



Joint Committee on Ways and Means
Subcommittee on Transportation and Economic
Development
Phase 2 Budget Presentation

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April 17, 2013

OED Phase 2 Overview

- Enterprise Administrative Reduction Package OED 091

\$1.7 million – reduction of 8-10 positions

- Revenue Transfer Package 301

\$10 million to General Fund

- Policy Packages (13) and Position Changes

187 Limited Duration positions added in 2011-13 are eliminated in 2013-15
38 of the 187 Limited Duration are requested again as Limited Duration
39 of the 187 Limited Duration are requested as Permanent Positions
14 New Limited Duration positions are requested
91 Permanent Positions are proposed for elimination
83 Child Care positions are moved to Department of Education
86 Short-term Limited Duration for UI Workload

UI Call Center Maintenance and Upgrade Package 103

Revenue source: Federal Funds - \$2,594,177

Hardware and software lifecycle replacement with vendors

Outcomes:

- * Maintain call center system stability to avoid service disruptions
- * Increased operational efficiency
- * Additional functionality

Improved ability to serve the public without increasing staffing levels

UI Benefit Payment Control Package 104

- Prevent, detect and recover unemployment insurance benefit overpayments
- Projected to increase overpayment collections by \$8 million
- Revenue sources:
 - Other funds: \$1,532,141
 - Federal funds: \$288,000
- Continues 12 limited duration positions (12 FTE) that were provided for in the 2011/2013 biennium

Emergency Unemployment Compensation

Continue funding and positions for January 2013 Emergency Unemployment Insurance Compensation (EUC) extension and UI integrity efforts

- EUC workload: 66 positions for 6 mos. - 16.5 FTE
- EUC hearings: 3 administrative law judge positions for 9 mos. – 1.13 FTE
- Business Process Analysis
- Benefit Payment Control : 7 positions for 3 mos. - 0.88 FTE
- Step Down Pilot : 9 positions for 6 mos. – 2.25 FTE
- Integrity Task Force Coordinator for 6 mos. – 0.25 FTE
- Revenue sources:
 - Other funds: \$221,000
 - Federal funds: \$4,332,169

UI Budget Reduction Plan 2013-15

- * First stage of a multi-biennial plan
 - * Reduce expenditures by \$8 million
 - * 64 positions over the course of the biennium
 - * Consolidate Call Center into two locations
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- * Assumes additional revenue of \$900,000 from passage of SB 191, SB 252 A and SB 259 A

BES Trade Act

Policy Option Package 102

Provides services to Workers impacted by foreign trade.

- Funds Restricted to Training and Intensive Employment Services for Displaced Workers
 - Trade Act Intensive Employment Services is a comprehensive group of services which can include career counseling, assessment, and development of individual employment plans. All services are provided with the goal of returning workers back to suitable work.
 - On Dec 31, 2012, Trade Act had 2073 affected workers under case management, with 945 in training.
- Federal Funds - \$4 Million - 24 Positions

BES Contracted Services Policy Option Package 109

Contract and Job Placement Requests

- Similar packages approved for last 10 biennia
- Other Funds - \$3.3 Million
- 23 Limited Duration Position

Continuing Contractual Relationships

- Vocational Rehabilitation, Job Opportunity Basic Skills, Oregon Food Stamp Employment Transition, Dislocated Worker, and Community Corrections
- Partner Agency Customers Receive Comprehensive Employment Services

BES

Re-employment & Eligibility Assessment Policy Option Package 111

- Encouraged by DOL and demonstrated to produce cost savings to the UI Trust Fund and decrease the chances of a claimant exhausting benefits. 12 million saved last year.
- A joint project between B&ES and UI
 - The purpose is to validate claimants' eligibility for benefits and assist them to return to work as soon as possible
- Designed to serve 50,000 claimants/year
- Federal Funds - \$4.3 Million - 29 Positions

BES

Reduction Plans for 2013-2015 Policy Option Package 113

- First stage of a multi-biennial plan
- Other Funds - \$3.4 Million - 22 positions
- Criteria used to determine locations of reductions
 - Workload
 - Equity
 - Integrated Service Delivery
 - State-Wide Service
- Balance between staff, supplies and infrastructure.
- Reductions made through attrition where possible.
- Service maintained through other office locations, technology and outreach efforts.

Research Special Projects Policy Option Package 110

- Similar Policy Option Package approved in 2009-11 and 2011-2013
- Continues Research's ability to conduct and/or coordinate special studies
- Other Funds - \$528,194
- Continues 3 Limited Duration positions from 11-13
- Positions filled only if projects are identified and customers or partners provide resources

Research Reduction Plan for 2013-15

Policy Option Package 113

- First stage of multi-biennial plan
- Reduce five positions: two at start of biennium and three during biennium
 - Eliminate most employment surveys and special-focus analyses that are not specifically contract- or grant-funded
 - Slow down development of online tools
 - Reduce analysis of occupational and career information
 - Customers impacted: businesses, workforce boards, policy makers, students, educators, job seekers.
- Complete the transition of most reports to online only
 - Many reports already online only
 - Labor Trends series redesigned and online only by 1/1/15

Child Care Policy Package 101

Allocated \$2.8 million in federal funds to the Child Care Division budget for a baseline budget for the Quality Rating and Improvement System

- Sustains an ongoing, baseline budget for the Quality Rating and Improvement System (QRIS)
- 2 permanent positions
- Note: The federal Race to the Top grant is providing millions to establish a statewide QRIS

Child Care

Policy Package 401 and HB 3234

The establishment of an Early Learning Division at Department of Education

- Moves the Child Care Division from Employment Department to the Early Learning Division
 - 83 positions
 - \$4.2 million in General Funds
 - \$3.7 million in Other Funds
 - \$130 million in Federal Funds

Office of Administrative Hearings

Continuation of the Office of Administrative Hearings case management system replacement project into 2013-15 – completion fall 2014.

- Revenue source:
Other funds: \$318,000

Thanks