

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: HB 5009-A

**Carrier – House: Rep. Read
Carrier – Senate: Sen. Shields**

Action: Do Pass as Amended and be Printed A-Engrossed

Vote: 22 – 2 – 2

House

Yeas: Barker, Buckley, Frederick, Freeman, Huffman, Jenson, Komp, Nathanson, Richardson, Smith, Tomei, Williamson

Nays: McLane

Exc: Hanna, Read

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Whitsett, Winters

Nays: Thomsen

Exc:

Prepared By: Bill McGee, Department of Administrative Services

Reviewed By: Michelle Deister, Legislative Fiscal Office

Meeting Date: June 21, 2013

Agency

Employment Department

Biennium

2013-15

Budget Summary*

	2011-13 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 3,234,080	\$ 4,119,654	\$ 0	\$ (3,234,080)	-100.0%
Other Funds	\$ 128,486,350	\$ 127,030,686	\$ 120,111,749	\$ (8,374,601)	-6.5%
Other Funds Capital Improvement	\$ 314,986	\$ 322,546	\$ 322,546	\$ 7,560	2.4%
Other Funds Debt Service	\$ 368,888	\$ 186,075	\$ 186,075	\$ (182,813)	-49.6%
Other Funds Nonlimited	\$ 2,077,281,096	\$ 1,648,948,096	\$ 1,648,948,096	\$ (428,333,000)	-20.6%
Federal Funds	\$ 303,447,537	\$ 279,109,814	\$ 159,045,097	\$ (144,402,440)	-47.6%
Federal Funds Nonlimited	\$ 1,425,000,000	\$ 110,000,000	\$ 110,000,000	\$ (1,315,000,000)	-92.3%
Total	\$ 3,938,132,937	\$ 2,169,716,871	\$ 2,038,613,563	\$ (1,899,519,374)	-48.2%

Position Summary

Authorized Positions	1,549	1,346	1,334	-215
Full-time Equivalent (FTE) positions	1,481.21	1,306.70	1,279.37	-201.84

⁽¹⁾ Includes adjustments through December 2012

* Excludes Capital Construction expenditures

Summary of Revenue Changes

Unemployment taxes are collected by the state and held by the U.S. Treasury for the payment of benefits to eligible claimants. Benefits paid with these funds are expended as Other Funds Nonlimited. Unemployment benefits paid by the federal government under emergency and extended benefit programs and the federal Trade Act are expended as Federal Funds Nonlimited.

The major sources of Other Funds revenues supporting agency operations are the Supplemental Employment Department Administrative Fund (SEDAF) generated from unemployment tax proceeds, periodic distributions of Federal Reed Act funds, Special Administrative Fund revenues from interest and tax compliance penalties, and Fraud Control Fund revenues from overpayment collection activities.

The agency also receives Other Fund revenues from contracts with other state agencies to provide employment placement and research services. The Office of Administrative Hearings is funded with charges to agencies for which it conducts hearings.

Federal Unemployment Tax Act (FUTA) revenues are generated through a tax on employers and are based on the number of claims, employer accounts, time spent on various workload activities, and staff costs. A portion of these revenues are returned to the state to fund administration of employment security programs. Federal Wagner-Peyser Act funds are allocated based on the civilian labor force and unemployment history for employment related labor exchange services

The Child Care Division, which is transferred to the Department of Education Early Learning Division in the approved budget, is supported by General Fund, Other Funds from licensing fees and the child care tax credit program, and Federal Funds from the Child Care Development Block Grant. The federal Race to the Top grant received from the U.S. Department of Education funds efforts to improve child care services.

The Employment Department anticipates that SEDAF and federal support for administration of unemployment insurance programs will drop as the number of UI claimants declines and the economy continues a slow recovery from the 2007-09 recession. In the 2013-15 biennium, the department will begin to eliminate positions and make other reductions to accommodate declining revenues. The approved budget reduces Other Funds and Federal Funds by a total of \$9.4 million and eliminates 88 positions (54.84 full-time equivalent) to begin these reductions. Additional positions will be eliminated by attrition throughout the biennium. Further reductions are anticipated in the 2015-17 biennium.

Summary of Transportation and Economic Development Subcommittee Action

The Employment Department's mission is to support business and promote employment. To accomplish this mission, the agency administers the Unemployment Insurance (UI) benefits program, recruits and refers applicants to job openings, assists job seekers in their employment searches, and develops and distributes workforce and economic information. The Office of Administrative Hearings (OAH) adjudicates citizen and business disputes with state agencies. Child care programs are transferred to the Department of Education Early Learning Division.

The Subcommittee approved a budget of \$2,038,613,563 total funds, and 1,279.37 full-time equivalent (FTE) positions. Total funds and FTE are reduced from the 2011-13 Legislatively Approved Budget (LAB) by 48.2 percent and 13.6 percent respectively largely due to an anticipated decrease in the unemployment compensation workload resulting from an improving economy, some claimants exhausting their eligibility for benefits, and the likely phase-out of federal extended and emergency benefit funding. Additional reductions in the approved budget, including elimination of all General Fund, result from the transfer of the Child Care Division to the Department of Education Early Learning Division.

In addition to transferring the Child Care Division to the Department of Education, packages approved by the Subcommittee reduce Other Funds and Federal Funds in anticipation of shortfalls in federal and other revenues; expand efforts to reduce and recover UI overpayments and help UI claimants return to work more quickly; implement federal extension of the Emergency Unemployment Compensation program and reauthorization

of the Trade Act; and establish limited duration positions for job placement and research services provided under contracts with state agencies and other organizations. The approved budget also includes standard reductions for statewide administrative savings and Public Employee Retirement System (PERS) reductions included in Senate Bill 822.

Unemployment Insurance

The Unemployment Insurance (UI) program provides temporary income maintenance for workers who are unemployed through no fault of their own and acts as a partial economic stabilizer for communities during periods of economic recession. The program determines eligibility and pays unemployment benefits, reviews appeals of eligibility, benefit, and tax decisions, and administers the state's unemployment tax program. The Employment Appeals Board is included in this program area.

The Subcommittee approved a budget of \$136,279,312 total funds and 625.53 FTE, reduced from the 2011-13 LAB by 5.7 percent and 10.8 percent respectively.

The Subcommittee took the following actions:

- Approved the base budget and essential packages.
- Approved Package 081 that includes the 2013-15 impact of actions taken by the Emergency Board at its May 2012 meeting to implement the statewide budget rebalance plan approved during the February 2012 legislative session. This package, which reduces Other Funds by \$25,515 and Federal Funds by \$3,012, rebalances the reduction actions among the divisions.
- Approved Package 091, a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on these reductions with agencies and report back to the 2014 legislative session. The package reduces Other Funds by \$74,946 and Federal Funds by \$688,459.
- Approved Package 092 that reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. The change reduces state employer contribution rates by approximately 0.3 percent. The package reduces Other Funds by \$31,747 and Federal Funds by \$212,687.
- Approved Package 093 that reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. The change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report will reduce state employer contribution rates by up to an additional 1.9 percent.

However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces Other Funds by \$253,670 and Federal Funds by \$1,699,472.

- Approved Package 104 that provides expenditure limitation and position authority to continue 12 limited duration positions dedicated to fraud detection and overpayment recovery. The package increases Other Funds by \$1,532,141 and Federal Funds by \$288,000. The 12 full-time positions (12.00 FTE) are continued as limited duration in the 2013-15 biennium.
- Approved Package 111 that continues a federally funded Reemployment Eligibility Assessment program that evaluates a UI claimant's eligibility, work search efforts, and skills in order to provide targeted job search and reemployment assistance, with the goal of getting claimants back to work more quickly and reduce costs to the UI Trust Fund. The package increases Federal Funds by \$4,282,303 and establishes 29 full-time permanent Business and Employment Specialist 2 positions (29.00 FTE).
- Approved Package 113 that reduces funding for the Unemployment Insurance unit due to the anticipation of declining Federal Funds from the U.S. Department of Labor for UI administrative activities. The department proposes to consolidate three call centers into two and reduce support, audit and administrative functions. The reductions will be phased in over the course of the 2013-15 biennium, allowing many of the position reductions to occur through attrition. Further reductions are anticipated for the 2015-17 biennium. The package reduces Other Funds by \$1,578,538 and Federal Funds by \$1,260,777. The package also eliminates the following 38 positions (13.34 FTE):

Classifications	Number of Positions	Position Numbers
Principal Executive/Manager E	1	00003794
Principal Executive/Manager B	6	00002677, 00000608, 00000748, 00001181, 00002180, 00002481
Compliance Specialist 2	4	00002279, 00000282, 00000293, 00001585
Data Entry Operator	1	00002753
Employment Adjudicator	17	00001824, 00002627, 00001390, 00000984, 00000855, 00001206, 00000761, 00000872, 00001944, 00001947, 00001335, 00002638, 00002127, 00003121, 00001832, 00001829, 00004238
Office Assistant 2	3	00002094, 00000143, 00002984
Operations and Policy Analyst 2	2	00000528, 00904045
Research Analyst 1	3	00000805, 00003138, 00001220
Research Analyst 2	1	00001852

The Subcommittee authorized the department to change fund types on these positions prior to their elimination while maintaining the total package reduction by fund types with a minimal reconciliation adjustment.

- Approved Package 401 that eliminates Employment Department administrative support for the Child Care Division following its transfer to the Department of Education Early Learning Division. The package reduces Other Funds by \$221,777. One Information Systems Specialist 6 (position number 00002800) is transferred to the Department of Education.
- Approved Package 811 that provides limited duration position authority and expenditure limitation for expected increases in UI administration resulting from federal extension of Emergency Unemployment Compensation through December 2013. The package increases Federal Funds expenditure limitation by \$4,332,169 and established 83 part-time limited duration positions (19.88 FTE). The following positions are established for six months at 0.25 FTE each: 61 Business and Employment Specialist 2 positions, 11 Employment Adjudicator positions, three Business and Employment Specialist 1 positions, and one Operations and Policy Analyst 2 position. The following positions are established for three months at 0.13 FTE each: one Employment Adjudicator, one Operations and Policy Analyst 4, one Compliance Specialist 2, one Research Analyst 1, one Investigator 1, one Office Specialist 2, and one Office Specialist 1.
- Approved Package 812 that provides Federal Funds expenditure limitation to replace telephone systems servicing UI call centers that have reached the end of their useful and supported life cycle, and to fund acquisition of enhanced predictive dialing capabilities. The package increases Federal Funds by \$2,594,177 and establishes one limited duration Information System Specialist 6 (0.75 FTE).

Business and Employment Services

The Business and Employment Services Division serves businesses by recruiting and referring the best-qualified applicants to jobs, and provides resources to diverse job seekers in support of their employment needs. The division has a statewide network of field offices and one-stop centers to provide a job listing/referral service for Oregon employers and a job referral/ placement service for Oregon job seekers.

The Subcommittee approved a budget of \$102,132,466 total funds and 477.21 FTE, reduced from the 2011-13 LAB by 1.6 percent and 7.2 percent respectively.

The subcommittee took the following actions:

- Approved the base budget and essential packages.
- Approved Package 081 that includes the 2013-15 impact of actions taken by the Emergency Board at its May 2012 meeting to implement the statewide budget rebalance plan approved during the February 2012 legislative session. This package, which increases Other Funds by \$216,797, rebalances the reduction actions among the divisions.
- Approved Package 091, a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on these reductions with agencies and report back to the 2014 legislative session. The package reduces Other Funds by \$443,957 and Federal Funds by \$163,364.

- Approved Package 092 that reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. The change reduces state employer contribution rates by approximately 0.3 percent. The package reduces Other Funds by \$137,090 and Federal Funds by \$62,097.
- Approved Package 093 that reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. The change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces Other Funds by \$1,095,411, and Federal Funds by \$496,187.
- Approved Package 102 that provides expenditure limitation and position authority to implement the federal extension of the Trade Act. The Trade Act provides funding for extensive job search and training for workers who lose jobs due to international trade competition. Since 2011, the requirements for more intensive services for this population have increased significantly. One-on-one case management services are required for every program enrollee, with more frequent interfaces for those in training programs. The package increases Federal Fund by \$4,049,524 and establishes 24 full-time limited duration positions.
- Approved Package 109 that establishes limited duration positions to provide job placement services under contract, on a fee-for-service basis. This arrangement enables the Department to respond to requests from state agencies to provide job placement services for clients. Client agencies include the Office of Vocational Rehabilitation Services, the Department of Corrections, and the Department of Human Services. The package includes \$3,137,022 Other Funds and 22 full-time limited duration positions.
- Approved Package 113 that reduces funding for the Business and Employment Services unit due to the anticipation of declining Special Employment Department Administration Funds (SEDAF) Other Funds and flat or declining Federal Funds from the U.S. Department of Labor under the Wagner-Peyser Act and Unemployment Insurance administrative grants. The department proposes to accomplish this by consolidating smaller or remote field offices with those in neighboring communities and reducing staff in field offices and in the Salem central office. The reductions will be phased in over the course of the 2013-15 biennium, allowing many of the position reductions to occur through attrition. Further reductions are anticipated for the 2015-17 biennium. The package reduces Other Funds by \$3,641,642 and Federal Funds by \$2,337,979. The package also eliminates 48 positions (39.50 FTE). The Governor's budget eliminated 22 positions: the approved budget restores six of these positions (0000067, 0000153, 0000245, 0000450, 0003359 and 00004328) and eliminates six others (0001269, 0002001, 0002220, 0002268, 0002806, and 0002997). The approved budget also eliminates an additional 26 Business and Employment Specialist 1 positions (0980106-0980113, 0980117, 0980118, 0980101, 0980102, 0980123-0980131, 0980133-0980137). The Subcommittee authorized the department to change fund types on these positions prior to their elimination while maintaining the total package reduction by fund types with a minimal reconciliation adjustment.

- Approved Package 401 that eliminates Employment Department administrative support for the Child Care Division following its transfer to the Department of Education Early Learning Division. The package reduces Other Funds by \$845,797. Three positions (3.00 FTE) are abolished and replaced with newly established positions in the Department of Education. One Information Systems Specialist 7 (position number 00003252) is transferred to the Department of Education.
- Approved Package 810 that corrects an error in Package 021 that overestimated expenditure limitation and position authority needed for extension of the Trade Act. The package reduces Federal Funds by \$629,381 and eliminates 17 limited duration positions (4.25 FTE). Positions include 13 Business and Employment Specialist 2s, one Program Analyst 2, one Administrative Specialist 1, one Office Specialist 2, and one Public Affairs Specialist 1.

Child Care Division

The Child Care Division is responsible for creating a comprehensive statewide system of safe, accessible, and affordable, quality child care. All funding and staff for the division are transferred to the Department of Education Early Learning Division in the approved budget.

The Subcommittee took the following actions:

- Approved the base budget and essential packages.
- Approved Package 091, a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on these reductions with agencies and report back to the 2014 legislative session. The package reduces General Fund by \$17,071, Other Funds by \$9,112, and Federal Funds by \$65,701.
- Approved Package 092 that reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. The change reduces state employer contribution rates by approximately 0.3 percent. The package reduces General Fund by \$8,533, Other Funds by \$2,630, and Federal Funds by \$20,446.
- Approved Package 093 that reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. The change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces General Fund by \$68,180, Other Funds by \$21,014 and Federal Funds by \$163,375.

- Approved Package 101 that provides expenditure limitation and position authority needed to implement the Tiered Quality Rating and Improvement System for child care, pursuant to the U.S. Department of Education Race to the Top grant received during the 2011-13 biennium. The package increases Federal Funds by \$2,798,959 and establishes two permanent full-time positions (2.00 FTE).
- Approved Package 401 that transfers all revenues, expenditures, positions, and FTE from the Child Care Division to the Early Learning Division in the Department of Education. The package reduces General Fund by \$4,025,870, Other Funds by \$3,056,824 and Federal Funds by \$130,211,416. Eighty positions (76.00) are transferred between the departments.

Office of Administrative Hearings

The Office of Administrative Hearings (OAH) provides an independent and impartial forum for citizens and businesses to adjudicate their disputes with state agencies. The Subcommittee approved a budget of \$26,040,985 Other Funds and 111.13 FTE, reduced from the 2011-13 LAB by 5.4 percent and 9.5 percent respectively.

The Subcommittee took the following actions:

- Approved the base budget and essential packages.
- Approved Package 081 that includes the 2013-15 impact of actions taken by the Emergency Board at its May 2012 meeting to implement the statewide budget rebalance plan approved during the February 2012 legislative session. This package, which increases Other Funds by \$31,508, rebalances the reduction actions among the divisions.
- Approved Package 091, a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on these reductions with agencies and report back to the 2014 legislative session. The package reduces Other Funds by \$152,394.
- Approved Package 092 that reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. The change reduces state employer contribution rates by approximately 0.3 percent. The package reduces Other Funds by \$56,034.
- Approved Package 093 that reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. The change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces Other Funds by \$447,739.

- Approved Package 811 that provides limited duration position authority and expenditure limitation for expected increases in UI appeals resulting from federal extension of the Emergency Unemployment Compensation program through December 2013. The package increases Other Funds expenditure limitation by \$221,000 and establishes three part-time limited duration Administrative Law Judge 1 positions (1.13 FTE).
- Approved Package 812 that provides Other Funds expenditure limitation for the completion of Phase 1 of the OAH case management system replacement project; most of this phase of the project was completed in the 2011-13 biennium. The project is intended to provide OAH with integrated case management functionality that will improve services to clients and improve productivity. The package increases Other Funds by \$318,000.

Workforce and Economic Research

The Workforce and Economic Research Division has primary responsibility for providing quality workforce and economic information for the state, its workforce regions, and counties. The division is Oregon's designated Employment Statistics Agency (under the federal Workforce Investment Act of 1998) and Oregon's designated agency for the coordination of occupational and career information. The Subcommittee approved a budget of \$15,212,704 total funds and 65.50 FTE, reduced from the 2011-13 LAB by 0.2 percent and 4.4 percent respectively.

The Subcommittee took the following action:

- Approved the base budget and essential packages.
- Approved Package 091, a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on these reductions with agencies and report back to the 2014 legislative session. The package reduces Other Funds by \$51,625 and Federal Funds by \$40,443.
- Approved Package 092 that reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. The change reduces state employer contribution rates by approximately 0.3 percent. The package reduces Other Funds by \$18,367 and Federal Funds by \$14,824.
- Approved Package 093 that reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. The change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces Other Funds by \$146,763 and Federal Funds by \$118,452.

- Approved Package 110 that provides expenditure limitation and position authority for the Workforce and Economic Research Division to conduct specialized research and economic analysis on behalf of requesting businesses on a fee-for-service basis. Positions will only be filled if relevant specific projects are identified and specific funding is provided by the requesting agency. The package increases Other Funds by \$373,048 and establishes two full-time limited duration positions, a Research Analyst 4 and an Economist 2 (2.00 FTE).
- Approved Package 113 that reduces funding for the Workforce and Economic Research unit due to the anticipation of declining Other Funds from Special Employment Department Administration Fund (SEDAF) revenues and flat or declining Federal Funds from the U.S. Department of Labor, Bureau of Labor Statistics. The package reduces Other Funds by \$594,622 and eliminates one Research Analyst 3 and one Research Analyst 2 positions (2.00 FTE, position numbers 0000399 and 00002805). The Subcommittee authorized the department to change fund types on these positions prior to their elimination while maintaining the total package reduction by fund types with a minimal reconciliation adjustment.

An additional three positions will be eliminated by attrition during the 2013-15 biennium; the three positions will be phased-out in the 2015-17 Current Service Level. The Department of Administrative Services is requested to unschedule \$500,000 Other Funds, the savings estimated to accrue during the 2013-15 biennium as the positions are vacated.

Nonlimited

Nonlimited funds include unemployment tax collections, trust fund interest earnings, and federal revenues that are used to pay unemployment insurance benefits to qualified applicants who are out of work and actively seeking work. Nonlimited funds also include federal revenues used to fund various federal training programs such as the North American Free Trade Act and the Trade Assistance Program. Both Other Funds and Federal Funds are projected to decrease significantly as unemployed workers find jobs or exhaust their eligibility.

The Subcommittee approved a budget of \$1,758,948,096 total funds, reduced by 49.8 percent from the 2011-13 LAB. No positions are included in this program unit.

Summary of Performance Measure Action

The Subcommittee approved the proposed Key Performance Measures, with the exception of KPM #13, which was eliminated due to the transfer of the Child Care Division to the Department of Education Early Learning Division. See attached Legislatively Adopted 2011-13 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5009-A

Employment Department
Bill McGee 503-378-2078

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2011-13 Legislatively Approved Budget at Dec 2012 *	\$ 3,234,080	\$ 0	\$ 129,170,224	\$ 2,077,281,096	\$ 303,447,537	\$ 1,425,000,000	\$ 3,938,132,937	1,549	1,481.21
2013-15 ORBITS printed Current Service Level (CSL)*	\$ 4,119,654	\$ 0	\$ 127,539,307	\$ 1,648,948,096	\$ 279,109,814	\$ 110,000,000	\$ 2,169,716,871	1,346	1,306.70
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 010-10 Unemployment Insurance									
Package 081: May 2012 Eboard									
Personal Services	\$ 0	\$ 0	\$ (25,515)	\$ 0	\$ (3,012)	\$ 0	\$ (28,527)	0	0.00
Package 091: Statewide Administrative Savings									
Personal Services	\$ 0	\$ 0	\$ (66,244)	\$ 0	\$ (483,349)	\$ 0	\$ (549,593)	0	0.00
Services and Supplies	\$ 0	\$ 0	\$ (8,702)	\$ 0	\$ (204,267)	\$ 0	\$ (212,969)		
Capital Outlay	\$ 0	\$ 0	\$ 0	\$ 0	\$ (843)	\$ 0	\$ (843)		
Package 092 PERS Taxation Policy									
Personal Services	\$ 0	\$ 0	\$ (31,747)	\$ 0	\$ (212,687)	\$ 0	\$ (244,434)	0	0.00
Package 093 Other PERS Adjustments									
Personal Services	\$ 0	\$ 0	\$ (253,670)	\$ 0	\$ (1,699,472)	\$ 0	\$ (1,953,142)	0	0.00
Package 104: Benefit Payment Control Staff									
Personal Services	\$ 0	\$ 0	\$ 1,532,141	\$ 0	\$ 0	\$ 0	\$ 1,532,141	12	12.00
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 288,000	\$ 0	\$ 288,000		
Package 111: Re-employment and Eligibility Assessment									
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,562,303	\$ 0	\$ 3,562,303	29	29.00
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 720,000	\$ 0	\$ 720,000		
Package 113: Revenue Realignment									
Personal Services	\$ 0	\$ 0	\$ (988,538)	\$ 0	\$ (1,260,777)	\$ 0	\$ (2,249,315)	-38	-13.34
Services and Supplies	\$ 0	\$ 0	\$ (590,000)	\$ 0	\$ 0	\$ 0	\$ (590,000)		
Package 401: Transfer Child Care Division to Early Learning Council									
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ (221,777)	\$ 0	\$ (221,777)	-1	-1.00

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HB 5009-A

Employment Department
Bill McGee 503-378-2078

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Package 811: EUC Extension										
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,329,684	\$ 0	\$ 3,329,684	83	19.88
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,002,485	\$ 0	\$ 1,002,485		
Package 812: Information Technology										
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 145,317	\$ 0	\$ 145,317	1	0.75
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,609,640	\$ 0	\$ 1,609,640		
Capital Outlay	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 839,220	\$ 0	\$ 839,220		
SCR 001-20 Business & Employment Services										
Package 081: May 2012 Eboard										
Personal Services	\$ 0	\$ 0	\$ (33,203)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (33,203)	0	0.00
Services and Supplies	\$ 0	\$ 0	\$ 250,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 250,000		
Package 091: Statewide Administrative Savings										
Personal Services	\$ 0	\$ 0	\$ (328,410)	\$ 0	\$ (129,550)	\$ 0	\$ 0	\$ (457,960)	0	0.00
Services and Supplies	\$ 0	\$ 0	\$ (111,056)	\$ 0	\$ (33,601)	\$ 0	\$ 0	\$ (144,657)		
Capital Outlay	\$ 0	\$ 0	\$ (4,491)	\$ 0	\$ (213)	\$ 0	\$ 0	\$ (4,704)		
Package 092 PERS Taxation Policy										
Personal Services	\$ 0	\$ 0	\$ (137,090)	\$ 0	\$ (62,097)	\$ 0	\$ 0	\$ (199,187)	0	0.00
Package 093 Other PERS Adjustments										
Personal Services	\$ 0	\$ 0	\$ (1,095,411)	\$ 0	\$ (496,187)	\$ 0	\$ 0	\$ (1,591,598)	0	0.00
Package 102: Trade Act Reauthorization										
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,961,524	\$ 0	\$ 2,961,524	24	24.00
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,088,000	\$ 0	\$ 1,088,000		
Package 109: B&ES Contracted Services										
Personal Services	\$ 0	\$ 0	\$ 2,702,435	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,702,435	22	22.00
Services and Supplies	\$ 0	\$ 0	\$ 434,587	\$ 0	\$ 0	\$ 0	\$ 0	\$ 434,587		

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5009-A

Employment Department
Bill McGee 503-378-2078

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 113: Revenue Realignment									
Personal Services	\$ 0	\$ 0	\$ (3,004,132)	\$ 0	\$ (2,337,979)	\$ 0	\$ (5,342,111)	-48	-39.50
Services and Supplies	\$ 0	\$ 0	\$ (637,510)	\$ 0	\$ 0	\$ 0	\$ (637,510)		
Package 401: Transfer Child Care Division to Early Learning Council									
Personal Services	\$ 0	\$ 0	\$ (773,797)	\$ 0	\$ 0	\$ 0	\$ (773,797)	-4	-4.00
Services and Supplies	\$ 0	\$ 0	\$ (72,000)	\$ 0	\$ 0	\$ 0	\$ (72,000)		
Package 810: LFO Analyst Adjustments									
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ (527,481)	\$ 0	\$ (527,481)	-17	-4.25
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ (101,900)	\$ 0	\$ (101,900)		
Capital Outlay	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
SCR 010-30 Child Care Division									
Package 091: Statewide Administrative Savings									
Personal Services	\$ (16,713)	\$ 0	\$ (6,570)	\$ 0	\$ (46,069)	\$ 0	\$ (69,352)	0	0.00
Services and Supplies	\$ (295)	\$ 0	\$ (2,520)	\$ 0	\$ (19,605)	\$ 0	\$ (22,420)		
Capital Outlay	\$ (63)	\$ 0	\$ (22)	\$ 0	\$ (27)	\$ 0	\$ (112)		
Package 092 PERS Taxation Policy									
Personal Services	\$ (8,533)	\$ 0	\$ (2,630)	\$ 0	\$ (20,446)	\$ 0	\$ (31,609)	0	0.00
Package 093 Other PERS Adjustments									
Personal Services	\$ (68,180)	\$ 0	\$ (21,014)	\$ 0	\$ (163,375)	\$ 0	\$ (252,569)	0	0.00
Package 101: TQRIS									
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 260,913	\$ 0	\$ 260,913	2	2.00
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,338,046	\$ 0	\$ 1,338,046		
Special Payments-Dist to Non Gov Units	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,200,000	\$ 0	\$ 1,200,000		

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5009-A

Employment Department
Bill McGee 503-378-2078

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 401: Transfer Child Care Division to Early Learning Council									
Personal Services	\$ (3,790,877)	\$ 0	\$ (1,098,892)	\$ 0	\$ (7,946,380)	\$ 0	\$ (12,836,149)	-80	-76.00
Services and Supplies	\$ (67,480)	\$ 0	\$ (430,698)	\$ 0	\$ (4,697,282)	\$ 0	\$ (5,195,460)		
Capital Outlay	\$ (14,542)	\$ 0	\$ (3,824)	\$ 0	\$ (4,652)	\$ 0	\$ (23,018)		
Special Payments	\$ (152,971)	\$ 0	\$ (1,523,410)	\$ 0	\$ (117,563,102)	\$ 0	\$ (119,239,483)		
SCR 010-40 Office of Administrative Hearings									
Package 081: May 2012 Eboard									
Personal Services	\$ 0	\$ 0	\$ (31,508)	\$ 0	\$ 0	\$ 0	\$ (31,508)	0	0.00
Package 091: Statewide Administrative Savings									
Personal Services	\$ 0	\$ 0	\$ (128,073)	\$ 0	\$ 0	\$ 0	\$ (128,073)	0	0.00
Services and Supplies	\$ 0	\$ 0	\$ (24,319)	\$ 0	\$ 0	\$ 0	\$ (24,319)		
Capital Outlay	\$ 0	\$ 0	\$ (2)	\$ 0	\$ 0	\$ 0	\$ (2)		
Package 092 PERS Taxation Policy									
Personal Services	\$ 0	\$ 0	\$ (56,034)	\$ 0	\$ 0	\$ 0	\$ (56,034)	0	0.00
Package 093 Other PERS Adjustments									
Personal Services	\$ 0	\$ 0	\$ (447,739)	\$ 0	\$ 0	\$ 0	\$ (447,739)	0	0.00
Package 811: EUC Extension									
Personal Services	\$ 0	\$ 0	\$ 193,628	\$ 0	\$ 0	\$ 0	\$ 193,628	3	1.13
Services and Supplies	\$ 0	\$ 0	\$ 27,372	\$ 0	\$ 0	\$ 0	\$ 27,372		
Package 812: Information Technology									
Services and Supplies	\$ 0	\$ 0	\$ 318,000	\$ 0	\$ 0	\$ 0	\$ 318,000	0	0.00
SCR 010-50 Workforce & Economic Research									
Package 091: Statewide Administrative Savings									
Personal Services	\$ 0	\$ 0	\$ (41,619)	\$ 0	\$ (34,610)	\$ 0	\$ (76,229)	0	0.00
Services and Supplies	\$ 0	\$ 0	\$ (9,986)	\$ 0	\$ (5,810)	\$ 0	\$ (15,796)		
Capital Outlay	\$ 0	\$ 0	\$ (20)	\$ 0	\$ (23)	\$ 0	\$ (43)		

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5009-A

Employment Department
Bill McGee 503-378-2078

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
+									
Package 092 PERS Taxation Policy									
Personal Services	\$ 0	\$ 0	\$ (18,367)	\$ 0	\$ (14,824)	\$ 0	\$ (33,191)	0	0.00
Package 093 Other PERS Adjustments									
Personal Services	\$ 0	\$ 0	\$ (146,763)	\$ 0	\$ (118,452)	\$ 0	\$ (265,215)	0	0.00
Package 110: Research Contracted Services									
Personal Services	\$ 0	\$ 0	\$ 324,231	\$ 0	\$ 0	\$ 0	\$ 324,231	2	2.00
Services and Supplies	\$ 0	\$ 0	\$ 48,817	\$ 0	\$ 0	\$ 0	\$ 48,817		
Package 113: Revenue Realignment									
Personal Services	\$ 0	\$ 0	\$ (364,437)	\$ 0	\$ 0	\$ 0	\$ (364,437)	-2	-2.00
Services and Supplies	\$ 0	\$ 0	\$ (230,185)	\$ 0	\$ 0	\$ 0	\$ (230,185)	0	0.00
TOTAL ADJUSTMENTS	\$ (4,119,654)	\$ 0	\$ (6,918,937)	\$ 0	\$ (120,064,717)	\$ 0	\$ (131,103,308)	\$ (12)	(27.33)
SUBCOMMITTEE RECOMMENDATION *	\$ 0	\$ 0	\$ 120,620,370	\$ 1,648,948,096	\$ 159,045,097	\$ 110,000,000	\$ 2,038,613,563	1,334	1,279.37
% Change from 2011-13 Leg Approved Budget	-100.0%	0.0%	-6.6%	-20.6%	-47.6%	-92.3%	-48.2%	-13.9%	-13.6%
% Change from 2013-15 Current Service Level	-100.0%	0.0%	-5.4%	0.0%	-43.0%	0.0%	-6.0%	-0.9%	-2.1%

*Excludes Capital Construction Expenditures

Legislatively Approved 2013-2015 Key Performance Measures

Agency: EMPLOYMENT DEPARTMENT

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

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - ENTERED EMPLOYMENT - % of job seekers who got a job with a new employer after registering with the Employment Department.		Approved KPM	49.00	57.00	57.00
2 - EMPLOYMENT RETENTION - % of Job Seekers who were in employment two quarters after registering with the Employment Department.		Approved KPM	81.00	80.00	80.00
3 - COST PER PLACEMENT– total cost of B&ES programs divided by the total number of job seekers entered into employment after receiving services.		Approved KPM	248.00	200.00	200.00
4 - FIRST PAYMENT TIMELINESS – % of initial unemployment insurance payments made within 21 days of eligibility.		Approved KPM	95.20	95.00	95.00
5 - NON-MONETARY DETERMINATIONS TIMELINESS – % of claims that are adjudicated within 21 days of issue detection		Approved KPM	82.10	80.00	80.00
6 - COST PER CLAIM – total cost of UI programs divided by the total number of initial claims for UI benefits filed.		Approved KPM	176.00	160.00	160.00
7 - UNEMPLOYMENT INSURANCE APPEALS TIMELINESS – % of cases requesting a hearing that are heard or are otherwise resolved within 30 days of the date of request.		Approved KPM	45.80	60.00	60.00
8 - NON-UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of orders issued within the standards established by the user agencies.		Approved KPM	92.51	93.00	93.00
9 - AVERAGE DAYS TO ISSUE AN ORDER - Average number of days to issue an order following the close of record.		Approved KPM	5.94	6.60	6.60
10 - COST PER REFERRAL TO OAH – total cost of OAH programs divided by the total number of referrals.		Approved KPM	315.00	440.00	454.00

Agency: EMPLOYMENT DEPARTMENT

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

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
11 - HIGHER AUTHORITY APPEALS TIMELINESS – % of cases requesting an appeal that receive a decision within 45 days of the date of request.		Approved KPM	71.00	75.00	75.00
12 - TIMELINESS OF NEW STATUS DETERMINATIONS - % of new status determinations completed within 90 days of the end of the liable quarter.		Approved KPM	78.60	80.00	80.00
13 - CHILD CARE HEALTH & SAFETY REVIEWS – % of family child care facilities required to have health & safety onsite reviews that were reviewed by Child Care Division.		Approved KPM	100.00	100.00	100.00
14 - CUSTOMER SERVICE – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	86.90	95.50	95.50
14 - CUSTOMER SERVICE – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	85.70	95.50	95.50
14 - CUSTOMER SERVICE – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	87.80	95.50	95.50
14 - CUSTOMER SERVICE – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	89.30	95.50	95.50
14 - CUSTOMER SERVICE – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	86.80	95.50	95.50
14 - CUSTOMER SERVICE – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	87.70	95.50	95.50

LFO Recommendation:

The Legislative Fiscal Office recommends the approval of performance targets as proposed, with the exception of KPM # 13, which is recommended for deletion due to the transfer of the Child Care division to another state agency.

Sub-Committee Action:

The Subcommittee approved the deletion of KPM # 13 due to the transfer of the Child Care division to the Department of Education's Early Learning division.