



2015-2017 Budget Overview

Lisa Nisenfeld – Director
David Gerstenfeld – Unemployment Insurance
Jim Pfarrer – Business & Employment Services
Graham Slater – Workforce & Economic Research
Gary Tyler – Office of Administrative Hearings
Gerald Fahrenkopf – Information Technology
Larry Niswender – Financial Services

March 11 & 12, 2015

Operating Principles

- * Move more decision making to the local level
- * Develop strategies led by employers
- * Optimize all resources available

The Nation's Changing Workforce: The New Normal

- * Baby boomers retiring
- * Increased demand for skills
- * First jobs coming later resulting in soft skills deficits
- * Decreased tenure in a job

Critical Issue: Skills

- * Finding workers with the right skills is the number one issue for companies engaged in economic development processes statewide

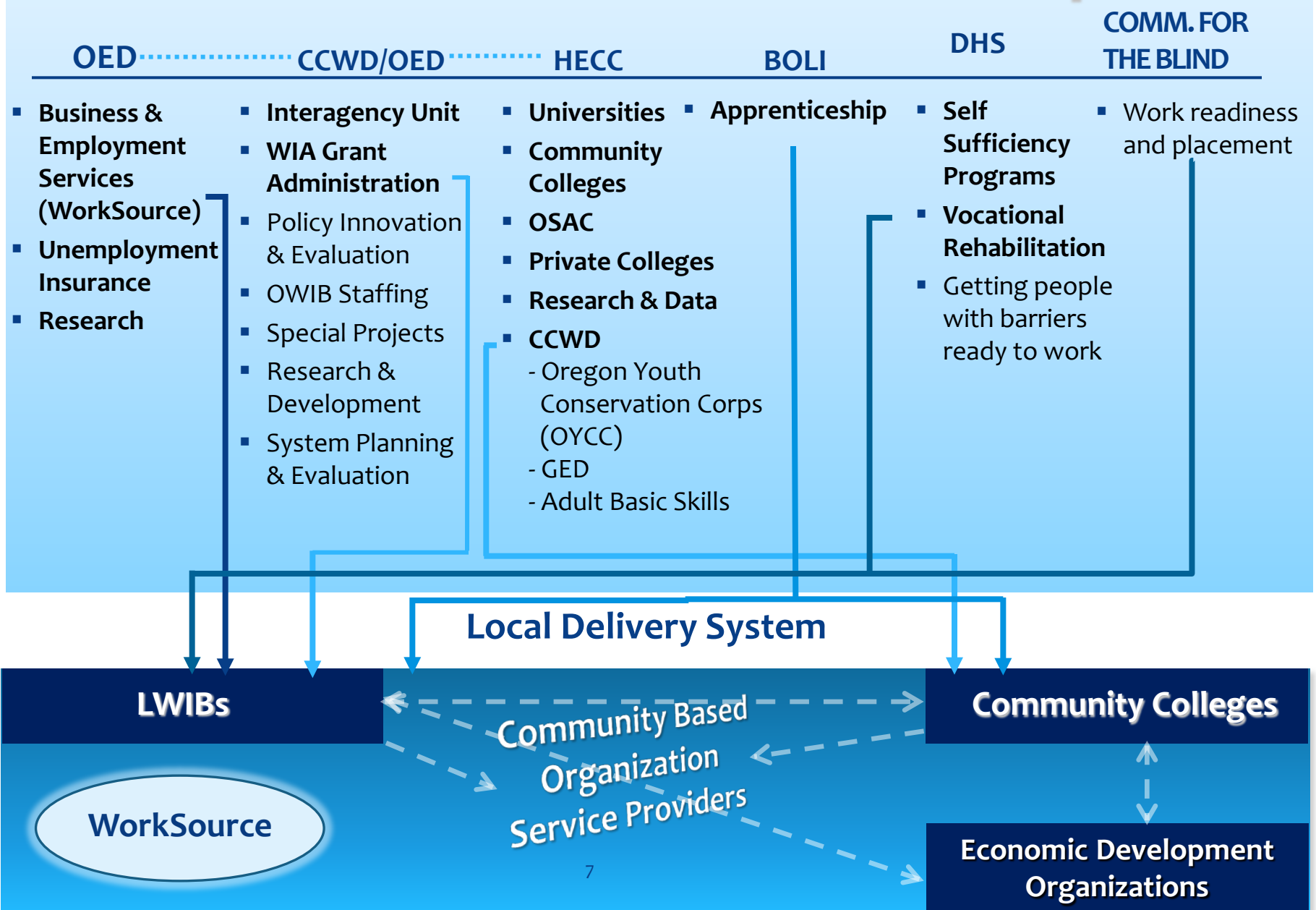
Workforce System Goals

- * Oregonians have the skills for high wage/high demand jobs
- * Businesses have skilled workers to innovate and grow
- * Workforce system is aligned, integrated, efficient and effective to support businesses and job seekers

Spectrum of Individuals Served by Workforce Development



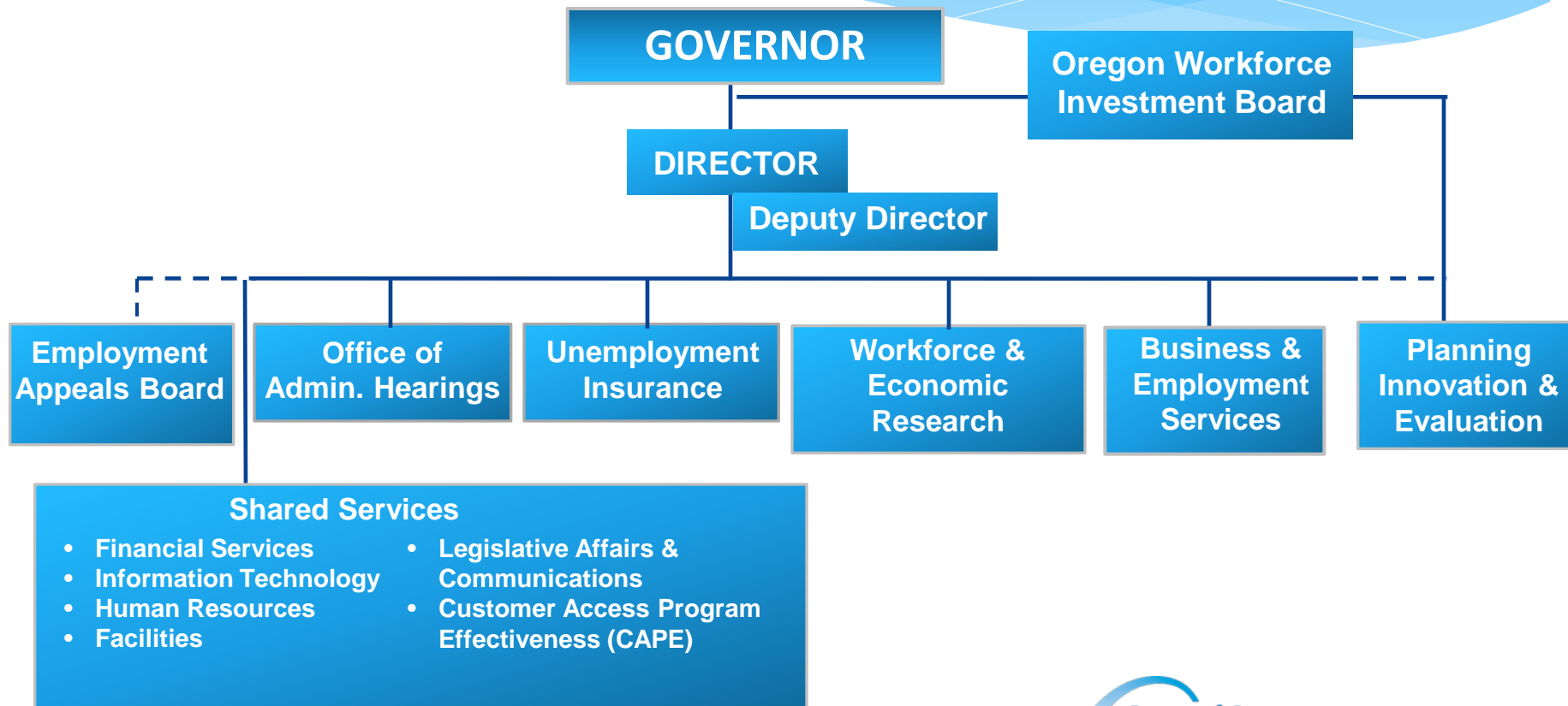
State Roles In Workforce Development



Oregon Workforce Investment Board (OWIB)

- * Overall advisory board to the Governor on workforce
- * Includes leaders from private sector businesses, labor, state, local governments and government agencies
- * Assists the Governor develop a five-year strategic plan for Oregon's comprehensive workforce system
- * Provides oversight (along with the Employment Department Advisory Council) to OED

Oregon Employment Department (OED) Organization



Recent shifts

- * Holding regional discussions
- * Reorganizing OED staffing in WorkSource
- * Subtracting iMatchSkills
- * Rebuilding IT capabilities; security
- * Developing performance management data and system
- * Reducing bureaucracy, system friction
- * Reducing staffing to pre-recession size
- * Building sense of urgency around our mission

Forums and Focus Groups

- * Twelve Forums and Focus Groups with employers, partners and service providers held state wide in Spring 2014, with over 700 participants
- * Surveyed Job Seekers who used WorkSource in Fall 2014, with almost 900 responses

Employer Insights

- * **Applicants lack:**

- * Basic skills
- * Technical and vocational skills
- * Early work experience
- * Work readiness skills

Employer Insights

- * **Rural areas face additional challenges**
 - * Workers holding multiple jobs
 - * Longer commute times
 - * Local availability of professional and super skilled workers is limited

2014-19 OED Strategic Plan

- * **Provide an effective unemployment insurance system**
- * **Connect businesses and job seekers to foster a vibrant economy in Oregon**
- * **Collaborate with CCWD on Oregon's talent development system**
- * **Collect labor market data and provide analysis that informs the decisions of the workforce system**
- * **Strengthen department performance**

Workforce Priorities

- * Improve value of WorkSource services
- * Retool unemployment insurance (UI) process
- * Modernize UI information technology
- * Prepare for recessions
- * Increase sector-based training investments
- * Provide greater capacity to add more training to the system, especially through apprenticeship
- * Transfer Office of Administrative Hearings to Department of Administrative Services
- * Align OED Key Performance Measures with new workforce system measures

2015-17 Budget by Funding Type

Administration

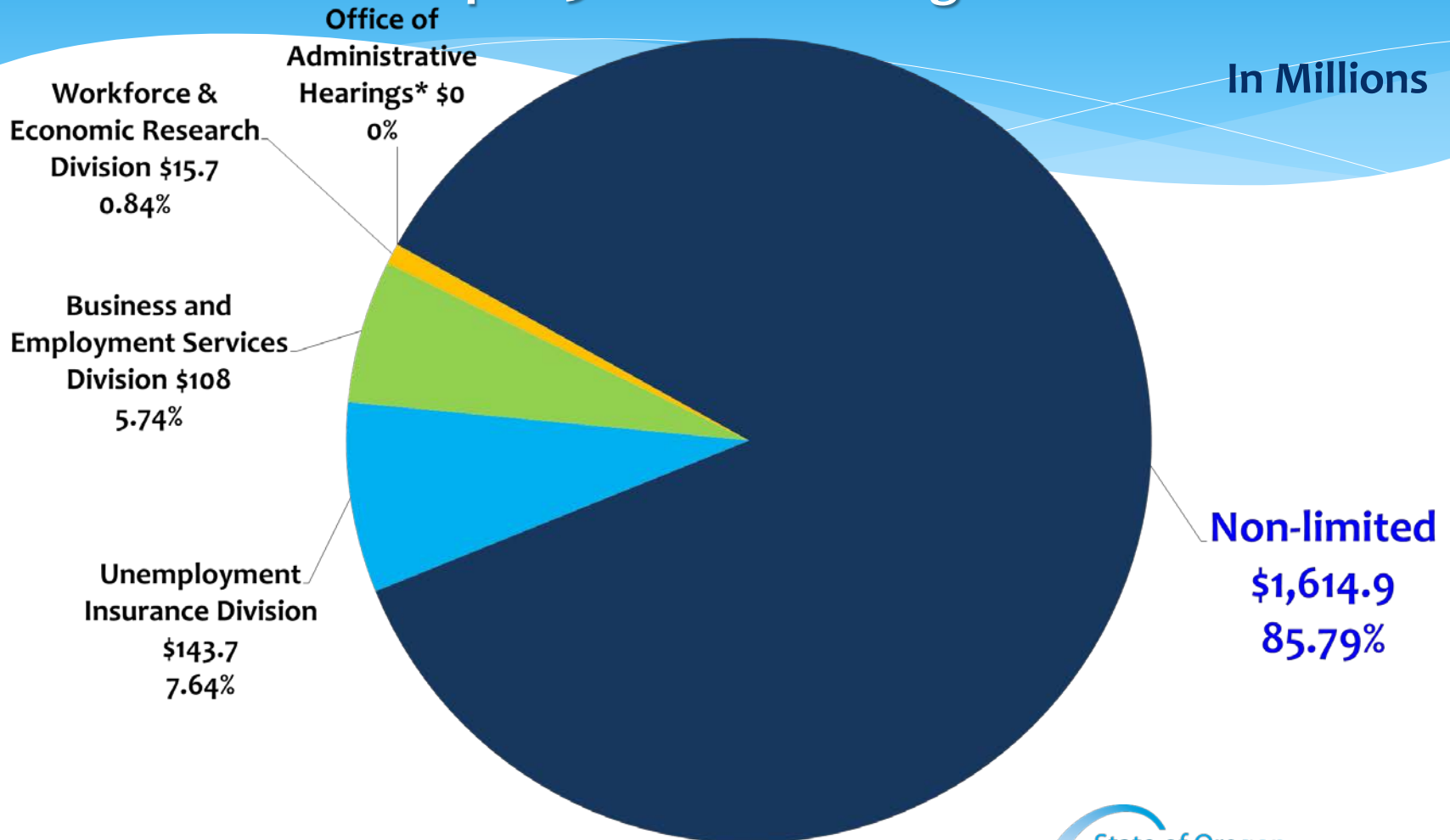
- * General Fund \$0
- * Other Funds \$108.6 million
- * Federal Funds \$158.9 million

Unemployment Insurance Benefit Payments

- * Other Funds (Non-Limited) \$1.5 billion
- * Federal Funds (Non-Limited) \$95 million

GRB Funding Composition

Non-limited funds are used for benefit payments and make up >85% of OED's budget

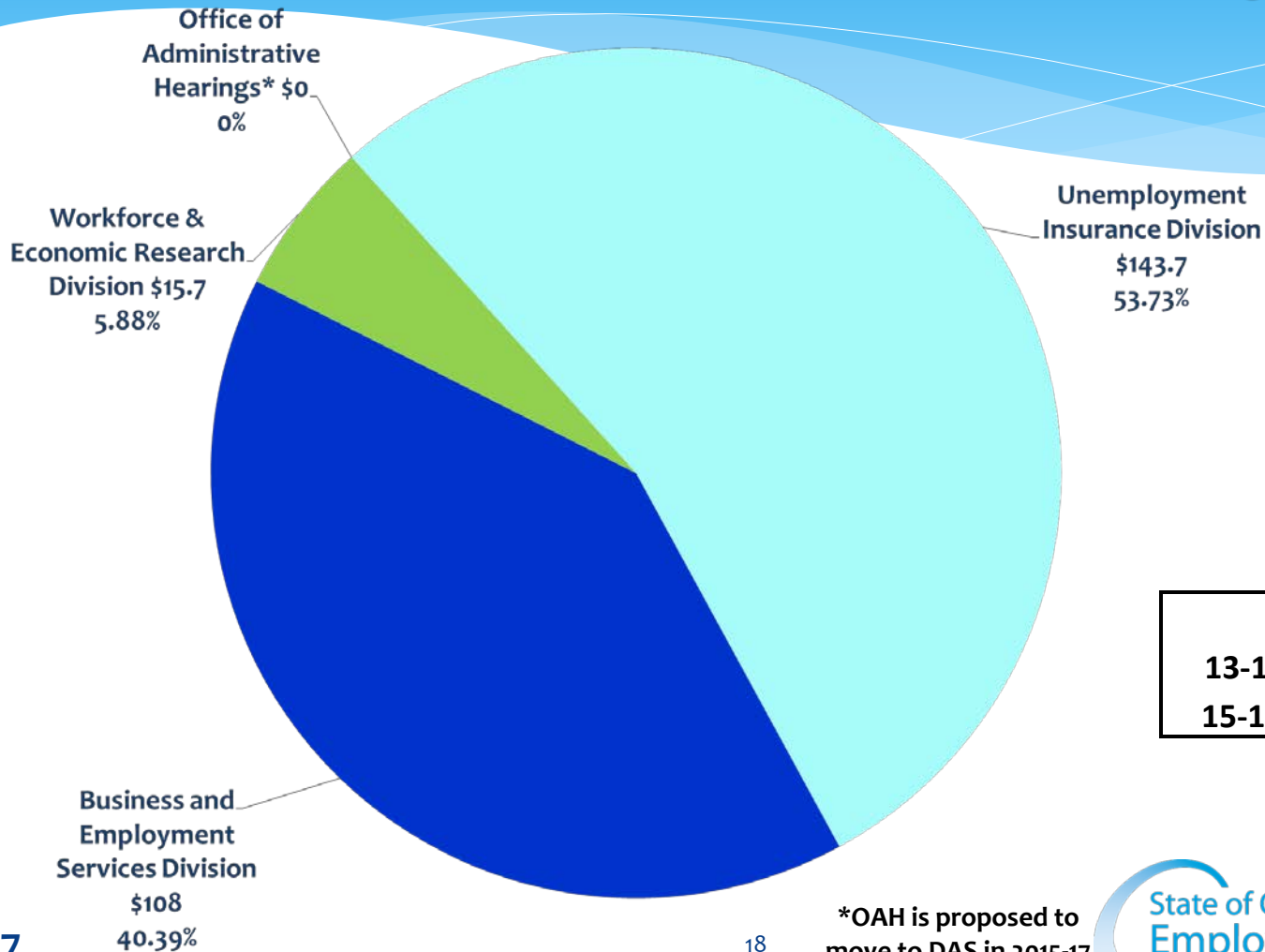


2015-17 *OAH is shown at 0% of OED to represent the proposed transfer of OAH to DAS; At 15-17 CSL, OAH is budgeted approximately \$28 million, or 14.8% of OED's total budget

Division Operations

Excluding Non-limited

In Millions



Total FTE	
13-15 LAB	= 1,286.63
15-17 GRB	= 1,122.53

2015-17

18

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*OAH is proposed to move to DAS in 2015-17

2015-17 Administration Funding (Recurring)

Major Federal Funds

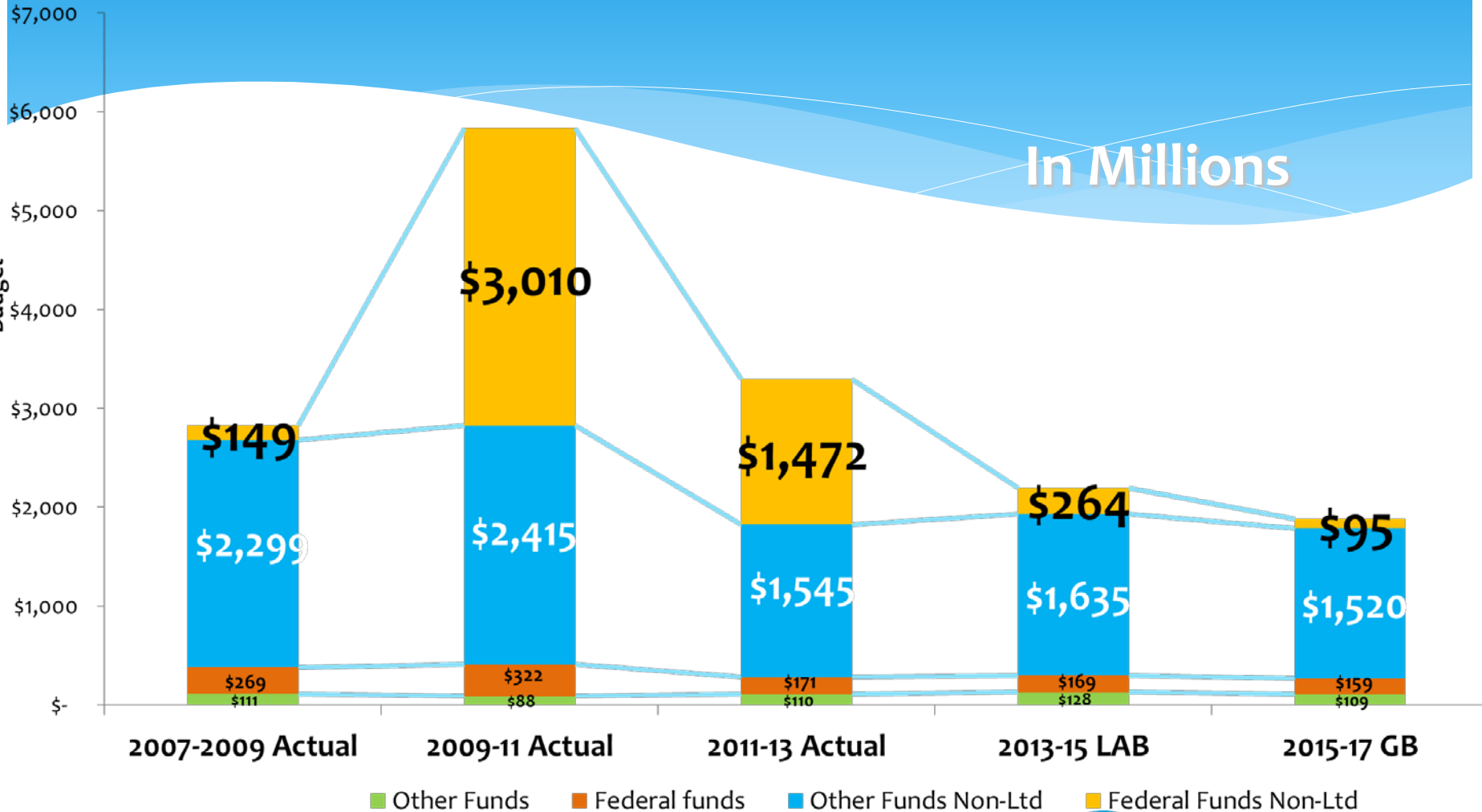
- * Unemployment insurance administration
- * Employment services
- * Veterans employment services
- * Trade Act
- * Bureau of Labor Statistics

Major Other Funds

- * Supplemental Employment Department Administrative Fund (SEDAF)
- * Penalties and interest
- * Fraud control
- * Other charges for services

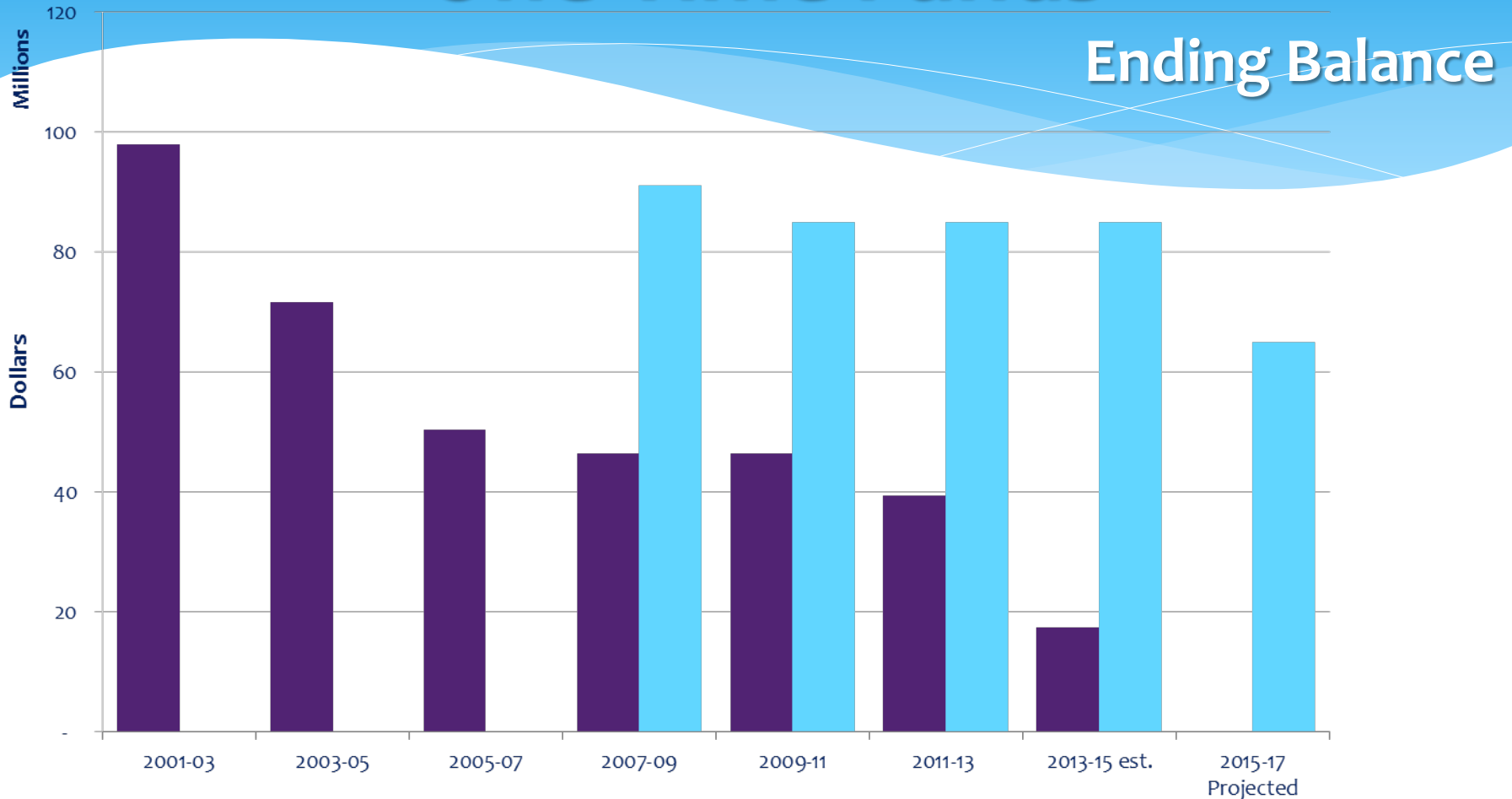
Agency Funds: Total Expenditures

U.S. Department of Labor continues to pull back on State assistance



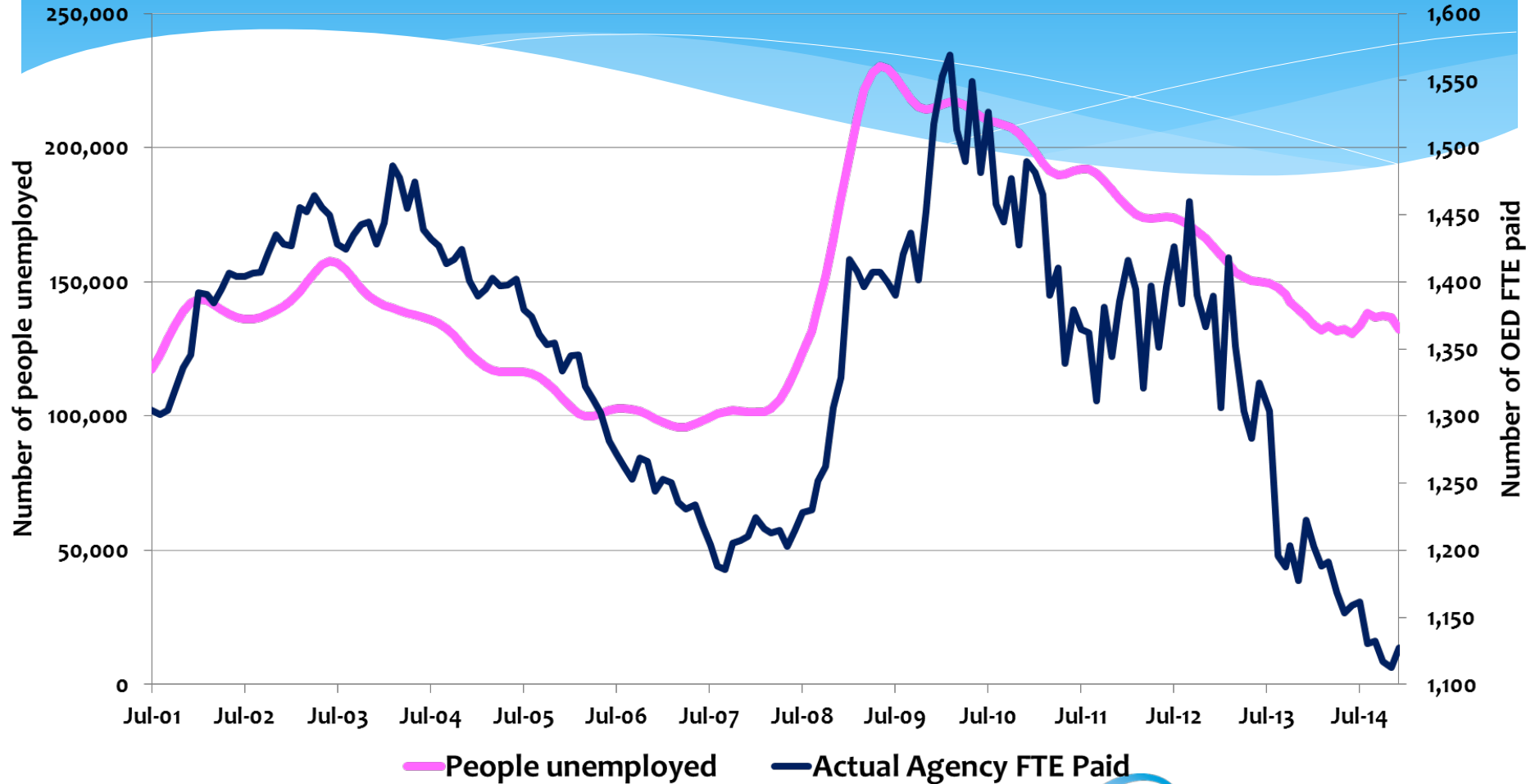
2007-2009 actuals include \$3.8 million in General Fund
 2009-2011 actuals include \$2.8 million in General Fund

Federal Unemployment Insurance One-Time Funds



■ 2002 Reed Act ■ UI Modernization
21

Rightsizing Agency FTE



Supplemental Employment Department Administrative Fund (SEDAF)

* What is Proposed

- * \$37.9 million one-time Other Funds to General Fund (ORS 657.783 suspension)

* Where Invested

- * \$15 million to Youth Employment Program
- * \$10.9 million to support local workforce boards
- * \$6 million to fund Oregon Employer Workforce Training Program
- * \$6 million to Community Leverage Fund

\$37.9 million

Cost Containment Across the Agency

- * Departure from transaction based activities and program silos to a collaborative network of employment services
- * Strategic consolidation of unemployment insurance call centers from three locations to two
- * Restructure of field operations
- * Span of control per House Bill 4131 achieved:
 - * Improved OED ratio of supervisory to non-supervisory budgeted positions from 1 : 10 to **1 : 11**



Ways and Means

Unemployment Insurance Division

David Gerstenfeld
Administrator

Unemployment Insurance (UI)

Pos: 629
FTE: 599.67

UI Benefits

- Initial claims
- Payment of benefits
- Benefit payment control
- Benefit accuracy measure

UI Tax

- Combined tax reporting
- Field audits
- Tax collection
- Tax status determination
- Report delinquency
- Account maintenance

UI Policy

- Federal quality programs
- Federal reporting
- Interstate programs
- Policy improvement activities
- Training

UI Purpose

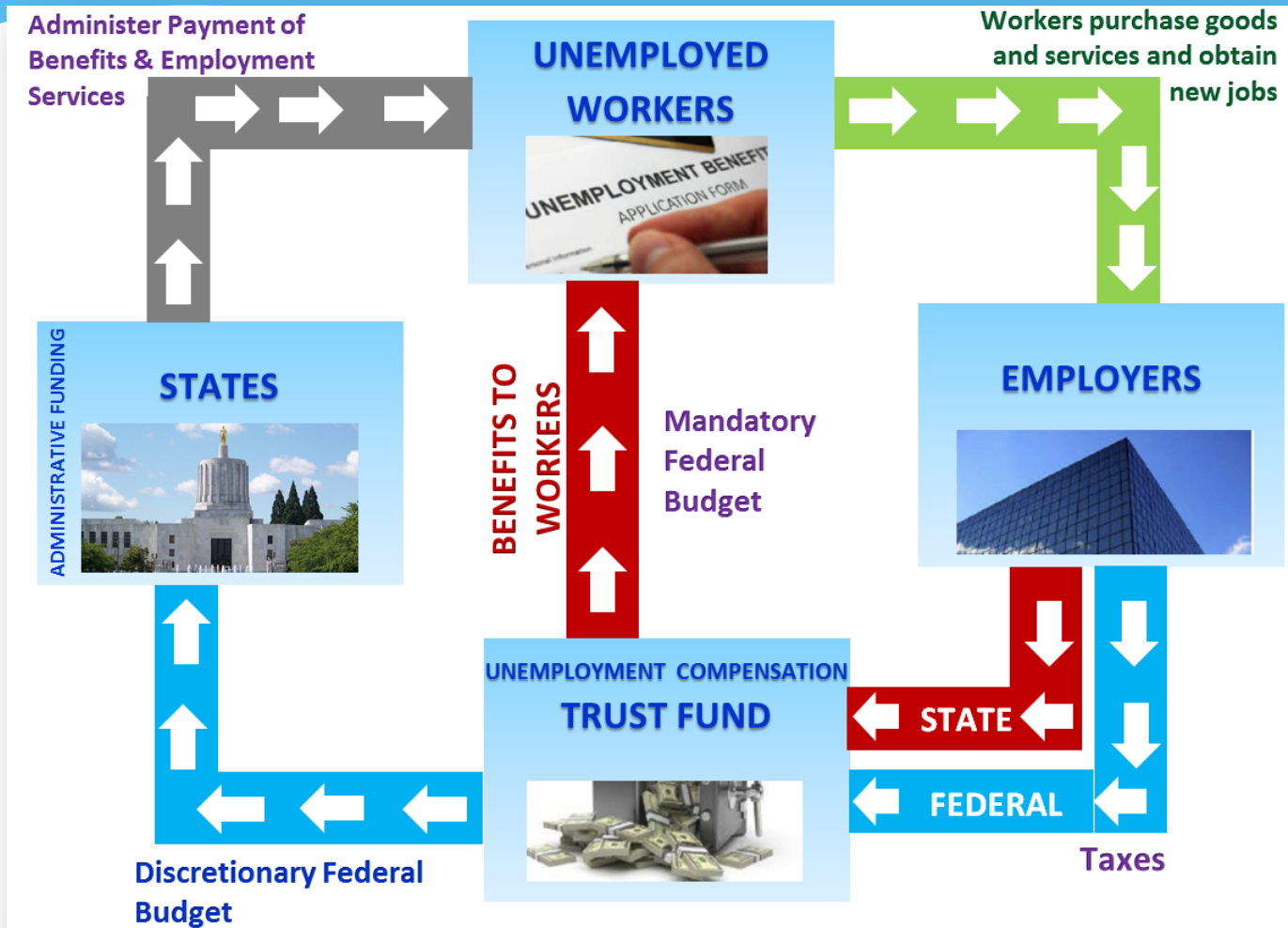
- * Provide partial wage replacement to unemployed workers
- * Stabilize the economy in local communities
- * Preserve a trained, local workforce for businesses
- * Collaborate with WorkSource to get people back to work faster

Federal-State Partnership

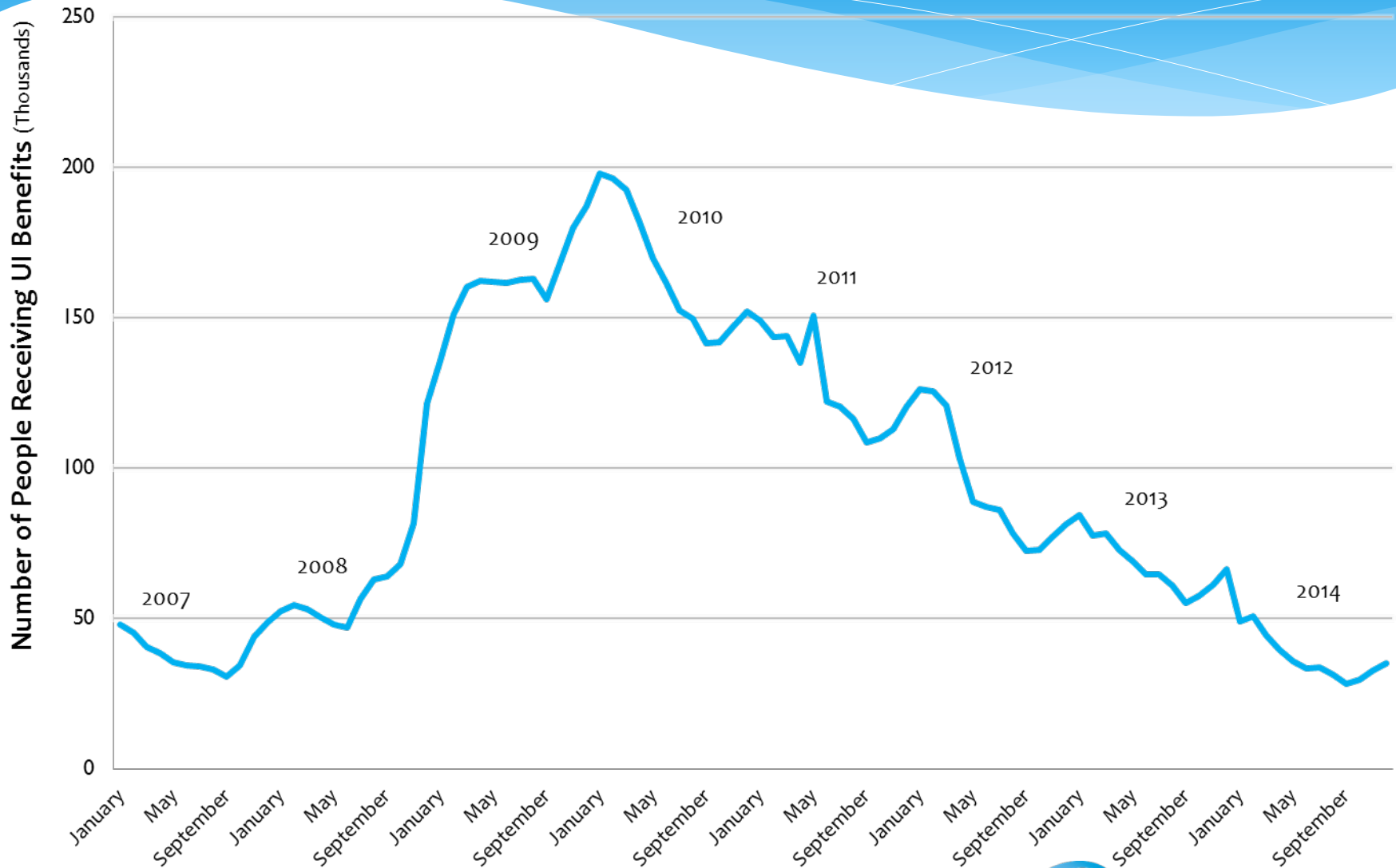
- * Oregon employers pay taxes into Oregon's Unemployment Compensation Trust Fund
- * Regular UI benefits are paid out of that Trust Fund
- * U.S. Department of Labor provides an administrative grant to Oregon to operate the UI program
- * If Oregon conforms to federal requirements, employers have reduced federal payroll (FUTA) taxes

Unemployment Insurance & Employment Services System

Flow of funds

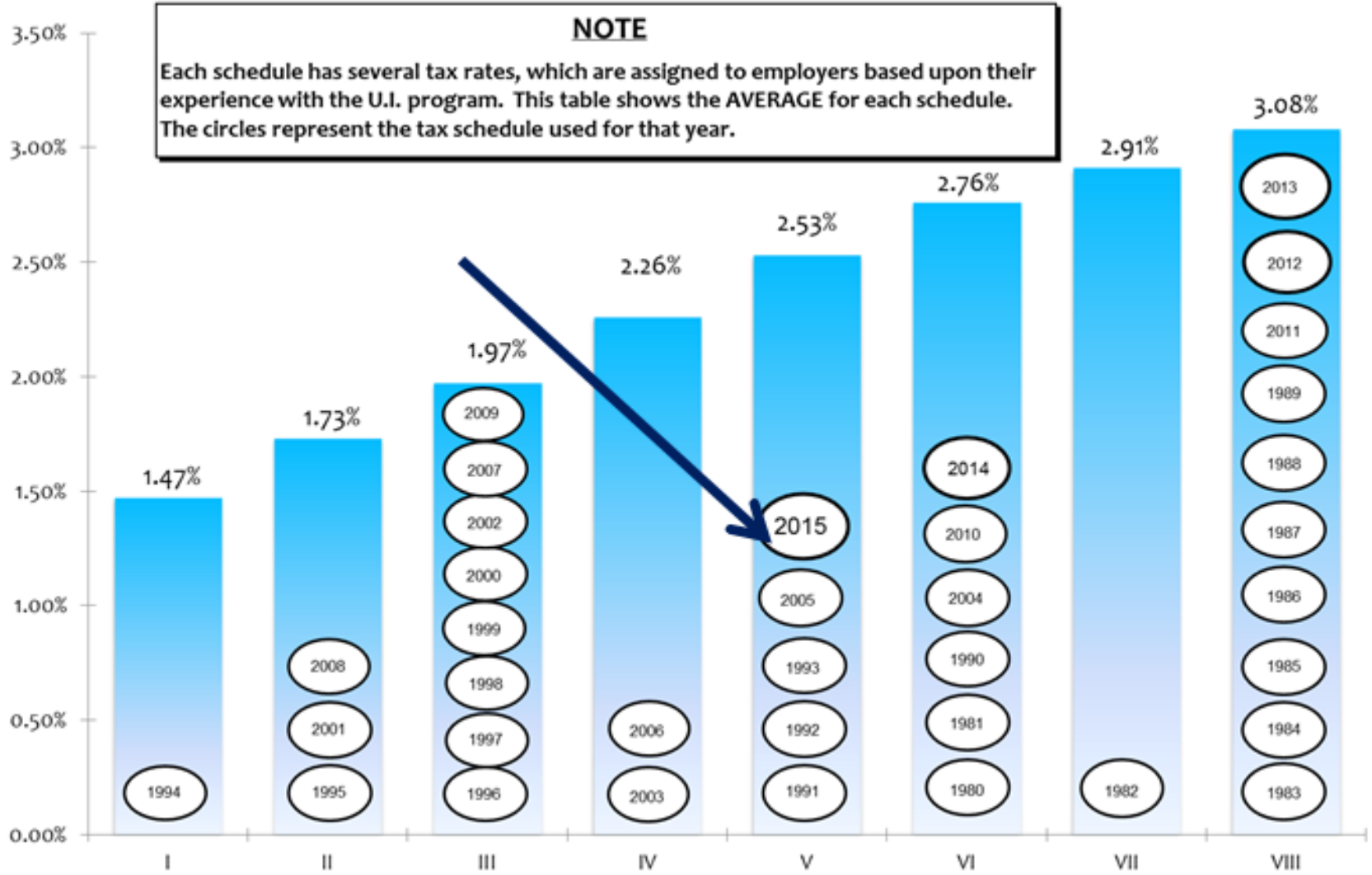


Number Of People Receiving Unemployment Insurance



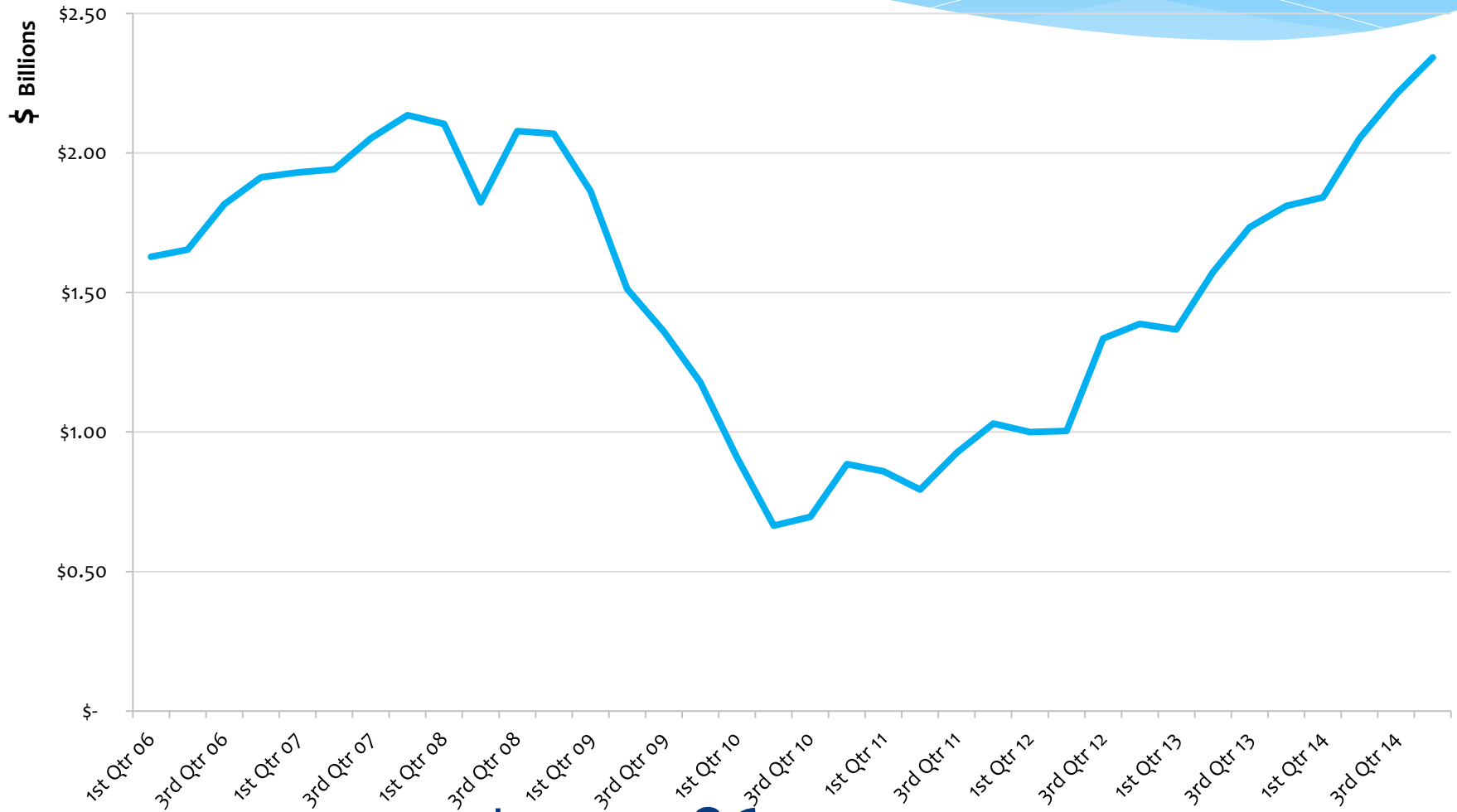
* Number of People Paid Unemployment Insurance for the Week including the 12th of the month

Average Tax Rate for the UI Tax Schedules



Annual Tax Schedules 1980-2015

Oregon Trust Fund Balance



Fourth quarter 2014: \$2,342,864,513

Challenges Facing the UI System

- * Adjusting to decreasing workload and funding
- * Outdated IT systems and business processes
- * Continue improving payment integrity- Improper payment rates CY2013 ranged from 0.80% to 17.7%. Oregon's was 8.88%, near the national average of 8.24%
- * Adapting to changing needs of the unemployed workforce and businesses

Accomplishments

- * Successful consolidation of work units and locations
- * Reevaluation of performance standards
- * Expanding integration of UI into the rest of the workforce system
- * Partnering with U.S. Department of Labor to improve Work Share and Self-Employment Assistance programs
- * Using business intelligence tools to improve overpayment controls and performance management

Interagency Compliance Network

Multi-agency group collaborating on common issues related to workers:

- * Establish consistency in determinations relating to worker classification
- * Gather and share information relating to improper payment practices
- * Coordinate public education and enforcement efforts

Ongoing Improvements

- * Prevention, detection and recovery of benefit overpayments
- * Communications with workers and businesses
- * Performance metrics
- * Modernization of business processes and systems

Modernizing UI Processes and IT Systems

- * **Preparing for IT modernization components:**
 - * Document management
 - * Tax auditing
 - * Tax and wage information processing
 - * Benefit processing
 - * Claims management
 - * Overpayments
 - * Collections

Proposed Legislation

SB 242 – Federal Conformity

- * Authorizes overpayments to be offset by diverted tax refunds (Federal Treasury Offset Program)
- * More flexibility in Work Share agreements; Work Share benefits treated like regular benefits for employer tax purposes

SB 243 – Overpayments

- * Clarifies authority for interstate offsets for some overpayments
- * Increases period for recovering some overpayments

HB 2439 – Unemployment Insurance Hearings

- * Agency dismissal of hearing requests under specific conditions

HB2440 – Benefit Eligibility

- * Considers back pay in benefit eligibility determinations
- * Benefits not adversely affected by conditional interstate travel required to get work



Ways and Means Business & Employment Services Division

**Jim Pfarrer
Administrator**

Business and Employment Services

Pos: 467

FTE: 462.07

- Re-employment services
- Customized business recruitment
- Customer-centered WorkSource Centers
- Partners with local workforce boards

Portland Metro
Beaverton/Hillsboro
Gresham
N. Portland
Tualatin
SE Portland

Mid-Valley
McMinnville
Salem
Dallas
Woodburn
Albany
Lebanon

Northwest OR
Astoria
St. Helens
Tillamook
Corvallis*
Newport
Lincoln City

Central OR
Bend
Redmond
The Dalles
Klamath Falls
Madras
Prineville
Hood River

Eastern OR
Baker City
La Grande
Pendleton
Hermiston
Ontario
Burns
Canyon City

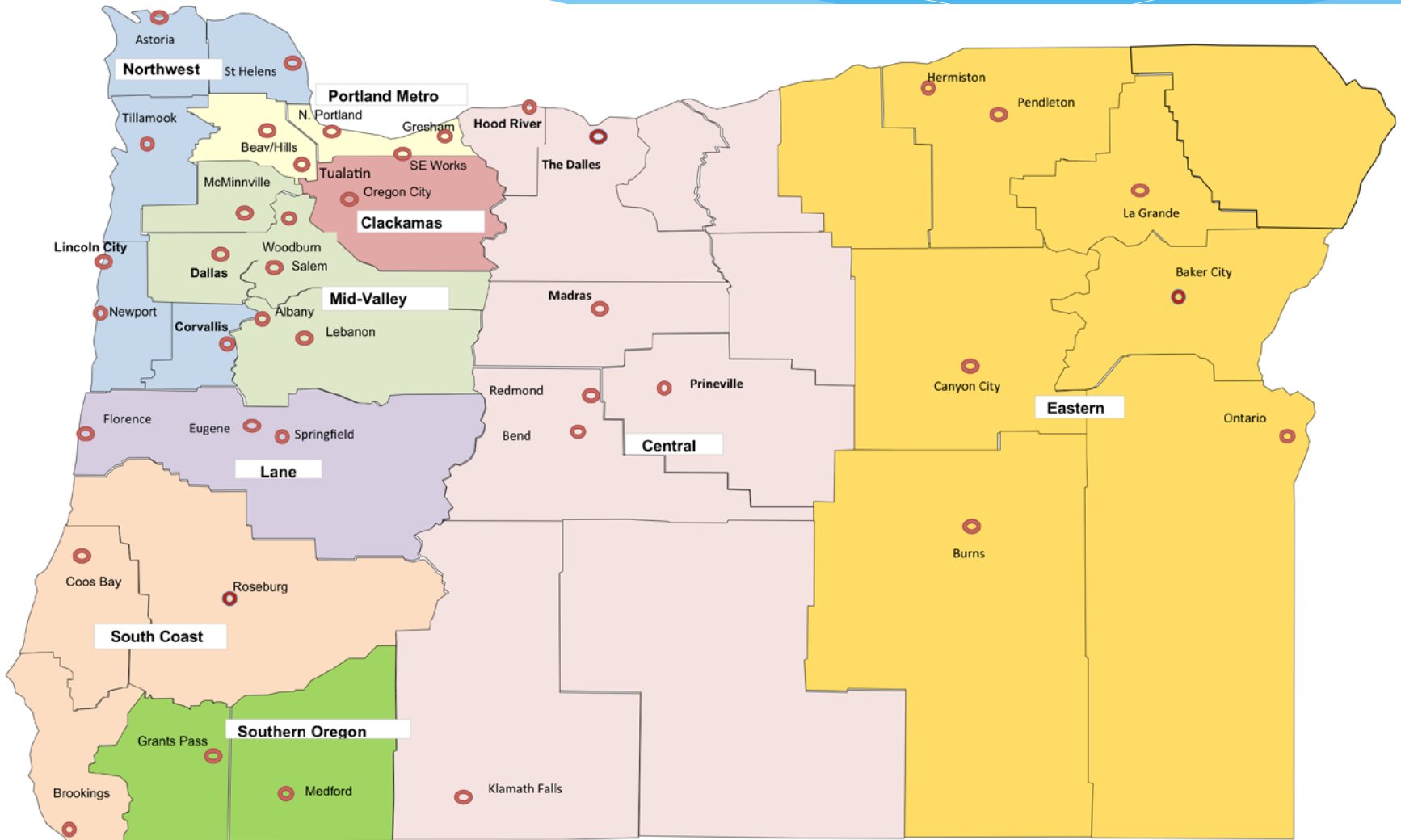
Clackamas
Oregon City

Lane
Eugene
Florence

Southern OR
Grants Pass
Medford

South Coast
Coos Bay
Brookings
Roseburg

WorkSource Oregon Centers



Business & Employment Services (B&ES) Division

- * Reemployment services & eligibility assessments for unemployment insurance claimants
- * Job search and recruitment options
- * Customized business services
- * Refer job seekers to training and community services
- * Align workforce services through implementation of WorkSource Oregon standards

WorkSource Oregon (WSO)

- * **Customer-centered services:**
 - * Value focused from outreach to employment
 - * Accessible and available staff assistance
 - * Customized experiences to promote individual success stories

WSO Standards

- * Uniform standards across programs for the first time in WSO history
- * Resources pooled and invested locally to meet the needs of the customer
- * Customer-centric and value-added services
- * WSO standards monitored and evaluated; feedback provided to the Oregon Workforce Investment Board (OWIB) and other workforce system leaders
- * Co-located centers for Wagner-Peyser and Workforce Investment Act Title 1B services (at a minimum)

B&ES Federal Programs

- * Veteran's Employment Assistance
- * Trade Act Assistance
- * Foreign Labor Certification
- * Work Opportunity Tax Credit
- * Self Employment Assistance
- * Migrant Seasonal Farmworker Program

Accomplishments

For Job Seekers

- * Achieved \$40 million savings to the Unemployment Insurance Trust Fund per year
- * Served 320,549 individuals and helped 138,687 get a job between July 2013 and June 2014

For Businesses

- * Reduced the cost of unemployment
- * Assisted 10,725 employers in listing jobs and finding new employees
- * 71% of customized business services job listings closed with one or more hires

Challenges and Ongoing Efforts

- * Recent job growth increased number of job seekers who need skill development opportunities (POP 103)
- * Coordinate local efforts to align resource investments in targeted populations and sector strategies (POP 107)
- * Declining and uncertain funding
- * Expand non-traditional apprenticeship opportunities
- * Expectations around facilities and technology continues to increase (POP 101 & 109)



Ways and Means Workforce & Economic Research Division

**Graham Slater
Administrator**

Workforce and Economic Research

Pos: 62
FTE: 60.79

Surveys

- Collect data
- Develop key economic indicators

Analysis

- Interpret data
- Publish articles
- Develop special reports

Business / Education

- Target products for businesses
- Relate education to employment

Systems

- Develop and maintain Quality info.org
- Provide geographic info system

Performance Measures

- Measure employment, retention, wages
- Implement new performance system

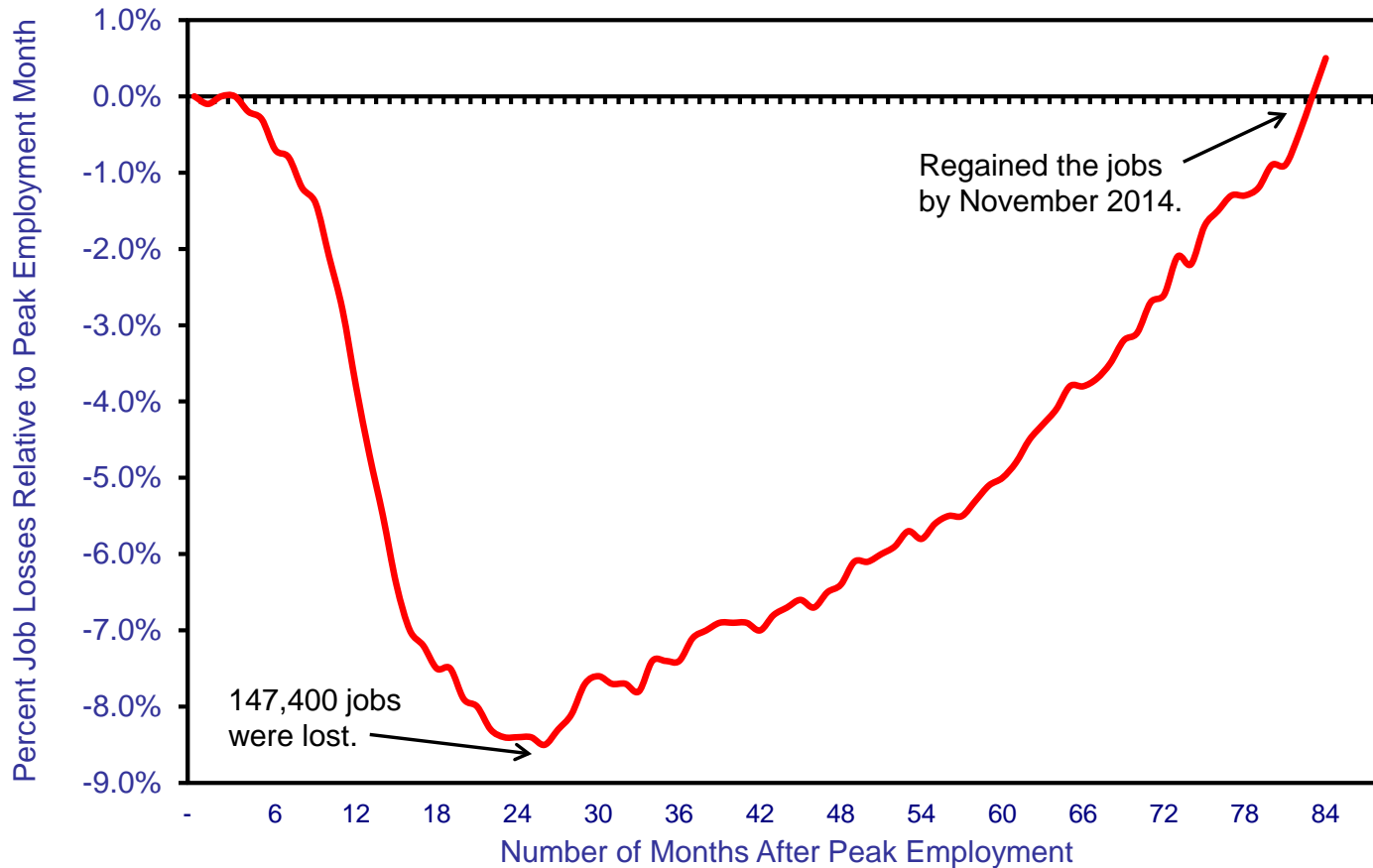
Foundational Workforce Information

PRINCIPLE: Relevant, timely, useful, unbiased information

- * Number of unemployed and unemployment rates
- * Employment levels in Oregon's industries
- * Job counts in different occupations
- * Wages paid for different jobs
- * Labor force trends
- * Industry and occupational employment projections
- * Skills and educational requirements for Oregon's jobs
- * In short: the basic workforce-related information infrastructure

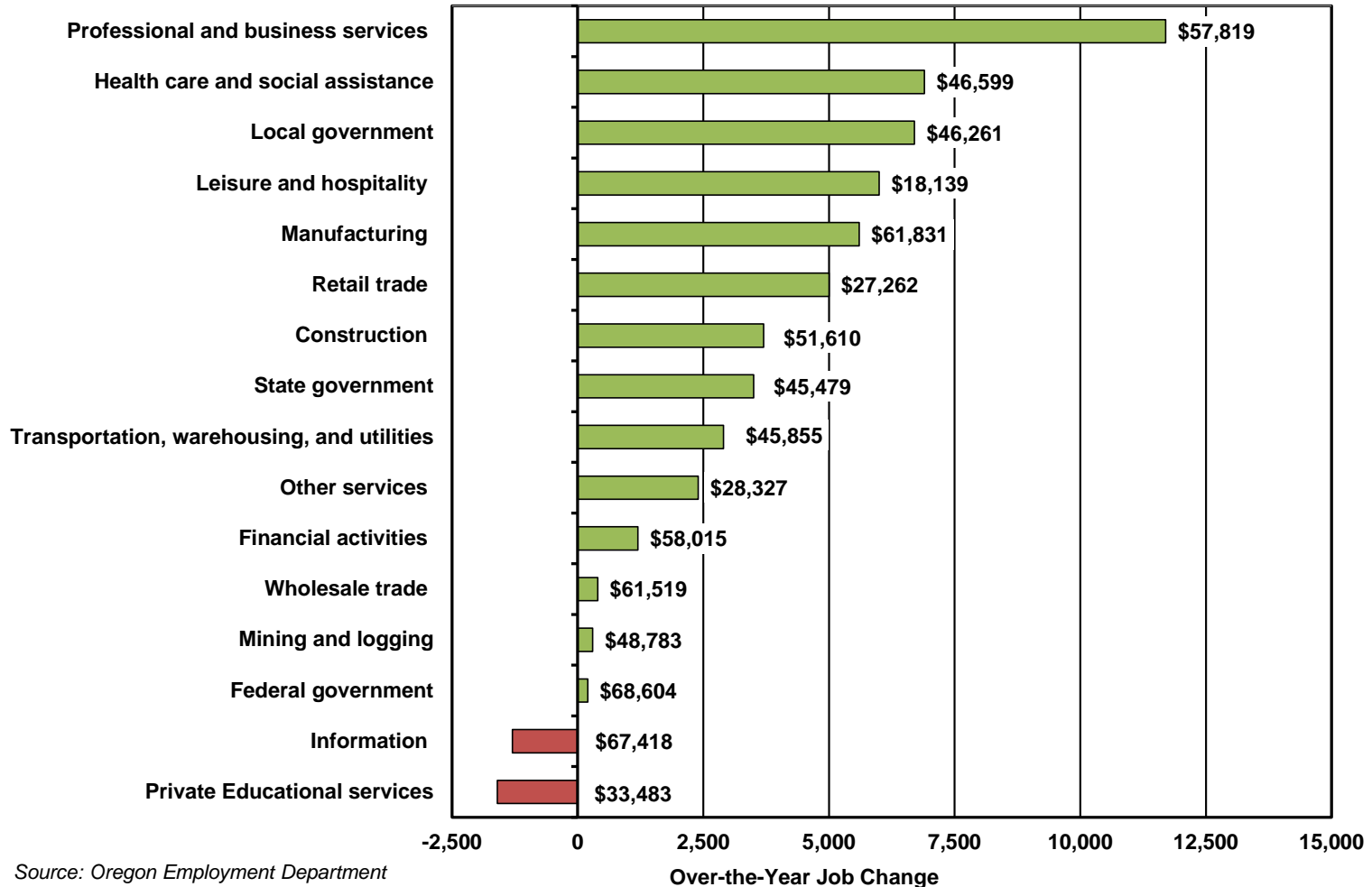
Oregon finally regained pre-recession employment levels late in 2014

Percent of Job Losses in Oregon Since Peak in December 2007



Jobs are being added in high-wage industries

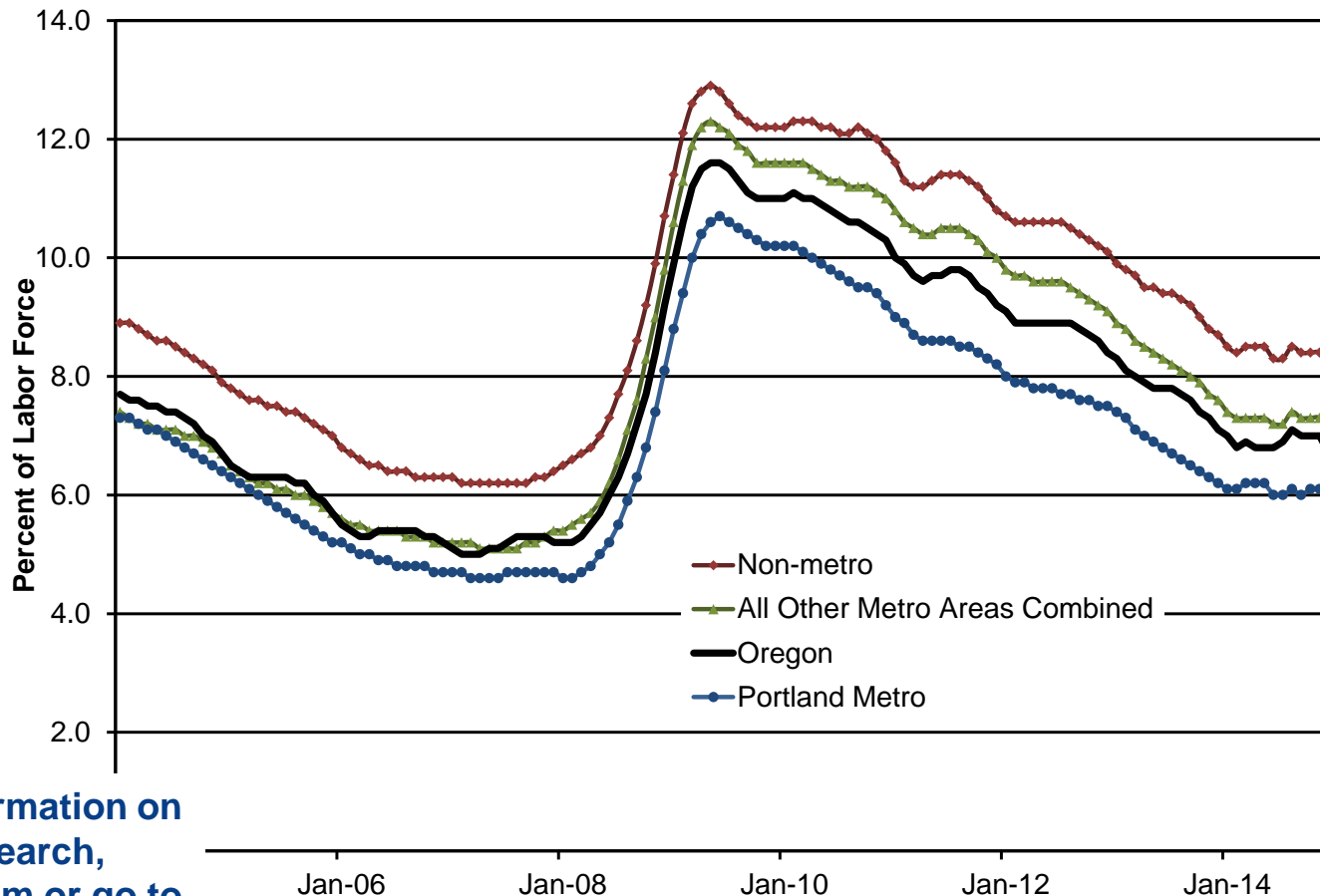
Oregon Job Growth and Average Pay by Industry
Dec. 2013 - Dec. 2014 Job Growth, 2013 Average Pay



Source: Oregon Employment Department

Unemployment rates are down all across Oregon, but still higher in many rural areas

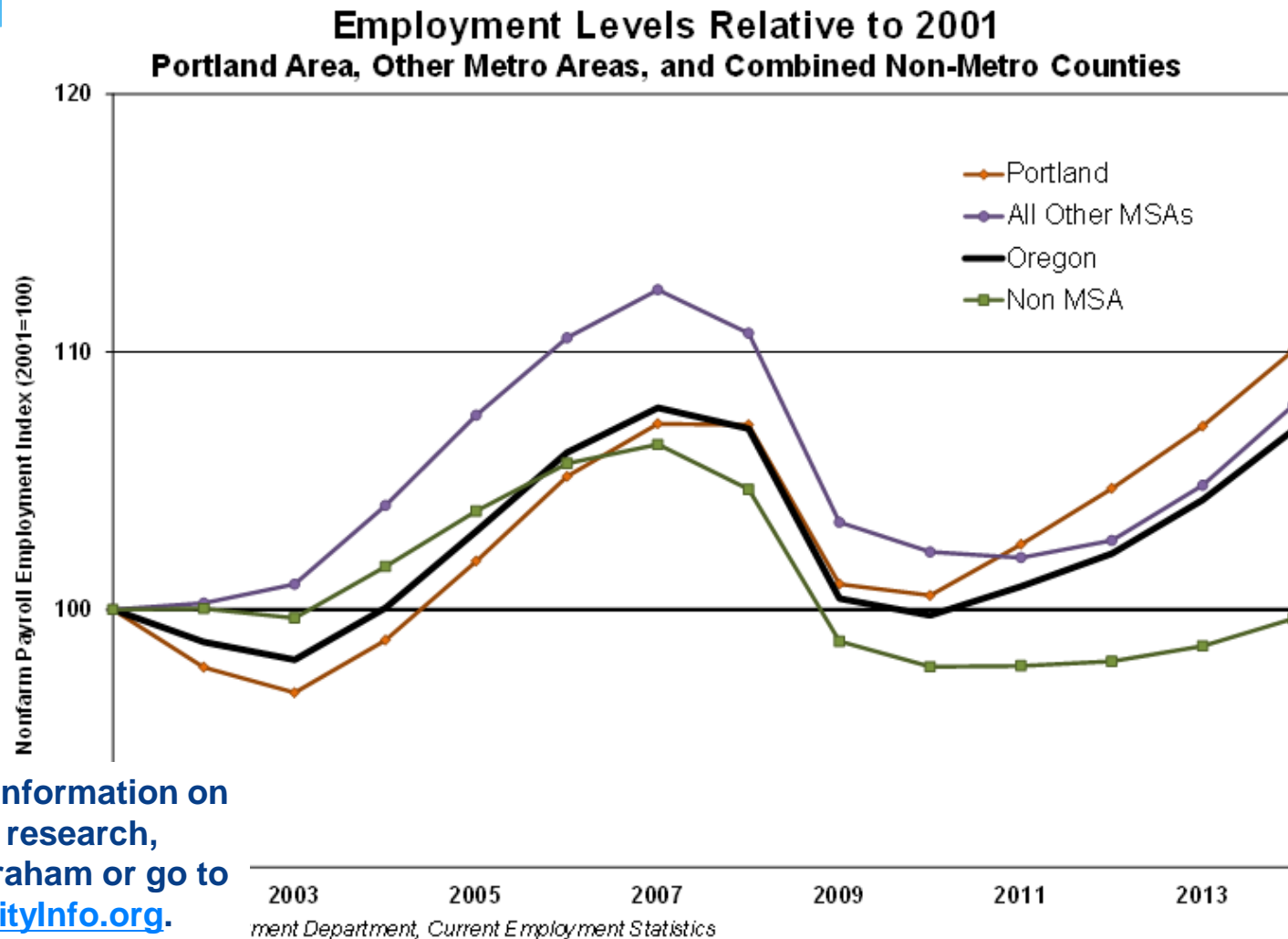
Oregon Seasonally Adjusted Unemployment Rates



employment Department, Local Area Unemployment Statistics

For more information on workforce research, contact Graham or go to www.QualityInfo.org.

Employment in Oregon's rural areas is lower than it was in 2001



For more information on workforce research, contact Graham or go to www.QualityInfo.org.

Improvements & Priorities

- * As committed in 2013:
 - * Eliminated 12 hard copy publications
 - * Moved *Labor Trends* series and special reports to online only
- * Issued special report, *Endangered: Youth in the Labor Force*
- * Provided special analyses for Oregon's workforce system redesign
- * Started shifting staff, developing new data, and implementing web changes to reflect Oregon's (new) nine workforce areas
- * Led the development and implementation of Oregon's new workforce performance measures
- * Released new version of the QualityInfo web site
- * Started implementation of *Education2Work*

Challenges

- * Providing responsive products to meet the needs of new workforce areas and the redesigned workforce system
- * Adjusting operations in response to the gradual degradation of federal funds
- * Ensuring data quality under changes in federal policy and methodology
- * Balancing information and survey needs with employer burden



Information Technology at OED

Providing current services for Oregonians while planning for modernization...

Gerald Fahrenkopf
Chief Information Officer

Information Technology Services

Project Management Office

Systems

Applications

Security

Agency Support

Information Technology Services

- * IT strategic plan
- * Reorganized to a functional structure
- * Cultural change
- * New governance structure
- * Quality assurance and IT project work

Modernization

Improving Services for OED Customers

- * Support agency's strategic plan
 - * Identify long term vision to meet needs
 - * Evaluate current and future business needs
 - * Identify service gaps and promote effective solutions
 - * Pursue and obtain expertise from external partners
- (POP101)

WOMIS Security Breach and OED's Response

On October 6, 2014, OED ITS responded to an anonymous tip alleging a security breach in our WorkSource Oregon Management Information System (WOMIS). This system allows customers to register for job search assistance and other services.

*OED's immediate responses

- * WOMIS was shut down to correct the vulnerability and secure all personal information.
- * OED engaged with interagency security response teams to tackle the vulnerability and assess systems' security.
- * OED Communications managed a strategy through media outlets (TV, radio, and websites), customer hotline and direct mail to advise the customers and provide public information.

*Lessons learned

- * ITS Practices, Business Initiatives, IT Development

Enhanced IT Security

- * Protect and defend OED customer data
- * Security event management tools
- * Prevention and detection tools
- * Compliance
 - * IRS
 - * Social Security Administration
 - * U.S. Department of Labor security regulations (POP 104)

2015-17 Policy Option Package Requests

Unemployment Insurance	Business & Employment Services	Research	Office of Administrative Hearings
• 101	• 101	• 101	• 112
• 102	• 103		• 139
• 104	• 107		
• 105	• 109		
• 106			
• 111			
• 113			
• 114			
• 115			
• 116	• 116	• 116	

Modernize Business Services and Technology Infrastructure

Package 101

- * Impacts UI, B&ES, and Research
- * Initial phase of multi-biennia modernization project
- * Modernization feasibility plan
- * **Revenue source:**
 - * Other Funds \$1,908,455
 - * 10 pos. / 2.62 FTE

Unemployment Insurance Security Compliance

Package 104

- * Increase security and maintain up-to-date systems
- * Minimize the risk of breach and prevent data disruption
- * (8) software/hardware packages
- * **Revenue source:**
 - * Other Funds \$250,000
 - * Federal Funds \$663,000

Unemployment Insurance Benefit Payment Control Staffing Package 102

- * Uniquely capable staff will enhance prevention, detection, and recovery efforts in benefit overpayments
- * Program analysis component to achieve long-term efficiencies and improvements
- * New processes will facilitate higher percentages of claim review and improve federal ratings
- * **Revenue source:**
 - * Other Funds \$1,390,892
 - * Federal Funds \$77,105
 - * 9 pos./ 8.75 FTE

Unemployment Insurance Oregon Payroll Reporting System (OPRS) Package 106

- * New front-end security for the OPRS system
- * Creates access for employers and efficiencies for all users
- * Interim solution over several years while modernization project is developed and implemented
- * **Revenue source:**
 - * Other Funds: \$1,600,000

Unemployment Insurance Federal Conformity

Package 111

- * Provisional to Senate Bill 242
- * Authorizes additional overpayments, and tax debts to be collected through tax refunds (Federal Treasury Offset Program)
- * Increased participation in Work Share Program
- * Conforms with federally required offset of some overpayments
- * Increases period for recovering some overpayments
- * **Revenue source:**
 - * Other Funds \$352,484
 - * 4 pos. / 2.50 FTE

Unemployment Insurance Hearings Package 113

- * Provisional to House Bill 2439
- * Allows OED to dismissal hearing requests under certain conditions when there is no longer a dispute instead of requiring an administrative law judge to do so
- * Will result in fewer cases being referred to the Office of Administrative hearings

Unemployment Insurance Recovery of Overpayments Package 114

- * Provisional to Senate Bill 243
- * Authorizes Oregon to use Interstate Reciprocal Overpayment Recovery Arrangement (IRORA) where claimant is not at fault for overpayment
- * Clarifies existing law
- * Increases the period of time to recover some overpayments where claimant is at fault from three to five years

Unemployment Insurance Benefit Eligibility

Package 115

- * Provisional to House Bill 2440
- * Considers back pay in benefit eligibility determinations
- * Unemployment insurance benefits not adversely affected by conditional interstate travel required to get work
- * **Revenue source:**
 - * Non-limited Other Funds \$129,120

B&ES

Contracted Employment Services Package 103

- * Direct service staff: job development and employment retention
- * Long-term contract activity and increased workload require additional positions for continued services
- * Mix of limited duration and permanent positions
- * **Revenue source:**
 - * Other Funds \$4,133,078
 - * 28 pos./ 28.00 FTE

B&ES

Trade Adjustment Assistance (TAA) Package 107

- * Improve caseload to worker ratio for Trade Act affected workers
- * Improve program capacity for case management, customer assessments, and other TAA requirements
- * Extend Limited Duration staff to continue services
- * **Revenue source:**
 - * Federal Funds \$2,826,105
 - * 19 pos. / 19.00 FTE

B&ES

Customer Flow and Service Access Package 109

- * Facilities upgrades to align with new customer flow
- * Improve staff assistance and meaningful engagement
- * Remodel offices to match the needs of the community
- * Workforce Investment Boards as strategic planning organizations
- * **Revenue source:**
 - * Other Funds \$5,600,000
 - * 1 pos. / 1.00 FTE

Agency Position Reclassification Package 116

Revenue Source:

* UI

- * Other Funds (\$10,903)
- * Federal Funds \$552,249
- * 0 pos. / 1.87 FTE

* B&ES:

- * Other Funds (\$99,520)
- * Federal Funds (\$634,538)
- * (6 pos. / 6.00 FTE)

* Research:

- * Other Funds (\$414,070)
- * (2 pos. / 2.00 FTE)

- * Impacts UI, B&ES, and Research
- * Technical adjustment for reclassification and reallocation
- * Fill critical gaps in shared services with a more effective mix of positions



Ways and Means

Office of Administrative Hearings

Gary Tyler

Chief Administrative Law Judge

Office of Administrative Hearings (OAH) Operations

- * Established within Employment Department
- * Office managed by the chief administrative law judge
- * Governor appoints the chief administrative law judge
- * Employment Department provides administrative services to OAH
- * OAH reimburses Employment Department for cost of services
- * OAH bills for services

Office of Administrative Hearings

Pos: 111
FTE: 109.79

Employment Department

- Unemployment benefits
- Fraud & Overpayments
- UI Tax
- Employer Chargeability

Department of Transportation

- Implied Consent
- Financial Responsibility
- Medical Suspensions
- False Applications

Department of Justice (Division of Child Support)

- Establishment
- Modification
- Arrears
- Credit for direct payments

Department of Human Services/OHA

- SNAP
- TANF
- Medicaid
- ERDC
- DMAP
- Oregon State Hospital

Other Programs

- CCB
- WRD
- OLCC
- Special Education
- Medical Board

Accomplishments

- * More efficient processing of most appeals through use of electronic rather than paper files
- * Electronic Case Management System available to largest referring agencies
- * Convenient and efficient hearings by telephone for more types of cases

Challenges

- * Increasing productivity through technology (POP 139)
- * 2015-17 budget proposal anticipates reductions in number of hearing referrals
- * Declining referrals of low cost UI hearings with recession ending, causing cost per case increases
- * Transition from Employment Department to Department of Administrative Services (POP 112)

Proposed Legislation

House Bill 2438 – Transfer the Office of Administrative Hearings to the Department of Administrative Services (DAS)

- * Improves perception of fairness, independence of OAH and good governance
- * Moves administrative support out of Employment Department and into DAS
- * No physical move of OAH from its current location

Transfer OAH to DAS

Package 112

- * No Change in 2015-17 budgeted expenses
- * **Revenue source:**
 - * Other Funds (\$27,874,653)
 - * (111 pos./109.79 FTE)

Case Management

Package 139

- * Initially requested in OED budget
- * If the Legislature approves HB 2438 (and POP 112), POP139 would be placed in DAS Budget
- * Case management implemented for 75% of OAH services
- * Provides remaining agencies with real-time reporting and database consolidation
- * **Projected Fiscal Impact:**
 - * Other funds
 - * \$837,380
 - * 3 pos./2.50 FTE

Thank you!

Questions?

Lisa Nisenfeld

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Oregon Employment Department
2015-2017 Ways and Means Presentation
APPENDIX

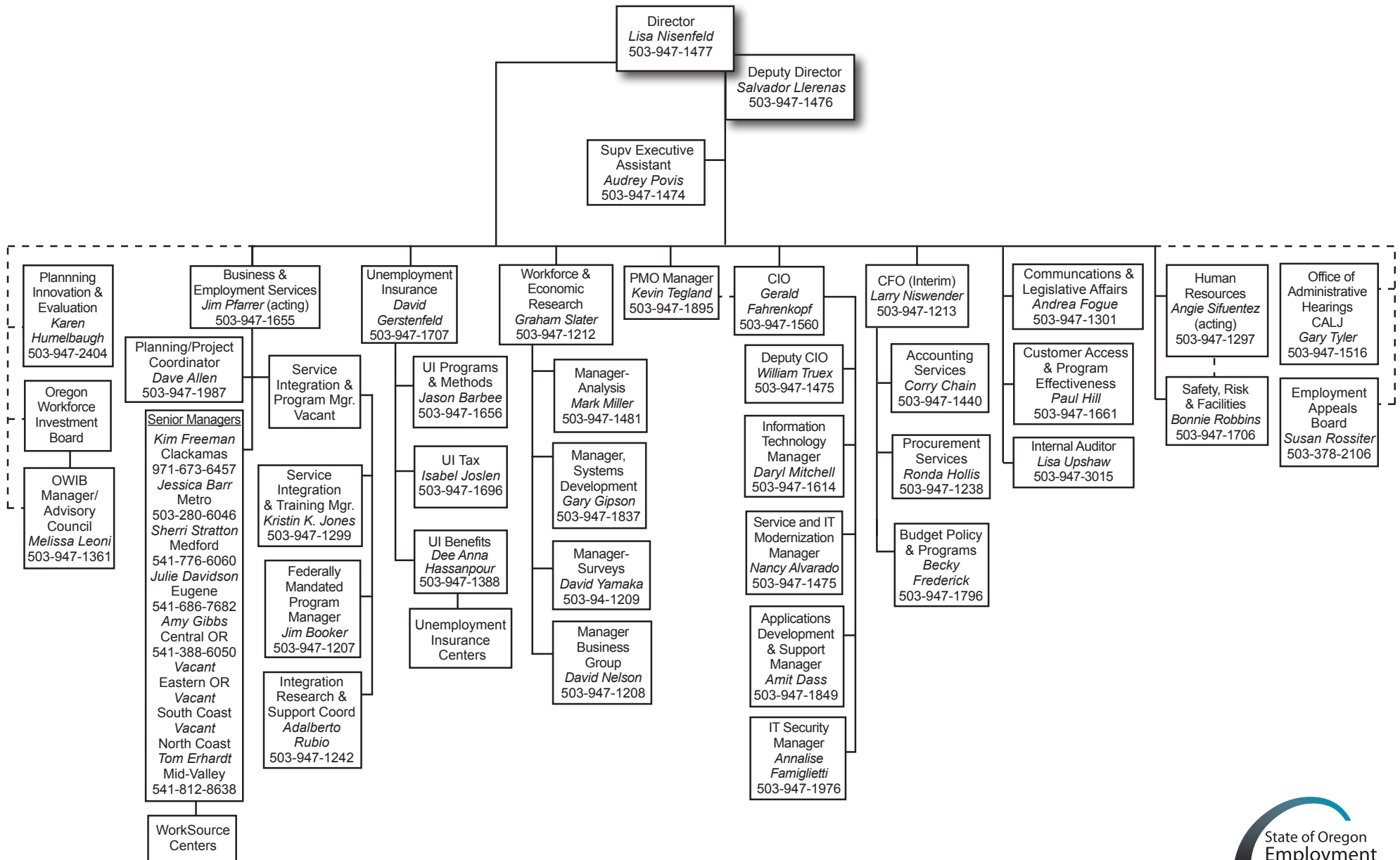
Director: Lisa Nisenfeld

Oregon Employment Department

2015-17 Ways and Means Appendix

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Strategic Plan

2014 – 2019

Support Business – Promote Employment

Lisa Nisenfeld, Director • September 2014

What is in this document?

The following pages contain the mission, guiding principles, goals, and objectives for the Oregon Employment Department over the next five years: 2014 to 2019. An action plan containing activities, timelines, and results is also included.

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Introduction

The Oregon Employment Department (OED) is focused on helping Oregonians find meaningful employment that meets the needs of businesses in today's economy.

Whether providing support during periods of unemployment, assisting job seekers with skill development and job searches, providing customized recruiting services for employers, or developing quality labor market information for workforce and economic decision making, OED is committed to delivering solutions.

OED is a key partner in Oregon's workforce system. Together with other state agencies and Local Workforce Investment Boards, OED provides services to job seekers, employers, and a range of other customers.

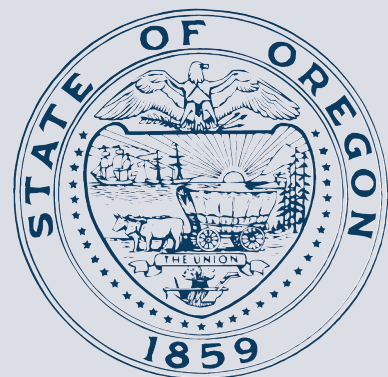
Oregon's Workforce Today

Oregon's economic situation improved in 2013 as employers began adding jobs at the fastest rate since the housing boom fueled job growth in 2006. Oregon's job growth is now faster than the nation and most other states. Continued job growth has helped lower the unemployment rate below the state's historical average.

The recovery has not been even across the state with much of the job growth concentrated in the Portland area, the Willamette Valley, and along the Columbia Gorge. Many rural areas of the state continue to have high unemployment and little job growth. Unemployment rates are higher than the statewide average in the southern, central and eastern regions of the state, while job growth continues to be slow along the coast and in Eastern Oregon.

Many Oregonians struggle to find meaningful employment even as the job situation improves. This is particularly true among targeted job seeker populations. Unemployment rates are higher for some of Oregon's communities of color. For example, racial minorities face unemployment rates that are much higher than the overall rate.

Support Business Promote Employment



The large number of long-term unemployed Oregonians is another example of the uneven recovery. Although the number of short-term unemployed is back down to levels seen prior to the recession, the number who have been unemployed for longer than six months remains high. As of early 2014, more than 44,000 Oregonians were long-term unemployed. People unemployed for a long period have an especially difficult time finding work.

The number of people who are under-employed increased during the recession and continues to remain high, even as the unemployment rate falls. Nearly 100,000 Oregonians have part-time jobs but would rather be working full time. Their hours have been cut or they settled for a part-time schedule. Although they are working, their job situations are less than ideal.

Despite the apparent surplus of workers, some businesses report difficulty filling their open positions. Oregon employers recently reported that about half of their vacancies were difficult to fill. The most common reasons given were the lack of qualified candidates, lack of applicants, unfavorable working conditions, low wages, and lack of work experience.

Among the changes in today's labor market, two of the biggest demographic trends shaping Oregon's future labor force are the aging of the workforce and the falling participation of younger workers. The aging Baby Boom generation has shifted one-third of the population into the 55 years and older age group. Some older workers will stay in the labor force longer than previous generations, but many will retire as soon as their household budgets allow, taking their valuable knowledge and skills with them. Employers will need to find suitable workers with the right combination of experience and skills to replace these retirees. That may be a challenge for employers.

Fewer young people are participating in the labor force as they focus more on educational attainment as well as extra-curricular activities, and

face increased competition for the jobs traditionally held by young people. The result is low labor force participation and high unemployment among youth, which means fewer are gaining the valuable work experience and developing the key workforce skills valued by employers.

Responding to Oregon's Workforce Challenges

During the recession and early stages of the recovery, OED's primary focus was on promoting economic stability through timely and accurate payment of unemployment benefits. As the recovery continues and the new shape of the labor market continues to emerge, OED has developed a renewed emphasis on helping Oregonians with reemployment activity, in order to improve opportunities for economic prosperity while supporting the needs of businesses in today's economy.

In this dynamic context, the state of Oregon has taken the challenge to improve the workforce system through redefining how services are provided to Oregonians. Three major Oregon initiatives provide a foundation for this redesign of Oregon's workforce system (see appendix for details):

- Oregon's 10-Year Plan: Rebuilding Oregon's House is a strategic plan for state government services with defined outcomes for delivering programs and services efficiently with available resources. The strategic priorities OED has a part in are:
 - Jobs and Innovation: Oregon has a diverse and dynamic economy that provides jobs and prosperity for all Oregonians.
 - Education: Every Oregonian has the knowledge, skills, and credentials to succeed in life, with the result of achieving the state's education goal of "40-40-20" by the year 2025.

2 – Oregon Employment Department Strategic Plan: 2014-2019

- In June 2012, the Oregon Workforce Investment Board released Oregon's Workforce Development Strategic Plan 2012-2022. Goals of the plan are to ensure:
 - Oregonians have the skills they need to fill current and emerging high-wage, high-demand jobs.
 - Employers have the skilled workforce they need to remain competitive and contribute to local prosperity.
 - The workforce system is aligned, provides integrated services and makes efficient and effective use of resources to achieve better outcomes for business and job seekers.
- In June 2013, Governor John Kitzhaber issued Executive Order 13-08, Chartering Partnerships for Job Growth and Talent Development. The executive order directs the re-chartering of state and Local Workforce Investment Boards. In addition, it directs state agencies with workforce development programs to work together and develop a plan to better align state services in support of the re-chartered boards.

Together with these Oregon initiatives, the guidance of OED stakeholders will help determine priorities for how OED conducts business and delivers services (Figure 1, next page). OED and Oregon's workforce system partners must provide quality, equitable treatment to Oregonians while assisting targeted populations that face additional challenges in pursuing opportunities in the workforce. OED and the workforce system will also encourage job and economic growth by supporting locally defined targeted industries and sectors.

OED now has an opportunity to strengthen its support of the state workforce system and deliver increased long-term value to stakeholders. OED's program areas of Unemployment Insurance (UI), Business and Employment Services (B&ES), Workforce and Economic Research, and Policy, Innovation, and Evaluation, along with essential department support services, need to provide coordinated solutions and services to Oregonians to deliver on OED's mission to "Support Business – Promote Employment."

Support Business Promote Employment

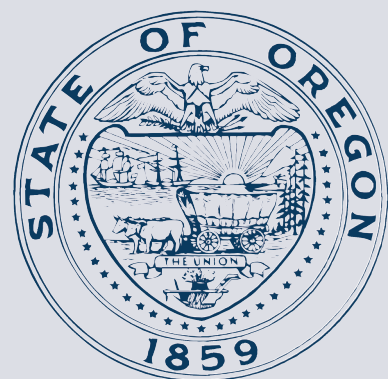


Figure 1

Oregon Employment Department Stakeholders	
<p>Customers</p> <ul style="list-style-type: none"> • Employers/Business <ul style="list-style-type: none"> ○ Targeted Industries/Sectors • Job Seekers <ul style="list-style-type: none"> ○ Examples of Targeted Job Seeker Populations <ul style="list-style-type: none"> ▪ Individuals living at or below the poverty line ▪ Long-term unemployed ▪ Chronically unemployed ▪ Chronically under-employed ▪ Individuals experiencing disabilities ▪ Individuals with intellectual and developmental disabilities ▪ Individuals with a history of criminal convictions ▪ Communities of color ▪ Immigrants ▪ Older workers ▪ Youth ▪ Veterans ▪ Migrant & seasonal farm workers ▪ Locally-identified key populations 	<p>Partners</p> <ul style="list-style-type: none"> • Local Workforce Investment Boards (LWIBs) and their contractors • Local Elected Officials • Oregon Workforce Partnership (OWP) • Education Providers <ul style="list-style-type: none"> ○ K-12 ○ Community Colleges • State Agencies <ul style="list-style-type: none"> ○ Department of Human Services (DHS) ○ Oregon Commission for the Blind • Interagency Compliance Network (ICN) <ul style="list-style-type: none"> ○ Department of Revenue (DOR) ○ Department of Consumer and Business Services (DCBS) ○ Department of Justice (DOJ) ○ Construction Contractors Board (CCB) ○ Landscape Contractors Board (LCB) ○ Bureau of Labor and Industries (BOLI)
<p>Policy Makers</p> <ul style="list-style-type: none"> • Legislature • Governor’s Office • Oregon Workforce Investment Board (OWIB) • Federal Government 	<p>Advisors</p> <ul style="list-style-type: none"> • Employment Department Advisory Council • Oregon Workforce Investment Board (OWIB) <i>as a workforce advisor to OED, Community Colleges & Workforce Development (CCWD), and Department of Human Services (DHS)</i>

Strategic Plan

The Five-Year Strategic Plan (2014-2019) is a framework to guide the investments, operations, and outcomes of the Oregon Employment Department (OED).

OED has tended to operate on a programmatic approach with each division treating customers separately. This creates frustration for the customer while delaying and degrading service delivery. Going forward, OED will shift away from operating primarily within program silos and transaction-based activities to a solutions and service focus for all customers, job seekers, and employers.

Guiding Principles

How OED behaves and conducts business is crucial to the success of the department and of the entire workforce system. Working with customers, partners, stakeholders, and advisors, OED commits to the following guiding principles:

Openness, trust, and integrity – Set high ethical and professional standards at all times. Build and maintain relationships based on honesty, respect, fairness, and a commitment to open dialogue and transparency.

Quality with agility – Be passionate about delivering quality information and service. Strive to replicate success, learn from mistakes, and actively pursue creative approaches that lead to continuous improvement and innovation. Be flexible and nimble, responding quickly to changing economic needs.

Delighting the customer – Identify the needs of Oregonians and provide uncompromising service with efficiency, accountability, and a helpful attitude. Find what we can do to overcome barriers and help our customers, rather than focusing on what cannot be done. Remember that coworkers are customers too.

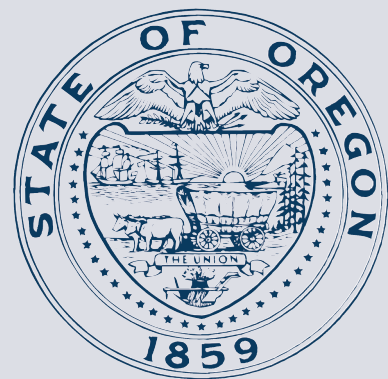
Teamwork with responsibility – Encourage individual ownership and effort, but work as a team, valuing the expertise, insights, individuality, and contribution of all colleagues. Understand that we are funded by taxpayers and have a relentless responsibility to provide value to Oregonians every day.

Humor, fulfillment, and inclusion – Cultivate a safe, healthy, family-friendly work environment that encourages personal growth and provides opportunities for everyone to succeed. Embrace humor as a vital part of workplace culture, and honor the desire to do meaningful and satisfying work. Allow the diversity of our staff, customers, and stakeholders to enhance the service we provide to the people of Oregon.

Five-Year Goals and Objectives

OED's strategic plan supports five primary goals and corresponds to the department's guiding principles. Each goal has a set of discrete objectives. Activities, timelines, and measurable results can be found in the action plan following this section.

Support Business Promote Employment



GOAL 1: Provide an effective unemployment insurance (UI) system for workers, businesses, and communities.

OBJECTIVES:

- 1.1 Improve customer service to people seeking UI benefits, and to employers.
- 1.2 Increase the integrity of benefit payments and tax collection.
- 1.3 Improve communications with the public.
- 1.4 Improve return to work efforts by guiding UI claimants to resources across the workforce system and WorkSource Oregon, a collaborative effort of Oregon's Local Workforce Investment Boards (LWIBs) and OED.
- 1.5 Modernize UI division business services and technology infrastructure.

GOAL 2: Connect businesses and job seekers, through WorkSource Oregon, to foster a vibrant economy in Oregon.

OBJECTIVES:

- 2.1. Connect employers with skilled workers on a timely basis.
- 2.2. Provide job seekers with access to a variety of tools to help increase their skill sets.
- 2.3. Provide targeted populations of job seekers with enhanced services to become more employable.
- 2.4. Support key industry sectors so they can grow and thrive.
- 2.5. Optimize services for all customers across WorkSource Oregon by aligning state and local efforts and adhering to WorkSource Oregon operational standards.

GOAL 3: Collaborate with the Department of Community Colleges and Workforce Development to transform Oregon's talent development system.

OBJECTIVES:

- 3.1 Implement the federal Workforce Innovation and Opportunity Act (WIOA).
- 3.2 Provide resources and expertise to support the Oregon Workforce Investment Board (OWIB) in redefining and strengthening its mission.

- 3.3 Research, develop, and implement innovative and best practices.
- 3.4 Implement and manage Oregon's workforce performance management system.

GOAL 4: Collect labor market data and provide analysis that informs the decisions of the workforce system, including OED, businesses, educators, job seekers, and families.

OBJECTIVES:

- 4.1 Support the identification, implementation, and operation of Oregon's future workforce areas and Local Workforce Investment Boards (LWIBs).
- 4.2 Develop, analyze, and publish the workforce system performance measures and related information needed by Oregon policy makers.
- 4.3 Give OED, OWIB, and LWIBs the information, analysis, and support they need to make good, data-based decisions.
- 4.4 Help young people and their parents, teachers, and counselors better understand workforce trends and the needs of businesses.

GOAL 5: Strengthen OED's performance through adopting efficient and innovative business practices and inspiring staff to strive for exceptional customer service.

OBJECTIVES:

- 5.1 Improve performance and continuity among OED employees through skill development and succession planning.
- 5.2 Assist in achieving strategic goals through communication and outreach, both internally and externally.
- 5.3 Improve support services and create transparency in business operations for all program areas.
- 5.4 Rejuvenate the department through streamlining business operations, transforming customer service, and maximizing technology infrastructure.

Action Plan

Goal 1: Provide an effective unemployment insurance (UI) system for workers, businesses, and communities.		
Objectives	Timeline	Measures/Results
1.1 Improve customer service to people seeking UI benefits, and to employers.		
1.1.1 Process more initial claims automatically without manual staff intervention.	<i>Begin:</i> March 2015 <i>Complete:</i> December 2016	Move from 0% to 40% of initial claims processed automatically, without staff intervention.
1.1.2 Revise staffing models to account for seasonal, weekly, and daily workload fluctuations to reduce how long UI claimants and employers have to wait for work to be processed.	<i>Begin:</i> August 2015 <i>Complete:</i> December 2016	1. 90% of inbound calls to UI call center are on hold for five minutes or less. 2. Move from 75% to 85% of new employer registrations processed within 90 days.
1.1.3 Streamline the processes for addressing UI benefit eligibility issues to increase efficiency and resolve issues more quickly.	<i>Begin:</i> March 2015 <i>Complete:</i> October 2016	Meet the federal standard for timeliness (85%) for all types of decisions.
1.1.4 Implement standardized, regular process that provides more consistent, timely notice to employers of potential tax account credits.	<i>Begin:</i> August 2014 <i>Complete:</i> March 2015	95% of employers are notified of potential tax account credits within six months of OED identifying potential tax credits.
1.2 Increase the integrity of benefit payments and tax collection.		
1.2.1 Expand Treasury Offset Program (TOP) to include additional types of UI debts (<i>debts are some delinquent UI taxes and overpayments caused by people not accurately reporting their earnings</i>) that can be recouped by offsetting against federal income tax refunds (<i>pending legislative approval in 2015</i>).	<i>Begin:</i> August 2014 <i>Complete:</i> June 2016	Add two types of UI debts to Treasury Offset Program.
1.2.2 Issue administrative decisions that include multiple topics, rather than issuing multiple separate decisions, so people are less confused about which decision to appeal.	<i>Begin:</i> August 2014 <i>Complete:</i> December 2016	1. Reduce the rate of late hearing requests from 14% to 8%. 2. Reduce the appeal rate of administrative decisions from 17% to 14%.
1.2.3 Design and begin implementing pilot project to improve information provided to seasonal and part-time workers regarding benefit eligibility, and help workers understand how eligibility rules apply.	<i>Begin:</i> March 2015 <i>Complete:</i> June 2016	Reduce overpayments to seasonal and part-time workers by 25%.

1.2.4	Promptly contact employers who are late with payroll reports or UI tax payments.	<i>Begin:</i> September 2014 <i>Complete:</i> December 2015	95% of employers are contacted within 30 days of delinquency regarding tax payments or reports.
1.3 Improve communications with the public.			
1.3.1	Update and simplify letters, forms, and other standard documents to improve clarity and reduce technical language.	<i>Begin:</i> September 2014 <i>Complete:</i> December 2015	Every document that is distributed to over 10% of the customer base is revised.
1.3.2	Establish and use secure email communications with UI claimants and employers. Reduce paper communication responses by using secure email.	<i>Begin:</i> August 2014 <i>Complete:</i> December 2015	<ol style="list-style-type: none"> 1. Reduce paper communications to employers regarding UI tax by 50%. 2. Reduce paper communications with UI claimants by 75%.
1.3.3	Update UI claimant handbook and publish electronically with web-based tool that allows easy and quick search. Provide electronic version of handbook to 95% of UI claimants.	<i>Begin:</i> August 2014 <i>Complete:</i> September 2015	Reduce inquiry calls regarding UI claimant handbook and related information by 50%.
1.3.4	Create videos to explain parts of the UI process to the public. Publish videos online and in multiple languages.	<i>Begin:</i> August 2014 <i>Complete:</i> September 2015	Produce and publish 10 videos.
1.3.5	Update Interagency Compliance Network (ICN, a multi-agency group focused on consistent employment relationship laws and practices) web site. 1.3.5.1 Publish information to help employers understand worker classification standards. 1.3.5.2 Publish redacted versions of UI Tax related hearing decisions.	<i>Begin:</i> November 2014 <i>Complete:</i> December 2015	Increase web traffic to ICN website by 100%.
1.3.6	Deliver formal presentations of UI information to business groups and organizations including issues faced by businesses.	<i>Begin:</i> January 2015 <i>Complete:</i> December 2016	<ol style="list-style-type: none"> 1. Deliver presentations to 25 business groups or organizations annually. 2. At least 85% of attendees rate the presentations as being helpful or very helpful.
1.4 Improve return to work efforts by guiding UI claimants to resources across the workforce system and WorkSource Oregon, a collaborative effort of Oregon's Local Workforce Investment Boards (LWIBs) and OED.			
1.4.1	Expand UI claimant participation with WorkSource Oregon services including reemployment activities and work-readiness preparation.	<i>Begin:</i> October 2014 <i>Complete:</i> Ongoing	Using WorkSource Oregon services, UI claimants return to work sooner and reduce amount of benefits paid due to claiming benefits for shorter periods of time. Establish baseline and measure quarterly.

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1.4.2	Expand participation in the Self Employment Assistance Program (SEAP).	<i>Begin:</i> September 2014 <i>Complete:</i> December 2018	Move from 0.41% to 1.25% of people filing claims participating in the SEAP.
1.4.3	Expand participation in the Work Share program to help employers avoid layoffs.	<i>Begin:</i> September 2014 <i>Complete:</i> December 2018	Move from 1.8% to 2% of people filing claims participating in the Work Share program.
1.4.4	Expand cross-training of UI and Business and Employment Specialist (B&ES) staff to better target reemployment services to UI claimants.	<i>Begin:</i> September 2014 <i>Complete:</i> December 2015	All Business and Employment Specialist (B&ES) staff, in the UI division and WorkSource Oregon, are cross-trained.
1.4.5	Promote the National Career Readiness Certificate (NCRC) with UI claimants.	<i>Begin:</i> August 2014 <i>Complete:</i> December 2016	Increase percentage of UI claimants receiving NCRC from 1.3% to 10%.
1.5 Modernize UI division business services and technology infrastructure.			
1.5.1	Use Lean (practices focused on value creation for the end customer by achieving process improvements) to make UI work processes more efficient and effective.	<i>Begin:</i> August 2014 <i>Complete:</i> Ongoing	90% of UI division employees understand Lean principles and participate in Lean process improvement.
1.5.2	Establish review of UI policy by working with OWIB and Employment Department Advisory Council to develop framework for reviewing UI policy with appropriate stakeholders.	<i>Begin:</i> July 2015 <i>Complete:</i> June 2016	Convene first meeting of UI policy review group.
1.5.3	Develop long-term modernization plan to update business practices and technology used to deliver UI services.	<i>Begin:</i> September 2014 <i>Complete:</i> Ongoing	<i>To be determined based on OED Information Technology Services strategic objective regarding enterprise architecture.</i>
1.5.4	Enhance internal analysis, coordination, and oversight of the operations of the UI division.	<i>Begin:</i> August 2014 <i>Complete:</i> Ongoing	<ol style="list-style-type: none"> 1. UI policies, legislation, rules, and practices that have impact throughout the UI system are handled by single UI policy work unit. 2. Documented procedures and functions are developed and implemented for single UI policy work unit.



WorkSource Oregon operators (named by LWIBs) under operating agreements

WorkSource Oregon is a collaborative effort of Oregon's Local Workforce Investment Boards (LWIBs) and OED to provide one-stop career services in local areas. Its functions are guided by WorkSource Oregon operators

between LWIBs and OED. These goals represent the shared aspirations of the partners.

It is the intention of the partners that this section of OED's strategic plan should interlock seamlessly with each Local Workforce Investment Board's strategic plan. The local strategic plans may expand upon various components and strategies of WorkSource Oregon unique to the various regions.

Goal 2: Connect businesses and job seekers, through WorkSource Oregon, to foster a vibrant economy in Oregon.		
Objectives	Timeline	Measure/Result
2.1 Connect employers with skilled workers on a timely basis.		
2.1.1 Prioritize services to address locally defined target sectors and target populations.	<i>Begin:</i> January 2015 <i>Complete:</i> July 2017	1. Establish baseline of services and resources by June 2015. 2. Increase services and/or resources designated to targeted sectors by 10% annually. 3. Increase services and/or resources designated to target job seeker populations by 10% annually.
2.1.2 Provide employers customized WorkSource Oregon business services to access screened and qualified candidates with verified skills.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2017	Annually fill 8,500 positions using customized WorkSource Oregon business services.
2.1.3 Increase number of employers who endorse the National Career Readiness Certificate (NCRC) with letters of support.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2017	Move from 1,800 to 5,000 employers who provide letters of support for the NCRC.
2.1.4 Link employers to work-ready job candidates.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2017	Fill 20,000 jobs with work-ready job candidates.
2.1.5 Increase satisfaction among businesses using WorkSource Oregon.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2017	90% of surveyed employers are satisfied with WorkSource Oregon services.
2.2 Provide job seekers with access to a variety of tools to help increase their skill sets.		
2.2.1 Expose job seekers to multiple online job search systems.	<i>Begin:</i> September 2014 <i>Complete:</i> July 2015	95% of job seekers receive personalized services to support job search.

2.2.2	Assist job seekers by identifying and providing access to talent development and skill training opportunities.	<i>Begin:</i> September 2014 <i>Complete:</i> July 2017	100% of job seekers who register with WorkSource Oregon receive information about talent development and skill training opportunities.
2.2.3	Verify job seeker workplace skills through award of NCRCs and other locally recommended tools.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2017	20,000 job seekers earn NCRC and other work-ready certification.
2.3 Provide targeted populations of job seekers with enhanced services to become more employable.			
2.3.1	Increase use of federal Work Opportunity Tax Credit (WOTC), including timely processing of applications.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2016	1. Process each application within 10 days of receipt. 2. Annually increase WOTC applications by 5%.
2.3.2	Develop job seeker talent through skills review practice and remediation, to support high achievement on NCRC certification and assist individuals to attain their career goals.	<i>Begin:</i> August 2014 <i>Complete:</i> Ongoing	Annually, 2,000 job seekers in targeted populations (see Figure 1, page 5) receive silver or higher level NCRC certification.
2.3.3	Educate unemployment insurance (UI) claimants about labor market and WorkSource Oregon resources and how they relate to UI requirements.	<i>Begin:</i> August 2014 <i>Complete:</i> Ongoing	100% of UI claimants who register with WorkSource Oregon receive information on their labor market and WorkSource Oregon resources.
2.4 Support key industry sectors so they can grow and thrive.			
2.4.1	Promote work-based training, including apprenticeship and on the job training to key industry sector employers.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2017	Coach staff on how to integrate work-based training options for employers and job seekers.
2.4.2	Assist employers to increase the skills of their existing workers.	<i>Begin:</i> January 2016 <i>Complete:</i> July 2016	Increase employer access to skill training resources through WorkSource Oregon business services.
2.4.3	Help targeted sector employers access larger pools of job seekers with necessary skills.	<i>Begin:</i> July 2015 <i>Complete:</i> July 2017	1,500 job candidates with validated skills hired by targeted sector employers.
2.5 Optimize services for all customers across WorkSource Oregon by aligning state and local efforts and adhering to WorkSource Oregon operational standards.			
2.5.1	Develop and implement consistent branding of WorkSource Oregon throughout the state.	<i>Begin:</i> August 2014 <i>Complete:</i> June 2017	100% of WorkSource Oregon one-stop centers use standardized WorkSource Oregon branding.

2.5.2 Co-locate and integrate WorkSource Oregon centers with LWIB contractors, DHS, and other partners.	<i>Begin:</i> August 2014 <i>Complete:</i> June 2017	100% of WorkSource Oregon centers are integrated with OED and LWIB contractors.
2.5.3 Improve customer flow, provide welcoming environment, connection to technology infrastructure, and better service access in all WorkSource Oregon offices.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2017	85% of WorkSource Oregon one-stop centers' facilities are upgraded to provide better service access.
2.5.4 OED and LWIB contractor staff (as well as other partners) are educated in the workforce system and performance measures to embrace the unique nature of the WorkSource Oregon partnership.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2016	All WorkSource Oregon staff understand OWIB and LWIB priorities.

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Goal 3: Collaborate with the Department of Community Colleges and Workforce Development to transform Oregon's talent development system.

Objectives	Timeline	Measures/Results
3.1 Implement the federal Workforce Innovation and Opportunity Act (WIOA) (see appendix for details).		
<p>3.1.1 Under the Oregon Workforce Investment Board's (OWIB) leadership, OED, DHS and CCWD will provide staffing and support for the talent development system in Oregon.</p> <p>3.1.1.1 With OWIB's guidance, assemble all partners including employers, OED, CCWD, DHS, Commission for the Blind, LWIBs, Community Colleges, Vocational Rehabilitation, Adult Basic Skills programs, economic development organizations, and related partners to create a common understanding of the Strategic Unified Plan and joint system measures.</p> <p>3.1.1.2 Lead the formation of a statewide workforce development plan that meets the WIOA requirements as a Strategic Unified Plan.</p>	<p><i>Begin:</i> January 2015</p> <p><i>Complete:</i> June 2016</p>	<p>Completed statewide workforce development plan that provides foundation for partner strategic plans.</p>
<p>3.1.2 Write, distribute, and train on new state policy guidance reflecting WIOA (<i>following Federal guidance issued in January 2015</i>) by working with required partners to develop policies that support system changes.</p>	<p><i>Begin:</i> January 2015</p> <p><i>Complete:</i> December 2015</p>	<p>Implement state WIOA policies including training for all staff on new state policies that support system changes.</p>
<p>3.1.3 Provide technical assistance to LWIBs regarding new roles and responsibilities for boards, including role of the one-stop operator and service provision changes.</p>	<p><i>Begin:</i> June 2014</p> <p><i>Complete:</i> June 2015</p>	<p>WIOA implementation operational across the state in local areas.</p>
3.2 Provide resources and expertise to support the Oregon Workforce Investment Board (OWIB) in redefining and strengthening its mission.		
<p>3.2.1 Support and lead board development and transformation by providing member education, clarifying sphere of influence, and implementing governance and accountability mechanisms including committee structure and functions.</p>	<p><i>Begin:</i> July 2014</p> <p><i>Complete:</i> Ongoing</p>	<p>Provide training of all OWIB members to help members critically review workforce proposals, budgets, and performance and make recommendations to the system and to the governor about improvements.</p>
<p>3.2.2 Support industry sector strategies by establishing a state sector strategies framework and supporting LWIBs that develop local strategies meeting business needs in target industries.</p>	<p><i>Begin:</i> July 2014</p> <p><i>Complete:</i> Ongoing</p>	<p>All LWIB WIOA strategic plans identify at least two Industry sector strategies.</p>
<p>3.2.3 Create and improve work ready communities throughout Oregon.</p>	<p><i>Begin:</i> January 2014</p> <p><i>Complete:</i> June 2019</p>	<p>Certify all counties as Certified Work Ready Communities by ACT and the Governor.</p>

3.2.4	Implement system innovations for targeted populations, specifically persons with disabilities, persons living at or below the poverty line, and the chronically un/underemployed to receive improved services.	<i>Begin:</i> January 2014 <i>Complete:</i> June 2019	Establish, in partnership with LWIBs, a process and scorecard to prioritize strategies and innovations to maximize results.
3.2.5	Explore additional training delivery models including non-traditional apprenticeships.	<i>Begin:</i> July 2015 <i>Complete:</i> July 2017	Convene LWIBS, Bureau of Labor & Industries (BOLI), and other partners to assess local needs and develop plans of action.
3.2.6	Expand work-based learning models including the Back to Work Oregon (BTWO) program.	<i>Begin:</i> July 2015 <i>Complete:</i> June 2017	1. Annually, increase BTWO by 650 new participants. 2. Add a new work-based learning model and make available for LWIBs to pilot.
3.2.7	Research pay for success/performance based training models for usefulness.	<i>Begin:</i> January 2015 <i>Complete:</i> July 2015	Complete research for training models. Conduct a pilot project with one LWIB (<i>if deemed appropriate</i>).
3.2.8	Support the creation of new workforce investment boards in addition to chartering and certification of all workforce investment boards.	<i>Begin:</i> March 2013 <i>Complete:</i> July 2015	Local Workforce Investment Board strategic plans and charters approved by OWIB and the Governor.
3.3 Research, develop, and implement innovative and best practices.			
3.3.1	Create and implement a process to identify, analyze, and test innovative service delivery models including using qualitative and quantitative information.	<i>Begin:</i> January 2014 <i>Complete:</i> December 2015	Use process to improve service delivery within the Oregon workforce system.
3.3.2	Create Local Strategic Investment Fund to support locally driven industry sector strategies and connectivity to serving special populations.	<i>Begin:</i> June 2014 <i>Complete:</i> September 2015	1. Obtain one-time funds limitation from Legislature. 2. Demonstrate increased training and overall benefit for special populations and locally defined industries. 3. Secure long-term support and investment.
3.3.3	Create a robust monitoring system to reflect the needs of Oregon's redesigned workforce system.	<i>Begin:</i> December 2014 <i>Complete:</i> July 2017	Joint department monitoring teams and policies in place that focus on interdisciplinary fiscal and program compliance.
3.3.4	Explore with partners ways to minimize infrastructure costs at WorkSource Oregon one-stop centers.	<i>Begin:</i> July 2015 <i>Complete:</i> July 2016	Increase training investments to maximize existing federal resources with other funds.
3.3.5	Increase training programs across the state by sharing training models across the system, and encouraging LWIBs to increase investments in training by setting training targets in plan updates.	<i>Begin:</i> January 2015 <i>Complete:</i> July 2017	Number of individuals enrolled in training increases by 10% annually.

14 – Oregon Employment Department Strategic Plan: 2014-2019

<p>3.3.6 Institute long-term financial planning for the workforce system that includes policy and evaluation capacities.</p>	<p><i>Begin:</i> January 2015 <i>Complete:</i> July 2017</p>	<ol style="list-style-type: none"> 1. Develop plan that includes sustainability, new funding, and grants to supplement federal and state investments. 2. Develop and implement plans for staffing and operations based on projected changes in the economy.
<p>3.4 Implement and manage Oregon’s workforce performance management system.</p>		
<p>3.4.1 Work collaboratively with the Workforce and Economic Research division to develop a continuous improvement/program management system that takes full advantage of the new performance measures.</p>	<p><i>Begin:</i> January 2014 <i>Complete:</i> July 2017</p>	<p>Implement a performance –based program management system.</p>
<p>3.4.2 Develop and deploy a performance management system for OWIB and LWIBs including program improvement, policy making, and accountability.</p>	<p><i>Begin:</i> September 2014 <i>Complete:</i> Ongoing</p>	<p>Operationalize and utilize the performance management system to make OWIB and department level program and policy decisions.</p>

Goal 4: Collect labor market data and provide analysis that informs the decisions of the workforce system, including OED, businesses, educators, job seekers, and families.

Objectives	Timeline	Measure/Result
4.1 Support the identification, implementation, and operation of Oregon’s future workforce areas and Local Workforce Investment Boards (LWIBs).		
4.1.1 Continue providing data and expertise as Oregon’s new workforce areas are considered and finalized.	<i>Begin:</i> June 2013 <i>Complete:</i> October 2014	Finalize the identification and implementation of Oregon’s new workforce areas.
4.1.2 Develop and implement a Workforce and Economic Research division staffing plan that best serves the new LWIB designations.	<i>Begin:</i> July 2014 <i>Complete:</i> December 2016	1. Identify and assign staff to LWIBs and locate staff in LWIB offices at least three days per week. 2. Modify staff’s work station locations to reflect LWIB locations.
4.1.3 Develop, adjust, and adapt data for the new LWIB areas.	<i>Begin:</i> October 2014 <i>Complete:</i> July 2015	Revise and adapt all existing regional workforce data to the new LWIB geographic areas.
4.1.4 Modify the Research division’s QualityInfo.org web site and all other products/publications to mirror the geographic definitions of the new LWIB areas.	<i>Begin:</i> October 2014 <i>Complete:</i> July 2015	Replicate the new LWIB definitions on QualityInfo.org and all products/publications.
4.2 Develop, analyze, and publish the workforce system performance measures and related information needed by Oregon policy makers.		
4.2.1 Identify and define the workforce system performance measures.	<i>Begin:</i> July 2013 <i>Complete:</i> December 2014	Workforce system performance measures have been finalized by work groups and approved by OWIB.
4.2.2 Develop the IT data sharing and analysis systems, including the connections to education data, needed to support the new performance measures.	<i>Begin:</i> July 2014 <i>Complete:</i> October 2014	IT staff from all workforce partner agencies have agreed on data structure and data sharing protocols.
4.2.3 Develop a performance measures dashboard for use by the Oregon Workforce Investment Board (OWIB) and by LWIBs, state agencies, the Governor’s Office, and others.	<i>Begin:</i> July 2014 <i>Complete:</i> July 2015	Present live, real data workforce system performance measures dashboard at OWIB meetings.
4.2.4 Develop a web-based tool to allow customers to conduct customized, ad hoc queries of performance measures data by program, geography, demographics, and for various time periods.	<i>Begin:</i> January 2015 <i>Complete:</i> July 2016	Deploy fully functional performance measures section of QualityInfo.org .
4.2.5 Work collaboratively with OED, workforce system, OWIB, and LWIB leadership to develop a continuous improvement/program management system that takes full advantage of the new performance measures.	<i>Begin:</i> April 2014 <i>Complete:</i> July 2016	Implement fully functional continuous improvement/program management system.

4.3 Give OED, OWIB, and LWIBs the information, analysis, and support they need to make good, data-based decisions.		
4.3.1 Integrate Research staff and information more fully into OED planning, decision-making, and program operation.	<i>Begin:</i> July 2014 <i>Complete:</i> July 2015	Start all OED policy discussions with a specific and focused discussion of available and needed data and analysis.
4.3.2 Locate OED out-stationed Research staff (regional economists and workforce analysts) in LWIB, Regional Solutions Team, or other appropriate office locations.	<i>Begin:</i> March 2014 <i>Complete:</i> December 2016	Review location of all out-stationed Research staff. Place these staff in the best possible, most customer-focused workforce system or economic development offices.
4.3.3 Increase the role of out-stationed Research staff in LWIB activities, not just by providing more information and analysis, but by being integrated into LWIB projects, activities, priorities, and decision-making.	<i>Begin:</i> July 2014 <i>Complete:</i> December 2016	Fully involve all out-stationed Research staff in LWIB projects, activities, etc. <i>Measure based on conversations with or surveys of LWIB directors and relevant Research staff.</i>
4.3.4 Engage in existing and new sector strategies efforts, providing information and analysis to improve the selection of targeted sectors, subsequent analyses of and service to those sectors, and templates to help LWIBs better use and understand available data.	<i>Begin:</i> July 2014 <i>Complete:</i> July 2016	Fully involve Research staff expertise and analysis in the selection and implementation of all sector strategies. <i>Measure based on conversation with or surveys of LWIB directors and relevant Research staff.</i>
4.3.5 Seek opportunities for further collaboration with state and LWIBs, including, but not limited to, serving on task forces and developing joint reports.	<i>Begin:</i> July 2014 <i>Complete:</i> Ongoing	Increase Research staff involvement in OWIB and LWIB activities.
4.4 Help young people and their parents, teachers, and counselors better understand workforce trends and the needs of businesses.		
4.4.1 Form a joint state workforce-local workforce-education work group to identify and define ways in which Research staff might help bridge the information gap between businesses and education, particularly high schools.	<i>Begin:</i> July 2014 <i>Complete:</i> October 2014	Produce a report outlining options and recommendations for different approaches to accomplishing this objective.
4.4.2 Work with LWIBs and out-stationed Research staff to experiment and analyze the success of various approaches recommended by the work group.	<i>Begin:</i> January 2015 <i>Complete:</i> June 2016	1. Research staff makes a specific number of contacts with high school customers during the period January 2015-June 2015 and July 2015-June 2016. <i>Actual levels will be determined once 4.4.1 is complete.</i> 2. Lead staff produce a report outlining different approaches tried; strengths and weaknesses of each; notable successes to date; and recommendations for future implementation and improvement.
4.4.3 Identify and implement the approaches that most successfully meet the stated objective. Allow for variances across different geographic areas, different school types and sizes.	<i>Begin:</i> July 2016 <i>Complete:</i> June 2019	Research staff make a specific number of contacts with high school customers each year. <i>The actual level will be determined once activities 4.4.1 and 4.4.2 are complete.</i>

Goal 5: Strengthen OED’s performance through adopting efficient and innovative business practices and inspiring staff to strive for exceptional customer service.

Objectives	Timeline	Measure/Result
5.1 Improve performance and continuity among OED employees through skill development and succession planning.		
5.1.1 Improve employee performance by providing competency-based training programs.	<i>Begin:</i> August 2014 <i>Complete:</i> June 2019	Develop a baseline for staff competency. Increase number of competencies successfully demonstrated by staff by 5% each year.
5.1.2 Develop and implement employee-focused learning opportunities to improve job performance.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2015	Deliver employee training as part of a learning system and tie to skill certifications/credentials.
5.1.3 Support mid-level managers with leadership skill development and team management skills to help bridge the gap between staff and executives.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2015	Develop and deliver full-spectrum leadership and management training program including introduction to management, advanced leadership, and executive development.
5.1.4 Create succession planning through leadership development, including leadership training.	<i>Begin:</i> January 2015 <i>Complete:</i> July 2016	Increase the pool of qualified internal candidates for department positions.
5.1.5 Design and manage an effective employee performance appraisal system.	<i>Begin:</i> January 2014 <i>Complete:</i> July 2016	Identify high performing employees for future opportunities.
5.2 Assist in achieving strategic goals through communication and outreach, both internally and externally.		
5.2.1 Develop OED communications plan for internal and external customers.	<i>Begin:</i> October 2014 <i>Complete:</i> December 2014	Implement and manage OED communications plan.
5.2.2 Work with state and local partners to develop key workforce system messages and communication strategies for external audiences.	<i>Begin:</i> October, 2014 <i>Complete:</i> January 2015	State and local partners agree and implement unified communications approach for the workforce system.
5.2.3 Develop WorkSource Oregon (WSO) brand attributes in conjunction with OWP and LWIBs.	<i>Begin:</i> October 2014 <i>Complete:</i> July 2016	Common look and feel for WSO identification and communication that promotes brand recognition

5.3 Improve support services and create transparency in business operations for all program areas.		
5.3.1 Develop division strategic plans that recognize how to support OED operations. 5.3.1.1 Finance 5.3.1.2 Information Technology Services 5.3.1.3 Human Resources 5.3.1.4 Customer Access and Program Effectiveness (CAPE)	<i>Begin:</i> October 2014 <i>Complete:</i> Ongoing	1. Implement and manage to service level agreements with business divisions. 2. Integrate support services with business divisions to provide greater collaboration on business operations. 3. Use Lean principles (practices focused on value creation for the end customer by achieving process improvements) for continuous improvement.
5.3.2 Ensure facilities management aligns to strategic department business initiatives by implementing timely operational changes.	<i>Begin:</i> October 2014 <i>Complete:</i> Ongoing	Business operations and facilities are operational and accessible to staff, partners, and the public during normal business hours.
5.4 Rejuvenate the department through streamlining business operations, transforming customer service, and maximizing technology infrastructure.		
5.4.1 Review OED policies, best practices, and resources for operational alignment and accessibility.	<i>Begin:</i> January 2015 <i>Complete:</i> December 2017	Staff can efficiently execute standard business operational processes.
5.4.2 Apply Lean analysis (practices focused on value creation for the end customer by achieving process improvements) throughout OED to support modernization efforts over the next 5 years.	<i>Begin:</i> November 2014 <i>Complete:</i> June 2019	Provide direct or brokered support for at least three Lean projects annually.

Appendix

Resources referenced for this plan development:

10-year Plan for Oregon: Rebuilding Oregon's House
<http://www.oregon.gov/COO/Ten/Pages/index.aspx>

Oregon's Workforce Development Strategic Plan 2012-2022, Oregon Workforce Investment Board (OWIB)
http://www.oregon.gov/COO/Documents/WS025_0812.pdf

Executive Order 13-08 – Chartering Partnerships for Job Growth and Talent Development
http://www.oregon.gov/gov/docs/executive_orders/eo_13-08.pdf

Workforce Innovation and Opportunity Act
<http://www.doleta.gov/wioa/>

Workforce and Economic Research Articles consulted:

Key Workforce Challenges: Younger Workers Damaged by Recession, September 2013
<http://www.qualityinfo.org/olmisj/ArticleReader?itemid=00008140>

Oregon's Minimum Wage will Rise to \$9.10 Per Hour, January 2014
<http://www.qualityinfo.org/olmisj/ArticleReader?itemid=00007830>

Population Growth Rate Increases in Oregon for Second Straight Year, January 2014
<http://www.qualityinfo.org/olmisj/ArticleReader?itemid=00009020>

Population Growth Faster Among Minority Groups, March 2014
<http://www.qualityinfo.org/olmisj/ArticleReader?itemid=00009093>

Key Workforce Challenges: Business Struggle to Find Skilled Workers, March 2014
<http://www.qualityinfo.org/olmisj/ArticleReader?itemid=00008285>

Key Workforce Challenges: More Severe in Oregon's Rural Areas, May 2014
<http://www.qualityinfo.org/olmisj/ArticleReader?itemid=00008442>

Oregon's Labor Force Participation Rate Continued to Fall in 2013, May 2014
<http://www.qualityinfo.org/olmisj/ArticleReader?itemid=00009150#seg0005>

Key Workforce Challenges: Aging Workforce and Looming Retirements, June 2014
<http://www.qualityinfo.org/olmisj/ArticleReader?itemid=00008236>

Endangered: Youth in the Labor Force, June 2014
<http://www.qualityinfo.org/olmisj/ArticleReader?itemid=00009233>

Almost Half of Oregon's Job Vacancies are Difficult to Fill, July 2014
<http://www.qualityinfo.org/olmisj/ArticleReader?itemid=00008850>



The Oregon Employment Department is an equal opportunity employer/program.
Auxiliary aids and services are available upon request to individuals with disabilities.
Language assistance is available to persons with limited English proficiency at no cost.

El Departamento de Empleo de Oregon es un programa que respeta la igualdad
de oportunidades. Disponemos de servicios o ayudas auxiliares, formatos alternos
y asistencia de idiomas para personas con discapacidades o conocimiento
limitado del inglés, a pedido y sin costo.

Employment.Oregon.Gov

EDPUB143_1014

Oregon Employment Department

2014 Key Performance Measures Summary

The Employment Department currently has 14 Key Performance Measures (KPMs). Below is a summary of 2014 key performance data followed by a brief narrative discussing the use of KPMs presently, and the agency's intentions for KPMs going forward.

2014 Targets and Actuals

	KPM #	Measure	Actual	Target
Agencywide				
	14	Customer Service	85.2%	≥ 95.5%
Unemployment Insurance				
	4	Timeliness of First Payment	96.3%	≥ 95%
	5	Non-monetary Timeliness	77%	≥ 80%
	6	Cost Per Claim	\$201	≤ \$160
	12	Timeliness of New Status Determinations	77%	≥ 80%
Business & Employment Services				
	1	Entered Employment	54%	≥ 57%
	2	Employment Retention	82%	≥ 80%
	3	Cost Per Placement	\$281	≤ \$200
Office of Administrative Hearings				
	7	Unemployment Insurance Appeals Timeliness (cases resolved within 30 days)	35%	≥ 60%
	8	Non-Unemployment Insurance Appeals Timeliness	94.06%	≥ 93%
	9	Average Days to Issue an Order	6.31 days	≤ 6.6 days
	10	Cost Per Disposition	\$422	≤ \$429
<i>*Child Care</i>	13	<i>Child Care Health & Safety Reviews</i>	<i>*N/A: program area transferred out of OED</i>	

Current Linkages to OED Strategic Goals

Of the agency's existing KPMs, 10 have linkages to goals detailed in OED's 2014-19 strategic plan. The 4 exceptions are the measures related to the Office of Administrative Hearings (OAH): KPM #'s 8, 9, and 10 and one related to the Child Care Division (CCD): KPM #13. The recommended budget proposes to transfer OAH out of OED and into the Department of Administrative Services and is not integrated as part of the agency in the new strategic plan. CCD was successfully transferred out of OED and into the Department of Education as part of the Early Learning Division in 2013.

The agency has established the following linkages between current KPMs and strategic plan goals;

Goal 1: Provide an effective unemployment insurance system for workers, businesses and communities

KPM #4 Timeliness of First Payment

KPM #5 Non-Monetary Determinations Timeliness

KPM #6 Cost per Claim
KPM #7 UI Appeals Timeliness
KPM #11 Higher Authority Appeals Timeliness
KPM #12 Timeliness of New Status Determinations

Goal 2: *Connect businesses and job seekers to foster a vibrant economy in Oregon*

KPM #1 Entered Employment
KPM #2 Employment Retention
KPM #3 Cost per Placement

Goal 3: *Collaborate with the Department of Community Colleges and Workforce Development to transform Oregon's talent development system*

KPM #1 Entered Employment
KPM #3 Cost per Placement

Goal 4: *Collect labor market data and provide analysis that informs the decisions of the workforce system in general, as well as the decisions of the Oregon Employment Department, local businesses, educators, job seekers and families*

No direct linkage to KPMs

Goal 5: *Strengthen department performance through adopting efficient and innovative business practices and inspiring staff to strive for exceptional customer service*

KPM #14 Customer Service
KPM #3 Cost per Placement
KPM #6 Cost per Claim

Employment Department KPMs Going Forward

The workforce system is rapidly developing into a more collaborative and customer-centric network of providers. The implementation of the new standards and requirements of the Workforce Innovation and Opportunity Act along with the workforce redesign provides OED with a unique opportunity to better align the agency's performance measures with broader performance goals. As part of the workforce redesign, OED plans to review existing KPMs and prepare to introduce revised ones in late 2015 and 2016. The agency expects the updated KPMs to be more informative to interested parties; be consistent with federal, state and local measures to the extent possible; and provide a more accurate assessment of OED programs and service levels under the new workforce system. In 2015, WIOA regulations will be published that will give further guidance on how to best restructure two or three of the agency's KPMs. After WIOA regulations are published, OED intends to provide the Legislature with specific proposals and a baseline data series for new KPMs to be considered in the 2017-19 biennium.

EMPLOYMENT DEPARTMENT

Annual Performance Progress Report (APPR) for Fiscal Year (2013-2014)

Original Submission Date: 2014

Finalize Date: 11/1/2014

2013-2014 KPM #	2013-2014 Approved Key Performance Measures (KPMs)
1	ENTERED EMPLOYMENT - % of job seekers who got a job with a new employer after registering with the Employment Department.
2	EMPLOYMENT RETENTION - % of Job Seekers who were in employment two quarters after registering with the Employment Department.
3	COST PER PLACEMENT– total cost of B&ES programs divided by the total number of job seekers entered into employment after receiving services.
4	FIRST PAYMENT TIMELINESS – % of initial unemployment insurance payments made within 21 days of eligibility.
5	NON-MONETARY DETERMINATIONS TIMELINESS – % of claims that are adjudicated within 21 days of issue detection
6	COST PER CLAIM – total cost of UI programs divided by the total number of initial claims for UI benefits filed.
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.
8	NON-UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of orders issued within the standards established by the user agencies.
9	AVERAGE DAYS TO ISSUE AN ORDER - Average number of days to issue an order following the close of record.
10	COST PER REFERRAL TO OAH – total cost of OAH programs divided by the total number of referrals.
11	HIGHER AUTHORITY APPEALS TIMELINESS – % of cases requesting an appeal that receive a decision within 45 days of the date of request.
12	TIMELINESS OF NEW STATUS DETERMINATIONS - % of new status determinations completed within 90 days of the end of the liable quarter.
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.
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.

New Delete	Proposed Key Performance Measures (KPM's) for Biennium 2015-2017
DELETE	<p>Title: CHILD CARE HEALTH & SAFETY REVIEWS – % of family child care facilities required to have health & safety onsite reviews that were reviewed by Child Care Division.</p> <p>Rationale: This measure applies to the Child Care Division duties, which no longer reside at the Employment Department. In June of 2011, Governor Kitzhaber signed into law SB 909, which created the early learning council and moved the Child Care Division from the Employment Department to a division within the Department of Education.</p>

EMPLOYMENT DEPARTMENT

I. EXECUTIVE SUMMARY

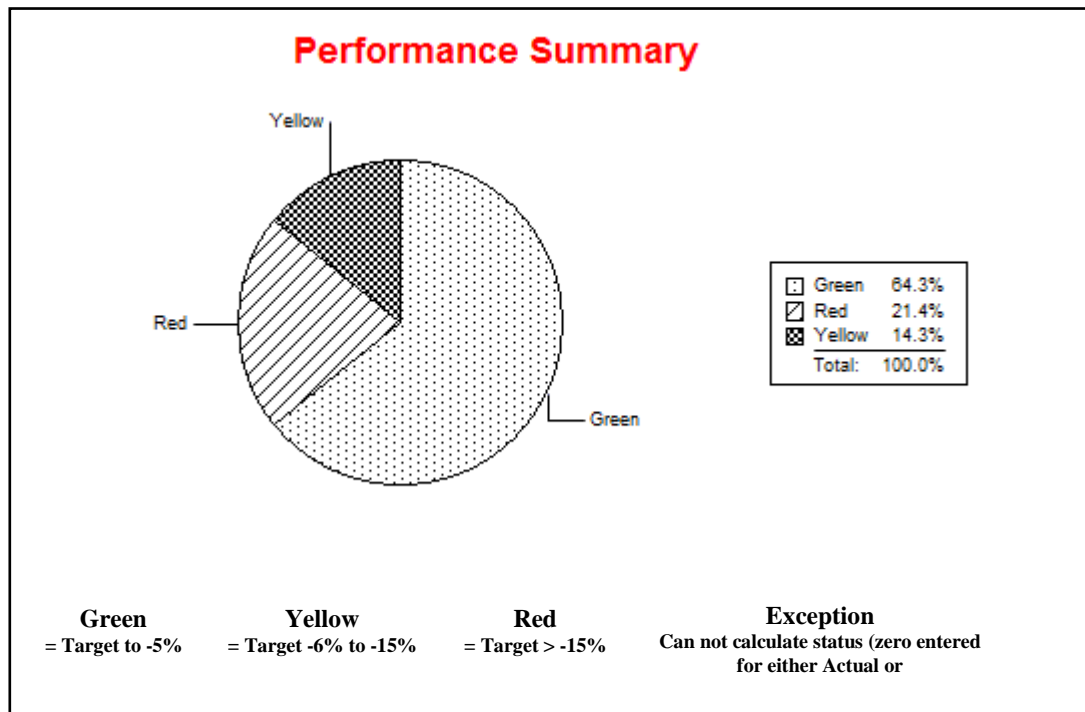
Agency Mission: The mission of the Oregon Employment Department is to Support Business and Promote Employment.

Contact: Mary Bernert

Contact Phone: 503-947-1975

Alternate: Jennifer Shawcross

Alternate Phone: 503-947-1306



1. SCOPE OF REPORT

Unemployment Insurance (UI) Business and Employment Services (B & ES) Office of Administrative Hearings (OAH)

2. THE OREGON CONTEXT

Related Oregon Benchmarks (OBM): OBM 1: Employment Dispersion OBM 4: Net Job Growth OBM 12: Annual Payroll OBM 14: Wages over 150% of

3. PERFORMANCE SUMMARY

KPMs MAKING PROGRESS (at or trending toward target achievement):

KPM 1 Entered Employment (Yellow)

KPM 2 Employment Retention (Green)

KPM 4 First Payment Timeliness (Green) KPM 5 Non-Monetary Determinations Timeliness (Green) KPM 8 Non- UI Appeals Timeliness (Green) KPM 9 Average Days to issue an Order (Green) KPM 10 Cost per Referral (Green) KPM 11 Higher Authority Appeals Timeliness (Green) KPM 12 Timeliness of New Status Determinations (Green) KPM 14 Customer Service - all categories (YELLOW)

KPMs NOT MAKING PROGRESS (not trending toward target achievement):

KPM 3 Cost Per Placement (Red) KPM 6 Cost per Claim (Red) KPM 7 UI Appeals Timeliness (Red) **Deleted Measures:** KPM13 is no longer measured

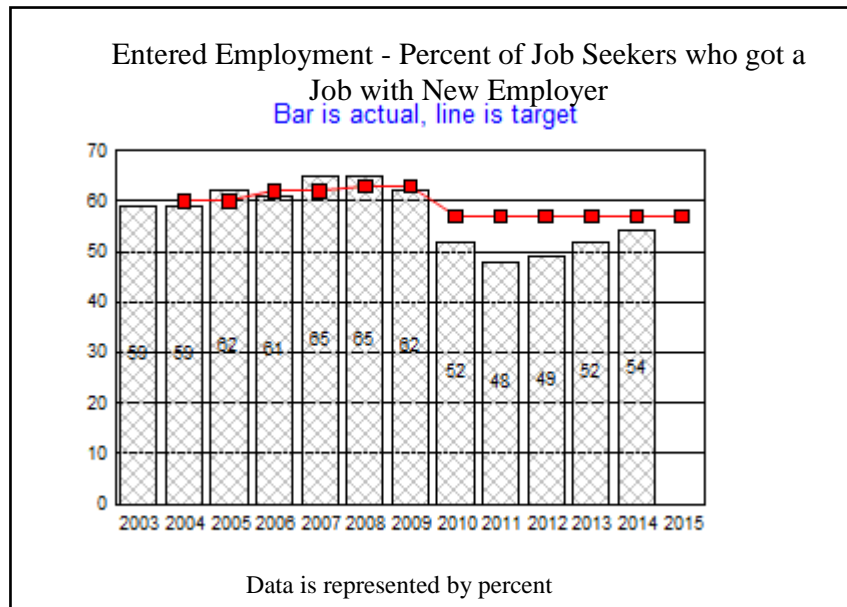
4. CHALLENGES

The economy has been moderately strong; unemployment rates have fallen, but remain higher than prior to the recession. The demand for labor is generally increasing; demand for workers with specific skills is high. The Oregon Employment Department continues to serve moderately high levels of UI claimants and job seekers. During this period OED has streamlined services to both the claimants and the job seekers. OED is increasingly seeing long-term unemployed workers who need assistance transitioning to new occupations or industries.

5. RESOURCES AND EFFICIENCY

The following Key Performance Measures are efficiency measures: KPM #3: Cost per Placement KPM #6: Cost per Claim KPM #10: Cost per Referral to OAH (Office of Administrative Hearings)

KPM #1	ENTERED EMPLOYMENT - % of job seekers who got a job with a new employer after registering with the Employment Department.	2002
Goal	Goal 1 Match Employers with Job Seekers	
Oregon Context	OBM 1, 4, 12, 14, 15	
Data Source	US Department of Labor Form ETA 9002	
Owner	Business & Employment Services (B&ES) Gus Johnson (503) 947-1673	



1. OUR STRATEGY

Improve employment outcomes through customizable and targeted services.

2. ABOUT THE TARGETS

Targets are negotiated directly between OED and the US Department of Labor. The SFY 2014 target was 57%. A higher percent of job seekers entering employment is better.

3. HOW WE ARE DOING

Performance nudged up to 54% from 52% in SFY 2013.

4. HOW WE COMPARE

This is a national measure.

5. FACTORS AFFECTING RESULTS

This measure can be impacted by labor market conditions. As the unemployment rate increases the number of workers finding employment decreases. The national and state economy continues to struggle to reach pre-recession employment levels, although Oregon's unemployment rate has improved during the last 12 months. We are finding that as the number of unemployed workers declines, those that are unemployed generally have more barriers to employment and require more assistance and time to find work.

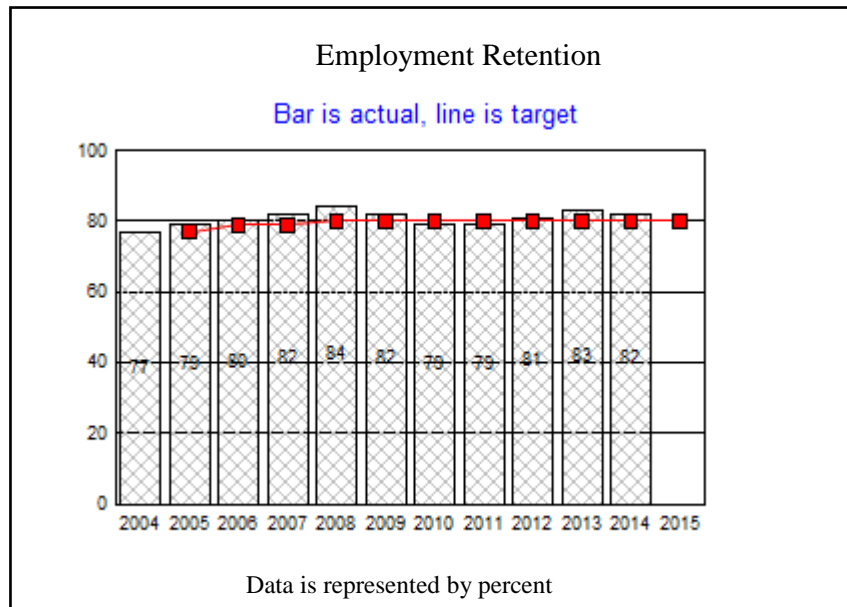
6. WHAT NEEDS TO BE DONE

The Employment Department, along with its partners in WorkSource Oregon, will continue to provide reemployment services to job seekers. A focused effort is underway to pilot new methods for assisting employers in filling current job openings with well-qualified Oregonians.

7. ABOUT THE DATA

The data source is US Department of Labor ETA 9002.

KPM #2	EMPLOYMENT RETENTION - % of Job Seekers who were in employment two quarters after registering with the Employment Department.	2003
Goal	Goal 1 Match Employers with Job Seekers	
Oregon Context	OBM 1, 4, 12, 14, 15	
Data Source	US Department of Labor Form ETA 9002	
Owner	Business & Employment Services (B&ES) Gus Johnson (503) 947-1673	



1. OUR STRATEGY

Continue work to improve alignment of job seeker skills with employer needs.

2. ABOUT THE TARGETS

Targets are negotiated directly between OED and the US Department of Labor. The SFY 2014 target remained at the 80% level. A higher percent of job seekers retaining employment is better.

3. HOW WE ARE DOING

82% of job seekers who obtained employment after receiving services at OED were still in their job 6 months after they were hired.

4. HOW WE COMPARE

This is a national measure. Oregon performs above national target levels.

5. FACTORS AFFECTING RESULTS

This measure can be impacted by labor market conditions. The national and state economy continues to struggle to reach pre-recession employment levels, although Oregon's unemployment rate has improved during the last 12 months. An improving unemployment rate may be related to higher employment retention.

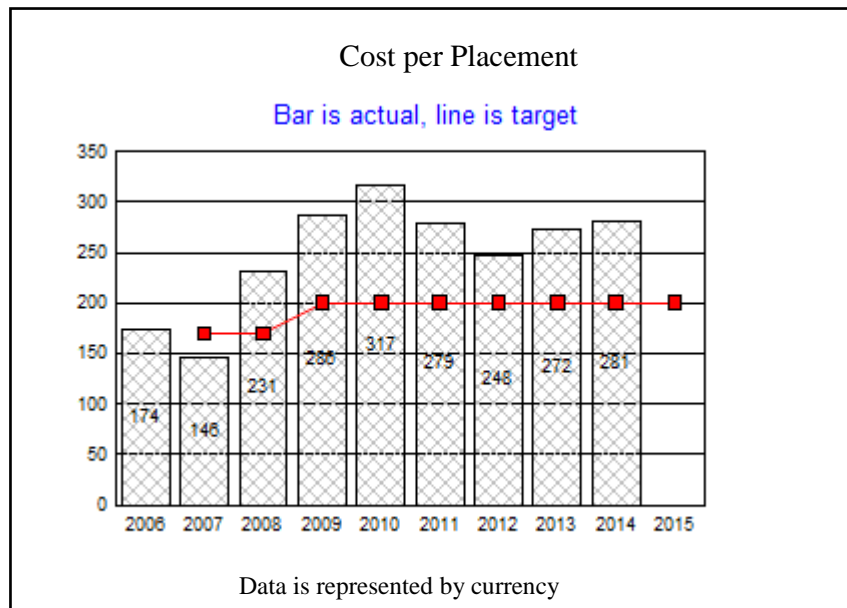
6. WHAT NEEDS TO BE DONE

OED will continue to review and continually improve services to job seekers and employers, in collaboration with our WorkSource Oregon partners.

7. ABOUT THE DATA

The data source is US Department of Labor form ETA 9002. The data reported here is by Oregon fiscal year.

KPM #3	COST PER PLACEMENT– total cost of B&ES programs divided by the total number of job seekers entered into employment after receiving services.	2005
Goal	Goal 1 Match Employers with Job Seekers	
Oregon Context	Oregon Benchmarks (OBM) 1, 4, 12, 14, 15	
Data Source	Agency Budget, iMatchSkills Database	
Owner	Business & Employment Services (B&ES) Gus Johnson, (503)947-1673	



1. OUR STRATEGY

The agency continues to be conscious of budgetary constraints and the need to be fiscally responsible. This year planning for workforce integration and other improvements to service delivery were begun.

The goal is to balance better service, increased productivity, and cost containment while providing enhanced services to those most in need.

2. ABOUT THE TARGETS

Lower is better.

3. HOW WE ARE DOING

The number of placements was 147,708. The budget for Business and Employment Services was \$41,490,268. The cost per placement was \$281, a 3% increase over last year's cost per placement.

4. HOW WE COMPARE

There is no national measure compiled for comparison.

5. FACTORS AFFECTING RESULTS

This performance measure is sensitive to economic conditions, specifically the alignment of available jobs relative to the skills of job seekers.

We are finding that as the number of unemployed workers declines, those that are unemployed generally have more barriers to employment and require more assistance and time to find work.

6. WHAT NEEDS TO BE DONE

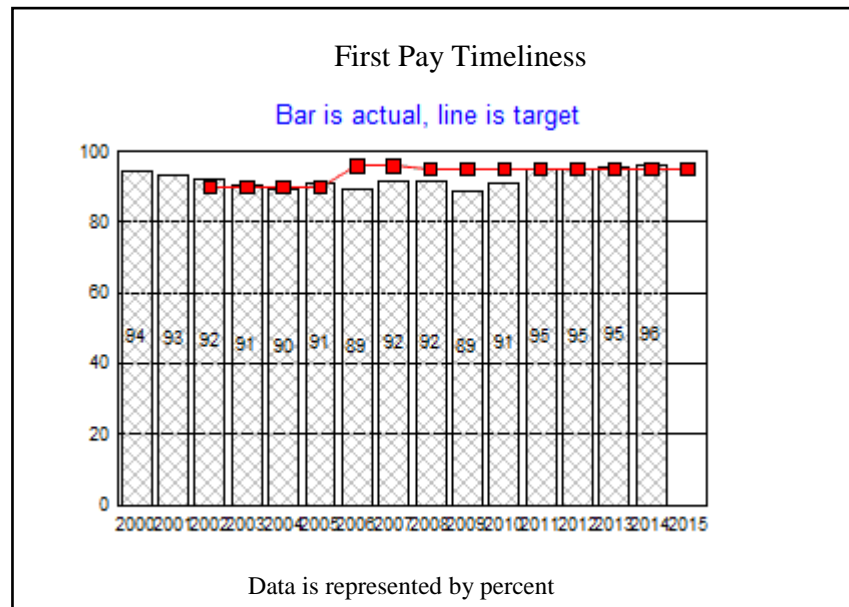
The Oregon Employment Department will continue work with state and local partners to effectively address the labor needs of Oregon businesses, and to connect job seekers to available employment opportunities.. Customized services to employers are proving to be effective and will provide a feedback loop to tailor job seeker services to meet local demand.

7. ABOUT THE DATA

Data sources are the Agency Expenditure Control and iMatchSkills database. Data is based on Oregon fiscal year. The costs component is based on the total Business Employment Services program costs directly related to the placement process. The Placement definition refers to placement types that can be

routinely verified.

KPM #4	FIRST PAYMENT TIMELINESS – % of initial unemployment insurance payments made within 21 days of eligibility.	1999
Goal	Goal 2 Timely, Fair & Accurate Unemployment Insurance Payments	
Oregon Context	Oregon Benchmarks (OBM) 12, 14	
Data Source	US Department of Labor Form ETA 9050	
Owner	Unemployment Insurance David k. Gerstenfeld (503) 947-1707	



1. OUR STRATEGY

We continue to pursue efficiencies by streamlining Unemployment Insurance (UI) processes to improve timeliness and customer care.

2. ABOUT THE TARGETS

Higher is better.

3. HOW WE ARE DOING

The timeliness of payments increased to 96.3%.

4. HOW WE COMPARE

At 96.3% we exceeded our goal and were above the US Department of Labor Standard of 87%.

5. FACTORS AFFECTING RESULTS

The Employment Department continues to make timely benefit payments a priority. Staffing levels have declined, but so has the volume of benefit claims. The extension programs have also ended, making claims less complicated.

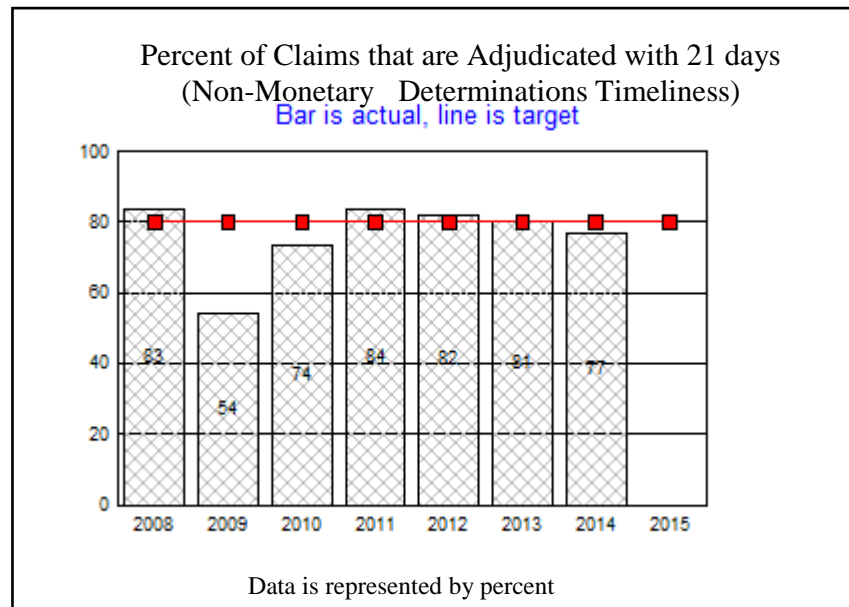
6. WHAT NEEDS TO BE DONE

No action required.

7. ABOUT THE DATA

The data source is US Department of Labor report ETA 9050. The data reported here is by Oregon fiscal year.

KPM #5	NON-MONETARY DETERMINATIONS TIMELINESS – % of claims that are adjudicated within 21 days of issue detection	2007
Goal	Goal 2 Timely, Fair & Accurate Unemployment Insurance (UI) Payments	
Oregon Context	Mission: The Mission of the Oregon Employment Department is to Support Business and Promote Employment.	
Data Source	US Department of Labor (DOL) Form ETA 9052	
Owner	Unemployment Insurance David K. Gerstenfeld (503) 947-1707	



1. OUR STRATEGY

We are seeking new efficiencies through process improvements that will result in improved timeliness without sacrificing customer service. We are also increasingly focused on setting individual performance standards for staff and helping them meet those standards.

2. ABOUT THE TARGETS

Higher is better.

3. HOW WE ARE DOING

The percent of timely non-monetary determinations was 77%, a drop from 80.5% and under the target of 80%.

4. HOW WE COMPARE

77% of the non-monetary determinations were written within 21 days.

5. FACTORS AFFECTING RESULTS

The benefit extensions added to the complexity of work performed at all levels of the UI claims system. These extensions have ended, and none is forecasted for the coming biennium which will reduce the volume of issues to be handled. Additionally there has been an increase in appeals workload from the new Reemployment and Eligibility Assessment initiative which requires claimants to meet with staff for more intensive reemployment services to remain eligible for benefits. The focus on preventing overpayments has resulted in finding more issues that need to be investigated and adjudicated.

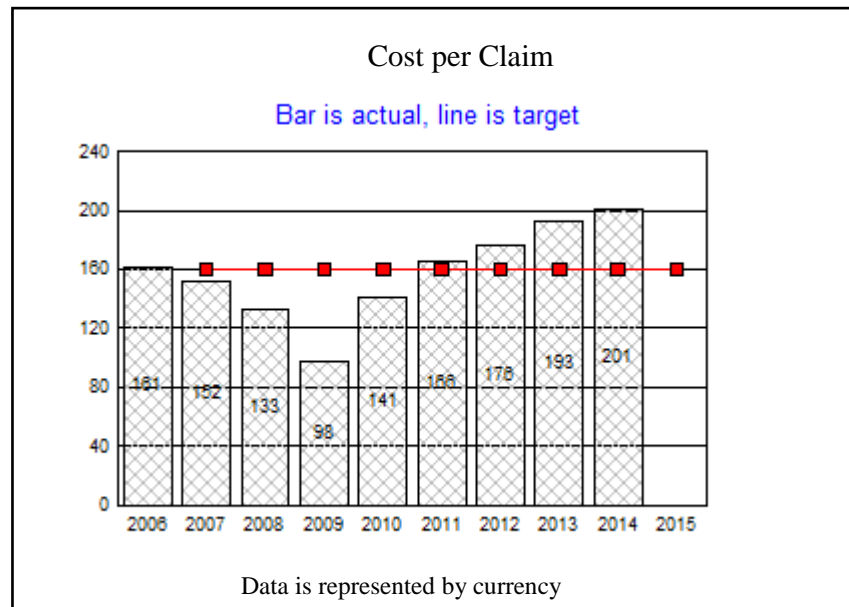
6. WHAT NEEDS TO BE DONE

Continue to monitor programs and implement process efficiencies and increase staff productivity.

7. ABOUT THE DATA

The data source is the US Department of Labor ETA 9052. Reported data is based on Oregon fiscal year.

KPM #6	COST PER CLAIM – total cost of UI programs divided by the total number of initial claims for UI benefits filed.	2005
Goal	Goal 2 Timely, Fair & Accurate Unemployment Insurance (UI) Payments	
Oregon Context	Mission Oregon Benchmarks (OBM) 12, 14	
Data Source	OED Agency Budget, US Department of Labor Form ETA 5159	
Owner	Unemployment Insurance (UI) David K.Gerstenfeld (503)947-1707	



1. OUR STRATEGY

We continue to pursue efficiencies from centralization and new technology implementation in order to streamline UI process to improve timeliness and customer service.

2. ABOUT THE TARGETS

Lower is better.

3. HOW WE ARE DOING

In SFY 2014, there were 330,703 claims with a total budget for UI activities of \$66,619,476. The cost per claim was \$201. This was a slight increase in cost over 2013, when the cost was \$193. The number of claims processed decreased by over 40,000.

4. HOW WE COMPARE

No external comparison is currently available.

5. FACTORS AFFECTING RESULTS

The cost per claim has a tendency to go down during recessionary periods and increase as the market recovers. The volume of claims drops faster than expenses, especially as some of those expenses are fixed costs.

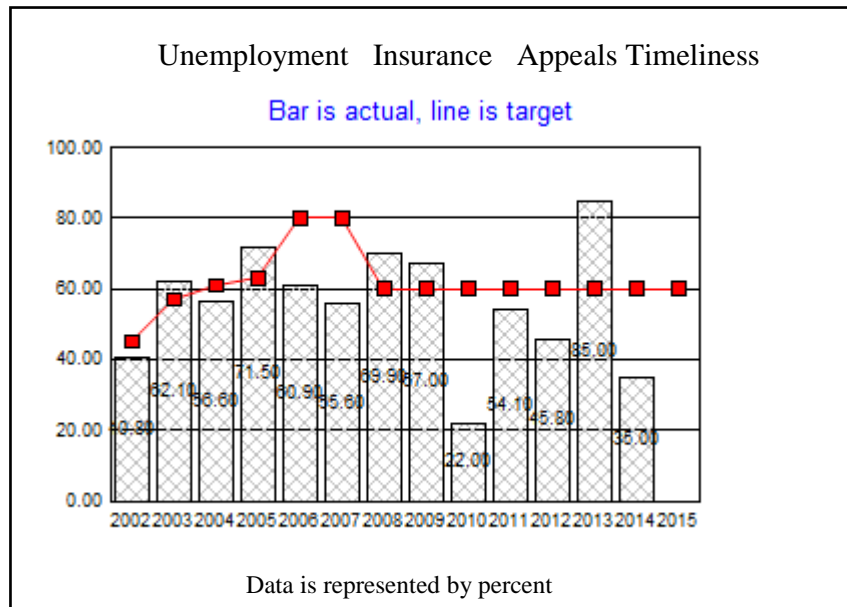
6. WHAT NEEDS TO BE DONE

Currently many of the claim processes require intense staff involvement. To improve efficiencies, OED is looking at automating claim processes by modernizing the technical and business environments so that staff efforts can be used for higher value tasks. Ongoing efforts need to focus on service delivery efficiency to let us decrease infrastructure costs while maintaining service levels. OED is focusing on making the UI system more "self-service" for the public to further decrease costs. Staff levels are decreasing to correspond with decreasing UI benefit claims and declining federal revenue.

7. ABOUT THE DATA

Currently many of the claim processes require intense staff involvement. To improve efficiencies, OED is looking at automating claim processes by modernizing the technical and business environments so that staff efforts can be used for higher value tasks. Ongoing efforts need to focus on service delivery efficiency to let us decrease infrastructure costs while maintaining service levels. OED is focusing on making the UI system more "self-service" for the public to further decrease costs. Staff levels are decreasing to correspond with decreasing UI benefit claims and declining federal revenue.

KPM #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.	1999
Goal	Goal 2 Timely, Fair and Accurate Unemployment Insurance (UI) Payments	
Oregon Context	Mission: The Mission of the Oregon Employment Department is to Support Business and Promote Employment.	
Data Source	US Department of Labor (DOL) Form ETA 9054	
Owner	Office of Administrative Hearings (OAH) Gary Tyler, Chief Administrative Law Judge, 503-947-1516	



1. OUR STRATEGY

Increase efficiencies and improve customer service.

2. ABOUT THE TARGETS

A higher percentage is better

3. HOW WE ARE DOING

During SFY 2014, performance averaged 35%, which was below the target of 60%. Performance increased starting in May 2014, and since July 1, 2014 the average timeliness standard of 60% is being exceeded, with performance at or above 85%.

4. HOW WE COMPARE

Our performance was at 35% which was a significant decrease over SFY 2013 when our performance had risen to 85%. In SFY 2015 preliminary data shows average performance at 85.05% equal to the performance achieved in SFY 2013.

5. FACTORS AFFECTING RESULTS

During the 2013-2015 biennium, the OAH received more hearing referrals due to the recession than had been forecast. This required hiring additional ALJs for a limited period of time to keep up with the number of referrals. Because of limitations to the OED hearings budget based upon earlier forecasts, it was necessary to reduce the number of ALJs employed by the OAH at the end of the 2013-2015 biennium. As a result, the number of ALJs was reduced to a level below what was needed to schedule hearings in a timely manner. Beginning in July 2014 additional ALJs were hired, which allowed scheduling of hearings at a rate needed to achieve timeliness standards.

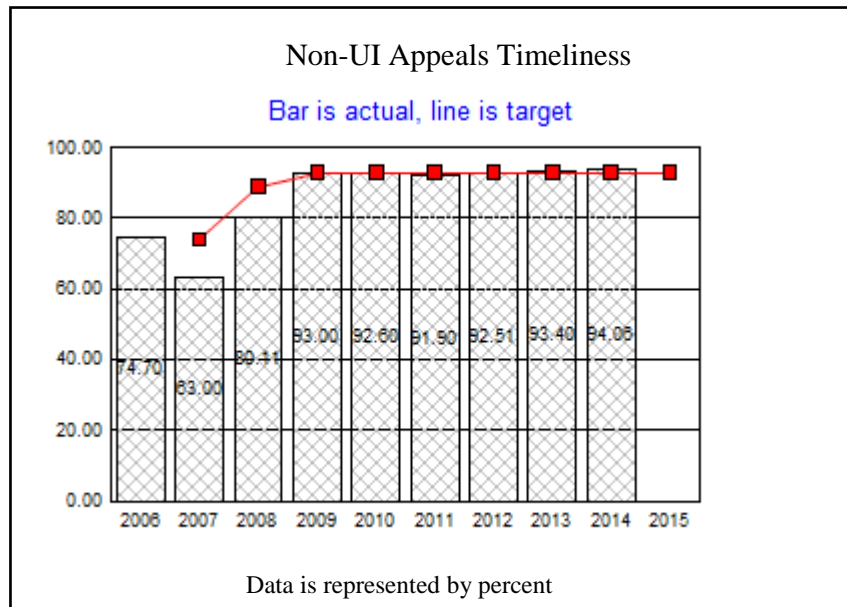
6. WHAT NEEDS TO BE DONE

Continue to monitor program ALJ staffing levels needed, leverage use of existing cross-trained staff, improve efficiencies through the new case management system.

7. ABOUT THE DATA

The data source is the US Department of Labor form ETA 9054. Data reported here is by Oregon fiscal year.

KPM #8	NON-UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of orders issued within the standards established by the user agencies.	2005
Goal	Goal 5 Timely, Fair and Accurate Appeals	
Oregon Context	Mission Oregon Benchmarks (OBM) 12, 14	
Data Source	Office of Administrative Hearings database	
Owner	Office of Administrative Hearings (OAH) (503)947-1919	



1. OUR STRATEGY

Meet cases with critical deadlines first and take advantage of cross-trained staff.

2. ABOUT THE TARGETS

Higher is better.

3. HOW WE ARE DOING

The percentage of non-UI cases disposed of within the standards for SFY 2014 was 94.06%, above the standard of 93%.

4. HOW WE COMPARE

Data shows an achievement during SFY 2014 of 94.06 %, slightly higher than SFY 2013 performance of 93.4%.

5. FACTORS AFFECTING RESULTS

A period of adequate staffing allowed for proper allocation to various non-UI program areas within the OAH as needed.

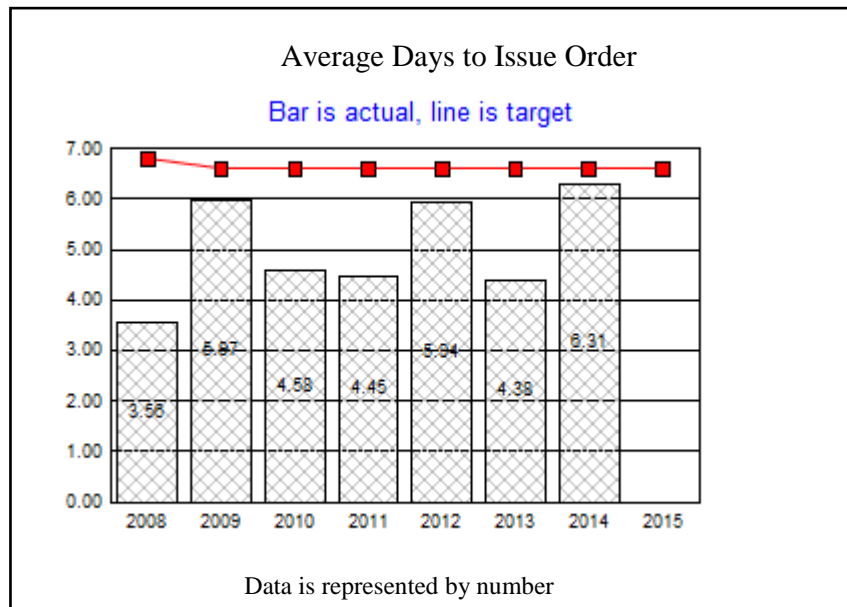
6. WHAT NEEDS TO BE DONE

Continue to monitor programs and look for efficiencies with improved technology.

7. ABOUT THE DATA

Data source is the Office of Administrative Hearings (OAH) database. Data is based on Oregon fiscal year.

KPM #9	AVERAGE DAYS TO ISSUE AN ORDER - Average number of days to issue an order following the close of record.	2005
Goal	Goal 5 Timely, Fair & Accurate Appeals	
Oregon Context	OBM 12 Annual Payroll, OBM 14 Wages over 150% of Poverty	
Data Source	Office of Administrative Hearings (OAH) database. Data is based on on Oregon fiscal year.	
Owner	Office of Administrative Hearings (OAH) (503)947-1919	



1. OUR STRATEGY

Regardless of mandated timelines, we produce legally sufficient decisions as promptly as possible.

2. ABOUT THE TARGETS

Lower is better.

3. HOW WE ARE DOING

During SFY 2014 achievement was at 6.31 days. The target is 6.6 days. Preliminary data shows that during SFY 2015 we are achieving 5.07 days.

4. HOW WE COMPARE

SFY 2014 was 6.31 days compared to 4.38 days in SFY 2013.

5. FACTORS AFFECTING RESULTS

During SFY 2014 the OAH shifted to a new case management system in several major program areas, requiring training and adaptation by staff to the new system over a number of months. This resulted in some increase in the time to issue orders.

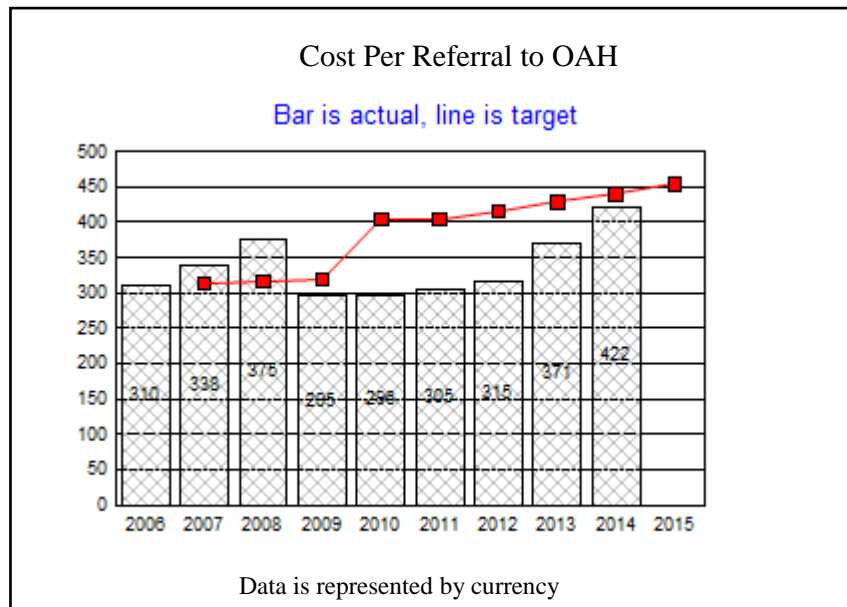
6. WHAT NEEDS TO BE DONE

Continue to monitor programs and look for efficiencies with improved technology.

7. ABOUT THE DATA

The data source is the Office of Administrative Hearings database. Data is based on Oregon fiscal year.

KPM #10	COST PER REFERRAL TO OAH – total cost of OAH programs divided by the total number of referrals.	2005
Goal	Goal 5 Timely, Fair & Accurate Appeals	
Oregon Context	Oregon Benchmarks OBM 12 Annual Payroll, OBM 14 Wages over 150% of Poverty	
Data Source	Oregon Employment Department Agency Budget, Office of Administrative Hearings (OAH) Database	
Owner	Office of Administrative Hearings (OAH) (503)947-1919	



1. OUR STRATEGY

Maintain service levels without increasing costs to sending agencies.

2. ABOUT THE TARGETS

Lower is better.

3. HOW WE ARE DOING

Average cost of referral was \$422. This is below the standard of \$429.

4. HOW WE COMPARE

During SFY 2014, cost per referral was \$422. This compares with \$370.86 in SFY 2013.

5. FACTORS AFFECTING RESULTS

During SFY 2014, additional ALJs were added for several months to help dispose of increased UI referrals. In addition, there were cost of living and step increases which increased the cost per referral. Some anticipated administrative expense associated with on-going development of a new case management system contributed to an increase in costs per referral.

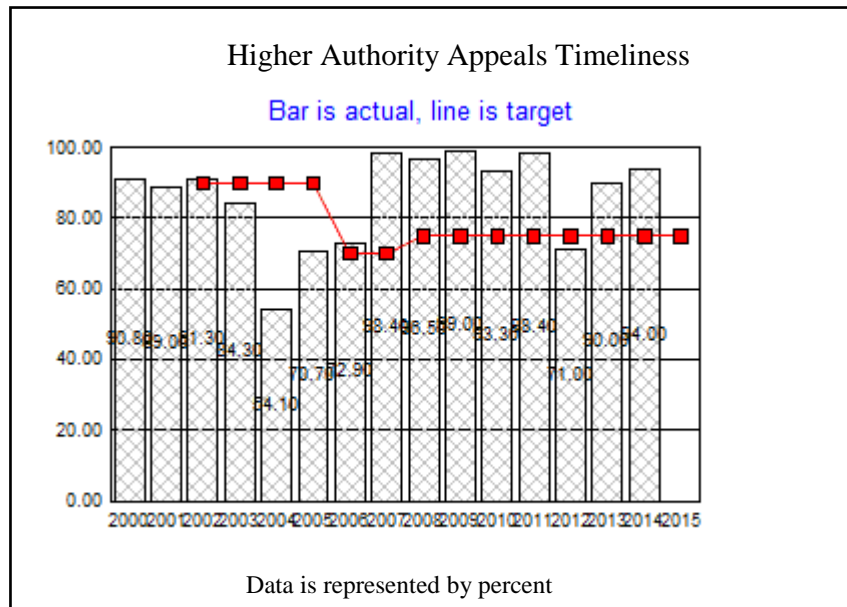
6. WHAT NEEDS TO BE DONE

Continue to monitor programs and look for efficiencies with improved technology.

7. ABOUT THE DATA

The data source is a combination of the time system, billing system and the OAH database. Reported data is based on Oregon fiscal year.

KPM #11	HIGHER AUTHORITY APPEALS TIMELINESS – % of cases requesting an appeal that receive a decision within 45 days of the date of request.	1999
Goal	Goal 2 Timely, Fair and Accurate Unemployment Insurance Payments	
Oregon Context	Oregon Benchmarks (OBM) OBM 12 Annual Payroll, OBM 14; Wages over 150% of Poverty	
Data Source	US Department of Labor (DOL) form ETA 9054	
Owner	Employment Appeals Board (EAB) Susan Rossiter (503) 378-2106	



1. OUR STRATEGY

Continue to respond to requests for hearing in a timely manner.

2. ABOUT THE TARGETS

Higher is better.

3. HOW WE ARE DOING

The percent of appeals that received a decision within 45 days was 94% for SFY 2014.

4. HOW WE COMPARE

EAB's counted workload is comparable to EAB's equivalent in New York, Massachusetts and Wisconsin, all of which had greater populations and lower unemployment rates than Oregon. EAB consistently outperformed its equivalent in each of those states, as well as the national average.

5. FACTORS AFFECTING RESULTS

UI claims over the past years have been very complex due to the number and length of extensions, this has created challenges for the EAB staff. Regardless, they have continued to provide timely service to claimants. Now that the UI benefit extensions have ended, and none are forecasted, the challenges are coming from an aging technical infrastructure and maturing staff that are nearing retirement.

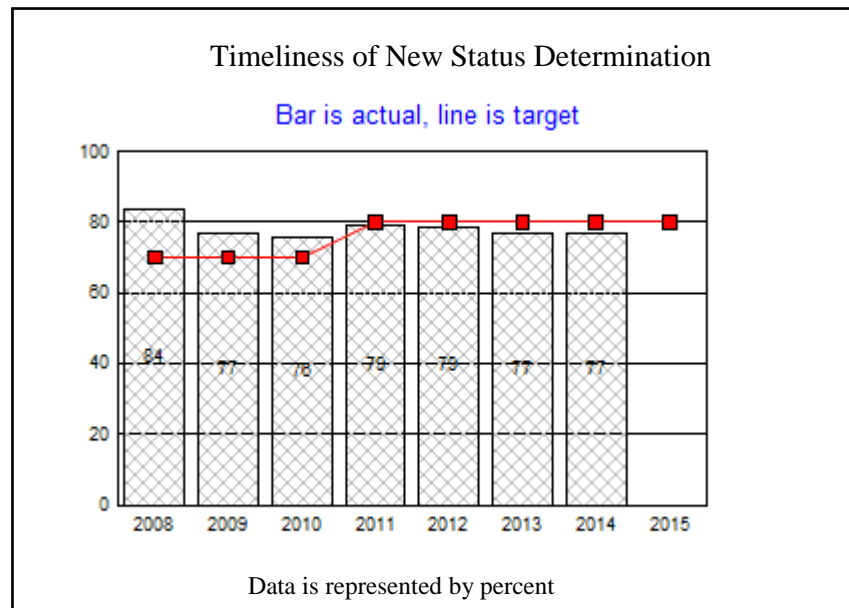
6. WHAT NEEDS TO BE DONE

Sincere and sustained efforts to improve identified defects and inefficiencies in its adjudication and appeals processes across all three levels (OED, OAH and EAB).

7. ABOUT THE DATA

The data source is the US Department of Labor (DOL) ETA 9054 report. Data is based on Oregon fiscal year, July 1 - June 30th.

KPM #12	TIMELINESS OF NEW STATUS DETERMINATIONS - % of new status determinations completed within 90 days of the end of the liable quarter.	2007
Goal	Goal 3 Maintain Solvent Trust Fund	
Oregon Context	Mission Oregon Benchmark (OBM) 12, 14	
Data Source	US Department of Labor (DOL) Tax Performance System (TPS)	
Owner	Unemployment Insurance David k. Gerstenfeld (503) 947-1707	



1. OUR STRATEGY

To develop a process to ensure tax accounts are established within 90-days of the end of the first of the quarter in which liability occurs. The UI Tax system is dependent on an aging technical infrastructure and many non-automated processes. OED is exploring ways to modernize the business and technical

environments so that some interactions are self-service and others are more automated.

2. ABOUT THE TARGETS

Higher is better. The target is to process 80% of new registrations within 90 days of the end of the first quarter in which liability occur.

3. HOW WE ARE DOING

77% of registrations were completed within 90 days.

4. HOW WE COMPARE

Performance has remained relatively stable, but below the target, for the past several years. This level of performance is below the national average of 88%.

5. FACTORS AFFECTING RESULTS

The UI Tax system is dependent on an aging technical infrastructure and many manual, labor intensive processes. The imaging system that is important to many of the processes was near failing during part of the state fiscal year, this system would be down for several days, causing delays in processing. This system was upgraded and is now very reliable, allowing processing to occur in a timelier manner.

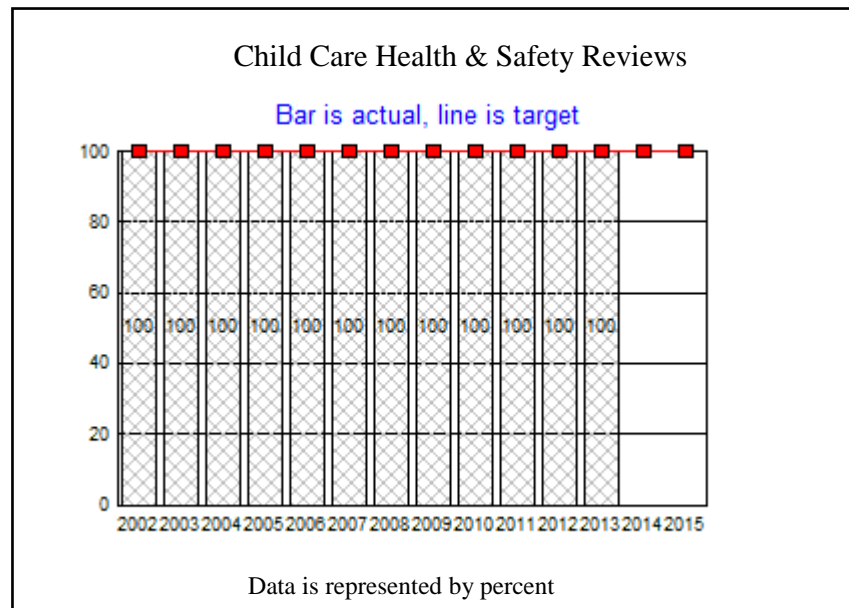
6. WHAT NEEDS TO BE DONE

We will establish new processes and readjust work load priorities.

7. ABOUT THE DATA

Data source is US Department of Labor Tax Performance System (TPS) and form ETA 581. Data is reported based on Oregon fiscal year.

KPM #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.	1999
Goal	Goal 4 Safe Child Care	
Oregon Context	Oregon Benchmarks (OBM) 47, 48	
Data Source	Child Care Division Database	
Owner	Child Care Division contact Early Learning Council	



1. OUR STRATEGY

Child Care Division was moved to Early Learning Council.

2. ABOUT THE TARGETS

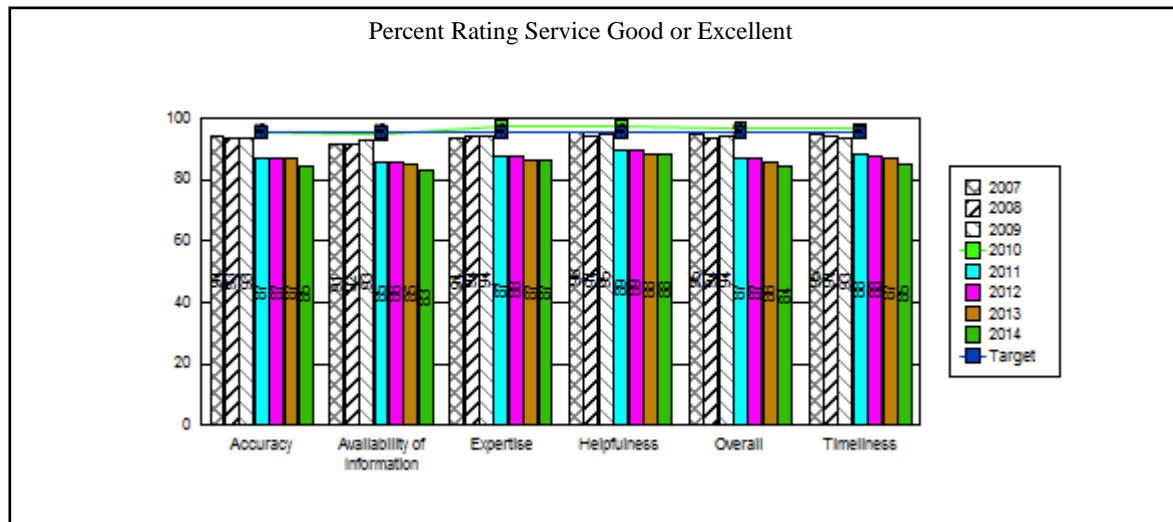
Higher is better.

3. HOW WE ARE DOING

The Child Care Division was moved to Early Learning Council.

4. HOW WE COMPARE**5. FACTORS AFFECTING RESULTS****6. WHAT NEEDS TO BE DONE****7. ABOUT THE DATA**

KPM #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.	2005
Goal	Mission: The Mission of the Oregon Employment Department is to Support Business and Promote Employment.	
Oregon Context	Oregon Benchmarks (OBM) 1, 4, 12, 14, 15	
Data Source	Claimant Survey, Business-Employer Survey, Job Seeker-Customer Survey	
Owner	Mary Bernert(503) 947-1975	



1. OUR STRATEGY

We continue to strive to provide all our customers with the highest quality customer service. We have made improvements to our phone systems and online services. We improved our services to customers in our field offices by engaging them earlier in their job search through the welcome process.

2. ABOUT THE TARGETS

Higher is better.

3. HOW WE ARE DOING

Data represents responses from job seekers, UI claimants, and Employers. Our performance was below our target. We implemented an online survey of job seekers and claimants. This change increased the response but also provided greater anonymity than our previous process and the responses were more candid. Although this new survey methodology lowered our overall performance rating, we gained valuable and more timely information to help identify areas where service could improve.

4. HOW WE COMPARE

There are no comparable measures.

5. FACTORS AFFECTING RESULTS

The number of customers we serve has remained very high compared to historical levels. Staff have been challenged during this recession to meet the needs of the additional customers and explain the complexity of the UI system.

6. WHAT NEEDS TO BE DONE

For Job Seekers: The workforce redesign effort will strengthen the integration and availability of services provided to job seekers by state and local partners. Our local offices have implemented a new welcome service that provides information on services earlier in a person's job search. This service should improve the ratings for timeliness and availability of information. Because the process is uniform throughout the state the knowledge and correctness of the information should also improve. OED has begun to use twitter to deliver some job notifications to interested customers. We are beginning to use social media to help keep customers informed on events, changes, and services.

For unemployment insurance claimants: There were changes in extension benefits which shortened eligibility periods and sequestration reduced payments. These changes were complicated to administer and explain to customers. For these customers fewer customers rated our service for information delivery and timeliness as high as in the previous year.

7. ABOUT THE DATA

The Customer Service Survey measure is a weighted average of results from three separate surveys; one for job seekers and one for claimants - both administered on-line, and an employer survey conducted over the phone. The score for this measure is based on the responses of over 9,000 customers who received services during the period from July 1, 2013 to June 30, 2014; 384 Unemployment Insurance Claimants, and 8,765 Job Seeker Customers, and 210 employers.

EMPLOYMENT DEPARTMENT	III. USING PERFORMANCE DATA
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Agency Mission: The mission of the Oregon Employment Department is to Support Business and Promote Employment.

Contact: Mary Bernert	Contact Phone: 503-947-1975
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Alternate: Jennifer Shawcross	Alternate Phone: 503-947-1306
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The following questions indicate how performance measures and data are used for management and accountability purposes.

<p>1. INCLUSIVITY</p>	<p>* Staff : Staff and managers at all levels and from all sections of the agency were represented in a year long performance measure selection process. Staff members from each major division of the agency were asked to compile a list of measures that represented their activities. Those key measures were then presented to a large representative group of managers who chose a number of measures that best represented the overall activity of the agency. Measures are routinely reviewed by the performance coordinator, management and appropriate staff for ongoing relevance and potential changes. New measures or modifications to measures and targets are periodically proposed to represent and measure agency changes and development.</p> <p>* Elected Officials:</p> <p>* Stakeholders:</p> <p>* Citizens:</p>
<p>2 MANAGING FOR RESULTS</p>	<p>Measures are used primarily for performance monitoring and compliance with respect to U.S. Department of Labor (DOL) performance standards. Performance measures are available weekly, monthly and/or quarterly for review by management, as appropriate.</p>
<p>3 STAFF TRAINING</p>	<p>Currently there is no agency-wide training for staff in the use of performance measures.</p>
<p>4 COMMUNICATING RESULTS</p>	<p>* Staff : Performance measure results are also distributed periodically at management meetings for purposes of performance monitoring and decision-making.</p> <p>* Elected Officials: Results of key performance measures are included in the budget requests and presented during legislative session at relevant hearings. Specific or selected relevant performance measures may also be communicated at some legislative hearings between sessions, or in other public communications.</p>

*** Stakeholders:**

*** Citizens:** Results of performance measures are available to the general public online at the State of Oregon, Department of Administrative Services website at: <http://www.oregon.gov/DAS/OPB/APPR.shtml>

AUDIT RESPONSE REPORT

Summary of recommendations and agency response to financial and performance audits completed by the Secretary of State or the Joint Legislative Audit Committee in fiscal biennium's July 1, 2009 – June 30, 2011 and July 1, 2011 – June 30, 2013 to date.

2009-11 BIENNIUM

- Audit of Selected Financial Accounts for the Year Ended June 30, 2008 (Management Letter 471-2009-02-01)

Recommendation 1- Department Management make cash reconciliations a priority and ensure reconciliations are performed timely.

Corrective Action 1- Staff was increased to bring cash reconciliations current. Fiscal Year-End 2008, the Trust Clearing Suspense account reconciliation through December 2008, and the Benefit Suspense reconciliation through November 2008 were completed as required. Suspense account monthly entries were changed to daily SFMS Suspense account entries for the Trust Clearing Account, Benefit Suspense Account, Federal Trust Fund, and the Manpower (Trade Act) Suspense Checking Account. In addition, we are documenting sources of cash differences to aid in future reconciliations.

Recommendation 2- Department management implement controls to ensure year-end adjustments are appropriate and adequately supported.

Corrective Action 2- We reviewed our accrual methodology for the benefit fiscal year-end for improved and timely suspense cash account reconciliation.

- Audit of Selected Financial Accounts For the Year Ended June 30, 2009 (Management Letter 471-2010-02-01)

Recommendation 1- Department Management implement a review process to ensure that transaction are appropriate and adequately supported.

Corrective Action 1- We designed a new procedure that includes review of all benefit draws after they are made. In addition, staff was added to meet the transactional increases resulting from the unprecedented number of new federal programs created to address the current deep economic downturn while helping meet our fiscal year-end closing requirements. New and existing staff also received thorough training.

Recommendation 2- Department Management implement a control over the process of transferring expenditures for budgetary purposes, and perform reconciliations of its spreadsheets to its accounting system to ensure amounts are accurately, completely, and properly recorded in the accounting system.

Corrective Action 2- We have changed our procedure regarding expenditure movements from suspense to appropriated funds. Beginning and ending expenditure balances will be retained to ensure errors are correctly identified and accurately corrected. Staff will be assigned to reconciliation duties and we anticipate overall improvement on reconciliations for fiscal year ended 6/30/2010. However, we anticipate reconciliation issues will linger given our current legacy tax and benefit databases. We anticipate preparing a cost benefit analysis of query tools for Benefit and Tax databases to allow for standardized querying by staff.

- Statewide Single Audit of Selected Federal Programs for the Year Ended June 30, 2009 (Management Letter 471-2010-03-01)

Recommendation 1- Department Management implement a review process to ensure that federal program cash draws are appropriate and adequately supported.

Corrective Action 1- We are designing a new process/procedure that incorporates review of benefit draws after made to ensure adequacy and appropriateness.

Recommendation 2- Department Management implement a review process to ensure the accuracy of the department's SEFA, including the note disclosure.

Corrective Action 2- We will be undergoing a complete review of Federal expenditures in advance of the fiscal year-end close for FYE 6/30/10. We also will be reviewing the profile make-up of Unemployment Benefits into their Other Fund and Federal Fund components. In addition, we will expand support and review of the next SEFA note submitted to DAS-Statewide Accounting and Reporting Services. We will have key Budget and Accounting staff review the underlying support.

2011-13 BIENNIUM

- Statewide Single Audit of Selected Federal Programs for the Year Ended June 30, 2010 (Management Letter 471-2011-03-02)

Recommendation 1- Department Management strengthen controls to ensure that claimants receive only the benefits allowed under the Unemployment Insurance program.

Corrective Action 1- OED Benefit section staff, (Benefit's), in coordination with IT staff have worked together to revise their internal controls to address the issue. In doing so, they created a dual check process that includes both an automated systems validation and manual staff review.

Recommendation 2- Department Management ensure proper reporting on form ETA 191.

Corrective Action 2- No written response is provided, however the department has read the matter and will take the recommendation under advisement.

- Audit of Selected Financial Accounts for the Year Ended June 30, 2010 (Management Letter 471-2011-03-01)

Recommendation 1- Department Management periodically review its federal draw process to ensure that federal funds are properly drawn.

Corrective Action 1- Financial Services staff, in coordination with IT staff, created new daily IT reports to facilitate the federal cash draw process. New federal draw procedures were implemented January 1, 2011 which allows Financial Services staff to review the proposed daily federal draw prior to the initiation of the draw.

Recommendation 2- Department Management ensure established control procedures are followed.

Corrective Action 2- With the addition of new financial services staff, the department implemented tighter controls over the daily entries into the statewide financial management system (SFMS). Beginning April 2010, the department revised its daily entry procedures such that an accountant 2 prepares the daily entry including control totals and a higher level accountant reviews and releases the daily entry in SFMS.

Recommendation 3- Department Management review current methodologies used to develop unemployment benefit receivable accounting estimates and determine if other reports or historical data are available that could help simplify the department's methodologies and improve its receivable estimates.

Corrective Action 3- No written response is provided, however the department has read the matter and will take the recommendation under advisement.

- Statewide Single Audit of Selected Federal Programs for the Year Ended June 30, 2011 (Management Letter 471-2012-03-01)

Recommendation 1- Department Management establish adequate processes to prevent overpayments and to timely recoup overpayments that occur. We also recommend that department management correct the system issue resulting in claimants being paid in excess of the maximum benefit amount and ensure that future system modifications are working as intended. We further recommend that department management ensure that manual system modifications and/or adjustments retain payment history.

Corrective Action 1- For those cases in which duplicate payments resulted from manual adjustments make to ensure continuity of payment involved flagging and sending cases to responsible work units. The work units are in process of establishing overpayments.

The overpayments resulting from system changes involve a programmed "stop" placed on all claims made against a paid week. The stop will remain in place until reviewed and inactivated. A mandatory comment is required when the line flag is inactivated and a report will be sent to supervisors for review and follow-up.

The system error concerning claimants who received benefits in excess of their maximum weekly benefit amount has been corrected. In addition, BPC management is in the process of developing a Business Intelligence system report to identify claimants receiving benefits in excess of their maximum weekly benefit amount. This will allow for the timely establishment for overpayments when required.

The UI system was modified by IT to prevent future occurrence of overpayments to individuals that were overpaid when their claims were reopened after staff manually zeroed their records. In addition, the BPC report noted above (corrective action concerning zero-out error) will allow for the timely establishment of overpayments when required.

Recommendation 2- Department Management ensure reported amounts are complete and accurate and that corrected reports are submitted as necessary.

Corrective Action 2- The ETA-227 spreadsheet formula was corrected and the report resubmitted to DOL. Prior worksheets and reports were reviewed and found the error was limited to the quarter identified by the audit team. Instructions for preparing the ETA-227 report were updated to include quarterly review by Benefit Payment Control manager before the report is transmitted to DOL.

The verification process used to ensure the ETA-581 accuracy was reviewed to ensure it is functioning properly.

The ETA-9130 spreadsheet equations were corrected and the amended ETA-9130 report submitted.

Recommendation 3- Department Management ensure established control procedures are followed.

Corrective Action 3- Management reminded accounting staff of the importance of initialing work papers as evidence that the review process took place.

- Audit of Selected Financial Accounts For the Year Ended June 30, 2011 (Management Letter 471-2012-02-01)

Recommendation - No reportable conditions noted.

Corrective Action - N/A

- Audit of Computer Controls for the Oregon Benefit Information System (Report No. 2012-25)

Recommendation 1 - Department Management take steps to better ensure accurate payment of Unemployment Insurance claims.

Corrective Action 1 – System changes were made to prevent payments in excess of a claimants weekly benefit amount and automatic stops were put in place to prevent the system from making duplicate benefit payments.

Recommendation 2 - Department Management develop and implement change management controls.

Corrective Action 2 – Programmer access to production and source code libraries has been restricted and policy and procedure updated to provide improved control. The Departments Service Request System is being expanded to improve change control.

Recommendation 3 - Department Management ensure all necessary OBIS files have been backed up and are available for restoration, and work with the State Data Center (SDC) to develop detailed procedures that fully define how the system should be recovered in the event of a disaster or significant disruption.

Corrective Action 3 – The Department is working with the SDC to update OBIS data recovery plans. An SDC infrastructure failure occurred while this audit was in progress and data recovery was successfully performed within hours and providing agency management with a reasonable level of confidence that our efforts to date are providing the necessary levels of control.

Recommendation 4 - Department Management resolve the security weaknesses we identified in our confidential management letter and work with the State Data Center to ensure the departments security expectations are clearly established and fulfilled.

Corrective Action 4 – We agree with the auditor's findings and the Department immediately began addressing noted risks during the audit process and continued working with the audit team throughout the duration of the audit to review and correct issues as they were identified.

OED Span of Control Actions Summary

Effective Date	Section	REPR	Current Classification	Position Title	Position Type	Requested REPR	Requested Classification	Requested Position Title	Position Type
11/01/13	040	MMS	X7002	Principal Executive Manager B	PF	OA	C6699	Business and Employment Specialist 2	PF
11/01/13	200	MMS	X7002	Principal Executive Manager B	PF	OA	C6700	Business and Employment Specialist 2	PF
11/01/13	111	MMS	X7002	Principal Executive Manager B	PF	OA	C6701	Business and Employment Specialist 2	PF
11/01/13	610	MMS	X7002	Principal Executive Manager B	PF	OA	C6702	Business and Employment Specialist 2	PF
11/01/13	098	MMS	X7002	Principal Executive Manager B	PF	OA	C6703	Business and Employment Specialist 2	PF
11/01/13	180	MMS	X7002	Principal Executive Manager B	PF	OA	C6704	Business and Employment Specialist 2	PF
11/01/13	026	MMS	X0113	Support Services Supervisor	PF	MMN	X0108	Administrative Specialist 2	PF
11/01/13	025	MMS	X0873	Operations and Policy Analyst 4	PF	MMN	X0873	Operations and Policy Analyst 4	PF
11/01/13	025	MMS	X0438	Principal Executive Manager B	PF	MMN	X0438	Procurement and Contracts Specialist 3	PF
11/01/13	085	OA	C6699	Business and Employment Specialist 2	PF	MMN	X0872	Operations and Policy Analyst 3	PF
11/01/13	050	MMS	X7002	Principal Executive Manager B	PF	OA	C1510	Administrative Law Judge 1	PF

OED's supervisory to non-supervisory positions ratio is currently **118 : 1277**

OED Ratio Report Results

November 2014 Baseline

State Agencies with +100 Positions - Ratio as of 11/1/2014

EXCLUDES: BOARD AND COMMISSION MEMBERS; OREGON UNIVERSITY SYSTEM;
 JUDICIAL BRANCH, LEGISLATIVE BRANCH, LOTTERY; SOS, ELECTED OFFICIALS

AGENCY	TOTAL POSITIONS	SUPERVISORY POSITIONS	NON-SUPERVISORY POSITIONS	RATIO	EXCEPTED RATIO
DHS	7648 (6087)	688 (494)	6960 (5593)	1 to 10	1 to 11
ODOT	4568 (4560)	384 (382)	4184 (4178)	1 to 11	
OHA	4550	433	4117	1 to 10	
DOC	4488	370	4118	1 to 11	
ODFW	1541 (1203)	190 (121)	1351 (1082)	1 to 7	1 to 9
EMPLOYMENT	1395	118	1277	1 to 11	
DOJ	1278	109	1169	1 to 11	
OSP	1257	102	1155	1 to 11	
FORESTRY	1199	157	1042	1 to 7*	
DOR	1065	84	981	1 to 12	
OYA	1025	99	926	1 to 9	
DCBS	923	79	844	1 to 11	
OPRD	865	75	790	1 to 11	
DAS	821	78	743	1 to 10	
DEQ	728	61	667	1 to 11	
ODEd	546	56	490	1 to 9	
OMD	521	46	475	1 to 10*	
DOAg	478 (422)	49 (42)	429 (380)	1 to 9	
PERS	372	32	340	1 to 11	
OLCC	227	22	205	1 to 9	
OHCS	168	17	151	1 to 8	
WRD	157 (183)	18	139 (165)	1 to 8	1 to 9
DPSST	135 (209)	15	120 (194)	1 to 8	1 to 13
OBDD	135	17	118	1 to 7	
PUC	128	16	112	1 to 7	
ENERGY	113	15	98	1 to 7	
DSL	105 (124)	13	92 (111)	1 to 7	1 to 9

* HB 3165(4)(c) Exception

OED New Hires

As of 12/31/2014

Pos. #	Project/Activity	Date of Hire	Section	Type	Salary Range	REPR	CLASS	Position Title	Base Rate	STEP	SED
1104003	172	8/9/2014	025	P	27	OA	1217	Accountant 3	\$ 4,479	04	10/1/2014
0003955	141	9/20/2013	023	P	17	OA	0211	Accounting Technician 2	\$ 3,032	06	10/1/2014
0000235	141	7/7/2014	025	P	17	OA	0211	Accounting Technician 2	\$ 2,817	04	8/1/2015
0001384	142	12/18/2013	050	L	30	OA	1510	Administrative Law Judge 1	\$ 4,697	02	8/1/2014
0003428	142	1/6/2014	050	L	30	AW	1510	Administrative Law Judge 1	\$ 4,697	02	9/1/2014
0003377	142	12/18/2013	050	L	30	OA	1510	Administrative Law Judge 1	\$ 4,697	02	9/1/2014
0003428	142	4/2/2014	050	L	30	AW	1510	Administrative Law Judge 1	\$ 4,697	02	1/1/2015
0001305	141	1/6/2014	050	L	30	OA	1510	Administrative Law Judge 1	\$ 4,697	02	2/1/2015
0003151	142	2/18/2014	050	P	32	OA	1511	Administrative Law Judge 2	\$ 4,929	01	11/1/2014
0003435	148	9/23/2013	050	L	37	MMS	1512	Administrative Law Judge 3	\$ 7,811	04	10/8/2013
0002302	141	12/30/2013	024	P	19	OA	0108	Administrative Specialist 2	\$ 3,536	07	1/1/2015
0002302	141	4/30/2014	024	P	19	OA	0108	Administrative Specialist 2	\$ 2,817	02	5/1/2015
0002148	142	9/16/2013	085	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	1/1/2014
0002148	171	9/16/2013	085	L	19	OA	6698	Business And Employment Specialist 1	\$ 3,032	04	4/1/2014
0003948	171	11/16/2013	700	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	6/1/2014
1310205	171	1/18/2014	085	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	7/1/2014
1311115	171	2/24/2014	280	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,817	02	9/1/2014
0002148	141	10/14/2013	085	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	11/1/2014
0000597	141	10/14/2013	102	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	11/1/2014
0000152	141	10/21/2013	180	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,775	02	11/1/2014
0003032	141	10/21/2013	210	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	11/1/2014
0001188	141	10/30/2013	410	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	11/1/2014
0000679	141	10/7/2013	510	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,775	02	11/1/2014
1310911	141	11/12/2013	180	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,775	02	12/1/2014
0001219	141	11/18/2013	200	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	12/1/2014
0001922	141	11/18/2013	200	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	12/1/2014
0005111	141	11/18/2013	200	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	12/1/2014
0001922	141	11/18/2013	200	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	12/1/2014
0003518	141	11/18/2013	200	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	12/1/2014
1310904	141	12/1/2013	210	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,942	03	12/1/2014
0904035	141	11/14/2013	300	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	12/1/2014
0000563	141	11/14/2013	300	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	12/1/2014
0000563	141	11/19/2013	300	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	12/1/2014
0000361	141	11/14/2013	320	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	12/1/2014
0002182	141	11/5/2013	510	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	12/1/2014
0003917	141	11/18/2013	700	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	12/1/2014

OED New Hires as of 12/31/2014

Pos. #	Project/Activity	Date of Hire	Section	Type	Salary Range	REPR	CLASS	Position Title	Base Rate	STEP	SED
0003355	141	11/18/2013	700	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	12/1/2014
1311125	141	11/18/2013	710	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,662	01	12/1/2014
0001349	141	12/2/2013	180	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,817	02	1/1/2015
0001276	141	12/9/2013	320	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	1/1/2015
0001489	141	12/16/2013	420	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	1/1/2015
0003104	141	12/16/2013	420	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	1/1/2015
0980132	141	12/18/2013	820	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	1/1/2015
1310201	141	1/21/2014	085	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,942	03	2/1/2015
1310908	141	1/31/2014	111	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	2/1/2015
0003160	141	1/6/2014	170	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	2/1/2015
0000583	141	1/21/2014	210	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,817	02	2/1/2015
0001148	141	1/13/2014	720	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	2/1/2015
0005401	141	1/21/2014	724	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	2/1/2015
0001551	141	1/2/2014	724	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	2/1/2015
1311116	141	2/24/2014	280	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	3/1/2015
0001466	141	2/18/2014	710	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	3/1/2015
0002571	141	2/3/2014	811	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,817	02	3/1/2015
1311129	141	2/3/2014	820	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	3/1/2015
0005021	141	2/3/2014	920	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	3/1/2015
0003050	141	3/24/2014	180	P	19	OA	6698	Business And Employment Specialist 1	\$ 3,536	07	4/1/2015
0000847	141	4/1/2014	910	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	4/1/2015
1310218	147	9/22/2014	085	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,756	01	7/1/2015
0000690	141	6/2/2014	102	P	19	OA	6698	Business And Employment Specialist 1	\$ 3,896	09	7/1/2015
0002354	141	7/7/2014	111	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	8/1/2015
0000445	141	7/7/2014	210	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,942	03	8/1/2015
0980132	141	7/28/2014	820	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	8/1/2015
1310216	141	8/18/2014	085	L	19	OA	6698	Business And Employment Specialist 1	\$ 3,077	04	9/1/2015
1310215	141	8/18/2014	085	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,702	01	9/1/2015
1310217	141	8/25/2014	085	L	19	OA	6698	Business And Employment Specialist 1	\$ 3,077	04	9/1/2015
0002354	141	9/2/2014	111	L	19	OA	6698	Business And Employment Specialist 1	\$ 3,139	04	10/1/2015
0002372	141	9/15/2014	610	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,756	01	10/1/2015
0003050	141	10/23/2014	180	P	19	OA	6698	Business And Employment Specialist 1	\$ 3,450	06	11/1/2015
0000778	141	10/7/2014	180	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,873	02	11/1/2015
0003104	141	10/7/2014	420	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,756	01	11/1/2015
0004511	141	10/13/2014	720	P	19	OA	6698	Business And Employment Specialist 1	\$ 3,001	03	11/1/2015
1310901	141	11/17/2014	210	L	19	OA	6698	Business And Employment Specialist 1	\$ 3,001	03	12/1/2015
1310905	141	11/5/2014	210	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,756	01	12/1/2015
0000679	141	11/10/2014	510	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,873	02	12/1/2015
0002372	141	11/6/2014	610	P	19	OA	6698	Business And Employment Specialist 1	\$ 2,756	01	12/1/2015
0001600	141	12/22/2014	200	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,873	02	1/1/2016
0000593	141	12/18/2014	200	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,873	02	1/1/2016
0000645	141	12/18/2014	200	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,873	02	1/1/2016
0001922	141	12/22/2014	200	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,873	02	1/1/2016

OED New Hires as of 12/31/2014

Pos. #	Project/Activity	Date of Hire	Section	Type	Salary Range	REPR	CLASS	Position Title	Base Rate	STEP	SED
0000510	141	12/8/2014	420	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,756	01	1/1/2016
0003916	141	1/5/2015	700	L	19	OA	6698	Business And Employment Specialist 1	\$ 2,756	01	2/1/2016
0000729	171	10/16/2013	085	L	21	OA	6699	Business And Employment Specialist 2	\$ 3,332	04	5/1/2014
0002620	142	11/1/2013	300	L	21	OA	6699	Business And Employment Specialist 2	\$ 2,899	01	9/1/2014
0005111	142	11/13/2013	200	L	21	OA	6699	Business And Employment Specialist 2	\$ 2,899	01	10/1/2014
0000635	172	8/6/2014	310	P	21	OA	6699	Business And Employment Specialist 2	\$ 3,536	05	2/1/2015
0003156	142	12/4/2014	720	P	21	OA	6699	Business And Employment Specialist 2	\$ 3,450	04	9/1/2015
1104009	171	12/11/2013	030	P	21	OA	5246	Compliance Specialist 1	\$ 2,942	01	7/1/2014
0000312	142	4/16/2014	033	L	21	OA	5246	Compliance Specialist 1	\$ 3,077	02	5/1/2015
0000324	141	9/1/2013	030	L	25	OA	5247	Compliance Specialist 2	\$ 3,484	01	9/1/2014
0001846	141	9/1/2013	030	L	25	OA	5247	Compliance Specialist 2	\$ 3,484	01	9/1/2014
0005345	141	5/28/2014	033	P	11	OA	0501	Data Entry Operator 1	\$ 2,069	02	6/1/2015
0002583	141	5/19/2014	033	P	11	OA	0501	Data Entry Operator 1	\$ 2,003	01	6/1/2015
0002990	142	10/30/2013	015	L	29	OA	1543	EAB Legal Staff	\$ 4,856	04	10/29/2014
0002325	141	9/20/2013	024	P	23	OA	1161	Economist 1	\$ 3,177	01	10/1/2014
0000441	141	10/29/2013	024	P	23	OA	1161	Economist 1	\$ 3,652	04	11/1/2014
0002418	147	8/19/2013	300	L	23	OA	6693	Employment Adjudicator	\$ 3,177	01	9/1/2014
0005616	142	3/19/2014	071	P	19	OA	0119	Executive Support Specialist 2	\$ 2,942	03	3/19/2014
0000133	141	6/5/2014	030	L	19	OA	0119	Executive Support Specialist 2	\$ 3,225	05	7/1/2015
0000186	181	10/28/2014	085	L	19	MMN	0119	Executive Support Specialist 2	\$ 3,547	05	11/1/2015
0005616	141	12/11/2014	071	P	19	OA	0119	Executive Support Specialist 2	\$ 3,450	06	1/1/2016
0000991	141	6/25/2014	025	P	30	OA	1245	Fiscal Analyst 3	\$ 4,929	03	7/1/2015
0001075	141	10/14/2014	025	P	30	OA	1245	Fiscal Analyst 3	\$ 5,277	04	11/1/2015
0000262	172	3/29/2014	023	P	18	MMN	1319	Human Resource Assistant	\$ 3,838	08	1/1/1900
0000262	173	2/18/2014	023	P	18	MMN	1319	Human Resource Assistant	\$ 3,323	05	4/13/2014
0000904	141	1/6/2014	071	L	21	OA	1482	Information Specialist 2	\$ 3,116	02	2/1/2015
0003840	173	7/1/2013	071	P	25	OA	1484	Information Specialist 4	\$ 5,020	08	7/1/2014
0003842	141	11/12/2013	071	P	25	OA	1484	Information Specialist 4	\$ 3,988	03	12/1/2014
1110702	141	2/18/2014	071	P	29	OA	1486	Information Specialist 6	\$ 4,619	02	3/1/2015
0000474	141	12/29/2014	071	P	29	OA	1486	Information Specialist 6	\$ 4,711	02	1/1/2016
0001114	171	8/1/2014	071	P	31	OA	1487	Information Specialist 7	\$ 5,116	02	2/1/2015
0003006	171	12/20/2014	071	P	33	OA	1488	Information Specialist 8	\$ 7,850	09	1/1/2015
0001510	141	6/16/2014	050	P	17	OA	0110	Legal Secretary	\$ 2,584	02	7/1/2015
0000073	141	9/23/2013	210	P	15	OA	0801	Office Coordinator	\$ 2,546	04	10/1/2014
0000214	173	1/13/2014	044	P	12	OA	0103	Office Specialist 1	\$ 2,314	04	5/1/2014
0002492	141	8/1/2013	030	L	12	OA	0103	Office Specialist 1	\$ 2,038	01	8/1/2014
0000018	141	5/27/2014	033	P	12	OA	0103	Office Specialist 1	\$ 2,224	03	6/1/2015
0000097	142	5/27/2014	033	P	12	OA	0103	Office Specialist 1	\$ 2,314	04	6/1/2015
0002492	141	5/28/2014	033	L	12	OA	0103	Office Specialist 1	\$ 2,145	02	6/1/2015
0003418	175	4/26/2014	050	P	15	OA	0104	Office Specialist 2	\$ 2,314	01	7/1/2014
0003453	142	12/20/2013	050	P	15	OA	0104	Office Specialist 2	\$ 2,488	03	12/20/2014
0003371	141	12/20/2013	050	P	15	OA	0104	Office Specialist 2	\$ 2,314	01	1/1/2015
0000206	141	12/20/2013	050	P	15	OA	0104	Office Specialist 2	\$ 2,314	01	1/1/2015

OED New Hires as of 12/31/2014

Pos. #	Project/Activity	Date of Hire	Section	Type	Salary Range	REPR	CLASS	Position Title	Base Rate	STEP	SED
0003366	141	12/27/2013	050	P	15	OA	0104	Office Specialist 2	\$ 2,314	01	1/1/2015
1310224	141	12/23/2013	085	L	15	OA	0104	Office Specialist 2	\$ 2,387	02	1/1/2015
0003371	141	3/27/2014	050	P	15	OA	0104	Office Specialist 2	\$ 2,314	01	4/1/2015
0000123	141	4/21/2014	030	L	15	OA	0104	Office Specialist 2	\$ 2,314	01	5/1/2015
0003153	141	5/19/2014	050	P	15	OA	0104	Office Specialist 2	\$ 2,314	01	6/1/2015
0003365	141	5/29/2014	050	P	15	OA	0104	Office Specialist 2	\$ 2,387	02	6/1/2015
1104022	142	1/2/2014	031	L	27	OA	0871	Operations And Policy Analyst 2	\$ 4,697	05	9/1/2014
0003910	172	2/15/2014	031	P	27	OA	0871	Operations And Policy Analyst 2	\$ 4,697	05	2/1/2015
0000290	171	1/1/2014	071	P	32	MMN	0873	Operations And Policy Analyst 4	\$ 7,199	07	7/1/2014
0001075	175	8/4/2014	025	P	32	MMN	0873	Operations And Policy Analyst 4	\$ 7,199	07	3/1/2015
1300106	175	8/13/2014	071	P	33X	MMS	7008	Principal / Executive Manager E	\$ 9,171	09	8/27/2008
0002473	173	10/15/2013	015	P	33X	MESN	7008	Principal / Executive Manager E	\$ 7,811	00	1/11/2014
0001127	171	9/2/2013	030	P	33X	MMS	7008	Principal / Executive Manager E	\$ 5,839	03	3/2/2014
0002223	171	1/13/2014	071	P	33X	MMS	7008	Principal / Executive Manager E	\$ 8,329	07	7/13/2014
0003638	171	8/22/2014	071	P	33X	MMS	7008	Principal / Executive Manager E	\$ 7,928	06	2/22/2015
0002474	147	6/1/2014	015	P	33X	MESN	7008	Principal / Executive Manager E	\$ 7,550	08	6/1/2015
0001066	171	1/10/2015	011	P	33X	MMS	7008	Principal / Executive Manager E	\$ 8,087	06	7/10/2015
0000801	141	9/8/2014	025	P	33X	MMS	7008	Principal / Executive Manager E	\$ 7,701	08	9/8/2015
0000816	171	9/26/2014	011	P	35X	MESN	7010	Principal / Executive Manager F	\$ 8,087	07	3/26/2015
0001281	142	7/7/2014	025	L	38X	MESN	7012	Principal / Executive Manager G	\$ 10,104	09	1/1/1900
0001281	171	7/8/2013	025	P	38X	MESN	7012	Principal / Executive Manager G	\$ 8,206	05	1/8/2014
0000832	171	2/19/2014	071	P	38X	MMS	7012	Principal / Executive Manager G	\$ 12,277	09	2/19/2014
0000833	141	12/31/2013	085	P	38X	MESN	7012	Principal / Executive Manager G	\$ 9,171	07	12/31/2014
0000819	171	11/8/2013	011	P	40X	MESN	7014	Principal / Executive Manager H	\$ 9,955	07	5/8/2014
0002358	141	10/1/2013	011	P	42X	MEAH	7016	Principal / Executive Manager I	\$ 12,276	08	10/1/2014
0000041	141	6/16/2014	026	L	26	OA	0854	Project Manager	\$ 3,896	02	7/1/2015
0003956	141	5/22/2014	026	L	29	OA	0855	Project Manager 2	\$ 5,688	07	6/1/2015
0003956	142	5/21/2014	026	L	29	OA	0855	Project Manager 2	\$ 5,961	08	6/1/2015
0000290	141	5/8/2014	071	L	31	OA	0856	Project Manager 3	\$ 6,885	09	6/1/2014
0001151	141	11/1/2013	026	P	12	OA	0322	Public Service Rep. 2	\$ 2,280	04	11/1/2014

OED New Hires Above Step 2

As of 12/31/2014

Pos. #	Date of Hire	STEP	Justification for Hires Above Step 2
0003955	09/20/13	06	Experience and Current Salary
0000073	09/23/13	04	Experience and Current Salary
0002358	10/01/13	08	Appointed and Approved by Governor
0000441	10/29/13	04	Experience and Education
0001151	11/01/13	04	Experience
0003842	11/12/13	03	Experience and Current Salary
0003837	12/30/13	07	Experience and Current Salary
1310201	01/21/14	03	Experience
0000290	05/08/14	09	Experience and Current Salary
0003956	05/22/14	07	Experience and Education
0000018	05/27/14	03	Experience and Current Salary
0000690	06/02/14	09	Experience and Current Salary
0000133	06/05/14	05	Experience and Current Salary
0000991	06/25/14	03	Experience and Education
0000235	07/07/14	04	Experience and Current Salary
1310912	07/07/14	03	Experience
1310216	08/18/14	04	Experience and Education
1310217	08/25/14	04	Experience
0002354	09/02/14	04	Experience
0000801	09/08/14	08	Experience and Current Salary
0004511	10/13/14	03	Experience - Previous OED Employee
0001075	10/14/14	04	Experience and Education
0003050	10/23/14	06	Experience and Current Salary
1310901	11/17/14	03	Experience and Education
0005616	12/11/14	06	Experience and Previous Salary

OED Capital Improvements Projects 2015-17

Project Description	Site	Structure	Less: Force Account Work	Expenditures	Fund
Roseburg upper roof replacement. Existing roofing materials removed to deck, replaced.	Ontario Office	\$350,000			Other Funds
Window replacement	Ontario Office	\$268,000			Other Funds

CAPITAL IMPROVEMENTS SUMMARY

Capital improvements to be made at the Employment Departments owned facilities in the 2015-17 biennium address extension of useful life and energy savings, and add value to affected buildings.

There are currently two improvement projects scheduled for the 2015-17 biennium. Architectural assessment of Roseburg office upper roof states it is displaying signs of age & will need replaced. This roof is now approximately 7 years past its expected life. Roof patching no longer repairs leak issues long term and the useful life span has been realized. We now need to replace the upper roof to prevent further asset deterioration. Energy assessment of Ontario office recommends replacement of windows currently 20+ years old. Some windows are single pane, others have broken seals, still others leak and repairs are not holding long term. The above 2 projects result in needed improvements totaling \$618,000.

There may be additional capital improvement projects scheduled if Policy Option Package 109 is approved in the OED Legislatively Adopted Budget.

OED Information Technology Projects

2015-17

Project Name	Project Description	Estimated Start Date	Estimated End Date	Project cost to date	Estimated 15-17 Costs	All biennia total project cost	Base or POP	Project Phase: I=Initiation, P=Planning, E=Execution, C=Close-out	If continuing project - Has it been rebaselined for either cost, scope or schedule? Y/N - If Y, how many times?	Purpose: L=Lifecycle Replacement; U=Upgrade existing system; N= New system	What Program or line of business does the project support?
Modernization Business Services and Technology Infrastructure	Initial Planning for updating Agency Applications and Business Processes	8/1/2014	7/1/2022	None	\$ 1,900,000	\$ 85,000,000	POP	Not Started	N	N	Agency (UI, Business & Employment, Research,WIA)
Oregon Payroll Reporting System 2.0	Development a new front end security sign-on for the current web-based OPRS application.	8/1/2014	3/4/2016	-	\$ 1,770,000	\$ 1,770,000	POP	Initiation	N	U	Dept Rev, DCBS, OED TAX
Security Infrastructure Projects	Modernization of security software to protect and prevent security breaches	10/1/2015	6/30/2017	None	\$ 913,000	\$ 913,000	POP	Not Started	N	N	Infrastructure
Case Management 1.0	Roll out OAH Case Management to remaining client agencies, board, and commission	5/3/2010	6/30/2017	\$2.2M	\$ 1,690,000	\$ 4,530,000	POP	Phase 1 - Execution; Phase 2 - Planning	Y, 1	N	OAH, DAS, ODOT, DHS
Enterprise Architecture	Vendor fees to develop OED Enterprise Architecture for Agency.	7/1/2014	11/1/2015	\$225k	\$ 75,000	\$ 225,000	Base	Initiation	N	N	OED Agency-Wide

Oregon Employment Department

Vacancy Listing as of 12-31-14

The Employment Department had 70 long-term (7 months or longer) vacancies as of 12-31-14. Below is a summary of the vacancies by reason:

Position expected to be filled when needed for workload.....	23
Savings used to pay for job rotation, work out of class or reclass.....	21
Position will be impacted by workforce redesign.....	10
Position is in the recruiting process.....	6
Position was filled after 12-31-14.....	6
Position scheduled to be phased out by 7/1/2015.....	4

OREGON EMPLOYMENT DEPARTMENT
Vacancy Listing as of 12-31-14

Agency	Authorization	Position	RDC	Pos Type	Anticipated Fill Date	Reason Narrative	Reason Category	XREF	GF	OF	FF	LF	Vac 7-11	Vac 12+
47100	000261450	0000068	085	PF		Action pending workforce redesign	11	010-20-10-00000	-	134,496	-	-	1	-
47100	000262100	0000158	033	PF		Held for 13-15 savings - Planning to recruit	6	010-10-10-00000	-	-	83,616	-	-	1
47100	000262110	0000159	033	PF		Recruiting	2	010-10-10-00000	-	-	66,600	-	1	-
47100	000262700	0000264	033	PF		Held pending future reclass	6	010-10-10-00000	-	-	79,968	-	-	1
47100	000262850	0000282	098	PF	N/A	Reduction Pkg 113 - phase out 12/31/14	6	010-10-10-00000	-	-	69,084	-	-	1
47100	000262870	0000284	033	PF		paying for work out of class job rotation to perform duties	8	010-10-10-00000	-	-	122,352	-	-	1
47100	000262950	0000293	098	PF	N/A	Reduction Pkg 113 - phase out 12/31/14	6	010-10-10-00000	-	-	91,764	-	-	1
47100	000263040	0000303	032	PF		Recruiting	2	010-10-10-00000	-	-	116,544	-	1	-
47100	000263380	0000351	150	PF		Action pending workforce redesign	11	010-20-10-00000	-	76,248	-	-	-	1
47100	000263780	0000431	098	SP		paying for work out of class job rotation to perform duties	8	010-10-10-00000	-	-	48,512	-	1	-
47100	000264040	0000487	200	PF		paying for work out of class job rotation to perform duties	8	010-10-10-00000	-	-	109,920	-	-	1
47100	000265120	0000744	098	PF		paying for work out of class job rotation to perform duties	8	010-10-10-00000	-	-	79,968	-	1	-
47100	000265360	0000779	180	PF		paying for work out of class job rotation to perform duties	8	010-20-10-00000	-	-	147,216	-	-	1
47100	000265450	0000790	170	PF		Action pending workforce redesign	11	010-20-10-00000	-	-	127,296	-	1	-
47100	000265980	0000875	033	PF		Recruiting	2	010-10-10-00000	-	-	83,616	-	1	-
47100	000266410	0001066	011	PF		paying for work out of class job rotation to perform duties	8	010-10-10-00000	-	-	196,944	-	1	-
47100	000267070	0001220	098	PF		Reduction Pkg 113 - phase out 12/31/14	6	010-10-10-00000	-	-	52,182	-	1	-
47100	000267110	0001228	098	SP	N/A	filled as needed with seasonal	3	010-10-10-00000	-	6,114	-	-	-	1
47100	000267250	0001266	041	PF		paying for work out of class job rotation to perform duties	8	010-10-10-00000	-	-	133,608	-	-	1
47100	000267290	0001273	102	PF		Action pending workforce redesign	11	010-20-10-00000	-	76,248	-	-	1	-
47100	000267870	0001380	045	PF		paying for work out of class job rotation to perform duties	8	010-10-10-00000	-	-	95,280	-	-	1
47100	000268130	0001475	410	PF		Action pending workforce redesign	11	010-20-10-00000	-	101,040	-	-	1	-

Agency	Authorization	Position	RDC	Pos Type	Anticipated Fill Date	Reason Narrative	Reason Category	XREF	GF	OF	FF	LF	Vac 7-11	Vac 12+
47100	000268390	0001551	724	PF		Action pending workforce redesign	11	010-20-10-00000	-	96,456	-	-	1	-
47100	000268600	0001585	098	PF	N/A	Reduction Pkg 113 - Phase out 12/31/14	6	010-10-10-00000	-	-	91,764	-	-	1
47100	000269410	0001850	033	PF		paying for work out of class job rotation to perform duties	8	010-10-10-00000	-	-	61,104	-	-	1
47100	000269790	0001926	420	PF		Action pending workforce redesign	11	010-20-10-00000	-	76,248	-	-	1	-
47100	000270260	0002035	045	PF		paying for work out of class job rotation to perform duties	8	010-10-10-00000	-	-	63,888	-	-	1
47100	000270350	0002067	044	PF		paying for work out of class job rotation to perform duties	8	010-10-10-00000	-	-	52,584	-	-	1
47100	000270990	0002311	045	PF		paying for work out of class job rotation to perform duties	8	010-10-10-00000	-	-	63,888	-	-	1
47100	000272120	0002667	071	PF		paying for work out of class job rotation to perform duties	8	010-20-10-00000	-	196,944	-	-	-	1
47100	000272220	0002679	033	PF		Held pending future reclass	6	010-10-10-00000	-	-	79,968	-	-	1
47100	000550750	0004206	050	PF		Recruiting	2	010-40-10-00000	-	170,568	-	-	1	-
47100	000551290	0004261	700	SF		Filled	2	010-10-10-00000	-	-	50,832	-	1	-
47100	000551450	0004277	700	SF		Filled	2	010-10-10-00000	-	-	48,512	-	1	-
47100	000598350	0004505	700	SP		Filled	2	010-10-10-00000	-	-	38,124	-	1	-
47100	000641930	0000245	099	PF		Action pending workforce redesign	11	010-20-10-00000	-	-	95,280	-	-	1
47100	000688140	0003138	098	PF		paying for work out of class job rotation to perform duties	8	010-10-10-00000	-	45,828	-	-	1	-
47100	000688260	0003147	050	PF		paying for work out of class job rotation to perform duties	8	010-40-10-00000	-	147,912	-	-	1	-
47100	000714930	0000121	044	PF		paying for work out of class job rotation to perform duties	8	010-10-10-00000	-	-	69,576	-	1	-
47100	000714940	0000269	045	PF		Filled	2	010-10-10-00000	-	-	56,448	-	1	-
47100	000724300	0000126	050	PF		paying for work out of class job rotation to perform duties	8	010-40-10-00000	-	147,216	-	-	-	1
47100	000791750	0003406	050	PP		expected to be filled when workload increases	6	010-40-10-00000	-	15,885	-	-	1	-
47100	000791820	0003412	050	PF		expected to be filled when workload increases	6	010-40-10-00000	-	128,184	-	-	-	1
47100	000791980	0003428	050	PF		Recruiting	2	010-40-10-00000	-	155,112	-	-	1	-
47100	000825200	0003517	200	SF		Filled	2	010-10-10-00000	-	-	48,512	-	1	-
47100	000825300	0003523	724	PF		Action pending workforce redesign	11	010-20-10-00000	-	76,248	-	-	1	-
47100	000912600	0003635	085	PF		Action pending workforce redesign	11	010-20-10-00000	-	134,496	-	-	1	-

Agency	Authorization	Position	RDC	Pos Type	Anticipated Fill Date	Reason Narrative	Reason Category	XREF	GF	OF	FF	LF	Vac 7-11	Vac 12+
47100	000962510	0003834	085	PF		paying for work out of class	8	010-20-10-00000	-	105,912	-	-	-	1
47100	001026320	0003916	700	SP	N/A	filled as needed with seasonal	3	010-10-10-00000	-	-	38,124	-	-	1
47100	001026330	0003917	700	SP	N/A	filled as needed with seasonal	3	010-10-10-00000	-	-	36,384	-	1	-
47100	001027910	0003948	700	SF	N/A	filled as needed with seasonal	3	010-10-10-00000	-	-	27,693	-	1	-
47100	001112420	0950542	300	SF		Filled	2	010-10-10-00000	-	-	48,512	-	1	-
47100	001190260	1310204	085	LF		Trade Act - expected to be filled when workload increases	6	010-20-10-00000	-	-	72,768	-	-	1
47100	001190300	1310207	085	LF		Trade Act - expected to be filled when workload increases	6	010-20-10-00000	-	-	72,768	-	-	1
47100	001190360	1310210	085	LF		Trade Act - expected to be filled when workload increases	6	010-20-10-00000	-	-	61,104	-	-	1
47100	001190470	1310219	085	LF		Trade Act - expected to be filled when workload increases	6	010-20-10-00000	-	-	72,768	-	-	1
47100	001190480	1310220	085	LF		Trade Act - expected to be filled when workload increases	6	010-20-10-00000	-	-	72,768	-	-	1
47100	001190490	1310221	085	LF		Trade Act - expected to be filled when workload increases	6	010-20-10-00000	-	-	72,768	-	-	1
47100	001190500	1310222	085	LF		Trade Act - expected to be filled when workload increases	6	010-20-10-00000	-	-	72,768	-	-	1
47100	001191460	1310919	310	LF		BES Contract Positions - position used to finance another position performing contract work	8	010-20-10-00000	-	72,768	-	-	-	1
47100	001191520	1311002	024	LF		Filled as needed when contract work received for Research	6	010-50-10-00000	-	111,072	-	-	-	1
47100	001191530	1311003	024	LF		Filled as needed when contract work received for Research	6	010-50-10-00000	-	96,456	-	-	-	1
47100	001191550	1311102	210	PF		Recruiting	2	010-10-10-00000	-	-	72,768	-	1	-
47100	001218810	1381201	098	LF		system changes required - has not begun pending IT reorg SB191	11	010-10-10-00000	-	-	81,918	-	-	1
47100	001219710	1300095	098	LF		CS2s SB192 - expected to be filled when workload increases	6	010-10-10-00000	-	-	87,648	-	-	1
47100	001219730	1300097	098	LF		CS2s SB252 - expected to be filled when workload increases	6	010-10-10-00000	-	76,692	-	-	-	1

Agency	Authorization	Position	RDC	Pos Type	Anticipated Fill Date	Reason Narrative	Reason Category	XREF	GF	OF	FF	LF	Vac 7-11	Vac 12+
47100	001223890	1300105	050	LF		Filled when needed	2	010-40-10-00000	-	82,784	-	-	1	-
47100	001223900	1300098	024	LF		Filled as needed when contract work received for Research	6	010-50-10-00000	-	-	73,904	-	1	-
47100	001223910	1300099	071	LF		Positions are related to prism project which has not begun	11	010-50-10-00000	-	-	81,856	-	1	-
47100	001223920	1300100	071	LF		Positions are related to prism project which has not begun	11	010-50-10-00000	-	-	89,168	-	1	-

10% Reductions Summary (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
(WHICH PROGRAM OR ACTIVITY WILL NOT BE UNDERTAKEN)	(DESCRIBE THE EFFECTS OF THIS REDUCTION. INCLUDE POSITIONS AND FTE IN 2015-17 AND 2017-19)	(GF, LF, OF, FF. IDENTIFY REVENUE SOURCE FOR OF, FF)	(RANK THE ACTIVITIES OR PROGRAMS NOT UNDERTAKEN IN ORDER OF LOWEST COST FOR BENEFIT OBTAINED)
General Fund 10% Reductions:			
Federal Funds 5% Reductions:			
Unemployment Insurance	Eliminate Self Employment Assistance Invite Letters. The effect will be that fewer claimants will receive direct information about the Self Employment Assistance program; there will be fewer participants in the program, causing either fewer people receiving any benefits or fewer people starting entrepreneurial businesses.	\$116,176 Federal Funds	1
Unemployment Insurance	Eliminate Training Program Unit Vehicle. This would reduce ongoing cost of leasing, maintaining, and fuel.	\$15,000 Federal Funds	2
Unemployment Insurance	Eliminate Benefit Payment Control Vehicle in Bend. This would reduce ongoing cost of leasing, maintaining, and fuel.	\$15,000 Federal Funds	3
Administration	Delay replacement & purchasing of IT hardware (desktop PC's, laptops, printers and monitors)	\$655,635 Federal Funds	4
Research Division	Reduce travel and office expenses.	\$57,500 Federal Funds	5

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
(WHICH PROGRAM OR ACTIVITY WILL NOT BE UNDERTAKEN)	(DESCRIBE THE EFFECTS OF THIS REDUCTION. INCLUDE POSITIONS AND FTE IN 2015-17 AND 2017-19)	(GF, LF, OF, FF. IDENTIFY REVENUE SOURCE FOR OF, FF)	(RANK THE ACTIVITIES OR PROGRAMS NOT UNDERTAKEN IN ORDER OF LOWEST COST FOR BENEFIT OBTAINED)
Unemployment Insurance	Reduce staffing in UI Tax and Programs & Methods. Fewer tax audits, delays in processing tax payments and less employer support. 5.0 FTE	\$817,897 Federal Funds	6
Unemployment Insurance	Further reduce staffing in UI Tax and Programs & Methods. 4.0 FTE	\$730,102 Federal Funds	7
Unemployment Insurance	Benefits staff restructuring and reduction. Eliminate 1 position, reclass 11 FTE and move all special adjudication into Call Center as part of regular workload.	\$548,240 Federal Funds	8
Research Division	Reduce Economist staffing. This will reduce local analysis. 1.0 FTE	\$226,522 Federal Funds	9
Unemployment Insurance	Reduce Call Center staff 26 FTE	\$ 4,356,097 Federal Funds	10
Additional Federal Funds 5% Reductions:			
Unemployment Insurance	Eliminate toll free telephone services to claimants. This will cause claimants to have to bear the cost of calling in for assistance with filing a claim or any type of customer service.	\$200,000 Federal Funds	11
Research Division	Reduce Research Analyst staffing 1.0 FTE	\$218,439 Federal Funds	12
Unemployment Insurance	Further reduce Call Center staff 32 FTE	\$ 5,255,128 Federal Funds	13

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
(WHICH PROGRAM OR ACTIVITY WILL NOT BE UNDERTAKEN)	(DESCRIBE THE EFFECTS OF THIS REDUCTION. INCLUDE POSITIONS AND FTE IN 2015-17 AND 2017-19)	(GF, LF, OF, FF. IDENTIFY REVENUE SOURCE FOR OF, FF)	(RANK THE ACTIVITIES OR PROGRAMS NOT UNDERTAKEN IN ORDER OF LOWEST COST FOR BENEFIT OBTAINED)
Unemployment Insurance	Defer information system upgrades and system maintenance. This will increase the instability of our current systems, increase staff time required to deal with the instabilities and decrease customer service levels.	\$ 400,788 Federal Funds	14
Administration	Delay replacement plan of desktop PC's, laptops, printers & monitors.	\$ 1,000,000 Federal Funds	15
Administration	Reduce Human Resources staffing and S&S 1.0 FTE	\$ 313,426 Federal Funds	16
Administration	Reduce Safety and Facilities staffing and S&S. 0.5 FTE	\$ 193,219 Federal Funds	17
Administration	Reduce Financial Services staffing and S&S. The loss of these positions could place the department at higher risk of financial issues and audit findings, may lead to a reduction in federal funding levels and would increase the probability of budget errors.	\$474,389 Federal Funds	18
Unemployment Insurance	Reduce Payments to unemployment insurance recipients.	\$9,483,200 Federal Funds (Nonlimited)	19
Other Funds 5% Reductions:			
Office of Administrative Hearings	Reduce Personal Services Contracts related to strategic planning and ALJ training.	\$55,000 Other Funds	1
Research Division	Reduce Economist staffing and associated rent and other S&S savings. 3.0 FTE	\$671,208 Other Funds	2

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
Office of Administrative Hearings	Reduce Non-Mandatory Training & Travel expenses.	\$26,173 Other Funds	3
Business & Employment Services	Reduction of facilities costs.	\$1,500,000 Other Funds	4
Business & Employment Services	Reduce Migrant & Seasonal Farm Workers Support. 8 FTE	\$1,400,000 Other Funds	5
Research Division	Reduce staffing for support of information dissemination. 1.0 FTE	\$247,414 Other Funds	6
Employment Appeals Board	Reduce transcriptions of hearings	\$20,000 Other Funds	7
Administration	Reduce administrative support services. 2.0 FTE	\$308,757 Other Funds	8
Business & Employment Services	Reduce support for Foreign Labor Certification. 1 FTE 1.0 FTE	\$200,000 Other Funds	9
Unemployment Insurance	Reduce Payments to unemployment insurance recipients.	\$76,000,000 Other Funds (Nonlimited)	10
Additional Other Funds 5% Reductions:			
Business & Employment Services	Reduce job seeker and business services. 28.0 FTE	\$5,321,127 Other Funds	11
Office of Administrative Hearings	Reduce staffing with the OAH. This would increase the time before hearings are held and decisions are issued. 10 FTE	\$2,012,795 Other Funds	12
Administration	Reduce Training services. 0.4 FTE	\$100,000 Other Funds	13
Office of Administrative Hearings	Eliminate usage of Case Management support and further transition to electronic access to OAH hearings data and documents for the public agencies. This would require the continued reliance on paper documents and telephone inquiries.	\$389,000 Other Funds	14
Unemployment Insurance	Reduce Payments to unemployment insurance recipients.	\$76,000,000 Other Funds (Nonlimited)	15

UPDATED OTHER FUNDS ENDING BALANCES FOR THE 2013-15 & 2015-17 BIENNIA

Agency: Employment Department
 Contact Person (Name & Phone #): Larry Niswender 503-947-1213

(a) Other Fund Type	(b) Program Area (SCR)	(c) Treasury Fund #/Name	(d) Category/Description	(e) Constitutional and/or Statutory reference	(f) 2013-15 Ending Balance		(g) 2015-17 Ending Balance		(j) Comments
					In LAB	Revised	In CSL	Revised	
OF Non-Limited Total	087-00-00-00000								
	087-02-00-00000	455 - Compensation Trust Fund	Trust Fund - UI Trust Fund Control including Reed Act ***Reed Act and UI Modernization funds included in Trust Fund amount***	ORS 657.805	1,985,938,413	2,452,884,000	3,134,035,737	3,088,590,000	Funds include State Unemployment tax payments, Reed Act & UI Modernization funds, Self Employment Assistance & Short Term Compensation Grants. Trust Fund restricted to benefit payments only; Reed & Modernization funds restricted to benefits or certain admin costs; SEA & STC funds restricted to specific activities. The Ending Balance increases due to economic changes.
	087-09-00-00000	548 - Local Gov Employer Benefit Trust	Trust Fund - LGEBTF	ORS 294.730	23,415,346	11,699,719	18,269,719	18,269,719	Funds are paid in by Local Governments for payment of Benefits. Funds are restricted to UI compensation benefits. Balance increases & decreases are due to changes in benefits paid and deposits made by local government entities.
	087-06-00-00000	456 - Special Admin	Operations - Spec Admin Fund (P&I)	ORS 657.515	0	11,665,677	7,513,431	0	Decrease is due to additional funds needed for backfill of SEDAF transfer. Funds are used for Operating Capital needs. Estimated Operating Capital needs for 1-3 mos. is \$12-\$30M.
	087-07-00-00000	522 - SEDAF	Operations - SEDAF	ORS 657.783	(2,878,518)	6,000,000	0	6,000,000	Balance is needed for Operating Capital. Estimated Operating Capital needs for 1-3 mos. is \$12-\$30M.
	087-13-00-00000	827 - Special Fraud Control	Operations - Special Fraud Control	ORS 657.400	(2,847,231)	10,119,177	18,426,247	11,467,270	State statute restricts funds to costs associated with prevention, detection and collection of unemployment benefit overpayments. Decrease between 15-17 CSL and Revised is policy option packages and updated revenue forecast.
OF Limited	010-10-00-00000		Operations - Unemploy. Insurance		0	0	6,374,514	0	No ending balance. OF is transferred in from Non-Limited DCR.
	010-20-00-00000		Operations - Bus & Employ Svcs		0	0	18,336,921	0	No ending balance. OF is transferred in from Non-Limited DCR.
	010-40-00-00000		Operations - Office of Admin Hrgs		2,784,966	2,788,668	2,600,857	0	Ending balance is working capitol for OAH. Transferred to DAS in 2015-17 Governor's Budget.
	010-50-00-00000		Operations - Wkfce & Econ Research		114,704	0	125,398	0	No ending balance. OF is transferred in from Non-Limited DCR.

Objective: Provide updated Other Funds ending balance information for potential use in the development of the 2015-17 legislatively adopted budget.

Instructions:

Column (a): Select one of the following: Limited, Nonlimited, Capital Improvement, Capital Construction, Debt Service, or Debt Service Nonlimited.

Column (b): Select the appropriate Summary Cross Reference number and name from those included in the 2013-15 Legislatively Approved Budget. If this changed from previous structures, please note the change in Comments (Column (j)).

Column (c): Select the appropriate, statutorily established Treasury Fund name and account number where fund balance resides. If the official fund or account name is different than the commonly used reference, please include the working title of the fund or account in Column (j).

Column (d): Select one of the following: Operations, Trust Fund, Grant Fund, Investment Pool, Loan Program, or Other. If "Other", please specify. If "Operations", in Comments (Column (j)), specify the number of months the reserve covers, the methodology used to determine the reserve amount, and the minimum need for cash flow purposes.

Column (e): List the Constitutional, Federal, or Statutory references that establishes or limits the use of the funds.

Columns (f) and (h): Use the appropriate, audited amount from the 2013-15 Legislatively Approved Budget and the 2015-17 Current Service Level as of the Agency Request Budget.

Columns (g) and (i): Provide updated ending balances based on revised expenditure patterns or revenue trends. Do not include adjustments for reduction options that have been submitted unless the options have already been implemented as part of the 2013-15 General Fund approved budget or otherwise incorporated in the 2013-15 LAB. The revised column (i) can be used for the balances included in the Governor's budget if available at the time of submittal. Provide a description of revisions in Comments (Column (j)).

Column (j): **Please note any reasons for significant changes in balances previously reported during the 2013 session.**

Additional Materials: If the revised ending balances (Columns (g) or (i)) reflect a variance greater than 5% or \$50,000 from the amounts included in the LAB (Columns (f) or (h)), attach supporting memo or spreadsheet to detail the revised forecast.