-	1,626,573	16	14.64
2025-27 Legislative Actions	-	-	20,152,931	24,294,240	-	-	44,447,171	166	164.14
Net change from 2023-25 Leg Approved Budget	-	-	5,475,582	3,292,853	-	-	8,768,435	16	14.64
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	37.3%	15.7%	0.0%	0.0%	24.6%	10.7%	9.8%
Net change from 2025-27 Adj Current Service Level	-	-	2,329,493	(702,920)	-	-	1,626,573	16	14.64
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	13.1%	(2.8%)	0.0%	0.0%	3.8%	10.7%	9.8%

LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 47100-010-30-00-00000

Contributions and Recovery

	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 Agency Workload Needs

Package Description This package establishes eight permanent positions and nine limited duration positions to address workload demands and to resolve backlogs. Positions added in this division will help ensure that employer records are accurate, which will allow for expedited resolution of benefit claims in both Paid Leave and Unemployment Insurance. These resources will enable the division to complete wage investigations within their goal of 10 days, leading to more timely payment of benefits.

Positions added consist of five permanent Compliance Specialists; two Administrative Specialists (one of which is a limited-duration position for the 2025-27 biennium); six limited-duration Revenue Agents; two limited-duration Office Specialists; one permanent Operations and Policy Analyst, and one permanent Employment Services Supervisor.

LFO Recommendation Approve.

LFO Recommended	-	-	3,420,179	-	-	-	3,420,179	17	15.64
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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 Overtime, Differentials & Temps

Package Description This package increases expenditure limitation for wage differentials and temporary workers, to support improved customer service delivery and address seasonal workload fluctuations.

LFO Recommendation Approve.

LFO Recommended	-	-	52,393	37,606	-	-	89,999	-	-
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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 reflects the net change of position movements to and from the Contributions and Recovery division, allowing the agency to more effectively utilize its existing position authority. This change reduces Other Funds personal services expenditure limitation \$181,750, increases Federal Funds personal services expenditure limitation by \$184,802. The package also reflects the centralization of state government service charges, which will now be budgeted in the Shared Services division. Expenditure limitation related to services and supplies is reduced by \$961,329 Other Funds and \$925,318 Federal Funds.

LFO Recommendation Approve.

LFO Recommended	-	-	(1,143,079)	(740,526)	-	-	(1,883,605)	(1)	(1.00)
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 47100-010-40-00-00000
Office of Administrative Hearings

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	39,740,818	-	-	-	39,740,818	121	119.88
2023-25 Ebds, SS & Admin Act	-	-	2,489,949	-	-	-	2,489,949	1	0.63
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	42,230,767	-	-	-	42,230,767	122	120.51
2023-25 Leg Approved Budget (Base)	-	-	42,230,767	-	-	-	42,230,767	122	120.51
Summary of Base Adjustments	-	-	3,572,593	-	-	-	3,572,593	-	0.37
2025-27 Base Budget	-	-	45,803,360	-	-	-	45,803,360	122	120.88
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(1,040,706)	-	-	-	(1,040,706)	-	-
030: Inflation & Price List Adjustments	-	-	(79,340)	-	-	-	(79,340)	-	-
060: Technical Adjustments	-	-	(390,341)	-	-	-	(390,341)	-	-
2025-27 Current Service Level	-	-	44,292,973	-	-	-	44,292,973	122	120.88
Adjusted 2025-27 Current Service Level	-	-	44,292,973	-	-	-	44,292,973	122	120.88
Total LFO Recommended Packages	-	-	(1,508,723)	-	-	-	(1,508,723)	-	-
2025-27 Legislative Actions	-	-	42,784,250	-	-	-	42,784,250	122	120.88
Net change from 2023-25 Leg Approved Budget	-	-	553,483	-	-	-	553,483	-	0.37
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	1.3%	0.0%	0.0%	0.0%	1.3%	0.0%	0.3%
Net change from 2025-27 Adj Current Service Level	-	-	(1,508,723)	-	-	-	(1,508,723)	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	(3.4%)	0.0%	0.0%	0.0%	(3.4%)	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 reduces Other Funds expenditure limitation in the Office of Administrative Hearings by \$1.5 million, reflecting the centralization of state government service charges, which will now be budgeted in the Shared Services division.

LFO Recommendation Approve.

LFO Recommended	-	-	(1,508,723)	-	-	-	(1,508,723)	-	-
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 47100-010-50-00-00000

Workforce and Economic Research

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	8,390,673	8,882,366	-	-	17,273,039	52	52.00
2023-25 Ebds, SS & Admin Act	-	-	949,283	545,730	-	-	1,495,013	-	1.25
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	9,339,956	9,428,096	-	-	18,768,052	52	53.25
2023-25 Leg Approved Budget (Base)	-	-	9,339,956	9,428,096	-	-	18,768,052	52	53.25
Summary of Base Adjustments	-	-	44,363	537,820	-	-	582,183	-	(1.25)
2025-27 Base Budget	-	-	9,384,319	9,965,916	-	-	19,350,235	52	52.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(25,600)	(32,175)	-	-	(57,775)	-	-
030: Inflation & Price List Adjustments	-	-	168,381	(207,939)	-	-	(39,558)	-	-
050: Fundshifts and Revenue Reductions	-	-	4,592,599	(4,592,599)	-	-	-	-	-
060: Technical Adjustments	-	-	(58,022)	(193,057)	-	-	(251,079)	-	-
2025-27 Current Service Level	-	-	14,061,677	4,940,146	-	-	19,001,823	52	52.00
Adjusted 2025-27 Current Service Level	-	-	14,061,677	4,940,146	-	-	19,001,823	52	52.00
Total LFO Recommended Packages	-	-	(481,287)	(178,010)	-	-	(659,297)	-	-
2025-27 Legislative Actions	-	-	13,580,390	4,762,136	-	-	18,342,526	52	52.00
Net change from 2023-25 Leg Approved Budget	-	-	4,240,434	(4,665,960)	-	-	(425,526)	-	(1.25)
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	45.4%	(49.5%)	0.0%	0.0%	(2.3%)	0.0%	(2.4%)
Net change from 2025-27 Adj Current Service Level	-	-	(481,287)	(178,010)	-	-	(659,297)	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	(3.4%)	(3.6%)	0.0%	0.0%	(3.5%)	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 Other Funds expenditure limitation is reduced by \$481,287 and Federal Funds expenditure limitation is reduced by \$178,010 to reflect the centralization of state government service charges, which will now be budgeted in the Shared Services division.

LFO Recommendation Approve.

LFO Recommended	-	-	(481,287)	(178,010)	-	-	(659,297)	-	-
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 47100-010-80-00-00000

Paid Leave Oregon

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	88,532,865	-	-	-	88,532,865	383	383.00
2023-25 Ebds, SS & Admin Act	-	-	2,314,552	-	-	-	2,314,552	(17)	(17.00)
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	90,847,417	-	-	-	90,847,417	366	366.00
2023-25 Leg Approved Budget (Base)	-	-	90,847,417	-	-	-	90,847,417	366	366.00
Summary of Base Adjustments	-	-	15,928,921	-	-	-	15,928,921	-	-
2025-27 Base Budget	-	-	106,776,338	-	-	-	106,776,338	366	366.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(2,027,257)	-	-	-	(2,027,257)	-	-
030: Inflation & Price List Adjustments	-	-	8,571,285	-	-	-	8,571,285	-	-
060: Technical Adjustments	-	-	(778,487)	-	-	-	(778,487)	-	-
2025-27 Current Service Level	-	-	112,541,879	-	-	-	112,541,879	366	366.00
Adjusted 2025-27 Current Service Level	-	-	112,541,879	-	-	-	112,541,879	366	366.00
Total LFO Recommended Packages	-	-	(3,114,747)	-	-	-	(3,114,747)	5	5.00
2025-27 Legislative Actions	-	-	109,427,132	-	-	-	109,427,132	371	371.00
Net change from 2023-25 Leg Approved Budget	-	-	18,579,715	-	-	-	18,579,715	5	5.00
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	20.5%	0.0%	0.0%	0.0%	20.5%	1.4%	1.4%
Net change from 2025-27 Adj Current Service Level	-	-	(3,114,747)	-	-	-	(3,114,747)	5	5.00
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	(2.8%)	0.0%	0.0%	0.0%	(2.8%)	1.4%	1.4%

LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 47100-010-80-00-00000

Paid Leave Oregon

	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 POP 102 Frances Maintenance & Support

Package Description Paid Leave Oregon support a share of maintenance and support for the Frances system, as it is used by employers to report and pay employer taxes related to Paid Leave, as well as manage and pay claims related to the Paid Leave Oregon program. \$1.4 million Other Funds expenditure limitation and 5 positions are included to support planning and testing of requested system modifications that both increase efficiency and improve customer service delivery. Two Operations and Policy Analyst positions are needed for ongoing engagement with the UI and Shared Services divisions, as well as other agency partners (including BOLI and Department of Revenue) to ensure planned changes don't negatively impact operations elsewhere. Three Operations and Policy Analyst 2 positions will be adding capacity associated with language translation, customer support materials and how to guides across multiple platforms, and change management communications.

LFO Recommendation Approve.

LFO Recommended	-	-	1,467,272	-	-	-	1,467,272	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 106 Overtime, Differentials & Temps

Package Description This package increases expenditure limitation to support overtime payments, temporary employees, and salary differentials to address seasonal workload increases and support improved customer service delivery.

LFO Recommendation Approve.

LFO Recommended	-	-	269,999	-	-	-	269,999	-	-
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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 Other Funds expenditure limitation is reduced by \$4.9 million to reflect the centralization of state government service charges, which will now be budgeted in the Shared Services division.

LFO Recommendation Approve.

LFO Recommended	-	-	(4,852,018)	-	-	-	(4,852,018)	-	-
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 47100-010-90-00-00000

Modernization Initiative

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	68,854,014	242,000	-	-	69,096,014	78	78.00
2023-25 Ebds, SS & Admin Act	-	-	(2,104,720)	-	-	-	(2,104,720)	(16)	(16.00)
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	66,749,294	242,000	-	-	66,991,294	62	62.00
2023-25 Leg Approved Budget (Base)	-	-	66,749,294	242,000	-	-	66,991,294	62	62.00
Summary of Base Adjustments	-	-	1,419,743	-	-	-	1,419,743	-	-
2025-27 Base Budget	-	-	68,169,037	242,000	-	-	68,411,037	62	62.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(446,519)	-	-	-	(446,519)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(34,187,980)	(242,000)	-	-	(34,429,980)	-	-
030: Inflation & Price List Adjustments	-	-	743,091	-	-	-	743,091	-	-
050: Fundshifts and Revenue Reductions	-	-	(3,265,469)	3,265,469	-	-	-	-	-
060: Technical Adjustments	-	-	(101,389)	-	-	-	(101,389)	-	-
2025-27 Current Service Level	-	-	30,910,771	3,265,469	-	-	34,176,240	62	62.00
Adjusted 2025-27 Current Service Level	-	-	30,910,771	3,265,469	-	-	34,176,240	62	62.00
Total LFO Recommended Packages	-	-	4,309,983	5,188,891	-	-	9,498,874	(13)	(13.00)
2025-27 Legislative Actions	-	-	35,220,754	8,454,360	-	-	43,675,114	49	49.00
Net change from 2023-25 Leg Approved Budget	-	-	(31,528,540)	8,212,360	-	-	(23,316,180)	(13)	(13.00)
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	(47.2%)	3393.5%	0.0%	0.0%	(34.8%)	(21.0%)	(21.0%)
Net change from 2025-27 Adj Current Service Level	-	-	4,309,983	5,188,891	-	-	9,498,874	(13)	(13.00)
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	13.9%	158.9%	0.0%	0.0%	27.8%	(21.0%)	(21.0%)

LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 47100-010-90-00-00000

Modernization Initiative

	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 Workforce Modernization Project

Package Description Other Funds expenditure limitation of \$10.3 million Other Funds and Federal Funds expenditure limitation of \$5.1 million will support modernization of information and business systems in the Modernization division. The project involves replacing systems supporting the delivery of employment services and the administration of federal programs, while updating business processes to align with new system capabilities. The labor exchange system, and case management systems supporting various job training, reemployment, and tax credit programs are included in the project scope.

The Workforce Modernization Project is projected to be a multi-biennia project with expenditures projected through the 2027-29 biennium. The agency assumes it will complete planning and release a request for proposal during the 2023-25 biennium. Before finalizing a contract in the 2025-27 biennium, the agency expects to prepare and submit the required artifacts for Stage Gate 3 endorsement. The LFO recommendation includes limitation to support the following:

IT professional Services including procurement costs, and implementation: \$12.1 million

Professional Services such as Independent Quality Management Services, communications and change management: \$1.4 million

Data processing, hosting, DAS Charges: \$1.9 million.

The package is supported by Modernization Funds approved by Congress and distributed to the Department in 2009, revenue from SEDAF, Penalty and Interest earnings, and federal grant funds.

LFO Recommendation Approve as non-recurring expenditures.

LFO Recommended	-	-	10,305,270	5,075,730	-	-	15,381,000	-	-
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 47100-010-90-00-00000

Modernization Initiative

	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 Agency Workload Needs

Package Description This package is a net-zero change agency-wide, and moves an existing position from the Modernization division to the Shared Services division to make more efficient use of existing position authority. The package decreases Other Funds expenditure limitation by \$375,574 Other Funds and transfers one Public Affairs Specialist 2 position (1.00 FTE).

LFO Recommendation Approve.

LFO Recommended	-	-	(375,574)	-	-	-	(375,574)	(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 106 Overtime, Differentials & Temps

Package Description This package increases expenditure limitation for differentials to support improved customer service delivery and respond to seasonal workload fluctuations..

LFO Recommendation Approve.

LFO Recommended	-	-	89,999	-	-	-	89,999	-	-
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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 moves 12 existing Operations and Policy Analyst 3 positions (12.00 FTE) from the Modernization division to Shared Services, allowing the agency to more effectively utilize its existing position authority. This change reduces Other Funds personal services expenditure limitation \$4.3 million, and increases Federal Funds personal services expenditure limitation by \$113,161. The package also reflects the centralization of state government service charges, which will now be budgeted in the Shared Services division. Expenditure limitation related to services and supplies is reduced by \$1.4 million Other Funds.

LFO Recommendation Approve.

LFO Recommended	-	-	(5,709,712)	113,161	-	-	(5,596,551)	(12)	(12.00)
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 47100-083-00-00-00000
Paid Leave Oregon Trust Fund Nonlimited

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	-	-	1,712,030,560	-	1,712,030,560	-	-
2023-25 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	-	-	1,712,030,560	-	1,712,030,560	-	-
2023-25 Leg Approved Budget (Base)	-	-	-	-	1,712,030,560	-	1,712,030,560	-	-
Summary of Base Adjustments	-	-	-	-	96,538,199	-	96,538,199	-	-
2025-27 Base Budget	-	-	-	-	1,808,568,759	-	1,808,568,759	-	-
2025-27 Current Service Level	-	-	-	-	1,808,568,759	-	1,808,568,759	-	-
Adjusted 2025-27 Current Service Level	-	-	-	-	1,808,568,759	-	1,808,568,759	-	-
2025-27 Legislative Actions	-	-	-	-	1,808,568,759	-	1,808,568,759	-	-
Net change from 2023-25 Leg Approved Budget	-	-	-	-	96,538,199	-	96,538,199	-	-
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	5.6%	0.0%	5.6%	0.0%	0.0%
Net change from 2025-27 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**LFO102 - Work Session Presentation Report
2025-27 Biennium**

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 47100-087-00-00-00000

Employment Dept - Nonlimited

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	-	-	908,789,000	69,308,000	978,097,000	-	-
2023-25 Ebds, SS & Admin Act	-	-	-	-	861,731,000	-	861,731,000	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	-	-	1,770,520,000	69,308,000	1,839,828,000	-	-
2023-25 Leg Approved Budget (Base)	-	-	-	-	908,789,000	69,308,000	978,097,000	-	-
Summary of Base Adjustments	-	-	-	-	1,135,911,000	(25,864,000)	1,110,047,000	-	-
2025-27 Base Budget	-	-	-	-	2,044,700,000	43,444,000	2,088,144,000	-	-
2025-27 Current Service Level	-	-	-	-	2,044,700,000	43,444,000	2,088,144,000	-	-
Adjusted 2025-27 Current Service Level	-	-	-	-	2,044,700,000	43,444,000	2,088,144,000	-	-
2025-27 Legislative Actions	-	-	-	-	2,044,700,000	43,444,000	2,088,144,000	-	-
Net change from 2023-25 Leg Approved Budget	-	-	-	-	274,180,000	(25,864,000)	248,316,000	-	-
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	15.5%	(37.3%)	13.5%	0.0%	0.0%
Net change from 2025-27 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Legislatively Proposed 2025 - 2027 Key Performance Measures

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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 2026	Target 2027
1. ENTERED EMPLOYMENT - Percentage of job seekers who receive service from Workforce Operations that are still employed after six months.		Approved	68%	63%	63%
2. EMPLOYMENT RETENTION - Percent of job seekers who receive service from Workforce Operations that are still employed after 12 months.		Approved	68%	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	\$974.00	\$459.00	\$478.00
4. FIRST PAYMENT TIMELINESS - Percentage of initial Unemployment Insurance payments made within 21 days of eligibility.		Approved	73%	89%	89%
5. NON-MONETARY DETERMINATIONS TIMELINESS - Percentage of claims that are adjudicated within 21 days of issue detection.		Approved	56%	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	13%	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	34%	60%	60%
8. NON-UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of orders issued within the standards established by the user agencies.		Approved	93%	93%	93%
10. AVERAGE DAYS TO ISSUE AN ORDER - Average number of days to issue an order following the close of record.		Approved	4.51	6.60	6.60
11. COST PER REFERRAL TO OAH - Average cost of hearing referral to the Office of Administrative Hearings.		Approved	\$746.00	\$902.00	\$902.00
12. HIGHER AUTHORITY APPEALS TIMELINESS - Percentage of cases requesting an appeal that receive a decision within 45 days of the date of request.		Approved	87%	80%	80%
13. TIMELINESS OF NEW STATUS DETERMINATIONS - Percentage of new status determinations completed within 90 days of the end of the liable quarter.		Approved	59%	80%	80%
14. 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	67.27%	95.50%	95.50%
	Accuracy		59.06%	95.50%	95.50%
	Availability of Information		60.93%	95.50%	95.50%

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
	Timeliness		56.97%	95.50%	95.50%
	Overall		62.03%	95.50%	95.50%
	Helpfulness		67.50%	95.50%	95.50%
15. 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	77%	80%	80%
9. Paid Leave First Eligibility Determination Timeliness - Percentage of initial Paid Leave Oregon determinations made within 21 days of a claim being filed.		Proposed New		80%	80%

LFO Recommendation:

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

The target for KPM #11 – cost per referral to the Office of Administrative Hearings – is based on state agency assessment rates, recent experience regarding the mix of cases the agency is projected to receive (the extent to which they are complicated vs relatively simple determinations) and the volume of claims. The target will change each biennium.

Results for KPM #13 (Customer Service) over time show that customer service bottomed out in 2021, began to recover in 2022-23 and declined again in 2024 as customers experienced long wait times and questions once the Frances system was live. More claims are being handled online, but as federal administrative reimbursements for the UI system have declined, fewer employees are available to take live calls and answer questions about filing or claim status. Results for this KPM are unlikely to improve without additional personnel available to process claims, verify information, and answer phones.

The Legislative Fiscal Office recommendation includes a new Key Performance Measure for the Paid Leave Oregon program that considers the timeliness of benefit determinations on initial claims, pursuant to direction provided the agency in the 2023 Legislative Session.

SubCommittee Action:

HB 5007-2
(LC 9007)
5/25/25 (DFY/ps)

Requested by JOINT COMMITTEE ON WAYS AND MEANS

**PROPOSED AMENDMENTS TO
HOUSE BILL 5007**

On page 1 of the printed bill, delete lines 5 through 25 and delete page 2 and insert:

“SECTION 1. Notwithstanding any other law limiting expenditures, the following amounts are established for the biennium beginning July 1, 2025, as the maximum limits for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and moneys appropriated to the Employment Department by sections 2 and 3 of this 2025 Act, but excluding lottery funds and federal funds other than those described in section 2 of this 2025 Act, collected or received by the Employment Department:

- (1) Unemployment insurance,
shared services, workforce
operations, contributions
and recovery, and workforce
and economic research \$314,651,681
- (2) Office of Administrative
Hearings..... \$ 42,784,250
- (3) Family and medical leave
insurance program..... \$109,427,132
- (4) Modernization Initiative..... \$ 35,220,754

“SECTION 2. (1) There is appropriated to the Employment Depart-

1 ment, for the biennium beginning July 1, 2025, out of the moderniza-
2 tion funds made available to the state on June 4, 2009, and July 16,
3 2009, under section 903(f) of the Social Security Act (42 U.S.C. 1103(f)),
4 as amended, the amount of \$41,743,207 to be used for the purposes of
5 administering unemployment compensation law and public employ-
6 ment offices and for debt service and capital improvements.

7 “(2) Expenditures of funds appropriated to the Employment De-
8 partment under this section are limited by section 1 (1), (3) and (4) of
9 this 2025 Act.

10 “SECTION 3. (1) There is appropriated to the Employment Depart-
11 ment, for the biennium beginning July 1, 2025, out of the Employment
12 Department Special Administrative Fund established in ORS 657.822,
13 the amount of \$65,000,000 to be used for the purposes of administering
14 unemployment compensation law and public employment offices and
15 for debt service and capital improvements.

16 “(2) Expenditures of funds appropriated to the Employment De-
17 partment under this section are limited by section 1 (1), (3) and (4) of
18 this 2025 Act.

19 “SECTION 4. Notwithstanding any other law limiting expenditures,
20 the amount of \$192,329,282 is established for the biennium beginning
21 July 1, 2025, as the maximum limit for payment of expenses from fed-
22 eral funds, other than those described in section 2 of this 2025 Act,
23 collected or received by the Employment Department.

24 “SECTION 5. (1) For the biennium beginning July 1, 2025, expendi-
25 tures by the Employment Department for unemployment insurance
26 claims from the Unemployment Compensation Trust Fund are not
27 limited.

28 “(2) For the biennium beginning July 1, 2025, expenditures by the
29 Employment Department for benefits paid from the Paid Family and
30 Medical Leave Insurance Fund are not limited.

“(3) For the biennium beginning July 1, 2025, expenditures by the Employment Department for benefits paid under the federal Trade Act and for unemployment insurance claims from federal funds are not limited.

“SECTION 6. This 2025 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect July 1, 2025.”.