

Oregon Employment Department

Governor's Budget

2019-21



Certification

I hereby certify that the accompanying summary and detailed statements are true and correct to the best of my knowledge and belief and that the arithmetic accuracy of all numerical information has been verified.

Oregon Employment Department

875 Union Street NE, Salem, OR 97311

AGENCY NAME

AGENCY ADDRESS



Director

SIGNATURE

TITLE

Notice: Requests of those agencies headed by a board or commission must be approved by those bodies of official action and signed by the board or commission chairperson. The requests of other agencies must be approved and signed by the agency director or administrator.

Agency Request

Governor's Budget

Legislatively Adopted

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**2017-19 Summary of Legislative Action
Oregon Employment Department**

LEGISLATIVE ACTION AND BILL NUMBER	TOTALS			FUND TYPE					DESCRIPTION OF IMPACT TO OED BUDGET
	POS	FTE	ALL FUNDS	GENERAL FUND	OTHER FUNDS	FEDERAL FUNDS	NONLIMITED		
							OTHER	FEDERAL	
Legislatively Adopted Budget House Bill 5007	1,298	1,239.78	1,802,365,296		148,035,135	160,330,161	1,424,000,000	70,000,000	
2017 Legislative Session:									
House Bill 5006 Omnibus Bill			(7,893,878)		(3,490,798)	(4,403,080)			Department of Administrative Services (DAS) reductions to state assessments (p.21, 27)
2018 Legislative Session:									
House Bill 5201 Omnibus Bill	22	19.25	12,077,239		8,359,971	3,717,268			Approval of Able Bodied Adults without Dependents contract and Salary Pot limitation (p. 1, 36)
2017-19 Legislatively Approved Budget	1,320	1,259.03	1,806,548,657		152,904,308	159,644,349	1,424,000,000	70,000,000	

79th OREGON LEGISLATIVE ASSEMBLY-2017 Regular Session

**Enrolled
 House Bill 5007**

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Oregon Department of Administrative Services)

CHAPTER

AN ACT

Relating to the financial administration of the Employment Department; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Notwithstanding any other law limiting expenditures, the following amounts are established for the biennium beginning July 1, 2017, as the maximum limits for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and moneys appropriated to the Employment Department by sections 2 and 3 of this 2017 Act, but excluding lottery funds and federal funds other than those described in section 2 of this 2017 Act, collected or received by the Employment Department:

- (1) Unemployment insurance, business and workforce development, and workforce and economic research \$119,762,763
- (2) Office of Administrative Hearings..... \$ 27,506,872
- (3) Capital improvement..... \$ 765,500

SECTION 2. (1) There is appropriated to the Employment Department, for the biennium beginning July 1, 2017, out of the funds made available to the state on March 13, 2002, under section 903(d) of the Social Security Act (42 U.S.C. 1103(d)), as amended, the amount of \$3,300,000 to be used under the direction of the Employment Department for the purposes of administering unemployment compensation law and public employment offices and for debt service and capital improvements.

(2) There is appropriated to the Employment Department, for the biennium beginning July 1, 2017, out of the modernization funds made available to the state on June 4, 2009, and July 16, 2009, under section 903(f) of the Social Security Act (42 U.S.C. 1103(f)), as amended, the amount of \$5,371,161 to be used under the direction of the Employment Department for the purposes of administering unemployment compensation law and public employment offices and for debt service and capital improvements.

(3) Expenditures of funds appropriated to the Employment Department under this section are limited by section 1 (1) and (3) of this 2017 Act.

SECTION 3. (1) There is appropriated to the Employment Department, for the biennium beginning July 1, 2017, out of the Employment Department Special Administrative Fund established in ORS 657.822, the amount of \$20,000,000 to be used under the direction of the

Employment Department for the purposes of administering unemployment compensation law and public employment offices and for debt service and capital improvements.

(2) Expenditures of funds appropriated to the Employment Department under this section are limited by section 1 (1) and (3) of this 2017 Act.

SECTION 4. Notwithstanding any other law limiting expenditures, the amount of \$160,330,161 is established for the biennium beginning July 1, 2017, as the maximum limit for payment of expenses from federal funds other than those described in section 2 of this 2017 Act collected or received by the Employment Department.

SECTION 5. (1) For the biennium beginning July 1, 2017, expenditures by the Employment Department for unemployment insurance claims from the Unemployment Compensation Trust Fund are not limited.

(2) For the biennium beginning July 1, 2017, expenditures by the Employment Department for benefits paid under the federal Trade Act and for unemployment insurance claims from federal funds are not limited.

SECTION 6. This 2017 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect July 1, 2017.

Passed by House June 7, 2017

Received by Governor:

..... M, 2017

..... Timothy G. Sekerak, Chief Clerk of House

Approved:

..... M, 2017

..... Tina Kotek, Speaker of House

..... Kate Brown, Governor

Passed by Senate June 15, 2017

Filed in Office of Secretary of State:

..... M, 2017

..... Peter Courtney, President of Senate

..... Dennis Richardson, Secretary of State

79th Oregon Legislative Assembly – 2017 Regular Session

HB 5007 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Michelle Lisper, Department of Administrative Services

Reviewed By: Michelle Deister, Legislative Fiscal Office

Employment Department
2017-19

PRELIMINARY

This summary has not been adopted or officially endorsed by action of the committee.

HB 5007

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Budget Summary*

	2015-17 Legislatively Approved Budget ⁽¹⁾	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 6,133,655	\$ 6,252,676	\$ -	\$ (6,133,655)	(100.0%)
Other Funds Limited	\$ 145,365,204	\$ 146,103,191	\$ 147,269,635	\$ 1,904,431	1.3%
Other Funds Capital Improvements	\$ 938,000	\$ 765,500	\$ 765,500	\$ (172,500)	(18.4%)
Other Funds Nonlimited	\$ 1,520,105,053	\$ 1,424,000,000	\$ 1,424,000,000	\$ (96,105,053)	(6.3%)
Federal Funds Limited	\$ 162,865,912	\$ 156,502,819	\$ 160,330,161	\$ (2,535,751)	(1.6%)
Federal Funds Nonlimited	\$ 94,832,000	\$ 70,000,000	\$ 70,000,000	\$ (24,832,000)	(26.2%)
Total	\$ 1,930,239,824	\$ 1,803,624,186	\$ 1,802,365,296	\$ (127,874,528)	(6.6%)

Position Summary

Authorized Positions	1,272	1,260	1,298	26	2.0%
Full-time Equivalent (FTE) positions	1,237.76	1,204.84	1,239.78	2.02	0.2%

⁽¹⁾ Includes adjustments through December 2016

*Excludes Capital Construction expenditures

Summary of Revenue Changes

The majority of revenue in the Oregon Employment Department (OED) is designated for Unemployment Insurance benefits payments to eligible claimants. Unemployment taxes are collected by the state and held by the U.S. Treasury for payment of benefits. These payments are expended as Other Funds Nonlimited. Unemployment insurance benefits paid by the federal government under emergency and extended benefit programs, the federal Trade Act, and for federal employees are expended as Federal Funds Nonlimited.

The major source of Other Funds revenue supporting agency operations, the Supplemental Employment Department Administrative Fund (SEDAF), is generated from an assessment on employer payroll of 0.09 % of one % and estimated to generate \$82.6 million in the 2017-19 biennium. Reed Act funds distributed in 2002 and 2008 by the federal government amount to approximately \$3.3 million of total 2017-19 revenue, and are anticipated to be fully expended in the 2017-19 biennium. Special Administrative Fund revenues from interest and tax compliance penalties will generate approximately \$16.0 million in the 2017-19 biennium, and Fraud Control Fund revenues from overpayment collection activities are estimated at \$8.5 million. The agency also receives Other Funds revenues from contracts with other state agencies to provide employment placement, research services for employers and workforce partners, and administrative hearings conducted on behalf of state agencies.

Unemployment Insurance Modernization funds were received in 2009 as a result of legislative adoption of several changes to the Unemployment Insurance program; the distribution amounted to \$85.6 million and these funds can only be used for expenditures relating to UI and Employment Services administration. These dollars are held in the Unemployment Insurance Trust Fund, and are being utilized to fund activities relating to updating and the Department's aging business and information technology infrastructure. The recommended budget expends \$5.4 million from this source.

Federal Unemployment Tax Act revenues are generated through a tax on employers and are based on the number of claims, employer accounts, time spent on various workload activities and staff costs. A portion of these revenues are returned to the state to fund administration of employment security programs. Federal Wagner-Peyser Act funds are allocated based on the civilian labor force and unemployment history for employment related labor exchange services. Federal Funds also support specific services such as Trade Act administration, labor statistics and reemployment eligibility assessments. Federal Funds revenue account for 6.4 % of total revenue collected by the agency.

Summary of Transportation and Economic Development Subcommittee Action

OED's mission is to support business and promote employment. To accomplish this mission, the agency administers the Unemployment Insurance (UI) benefits program, recruits and refers applicants to job openings, assists job seekers in their employment searches and develops and distributes workforce and economic information. The Office of Administrative Hearings (OAH) adjudicates disputed unemployment insurance benefit eligibility determinations and citizen and business disputes with most state agencies.

The Subcommittee approved a budget of \$1,802,365,296 total funds, consisting of the following: \$148,035,135 Other Funds expenditure limitation; \$1,424,000,000 Other Funds Nonlimited expenditures; \$160,330,161 Federal Funds expenditure limitation; \$70,000,000 Federal Funds Nonlimited expenditures; and 1,298 positions (1,239.78 Full Time Equivalent). This represents a 6.6 % reduction in total funds and a 0.2 % increase in FTE from the 2015-17 Legislatively Approved Budget through December 2016. The reductions in expenditure limitation are due to an anticipated decrease in the Unemployment Insurance division workload resulting from an improving economy, some claimants exhausting their eligibility for benefits, and the phase-out of the federal extended and emergency benefit funding. The increase in FTE is due to an expansion of two federal programs, and staffing needs associated with the modernization of the agency's business practices and information technology systems.

The packages approved by the Subcommittee include the following:

- A revenue reduction package to balance with the available revenue, reflecting declining federal administrative funding and the depletion of Reed Act funding, which is largely spent with no additional funding from this source anticipated to be available in the near future for agency administrative costs.

- Costs and staffing associated with the completion of a feasibility study and beginning of a detailed business case for the modernization of the Employment Department's business practices and information technology systems. The Subcommittee recommends that the Chief Financial Office unschedule \$2.8 million of the approved \$4.7 million Other Funds limitation pending the results of the progress report that is due during the February 2018 Legislative Session. In addition, favorable determinations must be made by the Office of State Chief Information Officer (OSCIO) and the Legislative Fiscal Office (LFO) on the project's readiness to proceed.
- \$4.8 million in additional Federal Funds limitation and 30 positions to accommodate the reauthorization and expansion of the Federal Trade Act program, provided there is an increase in program participation.
- \$0.5 million in additional Federal Funds limitation and three positions to promote the federal Work Opportunity Tax Credit program among Oregon employers.
- \$0.8 million in Other Funds limitation and five limited duration positions associated with contracted job placement assistance to state agency clients.
- The abolishment of vacant positions.
- Transfer of three Information Technology Security positions to the OSCIO.

Budget Note:

The Employment Department (OED) is directed to report to the Joint Committee on Ways and Means or to a meeting of the Emergency Board after the release of the Legislative Fiscal Office's annual Report on Liquidated and Delinquent Accounts Receivable, scheduled for December 2017. The Employment Department's report will include the following:

- *How much of the total ending balance of reported liquidated and delinquent accounts are attributable to uncollected Unemployment Insurance Benefit overpayments, uncollected Unemployment Insurance Taxes, and other causes;*
- *What actions and circumstances are defined as write-offs, adjustments and reversals for purposes of the Liquidated and Delinquent Accounts Receivable report;*
- *The efforts made to reduce the agency's delinquent debt as reported, progress made to reduce the ending balance of liquidated and delinquent accounts receivable as compared to the previous year's report by 10 %, and how its debt collection efforts relate to federal performance metrics; and*
- *An action plan for continued progress toward reducing delinquent debt as reported, including additional resources that may be necessary to improve performance.*

Shared Services

This division provides a broad range of strategic and operational support services for all OED programs. Core administrative functions are provided by the Director's Office, Legislative Affairs and Communications, Administrative Business Support (which includes Accounting and Payroll, Budget and Program Analysis, Contracts and Procurement, Facilities and Safety/Risk), Information Technology Services and Human Resources. Centralization of core administrative functions allows other agency divisions to focus on the delivery of services to customers.

The Subcommittee approved a budget of \$44,028,166 total funds: \$15,827,793 Other Funds limitation; \$28,200,373 Federal Funds limitation; and 138 positions (136.91 FTE).

The Subcommittee approved the following adjustments to OED's current service level budget:

Package 070, Revenue Shortfall. This package balances expenditures with available revenues, reducing Other Funds limitation by \$1,737,000. This reduction is necessary due to a decline in administrative grant revenue attributable to lower unemployment rates and reflects that one-time federal Reed Act funding – once a source of funding for the agency's administrative costs – is largely spent.

Package 801, LFO Analyst Adjustments. This package adds \$195,206 Other Funds limitation, \$847,459 Federal Funds limitation, and five positions (5.00 FTE). This reflects the approval of a Department of Administrative Services (DAS) permanent finance plan for the agency, since the release of the Governor's Budget. This package moves five positions to the Shared Services division from the Unemployment Insurance division.

Package 802, Position Reclassification. Expenditure limitation is adjusted for the reclassification of existing staff positions deemed to be working out-of-class by DAS, Chief Human Resource Office (CHRO). In the Shared Services division, a Principal Executive Manager F will be reclassified to a Principal Executive Manager D and a Human Resource Analyst III position will be reclassified to an Operations and Policy Analyst III, resulting in a decrease in Federal Funds limitation of \$26,471.

Package 814, IT Security Positions Consolidation. This package aids in the consolidation of Information Technology (IT) positions in the state by transferring three positions (3.00 FTE) from the agency to OSCIO. The limitation is reduced by a total of \$820,481 total funds to reflect the movement of these positions.

Unemployment Insurance

The UI program provides partial, temporary income replacement for workers who are unemployed through no fault of their own. Division staff determine eligibility, pays unemployment benefits reviews appeals of eligibility, benefit, and tax decisions, and administer the state's unemployment tax program. The Employment Appeals Board is included in this program area.

The Subcommittee approved a budget of \$122,347,564 total funds; \$31,659,379 Other Funds limitation; \$90,688,185 Federal Funds limitation; and 563 positions (513.49 FTE).

The Subcommittee approved the following adjustments to OED's current service level budget:

Package 070, Revenue Shortfall. This package balances expenditures with available revenues, reducing the limitation by \$2,299,052 total funds; \$1,367,654 Other Funds limitation and \$931,398 Federal Funds limitation. Eight permanent positions (7.67 FTE) are eliminated.

Package 801, LFO Analyst Adjustments. This package reduces \$195,206 Other Fund limitation, \$847,459 Federal Funds limitation and five positions (5.00 FTE). This package reflects the approval of a DAS permanent finance plan for the agency since the release of the Governor's Budget. This package moves the five positions from the UI division to the Shared Services division.

Package 802, Position Reclassification. This package increases Federal Funds limitation by \$56,002 to reclassify six existing staff deemed to be working out-of-class by DAS, CHRO. Four Business and Employment Specialist II positions are being reclassified to two Program Analyst I positions and two Training and Development Specialist I positions; one Legal Secretary is being reclassified to an Operations and Policy Analyst I; and, one Revenue Agent III is being reclassified to a Compliance Specialist I.

Package 812, Vacant Position Elimination. This package reduces Federal Funds limitation by \$318,445 and eliminates one (1.00 FTE) vacant Principal Executive Manager F position.

Workforce Operations

The Workforce Operations Division (formerly known as the Business and Employment Services Division) connects Oregon employers and job seekers by helping businesses find skilled workers and employee training opportunities and by offering skill assessments and career pathways to job seekers, by division, has a statewide network of field offices and one-stop centers. The division partners with regional and local training providers (Workforce Innovation and Opportunity Act Title I), the Oregon Workforce Investment Board, Local Workforce Development Boards, inter-agency partnerships (including the Department of Human Services, the Commission for the Blind and the Higher Education Coordinating Commission), local economic development organizations, Oregon community colleges, and local workforce organizations.

The Subcommittee approved a budget of \$95,275,940 total funds; \$61,485,161 Other Funds limitation, \$33,790,779 Federal Funds limitation; and 421 positions (419.05 FTE).

The Subcommittee approved the following adjustments to OED's current service level budget:

Package 102, Trade-Act Trade Adjustment Assistance Program. This package increases Federal Funds limitation by \$4,849,999, adds 19 permanent full-time positions (19.00 FTE) and 11 full-time limited duration positions (11.00 FTE). The agency, through this program, assists workers who have lost their jobs due to foreign competition, pursuant to the guidelines associated with the Federal Trade Act. Congress reauthorized the program through June 30, 2021. This package augments the existing 12 permanent positions.

The agency is seeing an increase in the number of petitions being filed and approved. This package funds additional staffing to meet anticipated program demands, as follows: 24 Business and Employment Specialists; one Program Analyst II to facilitate cooperation among workforce partners; three Program Analyst I positions to facilitate connections among employers and clients in the Tri-county area (which historically has the highest number of trade affected workers); one Office Specialist; and one additional management position.

Package 103, Federal Work Opportunity Tax Credit Program. In this package, Federal Funds limitation is increased by \$497,050, and three permanent full-time positions (3.00 FTE) are added to provide training and technical assistance to Oregon employers regarding the Work Opportunity Tax Credit (WOTC) program.

WOTC provides employers with a tax credit when they hire individuals with certain barriers to employment. The agency successfully implemented an on-line application and filing system for employers to enhance ease and access to federal tax credits associated with this program. The department reports that less than 10 % of Oregon employers participate in the program. The goal of involving more employers has the potential to provide a tax benefit to more employers at little cost to the State of Oregon, while increasing incomes and self-sufficiency of WOTC target populations. The program is federally funded and has no match requirements. Federal funding for the program is partially based on the number of tax credit certifications issued per year; additional program usage by employers will generate additional Federal Funds revenue to sustain the program.

Package 104, Workforce Contracted Employment Services. Other Funds limitation is increased by \$794,420, and five full-time limited duration (5.00 FTE) positions are added to provide job placement assistance for the Department of Human Services clients via an inter-agency contract. A similar package has been previously approved for the past seven biennia.

Package 802, Position Reclassification. Other Funds limitation is increased by \$256,022 and Federal Funds limitation by \$220,310; two new permanent full-time (2.00 FTE) positions are established.

The LFO adjustment reflects the reclassification of 20 existing staff deemed to be working out-of-class by DAS, CHRO as follows:

- 17 Business and Employment Specialist II positions reclassified to seven Training and Development Specialist I positions and 10 Program Analyst I positions;
- An Office Specialist I reclassified to a Business and Employment Specialist II;
- A Principal Executive Manager D downward reclassification to a Principal Executive Manager C;
- An Operation and Policy Analyst II reclassified to an Economist II position;
- Two new Operations and Policy Analyst positions are established.

Package 812, Vacant Position Elimination. Other Funds limitation is reduced by \$236,439 and one (1.00 FTE) vacant Principal Executive Manger F position is eliminated.

Office of Administrative Hearings

The Office of Administrative Hearings (OAH) provides an independent and impartial forum for citizens and businesses to adjudicate their disputes with state agencies.

The Subcommittee approved a budget of \$27,506,872 Other Funds limitation and 104 positions (102.88 FTE).

The Subcommittee approved the following adjustments to OED's current service level budget:

Package 812, Vacant Position Elimination. Other Funds limitation was reduced by \$624,567 and three (3.00 FTE) vacant Administrative Law Judge positions were eliminated.

Workforce and Economic Research

The Workforce and Economic Research division has primary responsibility for providing quality workforce and economic information for the state, its workforce regions, and counties. The division is Oregon's designated Employment Statistics Agency (under the federal Workforce Investment Act of 1998) and Oregon's designated agency for the coordination of occupational information.

The Subcommittee approved a budget of \$6,873,617 Other Funds limitation, \$7,650,824 Federal Funds limitation and 54 positions (53.50 FTE).

The Subcommittee approved the following adjustments to OED's current service level budget:

Package 802, Position Reclassification. This package increases Other Funds expenditure limitation by \$63,168, and \$49,706 Federal Funds limitation. This adjustment reflects the reclassification of existing staff deemed to be working out-of-class by DAS, CHRO. The agency reclassified three Economist I to Economist II positions; one Economist II to an Economist III; three Research Analyst III to Research Analyst IV positions; and two management positions to Principal Executive Manager E positions.

Package 812, Vacant Position Elimination. This package reduces Other Funds limitation by \$412,749 and eliminates one (1.00 FTE) vacant Principal Executive Manager D position and one (0.67 FTE) Research Analyst II position.

Oregon Talent Council

The Oregon Talent Council was created to promote growth and competitiveness in Oregon's traded sector and high growth industries by administering limited duration investments guided by a Council-developed talent plan to address Oregon's talent gaps.

The Subcommittee approved the following adjustments to OED's current service level budget:

Package 801, LFO Analyst Adjustments. This package eliminates General Fund support for the Oregon Talent Council within the Employment Department's budget. Two positions (1.67 FTE) and \$6,252,676 General Fund are eliminated.

Modernization Initiative

A new budgetary structure is created to track expenditures and FTE associated with the evaluation, improvement and replacement of core business processes and aging information technology systems for the agency. The agency is expected to work closely with OSCIO, LFO and the Chief Financial Office (CFO) to accomplish this project's mission.

The Subcommittee approved a budget of \$4,682,313 Other Funds limitation, and eighteen permanent (13.95) positions.

The Subcommittee approved the following adjustments to OED's current service level budget:

Package 101, Modernization Business Services and Technology Infrastructure. This package creates a new budgetary reporting structure and includes \$4,682,313 Other Funds limitation and 18 permanent (13.95 FTE) positions to lead a multi-biennia effort to evaluate, improve and replace core business processes and aging information technology systems. Of this amount, the Subcommittee recommended DAS un-schedule \$2,796,000 Other Funds limitation and one position, pending a report by OED during the 2018 Legislative Session, on project status and favorable recommendations from the State CIO and LFO on readiness to proceed.

This packages provides for the continuation of seven existing positions, as follows: one program manager; three Operations and Policy Analyst positions serving as a business analytic function; one Operations and Policy Analyst position serving as a subject matter expert from the Workforce Operations division; one Information Systems Specialist project manager; one Executive Assistant; one Public Affairs Specialist to keep agency personnel apprised of data needs and project milestones; and one Operations and Policy Analyst to manage and prepare personnel for changes the agency will need to make to successfully implement new systems.

In addition, the package provides for a contract specialist to help develop and manage quality assurance, other vendor contracts and to help draft a request for proposals in anticipation of completion of the feasibility study. All of the positions associated with this package are permanent, as the project is expected to continue at least through the next biennia and quite possibly beyond. Expenditure limitation is included for vendors associated with quality assurance, systems engineering and training. An additional eight subject matter experts will assist with mapping data and processes for compliance, quality assurance, tax collection, administrative and accounting functions in specific divisions of the agency, as the project progresses. These positions will be phased into the new division over the course of the 2017-19 biennium.

OED will transfer existing employees from its UI division, Workforce Operations division, budgeting and accounting expertise from the Shared Services division and from the Workforce and Economic Research divisions to serve as the subject matter experts. The department will fill the vacancies in the various divisions, created by the transfers, to ensure regular duties continue to be carried out. The limitation and position authority is expected to enable the agency to complete a feasibility study, which will include the following:

- a strategic plan for modernization incorporating business needs;
- identify business and solutions requirements through process mapping;
- determine what market solutions exist;
- perform a readiness assessment to identify the department's level of readiness to initiate the project.

OED expects to complete its feasibility study by January 2018. After it's completion, OED will work with OSCIO and LFO to secure endorsement of further work on the project (a.k.a. Stage Gate II approval), which entails the development of a more detailed business case, foundational project management documents, independent third party quality control reviews and risk assessments, solution requirements and development of statements of work and other procurement documents.

Nonlimited

Nonlimited funds include unemployment tax collections, trust fund interest earnings and federal revenues that are used to pay UI and associated benefits to qualified applicants. Nonlimited funds also include federal revenues that are used to pay benefits related to federal training programs, such as the Trade Adjustment Assistance Program and as reimbursement of UI benefit paid for workers. Both Other Funds Nonlimited expenditures and Federal Funds Nonlimited expenditures are projected to decrease as unemployed workers find jobs or exhaust their eligibility.

The Subcommittee approved a budget of \$1,424,000,000 Other Funds Nonlimited and \$70,000,000 Federal Funds Nonlimited expenditures. No positions are included in this program unit.

Summary of Performance Measure Action

See attached Legislatively Adopted 2017-19 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Employment Department
Michelle Lopez ~ 971-283-6360

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2015-17 Legislatively Approved Budget at Dec 2016 +	\$ 6,133,655	\$ -	\$ 146,303,204	\$ 1,520,105,053	\$ 162,865,912	\$ 94,832,000	\$ 1,930,239,824	1,272	1,237.76
2017-19 Current Service Level (CSL)*	\$ 6,252,676	\$ -	\$ 146,868,691	\$ 1,424,000,000	\$ 156,502,819	\$ 70,000,000	\$ 1,803,624,186	1,260	1,204.84
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 010-05 - Shared Services									
Package 070: Revenue Shortfall									
Services and Supplies	\$ -	\$ -	\$ (1,737,000)	\$ -	\$ -	\$ -	\$ (1,737,000)		
Package 801: IFO Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ 173,606	\$ -	\$ 749,059	\$ -	\$ 922,665	5	5.00
Services and Supplies	\$ -	\$ -	\$ 21,600	\$ -	\$ 98,400	\$ -	\$ 120,000		
Package 802: Position Reclassification									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ (26,471)	\$ -	\$ (26,471)	0	0.00
Package 814: IT Security Positions Consolidation									
Personal Services	\$ -	\$ -	\$ (227,070)	\$ -	\$ (521,411)	\$ -	\$ (748,481)	(3)	(3.00)
Services and Supplies	\$ -	\$ -	\$ (24,000)	\$ -	\$ (48,000)	\$ -	\$ (72,000)		
SCR 010-10 - Unemployment Insurance									
Package 070: Revenue Shortfall									
Personal Services	\$ -	\$ -	\$ (118,656)	\$ -	\$ (819,328)	\$ -	\$ (937,984)	(8)	(7.67)
Services and Supplies	\$ -	\$ -	\$ (1,248,998)	\$ -	\$ (112,070)	\$ -	\$ (1,361,068)		
Package 801: IFO Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ (195,206)	\$ -	\$ (847,459)	\$ -	\$ (1,042,665)	(5)	(5.00)
Package 802: Position Reclassification									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 56,002	\$ -	\$ 56,002	0	0.00
Package 812: Vacant Position Elimination									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ (318,445)	\$ -	\$ (318,445)	(1)	(1.00)
SCR 010-20 - Workforce Operations									
Package 102: Trade Act-Trade Adjustment Assistance Program									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 4,129,999	\$ -	\$ 4,129,999	30	30.00
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 720,000	\$ -	\$ 720,000		
Package 103: Federal Work Opportunity Tax Credit Program									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 425,050	\$ -	\$ 425,050	3	3.00
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 72,000	\$ -	\$ 72,000		
Package 104: Workforce Contracted Employment Services									
Personal Services	\$ -	\$ -	\$ 674,420	\$ -	\$ -	\$ -	\$ 674,420	5	5.00
Services and Supplies	\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 802: Position Reclassification Personal Services	\$ -	\$ -	\$ 256,022	\$ -	\$ 220,310	\$ -	\$ 476,332	2	2.00
Package 812: Vacant Position Elimination Personal Services	\$ -	\$ -	\$ (236,439)	\$ -	\$ -	\$ -	\$ (236,439)	(1)	(1.00)
SCR 010-40 - Office of Administrative Hearings									
Package 812: Vacant Position Elimination Personal Services	\$ -	\$ -	\$ (624,567)	\$ -	\$ -	\$ -	\$ (624,567)	(3)	(3.00)
SCR 010-50 - Workforce and Economic Research									
Package 802: Position Reclassification Personal Services	\$ -	\$ -	\$ 63,168	\$ -	\$ 49,706	\$ -	\$ 112,874	0	0.00
Package 812: Vacant Position Elimination Personal Services	\$ -	\$ -	\$ (412,749)	\$ -	\$ -	\$ -	\$ (412,749)	(7)	(1.67)
SCR 010-70 - Oregon Talent Council									
Package 801: LFO Analyst Adjustments Personal Services	\$ (450,727)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (450,727)	(2)	(1.67)
Services and Supplies	\$ (188,579)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (188,579)		
Special Payments	\$ (5,613,370)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,613,370)		
SCR 010-90 - Modernization Initiative									
Package 101: Modernization Business Service & Technology Infrastructure									
Personal Services	\$ -	\$ -	\$ 2,467,699	\$ -	\$ -	\$ -	\$ 2,467,699	18	13.95
Services and Supplies	\$ -	\$ -	\$ 2,214,614	\$ -	\$ -	\$ -	\$ 2,214,614		
TOTAL ADJUSTMENTS	\$ (6,252,676)	\$ -	\$ 1,166,444	\$ -	\$ 3,827,342	\$ -	\$ (1,258,890)	38	34.94
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 148,035,135	\$ 1,424,000,000	\$ 160,330,161	\$ 70,000,000	\$ 1,802,365,296	1,298	1,239.78
% Change from 2015-17 leg Approved Budget	(100.0%)	0.0%	1.2%	(6.3%)	(1.6%)	(26.2%)	(6.6%)	2.0%	0.2%
% Change from 2017-19 Current Service Level	(100.0%)	0.0%	0.8%	0.0%	2.4%	0.0%	(0.1%)	3.0%	2.9%

Legislatively Approved 2017 - 2019 Key Performance Measures

Published: 9/28/2017 2:51:20 PM

Agency:

Employment Department

Mission Statement:

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

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
1. ENTERED EMPLOYMENT - Percentage of adult program participants who are in unsubsidized employment during the second quarter after utilizing Workforce Operations services.		Approved	49%	TBD	TBD
2. EMPLOYMENT RETENTION - Percentage of adult program participants who are in unsubsidized employment during the fourth quarter after exiting the program.		Approved	81%	62%	62%
3. COST PER PLACEMENT - Total cost of Workforce Operations (Business & Employment Services) program divided by the total number of job seekers entered into employment after receiving services.		Approved	\$443.00	\$416.00	\$416.00
4. FIRST PAYMENT TIMELINESS - Percentage of initial Unemployment Insurance payments made within 21 days of eligibility.		Approved	87.55%	87%	87%
5. NON-MONETARY DETERMINATIONS TIMELINESS - Percentage of claims that are adjudicated within 21 days of issue detection.		Approved	39.84%	80%	80%
6. UNEMPLOYMENT INSURANCE ADMINISTRATIVE COSTS AS A PERCENT OF BENEFITS PAID - Compares dollars paid to unemployed workers against the		Approved	11.20%	10%	10%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
cost of providing those benefits. Specifically, all costs associated with Unemployment Insurance administration, including related Department of Justice and Office of Administrative Hearings costs, less Re-Employment Eligibility Assessments and State Government Service Charges, divided by Total Unemployment Insurance Benefits paid.					
7. UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of cases requesting a hearing that are heard or are otherwise resolved within 30 days of the date of request.		Approved	71.40%	60%	60%
8. NON-UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of orders issued within the standards established by the user agencies.		Approved	91.97%	93%	93%
9. AVERAGE DAYS TO ISSUE AN ORDER - Average number of days to issue an order following the close of record.		Approved	4.50	6.60	6.60
10. COST PER REFERRAL TO OAH - Average cost of hearing referral to the Office of Administrative Hearings.		Approved	\$529.25	\$532.00	\$532.00
11. HIGHER AUTHORITY APPEALS TIMELINESS - Percentage of cases requesting an appeal that receive a decision within 45 days of the date of request.		Approved	98.81%	80%	80%
12. TIMELINESS OF NEW STATUS DETERMINATIONS - Percentage of new status determinations completed within 90 days of the end of the liable quarter.		Approved	76.23%	80%	80%
13. CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent," including overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Expertise	Approved	80.39%	95.50%	95.50%
	Accuracy		78.29%	95.50%	95.50%
	Availability of Information		78.94%	95.50%	95.50%
	Timeliness		76.86%	95.50%	95.50%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
	Overall		80.68%	95.50%	95.50%
	Helpfulness		81.91%	95.50%	95.50%
14. FOUNDATIONAL SURVEY RESPONSE RATE - Ordinary (non-weighted) arithmetic mean of four annual response rates: (1) Occupational Employment Statistics employment; (2) Occupational Employment Statistics units; (3) Annual Refiling Survey employment; and (4) Annual Refiling Survey units.		Approved	88.38%	73%	73%
6. COST PER CLAIM - Total cost of UI programs divided by the total number of initial claims for UI benefits filed.		Legislatively Deleted	\$268.00	\$160.00	\$0.00

LFO Recommendation:

The Legislative Fiscal Office recommends Key Performance Measures for the Employment Department as set out above. Recommended changes are summarized as follows:

KPM #1 - Change wording from: Percentage of job seekers who got a job with a new employer after registering with the Employment Department. Target changed from 60% to 63%. These changes align the measure with similar data the Department must report pursuant to the federal Workforce Innovation and Opportunity Act, as determined by the US Department of Labor.

KPM #2 - Change wording from: Percentage of job seekers who were in employment two quarters after registering with the Employment Department. Target changed from 80% to 62%, as the calculation is based on participants employed in Program Year quarter 4 after exit divided by total participant exits. These changes align the measure with similar data the Department must report pursuant to the federal Workforce Innovation and Opportunity Act, as determined by the US Department of Labor.

KPM #3 - Change target from a static \$200 to \$400 for 2018 and \$416 for 2019, with targets adjusted for inflation each biennium by a maximum of 4%.

KPM #6 - Replace the previous measure, which measured total cost of UI insurance programs divided by the total initial claims, with a revised KPM 6 as proposed. The measure proposed for deletion does not take into account

how many claims were denied, nor the total cost of benefits actually paid to claimants, so it was not as relevant as the measure recommended to replace it.

KPM #10 - The proposed change will better reflect the complexity of various cases (over which the Office of Administrative Hearings has little control) that are influenced by economic factors and policies that govern agencies that refer cases. Revises the Target from \$467 to \$515 and allow new targets to be proposed each successive biennium based on Governor's Recommended Budget and OAH anticipated caseload.

KPM #11 - Recommend changing the target for "Higher Authority Appeals Timeliness" from 75% to 80% based on recent performance data.

KPM # 13 - The Employment Department has refined its customer service survey and anticipates proposing revised targets in 2019-21, after evaluating survey response rates and performance utilizing the new survey mechanism.

KPM #14 - A new proposed KPM is presented based on a recommendation from the Legislative Fiscal Office in 2015 to develop a measure for the Workforce and Economic Research Division. The agency has a goal of ensuring a mean response rate to its four key surveys of approximately 73%, as these surveys are the basis upon which the division makes the majority of its key research findings and projections.

SubCommittee Action:

The Subcommittee approved the Employment Department's KPMs as submitted. Subcommittee members encouraged the Department to view future changes to measures in the context of what the Department is hoping to achieve with regard to outcomes for Oregonians, and not solely within the context of uniform reporting alignment with the Federal government, which may change more frequently.

SECTION 143. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (1), chapter ____, Oregon Laws 2017 (Enrolled House Bill 5017), for the biennium beginning July 1, 2017, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Legislative Administration Committee is increased by \$239,358 for costs of issuance of general obligation bonds.

SECTION 144. Notwithstanding any other provision of law, the General Fund appropriation made to the Legislative Administration Committee by section 1 (2), chapter ____, Oregon Laws 2017 (Enrolled House Bill 5017), for the biennium beginning July 1, 2017, is increased by \$906,053 for debt service.

SECTION 145. Notwithstanding any other provision of law, the authorized appropriations and expenditure limitations for the biennium beginning July 1, 2017, for the following agencies and programs are changed by the amounts specified:

(1) ADMINISTRATION.

Agency/Program/Funds	Oregon Laws Chapter/Section	2017 Adjustment
Oregon Advocacy Commissions Office:		
Operating Expenses		
General Fund	Ch. 370	-\$6,529
Oregon Department of Administrative Services Debt Service:		
General Fund	HB 5002 1(5)	-77,892
Chief Operating Office	HB 5002 2(1)	-233,141
Chief Financial Office	HB 5002 2(2)	-102,593
Office of the State Chief Information Officer		
Other funds	HB 5002 2(3)	-262,556
Chief Human Resource Office		
Other funds	HB 5002 2(4)	-164,465
OSCIO - State Data Center - Operations		
Other funds	HB 5002 2(5)(a)-1,151,456	
OSCIO - State Data Center - Equipment Replace		
Other funds	HB 5002 2(5)(c)	-58,324
Enterprise Asset Management		
Other funds	HB 5002 2(6)	+436,361
Enterprise Goods and Services		

Enrolled House Bill 5006 (HB 5006-A)

Federal funds	HB 5025 4(2)	-8,803
Operations		
Other funds	HB 5025 2(3)	-63,577
Lottery funds	HB 5025 3(2)	-208,458
Federal funds	HB 5025 4(3)	-182
Arts and Cultural Trust		
Other funds	HB 5025 2(4)	-27,334
Lottery Bond Debt Service		
Lottery funds	HB 5025 3(4)	-1,410,613
Arts		
Federal funds	HB 5025 4(4)	-4,247
Housing and Community		
Services Department:		
Operating Expenses		
General Fund	HB 5012 1	-7,302
Other funds	HB 5012 2	-668,446
Federal funds	HB 5012 4	-119,605
Debt Service		
General Fund	HB 5012 5	-767,156
Department of Veterans'		
Affairs:		
Services Provided by the		
Department and Operations		
General Fund	HB 5039 1(1)	-136,724
Veteran Loans, Oregon		
Veterans' Homes		
Other funds	HB 5039 3(1)	-450,617
Employment Department:		
Operating Budget		
Other funds	Ch. 506 1(1)	-2,842,329
Office of Administrative		
Hearings		
Other funds	Ch. 506 1(2)	-648,469
Operating Budget		
Federal funds	Ch. 506 4	-4,403,080

(4) EDUCATION.

	2017	
	Oregon Laws	
Agency/Program/Funds	Chapter/ Section	Adjustment
Teacher Standards and Practices Commissions:		
Operating Expenses	HB 5038 1	-\$214,688
Department of Education:		
Operations		
General Fund	SB 5516 1(1)	-1,499,642

Enrolled House Bill 5006 (HB 5006-A)

79th Oregon Legislative Assembly – 2017 Regular Session

HB 5006 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Laurie Byerly and Gregory Jolivette, Legislative Fiscal Office
Reviewed By: Paul Siebert, Legislative Fiscal Office

Emergency Board
2017-19

Various Agencies
2015-17

PRELIMINARY

This summary has not been adopted or officially endorsed by action of the committee.

HB 5006

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Budget Summary*

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
<u>Psychologist Examiners Board</u>			
Other Funds	-	\$ (26,589)	\$ (26,589)
<u>Public Utility Commission</u>			
Other Funds	-	\$ (1,156,876)	\$ (1,156,876)
Federal Funds	-	\$ (6,858)	\$ (6,858)
<u>Real Estate Agency</u>			
Other Funds	-	\$ (276,826)	\$ (276,826)
<u>Tax Practitioners Board</u>			
Other Funds	-	\$ (18,835)	\$ (18,835)
<u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u>			
<u>Oregon Business Development Department</u>			
General Fund	-	\$ 3,628,465	\$ 3,628,465
General Fund Debt Service	-	\$ (1,481,045)	\$ (1,481,045)
Lottery Funds	-	\$ (247,934)	\$ (247,934)
Lottery Funds Debt Service	-	\$ (1,410,613)	\$ (1,410,613)
Other Funds	-	\$ 151,174,323	\$ 151,174,323
Other Funds Nonlimited	-	\$ 30,000,000	\$ 30,000,000
Federal Funds	-	\$ (13,232)	\$ (13,232)
<u>Employment Department</u>			
Other Funds	-	\$ (3,490,798)	\$ (3,490,798)
Federal Funds	-	\$ (4,403,080)	\$ (4,403,080)
<u>Housing and Community Services Department</u>			
General Fund	-	\$ 21,433,916	\$ 21,433,916
General Fund Debt Service	-	\$ 2,640,239	\$ 2,640,239
Lottery Funds	-	\$ 350,000	\$ 350,000
Other Funds	-	\$ 25,972,449	\$ 25,972,449
Federal Funds	-	\$ (7,227,385)	\$ (7,227,385)

79th OREGON LEGISLATIVE ASSEMBLY--2018 Regular Session

Enrolled
House Bill 5201

Sponsored by JOINT COMMITTEE ON WAYS AND MEANS

CHAPTER

AN ACT

Relating to state financial administration; creating new provisions; amending section 1, chapter 594, Oregon Laws 2017; repealing section 1, chapter 589, Oregon Laws 2017, section 2, chapter 594, Oregon Laws 2017, and section 21, chapter 655, Oregon Laws 2017; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 3, chapter 562, Oregon Laws 2017, for the biennium ending June 30, 2019, as the maximum limit for payments of expenses from lottery moneys allocated from the Parks and Natural Resources Fund to the State Department of Agriculture for the Oregon Plan, is increased by \$846,821 for invasive pest eradication activities.

SECTION 2. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (4), chapter 562, Oregon Laws 2017, for the biennium ending June 30, 2019, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, and including federal funds for contract services, but excluding lottery funds and federal funds not described in section 2, chapter 562, Oregon Laws 2017, collected or received by the State Department of Agriculture, for market access, is decreased by \$16,836.

SECTION 3. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2, chapter 509, Oregon Laws 2017, for the biennium ending June 30, 2019, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Bureau of Labor and Industries, is increased by \$275,000 for apprenticeship expansion and diversification efforts.

SECTION 4. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 1 (1), chapter 506, Oregon Laws 2017, for the biennium ending June 30, 2019, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and moneys appropriated to the Employment Department by sections 2 and 3, chapter 506, Oregon Laws 2017, but excluding lottery funds and federal funds not described in section 2, chapter 506, Oregon Laws 2017, collected or received by the Employment Department, for unemployment insurance, business and workforce development and workforce and economic research, is increased by \$5,574,000 for enhanced employment services provided to able-bodied adults without dependents.

SECTION 5. (1) Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2, chapter 574, Oregon Laws 2017, for the biennium ending June 30, 2019, as the maximum limit for payment of expenses for operations, from fees,

\$250,000 for the Mike McLaran Center for Student Success in the Salem-Keizer School District.

SECTION 175. (1) Notwithstanding any other provision of law, the General Fund appropriation made to the State Forestry Department by section 1 (2), chapter 592, Oregon Laws 2017, for the biennium ending June 30, 2019, for fire protection, is increased by \$500,000 for subsidizing forest patrol assessments on east side, low-productivity woodlands.

(2) Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (2), chapter 592, Oregon Laws 2017, for the biennium ending June 30, 2019, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and including federal funds from the United States Forest Service for fire protection and for research projects, but excluding lottery funds and federal funds not described in section 2, chapter 592, Oregon Laws 2017, collected or received by the State Forestry Department, for fire protection, is decreased by \$500,000 for forest patrol assessments on east side, low-productivity woodlands.

SECTION 176. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (5), chapter 547, Oregon Laws 2017, for the biennium ending June 30, 2019, as the maximum limit for payment of expenses from lottery moneys allocated from the Parks and Natural Resources Fund to the State Parks and Recreation Department, for community support grants, is increased by \$20,000 for grants to repair recreational trails damaged in the Chetco Bar Fire.

SECTION 177. Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Land Conservation and Development by section 1 (2), chapter 565, Oregon Laws 2017, for the biennium ending June 30, 2019, for grant programs, is increased by \$300,000 for the purpose of providing technical assistance grants to eastern Oregon counties for economic opportunity analyses.

SECTION 178. Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Human Services by section 1 (2), chapter 597, Oregon Laws 2017, for the biennium ending June 30, 2019, for child welfare, self-sufficiency and vocational rehabilitation services, is increased by \$300,000 for distribution to the Oregon Food Bank for cold storage infrastructure improvements.

SECTION 179. (1) In addition to and not in lieu of any other appropriation, there is appropriated to the Emergency Board, for the biennium ending June 30, 2019, out of the General Fund, the amount of \$2,500,000, to be allocated to the Department of Human Services for the child welfare program.

(2) If any of the moneys appropriated by subsection (1) of this section are not allocated by the Emergency Board prior to December 1, 2018, the moneys remaining on that date become available for any purpose for which the Emergency Board lawfully may allocate funds.

SECTION 180. Notwithstanding any other provision of law, the authorized appropriations and expenditure limitations for the biennium ending June 30, 2019, for the following agencies and programs are changed by the amounts specified:

(1) ADMINISTRATION.

Agency/Program/Funds	2017 Oregon Laws Chapter/ Section	\$ Adjustment
Oregon Advocacy Commissions Office:		

Other Funds	Ch. 580 2(3)	+42,963
Other Funds	Ch. 580 2(4)	+58,615
Lottery Funds	Ch. 580 3(1)	+152,514
Lottery Funds	Ch. 580 3(2)	+148,313
Lottery Funds	Ch. 580 3(5)	+13,116
Federal Funds	Ch. 580 4(1)	+3,338
Federal Funds	Ch. 580 4(2)	+27,926
Federal Funds	Ch. 580 4(3)	+5,535
Housing and Community Services Department:		
General Fund	Ch. 574 1	+55,021
Other Funds	Ch. 574 2	+774,097
Federal Funds	Ch. 574 4	+124,414
Department of Veterans' Affairs:		
General Fund	Ch. 585 1(1)	+187,515
Lottery Funds	Ch. 585 2(1)	+206,243
Other Funds	Ch. 585 3(1)	+208,976
Employment Department:		
Other Funds	Ch. 506 1(1)	+2,220,611
Other Funds	Ch. 506 1(2)	+565,360
Federal Funds	Ch. 506 4	+3,717,268

(4) EDUCATION.

Agency/Program/Funds	2017	
	Oregon Laws Chapter/Section	\$ Adjustment
Teacher Standards and Practices Commission:		
Other Funds	Ch. 584 1	+144,940
Department of Education:		
General Fund	Ch. 590 1(1)	+1,306,196
General Fund	Ch. 590 1(2)	+294,628
Other Funds	Ch. 590 3(1)	+495,428
Other Funds	Ch. 590 3(2)	+49,688
Federal Funds	Ch. 590 4(1)	+1,113,205
Federal Funds	Ch. 590 4(2)	+1,074
Chief Education Office:		
General Fund	Ch. 594 1	-39,492
Higher Education Coordinating Commission:		
General Fund	Ch. 595 1(1)	+362,423
Other Funds	Ch. 595 6(1)	+288,607
Other Funds	Ch. 595 6(2)	+13,920
Federal Funds	Ch. 595 7(1)	+309,274
Federal Funds	Ch. 595 7(2)	+699

79th Oregon Legislative Assembly – 2018 Regular Session

HB 5201 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Linda Ames and Gregory Jolivette, Legislative Fiscal Office

Reviewed By: Paul Siebert, Legislative Fiscal Office

Emergency Board
2017-19

Various Agencies
2017-19

PRELIMINARY

Budget Summary*	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			\$ Change	% Change
<u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u>				
<u>Oregon Business Development Department</u>				
General Fund	\$ 15,951,696	\$ 15,977,133	\$ 25,437	0.2%
General Fund Debt Service	\$ 39,144,515	\$ 39,036,407	\$ (108,108)	-0.3%
Lottery Funds	\$ 115,975,469	\$ 117,789,412	\$ 1,813,943	1.6%
Other Funds	\$ 378,417,137	\$ 379,465,905	\$ 1,048,768	0.3%
Other Funds Debt Service	\$ -	\$ 108,109	\$ 108,109	
Federal Funds	\$ 40,717,603	\$ 41,457,527	\$ 739,924	1.8%
<u>Employment Department</u>				
Other Funds	\$ 144,544,337	\$ 152,904,308	\$ 8,359,971	5.8%
Federal Funds	\$ 155,927,081	\$ 159,644,349	\$ 3,717,268	2.4%
<u>Housing and Community Services Department</u>				
General Fund	\$ 54,438,010	\$ 59,693,031	\$ 5,255,021	9.7%
Lottery Funds	\$ 16,357,282	\$ 17,507,282	\$ 1,150,000	7.0%
Other Funds	\$ 209,274,996	\$ 228,524,093	\$ 19,249,097	9.2%
Federal Funds	\$ 122,692,797	\$ 122,817,211	\$ 124,414	0.1%
<u>Department of Veterans' Affairs</u>				
General Fund	\$ 8,380,599	\$ 8,568,114	\$ 187,515	2.2%
Lottery Funds	\$ 14,856,025	\$ 15,062,268	\$ 206,243	1.4%
Other Funds	\$ 100,316,941	\$ 100,525,917	\$ 208,976	0.2%
Federal Funds	\$ 500,000	\$ 1,000,000	\$ 500,000	100.0%
<u>EDUCATION PROGRAM AREA</u>				
<u>Department of Education</u>				
General Fund	\$ 802,687,885	\$ 806,519,417	\$ 3,831,532	0.5%
General Fund Debt Service	\$ 18,263,417	\$ 18,239,116	\$ (24,301)	-0.1%
Other Funds	\$ 441,326,984	\$ 481,934,415	\$ 40,607,431	9.2%
Other Funds Debt Service	\$ -	\$ 24,302	\$ 24,302	
Federal Funds	\$ 1,053,144,232	\$ 1,054,258,511	\$ 1,114,279	0.1%

Position Summary	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change from 2017-19 Leg. Adopted	
			Change	% Change
<u>Bureau of Labor and Industries</u>				
Authorized Positions	107	107	-	0.0%
Full-time Equivalent (FTE) positions	104.88	105.38	0.50	0.5%
<u>Health-Related Licensing Boards</u>				
Authorized Positions	21	22	1	4.8%
Full-time Equivalent (FTE) positions	20.25	20.56	0.31	1.5%
ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA				
<u>Employment Department</u>				
Authorized Positions	1,298.00	1,320	22	1.7%
Full-time Equivalent (FTE) positions	1,239.78	1,259.03	19.25	1.6%
<u>Housing and Community Services</u>				
Authorized Positions	164	165	1	0.6%
Full-time Equivalent (FTE) positions	152.65	153.28	0.63	0.4%
EDUCATION PROGRAM AREA				
<u>Chief Education Office</u>				
Authorized Positions	14	14	-	0.0%
Full-time Equivalent (FTE) positions	6.40	12.15	5.75	89.8%
<u>Department of Education</u>				
Authorized Positions	551	565	14	2.5%
Full-time Equivalent (FTE) positions	537.54	544.76	7.22	1.3%
<u>Higher Education Coordinating Commission</u>				
Authorized Positions	124	130	6	4.8%
Full-time Equivalent (FTE) positions	116.20	118.45	2.25	1.9%

Statewide Adjustments

EMPLOYEE COMPENSATION DISTRIBUTION

The Subcommittee approved allocation of \$98.4 million General Fund to state agencies for employee compensation. The General Fund appropriation is expected to cover 100% of the statewide estimate of costs for compensation and benefit changes agreed to through collective bargaining or other salary agreements. Total compensation adjustments include \$98.4 million General Fund, \$2.3 million Lottery Funds, \$80.8 million Other Funds, and \$43.3 million Federal Funds.

OTHER STATEWIDE ADJUSTMENTS

Other statewide adjustments include adjustments for Pension Obligation Bond (POB) payments and fully funding the General Fund need of employee compensation for small agencies. POB adjustments generated a net cost of \$1.7 million Total Funds, but included General Fund savings of \$1.5 million.

Section 180 of the budget bill reflects the changes, as described above, for each agency. These adjustments are not addressed in the agency narratives, although they are included in the table at the beginning of the budget report.

Other statewide adjustments also reflect budget changes in multiple agencies to apply Other Fund balances generated through excess Lottery Fund reserves, excess bond proceeds, and interest earnings to debt service. A technical adjustment to the Department of Administrative Services Other Fund debt service is also included. Total net debt service savings are \$2.8 million General Fund and \$1.4 million Lottery Funds. New Other Funds expenditure limitations for the Oregon Business Development Department (\$108,109), the Department of Education (\$24,302), the Higher Education Coordinating Commission (\$24,434), and the Department of Corrections (\$42,042) are established to accommodate the use of fund balances for debt payments, while existing Other Funds expenditure limitations for a number of other agencies are collectively increased by \$3.6 million.

Sections 75, 76, 77, 95, and 170 of the budget bill reflect the changes, as described above, for each agency. These adjustments are not addressed in the agency narratives, although they are included in the table at the beginning of the budget report.

was not added to the agency budget. This additional Other Funds expenditure limitation corrects this error and permits the agency to distribute the bond proceeds, which are expected to be issued in the spring of 2019. The Federal Funds expenditure limitation was increased by \$703,125 to accommodate expenditure of federal grants awarded under the State Trade Expansion Program.

Employment Department

Other Funds expenditure limitation of \$5,574,000 and 22 limited duration positions (19.25 FTE) are added to the 2017-19 budget for the Oregon Employment Department (OED) related to a grant received to fund enhanced employment services to Supplemental Nutritional Assistance Program eligible customers. OED will contract with the Department of Human Services to provide these services to their customers. Funding and FTE are not assumed to be included in calculations for service delivery in subsequent biennia.

Housing and Community Services Department

A General Fund appropriation in the amount of \$5,000,000 was added as a one-time enhancement to the 2017-19 legislatively approved budget for the Housing and Community Services Department for homeless shelter capacity and homelessness prevention services provided through the Emergency Housing Account Program. This additional funding is not intended to go through the Department's regular funding formula, but instead will be distributed as follows:

- Multnomah County: \$2,373,351
- Lane County Human Services Division: \$498,399
- Central Oregon Neighborhood Impact: \$319,485
- Clackamas County Mobile Housing Services: \$782,107
- Jackson County Community Action Agency (ACCESS): \$228,202
- Options for Homeless Residents of Ashland: \$35,000
- Mid-Willamette Valley Community Action Agency for additional shelter efforts outside of Salem: \$50,000
- Community Connection of Northeast Oregon, Inc: \$141,483
- Washington County Community Action: \$571,973

This amount is intended for the 2017-19 biennium only, and is not intended to factor into calculations of future, ongoing service levels. The following budget note was included.

Budget Note:

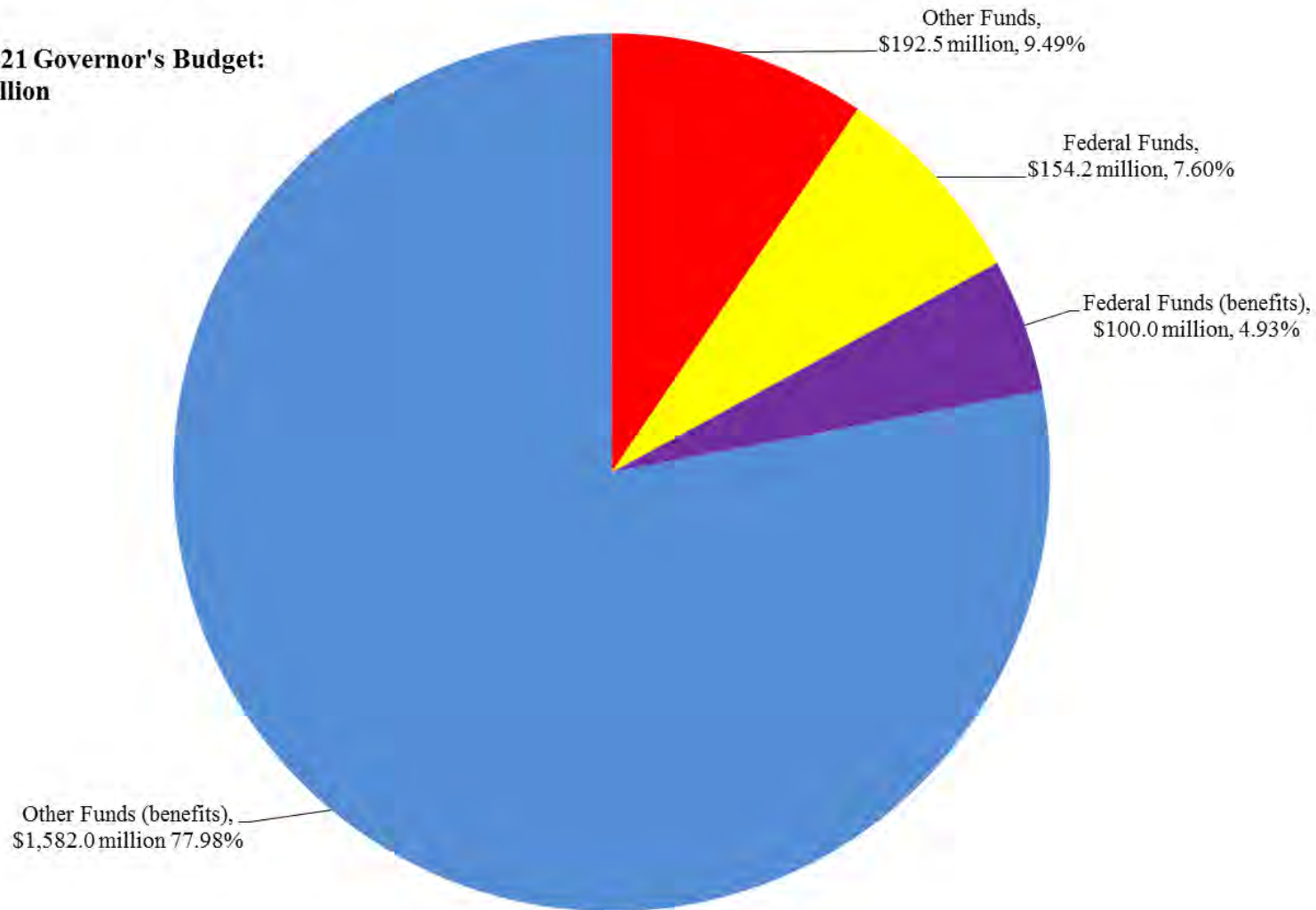
The Housing Stability Council, in alignment with preliminary findings from the Statewide Housing Plan, shall make recommendations to the Director of Oregon Housing and Community Services about how to prioritize funding for the Emergency Housing Account and the State Homeless Assistance Program to ensure that funds are being spent as efficiently and effectively as possible.

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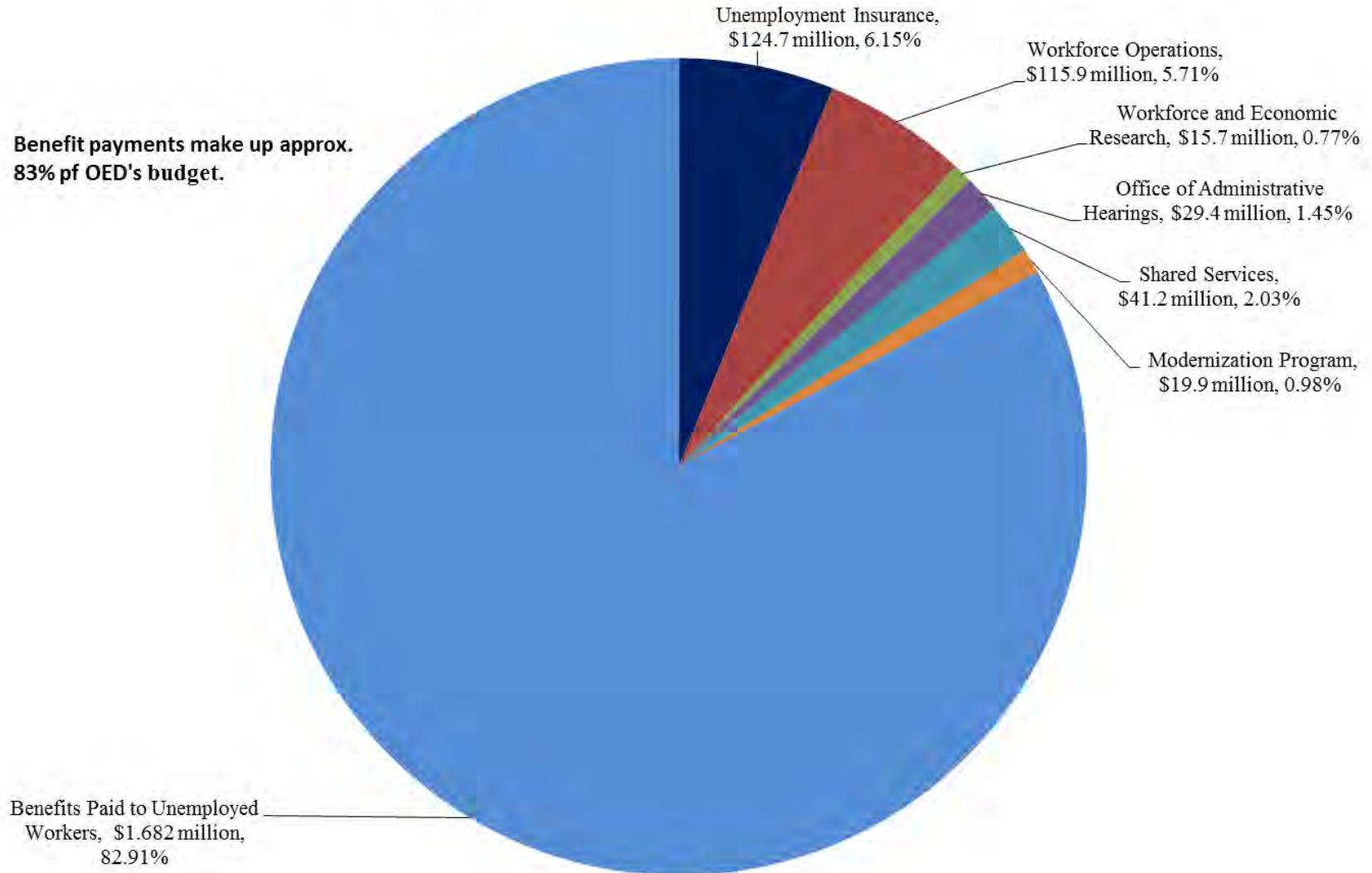
OREGON EMPLOYMENT DEPARTMENT

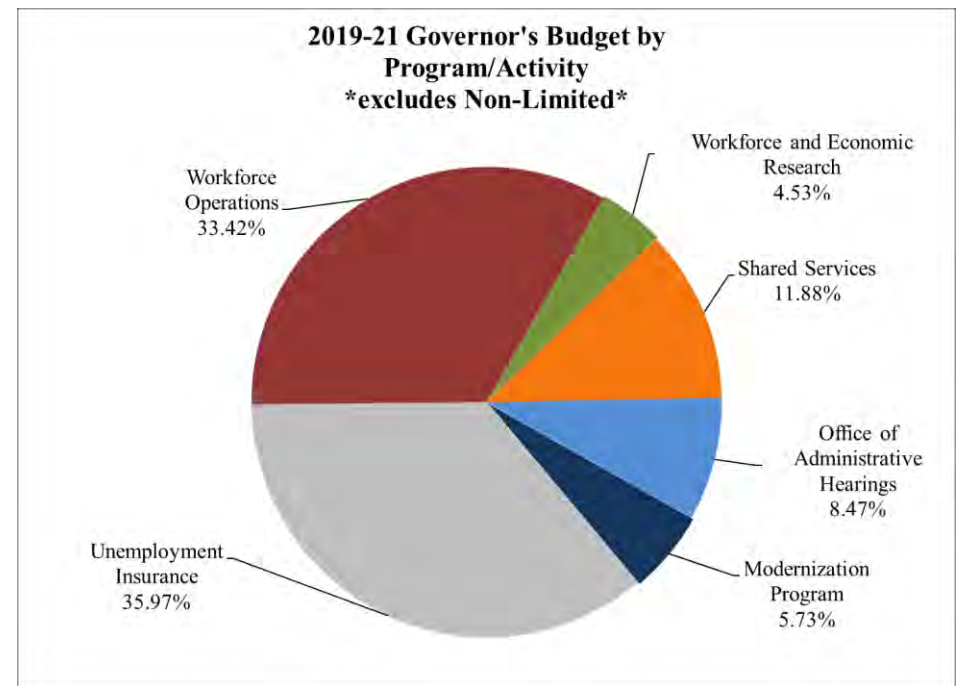
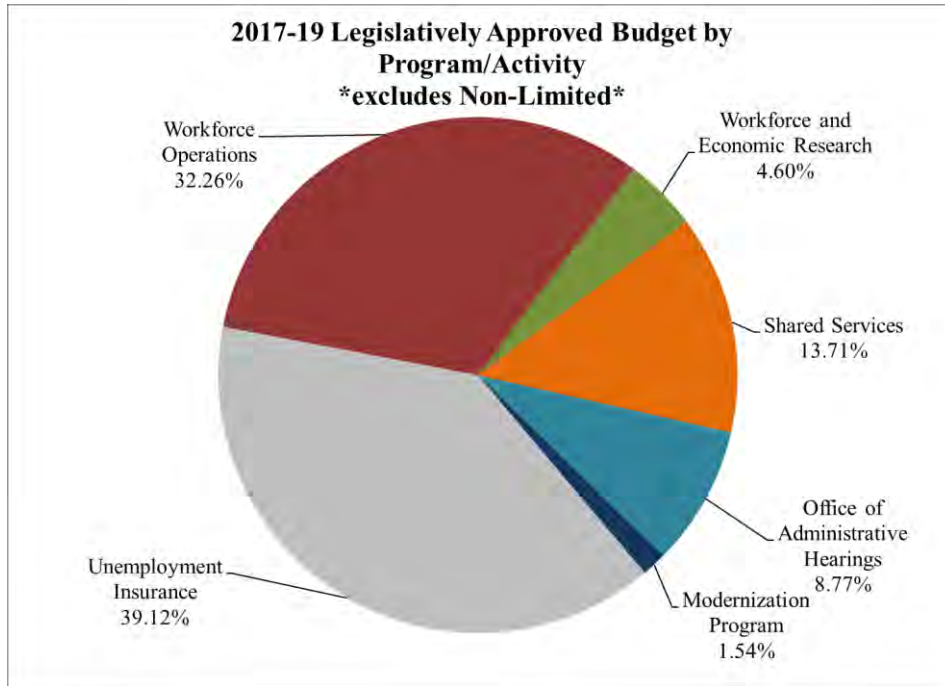
2019-21 Governor's Budget by Fund Type

**Total 2019-21 Governor's Budget:
\$2,028.7 million**



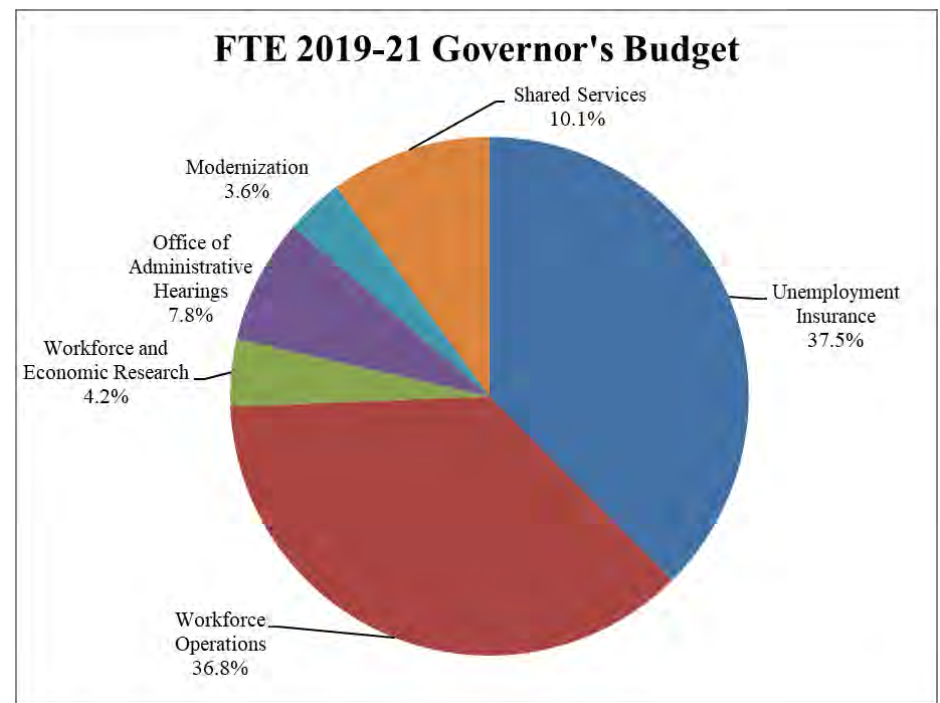
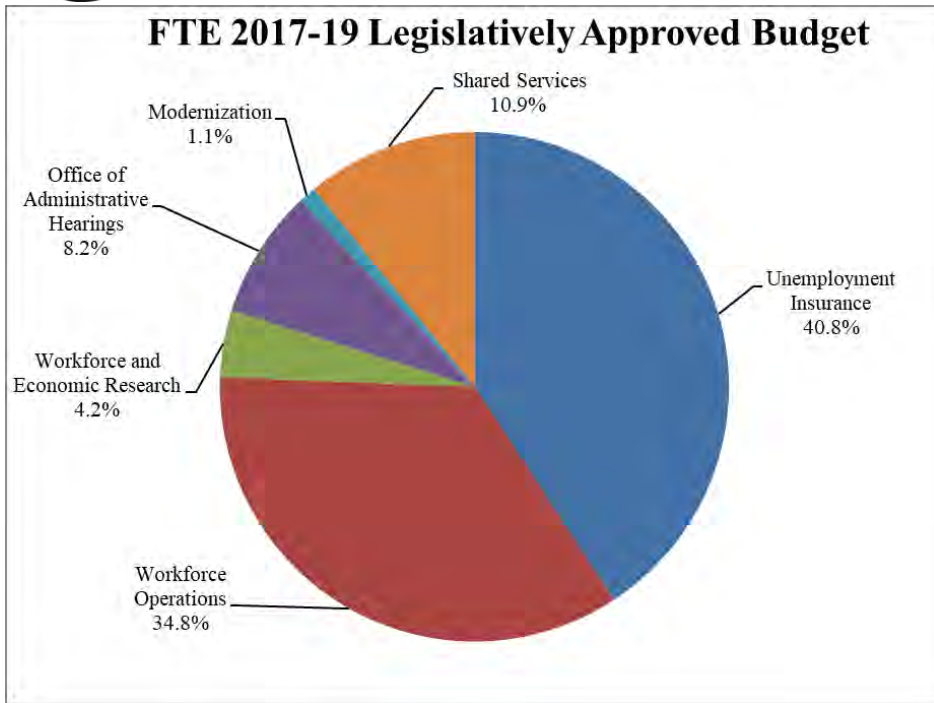
2019-21 Governor's Budget by Program



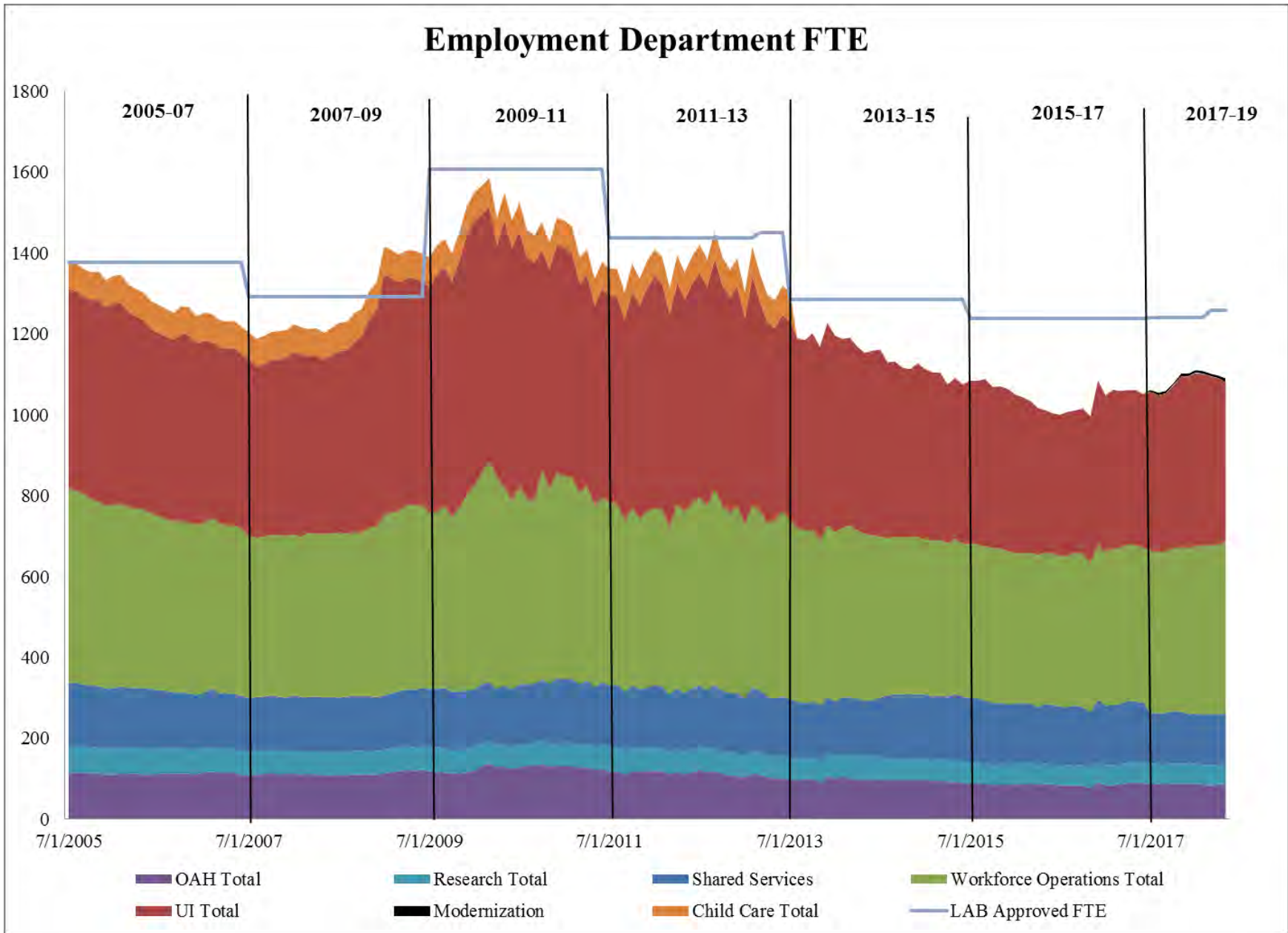


	2017-19 Legislatively Approved Budget			
	General	Other	Federal	Total
Unemployment Insurance	-	31,504,639	90,757,335	122,261,974
Workforce Operations	-	66,945,956	33,871,235	100,817,191
Workforce and Economic Research	-	6,664,428	7,707,533	14,371,961
Shared Services	-	15,544,924	27,308,246	42,853,170
Modernization Program	-	4,820,598		4,820,598
OED Operations	-	125,480,545	159,644,349	285,124,894
Office of Administrative Hearings	-	27,423,763	-	27,423,763
OED Supported	-	27,423,763	-	27,423,763
Benefits: Unemployment Insurance, Trade Act, Trade Act Training (Non Limited)	-	1,424,000,000	70,000,000	1,494,000,000
OED Administered	-	1,424,000,000	70,000,000	1,494,000,000
Total Budget	-	1,576,904,308	229,644,349	1,806,548,657

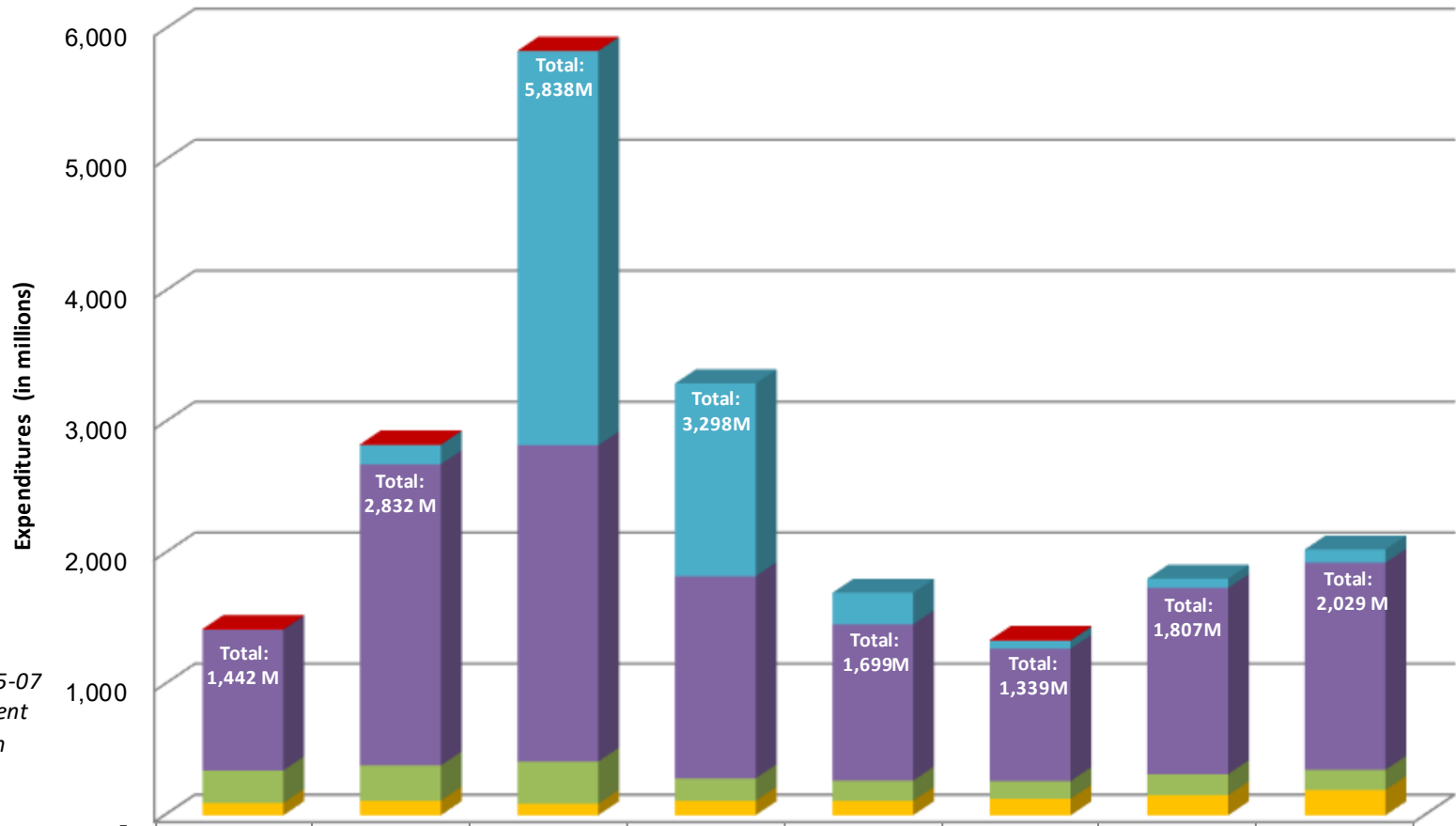
	2019-21 Governor's Budget			
	General	Other	Federal	Total
	-	40,851,354	83,872,783	124,724,137
	-	78,529,971	37,365,581	115,895,552
	-	7,671,699	8,025,951	15,697,650
	-	16,251,100	24,930,879	41,181,979
	-	19,857,463		19,857,463
	-	163,161,587	154,195,194	317,356,781
	-	29,378,697	-	29,378,697
	-	29,378,697	-	29,378,697
	-	1,582,000,000	100,000,000	1,682,000,000
	-	1,582,000,000	100,000,000	1,682,000,000
	-	1,774,540,284	254,195,194	2,028,735,478



Program	2017-19 Legislatively Approved Budget FTE	2019-21 Governor's Budget FTE
Unemployment Insurance	513.49	489.07
Workforce Operations	438.30	479.75
Workforce and Economic Research	53.50	54.50
Office of Administrative Hearings	102.88	101.88
Modernization	13.95	46.63
Shared Services	136.91	131.00
Total Agency FTE	1,259.03	1,302.83



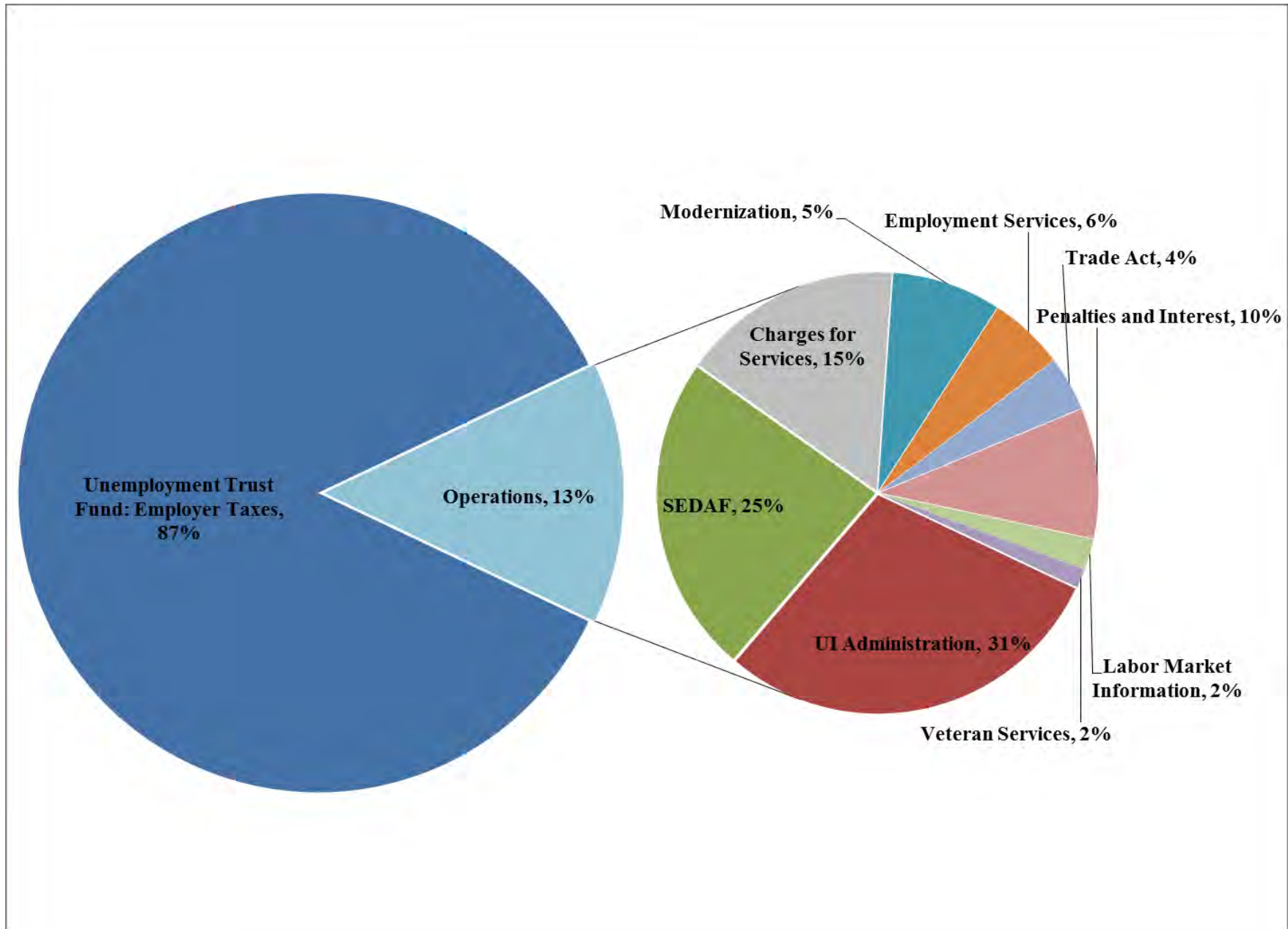
Expenditures by Fund Type



- General Fund expenditures 2005-07 to 2009-11 represent Child Care Division
- General Fund expenditures 2015-17 represent the Oregon Talent Council

	2005-07 Actuals	2007-09 Actuals	2009-11 Actuals	2011-13 Actuals	2013-15 Actuals	2015-17 Actuals	2017-19 Legislative Approved Budget	2019-21 Governor's Budget
■ General Fund	3.71	3.77	2.76	-	-	5.87	-	-
■ Federal Funds Non-Limited	-	148.66	3,009.97	1,471.75	241.84	60.48	70.00	100.00
■ Other Funds Non-Limited	1,076.21	2,299.14	2,415.09	1,544.71	1,191.96	1,012.70	1,424.00	1,582.00
■ Federal Funds	247.47	269.41	322.11	171.19	155.20	134.33	159.64	154.19
■ Other Funds	94.64	111.16	88.18	109.94	109.90	126.02	152.90	192.54

2019-21 Major Revenue Sources



MISSION STATEMENT AND STATUTORY AUTHORITY

Mission

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

Statutory Authority

Federal Statutes and Regulations

The Wagner-Peyser Act, the Workforce Innovation and Opportunity Act of 2014, the Social Security Act of 1935 (42 USC 501; 42 USC 504), the United States Code (Migrant Seasonal Farm Worker Monitor Advocate: Title 29 USC, Chapter 4B and 20 CFR Part 653 and 658; Veterans' Employment: Title 38 USC, Part III, Chapters 41 and 42; Trade Act: Title 19 USC, Chapter 12, Subchapter II, Part 2; Foreign Labor Certificate: Title 8 USC, Chapter 12; Work Opportunity Tax Credit: Title 26 USC, Sub. A, Chapter 1 (A) (IV) (f)), the Federal Unemployment Tax Act (Chapter 23, Internal Revenue Code), and the Code of Federal Regulations (Title 20, parts 1-1099) are the federal regulations governing the Employment Department programs.

Wagner-Peyser and Workforce Innovation and Opportunity Acts Reform

The Oregon Employment Department is part of the national workforce development system. In 1933, the Wagner-Peyser Act established the public workforce development system in the United States. A federal, state, and local partnership, the system provides support for the ever-evolving needs of employers and prepares our workforce for success.

The Workforce Innovation and Opportunity Act (WIOA) was signed into law on July 22, 2014 marking the first legislative reform of the public workforce system since the Workforce Investment Act of 1998, a major modernization of the public workforce development system. WIOA is landmark legislation designed to strengthen and improve our nation's public workforce system and help get Americans, including youth and those with significant barriers to employment, into high-quality jobs and careers and help employers hire and retain skilled workers.

Under WIOA, the Governor of each state is required to submit a single, coordinated plan to the U.S. Secretary of Labor that outlines a four-year workforce development strategy for all core programs under the law. To assist the Governor in the development of the state plan, the Oregon Workforce Investment Board, renamed the Oregon Workforce and Talent Development Board in House Bill 3437 (2017), developed a four-year strategic plan (also known as the Unified State Plan) to create the road map for the workforce system to capitalize on its strengths, identify and address obstacles, and promote continuous improvement of services through actionable recommendations and guidance. Workforce programs in Oregon covered in the Unified State Plan reside in the Bureau of Labor and Industries, Employment Department, Higher Education Coordinating Commission, Department of Human Services (Self-Sufficiency and Vocational Rehabilitation), and Oregon Commission for the Blind. Other workforce system partners include the Department of Education, Business Oregon, local workforce development boards, universities, community colleges, school districts, educational service districts, organized labor, local economic development organizations, community based organizations, and business and trade associations.

Oregon's Unified State Plan, approved by the U.S. Departments of Labor and Education in September 2016, identifies four key goals critical to successfully achieving the state's vision for the workforce development system:

Goal 1: Create a customer-centric workforce system that is easy to access, highly effective, and simple to understand.

- Goal 2:** Provide business and industry customized workforce solutions to prepare and deliver qualified and viable candidates and advance current workers.
- Goal 3:** Invest in Oregonians to build in-demand skills, match training and job seekers to opportunities, and accelerate career momentum.
- Goal 4:** Create and develop talent by providing young people with information and experiences that engage their interests, spur further career development, and connect to Oregon employers.

The Employment Department's strategic and business plans support the Unified State Plan.

State Statutes and Administrative Rules

The Employment Department and the Employment Appeals Board are established in chapter 657 of the Oregon Revised Statutes (ORS 657.005-657.990). The agency's Administrative Rules are in Oregon Administrative Rules chapter 471.

The Office of Administrative Hearings is established in chapter 183 of Oregon Revised Statutes (ORS 183.605-183.690). The Office of Administrative Hearings Administrative Rules are in Oregon Administrative Rules Oregon Administrative Rules 137-003-0501 through 137-003-0700.

AGENCY STRATEGIC OR BUSINESS PLANS

Employment Department Strategic Plan

The agency's 2014-2019 Strategic Plan will be replaced with an updated plan prior to the beginning of the 2019-21 biennium. The broad goals of the 2014-19 Plan align with the agency's organizational structure and service delivery:

- 1) Provide an effective unemployment insurance system for workers, businesses, and communities.
- 2) Connect businesses and job seekers, through WorkSource Oregon, to foster a vibrant economy in Oregon.
- 3) Collaborate with the Office of Workforce Investments to transform Oregon's talent development system.
- 4) Collect labor market data and provide analysis that informs the decisions of the workforce, including the Employment Department, businesses, educators, job seekers, and families.
- 5) Strengthen the Employment Department's performance through efficient and effective business practices and inspiring staff to strive for exceptional customer service.
- 6) Evaluate, improve, and replace Employment Department core business and computer systems, to increase data security and better meet the needs of Oregonians and Oregon businesses.

The agency has undertaken a comprehensive planning process in preparation for the release of its 2019-2025 Strategic Plan, inviting participation from employees, partners, stakeholders, and customers. Planning and analysis sessions have been held with employees across the state, local service delivery and state agency partners, and representatives from oversight bodies including the Governor's Office, Department of Administrative Services Chief Financial Office, Office of the State Chief Information Officer, and Legislative Fiscal Office. The data and input received from these sessions is being

sorted and analyzed to identify emerging themes and inform the agency's strategic goals for the coming years. Efforts are also underway to gather input from our customers—job seekers and employers.

The agency is midway through the strategic planning process for the 2019-2025 Plan and anticipates completing this work in winter 2018.

Governor's Strategic Focus Areas

The Oregon Employment Department closely aligns with the Governor's strategic focus areas: *A Seamless System of Education and A Thriving Statewide Economy*, and the overarching goal of excellence in state government. Within the education and workforce focus areas, the agency supports the effort to provide multiple pathways to learning and careers, especially to underserved populations. The Employment Department coordinates with economic development agencies to support common regional priorities and align state resources in order to leverage investments in local communities to contribute to *A Thriving Statewide Economy*.

The Director is a member of the Governor's Workforce Cabinet, a group of state agency leaders charged with aligning the state's workforce resources to help achieve the Governor's priority of lifting families out of poverty. One of the areas of focus for the Cabinet is Future Ready Oregon, the Governor's initiative to help close the gap between the skills that Oregon's workers have and the skills Oregon's growing businesses need. Closing the gap will be accomplished through a combination of initiatives and projects that provide skill and job training to youth, expand training opportunities and skill advancement for Oregonians already in the workforce, and increase the housing supply in rural areas. Future Ready Oregon projects are guided by the following principles: transferable skills, self-sufficiency, connection to employers, career path, and equity.

Through the delivery of services from over 40 locations throughout the state and from a central office in Salem, the agency will lead efforts to enhance performance measures for state and local workforce planning, strengthen and capitalize on existing relationships, and establish new partnerships to invest in Oregon's economy.

The Employment Department provides services through its major divisions:

- Unemployment Insurance
- Workforce Operations
- Workforce and Economic Research

In addition, the agency has created a new organizational structure to support modernization of its core business processes and information technology systems, the Modernization Program.

The agency administratively supports the operational efforts of the:

- Office of Administrative Hearings
- Employment Appeals Board

AGENCY PROGRAMS

Unemployment Insurance

2019-21 Governor's Budget		
Total Funds	\$124,724,137	100%
Other Funds	\$40,851,354	33 %
Federal Funds	\$83,872,783	67 %
Positions	532	
FTE	489.07	

The Unemployment Insurance Division supports economic stability for Oregonians and Oregon communities through the payment of unemployment insurance benefits. The Unemployment Insurance Division contributes to *A Thriving Statewide Economy* by providing income to unemployed workers, which partially stabilizes the economy in local communities experiencing high unemployment during economic downturns. Through a focus on work search and employment services, the Unemployment Insurance Division promotes reemployment and the preservation of a trained, local workforce for businesses during economic downturns. The Unemployment Insurance Division administers unemployment insurance benefits, including federal extensions when they are available, and other specialized programs. The division partners with the United States Department of Labor (U.S. DOL) and other state agencies (including the Department of Consumer and Business Services, Department of Revenue, and other members of the Interagency Compliance Network) on matters related to employer and employee relationships.

In 2017, the Employment Department paid approximately \$514 million in unemployment insurance benefits to more than 150,000 workers. Workers file claims via the internet or over the telephone, primarily through two physical locations integrated via technology into a virtual single contact center, which handled about 371,000 calls in 2017. The Unemployment Insurance Division also collects unemployment insurance payroll withholding taxes and deposits the funds in the Unemployment Insurance Trust Fund. In 2017, the division processed more than 8.7 million individual wage records and collected \$970 million in payroll taxes from more than 130,000 employers. Through a combined payroll reporting system, the Unemployment Insurance Division processes employer quarterly payroll reports for the Employment Department, Department of Consumer and Business Services, and Department of Revenue.

Oregon's Unemployment Insurance Trust Fund represents the ability to pay current and future benefits. The fund is designed to grow in good economic times and draw down during economic downturns, thus minimizing employer taxes during an economic recession. Each state's Unemployment Insurance Trust Fund is held by the federal government for the specific purpose of that state paying unemployment insurance benefits. During the Great Recession, which resulted in the loss of 147,000 Oregon jobs by February 2010 and unemployment rates that reached 11.9 percent in mid-2009, Oregon's Unemployment Insurance Trust Fund remained solvent due to its statutory self-balancing tax structure. The U.S. DOL continues to rate Oregon's Unemployment Insurance Trust Fund as one of the healthiest in the nation.

The UI Division remains committed to excellence in state government through:

- Ensuring timely and accurate unemployment insurance payments;
- Increasing efficiency and efficacy in unemployment insurance programs by capitalizing on Lean and Six Sigma tools;
- Integrating unemployment insurance data shared across the agency and with other parts of the workforce system; and
- Supporting business process and technology improvements for unemployment insurance programs, which enable a more modern, secure, and sustainable technology solution, while permitting easier access and self-service by the public.

Workforce Operations

2019-21 Governor’s Budget		
Total Funds	\$115,895,118	100%
Other Funds	\$78,529,971	67%
Federal Funds	\$37,965,147	33%
Positions	480	
FTE	479.75	

The Workforce Operations Division serves Oregon businesses by recruiting and referring the best qualified applicants to jobs, and provides resources to diverse job seekers in support of their employment needs. Through customizable services that solve challenges such as recruitment and training, Workforce Operations employees identify, screen, and refer job applicants to employers. Workforce Operations assists businesses in securing federal tax credits and offsetting training costs for hiring specific populations such as persons receiving public assistance, people with disabilities, veterans, and the long-term unemployed (longer than six months). The program currently serves over 11,000 employers and nearly 300,000 job seekers.

Through a collaborative, customer-centric service delivery model, Workforce Operations works with partner agencies and organizations to assess and improve the job-readiness of candidates, and assist job seekers in obtaining employment by teaching them job search skills, and coaching them on job search strategies, options, and expectations. Workforce Operations’ partners include regional and local training providers (Workforce Innovation and Opportunity Act Title I), Oregon Workforce and Talent Development Board, and the local workforce development boards. Workforce Operations also partners with state government agencies, including the Department of Human Services’ Self-Sufficiency and Vocational Rehabilitation programs; Office of Workforce Investments (an interagency partnership between the Higher Education Coordinating Commission and the Employment Department) and the Oregon Commission for the Blind. In addition, Workforce Operations partners closely with Oregon’s 17 independent community colleges and local economic development organizations.

Workforce Operations will continue 2017-19 efforts to provide a more aligned and effective workforce system. As envisioned by the federal Workforce Innovation and Opportunity Act (WIOA), our work aligns with *A Thriving Statewide Economy*, and supports the overarching goal of excellence in state government. By coordinating with partners and through the alignment of strategies and services, Workforce Operations will deliver services more effectively by reducing duplication of effort, while supporting outcomes for the entire workforce development system. In conjunction with the local workforce development boards, Workforce Operations will continue to develop statewide service standards for the 39 WorkSource Oregon centers, creating a level of consistency and expectations in service across the state. Whether working on career development facilitation, consultative business

services, or any number of other services, Workforce Operations strives to enhance processes, tools, and services to strengthen economies in local communities.

Workforce Operations has aligned the objectives of WIOA with Oregon's strategic priorities in the following key areas:

- Reducing the cost of unemployment insurance through a customer-centric service delivery model;
- Strengthening Oregon's economy through effective service to businesses by expanding customized services statewide and increasing business access to Federal tax credits and wage reimbursement for on-the-job training; and
- Providing employment services to targeted populations to assist them in obtaining and retaining work.

Workforce Operations manages several focused employment programs including:

- *Work Opportunity Tax Credit*
Certifying Oregon businesses who hire job seekers with employment barriers receive federal tax credits.
- *Reemployment Services and Eligibility Assessment program*
Assisting unemployment insurance claimants find employment more quickly.
- *Trade Act Assistance*
Providing training and support services to workers laid off by trade-impacted business.
- *Veterans' Employment Services*
Assisting U.S. veterans with priority job seeking and support services.
- *Preferred Worker Program*
Incentivizing employers to reemploy qualified Oregon workers with permanent disabilities resulting from on-the-job injuries and who are unable to return to their regular work because of those injuries.
- *Foreign Labor Certification*
Assisting business requesting foreign labor visas, both agricultural and non-agricultural.
- *Migrant Seasonal Farm Worker*
Assisting migrant seasonal farm workers and employers.
- *Self-employment Assistance Program*
Assisting unemployment insurance recipients who wish to start their own business.
- *Federal Bonding Program*
Providing fidelity bonds to job seekers that are otherwise "not bondable," primarily previously incarcerated ex-offenders.
- *Enhanced employment services for Able-Bodied Adults without Dependents*
Offering case management services to able-bodied adults without dependents who are currently receiving Supplemental Nutrition Assistance Program (SNAP) benefits. This program began in June 2017 and is funded by the Department of Human Services.

WorkSource Oregon and its community partners offer access to many supportive services, often from different organizations and funding sources. The available services may differ based on a customer’s background and career ambitions.

Workforce and Economic Research

2019-21 Governor’s Budget		
Total Funds	\$15,697,650	100%
Other Funds	\$7,671,699	49%
Federal Funds	\$8,025,951	51%
Positions	55	
FTE	54.5	

The Workforce and Economic Research Division develops and distributes quality workforce and economic information to promote informed decision making. The Workforce and Economic Research Division collects, estimates, analyzes, publishes, and disseminates workforce and economic information to a variety of customers to aid in their decision-making. Primary customers include private businesses, the unemployed and other job seekers, state and local workforce boards, elected officials and other policy-makers, education and training entities, students, government agencies, and news media. Workforce and Economic Research information helps customers understand current and future workforce trends and economic conditions, and provides a foundation to understanding whether Oregon is succeeding in its goal to achieve *A Thriving Statewide Economy*. Customers receive services from Workforce and Economic Research on a daily basis, through email, phone, in-person, or through the QualityInfo.org web site. During 2017, the web site welcomed more than 540,000 visits. More than 2,350 customers have signed up to receive email notifications, and the system sent out almost 400,000 links to articles and publications.

The Workforce and Economic Research Division is the steward of Oregon’s public workforce development system’s Performance Reporting Information System (PRISM). Performance measures are collectively established by the multi-agency PRISM Steering Committee in support of the Governor’s overarching goal of excellence in state government and *A Thriving Statewide Economy*.

In support of the Governor’s key focus on *A Thriving Statewide Economy*, the Workforce and Economic Research Division supplies information on the current strengths and weaknesses of the Oregon economy and the direction Oregon is moving. The Workforce and Economic Research Division also forecasts the education and training required for Oregon’s workers over the next decade. Key to supporting *A Thriving Statewide Economy* is to ensure individuals and organizations have the local workforce information to make educated, economically sound decisions. The Workforce and Economic Research Division provides information to:

- Federal, state, and local officials, and policymakers on economic conditions in Oregon, such as analyses of the impact of the new minimum wage, and potential industrial and occupational impacts from cap and invest policies;
- Oregon businesses on wages and benefits, population, and demographics;
- Economic development organizations to assist in decisions regarding location, relocation, and expansion;
- Students to aid in making education and career decisions;

- Education planners and policymakers to assist in determining which classes to offer; and
- Workforce and training organizations so staff can better serve Oregon’s unemployed and other job seekers.

Modernization Program

2019-21 Governor’s Budget		
Total Funds	\$19,857,463	100%
Other Funds	\$19,857,463	100%
Positions	55	
FTE	46.63	

The Employment Department is modernizing its core unemployment insurance and employment services business and information technology systems to ensure the agency can continue to fulfill its mission to *Support Business and Promote Employment*. The multi-biennia effort to modernize requires a significant investment, both in technology and changing how we serve our customers. The Modernization Program is a pivotal strategic investment for the agency that meets critical business needs and aligns with broader statewide priorities and initiatives. Modernizing our core information technology systems and business processes is essential to ensure we can continue to provide services now and into the future, as our aging systems are increasingly difficult and costly to maintain and modify, and increasingly impede our ability to adequately serve Oregon workers and businesses. This is particularly true for systems that support payment of unemployment insurance benefits, the collection of unemployment insurance taxes, and the recruitment and referral of qualified applicants to jobs.

The goals of the Modernization Program are to:

- **Enhance customer experience.** Deliver improved services, such as online self-service, automation, access to data, and integration with partners.
- **Transform business processes.** Leverage modern system capabilities to provide improvements and efficiencies in business processes, deliver new tools for our employees, and support more effective service delivery to our customers.
- **Improve security.** Improve our ability to anticipate and respond to security threats, and manage access.
- **Modernize technology.** Replace the agency’s aging computer systems that support unemployment insurance taxes, payment of unemployment insurance benefits, and delivery of employment services.

The Modernization Program will accomplish its goals through execution of projects chartered to replace the agency’s business processes and aging information technology systems. New systems offer improved capabilities, such as flexibility, supportability, and automation. New system capabilities also provide opportunities to evaluate, transform, and improve business processes. The Employment Department will strategically align internal business practices with core technology systems to focus the agency’s resources in the most cost-effective way to meet the needs of our customers—Oregonians and Oregon businesses. Additional information about the Modernization Program can be found within the Special Reports section.

Shared Services

2019-21 Governor's Budget		
Total Funds	\$41,181,979	100%
Other Funds	\$16,251,100	39%
Federal Funds	\$24,930,879	61%
Positions	131	
FTE	131.00	

Beginning with the 2017-19 Legislatively Adopted Budget, agency administrative expenditures were displayed in a separate budget structure – Shared Services, at the request of the Department of Administrative Services. The Shared Services budget structure includes programs that provide strategic and operational support to all agency programs including Administrative Business Services, Director’s Office, Human Resources, Information Technology Services, and Legislative Affairs and Communications.

Administrative support functions are pivotal to increasing operational efficiencies within the agency in support of the agency’s strategic initiatives. By centralizing support functions and processes, the agency achieves economies of scale and ensures cost effective delivery of administrative functions during both robust and recessionary economic conditions. The shared services model supports excellence in state government by enabling the efficient and effective delivery of administrative services and enabling the Employment Department to focus on the delivery of core services to customers.

Office of Administrative Hearings

2019-21 Governor's Budget		
Total Funds	\$29,378,697	100.00%
Other Funds	\$29,378,697	100.00%
Positions	103	
FTE	101.88	

The Office of Administrative Hearings provides Oregonians and businesses an independent and impartial forum to dispute actions against them. The Office of Administrative Hearings holds contested case hearings (dispositions) referred by over 70 Oregon agencies, boards and commissions. These hearings are constitutionally required to give Oregonians and businesses a chance to dispute actions taken by the state that may affect their individual interests.

The Office of Administrative Hearings Administrative Law Judges conduct hearings and make decisions independently from the agencies that took the initiating action. Oregon’s Attorney General writes the rules of procedure that apply to hearings conducted by the Office of Administrative Hearings and also represents state agencies in contested case hearings. The work of the Office of Administrative Hearings is also reviewed by the Office of Administrative Hearings Oversight Committee which is comprised of eight representatives appointed by the Governor, Senate President, Speaker of the

House, and Oregon Attorney General. The Office of Administrative Hearings Oversight Committee reviews the effectiveness, fairness, and efficiency of the Office of Administrative Hearings and makes recommendations to the Governor and the Legislative Assembly.

Although the Office of Administrative Hearings is established within the Employment Department, and the agency is responsible for providing administrative services to the Office of Administrative Hearings, the Chief Administrative Law Judge is appointed by the Governor and has independent statutory authority to manage the Office of Administrative Hearings.

During the 2017 fiscal year, the Office of Administrative Hearings received 24,719 hearing referrals from state agencies. The Oregon Employment Department referred the largest number, 15,195 cases, representing 61% of all cases referred to the Office of Administrative Hearings. The remaining cases were referred by approximately 60 different agencies, boards, commissions and local governments.

Hearings are governed by the Administrative Procedures Act, the Oregon Attorney General's Model Rules for Contested Case Hearings, and by statutes and administrative rules applicable to specific state agencies. Agencies which refer cases for hearing are charged the actual cost of services, consistent with ORS 183.655, which enables the Office of Administrative Hearings to recover the cost of providing an administrative law judge, the cost of conducting the hearing, and all associated administrative costs. The Office of Administrative Hearings completed the implementation of a new case management system at the beginning of the 2017-19 biennium which consolidated multiple databases into a single case management system.

The Office of Administrative Hearings supports the Governor's Strategic Focus Areas and overarching goal of excellence for Oregon state government by resolving disputes through the correct application of Oregon statutes, rules, and law:

- *Healthy and Safe Communities*

The Office of Administrative Hearings supports this strategic focus area by providing due process hearings for Oregonians to dispute the denial or reduction of health care and other social service benefits by the Department of Human Services and the Oregon Health Authority; by providing a system for adjudicating the denial or suspension of driving privileges by the Division of Driver and Motor Vehicle Services to protect against drivers who may pose a safety risk to themselves and to others; and by providing hearing services for health care regulatory agencies to ensure that health care providers meet basic standards of competence and professionalism.

- *A Seamless System of Education*

The Office of Administrative Hearings supports this strategic focus area by providing hearing services for the Office of Child Care to help ensure that child care providers meet all required standards of safety and quality; providing resolution of Special Education disputes for parents, students, and school districts; and by conducting hearings for the Teacher Standards & Practices Commission aimed at ensuring that Oregon teachers adhere to high standards of professional integrity.

- *A Thriving Statewide Economy*

The Office of Administrative Hearings supports this strategic focus area by resolving disputes between the Oregon Employment Department, individuals and businesses, and between individual Oregonians and professional licensing boards responsible for ensuring that Oregon businesses and professionals are able to provide high-quality services to Oregonians.

- *Responsible Environmental Stewardship*

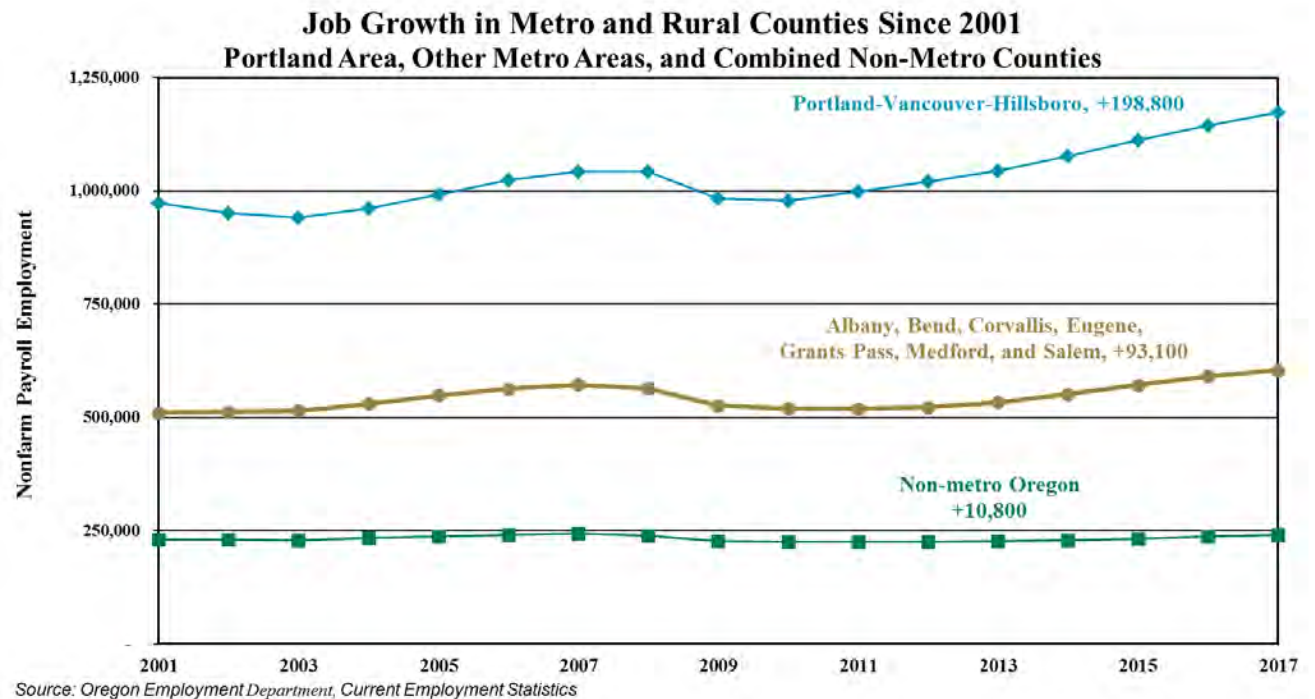
The Office of Administrative Hearings supports this strategic focus area by conducting hearings for agencies responsible for ensuring the health of Oregon’s environment including the Department of Environmental Quality, the Department of State Lands, the Department of Agriculture, the Department of Forestry, the Department of Fish and Wildlife, the Department of Parks and Recreation, and the Water Resources Department.

ENVIRONMENTAL AND ECONOMIC FACTORS

Federal Revenue

The Oregon Employment Department’s revenue sources are primarily Federal and Other Funds. The agency manages its revenues with the understanding that uncertainties exist with each type of funding.

As the nation recovers from the Great Recession (which resulted in the loss of 147,000 Oregon jobs by February 2010 and unemployment rates that reached 11.9 percent in mid-2009) and Congress deals with the federal budget deficit, the agency’s federal funding has decreased without adjustments for inflation. In the 2019-21 biennium, uncertainties exist in the federal funding associated with the Reemployment Services and Eligibility Assessment program (RESEA) as the federal government works towards a permanent program and associated funding for the states. However, the Federal Trade Act and Trade Adjustment Assistance programs have been extended through 2021. The Trade Adjustment Assistance (TAA) Reauthorization Act of 2015 was signed into law on June 29, 2015, and extended the sunset of these programs to June 30, 2021.



Current Economic Situation

Oregon’s economy continued to experience solid job growth and record low unemployment in 2018. The state has been adding jobs at a faster rate than the nation since 2013 and Oregon regularly ranks among the Top 10 states for job growth. The unemployment rate was at or near 4.1 percent through 2017 and into 2018. This is Oregon’s lowest unemployment rate since comparable records began in 1976.

Oregon’s population growth and in-migration continue to support current levels of job gains. Labor force growth is largely offsetting the large numbers of baby boomer retirements that had been reducing the labor force participation rate in previous years.

Job growth has been slower in rural areas of Oregon than in metro areas. The aging workforce means there continues to be numerous job openings and vacancies going unfilled in rural Oregon despite the slower job growth. Businesses in all areas of Oregon are reporting difficulty filling vacancies.

Strong Employment Growth

Oregon’s faster job growth is attributed to a broad-based recovery with growth in nearly every major industry sector. Sectors that stand out with the fastest job growth are construction; transportation, warehousing, and utilities; and leisure and hospitality. Health care and manufacturing are also large drivers of job creation in Oregon.

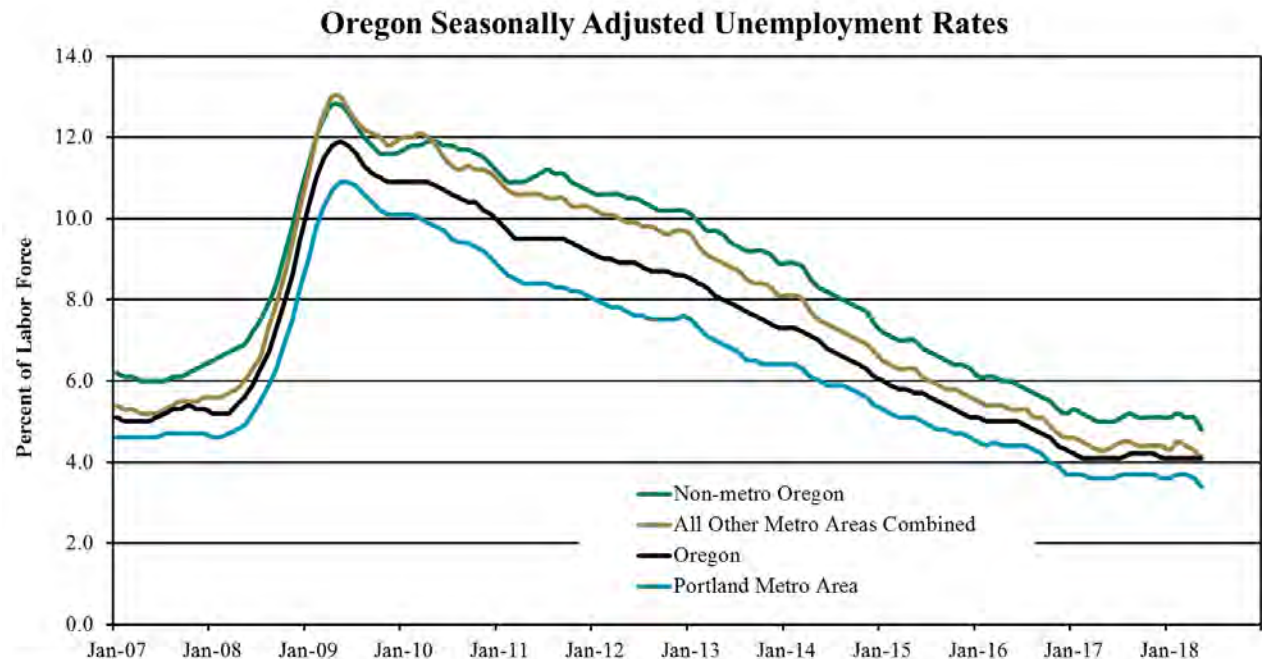
All regions of the state are adding jobs. Over the year, job growth is fastest in the smaller metro areas of Medford, Bend, and Salem. Job growth is slower in rural regions, with Eastern Oregon experiencing the slowest job growth.

The latest quarterly forecast (June 2018) from the state Office of Economic Analysis (OEA) expects job growth to continue through 2019 at a similar pace. The forecast calls for 2.1 percent job growth in 2018 and 2019, followed by slightly slower 1.2 percent growth in 2020 as the labor supply tightens further. Oregon’s job growth through 2021 is expected to continue at a faster pace than the nation’s job growth.

Unemployment Rate

Oregon’s unemployment rate fell from the recessionary high of 11.9 percent in early 2009 to 4.1 percent in early 2018. Oregon’s unemployment rate is at a record low and is close to the U.S. rate, which is also at a record low. These very low unemployment rates may rise as job growth moderates and more people move to Oregon looking for work. The OEA forecast calls for Oregon’s unemployment rate to average 4.5 percent in 2019, 4.7 percent in 2020, and 4.8 percent in 2021.

Unemployment rates tend to be higher in Oregon’s rural counties, but both rural and metro areas are experiencing record low unemployment rates. The unemployment rate in Oregon’s rural counties was 4.8 percent in May



Source: Oregon Employment Department, Local Area Unemployment Statistics

2018, compared with the 3.7 percent unemployment rate of Oregon's metro counties.

Unemployment rates vary for different groups of Oregonians. In 2017, the overall unemployment rate was 4.1 percent. Unemployment was slightly higher among men (4.3%) and slightly lower among women (3.8%). The unemployment rate was 4.7 percent among the Hispanic or Latino labor force. By age group, unemployment rates tend to be lowest for those 25 to 54 years, higher for those 55 years and over, and highest for those 16 to 24 years.

Long-Term Unemployment

People unemployed long-term (longer than six months) have an especially difficult time finding work. They are less likely to receive a job interview from an employer and are sometimes screened out of the process because they have been unemployed for a long period of time.

The Great Recession and subsequent years of weak recovery caused a large increase in the number of long-term unemployed Oregonians that lasted until recently. Oregon's job growth and record-low unemployment has allowed enough people to find work that long-term unemployment has reached a record low as well. As of early 2018, there were about 7,100 Oregonians who have been unemployed for longer than six months.

Oregon's Current Workforce Gaps

Many Oregon businesses are struggling to find workers. There were roughly two unemployed Oregonians for every private sector job vacancy in 2017. The typical job vacancy in Oregon tends to be full-time, permanent, and requires previous work experience. Some employers report increased difficulty filling open positions. According to the most recent Oregon Job Vacancy Survey, 64 percent of vacancies in the state are reported by businesses as being difficult to fill.

The most common reasons employers cited for difficulty filling positions were the lack of applicants, lack of qualified candidates, unfavorable working conditions of the job, a lack of soft skills among applicants, a lack of work experience among applicants, and low wages. Employers are looking for the right combination of education and experience for unique roles within their companies. This may mean a tougher training challenge than if companies were looking for a large number of employees with essentially identical skills. Mismatches or poor alignment between the skills possessed by job seekers and those needed by employers, the wages being offered and accepted, and geographic distances contribute to the challenge. Successfully matching qualified workers to these job opportunities creates more job growth and reduces unemployment.

Connecting Training to Jobs

The Oregon Employment Department projects that almost one-third of Oregon's job openings through 2027 *will require* workers with postsecondary training, college, or advanced degrees. Oregon's high schools award 35,000 diplomas and the postsecondary education and training system awards 59,000 degrees and certificates every year. On the surface, it looks like there are enough graduates to meet the demands of employers. Simply having the right number of degrees does not mean enough people have the "right" degrees. Even workers with degrees may not have the "soft skills" that employers prefer, such as work ethic and time management skills. Not having the right training or soft skills makes it more difficult for job seekers to land meaningful employment. Workforce-related training that's tailored towards the actual needs of businesses helps minimize the gap between the skills and training sought by employers and those held by job seekers.

Migration is Driving Oregon’s Population Growth

Far more people move to Oregon than move out of Oregon when the economy is expanding. In 2017, Oregon’s population grew by 64,700 people. Natural increase contributed 7,900 to population growth, while net migration was responsible for 56,800 of the increase.

Population growth is expected to only moderate slightly in the next few years. According to the OEA, Oregon is expected to add 113,100 people during the 2019-2021 biennium.

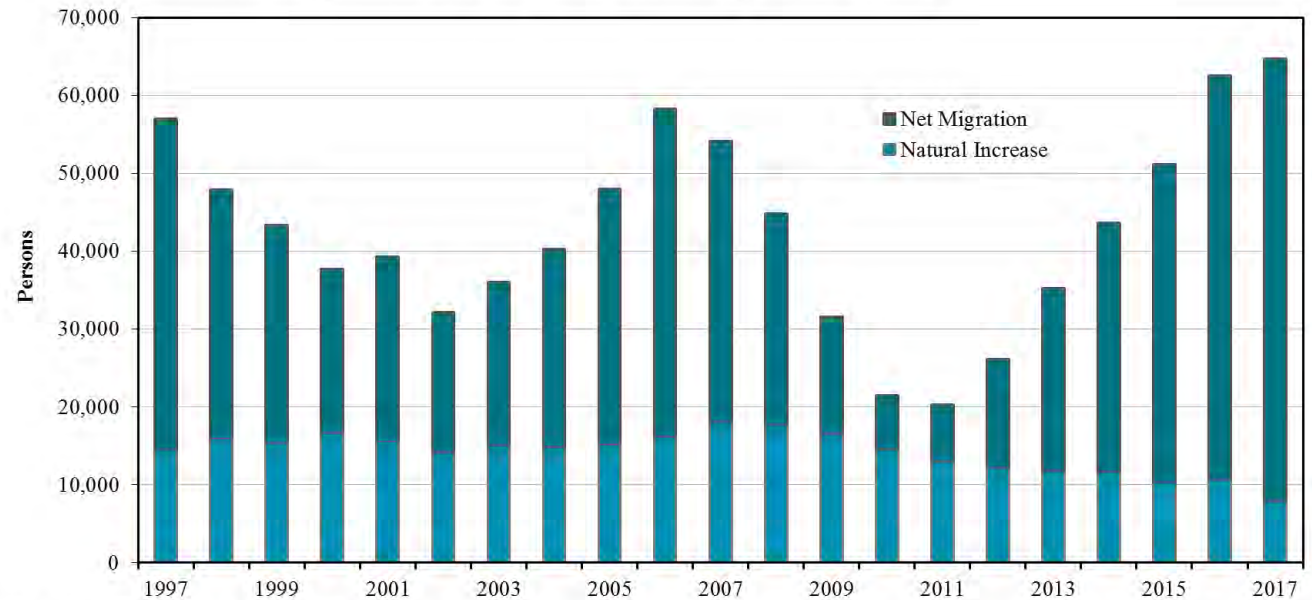
Aging Workers and Looming Retirements

The oldest members of the baby boom generation are now reaching the full retirement age of 66, the earliest age at which they can receive full retirement benefits from Social

Security. Employers will need to find suitable replacements for their older workers, many of whom delayed retirement because their savings were depleted by the recession. They will probably want to retire as soon as their household budgets allow them to do so. Those retirees will be creating a need and opportunities for younger workers, but they will also be taking valuable knowledge and skills with them.

Currently, there are 423,000 Oregon workers age 55 and older who will be reaching retirement age sometime in the next 10 years. Although job growth is expected to moderate over the next decade, there are expected to be many replacement job openings caused by workers permanently leaving their occupations, mostly due to retirements. The main challenge for employers will be finding individuals with the right combination of experience and skills to replace them.

Components of Oregon's Annual Population Change



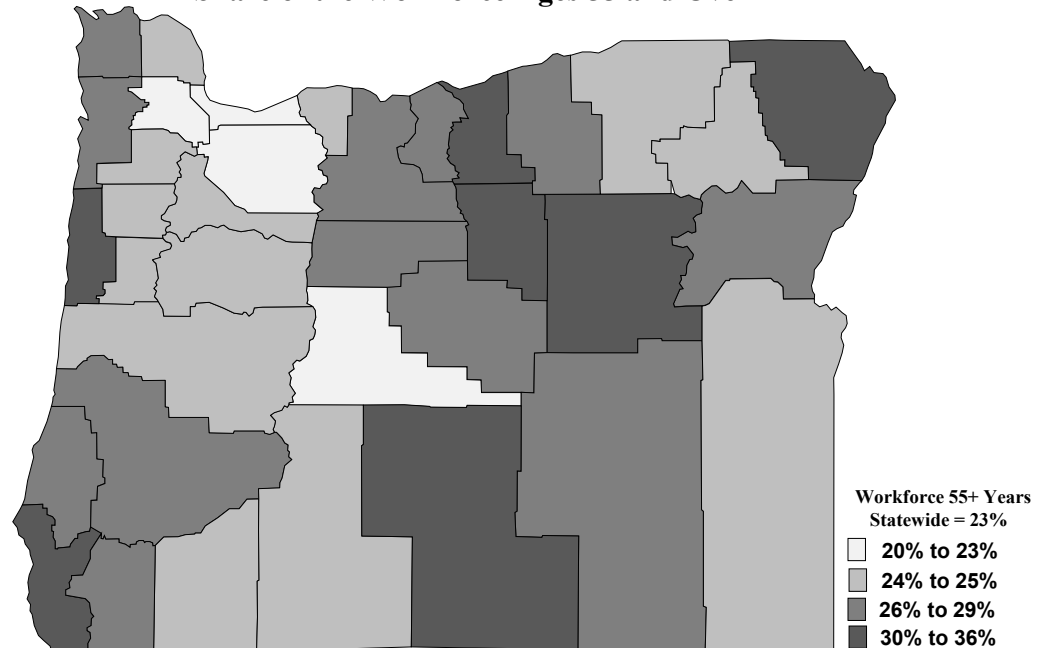
Source: Portland State University, Population Research Center

Rural Areas Are Facing an Aging Workforce

Rural areas face all of the same workforce issues, but often at alarming levels compared with Oregon as a whole. Job recovery has been slower in many rural areas than in urban areas, leading to higher unemployment rates in rural areas. Structural economic changes, especially in logging and wood product manufacturing, have permanently changed the labor market and economic landscapes in many rural economies. In 1979, 62 percent of rural Oregon’s manufacturing jobs were in lumber and wood products manufacturing. By 2010, just 37 percent of rural manufacturing jobs were in forestry, logging, and wood product manufacturing.

Young people, with fewer job prospects or educational opportunities in rural areas, often head to cities and do not return. Even with Oregon’s overall strong population gains, fourteen of Oregon’s rural counties have fewer young people today than they had in 2000. Eight of Oregon’s rural counties actually lost population between 2000 and 2010. This increases the average age of the rural workforce, which makes it tougher to replace retiring baby boomers in rural areas. As a result, employers in rural areas who want to hire may struggle with fewer available workers.

Share of the Workforce Ages 55 and Over



Source: Oregon Employment Department and U.S. Census Bureau, Quarterly Workforce Indicators, 2014 Average

INITIATIVES AND ACCOMPLISHMENTS

The agency had many accomplishments during the 2017-19 biennium:

- Customer-Centric Service in WorkSource Oregon Centers*
In the 2015-2017 biennium, the agency embarked on a culture change effort to deliver all services in a more customer-centric way. Staff across the state in WorkSource Oregon centers focus more on the customer and less on the products or processes. Focusing on the needs of the employer or the jobseeker, and meeting them where they are, supports employees in more effectively delivering value-added service during the first contact. Recent WorkSource Oregon center remodel efforts, completed in 2017-19, have physically put the customer in the center of our WorkSource Oregon centers, reinforcing an environment where customers are the focus.
- Improved Customer Service for Workers and Businesses calling the Unemployment Insurance Contact Center*
The first contact many unemployed workers have with the Employment Department is calling the Unemployment Insurance Contact Center; businesses also call the contact center frequently about unemployment insurance issues. Answering these calls quickly has been a historic challenge since the contact centers were created more than a decade ago. During the 2017-19 biennium, we shifted our staffing model, using different worker classifications and better matching our scheduling to the fluctuating volume of work we get throughout each week and during

the different times of the year, and emphasized a focus on customer service. From January 2013 through March 2017, the average amount of time in any quarter that people had to wait on hold was not less than 11 minutes, and was usually more than 20 minutes. Since June of 2017, the highest average wait time in any quarter was less than five minutes. This significantly improved the ability of our skilled staff to more quickly help workers and businesses, allowing businesses to focus on their primary priorities and allowing workers to focus on finding new jobs.

- *Modernization Progress*

The agency began initial planning for modernization of core business services and technology infrastructure during the 2015-17 biennium. In the 2017-19 biennium, the agency completed a feasibility study, initiated modernization as a “program,” i.e., a series of “projects” over time, selected the initial project, conducted information technology readiness activities, and began efforts to define scope and gather requirements supporting development of a request for proposal. In the 2019-21 biennium, the agency expects to initiate the first modernization project(s), complete contract negotiations and award, plan the project(s), and begin execution of development activities with selected vendor(s).

- *Healthy Unemployment Insurance Trust Fund*

While other states face rising unemployment insurance tax rates and decreasing benefits, Oregon has maintained benefit levels while reducing employer tax rates. The Trust Fund has reached the level where it is healthy enough to support Oregonians through future recessions. Oregon’s trust fund is rated by the U.S. Department of Labor as one of the healthiest in the nation. Oregon is one of a minority of states whose unemployment insurance trust fund remained solvent during the Great Recession.

- *High Quality Standards for Foundational Data*

Starting with the 2017-19 biennium, the Workforce and Economic Research Division developed and implemented Key Performance Measures that reflect the importance of high quality standards for foundational data. These data are core to Oregon’s business and employment surveys that contribute to the development of key research and workforce information housed in Oregon’s internet delivery system (QualityInfo.org).

- *Top State in the Region for Intensive Employment Services for Veterans*

Veterans programs seek to meet the employment needs of service-connected disabled veterans, homeless and incarcerated veterans, recently separated veterans, and other eligible persons. U.S. Department of Labor has instructed states to ensure that Disabled Veteran Outreach Program (DVOP) staff provide intensive employment services (which include providing career counseling, referrals to partner agencies to assist with overcoming barriers to employment, and may include case management) to at least 80% of the veterans served by DVOP staff. Oregon’s intensive services rate is 96.82%, placing us first in our region for intensive services and fifth in the nation.

- *Aligned and Integrated Trade Adjustment Assistance*

Trade Act Navigator (TANs) positions were created to align and integrate Trade Adjustment Assistance (TAA) services into Oregon’s nine local workforce areas. The role of the TANs is to increase staff and customer knowledge of TAA, increase TAA participation among eligible customers by making the application process more transparent, connect TAA participants to on-the-job training opportunities, work effectively with local and state partners to minimize the impact of layoffs or to avoid a layoff altogether, and market TAA participants to local employers. The TAN program has been nationally recognized by the U.S. Department of Labor as a promising practice.

- *Tailored Services for the Business Community*

Workforce Operations continues an effort to significantly change the delivery of business services. The new model focuses on a consultative approach to serving the business community and services are tailored to business needs. Through better relationships with business customers, employees are able to identify better job candidates, and reduce the number of candidates referred to a business for consideration.

- *Assisting Access to Apprenticeship Opportunities*
Workforce Operations e and partners continue to work with job seekers interested in apprenticeship to assess skill levels, identify barriers to employee success and build individualized plans to address issues identified. Staff efforts focus on recruiting and retaining populations traditionally underrepresented in apprenticeship, including women, people of color, people with disabilities and those living in poverty.

Proposed Legislation

The agency is not proposing any legislation.

CRITERIA FOR 2019-21 BUDGET DEVELOPMENT

The Employment Department's 2019-21 budget is designed to support the mission of the agency and priorities of our key stakeholders, including the Governor and the Oregon Workforce and Talent Development Board.

The agency's programs are authorized by the federal government. Funding primarily comes from the United States Congress and Oregon employers.

The agency closely monitors the federal budget development process, specifically U.S. Department of Labor program budgets, to project federal revenues. The agency estimates Other Funds revenues based on history, Department of Administrative Services Office of Economic Analysis statewide revenue forecast variables, and the agency's economic and employment predictions.

The agency's current fiscal position is stable and able to support current program service levels. Investments are being proposed only in programs that have a dedicated available revenue source and proven need or customer demand. The agency's modernization effort continues to be the highest priority initiative, enabling better service for all agency customers.

STATE-OWNED BUILDINGS AND INFRASTRUCTURE

The Oregon Employment Department operates in over 39 locations throughout the state and with a central office in Salem. The agency co-locates with many workforce partners to better serve our customers.

In addition to ongoing facilities-related needs driven by the agency's programs, during the 2019-21 biennium our focus is to ensure the highest level of customer service is delivered within the footprint of our current facilities. The age of the facilities the department owns requires additional attention—is it wise to invest in deferred maintenance, buy or sell, or lease versus make capital improvements and commit to repairs and maintenance? The agency endeavors to maximize capital improvement and repairs, and maintenance funds to maintain and improve its buildings.

The current replacement value of buildings and infrastructure owned by the Employment Department is \$18.6 million. The agency has included \$1.3 million of deferred maintenance in the 2019-21 Other Funds budget. This is in compliance with the minimum 2% requirement in Senate Bill 1067 (2017) section 9(2).

MAJOR INFORMATION TECHNOLOGY PROJECTS AND INITIATIVES

The Oregon Employment Department has one policy package related to major information technology projects, Package 101 – Modernization Program.

The Modernization Program is a pivotal strategic investment for the agency that meets critical business needs and aligns with broader statewide priorities and initiatives. Modernizing our core information technology systems and business processes is essential to ensure we can continue to provide services now and into the future, as our aging systems are increasingly difficult and costly to maintain and modify, and increasingly impede our ability to adequately serve Oregon workers and businesses. Additionally, modernization:

- Allows the agency to more easily respond to state and federal legislative or policy changes in a timely, cost-effective manner;
- Improves the ability to meet and sustain performance acceptable to state and federal standards;
- Supports the governor’s priority of *A Thriving Statewide Economy* and Future Ready Oregon initiative by improving our ability to administer the Unemployment Insurance Program and help job seekers prosper by providing employment services and connections to local employers; and
- Aligns with the 2017-2022 Enterprise Information Resource Management (EIRM) Strategy by improving the accessibility and security of our data, reducing the risks associated with our legacy systems, and enhancing the ability to adapt and expand systems for future needs.

Strategic Alignment

The Modernization Program will enable the department to continue to provide our core functions into the future. The unemployment insurance and employment services programs support the governor’s priority of *A Thriving Statewide Economy* by providing financial stability to unemployed individuals and their communities, and helping connect job seekers with employers in their communities. Furthermore, through modernizing our systems and processes, the agency seeks to broaden access – allowing Oregonians and Oregon businesses to interact with the agency in the format of their choosing—that results in equitable outcomes.

Employment services support the Future Ready Oregon initiative by providing a standardized system for customer intake, assessment, and referral to supportive services, such as job-finding workshops, education and training programs, and apprenticeship programs, with the goal of helping Oregonians improve their skills and economic self-sufficiency and connect with local employers. As part of the state’s workforce development system, the Employment Department plays a key role in helping to close the gap between the skills Oregon’s workers have and the skills Oregon’s growing businesses need. Additionally, modernizing our employment services technology systems supports Oregon’s Workforce Talent and Development Board goals (as described in Oregon’s State Plan required by the federal Workforce Innovation and Opportunity Act), particularly:

- Goal 1: Create a customer-centric workforce system that is easy to access, highly effective, and simple to understand.
- Goal 2: Provide business and industry customized workforce solutions to prepare and deliver qualified and viable candidates and advance current workers.

Modernization also aligns with the 2017-2022 Enterprise Information Resource Management (EIRM) Strategy, specifically:

- Goal 3: Data Utility by improving the accessibility and security of our data, as well as the flexibility to capture new data, to improve our ability to use data as a strategic asset benefiting our customers and partners; and
- Goal 5: Capacity Management by reducing the risks associated with our legacy systems, improving service delivery, and enhancing the ability to adapt and expand system for future needs through thoughtful and strategic planning.

The next major milestones for the Modernization Program are to initiate the first modernization project(s), complete contract negotiations and award, plan the project(s), and begin execution of development activities with selected vendor(s). Additional information about the Modernization Program can be found within the Special Reports section.

PROGRAM PRIORITIZATION

Program Prioritization for 2019-21

Agency Name: Oregon Employment Department																					
2019-21 Biennium																					
Agency Number: 47100																					
Priorities in Agency wide order																					
Program/Division Priorities for 2019-21 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgm/Div																				
1	1	OED	UI	Pay UI Benefits--Process initial and continued weeks claims includes determination of validity of the claim	4, 5, 12	6		25,474,716	1,582,000,000	63,626,550	100,000,000	\$ 1,771,101,268	380	349.24	N	Y	FOS	26 U.S.C. § 3304 ORS 657.150-280	Federal grant funding and significant federal tax credits for Oregon businesses requires taking UI claims, adjudicating eligibility and making benefit payments.		
2	2	OED	UI	Collect UI Tax Wage Reports & Quarterly Payments from Employers	12	6		14,801,122		2,360,375		\$ 17,161,497	73	67.27	N	Y	FOS	26 U.S.C. § 3304 ORS 657.405-575	Federal grant funding and significant federal tax credits for Oregon businesses requires collection of wage reports and payments.		
3	1	OED	Research	Core Survey Programs - provide essential data for economic analysis, primarily statewide, with some data for metro areas and counties.	14	6		2,276,288		1,900,605		\$ 4,176,893	14	13.84	N	N	FM, S	WIOA Title III (W-P Act), ORS 657	Acceptance of the Federal Funds require the Oregon Employment Department to operate the program or provide the service.		
4	1	OED	WO	Field Office Core Services - Serves businesses by recruiting and referring the best qualified applicants to employers by matching the skills and experience of job seeker with employer openings at 37 locations throughout Oregon. Includes reemployment services & eligibility assessment activities (RESEA) for UI Claimants.	1, 2, 3, 13	6		66,697,307		9,057,904		\$ 75,755,211	311	311.00	N	Y	FM, S	WIOA Title III (W-P Act), ORS 657	Acceptance of the Federal Funds requires the Oregon Employment Department to operate the program or provide the service.		
5	2	OED	Research	Statewide analysis - develop and distribute standard and custom analysis at the statewide level.		6		828,437		1,426,634		\$ 2,255,071	12	11.85	N	Y	FM, S	657.730, WIOA	Required under the Workforce Innovation and Opportunity Act		
6	3	OED	UI	UI Benefit Payment Control-- Detect and collect on UI overpayments		6		0		12,830,634		\$ 12,830,634	55	50.29	N	Y	FO	26 U.S.C. § 3304	Federal grant funding and significant federal tax credits for Oregon businesses requires that we prevent, detect, establish and recover overpaid benefits.		
7	3	OED	Research	Information dissemination - ensure that customers have access to workforce data, analysis and tools.		6		531,049		1,024,215		\$ 1,555,264	7	6.91	N	Y	FM, S	657.730, WIOA	Required under the Workforce Innovation and Opportunity Act		
8	4	OED	WO	Veteran Services - Programs to meet the employment and training needs of service-connected special disabled veterans, service connected disabled veterans and other eligible veterans.	1, 2, 3, 13	6				9,309,816		\$ 9,309,816	36	38.00	N	Y	FM	WIOA, US Code Title 38	Acceptance of the Federal Funds requires the Oregon Employment Department to operate the program or provide the service.		
9	4	OED	Research	Regional Analysis - develop and distribute standard and custom analysis at the county and workforce levels.		6		2,761,457		3,114,880		\$ 5,876,337	11	14.00	N	N	FM, S	657.730, WIOA	Required under the Workforce Innovation and Opportunity Act		
10	3	OED	WO	Trade Act Program - Provides benefits and services to workers who have lost their jobs due to imports and/or shift in production to certain countries. Benefits include retraining, job search and relocation allowances, and special UI benefits.	1, 2, 13	6				17,529,125		\$ 17,529,125	72	72.00	N	Y	FM	WIOA, Trade Act of 1974	Acceptance of the Federal Funds requires the Oregon Employment Department to operate the program or provide the service.		

Program Prioritization for 2019-21

Agency Name: Oregon Employment Department

Agency Number: 47100

2019-21 Biennium

Priorities in Agency wide order

Program/Division Priorities for 2019-21 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL, Included in Agency Request		
1	1	OED	OAH	Implied Consent Hearings-- Determine whether the driver license of a person arrested for driving under the influence of intoxicants may be suspended. Hearing must be held and order issued within 30 days of driver's arrest or agency loses jurisdiction to suspend.	8, 9, 10	4		6,131,344				\$ 6,131,344	21	21.00	N	Y	C, S	US Const. Amend XIV, ORS 813.410	Due process hearing required under US Const. Amend XIV			
2	2	OED	OAH	Unemployment Insurance Hearings--Determine whether an unemployed person is eligible for unemployment insurance benefits. Failure to meet timelines set by the federal government may result in loss of federal funds to the state.	7, 9, 10	4		10,596,960				\$ 10,596,960	37	37.00	N	Y	C, FM, S	US Const. Amend XIV, Secretary, DOL Standard, ORS 657.270	Due process hearing required under US Const. Amend XIV, Acceptance of the Federal Funds requires the Oregon Employment Department to operate the unemployment insurance program and provide the right to a hearing.			
3	3	OED	OAH	Division of Child Support Hearings--Establish the monetary obligation of parents for support of their minor children. There is no statutory timeline for order issuance. However, delay in holding hearing may delay establishment of support and/or result in a parent continuing to pay support that is inappropriate in light of the parent's resources.	8, 9, 10	4		3,587,291				\$ 3,587,291	10	12.44	N	Y	S	ORS 180.380(1)(d)				
4	4	OED	OAH	Department of Human Services and Oregon Health Authority Administrative Hearings. Hearing delays may result in loss of social service benefits related to food, housing, and financial need.	8, 9, 10	4		5,749,060				\$ 5,749,060	20	19.94	N	Y	C, S	US Const. Amend XIV, ORS 411.095	Due process hearing required under US Const. Amend XIV			
5	5	OED	OAH	Administrative Hearings--provide due process to Oregonians in their disputes with state regulatory and licensing agencies. These hearings generally are not subject to statutory or regulatory deadlines.	8, 9, 10	4		3,314,376				\$ 3,314,376	12	11.50	N	Y	C, S	US Const. Amend XIV, ORS 183.635	Due process hearing required under US Const. Amend XIV			
Total OAH						0	0	29,379,031	0	0	0	\$ 29,379,031	103	101.88								
Total Agencywide						-	-	169,980,964	1,582,000,000	153,562,854	100,000,000	2,005,543,818	1,270	1,225.20								

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

REDUCTION OPTIONS

10% REDUCTION OPTIONS (ORS 291.216)

ACTIVITY OR PROGRAM (WHICH PROGRAM OR ACTIVITY WILL NOT BE UNDERTAKEN)	DESCRIBE REDUCTION (DESCRIBE THE EFFECTS OF THIS REDUCTION. INCLUDE POSITIONS AND FTE IN 2019-21 AND 2021-23)	AMOUNT AND FUND TYPE (GF, LF, OF, FF. IDENTIFY REVENUE SOURCE FOR OF, FF)	RANK AND JUSTIFICATION (RANK THE ACTIVITIES OR PROGRAMS NOT UNDERTAKEN IN ORDER OF LOWEST COST FOR BENEFIT OBTAINED)
Federal Funds 10% Reductions:			
Shared Services (Information Technology)	Hardware Savings – Do not replace monitors as part of hardware lifecycle. Replace when broken.	\$227,000 All Agency Federal Funds	1
Shared Services (Information Technology)	Eliminate Hardware Contingency and Management Reserves.	\$432,250 All Agency Federal Funds	2
Shared Services (Information Technology)	Hardware Savings - Option 1: Replace ½ of all equipment (desktops/laptops/tablets) at lifecycle with same, no upgrades, delay replacement of other ½ of equipment at lifecycle. Hardware Savings - Option 2: Delay replacement of all equipment at lifecycle.	\$712,301 All Agency Federal Funds	3
Shared Services (Information Technology)	Delay SharePoint Professional Services for a year.	\$357,840 All Agency Federal Funds	4
Shared Services (Information Technology)	Do not renew Microsoft Premier support. Will no longer have access to higher level of Microsoft Engineer support and planning.	\$248,329 All Agency Federal Funds	5
Shared Services (Information Technology)	Convert paper printing (green bar, letters to customers, etc), to another format such as sending electronically.	\$204,480 All Agency Federal Funds	6
Shared Services (Information Technology)	Eliminate overtime. Lower staff levels during normal office hours as staff flex time.	\$35,580 All Agency Federal Funds	7

10% REDUCTION OPTIONS (ORS 291.216)

Shared Services (Information Technology)	Eliminate on-call support. After hours issues will not be resolved until normal office hours. Could result in systems/data not available to staff or employers/job seekers. Will delay normal work the following day resulting in potential impact to Agency, claimants, and partners.	\$12,269 All Agency Federal Funds	8
Shared Services (Information Technology)	Delay Unisys/Info Image upgrade	\$225,560 All Agency Federal Funds	9
Shared Services (Legislative Affairs and Communication)	Reduce Community Outreach - 7B funding	\$48,000 All Agency Federal Funds	10
Shared Services (Office of Human Resources)	Eliminate Admin Spec 2 (0.50 FTE)	\$68,632	11
Workforce and Economic Research	Reduction in services to businesses, local workforce boards, schools. (Economist 1, 1.0 FTE)	\$234,067 Wagner Peyser	12
Workforce and Economic Research	Reduction in services to businesses, local workforce boards, schools. (Economist 1, 1.0 FTE)	\$234,067 Wagner Peyser	13
Workforce and Economic Research	Reduction in services to businesses, local workforce boards, schools. (Economist 1, 1.0 FTE)	\$234,067 Wagner Peyser	14
Unemployment Insurance	Eliminate 2 Tax Auditor positions (Compliance Specialist 2, 2.0 FTE)	\$399,526 UI Administrative Grant	15
Unemployment Insurance	Eliminate Exec. Support Spec (1.0 FTE)	\$173,263 UI Administrative Grant	16
Unemployment Insurance	Eliminate Case Presenter in Tax (Compliance Specialist 3, 1.0 FTE)	\$268,400 UI Administrative Grant	17

10% REDUCTION OPTIONS (ORS 291.216)

Unemployment Insurance	Eliminate Operations and Policy Analyst 2 in Tax (1.0 FTE)	\$199,763 UI Administrative Grant	18
Unemployment Insurance	Eliminate 3 Tax Auditor positions (Compliance Specialist 2, 3.0 FTE)	\$599,289 UI Administrative Grant	19
Unemployment Insurance	Eliminate Field Tax Manager position (PEM C, 1.0 FTE)	\$232,271 UI Administrative Grant	20
Workforce Operations	Eliminate Field Office staff (Business and Employment Specialist 2, 2.0 FTE)	\$480,000 Trade Act Administration Grant	21
Workforce Operations	Eliminate Field Office staff (Business and Employment Specialist 2, 2.0 FTE)	\$480,000 Trade Act Administration Grant	22
Workforce Operations	Eliminate Field Office staff (Business and Employment Specialist 2, 2.0 FTE)	\$480,000 Trade Act Administration Grant	23
Workforce Operations	Eliminate Field Office staff (Business and Employment Specialist 2, 2.0 FTE)	\$480,000 Trade Act Administration Grant	24
Workforce Operations	Eliminate Field Office staff (Business and Employment Specialist 2, 2.0 FTE)	\$480,000 Trade Act Administration Grant	25
Workforce Operations	Eliminate Field Office staff (Business and Employment Specialist 2, 2.0 FTE)	\$480,000 Trade Act Administration Grant	26
Unemployment Insurance	Stop contesting UI debts in bankruptcy proceedings.	\$240,000 UI Administrative Grant	27
Unemployment Insurance	Eliminate collections unit (1 Principal Executive Manager C; 4 Revenue Agent 3; 1 Revenue Agent 2; 10 Revenue Agent 1 and 1 seasonal Revenue Agent 1. (16.5 FTE)	\$1,202,363 UI Administrative Grant	28

10% REDUCTION OPTIONS (ORS 291.216)

Workforce Operations	Reduce additional Field Office staff (Business and Employment Specialist 2, 2.0 FTE)	\$480,000 Wagner-Peyser Grant	29
Workforce Operations	Reduce additional Field Office staff (Business and Employment Specialist 2, 2.0 FTE)	\$240,000 Wagner-Peyser Grant	30
Unemployment Insurance	Eliminate 2 Office Specialist 1 positions in Tax (2.0 FTE)	\$308,062 UI Administrative Grant	31
Unemployment Insurance	Eliminate Office Specialist 2 position in Tax (1.0 FTE)	\$154,031 UI Administrative Grant	32
Unemployment Insurance	Eliminate Accounting Tech. 1 (1.0 FTE)	\$154,031 UI Administrative Grant	33
Unemployment Insurance	Eliminate 2 Accounting Tech. 2 positions (2.0 FTE)	\$392,842 UI Administrative Grant	34
Unemployment Insurance	Eliminate 2 Status Examiner positions (Compliance Specialist 1, 2.0 FTE)	\$276,452 UI Administrative Grant	35
Unemployment Insurance	Eliminate 5 Business and Employment Specialist 2 positions from UI Contact Center (5.0 FTE)	\$806,787 UI Administrative Grant	36
Unemployment Insurance	Eliminate legal staff writer (EAB Legal Staff, 1.0 FTE)	\$288,022 UI Administrative Grant	37
Unemployment Insurance	Reclass 4 Compliance Specialist 2 positions in Adjust Unit to BES 2 positions	\$290,452 UI Administrative Grant	38
Unemployment Insurance	Eliminate EAB Legal Secretary (1.0 FTE)	\$199,763 UI Administrative Grant	39
Unemployment Insurance	Eliminate Project Manager 2 position in UI OPS (1.0 FTE)	\$234,067 UI Administrative Grant	40

10% REDUCTION OPTIONS (ORS 291.216)

Unemployment Insurance	Eliminate remainder of Employment Appeals Board. Would require statutory change. (3 EAB Legal Staff, 2 Principal Executive Manager E, and 1 Operations and Policy Analyst 1, 6.0 FTE)	\$1,755,166 UI Administrative Grant	41
Unemployment Insurance	Eliminate Operation and Policy Analyst 2 in UI Operations (1.0 FTE)	\$212,684 UI Administrative Grant	42
Unemployment Insurance	In Adjust Unit, eliminate 2 Compliance Specialist 2 positions (2.0 FTE)	\$250,546 UI Administrative Grant	43
Federal Funds 10% Reductions: Non-Limited			
Unemployment Insurance	Reduce Payments to unemployment insurance recipients. Would require changes to Oregon Revised Statutes.	\$158,200,000 Reimbursement funds from Federal Government	
Other Funds 10% Reductions:			
Shared Services (Information Technology)	Eliminate Hardware Contingency and Management Reserves.	\$89,842 All Agency Other Funds	1
Shared Services (Information Technology)	Hardware Savings - Option 1: Replace ½ of all equipment (desktops/laptops/tablets) at lifecycle with same, no upgrades, delay replacement of other ½ of equipment at lifecycle. Hardware Savings - Option 2: Delay replacement of all equipment at lifecycle.	\$343,563 All Agency Other Funds	2
Shared Services (Information Technology)	Delay SharePoint Professional Services for a year.	\$342,160 All Agency Other Funds	3

10% REDUCTION OPTIONS (ORS 291.216)

Shared Services (Information Technology)	Do not renew Microsoft Premier support. Will no longer have access to higher level of Microsoft Engineer support and planning.	\$237,447 All Agency Other Funds	4
Shared Services (Information Technology)	Convert paper printing (green bar, letters to customers, etc), to another format such as sending electronically.	\$195,520 All Agency Other Funds	5
Shared Services (Information Technology)	Utilize OED Cloud, One Drive to decommission 2 Expedio servers.	\$146,640 All Agency Other Funds	6
Shared Services (Information Technology)	Eliminate on-call support. After hours issues will not be resolved until normal office hours. Could result in systems/data not available to staff or employers/job seekers. Will delay normal work the following day resulting in potential impact to Agency/claimants/partners.	\$11,731 All Agency Other Funds	7
Shared Services (Information Technology)	Delay Unisys/Info Image upgrade	\$24,440 All Agency Other Funds	8
Shared Services (Office of Human Resources)	Eliminate training position and utilize other trainers in agency. (Training & Development Spec 2, 1.0 FTE)	\$232,400 All Agency Other Funds	9
Shared Services (Administrative Business Services)	Eliminate Accounting Tech 2 (1.0 FTE)	\$128,921 All Agency Other Funds	10
Workforce Operations	Eliminate Migrant Seasonal Farmworker staff (Business and Employment Specialist 2, 3.0 FTE)	\$720,000 Supplemental Employment Department Administrative Fund	11
Workforce Operations	Eliminate Migrant Seasonal Farmworker staff (Business and Employment Specialist 2, 4.0 FTE)	\$960,000 Supplemental Employment Department Administrative Fund	12
Workforce and Economic Research	Reduction in services to businesses, local workforce boards, schools. (Economist 1, 1.0 FTE)	\$188,482 Supplemental Employment Department Administrative Fund	13

10% REDUCTION OPTIONS (ORS 291.216)

Workforce and Economic Research	Reduction in services to businesses, local workforce boards, schools. (Economist 1, 1.0 FTE)	\$234,067 Supplemental Employment Department Administrative Fund	14
Workforce and Economic Research	Reduction in services to businesses, local workforce boards, schools. (Economist 1, 1.0 FTE)	\$234,067 Supplemental Employment Department Administrative Fund	15
Unemployment Insurance	Conduct about one-third of audits remotely instead of in the field. Reduced travel costs.	\$35,000 Employment Department Special Administrative Fund (Penalty and Interest)	16
Unemployment Insurance	Further reduction in travel for Tax Auditors	\$8,500 Employment Department Special Administrative Fund (Penalty and Interest)	17
Unemployment Insurance	Eliminate ICN Tax Auditor position (Comp. Spec. 3, 1.0 FTE)	\$288,023 Employment Department Special Administrative Fund (Penalty and Interest)	18
Unemployment Insurance	Eliminate Operations and Policy Analyst 2 (1.0 FTE)	\$212,684 Employment Department Special Administrative Fund (Penalty and Interest)	19
Unemployment Insurance	Eliminate Compliance Specialist 1 in Tax (1.0 FTE)	\$219,356 Employment Department Special Administrative Fund (Penalty and Interest)	20
Workforce Operations	Eliminate Veterans staff (Business and Employment Spec. 2, 8.5 FTE)	\$2,040,000 Supplemental Employment Department Administrative Fund	21
Unemployment Insurance	Eliminate collections unit (Principal Executive Manager C; 4 Revenue Agent 3; Revenue Agent 2; 10 Revenue Agent 1, and seasonal Revenue Agent 1, 16.5 FTE)	\$1,838,257 Employment Department Special Administrative Fund (Penalty and Interest) and Fraud Control Fund	22
Unemployment Insurance	Eliminate 2 Investigator 3, 2.0 FTE)	\$399,529 – Fraud Control Fund	23

10% REDUCTION OPTIONS (ORS 291.216)

Workforce Operations	Eliminate positions and expenditures associated with Office of Workforce Investment (Operations and Policy Analyst 4 and Operations and Policy Analyst 3, 2.0 FTE)	\$950,000 Supplemental Employment Department Administrative Fund	24
Workforce Operations	Close Tualatin field office and relocate staff to other offices.	\$529,127 Supplemental Employment Department Administrative Fund	25
Workforce Operations	Close Albany field office and relocate staff to other field offices.	\$250,953 Supplemental Employment Department Administrative Fund	26
Workforce Operations	Close Grants Pass field office and relocate staff to other offices.	\$143,311 Supplemental Employment Department Administrative Fund	27
Workforce Operations	Close Bend field office and relocate staff to other offices.	\$285,801 Supplemental Employment Department Administrative Fund	28
Workforce Operations	Reduce Business and Employment Specialist 2 staff (3.0 FTE)	\$720,000 Supplemental Employment Department Administrative Fund	29
Workforce Operations	Reduce Business and Employment Specialist 2 staff (2.0 FTE)	\$480,000 Supplemental Employment Department Administrative Fund	30
Unemployment Insurance	Reclass 2 Compliance Specialist 2 positions in Adjust Unit to Business and Employment Specialist 2	\$145,226 Employment Department Special Administrative Fund (Penalty and Interest)	31
Unemployment Insurance	Eliminate Compliance Specialist 2 position from Special Programs Center (1.0 FTE)	\$199,763 Employment Department Special Administrative Fund (Penalty and Interest)	32
Unemployment Insurance	Eliminate 2 Business and Employment Specialist 2 positions from UI Contact Center (2.0 FTE)	\$438,702 Employment Department Special Administrative Fund (Penalty and Interest)	33

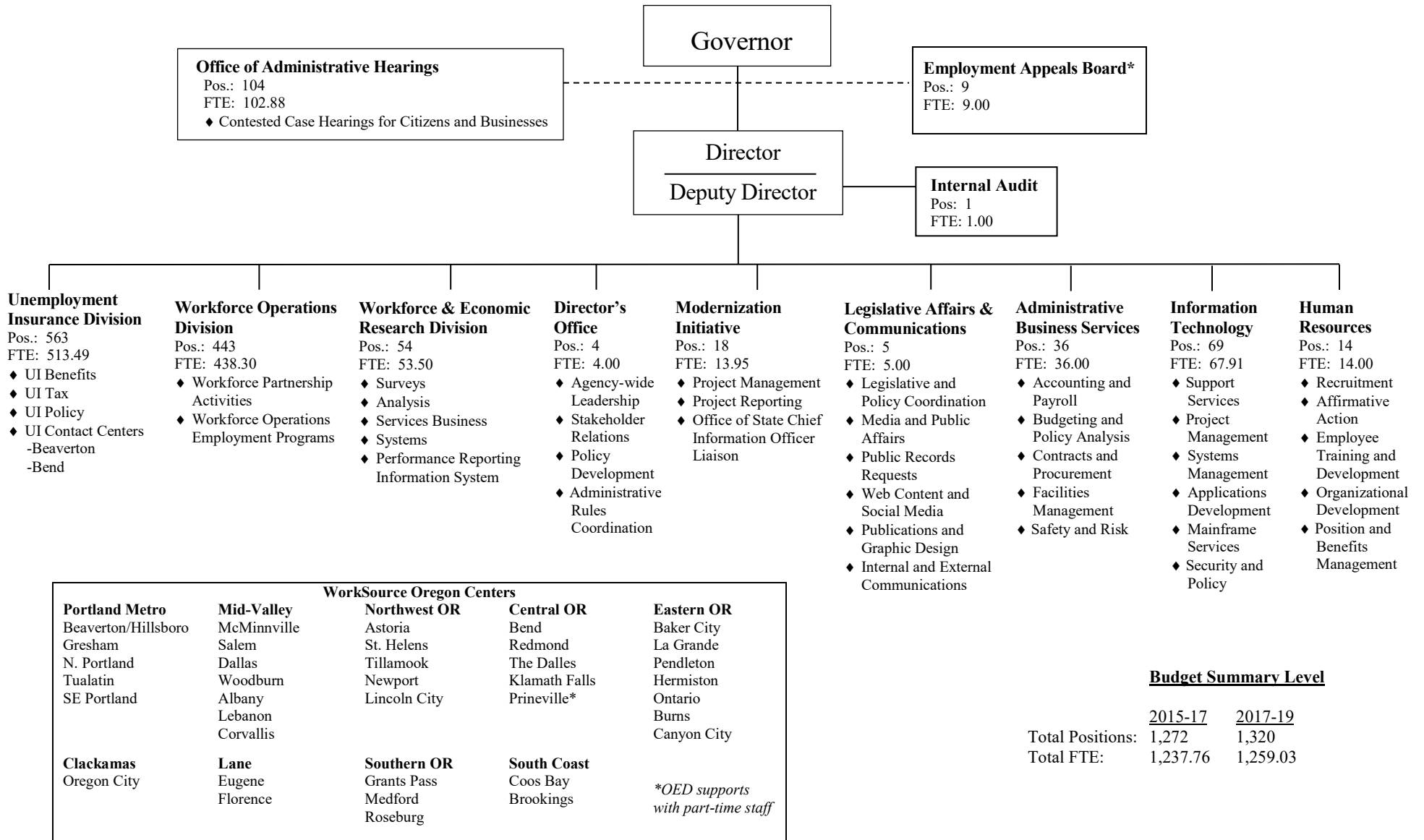
10% REDUCTION OPTIONS (ORS 291.216)

Unemployment Insurance	Eliminate Administrative Specialist 1 from UI OPS (1.0 FTE)	\$177,927 Employment Department Special Administrative Fund (Penalty and Interest)	34
Modernization Program	Abolish Subject Matter Expert for the Unemployment Insurance Benefit payment process (Accountant 3, 1.0 FTE). Could delay projects and cause missed business requirements, and incorrect business outcomes.	\$212,682 UI Modernization Funds	35
Modernization Program	Abolish Subject Matter Expert for the Workforce Operations processes (Operations and Policy Analyst 2, 1.0 FTE). Could delay projects and cause missed business requirements, and incorrect business outcomes.	\$212,684 UI Modernization Funds	36
Modernization Program	Abolish one Subject Matter Expert for Unemployment Insurance processes (Office Specialist 1, 1.0 FTE). Could delay projects and cause missed business requirements and incorrect business outcomes.	\$154,031 UI Modernization Funds	37
Other Funds 10% Reductions: Non-Limited			
Unemployment Insurance	Reduce Payments to unemployment insurance recipients. Would require changes to Oregon Revised Statutes.	\$10,000,000 Unemployment Insurance Trust Fund	
Other Funds 10% Reductions: OFFICE OF ADMINISTRATIVE HEARINGS			
Office of Administrative Hearings	Eliminate non-mandatory training and travel	\$30,000 Charges for Services	1
Office of Administrative Hearings	Reduce personal services contracts related to employee training	\$15,000 Charges for Services	2
Office of Administrative Hearings	Reduce Administrative Law Judge 1 position. This would result in longer wait times for hearings and decisions. (1.0 FTE)	\$198,067 Charges for Services	3

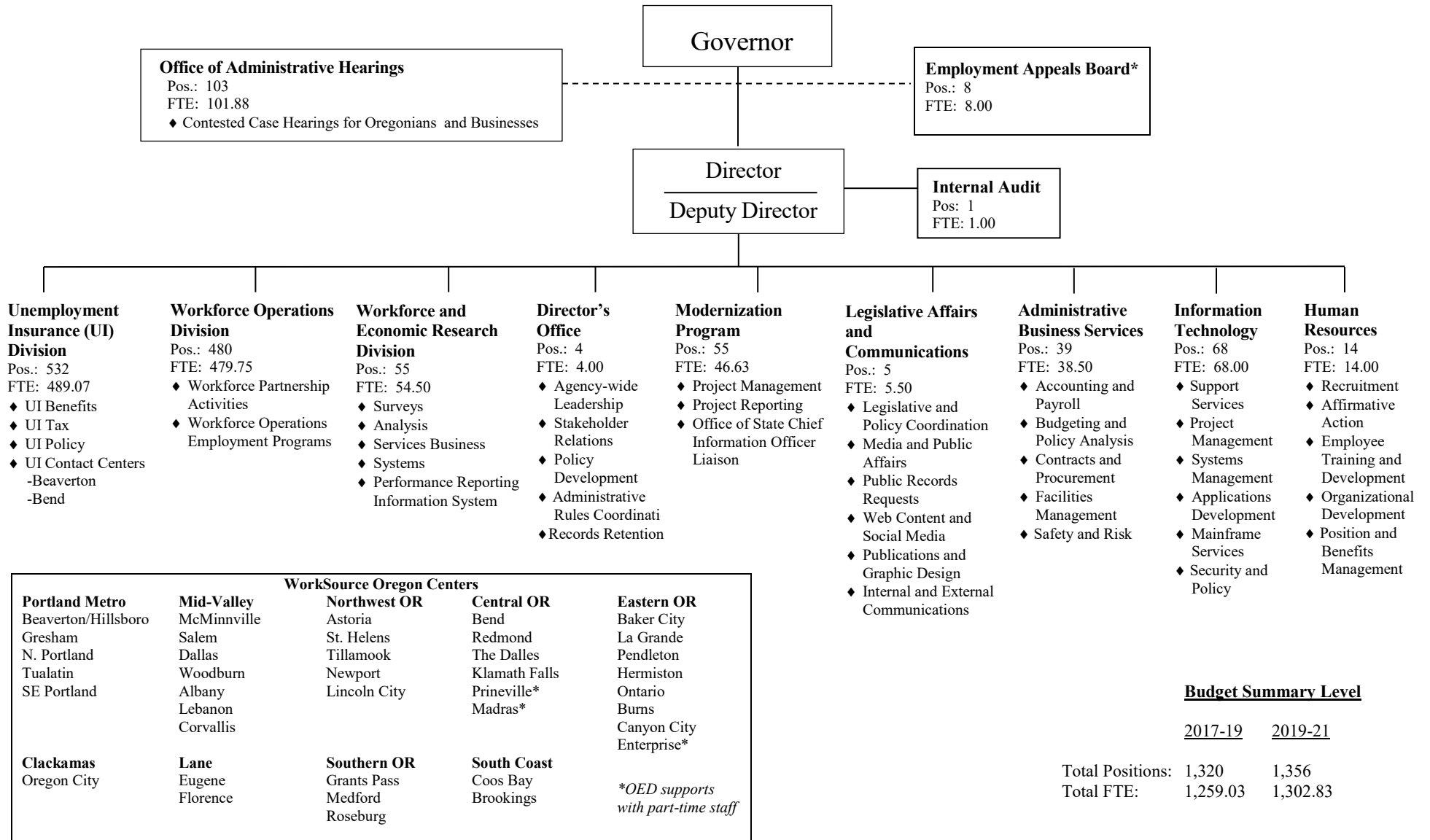
10% REDUCTION OPTIONS (ORS 291.216)

Office of Administrative Hearings	Reduce additional Administrative Law Judge 1 positions. This would result in longer wait times for hearings and decisions. (3.38 FTE)	\$655,199 Charges for Services	4
Office of Administrative Hearings	Reduce operations staff for hearings. This would increase time to schedule hearings and close cases. (Administrative Spec. 1, 1.0 FTE)	\$125,028 Charges for Services	5
Office of Administrative Hearings	Further reduce operations staff for hearings. This would increase time to schedule hearings and close cases. (Administrative Spec. 1, Administrative Spec. 2, 2.0 FTE)	\$262,113 Charges for Services	6
Office of Administrative Hearings	Reduce Administrative Law Judge 3 position. This would result in longer wait times for hearings and decisions. (1.0 FTE)	\$262,601 Charges for Services	7
Office of Administrative Hearings	Reduce operations staff responsible for technology support for Administrative Law Judges and staff. Could lead to delays in completing work. (Operations and Policy Analyst 1, 2.0 FTE)	\$304,964 Charges for Services	8
Office of Administrative Hearings	Further reduce operations staff responsible for technology support for Administrative Law Judges and staff. Could lead to delays in completing work. (Operations and Policy Analyst 2, 1.0 FTE)	\$176,684 Charges for Services	9
Office of Administrative Hearings	Reduce additional Administrative Law Judge 1 positions. (2.0 FTE)	\$412,607 Charges for Services	10
Office of Administrative Hearings	Reduce additional Administrative Law Judge 3 positions. (2.0 FTE)	\$524,997 Charges for Services	11

EMPLOYMENT DEPARTMENT 2017-19 LEGISLATIVELY ADOPTED BUDGET



EMPLOYMENT DEPARTMENT 2019-21 GOVERNOR'S BUDGET



Summary of 2019-21 Biennium Budget

Employment Dept
Employment Department
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-000-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2017-19 Leg Adopted Budget	1,298	1,239.78	1,794,471,418	-	-	144,544,337	155,927,081	1,424,000,000	70,000,000
2017-19 Emergency Boards	22	19.25	12,077,239	-	-	8,359,971	3,717,268	-	-
2017-19 Leg Approved Budget	1,320	1,259.03	1,806,548,657	-	-	152,904,308	159,644,349	1,424,000,000	70,000,000
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(66)	(45.33)	3,031,707	12,704	-	1,339,279	1,679,724	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	188,000,000	-	-	-	-	158,000,000	30,000,000
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	1,254	1,213.70	1,997,580,364	12,704	-	154,243,587	161,324,073	1,582,000,000	100,000,000
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	4,028,740	6,360	-	1,757,019	2,265,361	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	233,710	(19,064)	-	110,752	142,022	-	-
Subtotal	-	-	4,262,450	(12,704)	-	1,867,771	2,407,383	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	138,600	-	-	138,600	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(3,348,000)	-	-	(3,000,000)	(348,000)	-	-
Subtotal	-	-	(3,209,400)	-	-	(2,861,400)	(348,000)	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	2,607,421	-	-	1,391,864	1,215,557	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	2,036,121	-	-	3,491,722	(1,455,601)	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Employment Department
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-000-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal	-	-	4,643,542	-	-	4,883,586	(240,044)	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	16	11.50	2,266,862	-	-	-	2,266,862	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	12,090,009	(12,090,009)	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	(242,589)	242,589	-	-
Subtotal: 2019-21 Current Service Level	1,270	1,225.20	2,005,543,818	-	-	169,980,964	153,562,854	1,582,000,000	100,000,000

Summary of 2019-21 Biennium Budget

Employment Dept
Employment Department
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-000-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2019-21 Current Service Level	1,270	1,225.20	2,005,543,818	-	-	169,980,964	153,562,854	1,582,000,000	100,000,000
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	1,270	1,225.20	2,005,543,818	-	-	169,980,964	153,562,854	1,582,000,000	100,000,000
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(1,311,430)	-	-	(524,572)	(786,858)	-	-
092 - Statewide AG Adjustment	-	-	(60,890)	-	-	(10,918)	(49,972)	-	-
101 - Modernize Business and Technology Infrastructure	37	28.63	13,699,764	-	-	13,699,764	-	-	-
102 - Employment Service Contracts: Department of Human Servi	41	41.00	9,395,046	-	-	9,395,046	-	-	-
103 - Trade Act and Foreign Labor Certification	8	8.00	1,468,736	-	-	-	1,468,736	-	-
Subtotal Policy Packages	86	77.63	23,191,226	-	-	22,559,320	631,906	-	-
Total 2019-21 Governor's Budget	1,356	1,302.83	2,028,735,044	-	-	192,540,284	154,194,760	1,582,000,000	100,000,000
Percentage Change From 2017-19 Leg Approved Budget	2.73%	3.48%	12.30%	-	-	25.92%	-3.41%	11.10%	42.86%
Percentage Change From 2019-21 Current Service Level	6.77%	6.34%	1.16%	-	-	13.27%	0.41%	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Employment Dept Operations - Limited
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2017-19 Leg Adopted Budget	1,298	1,239.78	300,471,418	-	-	144,544,337	155,927,081	-	-
2017-19 Emergency Boards	22	19.25	12,077,239	-	-	8,359,971	3,717,268	-	-
2017-19 Leg Approved Budget	1,320	1,259.03	312,548,657	-	-	152,904,308	159,644,349	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(66)	(45.33)	3,031,707	12,704	-	1,339,279	1,679,724	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	1,254	1,213.70	315,580,364	12,704	-	154,243,587	161,324,073	-	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	4,028,740	6,360	-	1,757,019	2,265,361	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	233,710	(19,064)	-	110,752	142,022	-	-
Subtotal	-	-	4,262,450	(12,704)	-	1,867,771	2,407,383	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	138,600	-	-	138,600	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(3,348,000)	-	-	(3,000,000)	(348,000)	-	-
Subtotal	-	-	(3,209,400)	-	-	(2,861,400)	(348,000)	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	2,607,421	-	-	1,391,864	1,215,557	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	2,036,121	-	-	3,491,722	(1,455,601)	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Employment Dept Operations - Limited
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal	-	-	4,643,542	-	-	4,883,586	(240,044)	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	16	11.50	2,266,862	-	-	-	2,266,862	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	12,090,009	(12,090,009)	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	(242,589)	242,589	-	-
Subtotal: 2019-21 Current Service Level	1,270	1,225.20	323,543,818	-	-	169,980,964	153,562,854	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Employment Dept Operations - Limited
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2019-21 Current Service Level	1,270	1,225.20	323,543,818	-	-	169,980,964	153,562,854	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	1,270	1,225.20	323,543,818	-	-	169,980,964	153,562,854	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(1,311,430)	-	-	(524,572)	(786,858)	-	-
092 - Statewide AG Adjustment	-	-	(60,890)	-	-	(10,918)	(49,972)	-	-
101 - Modernize Business and Technology Infrastructure	37	28.63	13,699,764	-	-	13,699,764	-	-	-
102 - Employment Service Contracts: Department of Human Servi	41	41.00	9,395,046	-	-	9,395,046	-	-	-
103 - Trade Act and Foreign Labor Certification	8	8.00	1,468,736	-	-	-	1,468,736	-	-
Subtotal Policy Packages	86	77.63	23,191,226	-	-	22,559,320	631,906	-	-
Total 2019-21 Governor's Budget	1,356	1,302.83	346,735,044	-	-	192,540,284	154,194,760	-	-
Percentage Change From 2017-19 Leg Approved Budget	2.73%	3.48%	10.94%	-	-	25.92%	-3.41%	-	-
Percentage Change From 2019-21 Current Service Level	6.77%	6.34%	7.17%	-	-	13.27%	0.41%	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Shared Services
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-05-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2017-19 Leg Adopted Budget	138	136.91	41,278,682	-	-	14,945,040	26,333,642	-	-
2017-19 Emergency Boards	-	-	1,574,488	-	-	599,884	974,604	-	-
2017-19 Leg Approved Budget	138	136.91	42,853,170	-	-	15,544,924	27,308,246	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(5)	(3.91)	1,475,003	-	-	431,093	1,043,910	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	133	133.00	44,328,173	-	-	15,976,017	28,352,156	-	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	551,582	-	-	227,955	323,627	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	106,675	-	-	69,772	36,903	-	-
Subtotal	-	-	658,257	-	-	297,727	360,530	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	349,389	-	-	102,325	247,064	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	(2,399,584)	-	-	(814,759)	(1,584,825)	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Shared Services
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-05-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal	-	-	(2,050,195)	-	-	(712,434)	(1,337,761)	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	1,289,788	(1,289,788)	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	(2)	(2.00)	(435,533)	-	-	(72,798)	(362,735)	-	-
Subtotal: 2019-21 Current Service Level	131	131.00	42,500,702	-	-	16,778,300	25,722,402	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Shared Services
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-05-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2019-21 Current Service Level	131	131.00	42,500,702	-	-	16,778,300	25,722,402	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	131	131.00	42,500,702	-	-	16,778,300	25,722,402	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(1,311,430)	-	-	(524,572)	(786,858)	-	-
092 - Statewide AG Adjustment	-	-	(7,293)	-	-	(2,628)	(4,665)	-	-
101 - Modernize Business and Technology Infrastructure	-	-	-	-	-	-	-	-	-
102 - Employment Service Contracts: Department of Human Servi	-	-	-	-	-	-	-	-	-
103 - Trade Act and Foreign Labor Certification	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	(1,318,723)	-	-	(527,200)	(791,523)	-	-
Total 2019-21 Governor's Budget	131	131.00	41,181,979	-	-	16,251,100	24,930,879	-	-
Percentage Change From 2017-19 Leg Approved Budget	-5.07%	-4.32%	-3.90%	-	-	4.54%	-8.71%	-	-
Percentage Change From 2019-21 Current Service Level	-	-	-3.10%	-	-	-3.14%	-3.08%	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Unemployment Insurance
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-10-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2017-19 Leg Adopted Budget	563	513.49	120,129,561	-	-	31,278,349	88,851,212	-	-
2017-19 Emergency Boards	-	-	2,132,413	-	-	226,289	1,906,124	-	-
2017-19 Leg Approved Budget	563	513.49	122,261,974	-	-	31,504,638	90,757,336	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(19)	(7.92)	1,417,191	-	-	188,183	1,229,008	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	544	505.57	123,679,165	-	-	31,692,821	91,986,344	-	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	1,444,457	-	-	(71,765)	1,516,222	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	69,131	-	-	799	68,332	-	-
Subtotal	-	-	1,513,588	-	-	(70,966)	1,584,554	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In									
022 - Phase-out Pgm & One-time Costs	-	-	(84,000)	-	-	-	(84,000)	-	-
Subtotal	-	-	(84,000)	-	-	-	(84,000)	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	1,271,181	-	-	838,873	432,308	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	1,850,090	-	-	2,747,141	(897,051)	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Unemployment Insurance
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-10-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal	-	-	3,121,271	-	-	3,586,014	(464,743)	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	16	11.50	2,266,862	-	-	-	2,266,862	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	5,650,000	(5,650,000)	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	(28)	(28.00)	(5,721,367)	-	-	-	(5,721,367)	-	-
Subtotal: 2019-21 Current Service Level	532	489.07	124,775,519	-	-	40,857,869	83,917,650	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Unemployment Insurance
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-10-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2019-21 Current Service Level	532	489.07	124,775,519	-	-	40,857,869	83,917,650	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	532	489.07	124,775,519	-	-	40,857,869	83,917,650	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	(51,382)	-	-	(6,515)	(44,867)	-	-
101 - Modernize Business and Technology Infrastructure	-	-	-	-	-	-	-	-	-
102 - Employment Service Contracts: Department of Human Servi	-	-	-	-	-	-	-	-	-
103 - Trade Act and Foreign Labor Certification	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	(51,382)	-	-	(6,515)	(44,867)	-	-
Total 2019-21 Governor's Budget	532	489.07	124,724,137	-	-	40,851,354	83,872,783	-	-
Percentage Change From 2017-19 Leg Approved Budget	-5.51%	-4.76%	2.01%	-	-	29.67%	-7.59%	-	-
Percentage Change From 2019-21 Current Service Level	-	-	-0.04%	-	-	-0.02%	-0.05%	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Workforce Operations
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-20-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2017-19 Leg Adopted Budget	421	419.05	93,349,235	-	-	60,062,761	33,286,474	-	-
2017-19 Emergency Boards	22	19.25	7,467,956	-	-	6,883,196	584,760	-	-
2017-19 Leg Approved Budget	443	438.30	100,817,191	-	-	66,945,957	33,871,234	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(42)	(37.55)	(2,460,737)	-	-	(1,928,053)	(532,684)	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	401	400.75	98,356,454	-	-	65,017,904	33,338,550	-	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	1,357,186	-	-	1,063,341	293,845	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	(25,272)	-	-	(52,444)	27,172	-	-
Subtotal	-	-	1,331,914	-	-	1,010,897	321,017	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(3,264,000)	-	-	(3,000,000)	(264,000)	-	-
Subtotal	-	-	(3,264,000)	-	-	(3,000,000)	(264,000)	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	743,367	-	-	258,117	485,250	-	-
State Gov't & Services Charges Increase/(Decrease)			1,742,860	-	-	903,302	839,558	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Workforce Operations
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-20-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal	-	-	2,486,227	-	-	1,161,419	1,324,808	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	5,150,221	(5,150,221)	-	-
080 - Technical Adjustments									
060 - Technical Adjustments	30	30.00	6,122,564	-	-	(204,127)	6,326,691	-	-
Subtotal: 2019-21 Current Service Level	431	430.75	105,033,159	-	-	69,136,314	35,896,845	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Workforce Operations
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-20-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2019-21 Current Service Level	431	430.75	105,033,159	-	-	69,136,314	35,896,845	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	431	430.75	105,033,159	-	-	69,136,314	35,896,845	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	(1,823)	-	-	(1,389)	(434)	-	-
101 - Modernize Business and Technology Infrastructure	-	-	-	-	-	-	-	-	-
102 - Employment Service Contracts: Department of Human Servi	41	41.00	9,395,046	-	-	9,395,046	-	-	-
103 - Trade Act and Foreign Labor Certification	8	8.00	1,468,736	-	-	-	1,468,736	-	-
Subtotal Policy Packages	49	49.00	10,861,959	-	-	9,393,657	1,468,302	-	-
Total 2019-21 Governor's Budget	480	479.75	115,895,118	-	-	78,529,971	37,365,147	-	-
Percentage Change From 2017-19 Leg Approved Budget	8.35%	9.46%	14.96%	-	-	17.30%	10.32%	-	-
Percentage Change From 2019-21 Current Service Level	11.37%	11.38%	10.34%	-	-	13.59%	4.09%	-	-

Summary of 2019-21 Biennium Budget

**Employment Dept
Office of Administrative Hearings
2019-21 Biennium**

**Governor's Budget
Cross Reference Number: 47100-010-40-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2017-19 Leg Adopted Budget	104	102.88	26,858,403	-	-	26,858,403	-	-	-
2017-19 Emergency Boards	-	-	565,360	-	-	565,360	-	-	-
2017-19 Leg Approved Budget	104	102.88	27,423,763	-	-	27,423,763	-	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(1)	(1.00)	778,861	-	-	778,861	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	103	101.88	28,202,624	-	-	28,202,624	-	-	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	495,630	-	-	495,630	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	42,557	-	-	42,557	-	-	-
Subtotal	-	-	538,187	-	-	538,187	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	147,343	-	-	147,343	-	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	490,877	-	-	490,877	-	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Office of Administrative Hearings
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-40-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal	-	-	638,220	-	-	638,220	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	103	101.88	29,379,031	-	-	29,379,031	-	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Office of Administrative Hearings
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-40-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2019-21 Current Service Level	103	101.88	29,379,031	-	-	29,379,031	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	103	101.88	29,379,031	-	-	29,379,031	-	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	(334)	-	-	(334)	-	-	-
101 - Modernize Business and Technology Infrastructure	-	-	-	-	-	-	-	-	-
102 - Employment Service Contracts: Department of Human Servi	-	-	-	-	-	-	-	-	-
103 - Trade Act and Foreign Labor Certification	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	(334)	-	-	(334)	-	-	-
Total 2019-21 Governor's Budget	103	101.88	29,378,697	-	-	29,378,697	-	-	-
Percentage Change From 2017-19 Leg Approved Budget	-0.96%	-0.97%	7.13%	-	-	7.13%	-	-	-
Percentage Change From 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Workforce and Economic Research
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-50-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2017-19 Leg Adopted Budget	54	53.50	14,173,224	-	-	6,717,471	7,455,753	-	-
2017-19 Emergency Boards	-	-	198,737	-	-	(53,043)	251,780	-	-
2017-19 Leg Approved Budget	54	53.50	14,371,961	-	-	6,664,428	7,707,533	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	1	1.00	785,830	-	-	846,340	(60,510)	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	55	54.50	15,157,791	-	-	7,510,768	7,647,023	-	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	235,103	-	-	103,436	131,667	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	10,666	-	-	1,051	9,615	-	-
Subtotal	-	-	245,769	-	-	104,487	141,282	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	83,420	-	-	32,465	50,935	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	176,392	-	-	(10,325)	186,717	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Workforce and Economic Research
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-50-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal	-	-	259,812	-	-	22,160	237,652	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	34,336	-	-	34,336	-	-	-
Subtotal: 2019-21 Current Service Level	55	54.50	15,697,708	-	-	7,671,751	8,025,957	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Workforce and Economic Research
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-50-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2019-21 Current Service Level	55	54.50	15,697,708	-	-	7,671,751	8,025,957	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	55	54.50	15,697,708	-	-	7,671,751	8,025,957	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	(58)	-	-	(52)	(6)	-	-
101 - Modernize Business and Technology Infrastructure	-	-	-	-	-	-	-	-	-
102 - Employment Service Contracts: Department of Human Servi	-	-	-	-	-	-	-	-	-
103 - Trade Act and Foreign Labor Certification	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	(58)	-	-	(52)	(6)	-	-
Total 2019-21 Governor's Budget	55	54.50	15,697,650	-	-	7,671,699	8,025,951	-	-
Percentage Change From 2017-19 Leg Approved Budget	1.85%	1.87%	9.22%	-	-	15.11%	4.13%	-	-
Percentage Change From 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Oregon Talent Council
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-70-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2017-19 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2017-19 Emergency Boards	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	12,704	12,704	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	-	-	12,704	12,704	-	-	-	-	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	6,360	6,360	-	-	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	(19,064)	(19,064)	-	-	-	-	-
Subtotal	-	-	(12,704)	(12,704)	-	-	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									

Summary of 2019-21 Biennium Budget

Employment Dept
Oregon Talent Council
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-70-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Oregon Talent Council
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-70-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Modernize Business and Technology Infrastructure	-	-	-	-	-	-	-	-	-
102 - Employment Service Contracts: Department of Human Servi	-	-	-	-	-	-	-	-	-
103 - Trade Act and Foreign Labor Certification	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	-	-	-	-	-	-	-
Total 2019-21 Governor's Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2017-19 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Modernization Initiative
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-90-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2017-19 Leg Adopted Budget	18	13.95	4,682,313	-	-	4,682,313	-	-	-
2017-19 Emergency Boards	-	-	138,285	-	-	138,285	-	-	-
2017-19 Leg Approved Budget	18	13.95	4,820,598	-	-	4,820,598	-	-	-
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	4.05	1,022,855	-	-	1,022,855	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	18	18.00	5,843,453	-	-	5,843,453	-	-	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	(61,578)	-	-	(61,578)	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	49,017	-	-	49,017	-	-	-
Subtotal	-	-	(12,561)	-	-	(12,561)	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	138,600	-	-	138,600	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	138,600	-	-	138,600	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	12,721	-	-	12,721	-	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	175,486	-	-	175,486	-	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Modernization Initiative
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-90-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal	-	-	188,207	-	-	188,207	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	18	18.00	6,157,699	-	-	6,157,699	-	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Modernization Initiative
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-010-90-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2019-21 Current Service Level	18	18.00	6,157,699	-	-	6,157,699	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	18	18.00	6,157,699	-	-	6,157,699	-	-	-
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Modernize Business and Technology Infrastructure	37	28.63	13,699,764	-	-	13,699,764	-	-	-
102 - Employment Service Contracts: Department of Human Servi	-	-	-	-	-	-	-	-	-
103 - Trade Act and Foreign Labor Certification	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	37	28.63	13,699,764	-	-	13,699,764	-	-	-
Total 2019-21 Governor's Budget	55	46.63	19,857,463	-	-	19,857,463	-	-	-
Percentage Change From 2017-19 Leg Approved Budget	205.56%	234.27%	311.93%	-	-	311.93%	-	-	-
Percentage Change From 2019-21 Current Service Level	205.56%	159.06%	222.48%	-	-	222.48%	-	-	-

Summary of 2019-21 Biennium Budget

Employment Dept
Employment Dept - Nonlimited
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-087-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2017-19 Leg Adopted Budget	-	-	1,494,000,000	-	-	-	-	1,424,000,000	70,000,000
2017-19 Emergency Boards	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	-	1,494,000,000	-	-	-	-	1,424,000,000	70,000,000
2019-21 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	188,000,000	-	-	-	-	158,000,000	30,000,000
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2019-21 Base Budget	-	-	1,682,000,000	-	-	-	-	1,582,000,000	100,000,000
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									

Summary of 2019-21 Biennium Budget

Employment Dept
Employment Dept - Nonlimited
2019-21 Biennium

Governor's Budget
Cross Reference Number: 47100-087-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2019-21 Current Service Level	-	-	1,682,000,000	-	-	-	-	1,582,000,000	100,000,000

Summary of 2019-21 Biennium Budget

Employment Dept Governor's Budget
 Employment Dept - Nonlimited Cross Reference Number: 47100-087-00-00-00000
 2019-21 Biennium

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2019-21 Current Service Level	-	-	1,682,000,000	-	-	-	-	1,582,000,000	100,000,000
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2019-21 Current Service Level	-	-	1,682,000,000	-	-	-	-	1,582,000,000	100,000,000
080 - E-Boards									
080 - May 2018 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2018 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Modernize Business and Technology Infrastructure	-	-	-	-	-	-	-	-	-
102 - Employment Service Contracts, Department of Human Servi	-	-	-	-	-	-	-	-	-
103 - Trade Act and Foreign Labor Certification	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	-	-	-	-	-	-	-
Total 2019-21 Governor's Budget	-	-	1,682,000,000	-	-	-	-	1,582,000,000	100,000,000
Percentage Change From 2017-19 Leg Approved Budget	-	=	12.58%	-	-	-	-	11.10%	42.86%
Percentage Change From 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-

Employment Dept

Agency Number: 47100

Agencywide Program Unit Summary
2019-21 Biennium

Version: Y - 01 - Governor's Budget

Summary Cross Reference Number	Cross Reference Description	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
010-70-00-00000	Oregon Talent Council						
	General Fund	5,868,497	-	-	-	-	-
010-90-00-00000	Modernization Initiative						
	Other Funds	-	4,682,313	4,820,598	19,857,463	19,857,463	-
087-00-00-00000	Employment Dept - Nonlimited						
	Other Funds	1,012,699,018	1,424,000,000	1,424,000,000	1,582,000,000	1,582,000,000	-
	Federal Funds	60,480,860	70,000,000	70,000,000	100,000,000	100,000,000	-
	All Funds	1,073,179,878	1,494,000,000	1,494,000,000	1,682,000,000	1,682,000,000	-
TOTAL AGENCY							
	General Fund	5,868,497	-	-	-	-	-
	Other Funds	1,138,716,165	1,568,544,337	1,576,904,308	1,774,719,920	1,774,540,284	-
	Federal Funds	194,811,831	225,927,081	229,644,349	255,031,590	254,194,760	-
	All Funds	1,339,396,493	1,794,471,418	1,806,548,657	2,029,751,510	2,028,735,044	-

Employment Dept

Agency Number: 47100

**Agencywide Program Unit Summary
2019-21 Biennium**

Version: Y - 01 - Governor's Budget

Summary Cross Reference Number	Cross Reference Description	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
010-05-00-00000	Shared Services						
	Other Funds	-	14,945,040	15,544,924	16,778,300	16,251,100	-
	Federal Funds	-	26,333,642	27,308,246	25,722,402	24,930,879	-
	All Funds	-	41,278,682	42,853,170	42,500,702	41,181,979	-
010-10-00-00000	Unemployment Insurance						
	Other Funds	17,379,872	31,278,349	31,504,638	40,857,869	40,851,354	-
	Federal Funds	111,619,873	88,851,212	90,757,336	83,917,650	83,872,783	-
	All Funds	128,999,745	120,129,561	122,261,974	124,775,519	124,724,137	-
010-20-00-00000	Workforce Operations						
	Other Funds	74,350,322	60,062,761	66,945,957	78,175,506	78,529,971	-
	Federal Funds	16,046,978	33,286,474	33,871,234	37,365,581	37,365,147	-
	All Funds	90,397,300	93,349,235	100,817,191	115,541,087	115,895,118	-
010-40-00-00000	Office of Administrative Hearings						
	Other Funds	25,981,919	26,858,403	27,423,763	29,379,031	29,378,697	-
010-50-00-00000	Workforce and Economic Research						
	Other Funds	8,305,034	6,717,471	6,664,428	7,671,751	7,671,699	-
	Federal Funds	6,664,120	7,455,753	7,707,533	8,025,957	8,025,951	-
	All Funds	14,969,154	14,173,224	14,371,961	15,697,708	15,697,650	-

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REVENUES

REVENUE FORECAST

The Oregon Employment Department receives funding from both federal and dedicated state sources. The agency receives Federal Funds and Other Funds revenues to support services; the agency receives no General Fund revenue.

The U.S. Department of Labor (U.S. DOL) provides the Employment Department with federal funding for a variety of functions, with the bulk of funds related to unemployment insurance and several reemployment-related programs. Federal funds become available once expenditures are documented by the agency and approved for reimbursement by the U.S. DOL. Other Funds sources include payroll taxes on employers (payment of unemployment benefits and diversion to pay administrative expenses), charges for administrative hearing services, and penalties and interest assessed for delinquent payments.

In general, the agency receives increased federal funding during economic downturns, but is underfunded during economic expansions, and therefore reliant on fund reserves to continue operations. From 2009 to 2013, the Employment Department received increased federal funding in response to the economic downturn. Federal funding has declined during the economic expansion and the agency has decreased expenditures accordingly.

The agency maximizes available funds, matching projected revenues to anticipated expenditures, ensuring agency programs have the funds available to meet the agency's mission while also maintaining sufficient fund balances to manage cash flow and operating capital in varying economic conditions.

Legislative actions have also affected the agency's operating reserves. In recent years, the agency has transferred revenues of \$9 million in the 2011-13 biennium, \$10 million in 2013-15, and \$13 million in 2015-17 to the state General Fund for non-Employment Department related programs as directed by the legislature.

FEDERAL PROGRAMS AND FEDERAL REVENUES

Federal revenues received by the Employment Department are listed below in order of highest amount to lowest amount.

Unemployment Insurance Administration Grant

Federal Funds finance the administration of the Unemployment Insurance (UI) Program. These funds are generated from employer payroll taxes collected by the Internal Revenue Service and allocated to the states. Federal revenue for the UI Program is based on a complex cost formula incorporating economic data and forecasts, UI Program workload and spending history, and federal appropriation levels. This formula requires the agency to manage the UI Program with staffing levels that change in response to the workload and federal appropriation levels. Unemployment Insurance Administration Grant funds may only be used to pay for administration of the UI Program. The agency forecast is based on projected information modeled through the anticipated federal funding formula.

Wagner-Peyser Act

These funds are provided by the U.S. DOL and are used to administer Oregon's employment services and labor market information programs. These funds are dedicated to labor exchange activities including job search assistance, job referral, placement assistance for job seekers, reemployment services to unemployment insurance claimants, and recruitment services to employers. These funds are also dedicated to the analysis and dissemination of labor market information to businesses, job seekers, local workforce boards and others. Funds have remained fairly constant (without inflationary increases) and are assumed to be flat through 2019-21.

Trade Act Administration

These funds are provided by the U.S. DOL and are used to assist individuals that have lost employment due to the impacts of trade agreements. Funding is dedicated to employment services, case management, and training programs for individuals certified under the Trade Act. Funding for 2019-21 is assumed to remain at the higher level seen in 2017-19 as federal approval of petitions for Oregon employers remains high. The Trade Adjustment Assistance (TAA) Reauthorization Act of 2015, signed into law on June 29, 2015, extended the sunset of this program to June 30, 2021.

Reemployment Services and Eligibility Assessment Program (RESEA)

These funds are provided by the U.S. DOL and are restricted to approved plans for the review of unemployment insurance claimant eligibility for benefits, for the provision of their reemployment plans, and for the distribution of labor market information to unemployment insurance claimants. In the 2019-21 biennium, uncertainties exist in the federal funding associated with the RESEA program as the federal government works towards a permanent program and associated funding for the states. The agency forecast was based on the most recently approved grant for Federal Fiscal Year 2017.

Veterans Employment Services

These funds are provided by the U.S. DOL and are dedicated to the provision of employment services for Veterans. Funds have remained fairly constant (without inflationary increases) and are assumed to be flat through 2019-21.

Bureau of Labor Statistics (BLS)

These funds are allocated to the states by the Bureau of Labor Statistics, U.S.DOL, and provide funding that is used for the collection of base economic statistics. BLS funds have remained fairly constant (without inflationary increases) and are assumed to be flat through 2019-21.

Workforce Information Grant

These funds are provided by the U.S. DOL for core research functions and the distribution of labor market information. Funding is used for the electronic distribution of labor market information, industry and occupational employment projects, maintenance of the Workforce Information Database, and annual reporting. Funds have remained fairly constant (without inflationary increases) and are assumed to be flat through 2019-21.

Work Opportunity Tax Credit Administration

These funds are provided by the U.S. DOL to provide federal tax credits to employers that hire employees from certain targeted populations as specified by the federal government. Funding is dedicated to the administrative costs of implementing this tax credit program. Funds have remained fairly constant (without inflationary increases) and are assumed to remain relatively flat through 2019-21.

Foreign Labor Certification Grant

These funds are provided by the U.S. DOL for administration of the Foreign Labor Certification program, which brings in foreign workers for jobs under certain circumstances. Funds have remained fairly constant (without inflationary increases) and are assumed to be flat through 2019-21.

OTHER FUNDS

Other Funds revenues received by the Employment Department are listed below in order of highest amount to lowest amount.

Employer Unemployment Taxes

State payroll taxes are collected by the Oregon Employment Department, held by the U.S. Treasury, and are continuously appropriated by Congress for payment of unemployment insurance benefits only.

After the tough recessionary times of the 1970s, the Oregon Legislature increased the solvency requirements of Oregon's Unemployment Insurance Trust Fund so that it could remain healthy during poor economic times. Oregon law uses a self-balancing, formula-based system for establishing the tax rates for Oregon employers that is comprised of eight different tax schedules with the higher numbered schedules having the higher yields. The determination of which schedule to use is assessed annually, the assessment is based on the statutory formula and an analysis of the Unemployment Insurance Trust Fund balance. Each employer is assigned a rate each year based on the determined schedule and the history of claims paid at the individual employer level. The taxing system is designed to operate in a counter-cyclical manner, collecting taxes prior to a recession so that taxes may not have to be raised during a recession. The revenue forecast is based on the state economic forecast, taking into account other employment and statutory parameters.

Supplemental Employment Department Administrative Fund (SEDAF)

In 2005, the Legislature changed the statute related to employer-paid unemployment taxes to divert 0.09% of taxable payroll, as defined for state unemployment taxes, to the Supplemental Employment Department Administrative Fund. These funds are primarily directed to support the agency's Workforce Operations and Workforce and Economic Research programs in 2019-21. To a lesser extent, these funds also support the other agency programs authorized within Oregon Revised Statutes (ORS) Chapter 657. These funds may only be used by the Employment Department for payment of expenses of administration for which federal funding has been reduced, eliminated, or otherwise not available, and which has been authorized in the legislatively approved budget of the agency (ORS 657.783). The SEDAF revenue forecast is calculated based on the Employer Unemployment Taxes forecast which is performed by the agency quarterly.

Administrative Hearings Charges for Services

The Office of Administrative Hearings receives cost-based payments for services provided to state agencies, counties, cities, boards, and commissions. Charges to each customer are based on their actual use of services. The Office of Administrative Hearings charges all costs associated with hearings as required under ORS 183.655.

Penalty and Interest Revenue (also called the Employment Department Special Administrative Fund)

Penalty and Interest revenue is derived from the interest earnings and penalties assessed on delinquent payments of employer taxes. The revenue projection is based on current and historical levels of collection. These funds are used to pay expenses for which Federal Funds are not available or as determined by the Director of the Employment Department.

(Unemployment Insurance) Modernization Funds

The Assistance for Unemployed Workers and Struggling Families Act enacted February 17, 2009 provided a distribution from the Federal Unemployment Trust Fund to the states. The distribution was conditional upon modernizing the state's unemployment compensation laws. To qualify for the distribution, Oregon enacted Senate Bill 462 (2009) to provide options for including recent wages (Alternate Base Year) into the determination for unemployment compensation. In addition, minor law changes, House Bill 2624 (2009), were made to provide unemployment compensation to claimants enrolled in certain training programs. After certifying with U.S. DOL that these requirements were included permanently in Oregon law, Unemployment Insurance Modernization Funds were deposited into the state Unemployment Insurance Trust Fund. The agency has dedicated these funds to complete a major multi-biennial effort to transform our business processes and replace core technology systems.

Supplemental Nutrition Assistance Program (SNAP) Training & Employment Plan (STEP) Interagency Agreement

In 2015-17, the agency, in partnership with other Oregon agencies and partners, submitted a plan to the Federal Government for reimbursement of state funds used for employment and training of SNAP clients. This plan will continue to be updated for the 2019-21 biennium. STEP reimburses states for employment and training activities provided to eligible customers receiving SNAP benefits. Services include skills assessment, job search assistance, employer outreach, case management, and referral to training and other resources. With federal approval, allowable costs are reimbursed 50% of the state funds used to pay for these activities.

Fraud Control Fund

The Fraud Control Fund is derived from the interest collected on delinquent repayment of unemployment insurance benefit overpayments. The revenue projection is based on current and historical levels of collection. These funds may only be used for administrative costs associated with the prevention, discovery, and collection of unemployment benefit overpayments.

Funds Received for Services Provided to Other Agencies by Contract

The Employment Department receives funds from workforce partners, other state agencies, and private sector customers for specialized services. Services provided are workforce related and include placement services, workforce and economic data, and workforce support services.

Other Employment Revenue

The agency receives interest on the Unemployment Insurance Trust Fund which is held by the U.S. Treasury. This interest is reinvested in the Unemployment Insurance Trust Fund and used to pay benefits to claimants.

Research Services

The Employment Department partners with both public and private entities to research economic, workforce, and labor trends. Research services include information about workforce and economic data, and the agency receives funding from agencies including the Bureau of Labor and Industries, Higher Education Coordinating Commission, and others for specific agreements and projects like the Performance Reporting Information System (PRISM).

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Employment Dept
2019-21 Biennium

Agency Number: 47100

Cross Reference Number: 47100-000-00-00-00000

Source	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Employment Taxes	4,404,446	-	-	-	-	-
Charges for Services	28,614,822	33,703,965	39,277,965	51,088,223	51,444,077	-
Fines and Forfeitures	31,926	-	-	-	-	-
Rents and Royalties	295,195	-	-	-	-	-
Other Revenues	4,575,044	567,786	2,015,267	1,350,000	1,350,000	-
Transfer In - Intrafund	94,204,467	115,667,119	115,667,119	140,146,758	140,146,758	-
Tsfr From Human Svcs, Dept of	-	175,151	175,151	175,788	175,788	-
Tsfr From HECC	1,652,637	179,151	179,151	179,151	179,151	-
Transfer Out - Intrafund	(31,926)	(765,500)	(765,500)	(552,000)	(552,000)	-
Tsfr To Governor, Office of the	(81,337)	(200,000)	(200,000)	(220,000)	(220,000)	-
Tsfr To Labor and Ind, Bureau	(4,459,812)	-	-	-	-	-
Total Other Funds	\$129,205,462	\$149,327,672	\$156,349,153	\$192,167,920	\$192,523,774	-
Federal Funds						
Federal Funds	145,289,456	162,091,947	162,875,443	155,031,590	155,031,590	-
Total Federal Funds	\$145,289,456	\$162,091,947	\$162,875,443	\$155,031,590	\$155,031,590	-
Nonlimited Other Funds						
Employment Taxes	50,777,854	2,092,715,141	2,092,715,141	1,286,003,244	1,286,003,244	-
Fines and Forfeitures	3,422,824	14,833,329	14,833,329	17,145,228	17,145,228	-
Interest Income	-	127,708,000	127,708,000	127,815,000	127,815,000	-
Other Revenues	-	30,000,000	30,000,000	30,000,000	30,000,000	-
Transfer In - Intrafund	1,012,699,018	1,431,500,000	1,431,500,000	1,589,500,000	1,589,500,000	-
Transfer Out - Intrafund	(1,106,871,559)	(1,546,401,619)	(1,546,401,619)	(1,735,094,758)	(1,735,094,758)	-
Tsfr To Labor and Ind, Bureau	-	(5,273,000)	(5,273,000)	(5,265,083)	(5,265,083)	-
Total Nonlimited Other Funds	(\$39,971,863)	\$2,145,081,851	\$2,145,081,851	\$1,310,103,631	\$1,310,103,631	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Employment Dept
2019-21 Biennium

Agency Number: 47100

Cross Reference Number: 47100-000-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Nonlimited Federal Funds						
Federal Funds	1,073,179,878	70,000,000	70,000,000	100,000,000	100,000,000	-
Transfer In - Intrafund	-	-	-	6,000,000	6,000,000	-
Total Nonlimited Federal Funds	\$1,073,179,878	\$70,000,000	\$70,000,000	\$106,000,000	\$106,000,000	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Employment Dept
2019-21 Biennium

Agency Number: 47100

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

Source	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Employment Taxes	4,404,446	-	-	-	-	-
Charges for Services	28,614,822	33,703,965	39,277,965	51,088,223	51,444,077	-
Rents and Royalties	295,195	-	-	-	-	-
Other Revenues	4,575,044	567,786	2,015,267	1,350,000	1,350,000	-
Transfer In - Intrafund	94,204,467	115,667,119	115,667,119	140,146,758	140,146,758	-
Tsfr From Human Svcs, Dept of	-	175,151	175,151	175,788	175,788	-
Tsfr From HECC	1,652,637	179,151	179,151	179,151	179,151	-
Tsfr To Governor, Office of the	(81,337)	(200,000)	(200,000)	(220,000)	(220,000)	-
Tsfr To Labor and Ind, Bureau	(4,459,812)	-	-	-	-	-
Total Other Funds	\$129,205,462	\$150,093,172	\$157,114,653	\$192,719,920	\$193,075,774	-
Federal Funds						
Federal Funds	145,289,456	162,091,947	162,875,443	155,031,590	155,031,590	-
Total Federal Funds	\$145,289,456	\$162,091,947	\$162,875,443	\$155,031,590	\$155,031,590	-

Oregon Employment Department

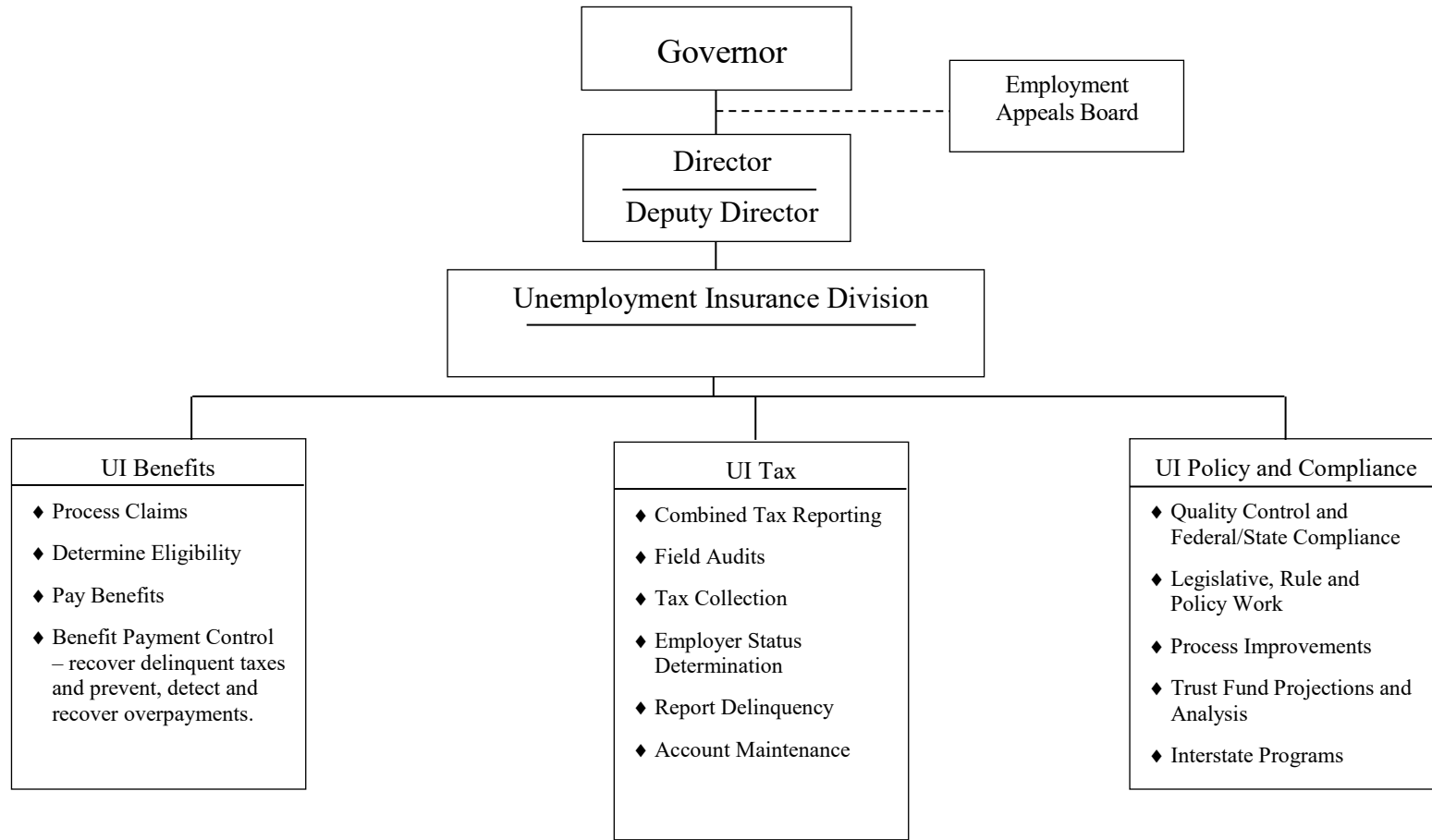
DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE:

Source	Fund	ORBITS Revenue Acct	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Estimated	2019-21		
						Agency Request	Governor's Recommended	Legislatively Adopted
REVENUE								
Federal Government	Federal	995	145,289,456	220,987,790		255,031,590	255,031,590	
Employer Taxes	Other	120	1,162,053,859	1,881,744,927		1,923,744,834	1,923,744,834	
Federal Funds as OF	Other	355	0	0		0	0	
Charges for Services	Other	410	28,614,822	40,665,000		51,088,223	51,444,077	
Fines & Forfeitures	Other	505	3,454,750	21,157,438		17,145,228	17,145,228	
Interest Income	Other	605	0	127,708,000		127,815,000	127,815,000	
Rents & Royalties	Other	510	295,195	0		0	0	
Other Revenues	Other	975	4,575,044	5,883,000		31,350,000	31,350,000	
Tsf from Other Agencies	Other	Various	1,652,637	351,302		354,939	354,939	
Tsf to Other Agencies	Other	Various	(4,541,149)	(4,749,949)		(5,485,083)	(5,485,083)	
Tsf to General Fund	Other	2060	0	0		0	0	
TRANSFERS TO/FROM NON-LIMITED		1010/2010						
SEDAF	Other							
Special Administration (P&I)	Other							
Reed Act	Other							
Modernization	Other							
Fraud Control Fund	Other							
Other	Other							
Total			1,341,394,614	2,293,747,508		2,401,044,731	2,401,400,585	

_____ Agency Request X Governor's Recommended _____ Legislatively Adopted

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UNEMPLOYMENT INSURANCE DIVISION



Budget Summary Level
Includes Employment Appeals Board

2017-19 2019-21

2017-19 includes 29 positions (29.00 FTE) which perform the agency’s work on the Reemployment Services and Eligibility Assessments (RESEA) program. These positions were removed in 2019-21 and are included in Workforce Operations where the work is performed.

Pos.:	563	532
FTE:	513.49	489.07

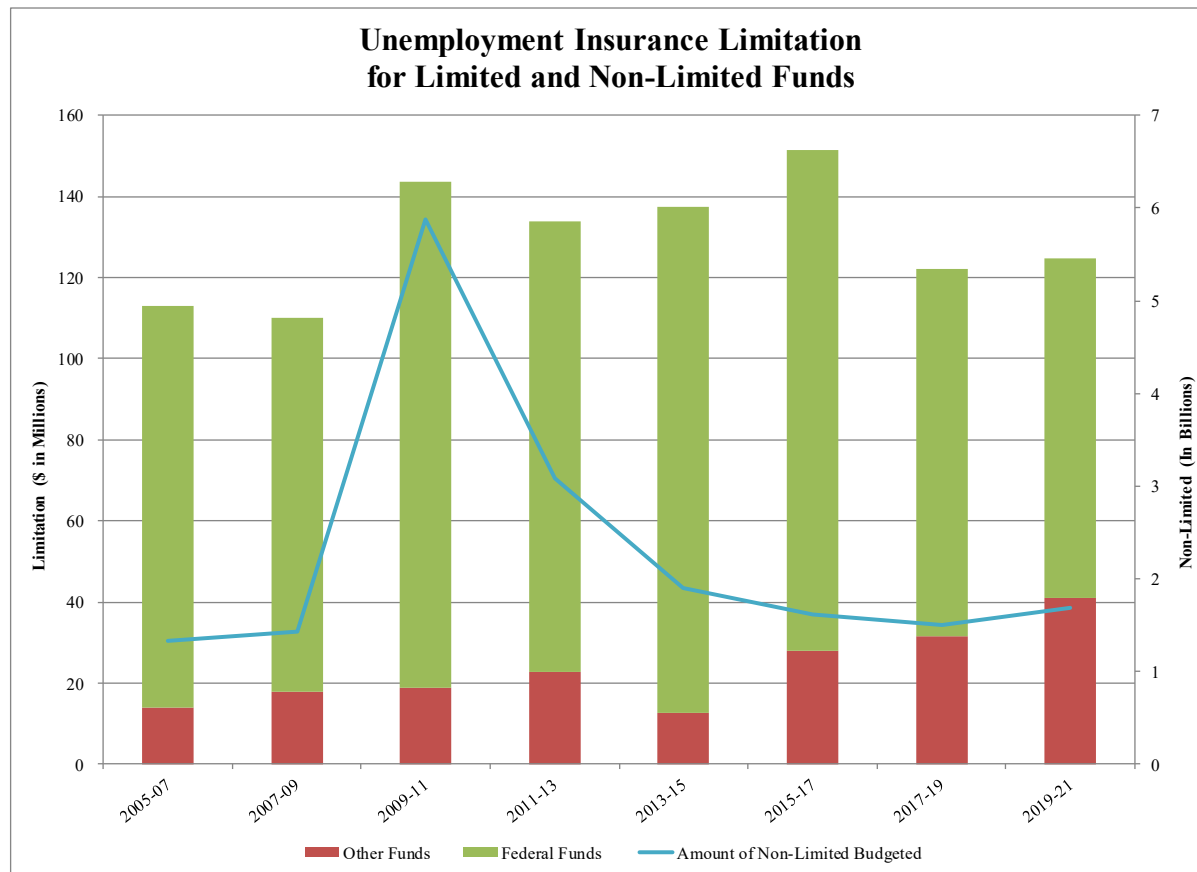
MISSION

The Unemployment Insurance (UI) Division supports economic stability for Oregonians and Oregon communities through the payment of unemployment benefits. The UI Division administers the Unemployment Insurance Program to provide temporary, partial wage replacement for workers who are unemployed through no fault of their own. The purpose of the UI Program is to provide income to unemployed workers; stabilize the economy in local communities with high unemployment and during economic downturns; facilitate reemployment through a focus on work search and employment services; and preserve a trained, local workforce for businesses during economic downturns.

PROGRAM EXECUTIVE SUMMARY

Primary Strategic Focus Areas: *A Thriving Statewide Economy*

Primary Program Contact: David Gerstenfeld, Division Director, Unemployment Insurance, (503) 947-1707



PROGRAM OVERVIEW

The program pays unemployment insurance benefits, which is a temporary partial wage replacement, to workers who are unemployed through no fault of their own. The program also collects payroll tax from Oregon employers that goes into the Unemployment Insurance Trust Fund to pay for unemployment insurance benefits.

Program Funding Request

The Unemployment Insurance Division’s requested budget for the 2019-21 biennium is:

\$40,851,354	Other Funds
\$83,872,783	Federal Funds
\$1,550,000,000	Other Funds Non-Limited (state benefit compensation)
\$70,000,000	Federal Funds Non-Limited (federal benefit compensation)

The requested funding is an increase of 2.0% of Limited Funds from the 2017-19 Legislatively Approved Budget, and reflects a decrease of 31 positions (24.42 FTE). It reflects the projected payment of \$1,652,000,000 in benefits during the 2019-21 biennium. As detailed in the “Unemployment Insurance Limitation for Limited and Non-Limited Funds” chart, the budget request reflects increased use of Other Funds resources, as federal funding declines; overall spending is expected to increase slightly. It also reflects a reduction of \$5.7 million to move 29 Business and Employment Specialist positions (29.00 FTE) that work with unemployment insurance claimants related to the Reemployment Services and Eligibility Assessments (RESEA) program. The transfer of these positions from the UI Division budget to the Workforce Operations budget more accurately reflects the organizational structure and management accountability for these positions.

The funding request allows the agency to continue to administer the UI Program effectively, while implementing new efficiencies and working toward needed modernization of business and core systems. The division has reduced staffing levels from the high workload and levels required during the Great Recession, which resulted in the loss of 147,000 Oregon jobs by February 2010 and unemployment rates that reached 11.9 percent in mid-2009. The recession most significantly impacted the agency during the 2009-11 biennium, with the agency experiencing its largest workload increase and expenses during this time, as detailed in the “Unemployment Insurance Limitation for Limited and Non-Limited Funds” chart. With anticipated increases in the size of Oregon’s workforce in the coming biennium, and the likely changes in unemployment rates from our current historical lows, demand for UI Program services is expected to gradually increase in the 2019-21 biennium.

Program Description

The UI Program is a federal-state partnership. It insures workers against wage loss, employers against the loss of a trained workforce, and communities against the economic loss associated with unemployment. Regular unemployment insurance benefits, of up to 26 weeks, are paid out of the state Unemployment Insurance Trust Fund which is funded by a tax on employers’ payroll. The UI Program also administers other unemployment insurance benefits, such as federal extensions, when they are available, and other specialized programs. The UI Program’s primary partners include the United States Department of Labor (U.S. DOL), which oversees state unemployment insurance programs, the agency’s Workforce Operations Division, which helps people get reemployed, and the agency’s Workforce and Economic Research Division, for whom UI Program data form the foundation for both

economic and performance measures data and analysis. The UI Program also partners with other state and local partners in the workforce system and with other state agencies on related enforcement of employment laws, combined processes for new businesses to register in Oregon, and combined processes for business to file combined payroll reports and taxes.

Benefit eligibility is determined, and payments are made, on a weekly basis. In 2017, 151,000 workers claimed benefits, receiving approximately \$513 million in unemployment insurance benefits. Benefits are paid by debit card, direct deposit and physical checks. Workers file claims over the telephone and the internet. A virtual contact center, made up of two separate physical locations, handles most of the agency's telephone and internet contact with the public. The center answered about 371,000 calls in 2017.

The Employment Department collects unemployment insurance payroll taxes and deposits the revenues in the Unemployment Insurance Trust Fund. In 2017, the UI Program served over 130,000 employers, processed more than 8.7 million individual wage records, and collected over \$970 million in payroll taxes. Through a combined payroll reporting system, the Employment Department processed employers' quarterly payroll reports for the UI Program as well as for the Department of Consumer and Business Services and the Department of Revenue.

Primary cost drivers of the UI Program are the number of people unemployed, the length of time they stay unemployed, and the number of employers in the state. The level of benefits and number of benefit programs available are other significant factors. The agency uses alternate service delivery systems, such as its contact center and encrypted email, to reach customers at different times and through different methods as necessary. The agency continues to explore additional opportunities, such as improved electronic communications with the public, to increase public access to our services and information, and to decrease or contain administrative costs.

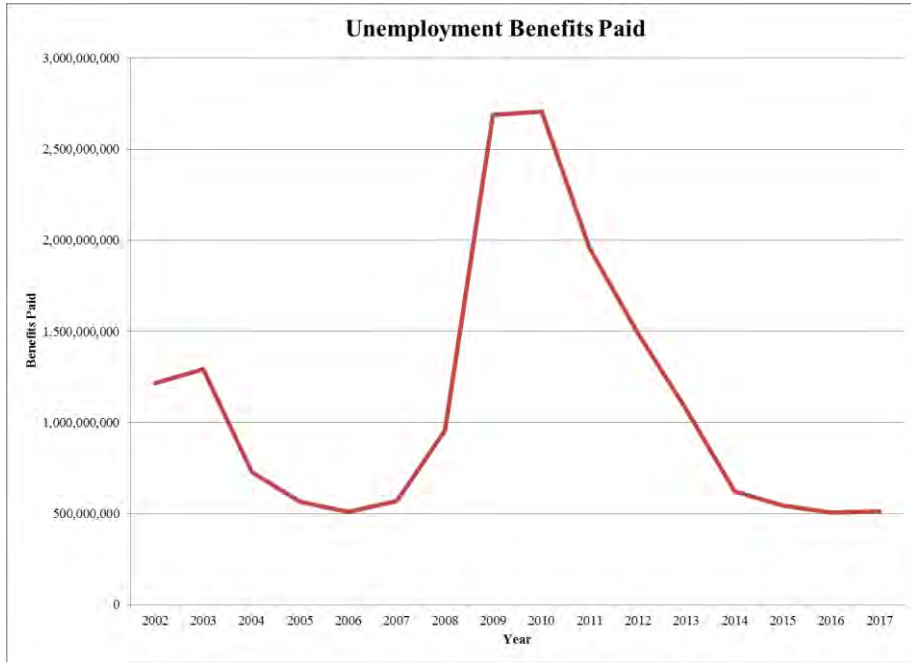
Program Justification and Link to Strategic Focus Areas

The UI Program directly contributes to *A Thriving Statewide Economy*. For those who become unemployed, the UI Program provides temporary, partial wage relief while making resources available to help them return to work. The program encourages job retention and creation. The UI Division also administers other programs that assist unemployed individuals: the Self-Employment Assistance (SEA) program helps unemployed people become entrepreneurs in self-started businesses; the Work Share Program helps employers avoid lay-offs by paying partial benefits to employees who get reduced hours, but stay employed and retain their health insurance coverage; and other programs pay unemployment insurance benefits to workers while they are in training and obtaining skills to help them re-enter the workforce. In 2017, over 5,000 participants benefitted from these training programs.

Unemployment insurance benefits help the unemployed remain in their local community. Businesses stay competitive because temporary layoffs do not result in a permanent loss of local, trained workers. Each dollar of unemployment insurance benefits produces two dollars of increased economic activity. That increased economic activity prevents further job losses and community distress (*The Role of Unemployment Insurance as an Economic Stabilizer during a Recession*, Dr. Wayne Vroman, July 2010. http://wdr.doleta.gov/research/FullText_Documents/ETAOP2010-10.pdf).

The UI Program directly contributes to the overarching goal of *A Thriving State Economy* by collaborating with other state agencies on a common payroll tax reporting and payment system for businesses. It also shares data with many other state agencies and programs, helping them make informed decisions and better serve the public. The UI Program works with employee and business groups to foster understanding of policy and operational

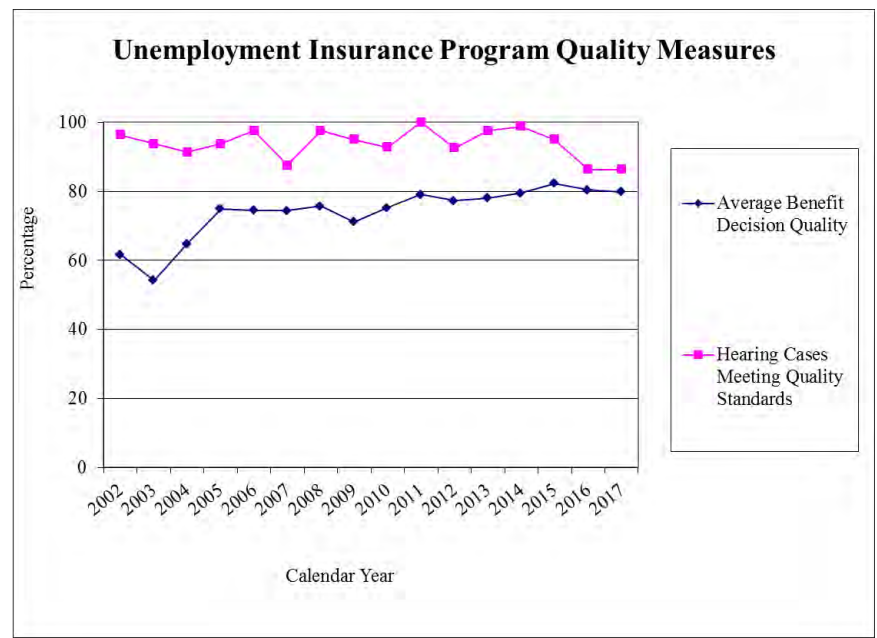
issues of the Program. The UI Program strives to be transparent about how it operates, provide information while maintaining the confidentiality of its customers' sensitive information, and provide efficient, effective service for workers and businesses.



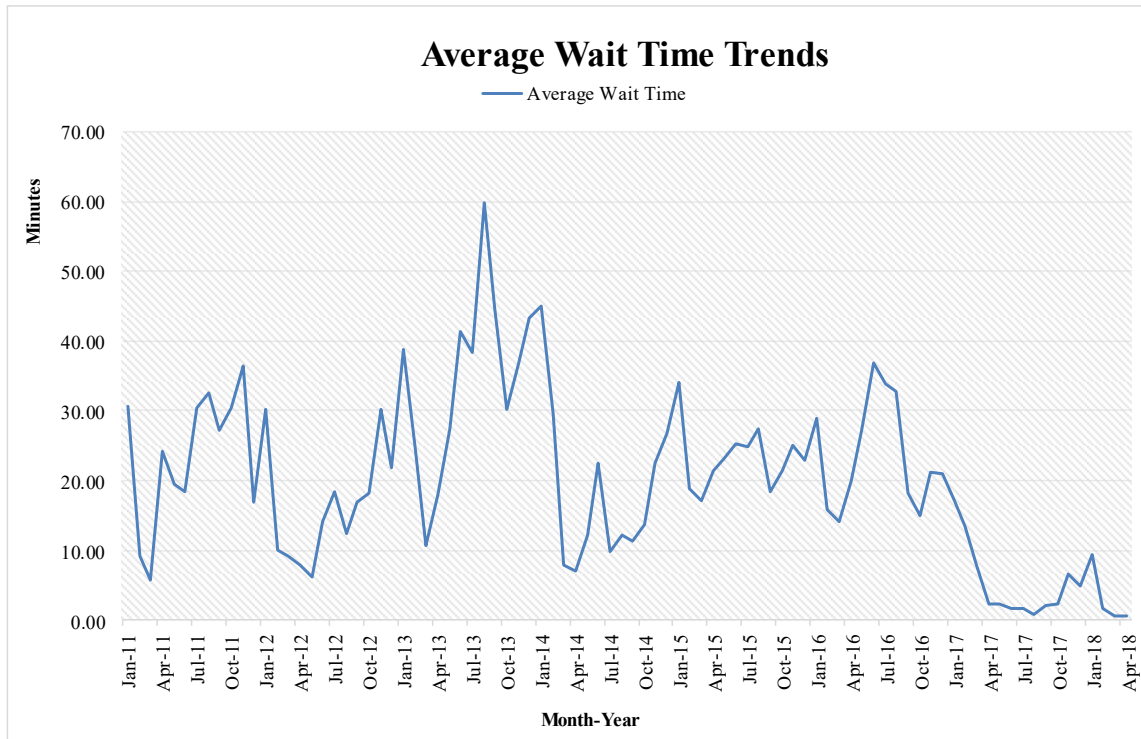
Program Performance

The performance of the UI Program can be evaluated by a number of measures including number of people served, benefits paid, balance of the Unemployment Insurance Trust Fund, administrative costs, timeliness of unemployment insurance payments, and national benchmarks related to hearings and overpayment recoveries.

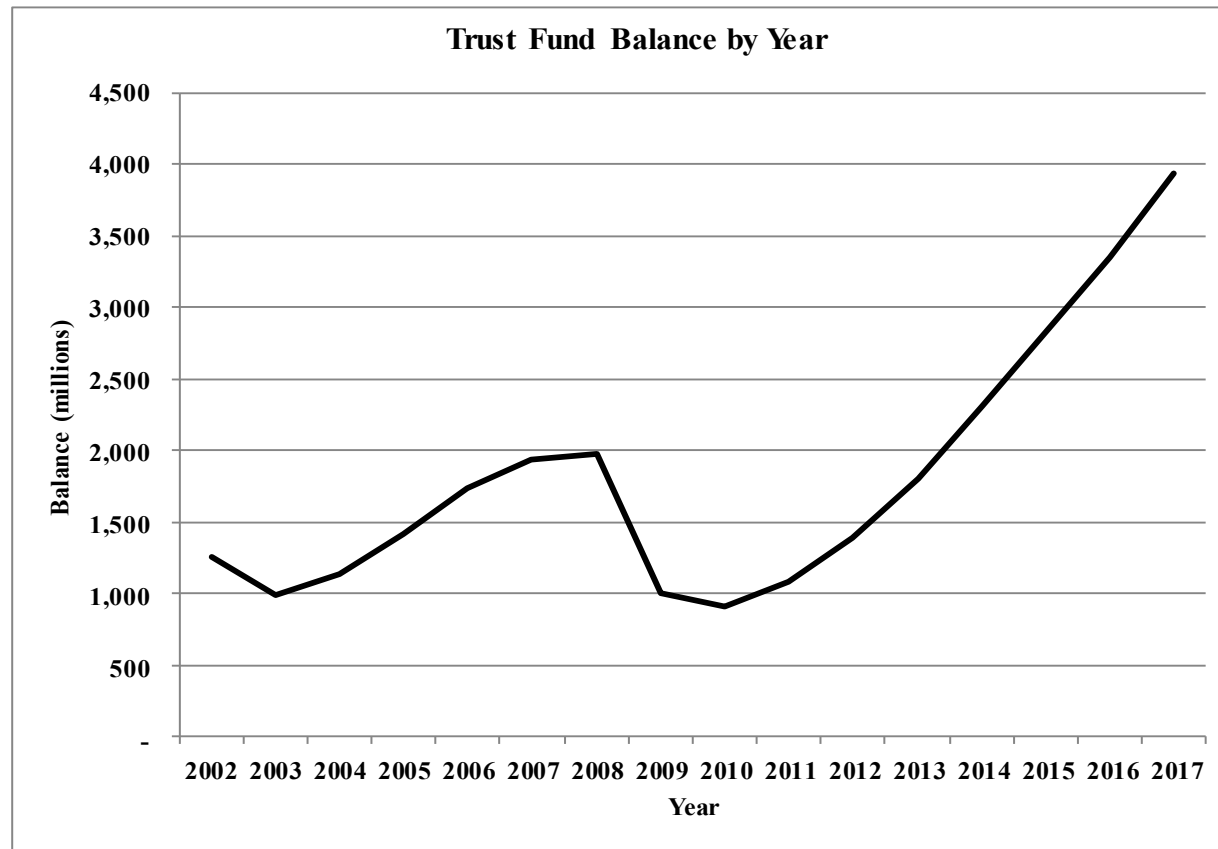
Economic conditions during the Great Recession led to a large and rapid increase in the number of people served and the amount of unemployment insurance benefits paid. The economic recovery reduced the workload to levels seen prior to the fall of 2009. However, the increasing population and workforce in Oregon, and the fact that we are currently at historically low unemployment rates which are likely to increase in the future, mean there is a projected gradual upward trend in the UI Division's workload.



The U.S. DOL requires quality reviews of states' work including separate measures for initial claim decisions and the hearing process. The quality standards are based on a sampling of cases by a team of states, led by U.S. DOL staff, that reviews decisions and hearings for accuracy and process standards. U.S. DOL national standards are set at 85% for hearings and 75% for benefit decisions. Oregon's hearing decision quality remains high and above the federal standards as detailed in the "UI Program Quality Measures" chart above. The quality of Oregon's initial decisions about benefit eligibility has increased significantly over time, although there has been a minor downturn as making decisions timely became a bigger programmatic focus.



Frequently the first contact an unemployed worker has with the Employment Department is when they call to file a claim for unemployment insurance benefits. Since federal funding pushed states to move to a call center model of handling unemployment insurance claims, states, including Oregon, have struggled to answer calls quickly. By changing processes, taking advantage of the phone system implemented specifically for the UI Program and the dedication of staff to improving call timeliness, call wait times are now at historic lows. During the busiest part of the 2017-18 workload, call wait times reached their highest annual point; that high point was about what our best wait times had been during the slowest parts of the year in the past.

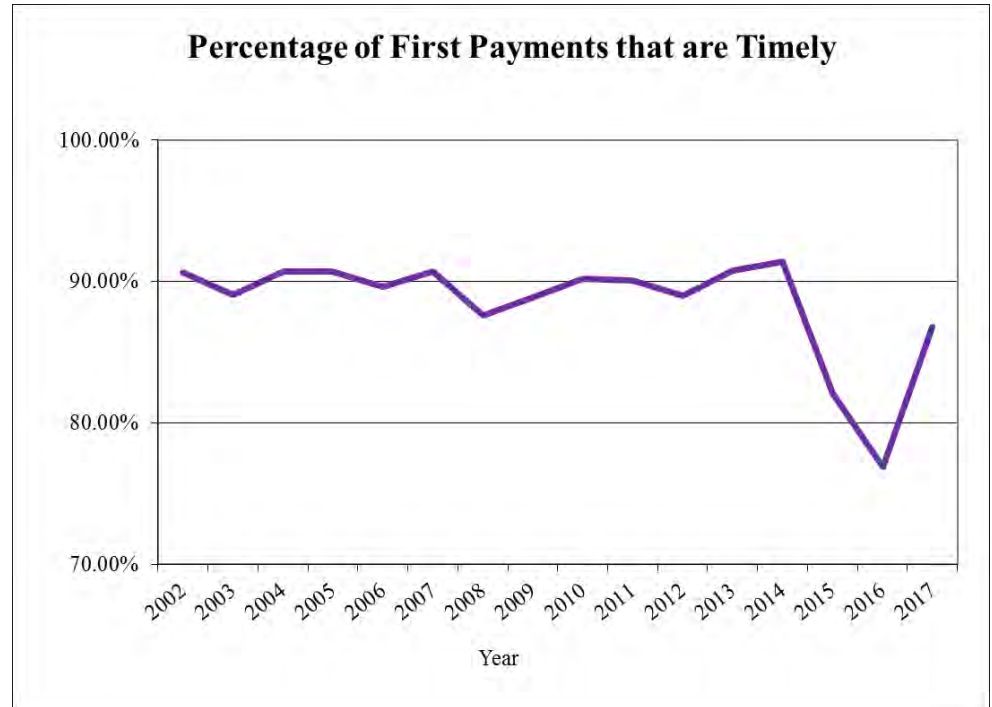


The balance of the Unemployment Insurance Trust Fund represents the ability to pay current and future benefits. The Unemployment Insurance Trust Fund is designed to grow in good economic times and draw down during economic downturns. This minimizes the likelihood of employer taxes increasing during an economic recession. Oregon’s statutory self-balancing tax structure for the Unemployment Insurance Trust Fund allowed Oregon to be one of a minority of states whose unemployment insurance trust fund remained solvent during the Great Recession. Oregon’s trust fund is rated by the U.S. DOL as one of the healthiest in the nation. It has recovered from the rapid payouts during the recession and is poised to support Oregonians through future economic downturns. As the size of the workforce and benefit amounts increase, the balance in the Unemployment Insurance Trust Fund needed to serve the public also increases. Unemployment insurance tax rates have dropped for Oregon employers over the past several years, while employers in many other states are facing increased tax rates and additional surcharges while their unemployment insurance trust funds try to become solvent before the next recession. While employers in those other states have had to pay surcharges for interest that accrued on borrowed money, Oregon’s Unemployment Insurance Trust Fund accrues significant interest that reduces the amount employers must contribute. In 2018, Oregon’s Unemployment Insurance Trust Fund is prepared to meet the next economic downturn, and employer tax rates have dropped to where less taxes need to be collected from employers than is anticipated to be paid out in benefits.

A measure of timeliness is how quickly the UI Program gives people their first benefit check after they file their initial claim for benefits. Federal standards require 87% of initial payments be made within 14 days. Oregon is dedicated to timely paying benefits. While the workload has decreased through the economic recovery, funding levels decreased more quickly and that, in conjunction with additional program requirements over the years and outdated technology systems, led to a slip in timely payments. Over the past year, process improvements have resulted in a significant increase in how quickly benefits are paid and Oregon is again surpassing the federal timeliness requirement.

Enabling Legislation and Program Authorization

This program is not mandated by law, but is authorized under Title III of the Social Security Act, the Federal Unemployment Insurance Tax Act (FUTA) and ORS chapter 657. Because this program meets federal requirements, Oregon employers receive a credit against their FUTA taxes (these credits are over \$1 billion per biennium) and Oregon receives a federal administrative grant to pay for most of the administration of the UI Program. Failure to conform to federal guidelines could result in a loss of the agency’s administrative grant funding and an increase in FUTA taxes paid by Oregon employers.



Funding Streams

The UI Division is projected to be funded by Federal Funds (67%) and Other Funds (33%) in the 2019-21 biennium. Federal Funds are received from the U.S. DOL and do not carry any state match requirements. These funds are dedicated to the programs they represent. The main federal grant is the Unemployment Insurance State Administration Grant. These annual grant funds are based on a historical review of workload, costs and time required per unit. These funds are distributed for a one-year period and are subject to changes on the federal level.

Oregon also receives federal grants for the administration of reemployment services and eligibility assessment activities through the Reemployment Services and Eligibility Assessment Program (RESEA). The majority of this revenue supports work completed in the Workforce Operations Division to help people receiving unemployment insurance benefits find new jobs and to help identify potential benefit eligibility issues. A small part of the revenue is used for work performed in the unemployment insurance contact center.

In past biennia, funds to administer federal unemployment insurance extension programs were a major source of funding. Those programs have ended and no revenue from those sources is anticipated in the 2019-21 biennium. Also in the past, the federal government released additional funds through the general Unemployment Insurance State Administration Grant for particular purposes, such as improving payment accuracy. Opportunities for those

supplemental budget requests have decreased significantly in the past few years and no such opportunities are anticipated in the 2019-21 biennium or for several years after that.

The main source of Other Funds is the Fraud Control Fund established by ORS 657.400. This fund is supported by interest and penalties on delinquent repayments of unemployment insurance benefit overpayments and is restricted to be used for costs associated with the prevention, discovery and collection of those overpayments. Penalties and interest assessed on delinquent payments of employer taxes also support the UI Division. These funds are used to pay expenses for which Federal Funds are not available or as determined by the Director of the Employment Department.

Significant Proposed Program Changes from 2017-19

The UI Division's workload decreased from its historic height of the Great Recession. However, even with a very low unemployment rate, the projected ongoing increase in Oregon's workforce will create a gradual increase in the number of people seeking unemployment insurance benefits. Changes to the program created during the recession to help the UI Program better assist people with finding new jobs and prevent overpayments and fraud have resulted in new operational requirements. Outdated technology systems currently supporting the UI Program led to many of these requirements being implemented in ways that are time consuming and more prone to human error. These challenges are particularly difficult as federal revenues for the agency typically decline during economically stable times.

The UI Division began using Lean and Six Sigma tools to do process improvements in the 2015-17 biennium. While it takes time to incorporate these methods throughout a large organization, initial process improvement projects have been successful and new projects are underway. Early efforts have eliminated some unnecessary steps and time in deciding if people are eligible for benefits, reduced some mailing costs, made the Work Share Program more consistent in its application and better able to deal with fluctuations in demand for the program, and refined some processes in handling employer tax reports. This work will continue in the 2019-21 biennium, helping the division be more accurate and efficient with its resources. This work will also help the UI Program as it modernizes its business processes and technology systems over the next biennia.

The agency has determined that the first of its programs to be modernized will be the UI Tax Program. This improving of unemployment insurance processes and the technical infrastructure used to administer the UI Program will be a major focus of the 2019-21 biennium.

UNEMPLOYMENT INSURANCE DIVISION

The Unemployment Insurance Division provides income for unemployed workers who meet program requirements. This benefit helps workers meet their financial obligations while looking for a new job. Funding from the program comes from a payroll tax on businesses.

Oregon's unemployment insurance system depends on revenues collected from employers to pay unemployment benefits. The collection system is designed to raise revenues from employers when the economy is strong. This results in a solvent Unemployment Insurance Trust Fund that is able to support sudden increases in the number of individuals drawing benefits due to an economic recession. In contrast to a pay-as-you-go design, the Oregon unemployment insurance system avoids the need to dramatically raise employers' taxes during short-term economic downturns.

The division's customers include unemployment insurance claimants, employers paying unemployment insurance taxes, community service providers and the community at large. The division strives to exceed customers' expectations through a commitment to the continuous improvement of service delivery and by being consistent across all unemployment insurance operations; applying law and policy consistently and fairly; communicating openly, honestly and respectfully; collaborating with external and internal partners in all situations; and making strong connections with customers. This work occurs in a positive work community where employees have ownership of and take pride in the services they provide. We are an insurance provider that insures communities against economic loss, employers against loss of a trained workforce, and workers against lost wages.

Oregon's UI Program has three major functional areas – benefits, tax and appeals.

Unemployment Insurance Benefits

Unemployment insurance benefits are paid on a weekly basis. In 2017, over 150,000 workers claimed a total of 1.5 million weeks of benefits. The agency pays state unemployment insurance benefits for up to 26 weeks. These benefits are paid from the Unemployment Insurance Trust Fund. The agency also administers federally funded extended benefits, and some state benefit extension programs, when they are available, and specialized benefit programs including those for federal and military employees.

People seeking benefits first file an initial claim. The agency reviews employer payroll records to determine whether the person had sufficient work and earnings to receive benefits. If the individual qualifies, the agency notifies the person of the total benefits available under the claim as well as the maximum weekly benefit he or she may receive. People claim benefits on a weekly basis. The agency investigates issues that potentially render someone ineligible for benefits and issues decisions about benefit eligibility that may be appealed by the individual seeking benefits or by the employer involved.

Most contact with the public regarding unemployment insurance benefits is done over the telephone, the internet, or through the mail. Most of this contact is through a virtual contact center that has physical locations in Beaverton and Bend. In 2017, the contact center handled approximately 371,000 calls. Staff at the contact center help people file their claims, answer questions, and investigate issues relating to benefit eligibility.

Most people claim unemployment benefits through either our online claims system (83%) or interactive voice response telephone system (12%). Approximately 5% use other means, such as paper or by direct entry from unemployment insurance staff for special programs. The agency continues to make improvements to these systems in order to better serve the public and improve efficiency. A statewide toll free number provides the public a single telephone number to call for questions regarding unemployment insurance benefits.

To provide good customer service, it is important to minimize the amount of time callers must wait to speak with agency staff. This is more challenging during the winter when claims activity increases, and on Mondays when most people call to make their weekly benefit claims. We have modified, and are continuing to refine, our staffing models and work processes so there are shorter wait times during peak call periods without having to increase staffing levels. The median time callers wait to speak to staff has decreased from 14.12 minutes in the first calendar quarter of 2016 to 0.65 minutes in the first calendar quarter of 2018.

Benefits are paid by the issuance of physical checks, direct deposits, and prepaid debit cards. Approximately 45% of people receive benefits via direct deposit, while another 45% receive their benefits via debit card. Both of these methods are more cost effective to administer than physical checks and

recipients are encouraged to participate. Each electronic payment saves the agency approximately \$0.66 in expenses, adding up to significant savings. In 2017, the Division paid out \$513 million in benefits.

The Employment Department is addressing unemployment insurance benefit service delivery quality in the following ways:

- *Benefits Timeliness and Quality Reviews*
Each quarter, statewide, 100 adjudication decisions are reviewed and analyzed as part of a federal performance system to set targets for correction and improvement within the UI Program. The agency also conducts significant additional reviews to better monitor and improve service delivery quality.
- *Training*
Claims specialists and adjudicators are trained in a learning environment, and then mentored as they transition to directly assisting the public. Unemployment insurance technicians working in each contact center location train staff in conjunction with lead workers and supervisors, and are available as ongoing resources to mentor staff and provide follow up training for new and experienced staff.
- *Internal Work Reviews*
Supervisors and lead workers regularly review the work staff performs, reviewing telephone conversations, written decisions and how claims were handled. This provides regular, structured feedback to individual employees so they can continually improve their performance. It also allows quicker identification of training needs among staff and of areas where processes are not operating optimally.
- *Adjudication Work Group*
Monthly meetings are held between the UI Division, the Office of Administrative Hearings (which hears appeals of unemployment insurance benefit cases), and the Employment Appeals Board (which reviews unemployment insurance benefit decisions made by the Office of Administrative Hearings). This group identifies opportunities for improving operational efficiencies, increasing the understandability of the unemployment insurance claims process to the public and enhancing service delivery quality.

A Special Programs Center administers several specialized unemployment insurance programs, such as the Self-Employment Assistance (SEA) program, which provides benefits for people who are seeking to start their own businesses. Other programs focus on helping workers get the education or training necessary to reintegrate into the workforce. This aids unemployed workers to gain employment and helps employers have a broader base of properly trained and educated workers. In 2017, the Training Programs Unit helped 2,900 new claimants enter into approved training programs, while also providing continued assistance to the approximately 3,000 people already participating in training programs.

Benefit Payment Control combats and deters fraud, waste, and abuse in the unemployment insurance system through the use of audits, investigations, and collections. These coordinated efforts contribute to the integrity of the UI Program, protecting the Unemployment Insurance Trust Fund for the benefit of employers and claimants alike.

To identify fraudulent claims, investigations staff compare information provided by claimants to data from multiple other sources. These sources include information from the Social Security Administration, employers' quarterly tax reports, state and national databases of newly hired employees, jail incarceration records, and data from other states' unemployment insurance programs. Some investigations originate because of reports from agency staff or tips from employers, the public and other sources. The agency requires claimants to report their work search activities each week when they

claim benefits. This information, usually provided through the interactive voice response telephone or online claims systems, is audited to look for claims that do not meet benefit eligibility requirements as well as to help people be more effective in their efforts to find new work, although the volume of claims means only a relatively small percentage of work search reports are audited.

People who received benefits inappropriately are required to repay those benefits. In 2017, \$14.4 million in overpayments were identified. Collections staff work with individuals to find ways to repay their debt. Newly payable benefits are captured as offsets, payment plans are created and, when other collection efforts do not work, garnishments and distraint warrants are issued. Oregon Department of Revenue tax refunds are also intercepted to recoup overpaid benefits. In 2013, the Employment Department implemented a similar function to intercept federal tax refunds from the Internal Revenue Service. As a result, in 2017, \$18.9 million in overpaid benefits and related interest and penalties were collected. The federal tax refund interception program collected \$2.7 million of that amount; the program was expanded in 2016 and 2017 to collect more types of overpayment and unemployment insurance tax debts. ORS 657.317 requires the Employment Department to waive overpayments if they were not the fault of the claimant and if requiring repayment would be “against equity and good conscience.”

Those found to have willfully misrepresented or hidden information to obtain benefits are subject to a monetary penalty of up to 30% and can be disqualified for up to 52 weeks of future unemployment insurance benefits. In 2017, \$1.5 million in monetary penalties were assessed. In egregious cases, the agency refers matters for criminal prosecution. In 2017, six cases were referred to local District Attorney Offices for prosecution based on unemployment insurance theft.

The Benefit Accuracy Measurement (BAM) system is a national diagnostic tool used to identify benefit payment errors and their causes, and for correcting and tracking solutions to these challenges. Representative samples of unemployment insurance claims are intensively examined to determine whether they were properly administered and whether claimants were paid the proper amounts or appropriately denied benefits. On the basis of the errors identified and information gathered, the Oregon Employment Department develops plans and implements corrective actions to ensure accurate administration of state laws, rules and procedures.

The major objectives of the BAM system are to:

- Assess the impact of state and federal laws and requirements on the system’s accuracy and integrity;
- Achieve improvements in program accuracy and integrity;
- Encourage more efficient administration; and
- Improve program quality and solvency through error reduction for both paid and denied claims.

The system is designed to be comprehensive in coverage by including all areas of the claims process where errors could occur.

Unemployment Insurance Tax

The UI Tax Section collects an employer paid payroll tax that goes into the Unemployment Insurance Trust Fund to pay for unemployment insurance benefits. In calendar year 2017, the UI Tax Section served more than 130,000 employers, processing more than 8.7 million individual wage records and conducted over 1,300 payroll audits. It collected over a billion dollars in payroll taxes.

Programs and services within the UI Tax Section include:

- *Tax Status Determination*
Identifies and registers employers and assigns tax rates. This section also investigates discrepancies in wage records.
- *Blocked Claims*
Investigates wage discrepancies to ensure the correct wages are reported and employees are appropriately classified to allow accurate benefit payments.
- *Account Maintenance*
Establishes and maintains accurate employee wage records and employer accounts. In addition to being used to administer the UI Program, these wage records are also used by other parts of the agency and by other agencies to assist with their programs. For example, the Department of Human Services uses these records to help verify eligibility for Supplemental Nutrition Assistance Program (SNAP) benefits.
- *Combined Tax Reporting*
The combined tax reporting process includes the Employment Department, Department of Consumer and Business Services, and Department of Revenue. The Department of Revenue provides cashiering for the three agencies, while the Employment Department processes the quarterly employer reports and sends notices of delinquent reports.
- *Report Delinquency*
Promotes reporting compliance among employers and secures delinquent tax reports.
- *Tax Collection*
Promotes tax payment compliance among employers and manages accounts receivable and collaborates with several other state agencies with common business oversight functions through the Interagency Compliance Network.
- *Field Audits*
Promotes and verifies employer compliance with federal and state laws with an emphasis on identifying workers inappropriately misclassified as independent contractors.
- *Hearings*
Represents the agency in administrative hearings involving unemployment insurance tax matters.

Employer tax rates are determined by several factors. These factors include the rate at which its employees receive benefits and the balance of the Unemployment Insurance Trust Fund. Oregon has a series of eight tax schedules, with rates increasing as the balance of the Unemployment Insurance Trust Fund decreases. This provides a self-balancing system that is designed to collect revenues before an economic downturn to ensure solvency when one occurs. Oregon's tax rate continues to drop as the economy continues to improve. Oregon dropped to a lower tax rate schedules in 2014, 2015, 2016, and again in 2018. Although 36 unemployment insurance programs across the nation had to borrow money during the Great Recession, resulting in higher tax rates to repay the loans, Oregon's Trust Fund remained solvent and is one of the healthiest in the nation.

Since 1992, the Oregon Employment Department, along with its partner agencies, has consistently reviewed the combined tax reporting system to determine if it continues to meet its original goals. Improvements and efficiencies in the system are developed as needed, such as recent changes to accommodate more detailed state income tax withholding information. The agency updated the electronic reporting component of the system to make it easier for the public to use and easier for the agency to maintain. These updates also aim to decrease reporting errors and maintain data security. Included in these updates is a web-based program that will be available to more employers and easier for users to navigate, while increasing functionality for employers and the agency. The UI Program also continues to participate in the Combined Business Registration (CBR) Program that was launched by the Secretary of State. The CBR is a one-stop, web-based application that allows Oregon businesses to register their business entities with the Employment Department, Department of Consumer and Business Services, Department of Revenue, and Secretary of State. Despite work to make these cross-agency programs work better, the complexity of the needs of multiple agencies, and limits on the technology used in these processes, has limited the ability to adjust the combined registration and reporting systems to new needs and keep them as effective and easy to use for the public as would be ideal.

The agency engages in ongoing collaboration with partner agencies to provide user-friendly services to businesses and workers. These partner agencies include the Bureau of Labor and Industries, Construction Contractors Board, Department of Consumer and Business Services, Department of Justice, Department of Revenue, Landscape Contractors Board, and Secretary of State. Primary collaborative activities include the Interagency Compliance Network, created by House Bill 2815 (2009). The Interagency Compliance Network is charged with:

- Establishing consistency in agency determinations relating to the classification of workers, including the classification of workers as independent contractors;
- Gathering and sharing information relating to persons who pay workers in cash and who do not comply with laws regarding taxation or employment;
- Gathering and sharing information regarding the misclassification of workers, including the misclassification of employees as independent contractors;
- Developing investigative methods for auditing persons who pay workers in cash, who misclassify workers, and who do not comply with laws regarding taxation or employment;
- Conducting joint audits of persons who pay workers in cash, who misclassify workers, and who do not comply with laws regarding taxation or employment;
- Identifying opportunities for and obstacles to improving compliance with the laws regarding the classification of workers, taxation or employment; and
- Coordinating enforcement processes for the laws relating to classification of workers that is efficient, fair and effective for the public and the regulator agencies charged with those enforcing laws.

Appeals

In administering the unemployment insurance benefits and tax systems, the Employment Department makes many decisions that impact business taxes and the rights of individuals to receive benefits. The large majority of these decisions address whether people are eligible to receive unemployment insurance benefits. About 16% of those decisions are appealed (that was about 15,400 appeals in 2017). Employment Department decisions can be appealed to an independent administrative law judge (ALJ) at the Office of Administrative Hearings. The Office of Administrative Hearings is

responsible for providing workers and employers the opportunity for a fair and prompt hearing of disputed benefit decisions and tax determinations. Most hearings are conducted by telephone to improve efficiency and productivity, and to reduce the burden on the public to participate in hearings. Administrative law judges issue written decisions based on sworn testimony and other evidence made part of the hearing record.

Decisions made by the Office of Administrative Hearings can be further appealed. Decisions involving unemployment insurance benefits can also be appealed, without fee, to the Employment Appeals Board. The Employment Appeals Board does not take new evidence, but reviews the evidence obtained during the Office of Administrative Hearings proceeding and makes its own independent decision. Parties that are dissatisfied with Employment Appeals Board decisions regarding unemployment insurance benefits, or the Office of Administrative Hearings decisions about unemployment insurance tax issues, can seek judicial review of those decisions with the Oregon Court of Appeals.

Strategic Initiatives 2019-21

The Governor's strategic focus area of having *A Thriving Statewide Economy* and overarching goal of excellence in state government are integrated into the 2017-19 budget for the UI Division.

The UI Division will continue to examine its processes to create efficiency and efficacy. This is a broad undertaking that cuts across all unemployment insurance sections and functions. Using Lean and Six Sigma to improve the efficiency and efficacy of our service delivery will allow for more prompt and accurate benefit payments to individuals, better supporting workers and their families during times of temporary unemployment. Specific process improvements are anticipated to take advantage of new capabilities of the integrated phone and technology systems used in the contact center, reducing the processing time for claims and supporting increased quality of how those claims are administered.

Unemployment insurance data is already shared across many parts of the agency and with many other parts of the workforce system. With the ongoing implementation of the federal Workforce Innovation and Opportunity Act, the integration of this data into the rest of the workforce system is anticipated to continue, supporting other parts of the workforce system to better help people find productive roles in the workforce and to measure the effectiveness of various tools used to do this.

The UI Division also expects to significantly increase usage of the Oregon Payroll Reporting System. The Oregon Payroll Reporting System makes it easier and cheaper for employers to prepare and submit required employee wage information as well as making it less expensive for the agency to administer and process the reports. This work is anticipated to be completed in the 2017-19 biennium, but a careful rollout of this system to businesses across the state will require work into the 2019-21 biennium. With that expanded usage of the Oregon Payroll Reporting System, multiple, older and difficult to maintain payroll reporting systems are expected to be decommissioned.

The major focus of the UI Program in the 2019-21 biennium will be modernizing how the program is administered. This involves updating how we serve our customers and collaborate with our partners. It is part of a multi-biennia effort to modernize the agency's major program areas, including the technical infrastructure and systems used to serve the public. In the coming biennium, the agency anticipates completing contract negotiations and award for the modernization of UI Tax and then UI Benefits. While work is already underway on this effort, it is expected that project team staff recruitments, facility preparation, equipment installing and other activities will be more intensive in the coming biennium. The agency targets January 2020 to bring in the solution vendor(s) and project staff to do detailed planning and begin executing the UI Program modernization.

Recent Accomplishments

The Oregon Unemployment Insurance Trust Fund has recovered from the stresses of the Great Recession. While other states face rising unemployment insurance tax rates and decreasing benefits, Oregon has maintained benefit levels while reducing employer tax rates. The Unemployment Insurance Trust Fund has reached the level where it is healthy enough to support Oregonians through future recessions.

The phone and related systems used in the contact center to serve the public were antiquated. The UI Division updated that phone system which, in addition to making the system more reliable and ensuring adequate support into the future, also added more flexibility and functionality. For example, during peak workload times, unemployment insurance staff working outside of the contact center can now be easily linked into the phone system so people do not have to wait as long to get their claims handled. The phone system is also being used to proactively reach out to inform people about their claims, such as when holidays may result in less availability to speak with staff and to encourage voluntary repaying of delinquent unemployment insurance debts.

Improved internal communication and innovation has led to a more responsive, adaptable UI Program. This has led to significant increases in the timeliness of service. Call wait times are down very significantly while the timeliness of benefit payments and decisions about benefit eligibility are significantly increased.

The UI Division has a leadership role at the national level working with the U.S. Department of Labor, other states' unemployment insurance programs, and the National Association of State Workforce Agencies. Oregon has shared some of its successful practices, such as using new phone system capabilities to improve debt collection work and its close collaboration with its state and local partners in the workforce system. The UI Division is also involved with leadership roles of the national Integrity Center of Excellence, which works to reduce, find, and recover benefit overpayments, and with communicating with the U.S. Department of Labor about unemployment insurance policy issues. This has enabled Oregon processes, such as being part of the national Suspicious Actor Repository that helps states share information about complex unemployment insurance fraud schemes.

Key Issues

Program Process Changes

The UI Program workload and funding fluctuates with the economy with federal revenues typically increasing during a recession and decreasing during economic recovery and stability. As a result, its business processes need to be prepared to handle this variability. Developing processes which increase efficiency while being able to vary with workload is a continuing issue.

Being Prepared for the Next Economic Downturn

The UI Program is significantly impacted by economic conditions. Being consistent in the service provided to the public is a challenge, but a larger challenge is being prepared to maintain those service levels when an economic downturn arises. That can lead to rapid and large increases in demand for unemployment insurance benefits and also can lead to policy changes to better help people during a recession that make administration of the program more difficult. The agency has documented past successes and challenges and has implemented a formal plan to be better able to respond quickly to future economic cycle fluctuations.

Benefit Payment Integrity

The UI Division has the difficult task of balancing the legally required prompt payment of benefits with minimizing overpayments. Where that balance lies is an ongoing issue for all states.

Modernization

The UI Program must modernize the way it serves the public and the technology systems it uses to do this. Work processes and technology are inextricably intertwined. Updating both to support a more efficient and flexible way of serving Oregon workers and businesses is essential to creating a UI Program that can weather economic fluctuations, minimize risks of improper payments and quickly pay benefits to eligible workers. The Employment Department is undertaking a multi-biennia modernization initiative to transform our business and core technology systems.

Performance Results

The UI Program continues to focus on core components of serving the public, quickly making unemployment insurance benefit payments to those who are eligible, making timely decisions regarding benefits eligibility, timely resolving appeals of those decisions, and handling claims in a cost effective and efficient manner.

With federal funding decreasing more quickly than the workload, and the need to continue administering newer program requirements with outdated technology, the UI Division has struggled to maintain prompt service to the public. The timeliness of first benefit payments (the standard is to pay benefits within 14 days) had decreased below the federal standard of 87% in the past, but has increased 94% as of March 2018. The time it takes us to issue decisions about benefit eligibility has also recovered from prior drops. While, at 77% of those decisions being issued within 21 days (as of March 2018) it is not quite at the federal standard of 80%, it is a significant improvement over prior years' performance. Timeliness will continue to be a challenge until our business processes, and the technology infrastructure that supports and constrains them, are modernized. Process improvements, including using Lean and Six Sigma methodology, and finding ways to better balance making quick decisions and payments with the need to be accurate with our payments are allowing us to make some modest improvements in timeliness measures.

Proposed Legislation

The Unemployment Insurance Division is not proposing any legislation.

UNEMPLOYMENT INSURANCE DIVISION ESSENTIAL PACKAGES

010 Non-PICS Personal Service /Vacancy Factor

There are three adjustments in this package including an adjustment to the estimated vacancy factor, an estimate of the 2019-21 Pension Obligation Bond, and removal of mass transit taxes from Federal Funds. The agency did not request an adjustment to the vacancy factor calculation for 2019-21. The net adjustment for 2019-21 is an increase of \$1,513,588. This is a combination of a decrease of \$70,966 Other Funds and an increase of \$1,584,554 Federal Funds.

021 Phase-In

There are no phase-in costs for the UI Division for the 2019-21 biennium.

022 Phase-Out Programs & One-time Costs

Program phase-out costs decrease the budget by a total of \$84,000 in Federal Funds. This adjustment is phasing out the associated services and supplies related to 14 (3.5 FTE) limited duration positions that were part of the 2017-19 Mandated Caseload package.

031 and 032 Inflation & Price List Adjustments

This package includes both the standard inflation as prescribed by the Department of Administrative Services in the budget instructions, and adjustments to State Government Service Charges. A general inflation factor of 3.8% was applied to most services and supplies, including rent expenses. Professional Services were inflated 4.2% and Attorney General estimates were inflated by 20.14%. State Government Service Charges were adjusted to match the Price List items including assessments and charges for the Department of Administrative Services, Secretary of State, Central Government Service Charges and others. The cost of goods and services increased the budget by \$3,121,271. This is a combination of an increase of \$3,586,014 Other Funds and a \$464,743 decrease in Federal Funds.

040 Mandated Caseload

The calculation for the Mandated Caseload Package for the Oregon Employment Department is for the direct work related to processing and paying unemployment insurance benefits to eligible Oregonians. For 2019-21, it includes three unemployment insurance activities—initial claim processing, weekly claims processing, and non-monetary eligibility determinations. Two main variables drive the Mandated Caseload calculation—the unemployment insurance caseload forecast and the amount of time working on unemployment insurance activities as measured by minutes per unit (MPU). The unemployment insurance caseload is sensitive to changes in economic conditions including the unemployment rate and the size of Oregon's workforce. The workload fluctuates with the number of claims processed and number of benefit weeks paid. The unemployment insurance caseload is also very seasonal in nature, with consistent workload spikes each year during the winter. The Employment Department is requesting a total

of 16 positions and 11.50 FTE. This includes five permanent full time Employment Adjudicators, nine permanent part time Business and Employment Specialist 2 positions, one permanent full time Office Specialist 1, and one permanent full time Principle Executive Management B position which will maintain the existing 15:1 supervisor ratio in the unemployment insurance contact centers.

Staffing Impact:

Permanent Positions/FTE 16/11.50

Revenue Source:

Federal Funds \$2,266,862

050 Fund Shifts

The budget for the Unemployment Insurance Division reflects increased use of Other Funds resources, as federal funding declines. This package shifts \$5,650,000 from Federal Funds to Other Funds limitation.

060 Technical Adjustments

There are three technical adjustments in this package that impact the Unemployment Insurance Summary Cross Reference (SCR) (010-10-10-00000). The net impact of this package is a decrease of 28 positions (28.00 FTE) and \$5,721,367 Federal Funds.

Twenty-nine positions (29.00 FTE) that perform Reemployment Services and Eligibility Assessments (RESEA) Program activities are moved from the Unemployment Insurance SCR to the Workforce Operations SCR (010-20-10-00000). The majority of the work performed by these positions is accountable to and directed by Workforce Operations management. The position detail for this move is shown below.

Position Number	Position Classification
1311123	Business & Employment Specialist 2
1311124	Business & Employment Specialist 2
1311103	Business & Employment Specialist 2
1311104	Business & Employment Specialist 2
1311105	Business & Employment Specialist 2
1311106	Business & Employment Specialist 2
1311108	Business & Employment Specialist 2
1311109	Business & Employment Specialist 2
1311110	Business & Employment Specialist 2
1311107	Business & Employment Specialist 2
1311111	Business & Employment Specialist 2

1311112	Business & Employment Specialist 2
1311113	Business & Employment Specialist 2
1311114	Business & Employment Specialist 2
1311115	Business & Employment Specialist 2
1311118	Business & Employment Specialist 2
1311101	Business & Employment Specialist 2
1311117	Business & Employment Specialist 2
1311119	Business & Employment Specialist 2
1311121	Business & Employment Specialist 2
1311102	Business & Employment Specialist 2
1311122	Business & Employment Specialist 2
1311120	Business & Employment Specialist 2
1311126	Business & Employment Specialist 2
1311127	Business & Employment Specialist 2
1311128	Business & Employment Specialist 2
1311125	Business & Employment Specialist 2
1311129	Business & Employment Specialist 2
1311116	Business & Employment Specialist 2

Another position (1.00 FTE, position number 0001266, Principal Executive/Manager B) is moved from the Unemployment Insurance SCR to the Workforce Operations SCR (010-20-10-00000) because the work and reporting structure associated with this position aligns with Workforce Operations.

Two positions (2.00 FTE, position number 0003140, Revenue Agent 2, and position number 000341, Administrative Specialist 2) were moved to Shared Services during the development of the 2017-19 budget and the establishment of that SCR in error. These two positions are moved back to the Unemployment Insurance SCR in this package.

092 Statewide Attorney General Adjustment

This package adjusts Attorney General rates from the published price list at Agency Request Budget to the Governor's Budget. This package decreases the Unemployment Insurance Division by \$6,515 Other Funds and \$44,867 Federal Funds, a total decrease of \$51,382.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Unemployment Insurance
Cross Reference Number: 47100-010-10-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Temporary Appointments	-	-	-	3,560	-	-	3,560
Overtime Payments	-	-	59	4,455	-	-	4,514
All Other Differential	-	-	2,153	-	-	-	2,153
Public Employees' Retire Cont	-	-	375	756	-	-	1,131
Pension Obligation Bond	-	-	5,149	53,751	-	-	58,900
Social Security Taxes	-	-	169	613	-	-	782
Unemployment Assessments	-	-	-	5,197	-	-	5,197
Mass Transit Tax	-	-	(7,106)	-	-	-	(7,106)
Vacancy Savings	-	-	(71,765)	1,516,222	-	-	1,444,457
Total Personal Services	-	-	(\$70,966)	\$1,584,554	-	-	\$1,513,588
Total Expenditures							
Total Expenditures	-	-	(70,966)	1,584,554	-	-	1,513,588
Total Expenditures	-	-	(\$70,966)	\$1,584,554	-	-	\$1,513,588
Ending Balance							
Ending Balance	-	-	70,966	(1,584,554)	-	-	(1,513,588)
Total Ending Balance	-	-	\$70,966	(\$1,584,554)	-	-	(\$1,513,588)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Unemployment Insurance
Cross Reference Number: 47100-010-10-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Office Expenses	-	-	-	(43,000)	-	-	(43,000)
Telecommunications	-	-	-	(18,000)	-	-	(18,000)
Data Processing	-	-	-	(21,000)	-	-	(21,000)
Fuels and Utilities	-	-	-	(500)	-	-	(500)
Other Services and Supplies	-	-	-	(1,500)	-	-	(1,500)
Total Services & Supplies	-	-	-	(\$84,000)	-	-	(\$84,000)
Total Expenditures							
Total Expenditures	-	-	-	(84,000)	-	-	(84,000)
Total Expenditures	-	-	-	(\$84,000)	-	-	(\$84,000)
Ending Balance							
Ending Balance	-	-	-	84,000	-	-	84,000
Total Ending Balance	-	-	-	\$84,000	-	-	\$84,000

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 031 - Standard Inflation

Cross Reference Name: Unemployment Insurance
Cross Reference Number: 47100-010-10-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	5,912	1,110	-	-	7,022
Out of State Travel	-	-	222	289	-	-	511
Employee Training	-	-	2,405	867	-	-	3,272
Office Expenses	-	-	140,655	16,722	-	-	157,377
Telecommunications	-	-	86,552	36,402	-	-	122,954
State Gov. Service Charges	-	-	2,747,141	(897,051)	-	-	1,850,090
Data Processing	-	-	148,743	56,837	-	-	205,580
Publicity and Publications	-	-	3,160	1,096	-	-	4,256
Professional Services	-	-	10,179	1,917	-	-	12,096
IT Professional Services	-	-	83,661	39,891	-	-	123,552
Attorney General	-	-	18,356	126,409	-	-	144,765
Employee Recruitment and Develop	-	-	-	24	-	-	24
Dues and Subscriptions	-	-	2,058	22	-	-	2,080
Facilities Rental and Taxes	-	-	76,143	2,242	-	-	78,385
Fuels and Utilities	-	-	2	3,055	-	-	3,057
Facilities Maintenance	-	-	11,898	1,498	-	-	13,396
Medical Services and Supplies	-	-	-	3	-	-	3
Agency Program Related S and S	-	-	4,212	713	-	-	4,925
Intra-agency Charges	-	-	209,418	126,578	-	-	335,996
Other Services and Supplies	-	-	9,375	2,733	-	-	12,108
Expendable Prop 250 - 5000	-	-	1,979	896	-	-	2,875
IT Expendable Property	-	-	23,929	6,311	-	-	30,240
Total Services & Supplies	-	-	\$3,586,000	(\$471,436)	-	-	\$3,114,564

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 031 - Standard Inflation

Cross Reference Name: Unemployment Insurance
Cross Reference Number: 47100-010-10-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Capital Outlay							
Data Processing Software	-	-	-	4,654	-	-	4,654
Data Processing Hardware	-	-	-	78	-	-	78
Building Structures	-	-	4	34	-	-	38
Other Capital Outlay	-	-	10	1,927	-	-	1,937
Total Capital Outlay	-	-	\$14	\$6,693	-	-	\$6,707
Total Expenditures							
Total Expenditures	-	-	3,586,014	(464,743)	-	-	3,121,271
Total Expenditures	-	-	\$3,586,014	(\$464,743)	-	-	\$3,121,271
Ending Balance							
Ending Balance	-	-	(3,586,014)	464,743	-	-	(3,121,271)
Total Ending Balance	-	-	(\$3,586,014)	\$464,743	-	-	(\$3,121,271)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Unemployment Insurance
Cross Reference Number: 47100-010-10-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Professional Services	-	-	-	-	-	-	-
IT Professional Services	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 040 - Mandated Caseload

Cross Reference Name: Unemployment Insurance
Cross Reference Number: 47100-010-10-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	-	1,033,548	-	-	1,033,548
Empl. Rel. Bd. Assessments	-	-	-	976	-	-	976
Public Employees' Retire Cont	-	-	-	175,394	-	-	175,394
Social Security Taxes	-	-	-	79,072	-	-	79,072
Worker's Comp. Assess. (WCD)	-	-	-	928	-	-	928
Flexible Benefits	-	-	-	562,944	-	-	562,944
Total Personal Services	-	-	-	\$1,852,862	-	-	\$1,852,862
Services & Supplies							
Instate Travel	-	-	-	21,000	-	-	21,000
Employee Training	-	-	-	7,600	-	-	7,600
Office Expenses	-	-	-	57,000	-	-	57,000
Telecommunications	-	-	-	121,000	-	-	121,000
Facilities Rental and Taxes	-	-	-	179,000	-	-	179,000
Fuels and Utilities	-	-	-	10,000	-	-	10,000
Facilities Maintenance	-	-	-	12,000	-	-	12,000
Expendable Prop 250 - 5000	-	-	-	6,000	-	-	6,000
IT Expendable Property	-	-	-	400	-	-	400
Total Services & Supplies	-	-	-	\$414,000	-	-	\$414,000
Total Expenditures							
Total Expenditures	-	-	-	2,266,862	-	-	2,266,862
Total Expenditures	-	-	-	\$2,266,862	-	-	\$2,266,862

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 040 - Mandated Caseload

Cross Reference Name: Unemployment Insurance
Cross Reference Number: 47100-010-10-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	(2,266,862)	-	-	(2,266,862)
Total Ending Balance	-	-	-	(\$2,266,862)	-	-	(\$2,266,862)
Total Positions							
Total Positions							16
Total Positions	-	-	-	-	-	-	16
Total FTE							
Total FTE							11.50
Total FTE	-	-	-	-	-	-	11.50

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 050 - Fundshifts

Cross Reference Name: Unemployment Insurance
Cross Reference Number: 47100-010-10-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Office Expenses	-	-	300,000	(300,000)	-	-	-
Telecommunications	-	-	800,000	(800,000)	-	-	-
Data Processing	-	-	1,250,000	(1,250,000)	-	-	-
Intra-agency Charges	-	-	3,300,000	(3,300,000)	-	-	-
Total Services & Supplies	-	-	\$5,650,000	(\$5,650,000)	-	-	-
Total Expenditures							
Total Expenditures	-	-	5,650,000	(5,650,000)	-	-	-
Total Expenditures	-	-	\$5,650,000	(\$5,650,000)	-	-	-
Ending Balance							
Ending Balance	-	-	(5,650,000)	5,650,000	-	-	-
Total Ending Balance	-	-	(\$5,650,000)	\$5,650,000	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 060 - Technical Adjustments

Cross Reference Name: Unemployment Insurance
Cross Reference Number: 47100-010-10-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	-	(2,988,984)	-	-	(2,988,984)
Empl. Rel. Bd. Assessments	-	-	-	(1,708)	-	-	(1,708)
Public Employees' Retire Cont	-	-	-	(507,237)	-	-	(507,237)
Social Security Taxes	-	-	-	(228,662)	-	-	(228,662)
Worker's Comp. Assess. (WCD)	-	-	-	(1,624)	-	-	(1,624)
Flexible Benefits	-	-	-	(985,152)	-	-	(985,152)
Total Personal Services	-	-	-	(\$4,713,367)	-	-	(\$4,713,367)
Services & Supplies							
Instate Travel	-	-	-	(51,130)	-	-	(51,130)
Employee Training	-	-	-	(18,500)	-	-	(18,500)
Office Expenses	-	-	-	(138,780)	-	-	(138,780)
Telecommunications	-	-	-	(294,610)	-	-	(294,610)
Data Processing	-	-	-	(200,000)	-	-	(200,000)
Facilities Rental and Taxes	-	-	-	(235,830)	-	-	(235,830)
Fuels and Utilities	-	-	-	(24,350)	-	-	(24,350)
Facilities Maintenance	-	-	-	(29,220)	-	-	(29,220)
Expendable Prop 250 - 5000	-	-	-	(14,610)	-	-	(14,610)
IT Expendable Property	-	-	-	(970)	-	-	(970)
Total Services & Supplies	-	-	-	(\$1,008,000)	-	-	(\$1,008,000)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 060 - Technical Adjustments

Cross Reference Name: Unemployment Insurance
Cross Reference Number: 47100-010-10-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	-	-	-	(5,721,367)	-	-	(5,721,367)
Total Expenditures	-	-	-	(\$5,721,367)	-	-	(\$5,721,367)
Ending Balance							
Ending Balance	-	-	-	5,721,367	-	-	5,721,367
Total Ending Balance	-	-	-	\$5,721,367	-	-	\$5,721,367
Total Positions							
Total Positions							(28)
Total Positions	-	-	-	-	-	-	(28)
Total FTE							
Total FTE							(28.00)
Total FTE	-	-	-	-	-	-	(28.00)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 092 - Statewide AG Adjustment

Cross Reference Name: Unemployment Insurance
Cross Reference Number: 47100-010-10-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Attorney General	-	-	(6,515)	(44,867)	-	-	(51,382)
Total Services & Supplies	-	-	(\$6,515)	(\$44,867)	-	-	(\$51,382)
Total Expenditures							
Total Expenditures	-	-	(6,515)	(44,867)	-	-	(51,382)
Total Expenditures	-	-	(\$6,515)	(\$44,867)	-	-	(\$51,382)
Ending Balance							
Ending Balance	-	-	6,515	44,867	-	-	51,382
Total Ending Balance	-	-	\$6,515	\$44,867	-	-	\$51,382

01/03/19 REPORT NO.: PFDPFISCAL
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2019-21
 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 040 - Mandated Caseload

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1904001	OAH C6693 AP	EMPLOYMENT ADJUDICATOR	4	1.00	24.00	02	3,918.00			94,032 58,454		94,032 58,454
1904002	OAH C6693 AP	EMPLOYMENT ADJUDICATOR	1	1.00	24.00	02	3,918.00			94,032 58,454		94,032 58,454
1904003	OAH C6693 AP	EMPLOYMENT ADJUDICATOR	1	1.00	24.00	02	3,918.00			94,032 58,454		94,032 58,454
1904004	OAH C6693 AP	EMPLOYMENT ADJUDICATOR	1	1.00	24.00	02	3,918.00			94,032 58,454		94,032 58,454
1904005	OAH C6693 AP	EMPLOYMENT ADJUDICATOR	1	1.00	24.00	02	3,918.00			94,032 58,454		94,032 58,454
1904006	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	.50	12.00	02	3,565.00			42,780 45,836		42,780 45,836
1904007	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	.50	12.00	02	3,565.00			42,780 45,836		42,780 45,836
1904008	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	.50	12.00	02	3,565.00			42,780 45,836		42,780 45,836
1904009	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	.50	12.00	02	3,565.00			42,780 45,836		42,780 45,836
1904010	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	.50	12.00	02	3,565.00			42,780 45,836		42,780 45,836
1904011	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	.50	12.00	02	3,565.00			42,780 45,836		42,780 45,836
1904012	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	.50	12.00	02	3,565.00			42,780 45,836		42,780 45,836
1904013	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	.50	12.00	02	3,565.00			42,780 45,836		42,780 45,836

01/03/19 REPORT NO.: PFDPFISCAL
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DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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2019-21
 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 040 - Mandated Caseload

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1904014	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	4	.50	12.00	02	3,565.00			42,780		42,780
										45,836		45,836
1904015	OAH C0103	AP OFFICE SPECIALIST 1	1	1.00	24.00	05	2,766.00			66,384		66,384
										51,646		51,646
1904016	MMS X7002	AP PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	02	4,666.00			111,984		111,984
										62,874		62,874
TOTAL PICS SALARY										1,033,548		1,033,548
TOTAL PICS OPE										819,314		819,314
TOTAL PICS PERSONAL SERVICES =			16	11.50	276.00					1,852,862		1,852,862

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 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 060 - Technical Adjustments

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
0001266	MMS X7002 AP	PRINCIPAL EXECUTIVE/MANAGER B	1-	1.00-	24.00-	09	6,542.00			157,008-		157,008-
										73,958-		73,958-
0003140	OAH C5111 AP	REVENUE AGENT 2	1	1.00	24.00	02	3,264.00			78,336		78,336
										54,590		54,590
0003417	OAH C0108 AP	ADMINISTRATIVE SPECIALIST 2	1	1.00	24.00	06	4,096.00			98,304		98,304
										59,505		59,505
1311101	OAH C0860 AP	PROGRAM ANALYST 1	1-	1.00-	24.00-	05	4,514.00			108,336-		108,336-
										61,976-		61,976-
1311102	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	06	4,295.00			103,080-		103,080-
										60,682-		60,682-
1311103	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	06	4,295.00			103,080-		103,080-
										60,682-		60,682-
1311104	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	06	4,295.00			103,080-		103,080-
										60,682-		60,682-
1311105	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	06	4,295.00			103,080-		103,080-
										60,682-		60,682-
1311106	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	05	4,096.00			98,304-		98,304-
										59,505-		59,505-
1311107	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	02	3,565.00			85,560-		85,560-
										56,368-		56,368-
1311108	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	09	4,950.00			118,800-		118,800-
										64,551-		64,551-
1311109	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	06	4,295.00			103,080-		103,080-
										60,682-		60,682-
1311110	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	06	4,295.00			103,080-		103,080-
										60,682-		60,682-

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DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 060 - Technical Adjustments

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1311111	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	07	4,514.00			108,336-		108,336-
										61,976-		61,976-
1311112	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	06	4,295.00			103,080-		103,080-
										60,682-		60,682-
1311113	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	09	4,950.00			118,800-		118,800-
										64,551-		64,551-
1311114	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	07	4,514.00			108,336-		108,336-
										61,976-		61,976-
1311115	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	06	4,295.00			103,080-		103,080-
										60,682-		60,682-
1311116	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	03	3,737.00			89,688-		89,688-
										57,384-		57,384-
1311117	OAH C0860 AP	PROGRAM ANALYST 1	1-	1.00-	24.00-	05	4,514.00			108,336-		108,336-
										61,976-		61,976-
1311118	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	06	4,295.00			103,080-		103,080-
										60,682-		60,682-
1311119	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	06	4,295.00			103,080-		103,080-
										60,682-		60,682-
1311120	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	02	3,565.00			85,560-		85,560-
										56,368-		56,368-
1311121	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	06	4,295.00			103,080-		103,080-
										60,682-		60,682-
1311122	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	06	4,295.00			103,080-		103,080-
										60,682-		60,682-
1311123	OAH C1338 AP	TRAINING & DEVELOPMENT SPEC 1	1-	1.00-	24.00-	08	5,189.00			124,536-		124,536-
										65,964-		65,964-

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DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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2019-21
 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 060 - Technical Adjustments

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1311124	OAH C1338 AP	TRAINING & DEVELOPMENT SPEC 1	1-	1.00-	24.00-	06	4,727.00			113,448-		113,448-
										63,234-		63,234-
1311125	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	02	3,565.00			85,560-		85,560-
										56,368-		56,368-
1311126	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	06	4,295.00			103,080-		103,080-
										60,682-		60,682-
1311127	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	07	4,514.00			108,336-		108,336-
										61,976-		61,976-
1311128	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	07	4,514.00			108,336-		108,336-
										61,976-		61,976-
1311129	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1-	1.00-	24.00-	05	4,096.00			98,304-		98,304-
										59,505-		59,505-
TOTAL PICS SALARY										2,988,984-		2,988,984-
TOTAL PICS OPE										1,724,383-		1,724,383-
TOTAL PICS PERSONAL SERVICES -			28-	28.00-	672.00-					4,713,367-		4,713,367-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Employment Dept
2019-21 Biennium

Agency Number: 47100

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

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Employment Taxes	4,404,446	-	-	-	-	-
Charges for Services	393,186	-	-	325,000	325,000	-
Other Revenues	548,097	-	-	-	-	-
Transfer In - Intrafund	18,735,549	31,854,585	31,854,585	40,532,869	40,532,869	-
Tsfr To Labor and Ind, Bureau	(4,459,812)	-	-	-	-	-
Total Other Funds	\$19,621,466	\$31,854,585	\$31,854,585	\$40,857,869	\$40,857,869	-
Federal Funds						
Federal Funds	116,590,403	91,854,089	91,854,089	83,917,650	83,917,650	-
Total Federal Funds	\$116,590,403	\$91,854,089	\$91,854,089	\$83,917,650	\$83,917,650	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE:

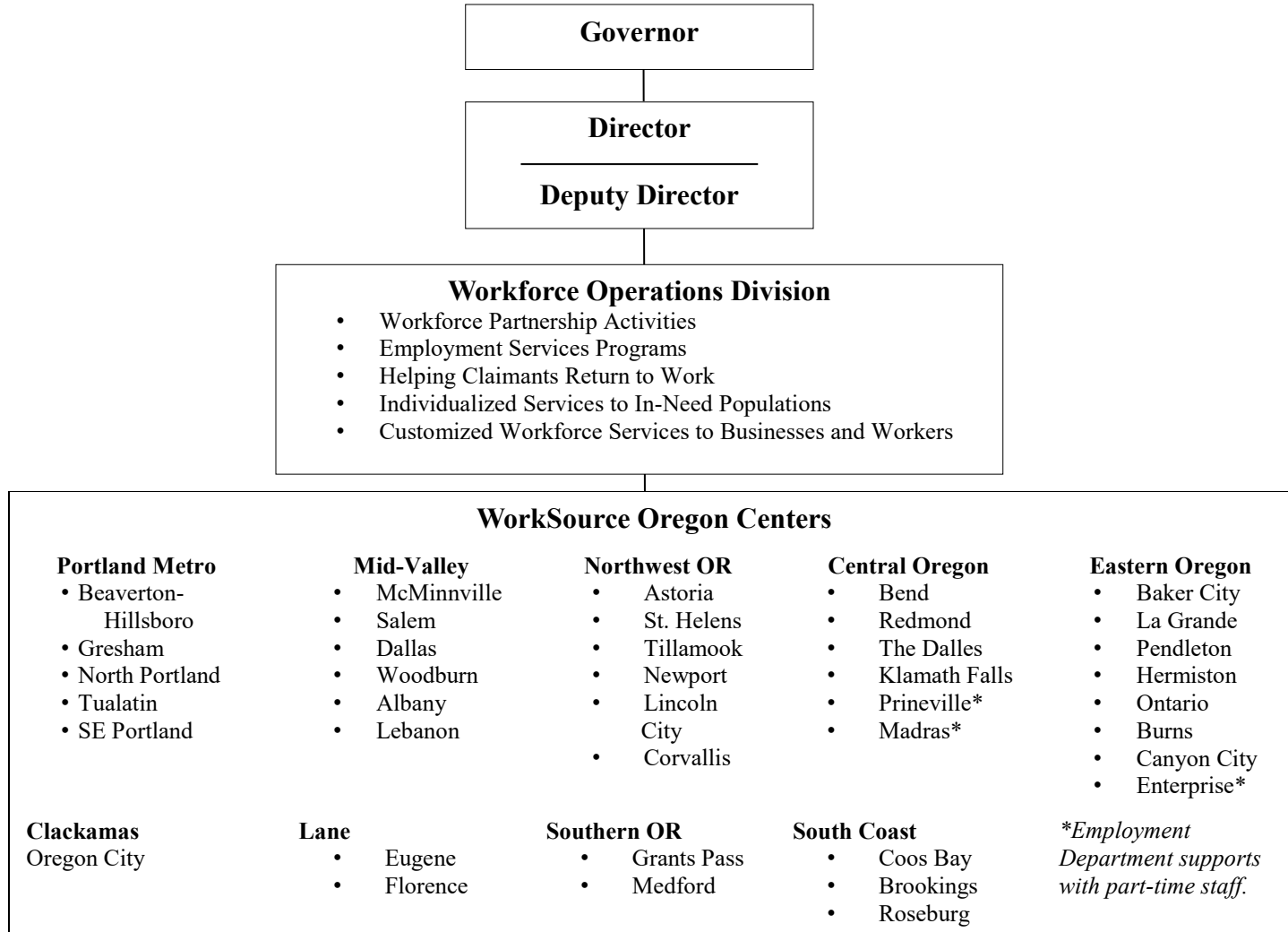
Unemployment Insurance Division

Source	Fund	ORBITS Revenue Acct	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Estimated	2019-21		
						Agency Request	Governor's Recommended	Legislatively Adopted
REVENUE								
Federal Government	Federal	995	116,590,403	77,446,790		83,917,650	83,917,650	
Employer Taxes	Other	120	4,404,446	0		0	0	
Federal Funds as OF	Other	355	0	0		0	0	
Charges for Services	Other	410	393,186	230,000		325,000	325,000	
Fines & Forfeitures	Other	505	0	0		0	0	
Interest Income	Other	605	0	0		0	0	
Rents & Royalties	Other	510	0	0		0	0	
Other Revenues	Other	975	548,097	461,281		0	0	
Tsf from Other Agencies	Other	Various	0	0		0	0	
Tsf to Other Agencies	Other	Various	(4,459,812)	0		0	0	
Tsf to General Fund	Other	2060	0	0		0	0	
TRANSFERS TO/FROM NON-LIMITED		1010/2010						
SEDAF	Other		9,997,982	24,103,291		22,532,869	22,532,869	
Special Administration (P&I)	Other		3,887,286	12,020,613		6,000,000	6,000,000	
Reed Act	Other		0	0		0	0	
Modernization	Other		0	0		0	0	
Fraud Control Fund	Other		4,726,401	8,000,000		12,000,000	12,000,000	
Other	Other		0	0		0	0	
Total			136,231,869	122,261,974		124,775,519	124,775,519	

___ Agency Request X Governor's Recommended ___ Legislatively Adopted

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WORKFORCE OPERATIONS



Budget Summary Level

2017-19 2019-21

2019-21 includes 29 positions (29.00 FTE) that work in the Reemployment Services and Eligibility Assessments (RESEA) program. These positions were transferred from Unemployment Insurance and are included in Workforce Operations where the work is performed.

Pos.: 443 480
FTE: 438.3 479.75

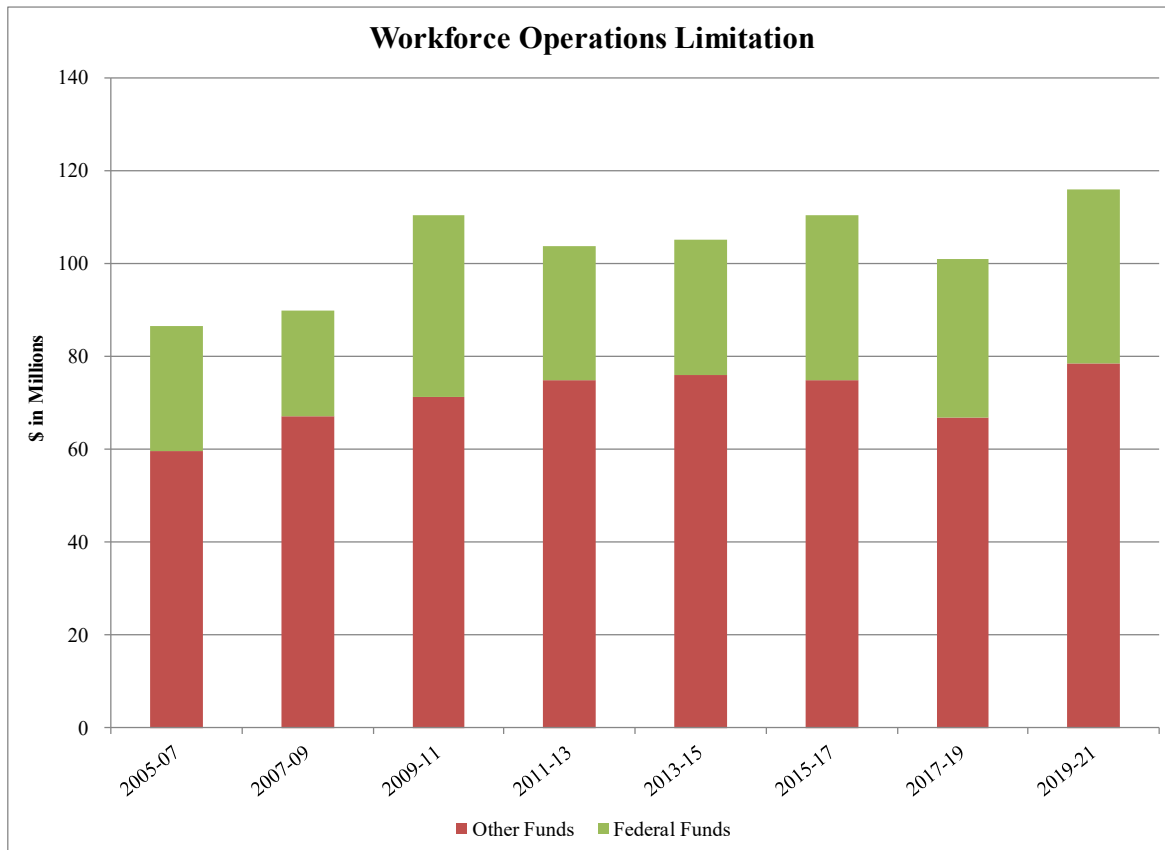
MISSION

Workforce Operations serves businesses by recruiting and referring the best qualified applicants to jobs, and provides resources to diverse job seekers in support of their employment needs.

PROGRAM EXECUTIVE SUMMARY

Primary Strategic Focus Areas: *A Thriving Statewide Economy*

Primary Program Contact: Jim Pfarrer, Division Director, Workforce Operations, (503) 947-1655



PROGRAM OVERVIEW

The Workforce Operations Division serves Oregon businesses by recruiting and referring the best qualified applicants to jobs and by providing resources to diverse job seekers in support of their employment needs. Workforce Operations provides a diverse array of programs and services to connect Oregon employers and job seekers. Helping businesses find solutions to workforce challenges and offering skills assessments and career pathways to job seekers, supports a quality workforce and *A Thriving Statewide Economy*.

Program Funding Request

Workforce Operations is requesting budget authority for the 2019-21 biennium of:

\$78,529,971	Other Funds
\$37,365,147	Federal Funds
\$ 32,000,000	Federal Funds Non-Limited (Trade Act training benefits)

The funding request allows the Workforce Operations Division to continue to provide core employment services for Oregon's job seekers and businesses.

The division's workforce partners include regional and local training providers (Workforce Innovation and Opportunity Act Title I), Oregon Workforce and Talent Development Board, local workforce development boards, Department of Human Services (Self-Sufficiency and Vocational Rehabilitation programs), Office of Workforce Investments (an interagency partnership between the Higher Education Coordinating Commission and the Employment Department), Oregon Commission for the Blind, state and local economic development organizations, all seventeen Oregon community colleges, and other local workforce organizations.

A key focus for the Workforce Operations Division is helping unemployment insurance claimants get back to work. The majority of unemployment insurance claimants are required to register for work as a condition of receiving unemployment insurance benefits. Support for dedicated reemployment staff is vital to keeping the division cost effective. Workforce Operations has been expanding reemployment activities over the last few years, especially for unemployment insurance claimants. These services help unemployment insurance claimants find work sooner. By reducing the amount of time that unemployment insurance claimants receive benefits by 1.1 weeks, reemployment services effectively reduces the cost of the Unemployment Insurance Program. Because a payroll tax funds the Unemployment Insurance Program, the availability and success of reemployment activities keeps the tax burden to employers lower.

The 2019-21 budget request allows Workforce Operations to continue these reemployment efforts into future biennia. The budget request expands employment efforts for targeted populations, including public assistance clients, people with disabilities, veterans and the long-term unemployed. Key to this expansion is working with employers to increase utilization of federal tax credits available to employers for hiring these Oregonians. Using incentives for employers allows the state the opportunity to improve performance into the future without major investment of state funds. The request also provides a higher level of employment services to Oregonians who have lost their jobs due to foreign trade policy and to those receiving public assistance.

Another key focus for Workforce Operations is to continue to build relationships, coordinate efforts, and align services with the Department of Human Services to provide better employment outcomes for Self-Sufficiency and Vocational Rehabilitation Program clients.

Program Description

The Workforce Operations Division manages the state's labor exchange system. This system facilitates linking job seekers with employers. It includes referring job seekers to specific jobs that have been requested by employers. Roughly 50% of the job seekers served by the division are unemployment insurance claimants.

Workforce Operations is a partner in WorkSource Oregon and works alongside the Office of Workforce Investments (an interagency partnership between the Higher Education Coordinating Commission and Employment Department) and the local workforce development boards to serve businesses and job seekers. WorkSource Oregon services are provided at no charge to the customers. The WorkSource Oregon partnership works to grow a robust Oregon economy by supporting local workforce delivery systems focused on serving their communities.

The division assists businesses through customizable business services that help solve workforce challenges such as recruitment and training. Specifically, the division identifies, screens, and refers job applicants to employers. The division also helps businesses secure federal tax credits and offset training costs when new employees are hired from specific populations (such as persons receiving public assistance, people with disabilities, veterans and the long-term unemployed).

Workforce Operations staff engage, inform, and assist the current and emerging workforce, with an emphasis on serving targeted populations such as veterans, migrant seasonal farmworkers, customers that received training, and clients receiving public assistance. The division collaborates with workforce partner agencies and organizations to assess and improve the job-readiness of candidates. The division assists job seekers in obtaining employment not only by directly referring them to jobs, but by teaching them job search skills and coaching them on job search strategies, options and expectations.

Workforce Operations also administers the Trade Act Program to pay for the case management and direct re-training of workers who have lost their job due to foreign trade agreements.

Other Services and Programs

The Workforce Operations Division also administers and provides services for other workforce programs. All of these programs relate to the state labor exchange, but generally focus on a specific subgroup of job seekers or services. Most of these programs are funded through federal grants, but are occasionally supplemented by Other Funds.

Work Opportunity Tax Credit

As part of its commitment to populations with barriers to employment, Workforce Operations will continue to administer the federal Work Opportunity Tax Credit (WOTC) program. The program provides federal tax credits to employers who hire specific targeted populations. Building on previous gains realized through partnership and automation, Workforce Operations partnered with Oregon Department of Corrections (DOC) to streamline the

exchange of requisite WOTC data between our two organizations. In addition, Workforce Operations and DOC partnered to develop WOTC materials distributed to ex-offenders as part of the transition process. Combined, these improvements helped facilitate a 55% increase in employer certifications for the ex-felon target group over the last biennium.

Additional improvements to automate the retrieval of wage and unemployment insurance data have increased processing throughput for our veteran target group several fold. As a result, Oregon employers are experiencing reduced lead-time and higher certification rates that culminate in greater federal tax reductions. The WOTC program is authorized through 2019.

The WOTC program provides an incentive for employers to hire individuals from certain groups with barriers to employment. By employing WOTC-certified new hires, employers can reduce the amount of federal taxes they pay. To qualify, employers must first apply for WOTC certifications on new hires that belong to the following targeted groups:

- Temporary Assistance to Needy Families (TANF) recipients;
- Food stamp recipients (ages 18 through 39);
- Qualified ex-felons;
- Vocational Rehabilitation referrals;
- Supplemental Security Income (SSI) recipients;
- Qualified veterans (recent food stamp recipients);
- Long-term family assistance recipients;
- Unemployed and disabled veterans; and
- Long-term unemployment insurance recipients.

The WOTC unit manages all employer certification requests from the central Workforce Operations Programs Unit in Salem. In addition, a program outreach coordinator approved during 2017-19 operates out of Redmond to raise awareness and promote WOTC in rural and other communities where the program has had less exposure.

Oregon employers request WOTC certifications for approximately 55,000 new hires annually. Through our partnerships, continuous improvement efforts, and goal setting, WOTC requests from Oregon employers are processed much more quickly than in the past. The WOTC program is now positioned to absorb an increase in future activity.

Claimant Reemployment

Claimant reemployment is a key strategy of the Employment Department. The goal is to get Oregonians, and especially unemployment insurance claimants, back to work as fast as possible. This strategy not only assists the individual, but also reduces the cost of the unemployment insurance system and the associated tax on employers. It is an extension of the agency's ongoing labor exchange activities with a focus on unemployment insurance claimants.

Claimant Reemployment Program Benefits

For employers:

- Qualified applicants fill available job openings; and
- Decreased charges against employer unemployment insurance tax accounts.

For unemployment insurance claimants:

- Improved job finding skills, access to and use of available resources; and
- Earlier return to work.

Unemployment insurance claimants who are not scheduled to return to a previous job are required to register with WorkSource Oregon. By registering with WorkSource Oregon, claimants receive an explanation of job search services and resources available to them, including workshops on interviewing and creating resumes, tutorials for enhancing computer skills, internet access to job openings, personalized labor market information, and skill assessments.

Reemployment Services and Eligibility Assessment Program (RESEA)

Launched as a pilot in 2009, the Reemployment Eligibility Assessment program, now called the Reemployment Services and Eligibility Assessment program (RESEA) is a vital component of claimant reemployment. Supported by federal funds, the RESEA program complements the division's other work with claimants. This program reviews continued eligibility for unemployment insurance benefits, detects and prevents overpayments, and assists the claimant in returning to work. Staff conduct a unemployment insurance eligibility review with the claimant, provide the claimant with labor market information, and develop a reemployment plan with the claimant. Workforce Operations staff share resources to address barriers to employment, match claimants to jobs, and make referrals to reemployment services and training opportunities.

RESEA expanded to all WorkSource Centers across the state in 2012. Beginning in 2014 claimants selected for the program were required to attend up to two subsequent (additional) RESEA interviews if they remained unemployed and continued to claim benefits. In 2016, the state began selecting claimants for the RESEA program identified by the state as most likely to exhaust their benefits, and all transitioning ex-service members. The shift to this new target population is part of the U.S. DOL's refocusing of the program to provide more intensive reemployment services to populations that may have more barriers to reemployment and are at greater risk of long-term unemployment (longer than six months). In 2017, the number of subsequent (additional) RESEA interviews claimants were required to attend if they remained unemployed and continued to claim benefits was decreased from two to one. Since RESEA was launched, program participants, as compared to a state defined control group, have had consistently shorter claims durations, fewer total benefits paid, a lower unemployment insurance benefit exhaustion rate, and fewer overpayments per claim.

Today the RESEA program serves on average over 1,000 claimants each week. In Calendar Year 2017, over 38,394 initial and 16,961 subsequent RESEA interviews were completed.

Trade Act

The Trade Adjustment Assistance (TAA) program is a federally funded entitlement program that helps workers who have lost, or are under threat of losing, their jobs due to international trade. The TAA program works to provide adversely affected workers options to obtain skills, credentials, resources, and support necessary to become employed in an occupation of similar or higher skill level and income (relative to their trade-affected occupation). Adversely affected workers are given the opportunity to access the following benefits and services, when necessary and as appropriate, to obtain suitable employment:

- Re-employment services
- Case management
- Re-training benefits (choice between classroom, on-the-job, or apprenticeship training)
- Additional income support in the form of Trade Readjustment Allowances (TRA)
- Job search and relocation allowances
- Wage subsidies for workers 50 and older
- Health Coverage Tax Credit (HCTC) option

The Trade Act of 1974 has been amended many times since its enactment. The program is currently administered under five different laws. The amount of benefits and level of support vary depending on which of the five laws the eligible workers are certified under.

Demand for services fluctuates based on labor market conditions. The federal funding strategy is to fund states based on prior year allocations of trade training funds, percentage of accrued expenditures, and participant levels. The Trade and Globalization Adjustment Act of 2009 added more benefits for eligible workers and eased eligibility requirements. The 2009 eligibility changes expanded participant eligibility to include workers in service sector firms, workers whose firm has shifted production to a foreign country, workers in public agencies, and workers whose firm produces component parts of a finished article produced by its customer(s). Changes in 2011 eliminated workers in public agencies from qualifying to receive services. Changes in the 2014 Reversion Law shifted the program to 2002 Amendment eligibility criteria while keeping specific 2011 Amendment sunset provisions. Changes in 2015 restored program benefits and services to 2011 Amendment levels and reauthorized the program for six years.

The number of participants increased greatly during the economic downturn, and has since returned to pre-recession levels. This is due to a healthier economy. Petition and participant activity has begun to increase under the 2015 Amendment due to broader eligibility factors. Trade Act program funds are paid directly to training providers and other vendors in the community in support of Trade Act clients. Depending on the funding year, an additional 10% in TAA funds supports agency administrative and information technology activities for this program.

Historically, the permanent program staff for Trade Act has been supplemented with a significant number of limited duration positions. Although helpful in meeting workload, limited duration positions are generally used to meet temporary needs. This program has a permanent need. Having long-term limited duration staff has led to higher turnover and uncertainty among staff. The loss of expertise and trained staff directly impacts productivity. Workforce Operations is proposing that these limited-duration positions are made permanent in 2019-2021 through Policy Package 103.

Veterans Programs

The Veterans' Program is comprised of three specialized positions: Disabled Veterans' Outreach Program Specialist (DVOP), Local Veterans' Employment Representative (LVER), and Consolidated Position staff. These specialized positions are funded by the Jobs for Veterans' State Grant (JVSG) through the U.S. Dept. of Labor—Veterans' Employment Training Service (USDOL-VETS).

Disabled Veterans' Outreach Program Specialist (DVOP)

DVOP staff are stationed at multiple WorkSource Oregon centers. They provide individualized intensive career services, through case management, to veterans with significant barriers to employment and develop Individual Employment Plans that set goals and action items to overcome significant barriers to employment (i.e. special employment and training needs). They conduct community outreach to locate veterans for intensive career services and market those services to clients in programs, such as the State Vocational Rehabilitation, and work with Workforce Innovation and Opportunity Act (WIOA) partners. DVOPs diligently work with any veteran that meets one of the following targeted veteran populations:

- VA Service-connected disabled veterans (to include pending)
- Homeless or at risk of becoming homeless
- Recently-separated service member who has been unemployed for 27 or more weeks in last 12 months
- Offender who is currently incarcerated or released from incarceration
- Lack of high school diploma or equivalent certificate
- Low income as defined by WIOA at Section 3 (36)
- Veterans ages 18 to 24
- Any veteran individual or family who is fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions in the individual's or family's current housing situation, including where the health and safety of children are jeopardized, and who have no other residence and lack the resources or support networks to obtain other permanent housing
- Combination of other factors that create a significant barrier to employment that cannot be resolved through Wagner-Peyser or WIOA services.

Additionally, the USDOL-VETS authorizes DVOPs to serve other eligible veterans, eligible spouses and eligible caregivers impacted by the significant barriers noted above.

Local Veterans' Employment Representatives

(LVER) market veterans as a workforce solution to businesses and employer groups. They provide guidance to staff and partners on veterans' services, and advocate for employment and training opportunities with business and industry, and community-based organizations. They plan business-veteran events throughout the state to promote hiring of veterans, assist businesses with veteran recruitment strategies, connecting apprenticeships programs to veterans. They work closely with WorkSource Oregon Regional Business Teams, Local Workforce Boards, Apprenticeship/Trades, Business Organizations (SHRM, HRCI, OEC, Chambers of Commerce), and other community partnerships. LVERs' advocacy efforts with hiring executives is to increase employment opportunities for veterans and encourage the hiring of disabled veterans.

Consolidated Positions (CP)

CP staff serve in a dual role as 50% DVOP and 50% LVER to carry out each function as described above. There are only two of these positions, one in La Grande and one in Bend.

Federal funding for the program has decreased over the last four years, requiring the agency to reduce DVOP positions from 29 to 15. Reduced outreach and intensive services levels have negatively impacted rural veterans, transitioning services members, veterans ages 18-24, low income veterans, and currently incarcerated and ex-offender veterans. The agency has submitted several interim grant funding requests to USDOL-VETS and received funds to maintain the current DVOP staffing levels at 20 positions. These additional Federal Interim Grant Funds come from other states with unused JVSG funds. Reliance on these funds does not provide the stability needed to enhance service quality and strengthen the program.

Workforce Operations continues to serve Oregon National Guard and Reserve troops returning from combat tours. These soldiers need intensive employment services due to stress issues and injuries. To meet the needs of our Oregon veterans, the Division has expanded partnerships and leveraged funds, working closely with the Oregon National Guard, the Oregon Department of Veteran Affairs (ODVA), U.S. Department of Veterans Affairs VocRehab, Community Colleges and Universities, Employer Support for the Guard and Reserve (ESGR), other partner agencies, government (Federal, State, Local), apprenticeships/trades, businesses and grass roots community efforts, to provide specialized employment workshops, business outreach, job development, and veteran employment and training focused events. The Workforce Operations Veterans' Program supports the military-to-civilian transferable skills training and job fairs.

The U.S. Department of Labor – Veterans Employment and Training Service (USDOL – VETS) and the Oregon Employment Department negotiate Program Year performance goals for DVOP, LVER, CP, and labor exchange/frontline staff that serve veterans. Some of these goals include Entered Employment Rate (EER), Average Earnings at 6 months, and Employment Retention Rate. As of second quarter FY 2016, the veterans program has exceeded all negotiated performance goals for DVOP and labor exchange services.

Supplemental Nutrition Assistance Program (SNAP) Training & Employment Plan (STEP)

Oregon's Department of Human Services (DHS) contracts with the Employment Department to deliver services to participants in Oregon's Supplemental Nutrition and Assistance Program (SNAP). The program goal is for SNAP recipients to obtain training and employment services that lead to job attainment and job retention.

The STEP program is voluntary, and available to people between the ages of 16 and 59, who are eligible to receive food benefits from the State of Oregon. Employment Department staff provide a unique set of services to SNAP participants when they visit WorkSource Oregon by assessing the participant's skills, interests, goals, and challenges so staff can provide the appropriate resources and tools to support the participant. The assessment results are captured in the form of an Opportunity Plan. The plan, created by the participant, defines the steps needed for them to achieve their stated employment goal. Agency staff support and document the participant's engagement in services that strengthen the job readiness of the participant by providing job skills assessments, work search preparation, job finding clubs, and job placement services.

The program is coordinated at the local level with community partners who are also under contract with DHS to provide support services to SNAP participants. These services are unique to each provider and are not provided by the Employment Department. Some providers offer work experience, on-the-job training, vocational training, and other education services including General Equivalency Diploma, Adult Basic Education and English as a Second Language.

Able-Bodied Adults without Dependents (ABAWD)

The ABAWD program is currently only available to able-bodied SNAP participants who live in Multnomah, Washington, Clackamas, Marion, Yamhill, Benton, and Lane counties who are between the ages of 18 and 49 and do not have dependents. An additional six counties are expected to be included in January 2019 and additional counties throughout the state may be added as the unemployment rate continues to drop. This is a mandatory program which includes required work activity that is monitored and approved by Employment Department staff. Failure to maintain required work activity may result in the loss of SNAP benefits.

Beginning in October of 2017, the Agency contracted with DHS to implement the ABAWD program in seven counties while supporting STEP services statewide. An additional 22 limited duration positions were approved by the legislature during the February 2018 session and authorizing the agency to provide the new ABAWD and STEP services. DHS has requested the agency add an additional six counties, which are to be implemented in January 2019. The 2019-21 budget includes a request to maintain these levels throughout the 2019-21 biennium.

Agency staff case manage ABAWD customers through one-on-one interviews, providing an assessment of the customer's employment goals, and developing a case plan to meet the employment objective. Support services are available to ABAWD customers. These support services provide additional resources including gas cards, transportation vouchers, clothing, books, school registration fees, uniforms, tools, union dues, pre-employment drug screens, and other employment-related costs. Funds are available to support the customer's training and education goals, which frequently involve attaining a General Equivalency Diploma (GED).

Employment Department staff support the participant in finding suitable employment. Once the participant obtains employment, agency staff provide 30-days of job retention support which helps the participant maintain their employment status.

Disability Services

WorkSource Oregon centers continue to provide people with disabilities with the same services as any other Oregonian. The division has met and exceeded the requirements under Section 188 of WIOA and 29 CFR 37.27, which require service providers under various non-discrimination laws and regulations to administer their programs in the most appropriate setting for the needs of individuals with disabilities, and provide meaningful access to their programs and services to these individuals.

The Preferred Worker Program

The Preferred Worker Program provides employers with incentives to encourage the reemployment of qualified Oregon workers who have permanent disabilities from on-the-job injuries and who are not able to return to their regular work because of those injuries. The Workers' Compensation Division of the Department of Consumer and Business Services administers this program. The Employment Department assists in finding employment for these workers by making job order referrals and marketing to employers.

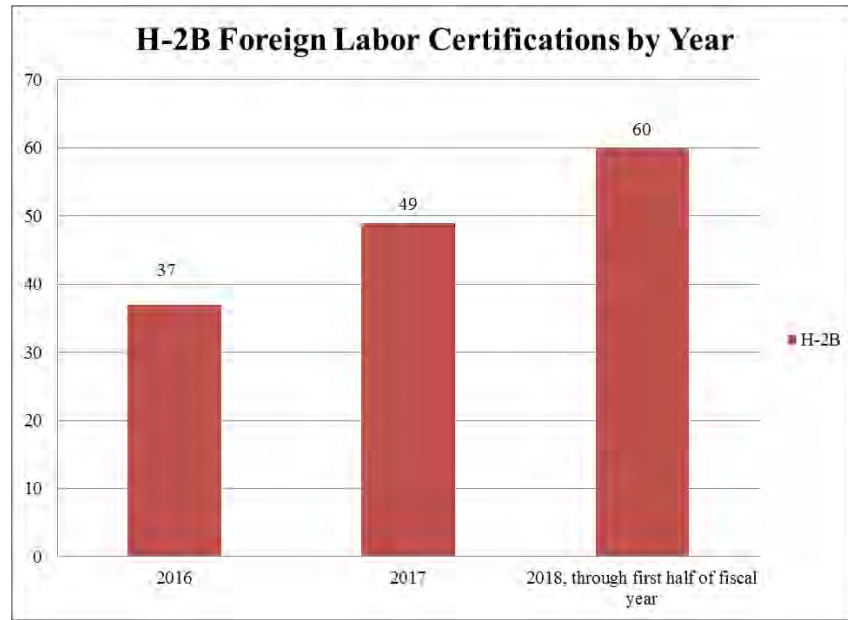
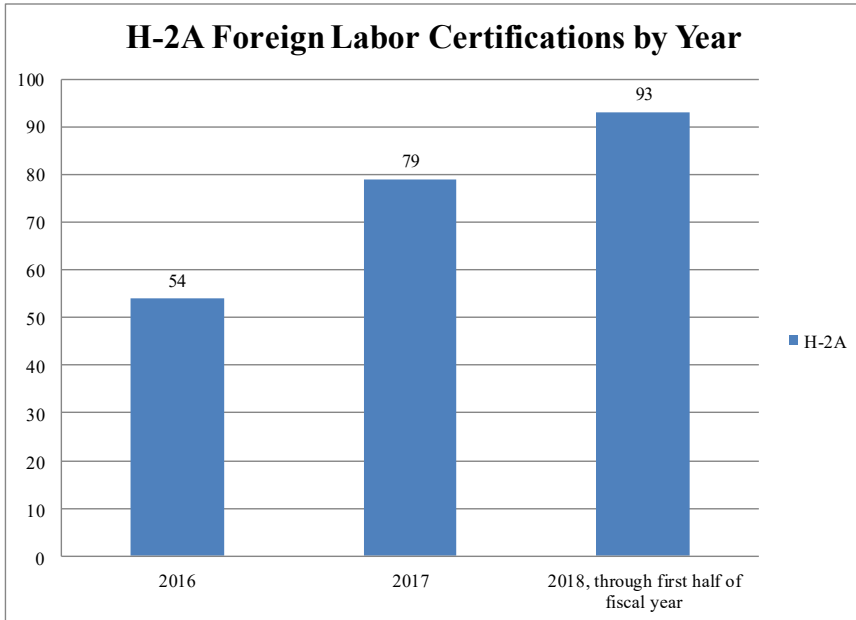
First Source Hiring Agreement

This program offers incentives to encourage business investments in urban and rural areas. Businesses receiving economic benefits agree to make good faith efforts to hire individuals who have received assistance from publicly-funded job training or labor exchange providers, such as the Employment Department. An agreement with the business is often a prerequisite to receiving benefits and a way for publicly-funded service providers to coordinate referral of candidates.

Foreign Labor Certification (FLC) Program

The Temporary Agriculture H-2A and Temporary Non-Agriculture H-2B worker programs are federal programs that assist Oregon employers who anticipate a shortage of U.S. workers for their seasonal, temporary, peak load, or one-time labor needs. The Employment Department is charged with administering these programs locally. As a liaison to the United States Department of Labor (U.S. DOL), agency responsibilities include ensuring that employers have exhausted every effort to fill their positions with U.S. workers, and that the wages, jobs, and working conditions of U.S. workers are not adversely affected by the use of foreign labor. Certification of temporary visa requests is approved or denied by the U.S. DOL.

Additional Foreign Labor Certification (FLC) Program obligations required of the Employment Department include H-2A field checks, tracking and monitoring H-2B recruitment activity, prevailing wage and practice surveys, interstate clearance activity, collection of labor supply information, housing inspections, staff training, processing complaints, program reports, and technical assistance to field staff and the public.



Federal funding for the FLC program has fluctuated for the past several years, despite workload increases. The number of Oregon employers using the programs have significantly increased in the last few years (see graph).

Under these regulations, the Employment Department is required to recruit for qualified, able, eligible, and available U.S. workers; hold annual informational forums with partner agencies to inform employers on the rules and regulations of using the H-2A and H-2B program; assure that employers know the rules and conditions of H-2A employment; assure that U.S. workers are not rejected for other than lawful job related reasons; and follow-up with any complaints filed in relation to the FLC programs. The Employment Department continues to track these recruitments to help guarantee that U.S. workers are given the opportunity to compete for Oregon jobs.

The FLC Program also has oversight of the temporary Agriculture Recruitment System, also known as the Agriculture Clearance System that allows for intra and interstate recruitment of temporary U.S. agriculture workers when there is no intent to hire foreign labor. The FLC workload is dependent on economic factors, federal legislative activity such as “guest worker legislation,” and the particular needs of individual employers.

Migrant and Seasonal Farmworkers Program

The Migrant and Seasonal Farmworkers (MSFW) program was implemented to ensure that the employment and training services provided to MSFWs are equivalent and proportionate to the employment and training services offered to other job seekers. MSFWs receive all workforce development services (career guidance, testing, job development, training, and job referrals), benefits and protections on an equitable and non-discriminatory basis by maintaining a vigorous outreach campaign during the peak season of harvest. The program is funded entirely through the federal Wagner-Peyser grant. The U.S. DOL has designated Oregon as one of the top five states with the highest estimated levels of MSFWs. As such, U.S. DOL requires that the Employment Department provide full-time, year-round MSFW outreach staff at the seven designated significant MSFW centers.

The goal of the MSFW program is to aid these individuals in obtaining meaningful, living wage jobs. Farmworkers are informed of the agency’s free workforce services using outreach to living, working, and gathering sites of farmworkers. Outreach activities are conducted in Spanish and English. Presentations to organizations, particularly those serving MSFWs, are part of outreach, as well as use of Spanish and English language media. Job finding services are promoted along with referrals to education and training providers, and the use of job listing websites in both Spanish and English. At WorkSource Oregon centers, bilingual staff are available to work directly with customers. The MSFW program is instrumental in supporting the needs of agricultural employers by connecting them with willing and able domestic workers. The U.S. DOL Monitor Advocate System ensures that all legal protections are afforded to farmworkers and addresses workforce challenges by agricultural employers through the federal Wagner-Peyser grant.

Self-Employment Assistance Program

The Self-Employment Assistance (SEA) program is a reemployment option for claimants identified as likely to exhaust their benefits. A worker profiling model is used to identify claimants that are likely to exhaust unemployment insurance benefits. After applicants meet the worker profile score threshold for the SEA program, they must present their business ideas by completing a feasibility study and a written business plan. If a claimant’s business idea is approved by Unemployment Insurance Special Programs unit, the claimant is permitted to work full time establishing their business instead of looking for work during their regular claim period. SEA is promoted and supported by both the Workforce Operations and Unemployment Insurance divisions. The Unemployment Insurance Special Programs unit approves the claimant’s business plan and monitors their weekly progress in starting their business. In a 2017 survey of prior SEA participants, 380 respondents reported that they had successfully launched their business. In 2017, 820 individuals were employed by businesses that started under SEA program.

For the year ending December 31, 2017, 1,527 claimants were actively participating in and receiving benefits from the SEA program.

Federal Bonding Program

The Federal Bonding Program provides fidelity bonds to job seekers that are otherwise “not bondable,” primarily formerly incarcerated ex-offenders. This program is a partnership between the U.S. DOL and the McLaughlin Company, an insurance brokerage firm acting as an agent for the Travelers Insurance Company.

The purpose of the program is to increase the employment opportunities for at-risk, hard-to-place job seekers in Oregon and help reduce recidivism of Oregon ex-offenders. The types of at-risk job seekers that can be covered include those that have been arrested, convicted, or imprisoned; a history of alcohol or drug abuse; poor credit; no employment history; or a dishonorable discharge from the military. These fidelity bonds cover theft, forgery, larceny, or embezzlement. They do not cover poor workmanship, injuries, or accidents.

Oregon receives five free bonds and purchases 25 bonds each biennium. The bonds provide \$5,000 coverage for a six-month period and cost approximately \$100 per bond.

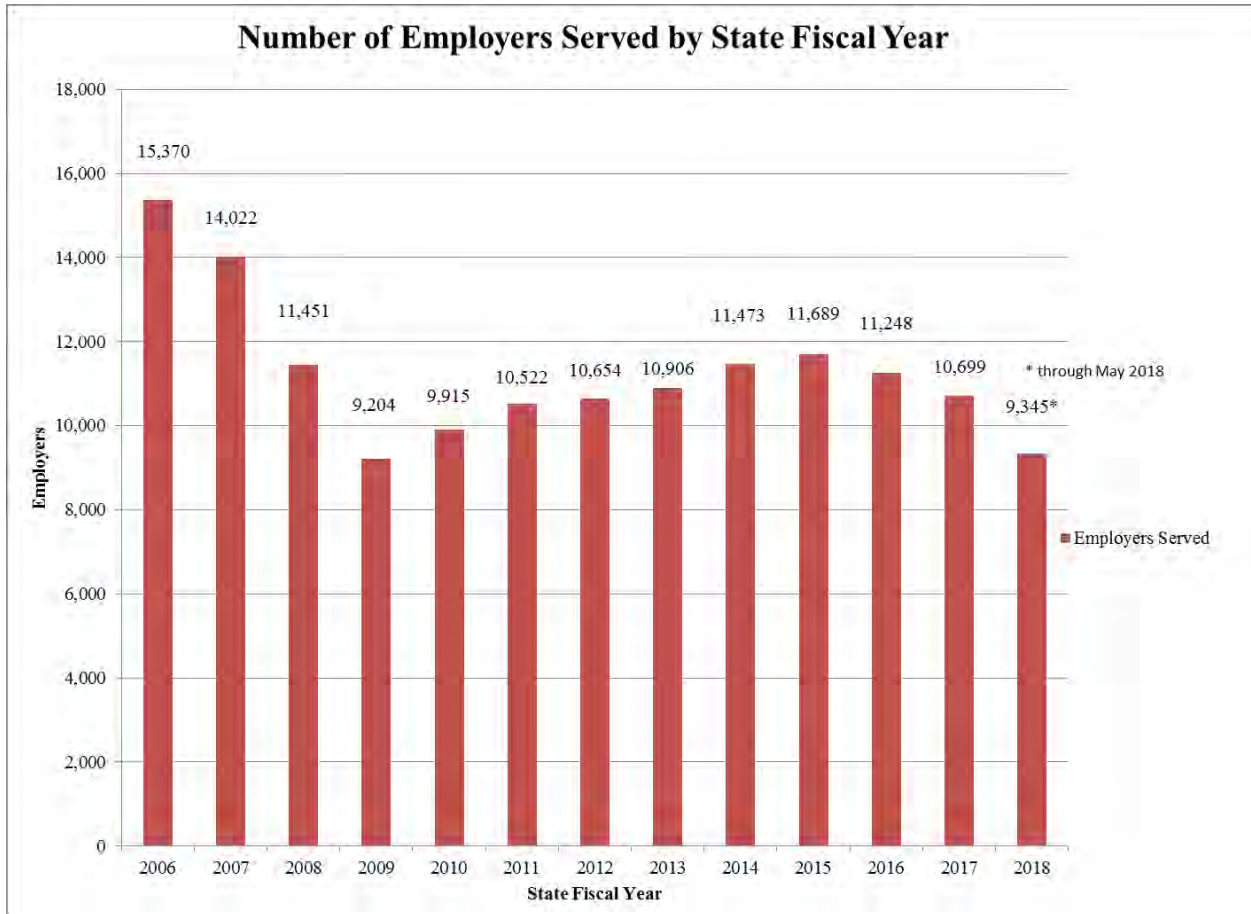
Program Justification and Link to Strategic Focus Areas

Workforce Operations programs help facilitate the Governor's strategic focus on *A Thriving Statewide Economy*, and overarching goal of excellence in state government.

The division encourages economic growth by helping businesses find qualified candidates for their job openings. Workforce Operations serves all businesses, with added focus on those with less than 50 employees and those that have been identified by the local workforce development boards as a targeted sector. Small businesses play a larger role in rural communities where a higher percentage of the workforce is employed by small businesses. In this setting, customizable business services provided by Workforce Operations help sustain and grow small businesses. This is done by pre-screening candidates and linking those who are qualified with employers. Employers can pick from the best-qualified candidates and do not have to spend time or money to advertise or review candidates' resumes. This helps businesses improve their bottom-line by lowering recruitment and retention costs. The division further offsets the costs of hiring new employees by certifying federal Work Opportunity Tax Credits and offering training reimbursements when workers from specific populations are hired.

In addition to the recruitment and retention savings the Workforce Operations Division generates for Oregon businesses, the division provides employers with many no-cost services that assist them in starting and growing their workforce. These include interview space, advertising for recruitments, pre-screening, and a network of business representatives who can customize services for the needs of individual businesses. In partnership with the Unemployment Insurance Division, Workforce Operations staff also provide unemployment insurance claimants the opportunity to create new businesses through the Self-Employment Assistance (SEA) program.

Workforce Operations Division staff perform effective job readiness assessments for job seekers as they enter the workforce system. Those that are determined "job ready" are connected to job opportunities in their local communities. Job seekers determined not to be "job ready" can be matched with skill building tools and workshops and receive access to information on training programs through workforce partners. Workforce Operations is able to anticipate new employment opportunities and identify training needs to meet industry demands via key partnerships with the Oregon Workforce and Talent Development Board, the Office of Workforce Investments, and local workforce development boards.



Program Performance

Customers Served

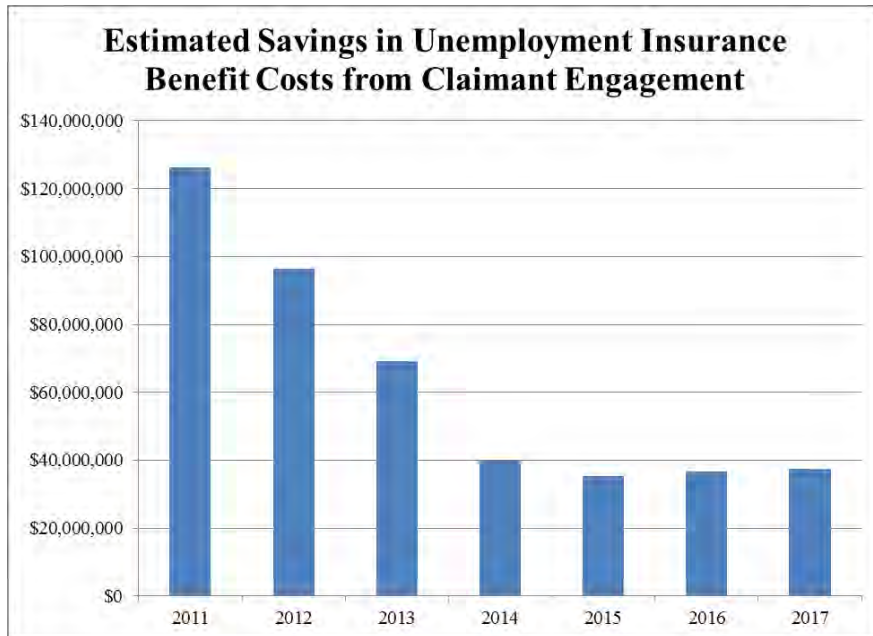
The program currently serves over 11,000 employers and nearly 300,000 job seekers. The Great Recession resulted in the loss of 147,000 Oregon jobs by February 2010 and unemployment rates that reached 11.9 percent. As a result, the demand for employment services from job seekers increased substantially. Now that the economic recovery is in place, the demand has returned to pre-recession levels.

Timeliness

Business and job seeker surveys collect and report customer feedback. Responses ranking timeliness and customer service as good or excellent are consistently around or above 80%.

Cost Savings

During the Great Recession, Workforce Operations implemented a policy to require unemployment insurance claimants to go to a WorkSource Oregon center. During this visit, the claimants learn what services are available, job information, training options and similar employment-related information. Some claimants also have their eligibility for unemployment insurance reviewed. Studies and analysis have shown these processes reduce the time spent on unemployment insurance benefits, reducing the cost (which is funded by a payroll tax on employers) for the program. Total savings have been reduced as the number of claimants has dropped during the economic recovery. The savings, however, are still substantial. The “Estimated Savings in Unemployment Insurance Benefits Costs from Claimant Engagement” graph demonstrates the estimated savings.



Enabling Legislation/Program Authorization

Workforce Operations program authorization comes through a variety of federal and state statutes and regulations. Federal law mandates each program. Below is a list of federally funded programs in Oregon administered by the Workforce Operations Division:

Labor Exchange (Wagner-Peyser Act and Workforce Innovation and Opportunity Act of 2014)

Provides employment services to all job seekers and links the job seekers to employers with jobs.

Migrant Seasonal Farm Worker (Title 29 USC, Chapter 4B and 20 CFR Parts 653 and 658)

Provides employment services to migrant and seasonal farm workers and links these individuals to employers with jobs; informs these workers on their legal rights and protections.

Veterans' Employment (Title 38 USC, Part III, Chapters 41 and 42)

Provides employment services to job seekers who served in the United States military and links these veterans to employers with jobs.

Trade Act Title (19 USC, Chapter 12, Subchapter II, Part 2)

Provides job training to eligible persons who have lost their previous job due to foreign trade; provides career and case management services to link these trade-affected workers to employers with jobs.

Foreign Labor Certification (Title 8 USC, Chapter 12)

Administers the program in Oregon to certify foreign labor applications due to a shortage of American workers.

Work Opportunity Tax Credit (Title 26 USC, Sub. A, Chapter 1 (A)(IV)(f))

Administers a federal tax credit program in Oregon that certifies federal tax credits for employers who hire certain targeted workers.

Funding Streams

Other Funds (68%) and Federal Funds (32%) are used to support Workforce Operations in 2019-21. The primary source of Other Funds is a diversion of employer unemployment insurance taxes, the Supplemental Employment Department Administrative Fund. The use of these funds is dedicated per ORS 657.783. All monies in the fund are for the payment of expenses of administration of the Employment Department for which federal funding has been reduced, eliminated, or otherwise is not available. These funds decreased during the recession but have now rebounded as the economy has improved.

The Employment Department receives Other Funds related to contracts with Department of Human Services (DHS) to provide cost effective access to employment services for programs they administer. Existing contracts include the Job Opportunity Basic Skills (JOBS) program, Supplemental Nutrition Assistance Program (SNAP) Training & Employment Plan (STEP), and the Able-Bodied Adults Without Dependents (ABAWD) program. The Supplemental Nutrition Assistance Program (SNAP) Training & Employment Plan (STEP) reimburses states for employment and training activities provided to SNAP eligible customers. Services include skills assessment, job search assistance, employer outreach, case management, and referral to training and other resources. With federal approval, allowable costs may be reimbursed 50% when state funds are used to pay for these activities. Originating in late 2015-17, funds are anticipated to continue for the 2019-21 biennium. During 2017-19, DHS began the ABAWD program requirements in seven counties. Further expansion is expected to an additional six counties in January 2019. The agency provides tailored employment services to ABAWD clients for full reimbursement by DHS.

Federal Funds are primarily from the U.S. Department of Labor (U.S. DOL) and do not carry any match requirements. Veterans' Employment, Trade Act, Unemployment Insurance Reemployment Services and Eligibility Assessment program, Foreign Labor Certification and the Work Opportunity Tax Credit programs receive dedicated funds. Wagner-Peyser funds are a significant federal grant source dedicated for the provision of employment services and labor market information, as cited in Title III of the Workforce Innovation and Opportunity Act of 2014. These funds have remained relatively flat over several biennia. The program has secured a variety of competitive U.S. DOL grants over the years for specific projects focused on reemployment.

Significant Proposed Program Changes from 2017-19

The services and resources provided by Workforce Operations are the foundation for Oregon's workforce system. Workforce Operations helps workforce partners leverage their resources and participates in joint efforts to further increase efficiencies across the workforce system. During the 2019-21 biennium, the Employment Department will continue to collaborate with workforce partners to further efforts for a more aligned and effective workforce system, as envisioned by the federal Workforce Innovation and Opportunity Act (WIOA).

The division works continuously to strengthen the agency's alignment with several of Oregon's workforce related agencies. The division works closely with Department of Human Services programs—the Self-Sufficiency program to serve those participating on public assistance and the Vocational Rehabilitation program—to assist Oregonians with disabilities to obtain work. The division also works with the Office of Workforce Investments (an interagency partnership between the Higher Education Coordinating Commission and Employment Department) to offer Oregonians enhanced workforce and education services. Equally important, the division supports Oregon's nine local workforce development boards to coordinate the delivery of workforce and education resources to meet local needs. Specifically in 2019-21, Workforce Operations will further coordinate and align services with the Department of Human Services to provide better employment outcomes for common customers.

During the 2019-21 biennium, the Workforce Operations Division will continue to expand and phase in a significant change to the delivery of business services that began during the 2017-19 biennium. The new model focuses on a consultative approach to serving the business community so that services are tailored to business needs. Through better relationships with business customers, division staff are able to identify better job candidates, and reduce the number of candidates referred to a business for consideration. Employers that choose this service report that the service saves them money on employee recruitment, retention, and training. Cost savings is estimated at \$6,000 per employee hired. Large and small employers alike are requesting this customized approach, with the majority being small businesses with less than 50 employees. Utilization of this service has resulted in higher levels of satisfaction with the division's business services.

The division is working with local workforce development boards to connect targeted populations with growing industries. Both the targeted populations and the industries are identified locally. The strategy depends on the customizable business service model to open the door to more employment opportunities. Such opportunities can then be filled with locally identified populations of workers and when necessary, supported by WorkSource Oregon staff and training resources.

Workforce Operations continues to explore options to streamline processes and develop services that increase the return on the public investment. For example, the customized business services noted above carry a lower cost per placement for the division than traditional business services, while generating more value for the business customer. The division will be integrating the Work Opportunity Tax Credit (WOTC) program with other services in order to maximize the federal tax credits secured by Oregon businesses, and increase the hiring of job seekers with barriers to employment. Currently, the program issues \$60 million a year in federal tax credits to Oregon businesses that hire employees from specific worker populations. Workforce Operations intends to significantly increase the level of federal tax credits issued by informing employers about the program, pre-certifying job seekers, and continuing to automate WOTC processes, where cost effective and feasible.

WORKFORCE OPERATIONS DIVISION

Businesses and job seekers are the Workforce Operations division's primary customers. The Employment Department administers a statewide network of 39 WorkSource Oregon centers to provide job listing and referral services for employers and a referral and placement service for job seekers. Services are delivered in partnership with Workforce Innovation and Opportunity Act (WIOA) agencies through the WorkSource Oregon brand.

Oregon has nine local workforce development boards that help coordinate local WIOA service delivery. Workforce Operations dedicates an Area Manager to each local workforce area to help lead change in each area. State and local leaders utilize operational standards for WorkSource Oregon centers to guide service delivery under the WorkSource Oregon brand. Change is constant, as innovation and continuous improvement are now an integral part of the service model, and necessary for the Employment Department to respond to an ever-changing economic environment.

Recruitment and Job Search

In conjunction with workforce partners, Workforce Operations staff provide full-service employment assistance. The division remains a required part of the American Job Center network, funded by the Employment and Training Administration of the U.S. DOL. As part of the nationwide employment system, states are required to provide labor exchange service to employers and job seekers through self-service, facilitated self-help, and staff-assisted service.

The labor exchange works to match job seekers to employers' workforce needs. Many of the division's services and programs support or are part of the labor exchange. From July 2016 to June 2017, the labor exchange had about 225,000 job listings for over 280,000 job openings and served nearly 300,000 job seekers. Surveys of both business customers and job seekers give Workforce Operations staff high marks in customer satisfaction.

Workforce Operations made significant improvements to the tool used to match jobseekers and employers. The registration process and job listing process were streamlined to make the services easier and less time consuming for jobseekers and employers to use. Staff functionality was also improved to focus on value-added functions, such as customized business services and job seeker engagement.

In prior biennia, the division piloted the delivery of customized business services to hiring employers. During 2017-19, Workforce Operations adopted the customized business services model and began a phased rollout. The goal is to have the new model in place across the state during the 2019-21 biennium. Principles of the model are simple. Staff meet with employers to learn of their hiring needs and then customize services based on what they heard. As a result, the quality of applicants sent to businesses improved and employer investment of time during the recruitment process decreased. Reports from employers show that the service is saving them money on hiring and in turnover costs. Workforce Operations continues to improve this model, investing training resources and management effort to expand customized business services to all businesses across Oregon, with added focus on businesses with less than 50 employees and targeted sectors of the local economy.

Job seekers can set up an online account, manage their own registration, contact employers directly and build a resume. Job seekers can also access job listings through the Employment Department website. This option makes the agency's information available to many Oregonians who do not come into a center. Most unemployment insurance claimants are required to register in the state's labor exchange system.

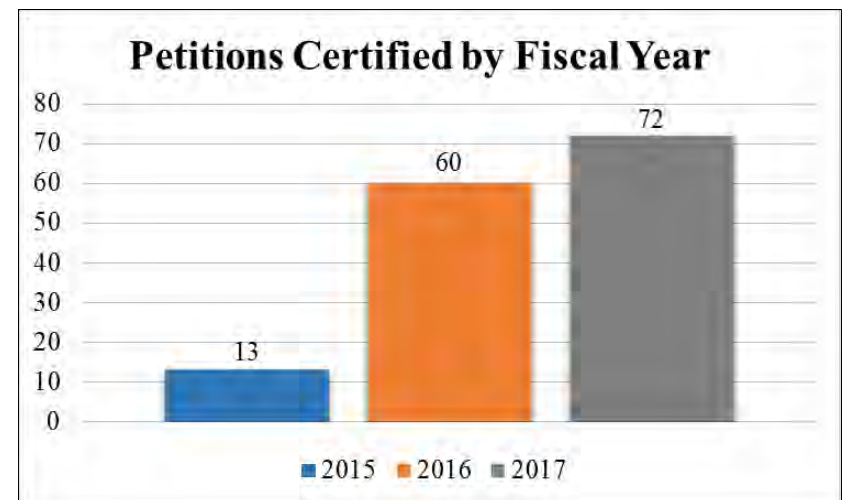
Job seeker services include job search guidance, skills assessment, resume writing assistance, and job search workshops. Workforce Operations also provides labor market information, career and occupational information, and job search tips. Customers can access an array of job search tools and occupational training services at any WorkSource location. Workforce Operations central office staff support WorkSource Oregon centers by managing the labor exchange program and other workforce programs on a statewide basis. Some key activities include program and staff training, technical support, new program development and implementation, research and analysis, policy and procedure development, and program evaluation.

The Employment Department tracks several labor exchange performance measures. These measures monitor the outcomes for job seekers receiving services from the Division. They include how many job seekers entered employment, how many retained employment, and changes to average income. Employer satisfaction will remain a measured outcome.

Recent Accomplishments

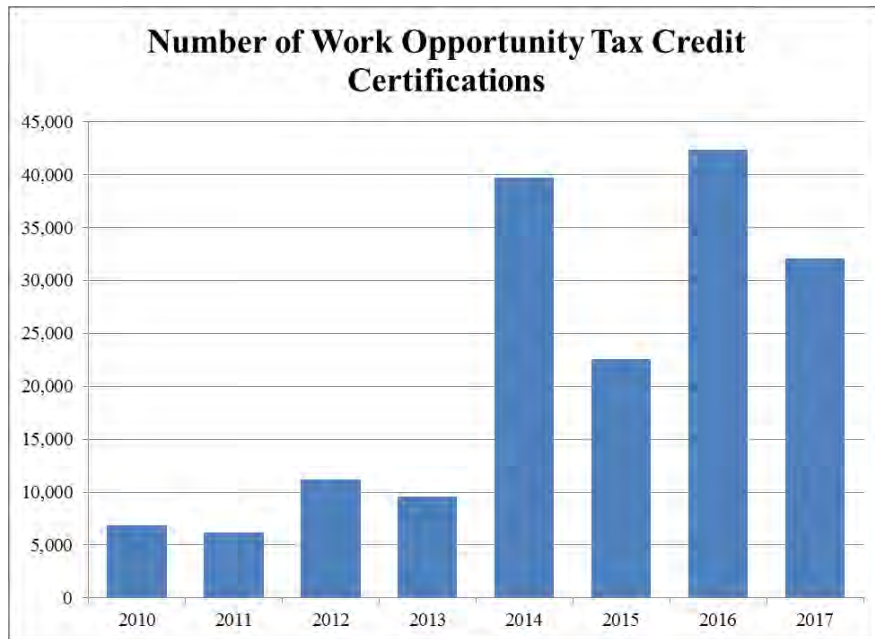
Relationships with employers are growing stronger and employers are more satisfied with referrals due to the customer-centric shift in service delivery. WorkSource Oregon operational standards have been implemented across the state and have been a significant driver to change the culture to be more customer-centric. The division's partnership with WorkSource Portland Metro and WorkSource Clackamas on the customized business services pilot was successful. Customized business services are now available from a Regional Business Services team serving Multnomah, Washington, and Clackamas counties. The Northwest Coast and Central Oregon areas are currently exploring how to best integrate the new customized business services model.

The agency has two Trade Act functions that are unique to Oregon – the Trade Act Navigator (TAN) and the Petition Coordinator. The functions are designed to align and integrate Trade Adjustment Assistance (TAA) services into Oregon's nine local workforce areas. The role of the TAN is to be an integrated member of their local Rapid Response team(s), perform outreach to businesses as a part of job development, increase literacy of the TAA program through dynamic partnerships across the workforce system, and to increase entered employment opportunities through connectivity to local business teams. There are nine Trade Act Navigators, one in each local area. Navigators collect layoff information from Rapid Response activities and share the information with the Petition Coordinator. The Petition Coordinator investigates all layoffs to determine if there is a trade connection. Employers increasingly are unaware of the trade impact to their business and, as a result, the TAA Petition Coordinator has been able to identify more TAA eligible worker groups, file more petitions on behalf of affected workers, and increase services and benefits to impacted workers. The impact of Petition Coordinator activities is captured in the chart.



Although it may be too early to draw direct links between changes in the Trade Act program and outcomes, relative to 2014, Trade Act participants are now more likely to receive necessary benefits and leave the program with a job, to keep the job, and to earn a higher wage.

As part of its commitment to populations with barriers to employment, Workforce Operations made significant improvements to the federal Work Opportunity Tax Credit (WOTC) program, which it administers. The program provides federal tax credits to employers who hire specific targeted populations. In 2013-15, Workforce Operations, in partnership with the Department of Human Services, automated a significant portion of the WOTC certification process. As a result, over \$250 million in federal tax credits for Oregon businesses were certified. Carried through to the quarter ending March 31, 2018, that number has increased to over \$425 million. Based on the current level of WOTC applications, \$60 million in annual tax credits is projected to be ongoing, a major increase from the previous levels. The below graph shows a significant increase to tax credits certified from the pre-automation period.



Strategic Initiatives 2019-21

Workforce Operations continues to focus on a more streamlined and efficient workforce system, better business services, increased job placements, reduced unemployment, and job seeker readiness. The division will continue to use data analysis to drive program decisions, and will apply lessons learned to ensure continuous improvement. Workforce Operations is designing new performance measures and metrics to drive activities and service expectations. The goal is to apply resources to gain the greatest benefit and impact at the local level, while ensuring compliance with state and federal performance goals.

Workforce Operations has aligned objectives of the Workforce Innovation and Opportunity Act with Oregon’s strategic priorities. Funds administered by the division focus on three key areas:

- 1) Reducing the cost of unemployment insurance
- 2) Strengthening Oregon’s economy through effective service to business by:

- Customizing services to meet employer needs
 - Supporting sector strategies
 - Emphasizing service to Oregon's businesses that have less than 50 employees
 - Providing federal tax credits to employers to lower hiring costs
 - Offsetting employee training expense through On-the-Job Training
- 3) Providing employment services to targeted populations

Workforce Operations' goals and objectives for the labor exchange service support local decision-making and flexibility without compromising responsibilities and commitment to state and federal partners. Staff and resources are provided across the state, and clear performance expectations are established. However, local-level partnerships determine specifically how those services will be delivered to meet local demand. Specific Workforce Operations 2019-21 objectives, outcomes, and initiatives are highlighted below.

Strengthen Business Services

Workforce Operations will continue to improve service to the business community through:

- *Customizable Business Services, Expanded Statewide*
Small businesses will gain greater access to enhanced labor exchange services as business services staff reach out across local communities. Workforce Operations recognizes that support of small businesses has a greater impact in rural communities where a higher percentage of the local workforce is employed in businesses with less than 50 employees.
- *Increased Access to Employment Incentives and Planning Support*
Division staff will increase planning support to local businesses, and increase business access to employment incentives such as federal tax credits, and wage reimbursement for on-the-job training.
- *Local Business Services Suite*
Business services become a part of a suite of offerings available from local partnerships made up of economic development, education, and workforce system staff. These partnerships will leverage options for businesses to access, while coordinating the number of staff contacting an employer.
- *Expanded Partnerships with Regional Solutions Centers*
These partnerships will help staff connect businesses with local solutions, as well as guide service delivery development.
- *A Supportive Ecosystem for Registered Apprenticeship in Oregon*
A number of Oregon industries and employers rely upon registered apprenticeship programs to train and provide workers. These programs are a reliable source of trained workers businesses need to succeed – which in turn supports good local jobs. WorkSource Oregon staff are trained to identify apprentice-able occupations and to work with employers to develop apprenticeship opportunities. During the 2017-19 biennia, Oregon added seven new apprenticeship programs: five in the Advanced Manufacturing Industry, one in Healthcare, and one in Information Technology. Five new pre-apprenticeship programs were created as well. To meet the demand for trained workers, WorkSource Oregon staff and partners will work with job seekers interested in apprenticeship to assess skill levels, identify barriers to employee success and build

individualized plans to address issues identified. Staff efforts will focus on recruiting and retaining populations traditionally underrepresented in apprenticeship, including, women, people of color, people with disabilities and those living in poverty.

- *Greater Coordination across Trade Act, RESEA, and Business Services*

Increased coordination provides opportunities to better serve and connect employers to trade affected workers and Unemployment Insurance claimants. The effort will explore how program-specific resources can be combined with other resources to improve coordination and outcomes across multiple programs. The goal is to effectively connect trade affected workers, particularly training completers, and connecting unemployment insurance claimants with job opportunities posted through business services.

Employment of Targeted Populations and Federal Tax Credits

Targeted populations will receive services to help them obtain and retain a job and as a result:

- Performance standards for veterans, public assistance contracts, and migrant and seasonal farmworkers will be met;
- The number of workers hired through a program that earns the employer federal tax credit will increase; and
- On-the-job training options will be further imbedded as an enhanced business services tool, increasing opportunity for targeted populations.

Focus on Unemployment Insurance Claimants

Unemployment insurance claimants will continue to receive targeted services:

- Workforce Operations will engage with most unemployment insurance claimants to support their reemployment as quickly as possible through claimant reemployment. The sooner a claimant is placed in a job and stops claiming unemployment insurance benefits, the higher the savings to the Unemployment Insurance Trust Fund.
- The division will perform reemployment eligibility assessments as the unemployment insurance claimant's work search is reviewed and provide employment services where applicable.

Integrated Services for Supplemental Nutrition and Assistance Program (SNAP) Recipients

The Employment Department and the Department of Human Services (DHS) have re-structured service delivery to better assist participants in Oregon's Supplemental Nutrition and Assistance Program (SNAP). The new service model provides more services to SNAP recipients, greater coordination between the two agencies, increases leverage of federal and state resources, reduces the required financial support from one-stop partners, and helps Oregon meet federal objectives for SNAP. More services and resources are now available to meet the needs of local communities, and local employers have access to a larger pool of job seekers through their local one-stops. A subset of the SNAP population includes those identified as Able-Bodied Adults Without Dependents (ABAWD). These SNAP recipients are between the ages of 18 and 49, with no dependents as part of their SNAP case, and considered capable of working. Unless exempted by federal waiver or DHS staff, SNAP recipients considered ABAWD are required to participate in 80 hours of work-related activities per month. As of January 2019, a federal waiver covers all but 13 Oregon counties. The DHS has contracted with the Employment Department to provide tailored employment services and case management to designed help ABAWD clients complete work-related activities that lead to getting a job.

Key Issues

The 2019-21 budget builds on previous system improvement initiatives with additional focus on efficiency and effectiveness. The budget assumes a slowly improving economy and flat level of federal funding.

The division will continue to better coordinate and integrate program and service decisions between partners. For instance, Workforce Operations will continue to build relationships, coordinate efforts and align services with the Department of Human Services to provide better employment outcomes for Self-Sufficiency and Vocational Rehabilitation clients.

With flat federal funding, increasing demands on state funds, and depletion of several one-time funds sources, long-term funding for the agency continues to be an issue in 2019-21. In addition to focusing on efficiency and reducing duplication among workforce partners, the division will continue to maximize alternative funding sources. For example, use of federal funds available through the Reemployment Services and Eligibility Assessment (RESEA) program and the Supplemental Nutrition Assistance Program (SNAP) Training & Employment Plan (STEP) program allow the agency to expand service delivery to participants in these programs.

As a direct service provider, a key issue is always how to provide better service to Oregonians. Recently, the division has been transitioning from a philosophy of providing a broad level of service to a large volume of customers to a more focused approach to serve those most in need. In practice, Workforce Operations staff spend more time with the customers who both want and need our assistance (and where we believe our positive impact on Oregon could be greatest). This gradual philosophical shift applies to our work with both employers and job seekers.

The division is continuing to focus its efforts in collaboration with local workforce development boards to connect targeted populations with industries that are growing. Both the targeted populations and the industries are identified locally. Opportunities, both jobs and job training, as well as apprenticeships and other on-the-job options, can then be filled with locally identified populations of workers and when necessary, supported by WorkSource Oregon staff and training resources.

Proposed Legislation

The Workforce Operations Division has no proposed legislation.

WORKFORCE OPERATIONS ESSENTIAL PACKAGES

010 Non-PICS Personal Service /Vacancy Factor

There are three adjustments in this package including an adjustment to the estimated vacancy factor, an estimate of the 2019-21 Pension Obligation Bond, and removal of mass transit taxes from Federal Funds. The agency did not request an adjustment to the vacancy factor calculation for 2019-21. The net adjustment for this package is an increase of \$1,331,914. This is a combination of an increase of \$1,010,897 Other Funds and an increase of \$321,017 Federal Funds.

021 Phase-In

There are no phase-in costs in Workforce Operations for the 2019-21 biennium.

022 Phase-Out Programs & One-time Costs

This package phases out \$3,264,000 in services and supplies expenditure limitation related to the limited duration positions listed below; \$3,000,000 Other Funds and \$264,000 Federal Funds.

- 11 positions (11.00 FTE) from 2017-19 Package 102 for Trade Act Adjustment Assistance.
- 5 positions (5.00 FTE) from 2017-19 Package 104 for Contracted Employment Services.
- 22 positions (19.25 FTE) approved in the 2018 Legislative session for Workforce Operations contract with DHS for individualized services to Able Bodied Workers without Dependents (ABAWD) program.

This package also phases out \$2,209,000 of special payments limitation related to the ABAWD program that was approved in the 2018 Legislative Session.

031 Inflation & Price List Adjustments

This package includes both the standard inflation as prescribed by the Department of Administrative Services in the budget instructions, and adjustments to State Government Service Charges. A general inflation factor of 3.8% was applied to most services and supplies, including rent expenses. Professional Services were inflated 4.2% and Attorney General estimates were inflated by 20.14%. State Government Service Charges were adjusted to match the Price List items including assessments and charges for Department of Administrative Services, Secretary of State, Central Government Service Charges and others. The cost of goods and services increased the budget by \$2,486,227. This is a combination of an increase of \$1,161,419 Other Funds and \$1,324,808 Federal Funds.

050 Fund Shift

The budget for Workforce Operations reflects increased use of Other Funds resources. This package shifts \$5,150,221 Federal Funds to Other Funds limitation.

060 Technical Adjustment

There are five technical adjustments to the Workforce Operations Summary Cross Reference (SCR) in package 060. The net impact of this package is an increase of 30 positions (30.00 FTE) and \$6,122,564. This includes a decrease of \$204,127 Other Funds and an increase of \$6,326,691 Federal Funds.

Twenty-nine positions (29.00 FTE) that perform Reemployment Services and Eligibility Assessments (RESEA) Program activities are moved from the Unemployment Insurance SCR (010-10-10-00000) to the Workforce Operations SCR. The majority of the work performed by these positions is accountable to and directed by Workforce Operations management. The position detail for this move is shown below.

Position Number	Position Classification
1311123	Business & Employment Specialist 2
1311124	Business & Employment Specialist 2
1311103	Business & Employment Specialist 2
1311104	Business & Employment Specialist 2
1311105	Business & Employment Specialist 2
1311106	Business & Employment Specialist 2
1311108	Business & Employment Specialist 2
1311109	Business & Employment Specialist 2
1311110	Business & Employment Specialist 2
1311107	Business & Employment Specialist 2
1311111	Business & Employment Specialist 2
1311112	Business & Employment Specialist 2
1311113	Business & Employment Specialist 2
1311114	Business & Employment Specialist 2
1311115	Business & Employment Specialist 2
1311118	Business & Employment Specialist 2
1311101	Business & Employment Specialist 2
1311117	Business & Employment Specialist 2

1311119	Business & Employment Specialist 2
1311121	Business & Employment Specialist 2
1311102	Business & Employment Specialist 2
1311122	Business & Employment Specialist 2
1311120	Business & Employment Specialist 2
1311126	Business & Employment Specialist 2
1311127	Business & Employment Specialist 2
1311128	Business & Employment Specialist 2
1311125	Business & Employment Specialist 2
1311129	Business & Employment Specialist 2
1311116	Business & Employment Specialist 2

One position (1.00 FTE, position number 0001266, Principal Executive/Manager B) is moved from the Unemployment Insurance SCR (010-10-10-00000) to the Workforce Operations SCR because the work and reporting structure associated with this position aligns with Workforce Operations.

One position (1.00 FTE, position number 0000794, Economist 1) moved from the Workforce and Economic Research SCR (010-50-10-0000) to Workforce Operations align with the division in which this position is managed.

One position (1.00 FTE, position number 0001198, Economist 2) moved from Workforce Operations to the Workforce and Economic Research SCR (010-50-10-0000) to align with the division in which this position is managed.

Two positions (2.00 FTE) were handled incorrectly during the 2017-19 budget as part of the process of developing the Shared Services Summary Cross Reference (SCR) (010-05-10-00000). One is moved from the Shared Services SCR to Workforce Operations (1.00 FTE, position number 0002667, Principal/Executive Manager E). One position was not moved to the Shared Services SCR in 2017-19 from Workforce Operations and should have been (1.00 FTE, position number 0000644, Operations & Policy Analyst 4).

092 Statewide Attorney General Adjustment

This package adjusts Attorney General rates from the published price list at Agency Request Budget to the Governor's Budget. This package decreases the Workforce Operations Division by \$1,389 Other Funds and \$434 Federal Funds, a total decrease of \$1,823.

WORKFORCE OPERATIONS POLICY PACKAGES

102 – Contracted Employment Services

Package Description

The Employment Department manages the Employment Services Labor Exchange System and works with employers to recruit workers. The agency provides a wide-range of employment services for job seekers. These services are available to all members of the public.

Currently, the Department of Human Services (DHS) contracts with the Employment Department to receive cost effective access to employment services for programs they administer. Existing contracts include the following programs:

- Job Opportunity Basic Skills (JOBS)
- Supplemental Nutrition Assistance Program (SNAP) Training & Employment Plan (STEP)
- Able-Bodied Adults Without Dependents (ABAWD)

Clients in the JOBS and ABAWD programs must complete the federally mandated work participation requirements in order to receive benefits. The work the agency performs under contract for these programs satisfies this requirement for these clients.

The STEP program is voluntary, and participating clients are assessed, provided limited training if needed, and those that are job ready receive employment services.

ABAWD clients receive STEP services as part of their required participation in the ABAWD program. The specific groups of Oregonians generally receiving these intensive services have significant barriers to employment, and the services help prepare them for work and to help them find work.

Contracted Employment Department staff manage each participant's employment activities per their DHS case plan, which may include job development and employment retention services. The goal is to ensure a high level of participant accountability as they acquire the skills to obtain employment. There is a cost benefit to the state in utilizing this approach to help individuals move from public assistance to work. Cost reimbursement allows the Employment Department to offer tailored and more intensive services to these participants.

These tailored employment services have been delivered with a combination of permanent and limited duration positions. This policy package requests additional permanent positions and continuation of the 2017-19 limited duration positions to meet the current and projected need for these services.

Similar packages have been approved for the past eight biennia, although the number of positions approved has varied based on the estimated workload and funding availability from agencies in need of employment services. The 2017-19 Legislatively Adopted Budget included 18 permanent and five limited duration positions for this work.

During the 2017-19 biennium, DHS implemented the ABAWD program requirements in seven counties while supporting STEP services statewide. An additional 22 limited duration positions were approved by the legislature during the February 2018 session, authorizing the agency to provide the new ABAWD and STEP services (see chart below). Positions were hired when justified by sufficient workload.

Legislatively Approved Budgets

Biennium	2003-05	2005-07	2007-09	2009-11	2011-13	2013-15	2015-17	2017-19*
Permanent Full-time Positions	0	0	0	0	0	0	18	18
Limited Duration Positions	26	25	25	25	21	22	8	27
Limited Duration Position Hired	25	18	25	21	21	26**	11	27

*ABAWD and statewide STEP services began

**Additional contracts were received. Four limited duration positions were hired to fill these contracts using other “non-contract” positions.

The agency is requesting approval of an additional 18 permanent positions and a total of 21 limited duration positions to enable the Employment Department and DHS to continue providing tailored services to DHS clients. This request ensures capacity for the existing seven counties with ABAWD requirements plus the additional six counties where DHS plans to implement ABAWD requirements in January 2019.

The DHS anticipates further expansion of ABAWD requirements, potentially reaching statewide during the 2019-21 biennium. The requested limited duration positions give the agency the ability to provide additional services as contracts exceed the currently anticipated base-level program. These positions will only be filled if contract funding is available and workload exists.

This package allows continuation of placement services that contribute to two Department of Human Services Key Performance Measures:

- Temporary Assistance for Needy Families (TANF) Employment – the percentage of TANF adults placed for whom employment is a goal.
- TANF Re-Entry – the percentage TANF cases who do not return, or are off of cash assistance 18 months after exit due to employment.

2019-2021 Fiscal Impact

The revenue for this package comes from contracts with Department of Human Services. Roughly 30% of Employment Department customers qualify for possible STEP reimbursement. The agency intends to fund 18 permanent positions with STEP funds. The package request assumes ABAWD and JOBS funding will be available as long as DHS believes Employment Department services are a cost effective method to meet their program goals and objectives.

Staffing Impact

Permanent Positions/FTE: 18 positions / 18.00 FTE

18 - Business & Employment Specialist 2

Limited Duration Positions/FTE: 21 positions / 21.00 FTE
21 - Business & Employment Specialist 2

Expenditures

Personal Services: \$5,535,192
Services and Supplies : \$1,404,000
Special Payments (to clients): \$2,100,000

Revenue Source

Other Funds Charges for Services: \$9,039,192

The Governor's Budget added two Limited Duration Business & Employment Specialist 2 positions, increasing Other Fund expenditures and revenue by \$355,854.

2021-2023 Fiscal Impact

The 18 permanent positions in this package are financed with STEP funds. The fiscal for 2021-23 assumes the continuation of the STEP funding from DHS.

Staffing Impact

Permanent Positions/FTE: 18 positions / 18.00 FTE
18 - Business & Employment Specialist 2

Expenditures

Personal Services: \$2,554,702
Services and Supplies : \$ 648,000
Special Payments (to clients): \$2,100,000

Revenue Source

Other Funds Charges for Services: \$5,302,702

103 – Trade Act and Foreign Labor Certification

Package Description

Workforce Operations administers several federal programs as the agency manages the state’s labor exchange system, connecting employers and job seekers, with a key focus to getting Oregonians back to work. The agency is requesting additional capacity for two of these federal programs: Trade Adjustment Assistance and Foreign Labor Certification. The additional capacity will allow the agency to meet increased demand for these services by citizens and employers. Federal funds are available to cover costs.

The Trade Adjustment Assistance (TAA) program was established under the Federal Trade Act of 1974 to provide a variety of services and benefits to assist workers that lost their jobs due to foreign competition. The program seeks to provide adversely affected workers with opportunities to obtain the skills, credentials, resources, and support necessary to become reemployed. Benefits and services available include re-training, case management, re-employment assistance, job search allowances, relocation allowances, wage subsidy for workers 50 and older, tax credits for health insurance, and income support while in training. The program is 100% federally funded with no state cost-sharing requirements. Congress recently re-authorized the Trade Act program through June 30, 2021.

Oregon’s Trade Act activity is increasing. More than 5,000 Oregonians annually access Trade Act funded services, and roughly \$1.5 million is spent each quarter on training. The agency actively helps businesses secure Trade Act benefits from the federal government for Oregon businesses’ trade affected workers. The number of Oregon businesses impacted by trade has increased in recent years, which in turn has increased the need for additional staff resources to assist both businesses and workers. Trade Act funds available to Oregon have also increased and have contributed towards several of Oregon’s economic and training goals.

- Increasing the education and skill level of Oregonians by maximizing the federal training dollars invested in Oregon.
- Investment in Oregon businesses, regardless of size, by providing high levels of wage reimbursement when an employer trains a trade affected worker.
- Delivering sustainable funding and worker participation toward Oregon’s training infrastructure.

Foreign Labor Certification (FLC) is made up of two programs: the Temporary Agriculture H-2A program and the Temporary Non-Agriculture H-2B program. Both are federal programs that assist Oregon employers that anticipate a shortage of U.S. workers for their seasonal, temporary, peak load, or one-time labor needs. The Employment Department administers these programs as a liaison to the U.S. Department of Labor. Certification of temporary visa requests are approved or denied by the U.S. Department of Labor. A successful application awards a business a contract that defines the terms of the contract period and the conditions that must be followed to support the foreign and domestic workers they employ.

The FLC requirements placed upon the Employment Department are broad, complex, and labor intensive. The agency must ensure employers exhaust every effort to fill their positions with U.S. workers, and that the wages, jobs and working conditions of U.S. workers are not adversely affected by the use of foreign labor. Regulatory schedules impose a short timeline to approve applications regardless of the number of applications received. Additional agency responsibilities include H-2A field checks, tracking and monitoring H-2B recruitment activity, prevailing wage and practice surveys, interstate

clearance activity, collection of labor supply information, housing consultations, staff training, processing complaints, program reports, and technical assistance to field staff, businesses and the public.

More Oregon employers are using the FLC programs, with a 50% growth in each of the last three years. Federal funding is increasing along with FLC program growth, with a 137% increase from 2017 to 2018. The Employment Department is requesting additional positions to increase our capacity to assist Oregon employers with these two foreign labor programs.

To support the demand for both the Trade Adjustment Assistance (TAA) and Foreign Labor Certification programs the Employment Department is requesting eight permanent positions.

- Six Business and Employment Specialist positions to work directly with trade affected workers. The request is based on a 75:1 caseload to worker ratio. The 75:1 target was determined by the agency to be the best option to meet Trade Act law requirements for case management including individual and comprehensive assessments, an Individual Employment Plan, career exploration and guidance, identifying barriers to employment and/or training and identifying strategies to remove them, and reemployment assistance.
- One Operations and Policy Analyst 2 to oversee the TAA program budget, analyze federal performance reports, utilize data as an identification tool for program and process improvement, and communicate findings and suggestions to the program manager.
- One Policy Analyst 1 to increase capacity for Foreign Labor Certification and ensure compliance with federal regulations. The request is necessary to ensure Oregon Agricultural businesses can fulfill their staffing needs. This includes planting and harvesting, and to ensure domestic workers are not excluded from employment opportunities. The proposed solution supports businesses and workers with diverse backgrounds.

2019-2021 Fiscal Impact

Staffing Impact

Permanent Positions/FTE: 8 positions / 8.00 FTE

6 – Business & Employment Specialist 1

1 – Operations & Policy Analyst 2

1 – Policy Analyst 1

Expenditures

Personal Services: \$1,180,736

Services and Supplies : \$ 288,000

Revenue Source

Federal Funds \$1,468,736

2021-2023 Fiscal Impact

Staffing Impact

Permanent Positions/FTE: 8 positions / 8.00 FTE

6 – Business & Employment Specialist 1

1 – Operations & Policy Analyst 2

1 – Policy Analyst 1

Expenditures

Personal Services: \$1,180,736

Services and Supplies : \$ 288,000

Revenue Source

Federal Funds \$1,468,736

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Gross Reference Name: Workforce Operations
Gross Reference Number: 47100-010-20-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Temporary Appointments	-	-	1,703	4,522	-	-	6,225
Overtime Payments	-	-	3,407	2,407	-	-	5,814
Shift Differential	-	-	1,039	-	-	-	1,039
All Other Differential	-	-	23,649	13,261	-	-	36,910
Public Employees' Retire Cont	-	-	4,768	2,659	-	-	7,427
Pension Obligation Bond	-	-	(63,602)	2,778	-	-	(60,824)
Social Security Taxes	-	-	2,280	1,545	-	-	3,825
Mass Transit Tax	-	-	(25,688)	-	-	-	(25,688)
Vacancy Savings	-	-	1,063,341	293,845	-	-	1,357,186
Total Personal Services	-	-	\$1,010,897	\$321,017	-	-	\$1,331,914
Services & Supplies							
Instate Travel	-	-	-	-	-	-	-
Employee Training	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-
Facilities Rental and Taxes	-	-	-	-	-	-	-
Fuels and Utilities	-	-	-	-	-	-	-
Facilities Maintenance	-	-	-	-	-	-	-
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
IT Expendable Property	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Workforce Operations
Cross Reference Number: 47100-010-20-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	-	-	1,010,897	321,017	-	-	1,331,914
Total Expenditures	-	-	\$1,010,897	\$321,017	-	-	\$1,331,914
Ending Balance							
Ending Balance	-	-	(1,010,897)	(321,017)	-	-	(1,331,914)
Total Ending Balance	-	-	(\$1,010,897)	(\$321,017)	-	-	(\$1,331,914)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 022 - Phase-out Pgm & One-time Costs

Gross Reference Name: Workforce Operations
Gross Reference Number: 47100-010-20-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	(66,705)	(14,800)	-	-	(81,505)
Employee Training	-	-	(1,230)	(3,100)	-	-	(4,330)
Office Expenses	-	-	(77,423)	(19,900)	-	-	(97,323)
Telecommunications	-	-	(117,413)	(39,600)	-	-	(157,013)
Data Processing	-	-	(6,665)	(14,700)	-	-	(21,365)
Dues and Subscriptions	-	-	(2,665)	(5,900)	-	-	(8,565)
Facilities Rental and Taxes	-	-	(408,157)	(133,300)	-	-	(541,457)
Fuels and Utilities	-	-	(26,878)	(7,700)	-	-	(34,578)
Facilities Maintenance	-	-	(65,250)	-	-	-	(65,250)
Agency Program Related S and S	-	-	-	(15,900)	-	-	(15,900)
Other Services and Supplies	-	-	(465)	(1,500)	-	-	(1,965)
Expendable Prop 250 - 5000	-	-	(15,394)	(1,600)	-	-	(16,994)
IT Expendable Property	-	-	(2,755)	(6,000)	-	-	(8,755)
Total Services & Supplies	-	-	(\$791,000)	(\$264,000)	-	-	(\$1,055,000)
Special Payments							
Dist to Individuals	-	-	(2,209,000)	-	-	-	(2,209,000)
Total Special Payments	-	-	(\$2,209,000)	-	-	-	(\$2,209,000)
Total Expenditures							
Total Expenditures	-	-	(3,000,000)	(264,000)	-	-	(3,264,000)
Total Expenditures	-	-	(\$3,000,000)	(\$264,000)	-	-	(\$3,264,000)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 022 - Phase-out Pgm & One-time Costs

Gross Reference Name: Workforce Operations
Gross Reference Number: 47100-010-20-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	3,000,000	264,000	-	-	3,264,000
Total Ending Balance	-	-	\$3,000,000	\$264,000	-	-	\$3,264,000

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 031 - Standard Inflation

Gross Reference Name: Workforce Operations
Gross Reference Number: 47100-010-20-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	6,872	16,728	-	-	23,600
Out of State Travel	-	-	2,534	611	-	-	3,145
Employee Training	-	-	1,964	2,010	-	-	3,974
Office Expenses	-	-	2,490	76,873	-	-	79,363
Telecommunications	-	-	51,322	57,458	-	-	108,780
State Gov. Service Charges	-	-	903,302	839,558	-	-	1,742,860
Data Processing	-	-	49,760	83,862	-	-	133,622
Publicity and Publications	-	-	2,567	2,020	-	-	4,587
Professional Services	-	-	1,643	8,128	-	-	9,771
IT Professional Services	-	-	17,831	2,512	-	-	20,343
Attorney General	-	-	3,912	1,223	-	-	5,135
Employee Recruitment and Develop	-	-	69	83	-	-	152
Dues and Subscriptions	-	-	2,313	2,771	-	-	5,084
Facilities Rental and Taxes	-	-	35,997	169,844	-	-	205,841
Fuels and Utilities	-	-	529	14,014	-	-	14,543
Facilities Maintenance	-	-	18,224	21,675	-	-	39,899
Medical Services and Supplies	-	-	1	-	-	-	1
Agency Program Related S and S	-	-	8,873	8,459	-	-	17,332
Other Services and Supplies	-	-	213	2,560	-	-	2,773
Expendable Prop 250 - 5000	-	-	2,062	419	-	-	2,481
IT Expendable Property	-	-	10,468	13,587	-	-	24,055
Total Services & Supplies	-	-	\$1,122,946	\$1,324,395	-	-	\$2,447,341

Capital Outlay

Telecommunications Equipment	-	-	1,344	-	-	-	1,344
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ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 031 - Standard Inflation

Gross Reference Name: Workforce Operations
Gross Reference Number: 47100-010-20-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Capital Outlay							
Technical Equipment	-	-	3,999	-	-	-	3,999
Data Processing Software	-	-	1,804	407	-	-	2,211
Data Processing Hardware	-	-	318	6	-	-	324
Building Structures	-	-	29,507	-	-	-	29,507
Other Capital Outlay	-	-	1,501	-	-	-	1,501
Total Capital Outlay	-	-	\$38,473	\$413	-	-	\$38,886
Total Expenditures							
Total Expenditures	-	-	1,161,419	1,324,808	-	-	2,486,227
Total Expenditures	-	-	\$1,161,419	\$1,324,808	-	-	\$2,486,227
Ending Balance							
Ending Balance	-	-	(1,161,419)	(1,324,808)	-	-	(2,486,227)
Total Ending Balance	-	-	(\$1,161,419)	(\$1,324,808)	-	-	(\$2,486,227)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 032 - Above Standard Inflation

Gross Reference Name: Workforce Operations
Gross Reference Number: 47100-010-20-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Professional Services	-	-	-	-	-	-	-
IT Professional Services	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 050 - Fundshifts

Gross Reference Name: Workforce Operations
Gross Reference Number: 47100-010-20-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Office Expenses	-	-	2,000,000	(2,000,000)	-	-	-
Telecommunications	-	-	1,500,000	(1,500,000)	-	-	-
Data Processing	-	-	800,221	(800,221)	-	-	-
Facilities Maintenance	-	-	500,000	(500,000)	-	-	-
IT Expendable Property	-	-	350,000	(350,000)	-	-	-
Total Services & Supplies	-	-	\$5,150,221	(\$5,150,221)	-	-	-
Total Expenditures							
Total Expenditures	-	-	5,150,221	(5,150,221)	-	-	-
Total Expenditures	-	-	\$5,150,221	(\$5,150,221)	-	-	-
Ending Balance							
Ending Balance	-	-	(5,150,221)	5,150,221	-	-	-
Total Ending Balance	-	-	(\$5,150,221)	\$5,150,221	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 060 - Technical Adjustments

Gross Reference Name: Workforce Operations
Gross Reference Number: 47100-010-20-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	30,864	3,165,624	-	-	3,196,488
Empl. Rel. Bd. Assessments	-	-	-	1,830	-	-	1,830
Public Employees' Retire Cont	-	-	5,237	537,213	-	-	542,450
Social Security Taxes	-	-	2,361	242,175	-	-	244,536
Worker's Comp. Assess. (WCD)	-	-	-	1,740	-	-	1,740
Flexible Benefits	-	-	-	1,055,520	-	-	1,055,520
Total Personal Services	-	-	\$38,462	\$5,004,102	-	-	\$5,042,564
Services & Supplies							
Instate Travel	-	-	-	75,000	-	-	75,000
Employee Training	-	-	-	27,189	-	-	27,189
Office Expenses	-	-	-	250,000	-	-	250,000
Telecommunications	-	-	-	315,650	-	-	315,650
Facilities Rental and Taxes	-	-	-	-	-	-	-
Fuels and Utilities	-	-	-	26,090	-	-	26,090
Facilities Maintenance	-	-	-	541,960	-	-	541,960
Expendable Prop 250 - 5000	-	-	-	35,650	-	-	35,650
IT Expendable Property	-	-	-	51,050	-	-	51,050
Total Services & Supplies	-	-	-	\$1,322,589	-	-	\$1,322,589
Capital Outlay							
Building Structures	-	-	(242,589)	-	-	-	(242,589)
Total Capital Outlay	-	-	(\$242,589)	-	-	-	(\$242,589)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 060 - Technical Adjustments

Gross Reference Name: Workforce Operations
Gross Reference Number: 47100-010-20-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	-	-	(204,127)	6,326,691	-	-	6,122,564
Total Expenditures	-	-	(\$204,127)	\$6,326,691	-	-	\$6,122,564
Ending Balance							
Ending Balance	-	-	204,127	(6,326,691)	-	-	(6,122,564)
Total Ending Balance	-	-	\$204,127	(\$6,326,691)	-	-	(\$6,122,564)
Total Positions							
Total Positions							30
Total Positions	-	-	-	-	-	-	30
Total FTE							
Total FTE							30.00
Total FTE	-	-	-	-	-	-	30.00

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 092 - Statewide AG Adjustment

Gross Reference Name: Workforce Operations
Gross Reference Number: 47100-010-20-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Attorney General	-	-	(1,389)	(434)	-	-	(1,823)
Total Services & Supplies	-	-	(\$1,389)	(\$434)	-	-	(\$1,823)
Total Expenditures							
Total Expenditures	-	-	(1,389)	(434)	-	-	(1,823)
Total Expenditures	-	-	(\$1,389)	(\$434)	-	-	(\$1,823)
Ending Balance							
Ending Balance	-	-	1,389	434	-	-	1,823
Total Ending Balance	-	-	\$1,389	\$434	-	-	\$1,823

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 102 - Employment Service Contracts: Department of Human Services

Gross Reference Name: Workforce Operations
Gross Reference Number: 47100-010-20-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Charges for Services	-	-	9,395,046	-	-	-	9,395,046
Total Revenues	-	-	\$9,395,046	-	-	-	\$9,395,046
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	3,507,960	-	-	-	3,507,960
Empl. Rel. Bd. Assessments	-	-	2,501	-	-	-	2,501
Public Employees' Retire Cont	-	-	595,320	-	-	-	595,320
Social Security Taxes	-	-	268,345	-	-	-	268,345
Worker's Comp. Assess. (WCD)	-	-	2,378	-	-	-	2,378
Flexible Benefits	-	-	1,442,544	-	-	-	1,442,544
Reconciliation Adjustment	-	-	(2)	-	-	-	(2)
Total Personal Services	-	-	\$5,819,046	-	-	-	\$5,819,046
Services & Supplies							
Instate Travel	-	-	110,596	-	-	-	110,596
Employee Training	-	-	24,094	-	-	-	24,094
Office Expenses	-	-	99,303	-	-	-	99,303
Telecommunications	-	-	124,877	-	-	-	124,877
Professional Services	-	-	11,232	-	-	-	11,232
Facilities Rental and Taxes	-	-	638,820	-	-	-	638,820
Fuels and Utilities	-	-	45,033	-	-	-	45,033
Facilities Maintenance	-	-	328,768	-	-	-	328,768
Expendable Prop 250 - 5000	-	-	16,773	-	-	-	16,773

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 102 - Employment Service Contracts: Department of Human Services

Gross Reference Name: Workforce Operations
Gross Reference Number: 47100-010-20-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
IT Expendable Property	-	-	76,504	-	-	-	76,504
Total Services & Supplies	-	-	\$1,476,000	-	-	-	\$1,476,000
Special Payments							
Dist to Individuals	-	-	2,100,000	-	-	-	2,100,000
Total Special Payments	-	-	\$2,100,000	-	-	-	\$2,100,000
Total Expenditures							
Total Expenditures	-	-	9,395,046	-	-	-	9,395,046
Total Expenditures	-	-	\$9,395,046	-	-	-	\$9,395,046
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions	-	-	-	-	-	-	41
Total Positions	-	-	-	-	-	-	41
Total FTE							
Total FTE	-	-	-	-	-	-	41.00
Total FTE	-	-	-	-	-	-	41.00

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 103 - Trade Act and Foreign Labor Certification

Gross Reference Name: Workforce Operations
Gross Reference Number: 47100-010-20-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Federal Funds	-	-	-	1,468,736	-	-	1,468,736
Total Revenues	-	-	-	\$1,468,736	-	-	\$1,468,736
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	-	720,840	-	-	720,840
Empl. Rel. Bd. Assessments	-	-	-	488	-	-	488
Public Employees' Retire Cont	-	-	-	122,329	-	-	122,329
Social Security Taxes	-	-	-	55,143	-	-	55,143
Worker's Comp. Assess. (WCD)	-	-	-	464	-	-	464
Flexible Benefits	-	-	-	281,472	-	-	281,472
Total Personal Services	-	-	-	\$1,180,736	-	-	\$1,180,736
Services & Supplies							
Instate Travel	-	-	-	19,872	-	-	19,872
Out of State Travel	-	-	-	1,728	-	-	1,728
Employee Training	-	-	-	4,608	-	-	4,608
Office Expenses	-	-	-	17,856	-	-	17,856
Telecommunications	-	-	-	22,752	-	-	22,752
Professional Services	-	-	-	2,304	-	-	2,304
Facilities Rental and Taxes	-	-	-	131,040	-	-	131,040
Fuels and Utilities	-	-	-	8,352	-	-	8,352
Facilities Maintenance	-	-	-	64,512	-	-	64,512
Expendable Prop 250 - 5000	-	-	-	2,880	-	-	2,880

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 103 - Trade Act and Foreign Labor Certification

Gross Reference Name: Workforce Operations
Gross Reference Number: 47100-010-20-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
IT Expendable Property	-	-	-	12,096	-	-	12,096
Total Services & Supplies	-	-	-	\$288,000	-	-	\$288,000
Total Expenditures							
Total Expenditures	-	-	-	1,468,736	-	-	1,468,736
Total Expenditures	-	-	-	\$1,468,736	-	-	\$1,468,736
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions	-	-	-	-	-	-	8
Total Positions	-	-	-	-	-	-	8
Total FTE							
Total FTE	-	-	-	-	-	-	8.00
Total FTE	-	-	-	-	-	-	8.00

01/03/19 REPORT NO.: PFDPFISCAL
REPORT: PACKAGE FISCAL IMPACT REPORT
AGENCY:47100 DEPT OF EMPLOYMENT
SUMMARY XREF:010-20-00 Workforce Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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PROD FILE
PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 060 - Technical Adjustments

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
0000644	MMN X0873	AP OPERATIONS & POLICY ANALYST 4	1-	1.00-	24.00-	04	7,208.00		172,992- 77,894-			172,992- 77,894-
0000794	OAH C1161	AP ECONOMIST 1	1	1.00	24.00	09	5,442.00		130,608 67,458			130,608 67,458
0001198	OAH C1162	AP ECONOMIST 2	1-	1.00-	24.00-	09	6,590.00		158,160- 74,242-			158,160- 74,242-
0001266	MMS X7002	AP PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	09	6,542.00			157,008 73,958		157,008 73,958
0002667	MMS X7008	IP PRINCIPAL EXECUTIVE/MANAGER E	1	1.00	24.00	07	9,642.00		331,408 92,276			331,408 92,276
1311101	OAH C0860	AP PROGRAM ANALYST 1	1	1.00	24.00	05	4,514.00			108,336 61,976		108,336 61,976
1311102	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	06	4,295.00			103,080 60,682		103,080 60,682
1311103	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	06	4,295.00			103,080 60,682		103,080 60,682
1311104	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	06	4,295.00			103,080 60,682		103,080 60,682
1311105	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	06	4,295.00			103,080 60,682		103,080 60,682
1311106	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	05	4,096.00			98,304 59,505		98,304 59,505
1311107	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00			85,560 56,368		85,560 56,368
1311108	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	09	4,950.00			118,800 64,551		118,800 64,551

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PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 060 - Technical Adjustments

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1311109	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	06	4,295.00			103,080 60,682		103,080 60,682
1311110	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	06	4,295.00			103,080 60,682		103,080 60,682
1311111	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	07	4,514.00			108,336 61,976		108,336 61,976
1311112	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	06	4,295.00			103,080 60,682		103,080 60,682
1311113	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	09	4,950.00			118,800 64,551		118,800 64,551
1311114	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	07	4,514.00			108,336 61,976		108,336 61,976
1311115	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	06	4,295.00			103,080 60,682		103,080 60,682
1311116	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	03	3,737.00			89,688 57,384		89,688 57,384
1311117	OAH C0860 AP	PROGRAM ANALYST 1	1	1.00	24.00	05	4,514.00			108,336 61,976		108,336 61,976
1311118	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	06	4,295.00			103,080 60,682		103,080 60,682
1311119	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	06	4,295.00			103,080 60,682		103,080 60,682
1311120	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00			85,560 56,368		85,560 56,368
1311121	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	06	4,295.00			103,080 60,682		103,080 60,682

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 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 060 - Technical Adjustments

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE		
1311122	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	4	1.00	24.00	06	4,295.00			103,080		103,080		
										60,682		60,682		
1311123	OAH C1338	AP TRAINING & DEVELOPMENT SPEC 1	1	1.00	24.00	08	5,189.00			124,536		124,536		
										65,964		65,964		
1311124	OAH C1338	AP TRAINING & DEVELOPMENT SPEC 1	1	1.00	24.00	06	4,727.00			113,448		113,448		
										63,234		63,234		
1311125	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00			85,560		85,560		
										56,368		56,368		
1311126	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	06	4,295.00			103,080		103,080		
										60,682		60,682		
1311127	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	07	4,514.00			108,336		108,336		
										61,976		61,976		
1311128	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	07	4,514.00			108,336		108,336		
										61,976		61,976		
1311129	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	05	4,096.00			98,304		98,304		
										59,505		59,505		
TOTAL PICS SALARY									30,864	3,165,634		3,196,488		
TOTAL PICS OPE									7,598	1,838,478		1,846,076		
TOTAL PICS PERSONAL SERVICES								30	30.00	720.00		38,462	5,004,102	5,042,564

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PACKAGE: 102 - Employment Service Contracts:

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1910201	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910202	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910203	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910204	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910205	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910206	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910207	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910208	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910209	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910210	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910211	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910212	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910213	OAH C6699	AP BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368

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 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 102 - Employment Service Contracts:

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1910214	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910215	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910216	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910217	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910218	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910219	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910220	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910221	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910222	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910223	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910224	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910225	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910226	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368

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PACKAGE: 102 - Employment Service Contracts:

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1910227	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910228	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910229	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910230	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910231	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910232	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910233	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910234	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910235	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910236	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910237	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910238	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368
1910239	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560 56,368			85,560 56,368

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PACKAGE: 102 - Employment Service Contracts:

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1910240	OAH C6699	AF BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560			85,560
									56,368			56,368
1910241	OAH C6699	AF BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00		85,560			85,560
									56,368			56,368
TOTAL PICS SALARY									3,507,960			3,507,960
TOTAL PICS OPE										2,311,088		2,311,088
TOTAL PICS PERSONAL SERVICES =			41	41.00	984.00				5,819,048			5,819,048

01/03/19 REPORT NO.: PDPFISCAL
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PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 103 - Trade Act and Foreign Labor Ce

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	PTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1910301	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00			85,560 56,368		85,560 56,368
1910302	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00			85,560 56,368		85,560 56,368
1910303	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00			85,560 56,368		85,560 56,368
1910304	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00			85,560 56,368		85,560 56,368
1910305	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00			85,560 56,368		85,560 56,368
1910306	OAH C6699 AP	BUSINESS & EMPLOYMENT SPEC 2	1	1.00	24.00	02	3,565.00			85,560 56,368		85,560 56,368
1910307	OAH C0871 AP	OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	02	4,727.00			113,448 63,234		113,448 63,234
1910308	OAH C0860 AP	PROGRAM ANALYST 1	1	1.00	24.00	02	3,918.00			94,032 58,454		94,032 58,454
TOTAL PICS SALARY										720,840		720,840
TOTAL PICS OPE										459,896		459,896
TOTAL PICS PERSONAL SERVICES -			8	8.00	192.00					1,180,736		1,180,736

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Employment Dept 2019-21 Biennium		Agency Number: 47100 Cross Reference Number: 47100-010-20-00-00000				
Source	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Charges for Services	1,763,807	1,899,625	7,473,625	18,539,192	18,895,046	-
Rents and Royalties	295,195	-	-	-	-	-
Other Revenues	3,498,798	67,180	1,376,376	1,350,000	1,350,000	-
Transfer In - Intrafund	68,583,639	59,698,773	59,698,773	58,506,314	58,506,314	-
Tsfr From HECC	1,519,070	-	-	-	-	-
Tsfr To Governor, Office of the	(81,337)	(200,000)	(200,000)	(220,000)	(220,000)	-
Total Other Funds	\$75,579,172	\$61,465,578	\$68,348,774	\$78,175,506	\$78,531,360	-
Federal Funds						
Federal Funds	21,318,760	33,790,779	34,375,539	37,365,581	37,365,581	-
Total Federal Funds	\$21,318,760	\$33,790,779	\$34,375,539	\$37,365,581	\$37,365,581	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE:

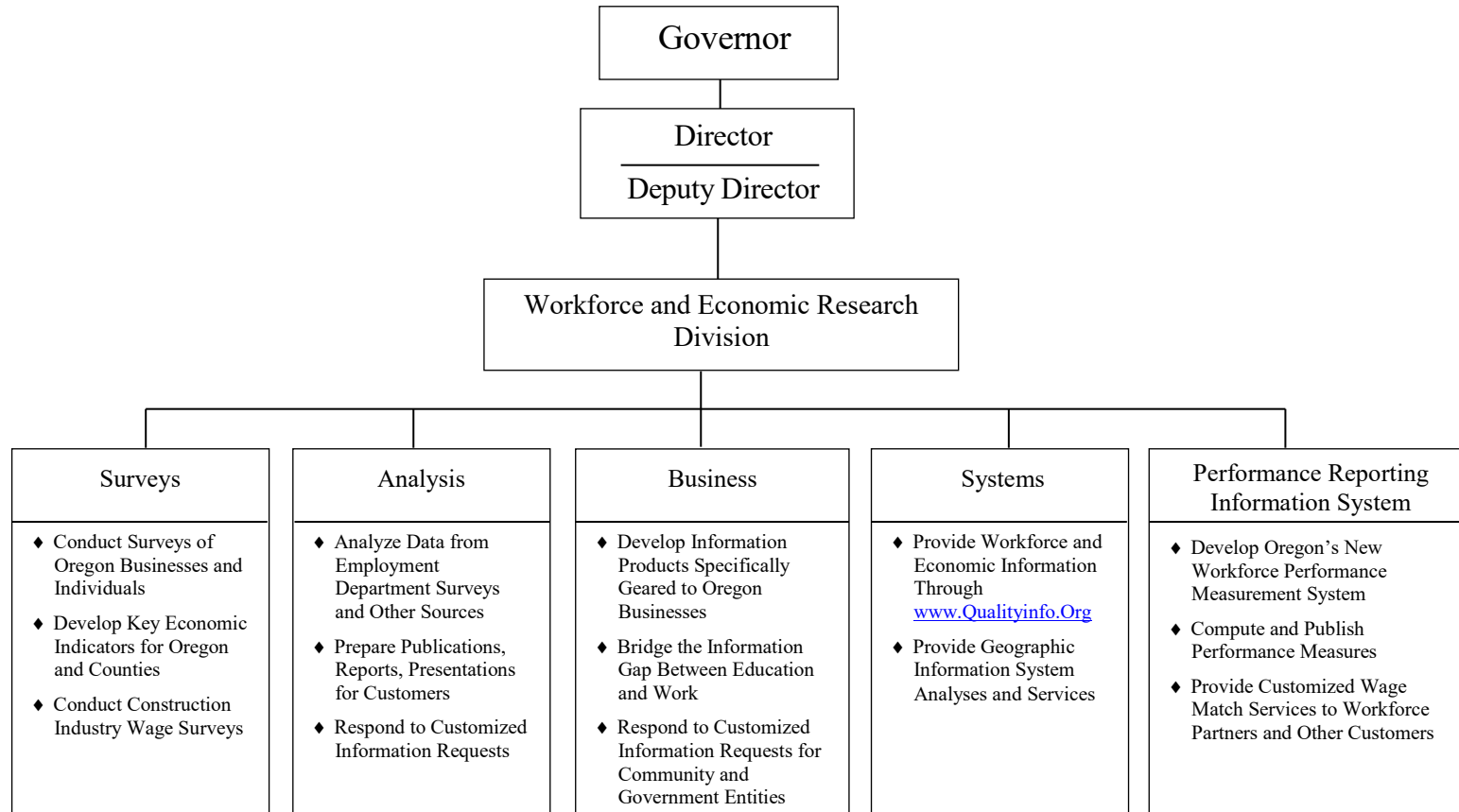
Workforce Operations

Source	Fund	ORBITS Revenue Acct	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Estimated	2019-21		
						Agency Request	Governor's Recommended	Legislatively Adopted
REVENUE								
Federal Government	Federal	995	21,318,760	30,325,000		37,365,581	37,365,581	
Employer Taxes	Other	120	0	0		0	0	
Federal Funds as OF	Other	355	0	0		0	0	
Charges for Services	Other	410	1,763,807	15,773,000		18,539,192	18,895,046	
Fines & Forfeitures	Other	505	0	0		0	0	
Interest Income	Other	605	0	0		0	0	
Rents & Royalties	Other	510	0	0		0	0	
Other Revenues	Other	975	3,498,798	0		1,350,000	1,350,000	
Tsf from Other Agencies	Other	Various	1,519,070	0		0	0	
Tsf to Other Agencies	Other	Various	(81,337)	(200,000)		(220,000)	(220,000)	
Tsf to General Fund	Other	2060	0	0		0	0	
TRANSFERS TO/FROM NON-LIMITED		1010/2010						
SEDAF	Other		45,751,960	48,345,191		56,148,833	56,148,833	
Special Administration (P&I)	Other		89,054	3,574,000		2,357,481	2,357,481	
Reed Act	Other		22,577,204	0		0	0	
Modernization	Other		0	3,000,000		0	0	
Fraud Control Fund	Other		0	0		0	0	
Other	Other		0	0		0	0	
Total			96,437,316	100,817,191		115,541,087	115,896,941	

___ Agency Request X Governor's Recommended ___ Legislatively Adopted

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WORKFORCE AND ECONOMIC RESEARCH



Budget Summary Level

	<u>2017-19</u>	<u>2019-21</u>
Pos.:	54	55
FTE:	53.50	54.50

MISSION

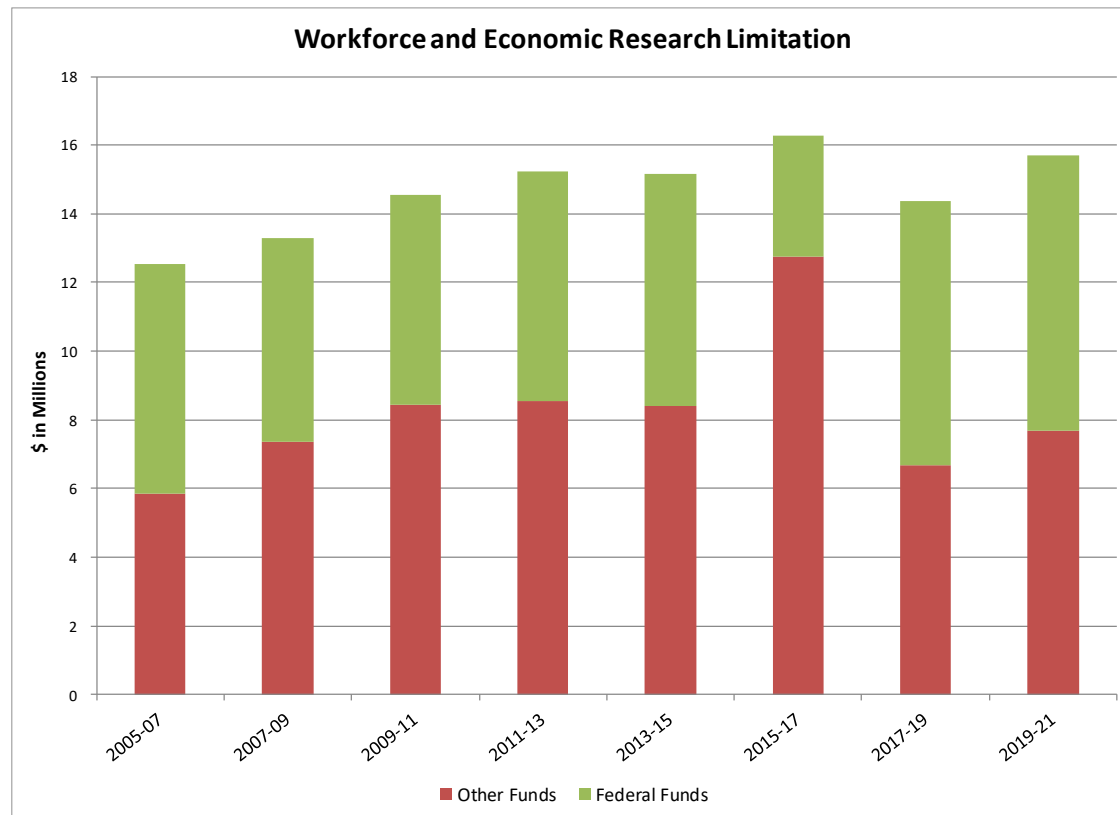
The Workforce and Economic Research Division develops and distributes quality workforce and economic information to promote informed decision making. This mission is summed up by the phrase “Quality Information, Informed Choices.”

Quality information means information that is timely, useful, relevant, and unbiased. Customers who use this information include private businesses, the unemployed and other job seekers, state and local workforce boards, elected officials and other policymakers, education and training entities, students, government agencies, and news media. Data-informed decision making creates opportunities for economic prosperity for all Oregonians.

PROGRAM EXECUTIVE SUMMARY

Primary Strategic Focus Areas: *A Thriving Statewide Economy*

Primary Program Contact: Bob Uhlenkott, Division Director, Research, (503) 947-1212



PROGRAM OVERVIEW

The Workforce and Economic Research Division (Research Division) collects, estimates, analyzes, publishes, and distributes economic and workforce information that Oregonians, Oregon businesses, Oregon policymakers, and all other customers and stakeholders use in their decision-making process. This information helps customers understand current and future economic conditions and workforce trends, and provides the foundation for measuring and understanding whether Oregon is succeeding in its goals to achieve *A Thriving Statewide Economy* that creates opportunities for economic prosperity for all Oregonians, in particular rural Oregon, tribes, and communities of color.

Program Funding Request

The Workforce and Economic Research Division is requesting budget authority for the 2019-21 biennium of:

\$7,671,699	Other Funds
\$8,025,951	Federal Funds

Program Description

The Research Division has a long-standing commitment to serving all of Oregon, producing most of its information for counties and local workforce areas throughout the state, not just at the statewide level. More than one-third of the Research Division's staff are located in offices outside of Salem. They serve as economic and workforce experts for local workforce development boards, businesses, elected officials, job seekers, education organizations, and public agencies from Ontario to Newport and Portland to Medford.

The Research Division works closely with Oregon's state and local workforce development boards, and provides the information they need to develop and prioritize workforce policies at the state and local levels. The Research Division also works closely with the Governor's Office and other policymakers to contribute information and expertise for the redesign and operation of Oregon's workforce development system. As the home of Oregon's workforce Performance Reporting Information System (PRISM), the Research Division is taking direction from the PRISM steering committee to lead the design and implementation of an improved performance system for Oregon's workforce system. This collaboration keeps partners engaged in the development of a robust system to assist in data-informed decision making across the workforce system.

The Research Division's largest cost driver is its staff. As noted above, Research staff are located all across Oregon, contributing their expertise and resources to both urban and rural areas.

The Research Division has moved its reports and publications from a combination of paper and online availability to mostly an online presentation, primarily using an online subscription service. This has resulted in improvements in timeliness, customer service, and cost management.

The Research Division has ongoing collaborative, partner relationships with state and local entities relating to education (K-12 through university), social services, education, and economic development. These relationships are important because information from the Research Division helps inform the development and implementation of new and improved programs, and it helps measure the success of those programs through a series of performance measure agreements with these agencies.

Program Justification and Link to Strategic Focus Areas

The Research Division plays a foundational role in the focus area of *A Thriving Statewide Economy*, in two primary ways:

First, it is essential to have a common language and context to understand the past, current, and future economic situation of the state and its diverse geographic areas. The Research Division provides this context, regularly supplying information on the current strengths and weaknesses of the economy both statewide and in Oregon's local areas. The Research Division reports on the direction Oregon is moving compared with the past and forecasts how the economy will develop in the future. In large part, understanding whether Oregon is successful in developing economic prosperity and *A Thriving Statewide Economy* requires the information gathered, analyzed, published, and presented by the Research Division. This includes employment growth; wage and income levels; the number of businesses, business openings, and business closures; new jobs and replacement openings; and the size, age, and education levels of the current and future workforce.

The Research Division's second primary contribution to *A Thriving Statewide Economy* is to make sure individuals and organizations have the necessary information needed to make educated, data-informed decisions. Examples of how the division meets this goal include providing:

- Elected officials and policymakers with information to help them better understand the economic conditions in Oregon to make informed policy choices. A recent example of this was the extensive information and analysis provided to Oregon's lawmakers as they considered the costs and benefits to industries impacted by proposed cap and invest policies;
- Oregon businesses with data on wages and benefits, population and demographics, so they can make better decisions regarding business planning, training, recruitment, and compensation;
- Economic development organizations with the information they need to assist business in making sound decisions regarding location, relocation, and expansion;
- Students with information to make wise education, training, and career choices;
- Education planners and policymakers with information to determine curricula and other training; and
- Workforce and training organizations with data so their staff can better serve Oregon's unemployed and other job seekers seeking future ready careers.

To serve this array of customers, Research Division staff has expertise in the data produced within the division and with relevant data from state and federal agencies.

The Research Division also contributes to *A Thriving Statewide Economy* by providing information on current and future employment trends (which drives decisions on training program priorities and career decisions) and performance measures data to education entities, answering the question: "Once these individuals completed their training and education, did they find jobs and at what level of compensation?"

Also, the "Difficult-to-Fill" research effort identifies job vacancies for occupations that employers are having trouble filling. Many of these vacancies are opportunities for those in rural Oregon, the tribes, and in communities of color to find jobs with good wages. These are not always just high growth

occupations but occupations that are experiencing turnover from many workers aging out of their prime working years, or those seeking new opportunities for training and employment in other sectors or occupations.

The vital 2017-2027 long-term industry and occupational projections will pave the way for data driven policy decisions that support *A Thriving Statewide Economy*. These data also serve those planning their careers, seeking education and training, job seekers, and many other customers or stakeholders interested in the industries and occupations that are projected to thrive over the next decade.

Finally, by providing quality information for decision-making, the Research Division also contributes to the overarching goal of excellence in state government. Better data driven decisions are made because of the availability of more robust and local level workforce information. The Research Division provides outcome data to measure the effectiveness of government workforce and education programs.

Program Performance

The most important goal for the Research Division is to provide quality information for all of our customers. Quality information is accurate, relevant, timely, and unbiased. The division tracks four performance standards that represent a commitment to quality information. Three of the measures reflect required response rates for some core federal and state surveys and one reflects the degree to which information on Oregon businesses has been coded to its precise geographic location. The most recent results for each of these are as follows:

- 82.5% response rate for occupational employment survey (performance standard is 65%).
- 91.7% response rate for industry employment refiling survey (performance standard is 80%).
- 86% response rate for construction industry wage survey (performance standard is 85%).
- 94.4% of employment data geocoded to tax lot/local roads level (performance standard is 75%).

The outcome of the Research Division's work is scattered across Oregon throughout business, government, and individuals. The information and data provided by the division allows users of the information and data to make informed decisions to build a successful business, serve the public, or improve Oregonian's lives in the pursuit of economic prosperity and a better quality of life.

Starting with the 2017-19 biennium, the Research Division developed and implemented Key Performance Measures that reflect the importance of high quality standards for foundational data. The division established targets to exceed the national standards for industry and occupational employment surveys. This measure was chosen because if high response rates on these core surveys are not met, all other data from the Research Division are of lower quality and lower value. If the division does not collect valid data from these core surveys, the quality of subsequent data estimates and economic analysis would be poor and potentially misleading. This would have immediate and negative impact on a range of customers, including elected officials, businesses, local workforce boards, education policymakers and planners, and students considering their immediate and long-term career options.

Enabling Legislation/Program Authorization

The federal Wagner-Peyser Act, as amended by Section 309 of the Workforce Investment Act of 1998 and Section 308 of the Workforce Innovation and Opportunity Act of 2014, describes the Research Division's responsibilities within "a nationwide workforce and labor market information system." ORS 657.730 and 657.734 describe Oregon's labor market information and workforce performance measures systems.

Funding Streams

The Research Division receives a mix of Federal and Other Funds, primarily made up of:

- Contractual, grant, and special projects federal funding from the United States Department of Labor, Bureau of Labor Statistics and Employment Training Administration (some of this funding is dedicated for purposes specific to the Research Division);
- Funding from the Supplemental Employment Department Administrative Fund (SEDAF), focused on the Research Division's services to private sector businesses, workforce partners and policymakers, and to the provision of local services all across Oregon; and
- Other contracts and competitive grants focused on special projects and customized analyses. Many of these contracts are with other state agencies and workforce partners.

Significant Proposed Program Changes from 2017-19

The Research Division will continue the fundamental work of gathering, analyzing, and disseminating workforce information in the coming biennium. No significant changes to the program's role or purpose are anticipated. The Research Division will continue to develop Oregon's new workforce system performance measures under the guidance of the new PRISM Steering Committee during the 2019-21 biennium.

RESEARCH DIVISION

By the end of 2014, Oregon employment totals reached and surpassed the prior peak from before the Great Recession, which resulted in the loss of 147,000 Oregon jobs by February 2010 and unemployment rates that reached 11.9 percent in mid-2009, the among one of the worst recessions on record in Oregon. The economy has continued to expand with solid job gains into early 2018, the time of this writing. Oregon's labor force has started growing, after several years of decline. The unemployment rate has fallen to its lowest level since comparable records began in 1976 and the economic expansion is approaching an all-time record length. All of these data come from the Employment Department's Research Division and they are among the most public examples of the foundational information the division provides to all its customers and stakeholders. As the current business cycle matures the workforce information provided by the division becomes more necessary and valuable to all Oregonians and Oregon businesses.

The Research Division provides the data and information that answers questions such as:

- How many Oregonians are unemployed, and how long have they been unemployed?
- How many job vacancies are there in Oregon, and for which occupations?
- What education and training is needed to make Oregon "Future Ready."
- What are the wages for Oregon's jobs?
- Which industries and occupations are growing? Which are declining?
- Which industries and sectors should be targeted for special attention and service from Oregon's workforce system?
- Why are fewer young Oregonians actively engaged in working or looking for work? What can we do about it?
- What careers offer the best long-term prospects for our young people? Or for adults who are retraining?
- What are the differences between the employment picture in rural Oregon as compared with urban Oregon?
- Which workforce-related college training classes should be the highest priority for public resources?

- Do those served by Oregon’s workforce system find jobs? Do they stay employed? Do their wages rise over time? Are they satisfied with the services they received?

The Research Division collects, produces, and distributes quality data, so the data can be used broadly throughout the state. During 2017, Research Division staff:

- Responded to more than 5,400 customer information requests, with the largest single customer group being private-sector businesses and business associations.
- Gave over 230 presentations to a total audience of almost 10,000 people. Private sector businesses, education entities, and workforce and training organizations and individuals made up significant portions of our audiences.
- Distributed (some hard copy, some electronic) just over 590,000 reports and publications. *Oregon CAREERS* was the most widely distributed publication, with almost 11,000 annually going to high schools, colleges, WorkSource offices, and other locations across the state. The weekly electronic news report, *Around the State*, reached more than 1,200 individuals and groups per week.
- Welcomed more than 540,000 visits in 2017, continuing an upward trend for the last three years. The site recorded about 50,000 more visits in 2017 than in 2016, in large part due to the new subscription service. More than 2,350 customers have signed up to receive email notifications, and the system sent out almost 400,000 links to articles and publications on the website.

The Research Division is divided into several groups:

Surveys Group

Staff mostly work under direct, deliverables-driven contracts to collect and compile information on industry and occupational employment, wages, vacancies, unemployment, and labor force. Most of the funding for this group comes from the United States Bureau of Labor Statistics.

Analysis Group

Analysis staff take data from the surveys group and from other sources, and further analyze those data to produce reports, articles, presentations, and responses to customer requests. These staff also develop historical, current, and projected data for Oregon’s geographic areas (counties, workforce areas), produce regional-focused reports and presentations, and respond to a wide range of local customers. This group serves a wide variety of customers including: the Governor’s Office; elected officials; state and local workforce boards; workforce, education, and economic development policymakers; and the news media. They are also responsible for our Geographic Information System. The analysis group is funded by grants from the United States Department of Labor, the Supplemental Employment Department Administrative Fund (SEDAF), and reimbursement for specific projects.

Business and Education (Workforce Analysts) Group

Workforce Analysts are located across Oregon, particularly focusing on developing customized data and products to meet the needs of private sector businesses. Established in 1997, this group of 10 economists made more than 4,600 contacts with Oregon businesses in 2015, providing information on wages, benefits, employment trends, and much more. Most funding for the business and education group comes from the SEDAF, though some Federal Funds can also be used for these activities. The group also works to connect high school students, and those who work with them, to provide information that will help them understand career opportunities and the workplace needs of businesses.

Systems Group

Systems staff are primarily responsible for the Research Division's web site, QualityInfo.org. They also develop internal database tools for Research staff use, one example of which allows us to make monthly employment estimates for each of Oregon's counties. A federal Workforce Information Grant provides the foundation for this group's funding, and is supplemented by grants from the U.S. Department of Labor and other funding sources including SEDAF.

Performance Group

Performance staff operate Oregon's Performance Reporting Information System (PRISM), helping us understand whether individuals served by Oregon's workforce system find and keep jobs. Workforce agencies that participate in PRISM share the cost of this performance system.

Key Issues

The Research Division is actively engaged in supporting the operation of Oregon's workforce system. The division has provided vast amounts of data and analyses to Oregon's state and local workforce boards, as some came into existence and all developed workforce plans, targeted sector strategies, and more. Many Research Division staff located throughout the state have moved their work location from WorkSource Oregon centers to local workforce development board offices to strengthen this valuable partnership.

The Research Division develops and publishes long-term industry and occupation projections that inform customers and stakeholders on the jobs of the future and the associated educational attainment and training necessary to support these forecasts.

The Research Division has an outstanding reputation nationally, both at the technical and policymaking levels, and has served a lead role in several national policy debates which had significant consequences for state and local economic information. Recently, the division's Director was selected to participate on the Bureau of Labor Statistics Oversight Committee overseeing the national policy councils of the four core Bureau of Labor Statistics programs. Several other Research Division staff are involved in national policy and technical councils and committees and have participated in conducting training for other labor market information shops. This involvement at the national level not only benefits the nation's workforce information system, but also directly and positively impacts Oregon.

The Research Division has an excellent reputation in Oregon as well. While quality information is the first priority of the division's work, customer service is highly important, reflected by the excellent and necessary rapport the division has with the wide range of customers it serves and the partners it collaborates with.

The Research Division provides key information to the Department of Administrative Services' Office of Economic Analysis (OEA), an entity which provides objective forecasts of the state's economy, revenue, and population; and to the Department of Corrections and Oregon Youth Authority populations. These forecasts are used by the Governor, the legislature, state agencies, and the public. The Research Division provides technical expertise on employment and workforce trends, as well as all of the key employment input data used in the econometric model which produces Oregon's economic and revenue forecasts.

The Research Division expects relative stability—but no significant growth—in its budget levels for the 2019-21 biennium to continue providing core workforce information services.

Performance Results

Through April 2018, Research Division staff met or exceeded all Bureau of Labor Statistics and similar measures to ensure quality of data collection and analysis. The Research Division also exceeded all four of its internally defined “data quality” performance measures. These relate to response rates for key surveys, and the extent to which business and employment data are geo-coded to a certain level of precision. As an example, the Research Division achieved an 82.5 percent response rate on its occupational employment survey (which is the source for all projections of occupational and career trends in Oregon), significantly above the Bureau of Labor Statistics required 65 percent.

The Research Division also exceeded its target for its new key performance measure, gaining an overall survey response rate of 88 percent through April 2018, compared with the target of 73 percent.

Proposed Legislation

The Research Division has no proposed legislation.

WORKFORCE AND ECONOMIC RESEARCH DIVISION ESSENTIAL PACKAGES

010 Non-PICS Personal Service /Vacancy Factor

There are three adjustments in this package including an adjustment to the estimated vacancy factor, an estimate of the 2019-21 Pension Obligation Bond, and removal of mass transit taxes from Federal Funds. The agency did not request an adjustment to the vacancy factor calculation for 2019-21. The net adjustment for 2019-21 is an increase of \$245,769. This is a combination of an increase of \$104,487 Other Funds and an increase of \$141,282 Federal Funds.

021 Phase-In

There are no phase-in costs for the Research Division for the 2019-21 biennium.

022 Phase-Out Programs & One-time Costs

There are no phase-out costs for the Research Division for the 2019-21 biennium.

031 Inflation & Price List Adjustments

This package includes both the standard inflation as prescribed by the Department of Administrative Services in the budget instructions, and adjustments to State Government Service Charges. A general inflation factor of 3.8% was applied to most services & supplies, including rent expenses. Professional Services were inflated 4.2% and Attorney General estimates were inflated by 20.14%. State Government Service Charges were adjusted to match the Price List items including assessments and charges for Department of Administrative Services, Secretary of State, Central Government Service Charges and others. The cost of goods and services increased the budget by \$259,812. This is a combination of an increase of \$22,160 Other Funds and \$237,652 Federal Funds.

050 Fund Shift

There is no fund shift necessary for the Research Division for the 2019-21 biennium.

060 Technical Adjustment

There are two positions (2.00 FTE) that the agency is moving to a different Summary Cross Reference (SCR) to align with the division in which these positions are managed. This includes one position moved from the Research SCR to the Workforce Operations SCR (010-20-10-00000), position number 0000794 (Economist 1) and one position moved from Workforce Operations to Workforce and Economic Research, position number 0001198 (Economist 2). The impact of this package is an increase of \$34,336 Other Funds.

092 Statewide Attorney General Adjustment

This package adjusts Attorney General rates from the published price list at Agency Request Budget to the Governor's Budget. This package decreases the Workforce and Economic Research Division by \$52 Other Funds and \$6 Federal Funds, a total decrease of \$58.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 031 - Standard Inflation

Gross Reference Name: Workforce and Economic Research
Gross Reference Number: 47100-010-50-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	1,281	3,489	-	-	4,770
Out of State Travel	-	-	1,005	629	-	-	1,634
Employee Training	-	-	1,369	300	-	-	1,669
Office Expenses	-	-	1,245	16,271	-	-	17,516
Telecommunications	-	-	901	6,494	-	-	7,395
State Gov. Service Charges	-	-	(10,325)	186,717	-	-	176,392
Data Processing	-	-	3,295	10,125	-	-	13,420
Publicity and Publications	-	-	864	146	-	-	1,010
Professional Services	-	-	2,166	91	-	-	2,257
IT Professional Services	-	-	1,449	341	-	-	1,790
Attorney General	-	-	145	16	-	-	161
Employee Recruitment and Develop	-	-	13	3	-	-	16
Dues and Subscriptions	-	-	3,877	638	-	-	4,515
Facilities Rental and Taxes	-	-	2,567	10,831	-	-	13,398
Fuels and Utilities	-	-	369	143	-	-	512
Facilities Maintenance	-	-	1,255	461	-	-	1,716
Medical Services and Supplies	-	-	-	-	-	-	-
Agency Program Related S and S	-	-	5	3	-	-	8
Other Services and Supplies	-	-	3	10	-	-	13
Expendable Prop 250 - 5000	-	-	103	46	-	-	149
IT Expendable Property	-	-	1,769	717	-	-	2,486
Total Services & Supplies	-	-	\$13,356	\$237,471	-	-	\$250,827

Capital Outlay

Data Processing Software	-	-	8,756	173	-	-	8,929
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ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 031 - Standard Inflation

Gross Reference Name: Workforce and Economic Research
Gross Reference Number: 47100-010-50-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Capital Outlay							
Data Processing Hardware	-	-	35	2	-	-	37
Building Structures	-	-	13	-	-	-	13
Other Capital Outlay	-	-	-	6	-	-	6
Total Capital Outlay	-	-	\$8,804	\$181	-	-	\$8,985
Total Expenditures							
Total Expenditures	-	-	22,160	237,652	-	-	259,812
Total Expenditures	-	-	\$22,160	\$237,652	-	-	\$259,812
Ending Balance							
Ending Balance	-	-	(22,160)	(237,652)	-	-	(259,812)
Total Ending Balance	-	-	(\$22,160)	(\$237,652)	-	-	(\$259,812)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 032 - Above Standard Inflation

Gross Reference Name: Workforce and Economic Research
Gross Reference Number: 47100-010-50-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Professional Services	-	-	-	-	-	-	-
IT Professional Services	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 060 - Technical Adjustments

Gross Reference Name: Workforce and Economic Research
Gross Reference Number: 47100-010-50-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	27,552	-	-	-	27,552
Empl. Rel. Bd. Assessments	-	-	-	-	-	-	-
Public Employees' Retire Cont	-	-	4,676	-	-	-	4,676
Social Security Taxes	-	-	2,108	-	-	-	2,108
Worker's Comp. Assess. (WCD)	-	-	-	-	-	-	-
Flexible Benefits	-	-	-	-	-	-	-
Total Personal Services	-	-	\$34,336	-	-	-	\$34,336
Total Expenditures							
Total Expenditures	-	-	34,336	-	-	-	34,336
Total Expenditures	-	-	\$34,336	-	-	-	\$34,336
Ending Balance							
Ending Balance	-	-	(34,336)	-	-	-	(34,336)
Total Ending Balance	-	-	(\$34,336)	-	-	-	(\$34,336)
Total Positions							
Total Positions	-	-	-	-	-	-	-
Total Positions	-	-	-	-	-	-	-
Total FTE							
Total FTE	-	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 092 - Statewide AG Adjustment

Cross Reference Name: Workforce and Economic Research
Cross Reference Number: 47100-010-50-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Attorney General	-	-	(52)	(6)	-	-	(58)
Total Services & Supplies	-	-	(\$52)	(\$6)	-	-	(\$58)
Total Expenditures							
Total Expenditures	-	-	(52)	(6)	-	-	(58)
Total Expenditures	-	-	(\$52)	(\$6)	-	-	(\$58)
Ending Balance							
Ending Balance	-	-	52	6	-	-	58
Total Ending Balance	-	-	\$52	\$6	-	-	\$58

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Gross Reference Name: Workforce and Economic Research
Gross Reference Number: 47100-010-50-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Temporary Appointments	-	-	6,223	617	-	-	6,840
Overtime Payments	-	-	39	52	-	-	91
All Other Differential	-	-	1,015	1,327	-	-	2,342
Public Employees' Retire Cont	-	-	179	234	-	-	413
Pension Obligation Bond	-	-	12,826	7,232	-	-	20,058
Social Security Taxes	-	-	557	153	-	-	710
Mass Transit Tax	-	-	(19,788)	-	-	-	(19,788)
Vacancy Savings	-	-	103,436	131,667	-	-	235,103
Total Personal Services	-	-	\$104,487	\$141,282	-	-	\$245,769
Total Expenditures							
Total Expenditures	-	-	104,487	141,282	-	-	245,769
Total Expenditures	-	-	\$104,487	\$141,282	-	-	\$245,769
Ending Balance							
Ending Balance	-	-	(104,487)	(141,282)	-	-	(245,769)
Total Ending Balance	-	-	(\$104,487)	(\$141,282)	-	-	(\$245,769)

01/03/19 REPORT NO.: PFDPFISCAL		DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM		PAGE 15								
REPORT: PACKAGE FISCAL IMPACT REPORT				2019-21								
AGENCY: 47100 DEPT OF EMPLOYMENT				PROD FILE								
SUMMARY XREF: 010-50-00 Workforce and Economic Research		PACKAGE: 060 - Technical Adjustments		PICS SYSTEM: BUDGET PREPARATION								
POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
0000794	OAH C1161	AP ECONOMIST 1	1	1.00	24.00	09	5,442.00		130,608			130,608
									67,458			67,458
0001198	OAH C1162	AP ECONOMIST 2	1	1.00	24.00	09	6,590.00		158,160			158,160
									74,242			74,242
TOTAL PICS SALARY									27,552			27,552
TOTAL PICS OPE									6,784			6,784
TOTAL PICS PERSONAL SERVICES =												
				.00			.00		24,336			24,336

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Employment Dept
2019-21 Biennium

Agency Number: 47100

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

Source	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Charges for Services	783,662	634,424	634,424	1,200,000	1,200,000	-
Other Revenues	502,526	160,000	160,000	-	-	-
Transfer In - Intrafund	6,885,279	6,112,861	6,112,861	6,116,812	6,116,812	-
Tsfr From Human Svcs, Dept of	-	175,151	175,151	175,788	175,788	-
Tsfr From HECC	133,567	179,151	179,151	179,151	179,151	-
Total Other Funds	\$8,305,034	\$7,261,587	\$7,261,587	\$7,671,751	\$7,671,751	-
Federal Funds						
Federal Funds	7,380,293	7,650,824	7,849,560	8,025,957	8,025,957	-
Total Federal Funds	\$7,380,293	\$7,650,824	\$7,849,560	\$8,025,957	\$8,025,957	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE:

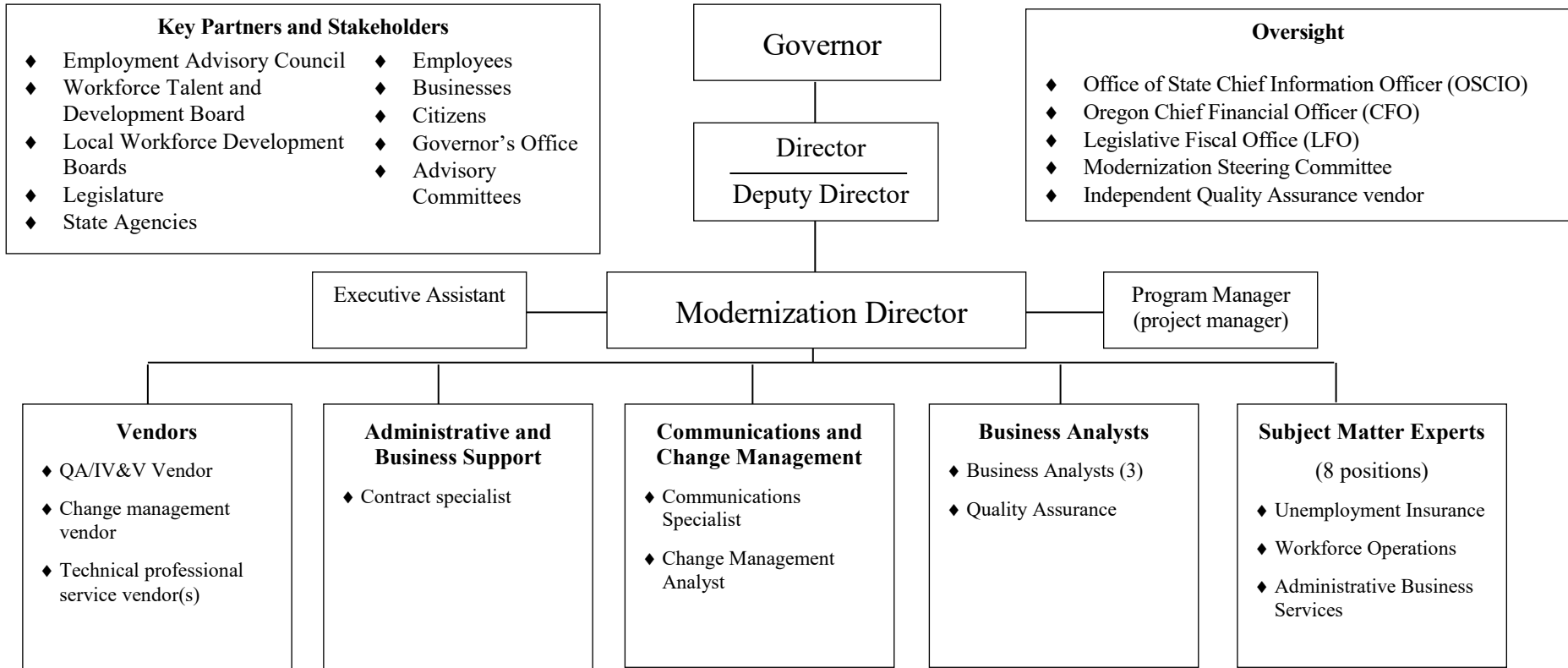
Workforce & Economic Research

Source	Fund	ORBITS Revenue Acct	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Estimated	2019-21		
						Agency Request	Governor's Recommended	Legislatively Adopted
REVENUE								
Federal Government	Federal	995	7,380,293	6,950,000		8,025,957	8,025,957	
Employer Taxes	Other	120	0	0		0	0	
Federal Funds as OF	Other	355	0	0		0	0	
Charges for Services	Other	410	783,662	930,000		1,200,000	1,200,000	
Fines & Forfeitures	Other	505	0	0		0	0	
Interest Income	Other	605	0	0		0	0	
Rents & Royalties	Other	510	0	0		0	0	
Other Revenues	Other	975	502,526	0		0	0	
Tsf from Other Agencies	Other	Various	354,302	354,302		354,939	354,939	
Tsf to Other Agencies	Other	Various	0	0		0	0	
Tsf to General Fund	Other	2060	0	0		0	0	
TRANSFERS TO/FROM NON-LIMITED		1010/2010						
SEDAF	Other		6,823,615	6,137,659		6,116,812	6,116,812	
Special Administration (P&I)	Other		180,718	0		0	0	
Reed Act	Other		0	0		0	0	
Modernization	Other		0	0		0	0	
Fraud Control Fund	Other		0	0		0	0	
Other	Other		0	0		0	0	
Total			16,025,116	14,371,961		15,697,708	15,697,708	

___ Agency Request Governor's Recommended ___ Legislatively Adopted

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MODERNIZATION PROGRAM



Budget Summary Level

	<u>2017-19</u>	<u>2019-21</u>
Pos.:	18	55
FTE:	18.00	54.38

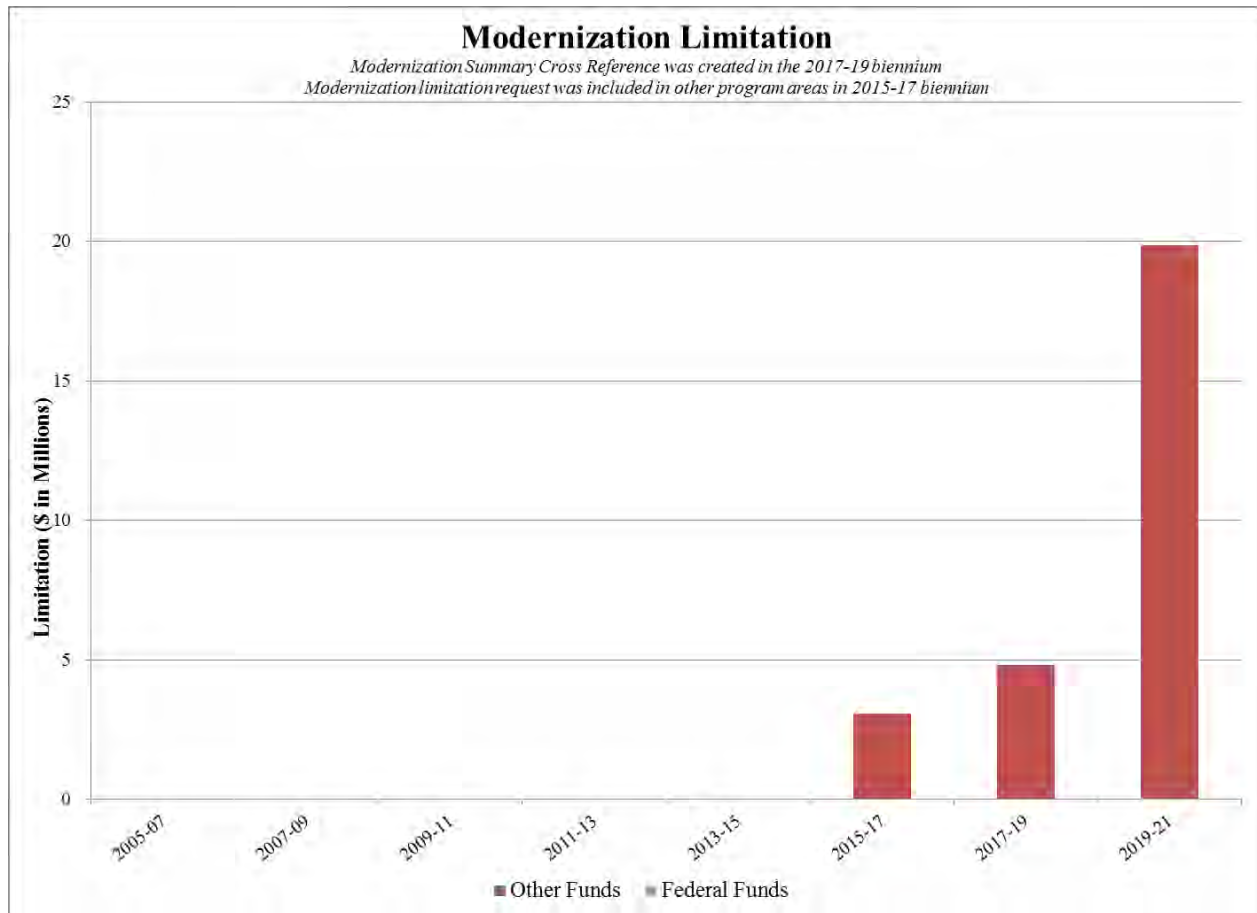
MISSION

The Oregon Employment Department has significantly invested in a Modernization Initiative to transform the agency’s business and technology systems to innovatively meet the evolving needs of Oregon’s businesses and citizens. The mission of the Modernization Initiative is to ensure the agency can continue to achieve our mission to *Support Business and Promote Employment*.

PROGRAM EXECUTIVE SUMMARY

Primary Strategic Focus Area: *A Thriving Statewide Economy*

Primary Division Contact: Renee Royston, Modernization Director (503) 947-1839



PROGRAM OVERVIEW

The goals of the Modernization Program are to:

- **Enhance customer experience.** Deliver improved services, such as online self-service, automation, access to data, and integration with partners.
- **Transform business processes.** Leverage modern system capabilities to provide improvements and efficiencies in business processes, deliver new tools for our employees, and support more effective service delivery to our customers.
- **Improve security.** Improve our ability to anticipate and respond to security threats, and manage access.
- **Modernize technology.** Replace the agency's aging computer systems that support unemployment insurance taxes, payment of unemployment insurance benefits, and delivery of employment services.

The Modernization Program will accomplish its goals through execution of projects chartered to replace the agency's business processes and aging information technology systems. New systems offer improved capabilities, such as flexibility, supportability, and automation. New system capabilities also provide opportunities to evaluate, transform, and improve business processes. The Employment Department will strategically align internal business practices with core technology systems to focus the agency's resources in the most cost-effective way to meet the needs of our customers -- Oregonians and Oregon businesses.

Program Funding Request

The Modernization Program is requesting budget authority for the 2019-21 biennium of \$19,857,463 Other Funds expenditure limitation and 55 permanent positions (46.63 FTE). This will continue current positions and establish additional positions to support the agency's effort to modernize its business practices and technology systems.

During 2019-21, the program's focus will shift to detailed planning and delivery of the initial project(s) concentrated on transformation of systems and processes for the Unemployment Insurance program. The agency expects to release a request for proposal in early 2019, followed by contract negotiations and contract award to a solution vendor later in 2019. Because the solution vendor is not yet known, and project planning has not yet been conducted, the anticipated costs for the 2019-21 biennium reflect the information that is known at this time. Planned expenditures will be adjusted as further program and project plans are developed, project scope is defined, vendors are chosen, and resource needs are validated.

Program Description

The Modernization Program is a priority of the agency and its outcomes will touch every aspect of the organization, from processes to people. Recognizing this, the Modernization Sponsor is the Director of the Employment Department. Best practices in oversight and governance are used to assess, monitor, and evaluate the program each step along the way, including a detailed business case, cost and benefit analyses, anticipating risks, and planning for contingencies.

In the 2015-17 biennium, the agency began initial planning for modernization, hired core program staff, and began a feasibility study.

In the 2017-19 biennium, the agency completed its feasibility study, initiated the Modernization Program, selected the initial project(s), conducted Information Technology readiness activities, and began efforts to define scope and gather requirements supporting development of a request for proposal. It is anticipated that the request for proposal will be released in early 2019.

In the 2019-21 biennium, the agency expects to initiate the first modernization project(s), complete contract negotiations and award, plan the project(s), and begin execution of development activities with selected vendor(s).

The agency will continue to work with the Office of the State Chief Information Officer to utilize the Enterprise Project and Portfolio Management system for all program and project reviews, approvals, and status, and quality assurance reporting activities throughout the life of the Modernization Program.

Program Justification and Link to Strategic Focus Areas

The Modernization Program will allow the agency to mitigate risk and ensure we can continue to achieve our mission to *Support Business and Promote Employment*. Modernizing the agency's systems and business processes supports the Governor's overarching goal of excellence in state government.

The systems that support our core business functions are based on obsolete or outdated technology and are reaching maximum capacity. Many of these systems were designed in the 1990s, and rely on a myriad of disparate, aging software applications and databases. This poses risk of system failure and difficulties in maintaining system support. Many of our business processes are inefficient, manual, or constrained by current system capabilities that do not provide the flexibility to meet the changing needs and expectations of our customers and partners.

We are finding it increasingly difficult to recruit or retain staff with the skillsets needed to support these aging systems. As of May 2018, almost 40 percent of our Information Technology staff that support our existing systems are eligible to retire immediately.

We must adapt to evolving customer needs, policies, and federal and state laws. Our customer's desire personalized and updated services, such as online self-service options and mobile-friendly applications. Our partners wish to interact and share data with us using modern and flexible technologies. Changing our business processes to remedy pain points and remove manual work through automation will allow us to be more efficient, reduce processing time, improve the accuracy of actions and information, and be more responsive to policy changes.

Program Performance

The Modernization Program is a pivotal strategic investment for the agency to transform its business and technology processes. The agency will adhere to governance processes and oversight requirements that support accountability in how the program is managed and executed. The Office of the State Chief Information Officer (OSCIO) and Legislative Fiscal Office (LFO) require statewide projects meeting established thresholds be subject to a Stage Gate review process. The Modernization Program meets these thresholds and will work with the OSCIO and LFO throughout the Stage Gate process.

Project performance measures and oversight requirements will be established to ensure the Modernization Program and projects deliver the expected outcomes and benefits. As projects are chartered and planned, baselines for scope, schedule, and budget will be established, measured, and reported.

The Employment Department's Director is the executive sponsor for the Modernization Program. In addition to established external oversight for business and technology initiatives of this scope, the Modernization Program is accountable to an executive steering committee that provides guidance and direction to the program sponsors and a required quality assurance vendor.

Enabling Legislation and Program Authorization

The Modernization Program is guided by the enabling legislation of the Employment Department, most aligned with the laws governing the Unemployment Insurance and Workforce Operations divisions.

Federal Statutes and Regulations

The Wagner-Peyser Act, Workforce Innovation and Opportunity Act of 2014, Social Security Act of 1935 (42 USC 501; 42 USC 504), Federal Unemployment Tax Act (Chapter 23, Internal Revenue Code), and the Code of Federal Regulations (Title 20, parts 1-1099) are the federal regulations governing Employment Department programs.

State Statutes and Administrative Rules

The Employment Department and the Employment Appeals Board are established in chapter 657 of the Oregon Revised Statutes (ORS 657.005-657.990). The agency's Administrative Rules are found in Oregon Administrative Rules (OAR chapter 471).

Funding Streams

The Modernization Initiative is funded by Unemployment Insurance Modernization Funds distributed in 2009, also known as Modernization funds, which reside in the Unemployment Insurance Trust Fund. The U.S. Department of Labor has issued guidelines on how this money may be authorized in Section 903(c)(2) of the Social Security Act and 20 CFR Parts 652 and 667, which includes use for application development and other technology that support employment service delivery.

Significant Proposed Program Changes from 2019-21

In the 2017-19 biennium, the primary focus was planning, research, initiation of the Modernization Program, and planning to address required activities for Stage Gate 1 and Stage Gate 2. In the 2019-21 biennium, the focus will move to detailed planning and delivery of the initial project(s) focused on transforming the Unemployment Insurance Program. This will include:

- Completion of negotiation and award of solution vendor contract(s);
- Hiring of project and project staff;
- Development of specific project plans and timelines with involvement from the solution vendor(s);
- Establishment of baselines for project scope, schedule, and budget;
- Development and configuration activities;
- Testing and training activities;

- Organizational change management activities;
- Program and project management activities;
- Continued independent quality assurance oversight; and
- Continued reporting and Stage Gate submissions.

MODERNIZATION PROGRAM

Strategic Initiatives 2019-21

The Modernization Program's strategic focus is to evaluate, improve, and replace the Employment Department's core business and technology systems to increase data security and better meet the evolving needs of Oregonians and Oregon businesses. This will be accomplished through execution of projects chartered to replace the agency's business processes and aging information technology systems. The first project(s) for the Modernization Program will focus on transformation of the Unemployment Insurance Program. Additional projects will be initiated as resources and capacity become available.

Key Issues

One of the primary drivers behind the Modernization Initiative is the risk that systems supporting unemployment insurance and employment services business functions may fail or may not be supported in the future. Many of the agency's business processes are manual, inflexible, duplicative, or inefficient, and in need of significant improvement. In assessing the core technology, business systems, and current business practices the agency determined that:

- Many agency business processes are inefficient, manual or constrained by system capabilities that do not provide the flexibility to meet the changing needs and expectations of customers and partners;
- The systems that support the Employment Department's unemployment insurance and employment services functions are based on obsolete or outdated technology or are reaching maximum capacity. These systems were designed in the 1990s, and rely on a myriad of disparate, aging software applications and databases. This poses risk of system failure and difficulties in maintaining system support;
- Aging technologies and processes are complex, presenting the risk of not being supported. Recruiting and retaining Information Technology staff with the skill sets necessary to support these antiquated systems has become a significant challenge, threatening business continuity;
- A need exists for secure and appropriate access to real-time and accurate data that not only supports the Employment Department, but also the network of partners who support the workforce system and those that rely on our data for administering their programs; and
- The Employment Department must improve its ability to protect data, ensure confidentiality, respond to security threats, and more easily manage access to agency systems and data.

Performance Results

The delivery of program benefits, goals and objectives will be measured against established success metrics. Project performance will be measured against baselines for scope, schedule, and budget. These will be reported throughout the life of the program and each project. Primary methods to track

and report these metrics will be through monthly and quarterly status reports, independent quality assurance reporting, and regular evaluation and reporting against established project baselines and closeout reports.

Proposed Legislation

The Modernization Program has no proposed legislation.

MODERNIZATION PROGRAM ESSENTIAL PACKAGES

010 Non-PICS Personal Service /Vacancy Factor

There are three adjustments in this package including an adjustment to the estimated vacancy factor, an estimate of the 2019-21 Pension Obligation Bond, and removal of mass transit taxes from Federal Funds. The agency did not request an adjustment to the vacancy factor calculation for 2019-21. The net adjustment for 2019-21 is a decrease of \$12,561 Other Funds.

021 Phase-In

This package adds limitation for services and supplies related to 2017-19 Package 101 Modernization Program permanent positions that were phased in for the 2019-21 biennium. This package results in an increase of \$138,600 Other Funds.

022 Phase-Out Programs & One-time Costs

There are no phase-out costs for the Modernization Program for the 2019-21 biennium.

031 Inflation & Price List Adjustments

This package includes both the standard inflation as prescribed by the Department of Administrative Services in the budget instructions, and adjustments to State Government Service Charges. A general inflation factor of 3.8% was applied to most services and supplies, including rent expenses. Professional Services were inflated 4.2% and Attorney General estimates were inflated by 20.14%. State Government Service Charges were adjusted to match the Price List items including assessments and charges for Department of Administrative Services, Secretary of State, Central Government Service Charges and others. The cost of goods and services increased the budget by \$188,207 Other Funds.

MODERNIZATION PROGRAM POLICY PACKAGES

101 – Modernize Business Services and Technology Infrastructure

Package Description

The Employment Department is modernizing its core unemployment insurance and employment services business and information technology systems to ensure the agency can continue to fulfill its mission to *Support Business and Promote Employment*. The multi-biennia effort to modernize requires a significant investment, both in technology and changing how we serve our customers. The Modernization Program is a pivotal strategic investment for the agency that meets critical business needs and aligns with broader statewide priorities and initiatives. Modernizing our core information technology systems and business processes is essential to ensure we can continue to provide services now and into the future, as our aging systems are increasingly difficult and costly to maintain and modify, and increasingly impede our ability to adequately serve Oregon workers and businesses. This is particularly true for systems that support payment of unemployment insurance benefits, the collection of unemployment insurance taxes, and recruiting and referring qualified applicants to jobs.

The Modernization Program is currently funded by unemployment insurance funds distributed by the U.S. Department of Labor in 2009, also known as modernization funds, which reside in the Unemployment Insurance Trust Fund. The U.S. Department of Labor has issued guidelines on how this money may be spent as authorized in Section 903(c)(2) of the Social Security Act and 20 CFR Parts 652 and 667, which includes use for application development and other technology that support unemployment insurance and employment service delivery.

The agency is requesting \$13,699,746 Other Funds expenditure limitation and 37 permanent positions (28.63 FTE) to continue support of the Modernization Program, as well as initiate the first modernization projects focused on transformation of systems and processes for the Unemployment Insurance Program.

How Achieved

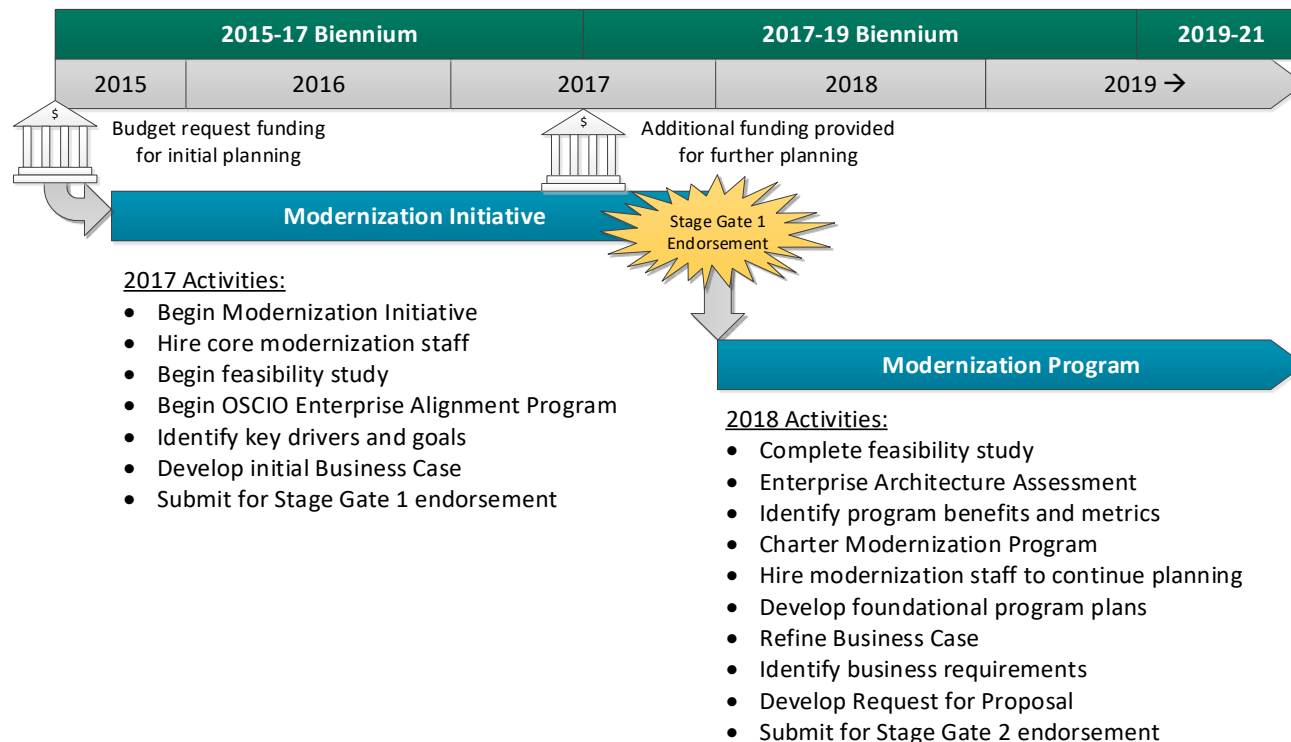
The Modernization Program will accomplish its goals through execution of projects chartered to replace the agency's business processes and aging information technology systems. New systems offer improved capabilities, such as flexibility, supportability, and automation. New system capabilities also provide opportunities to evaluate, transform, and improve business processes. The Employment Department will strategically align our business practices with core technology systems to focus our resources in the most cost-effective way to meet the needs of our customers – Oregonians and Oregon businesses.

The Modernization Program is a priority of the agency and its outcomes will touch every aspect of our organization, from processes to people. Recognizing this, the Modernization Executive Sponsor is the Director of the Employment Department. Best practices in oversight and governance are used to assess, monitor, and evaluate the program each step along the way, including a detailed business case, cost and benefit analyses, anticipating risks, and planning for contingencies.

In the 2015-17 biennium, the agency began initial planning for modernization, hired core program staff, and began a feasibility study.

In the 2017-19 biennium, the agency completed its feasibility study, initiated the Modernization Program, selected the initial projects, conducted technical readiness activities, and began efforts to define scope and gather requirements supporting development of a request for proposal (RFP). In April 2018, the agency made the decision to focus on the Unemployment Insurance Program as the focus of initial Modernization projects, specifically unemployment insurance tax. It is anticipated that initial projects will be initiated by January 2019, including submission through the state’s enterprise portfolio Stage Gate 2 process. A request for proposal will be developed and ready to be released in early 2019.

In the 2019-21 biennium, the agency expects to complete contract negotiations and award, conduct detailed project planning, and begin execution of development activities with selected vendor(s). Project team staff recruitments, facility preparation, equipment installation, and other activities may begin as early as July 2019. Procurement and contract activities will be completed by fall of 2019. The agency targets January 2020 to onboard the solution vendor(s) and project staff to conduct detailed planning and begin execution.



Quantifying Results

The primary goals for the Modernization Program are listed below. These goals and supporting objectives will be achieved through execution of various projects. The projects’ charters will include the specific objectives, along with metrics that will be used to ensure the objectives are met. Accompanying program measures are still being developed.

Goal 1: Enhance customer experience. Deliver improved services, such as online self-service, automation, access to data, and integration with partners.

Supporting objectives

- Improve customer satisfaction
- New online service options
- Increase access to timely and accurate data for customers
- Create additional data elements that address missing data points
- Seamless service delivery with our partners

Goal 2: Transform business processes. Leverage modern system capabilities to provide improvements and efficiencies in business processes, and new tools for our employees, and support more effective service delivery to our customers.

Supporting objectives

- Improve state, federal, or other internal key performance metrics long term
- Minimize process pain points
- Automate repeated manual processes that do not require human judgement
- Fulfill business requirements

Goal 3: Improve security. Improve our ability to anticipate and respond to security threats, and manage access.

Supporting objectives

- Extensible and flexible access control administration
- Comprehensive audit logs
- Comply with all applicable regulatory security standards

Goal 4: Modernize technology. Replace the agency's aging computer systems that support unemployment insurance taxes, payment of unemployment insurance benefits, and delivery of employment services.

Supporting objectives

- Replace in-scope systems and functions
- Replace in-scope interfaces
- Deliver flexible and sustainable systems
- Deliver technical requirements

Assumptions

- Initial project will be initiated by January 2019, including submission through the state's enterprise portfolio Stage Gate 2 process.
- It is anticipated that a request for proposal will be developed and ready to be released in early 2019.
- Groundwork and planning for initial project will occur in 2019.
- Project team staff recruitments, facility preparation, equipment installation, and other activities will begin no later than July 2019.
- In estimating space and equipment needs, we anticipate a peak staff level of modernization team of 50, plus vendor staff of 20-40.
- Procurement and contract activities will be completed by fall of 2019.
- The agency will begin recruitment of business and technical managers, as well as remaining program team positions in summer of 2019. These managers will then conduct the recruitments and build the project team by end of 2019.
- Target January 2020 to onboard the solution vendor and project staff to conduct detailed planning and begin execution.
- It is not expected that initial unemployment insurance project will be completed within 2019-21 biennium. Final implementation of these projects, and the bulk of solution vendor charges, will likely occur in the next biennium.

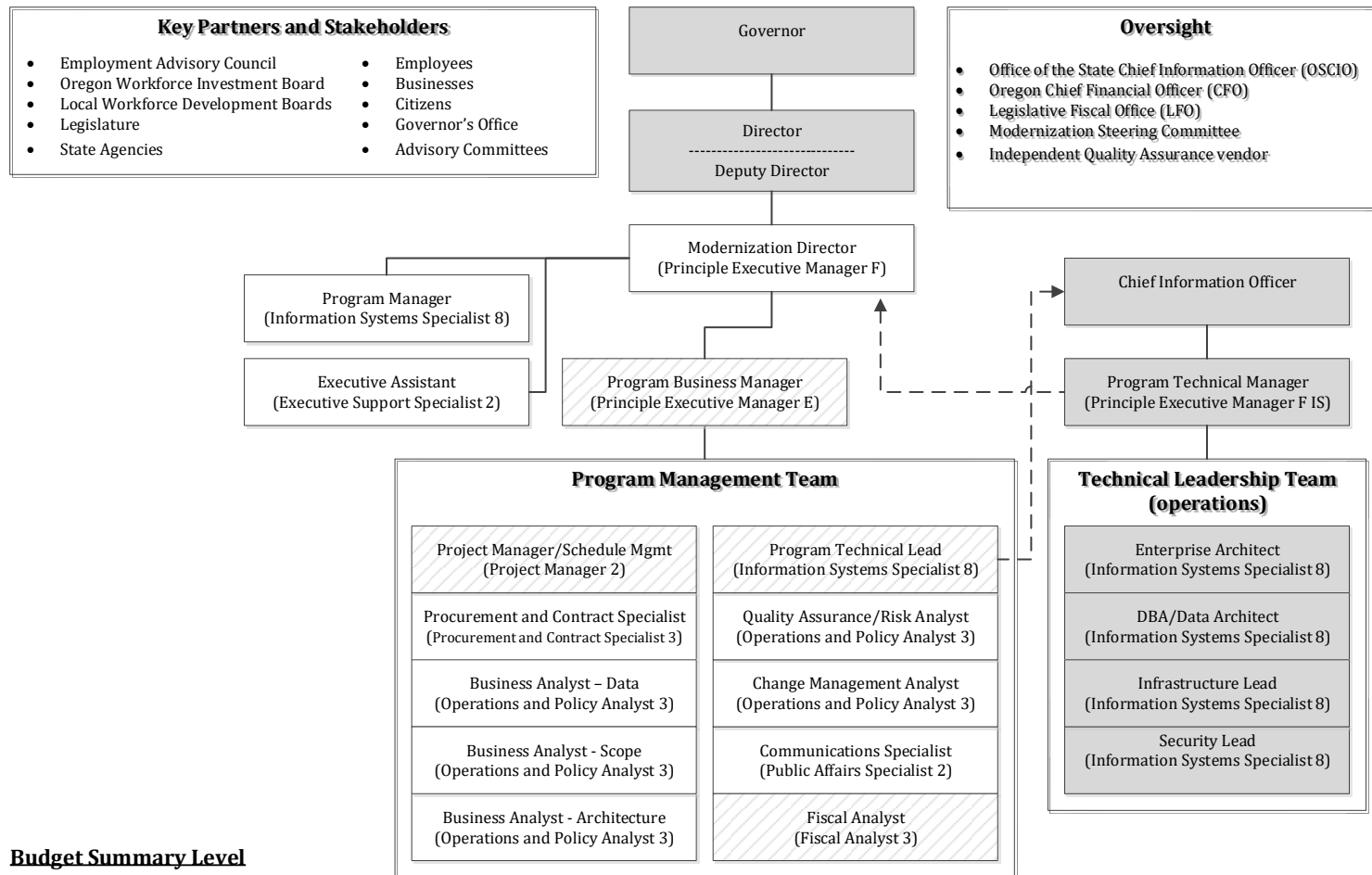
Positions

The Modernization Program will be comprised of three tiers or teams. The purpose and focus of each team is described below.

Modernization Program Management Team. The Modernization Program Management Team will participate for the life of the program and will be involved in or assist with all modernization projects. This team will provide services to underlying projects, ensuring consistency in practices, and ensuring dedicated resources are available to support the administrative, oversight, and operational needs for the program and its projects.

Modernization Program

(Program Management Team)



Budget Summary Level

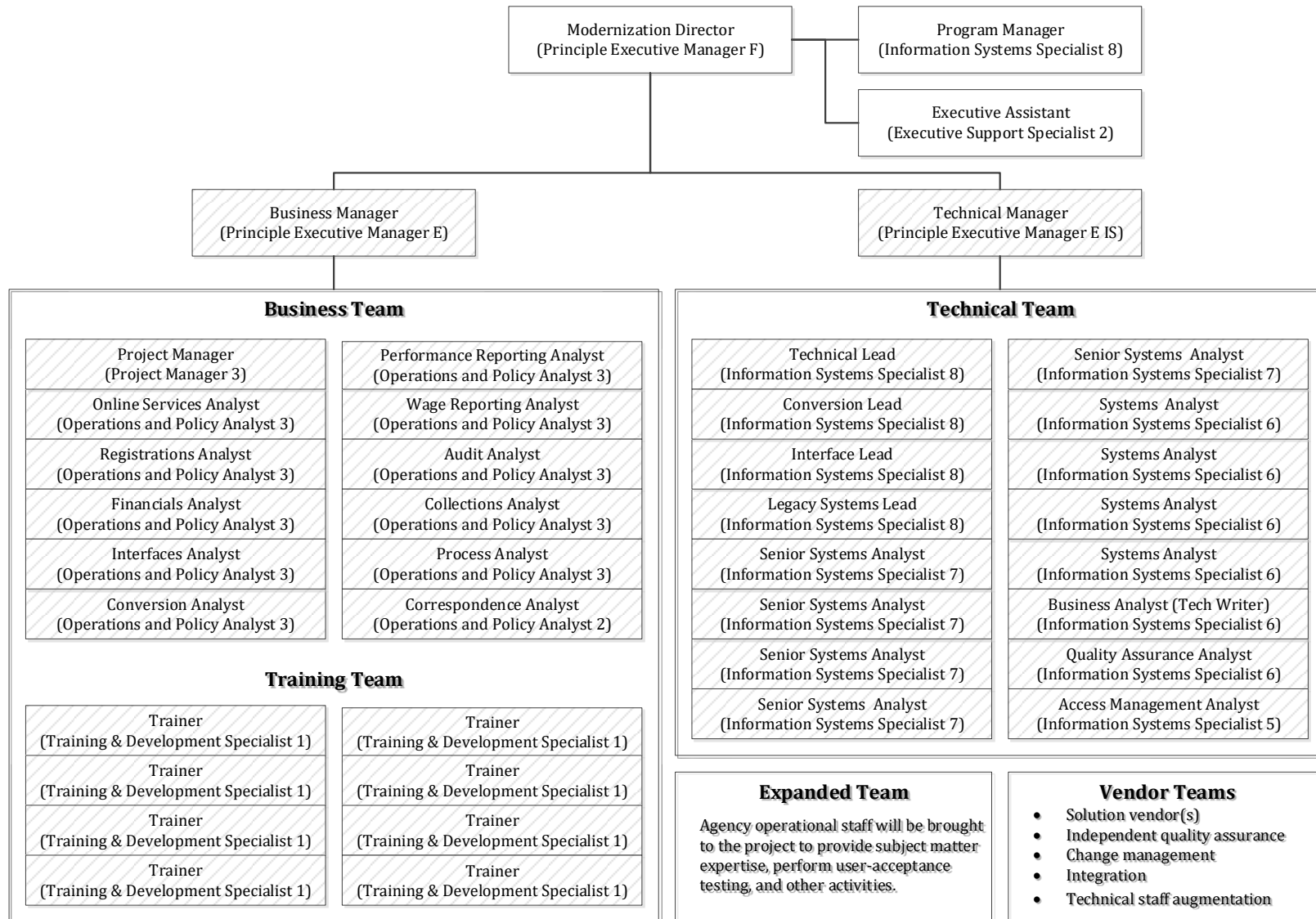
	2017-19	2019-21
Total Pos:	18.00	TBD
Total FTE:	13.95	TBD

= Carry forward positions = New requested positions = Operational positions

Modernization Project Teams. For each specific project, teams will be established to focus on delivery and execution of the project work. The project teams will be comprised of dedicated business analysts, technical staff, solution vendor staff, trainers, and expanded team members.

Modernization Program

(Project Team)



= Carry forward positions = New requested positions = Operational positions

Modernization Expanded Team and Operational and Administrative Support. Agency operational staff will be brought onto the project teams at various times throughout a project to provide subject matter expertise, perform user-acceptance testing, and other activities. These will not be dedicated positions for the program or project; however, additional capacity must be created to allow for this additional operational role in support of modernization. Further, additional administrative support will be necessary to support the Modernization Program within the agency. To create this capacity in operations, additional position authority and limitation are being requested.

# Pos	FTE	Position Classification	Position Title	Description
1	1.00	Principle Executive Manager E	Program Business Manager	Supervises the Modernization Program team staff and provides strategic business leadership for the program.
1	1.00	Project Manager 2	Project Manager (schedule management)	Responsible for development and management of all program and project schedules, tasks management, and scheduling.
1	1.00	Information Systems Specialist 8	Program Technical Lead	Provides strategic technical leadership for the program and liaisons with Information Technology operations to ensure technical decisions are in alignment with the agency's architectural strategy.
1	1.00	Fiscal Analyst 3	Budget Analyst	Fiscal analysis and budget compilation services for the Modernization Program. Including maintaining the program's budget management plan and processes; developing sound expenditure estimates and projections; monitors funding, appropriation and limitation; prepares monthly and ad-hoc reports; ensures proper and correct expenditure charging to the correct cost codes; fiscal problem-solving for unanticipated costs; and responds to information requests from internal and external customers.
1	0.96	Principle Executive Manager E	Business Manager	Supervises the Modernization Project Business team staff and provide strategic business leadership for the project.

1	0.96	Project Manager 3	Project Manager (legacy changes and interfaces)	Works closely with the Program Manager and the Program Management Team to ensure the plans are carried out as specified and the project delivers the expected outcomes. Provides project management expertise and leadership in coordinating legacy system changes, data conversion, interface development, cutover activities. Facilitates relationships with partners to ensure changes are coordinated and communicated.
1	0.75	Operations and Policy Analyst 3	Business Analyst (online services)	Makes decisions about business requirements and participates in configuration and development of the system to ensure solutions meet business needs. Performs unit and functional testing, verification of data converted, and validation that the system performs the business functions as intended
1	0.75	Operations and Policy Analyst 3	Business Analyst (registrations)	
1	0.75	Operations and Policy Analyst 3	Business Analyst (financials)	
1	0.75	Operations and Policy Analyst 3	Business Analyst (interfaces)	
1	0.75	Operations and Policy Analyst 3	Business Analyst (performance reporting)	
1	0.75	Operations and Policy Analyst 3	Business Analyst (wage reporting)	
1	0.75	Operations and Policy Analyst 3	Business Analyst (audit)	
1	0.75	Operations and Policy Analyst 3	Business Analyst (collections)	
1	0.75	Operations and Policy Analyst 3	Business Analyst (process flow)	
1	0.75	Operations and Policy Analyst 3	Business Analyst (conversion)	
1	0.75	Operations and Policy Analyst 2	Business Analyst (correspondence)	
1	0.75	Information Systems Specialist 8	Conversion Lead	Leads and coordinates data conversion activities, such as data mapping, analysis, cleansing, conversion strategy, data extractions, and data verification and reconciliation.
1		Information Systems	Interface Lead	Leads and coordinates development and

	0.75	Specialist 8		configuration of interfaces.
1	0.75	Information Systems Specialist 8	Legacy Systems Lead	Leads and coordinates development and configuration of changes required to legacy systems in support of the new system.
5	3.75	Information Systems Specialist 7	Senior Systems Analyst	Works with solution vendor to lead the design and configuration of the new system. Prepare design specification for other analysts, configure and implement site-specific business objects, application programming interfaces, letters, reports, and queries.
4	3.00	Information Systems Specialist 6	Systems Analyst	Works with solution vendor and senior analysts to configure and implement site-specific business objects, application programming interfaces, letters, reports, and queries.
1	0.75	Information Systems Specialist 6	Business Analyst/Technical Writer	Documents design decisions, maintains configuration and technical documentation.
1	0.75	Information Systems Specialist 6	Quality Assurance Analyst	Works with the solution vendor to coordinate and lead all testing efforts (unit, functional, user acceptance, regression, load, penetration, etc).
1	0.75	Information Systems Specialist 5	Access Management Analyst	Performs analysis of system and data access needs, develops process and standards for managing access to the new system, and coordinates the process for ensuring initial accesses within the new system are appropriate and in place prior to implementation.
2	1.00	Information Systems Specialist 5	Information Technology Help Desk Technicians	Technical Information Technology assistance for personnel and vendors assigned to Modernization Program activities.
1	0.50	Human Resource Analyst 3	Human Resource Analyst 3	Assistance and coordination of human resource needs such as recruiting, hiring and employee management.
37	28.63	TOTAL POSITIONS		

Contracts and Procurement

The Modernization Program anticipates contracts for the unemployment insurance project solution vendor, quality assurance vendor, change management vendor, systems integration vendor, and potential technical augmentation. While it is anticipated that initial solution software and vendor payments will be made in 2019-21, the larger contract deliverable payments will likely occur in future biennia.

Quality Assurance and Independent Verification & Validation vendor	\$3,149,994
Department of Administrative Services and Department of Justice procurement charges	\$1,260,000
Total	\$4,409,994

Technical

Laptops	\$277,160
General Services & Supplies, Data Processing, Telecommunications	\$1,030,500
Total	\$1,307,660

Facilities and Equipment

Due to the anticipated size of the Modernization Program team, and needs for conference, testing, and training space, we expect that facilities will need to be acquired offsite from the Employment Department Central Office. These estimated costs cover space to locate the project team, as well as conference, testing, and training rooms. Additionally, these estimates include necessary build costs to prepare the space for the program needs.

Rent	\$1,319,928
Build –out cost	\$361,716
Furniture and equipment	\$362,068
Total	\$2,043,712

2019-21 Fiscal Impact

Staffing Impact

Permanent Positions/FTE: 37 positions/28.63 FTE

Expenditures

Personal Services: \$5,938,380

Services and Supplies: \$7,761,366

Revenue Source

Other Funds (Unemployment Insurance Modernization Funds): \$13,699,746

2021-23 Fiscal Impact

The fiscal impact for 2021-23 includes only the permanent positions, phased in for a complete biennium, personnel-related services and supplies, and contracts extending into the 2021-23 biennium.

Staffing Impact

Permanent Positions/FTE: 37 positions/37.00 FTE

Expenditures

Personal Services: \$6,048,710

Services and Supplies: \$7,774,866

Revenue Source

Other Funds (Unemployment Insurance Modernization Funds): \$13,823,576

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Gross Reference Name: Modernization Initiative
Gross Reference Number: 47100-010-90-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Pension Obligation Bond	-	-	35,067	-	-	-	35,067
Mass Transit Tax	-	-	13,950	-	-	-	13,950
Vacancy Savings	-	-	(61,578)	-	-	-	(61,578)
Total Personal Services	-	-	(\$12,561)	-	-	-	(\$12,561)
Services & Supplies							
Out of State Travel	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	(12,561)	-	-	-	(12,561)
Total Expenditures	-	-	(\$12,561)	-	-	-	(\$12,561)
Ending Balance							
Ending Balance	-	-	12,561	-	-	-	12,561
Total Ending Balance	-	-	\$12,561	-	-	-	\$12,561

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 021 - Phase - In

Gross Reference Name: Modernization Initiative
Gross Reference Number: 47100-010-90-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	7,000	-	-	-	7,000
Employee Training	-	-	3,000	-	-	-	3,000
Office Expenses	-	-	19,000	-	-	-	19,000
Telecommunications	-	-	41,000	-	-	-	41,000
Facilities Rental and Taxes	-	-	60,000	-	-	-	60,000
Fuels and Utilities	-	-	3,000	-	-	-	3,000
Facilities Maintenance	-	-	4,000	-	-	-	4,000
Expendable Prop 250 - 5000	-	-	1,600	-	-	-	1,600
Total Services & Supplies	-	-	\$138,600	-	-	-	\$138,600
Total Expenditures							
Total Expenditures	-	-	138,600	-	-	-	138,600
Total Expenditures	-	-	\$138,600	-	-	-	\$138,600
Ending Balance							
Ending Balance	-	-	(138,600)	-	-	-	(138,600)
Total Ending Balance	-	-	(\$138,600)	-	-	-	(\$138,600)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 022 - Phase-out Pgm & One-time Costs

Gross Reference Name: Modernization Initiative
Gross Reference Number: 47100-010-90-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Out of State Travel	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-
IT Professional Services	-	-	-	-	-	-	-
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
IT Expendable Property	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 031 - Standard Inflation

Gross Reference Name: Modernization Initiative
Gross Reference Number: 47100-010-90-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	760	-	-	-	760
Employee Training	-	-	1,900	-	-	-	1,900
Office Expenses	-	-	3,981	-	-	-	3,981
Telecommunications	-	-	2,280	-	-	-	2,280
State Gov. Service Charges	-	-	175,486	-	-	-	175,486
Data Processing	-	-	3,800	-	-	-	3,800
Total Services & Supplies	-	-	\$188,207	-	-	-	\$188,207
Total Expenditures							
Total Expenditures	-	-	188,207	-	-	-	188,207
Total Expenditures	-	-	\$188,207	-	-	-	\$188,207
Ending Balance							
Ending Balance	-	-	(188,207)	-	-	-	(188,207)
Total Ending Balance	-	-	(\$188,207)	-	-	-	(\$188,207)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 101 - Modernize Business and Technology Infrastructure

Gross Reference Name: Modernization Initiative
Gross Reference Number: 47100-010-90-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	13,699,764	-	-	-	13,699,764
Total Revenues	-	-	\$13,699,764	-	-	-	\$13,699,764
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	3,954,286	-	-	-	3,954,286
Empl. Rel. Bd. Assessments	-	-	1,750	-	-	-	1,750
Public Employees' Retire Cont	-	-	671,038	-	-	-	671,038
Social Security Taxes	-	-	302,507	-	-	-	302,507
Worker's Comp. Assess. (WCD)	-	-	1,675	-	-	-	1,675
Flexible Benefits	-	-	1,007,142	-	-	-	1,007,142
Total Personal Services	-	-	\$5,938,398	-	-	-	\$5,938,398
Services & Supplies							
Instate Travel	-	-	25,000	-	-	-	25,000
Employee Training	-	-	100,000	-	-	-	100,000
Office Expenses	-	-	205,500	-	-	-	205,500
Telecommunications	-	-	200,000	-	-	-	200,000
Data Processing	-	-	200,000	-	-	-	200,000
IT Professional Services	-	-	4,409,994	-	-	-	4,409,994
Facilities Rental and Taxes	-	-	1,319,928	-	-	-	1,319,928
Fuels and Utilities	-	-	100,000	-	-	-	100,000
Facilities Maintenance	-	-	361,716	-	-	-	361,716
Other Services and Supplies	-	-	200,000	-	-	-	200,000
Expendable Prop 250 - 5000	-	-	362,068	-	-	-	362,068

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 101 - Modernize Business and Technology Infrastructure

Gross Reference Name: Modernization Initiative
Gross Reference Number: 47100-010-90-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
IT Expendable Property	-	-	277,160	-	-	-	277,160
Total Services & Supplies	-	-	\$7,761,366	-	-	-	\$7,761,366
Total Expenditures							
Total Expenditures	-	-	13,699,764	-	-	-	13,699,764
Total Expenditures	-	-	\$13,699,764	-	-	-	\$13,699,764
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions	-	-	-	-	-	-	37
Total Positions	-	-	-	-	-	-	37
Total FTE							
Total FTE	-	-	-	-	-	-	28.63
Total FTE	-	-	-	-	-	-	28.63

01/03/19 REPORT NO.: PFDPFISCAL DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 16
 REPORT: PACKAGE FISCAL IMPACT REPORT 2019-21 PROD FILE
 AGENCY:47100 DEPT OF EMPLOYMENT PICS SYSTEM: BUDGET PREPARATION
 SUMMARY XREF:010-90-00 Modernization Initiative PACKAGE: 101 - Modernize Business and Technol

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1910101	MMS X7008 AP	PRINCIPAL EXECUTIVE/MANAGER E	1	1.00	24.00	02	6,542.00		157,008 73,958			157,008 73,958
1910102	OAH C0855 AP	PROJECT MANAGER 2	1	1.00	24.00	02	5,442.00		130,608 67,458			130,608 67,458
1910103	OAH C1488 IP	INFO SYSTEMS SPECIALIST 8	1	1.00	24.00	02	6,456.00		154,944 73,450			154,944 73,450
1910104	OAH C1245 AP	FISCAL ANALYST 3	1	1.00	24.00	02	5,442.00		130,608 67,458			130,608 67,458
1910105	MMS X7008 AP	PRINCIPAL EXECUTIVE/MANAGER E	1	.96	23.00	02	6,542.00		150,466 70,877			150,466 70,877
1910106	OAH C0856 AP	PROJECT MANAGER 3	1	.96	23.00	02	5,993.00		137,839 67,768			137,839 67,768
1910107	OAH C0872 AP	OPERATIONS & POLICY ANALYST 3	1	.75	18.00	02	5,442.00		97,956 50,595			97,956 50,595
1910108	OAH C0872 AP	OPERATIONS & POLICY ANALYST 3	1	.75	18.00	02	5,442.00		97,956 50,595			97,956 50,595
1910109	OAH C0872 AP	OPERATIONS & POLICY ANALYST 3	1	.75	18.00	02	5,442.00		97,956 50,595			97,956 50,595
1910110	OAH C0872 AP	OPERATIONS & POLICY ANALYST 3	1	.75	18.00	02	5,442.00		97,956 50,595			97,956 50,595
1910111	OAH C0872 AP	OPERATIONS & POLICY ANALYST 3	1	.75	18.00	02	5,442.00		97,956 50,595			97,956 50,595
1910112	OAH C0872 AP	OPERATIONS & POLICY ANALYST 3	1	.75	18.00	02	5,442.00		97,956 50,595			97,956 50,595
1910113	OAH C0872 AP	OPERATIONS & POLICY ANALYST 3	1	.75	18.00	02	5,442.00		97,956 50,595			97,956 50,595

01/03/19 REPORT NO.: PFDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:47100 DEPT OF EMPLOYMENT
 SUMMARY XREF:010-90-00 Modernization Initiative

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM
 PACKAGE: 101 - Modernize Business and Technol

2019-21
 PICS SYSTEM: BUDGET PREPARATION
 PAGE 17
 PROD FILE

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1910114	OAH C0872	AP OPERATIONS & POLICY ANALYST 3	1	.75	18.00	02	5,442.00		97,956 50,595			97,956 50,595
1910115	OAH C0872	AP OPERATIONS & POLICY ANALYST 3	1	.75	18.00	02	5,442.00		97,956 50,595			97,956 50,595
1910116	OAH C0872	AP OPERATIONS & POLICY ANALYST 3	1	.75	18.00	02	5,442.00		97,956 50,595			97,956 50,595
1910117	OAH C0871	AP OPERATIONS & POLICY ANALYST 2	1	.75	18.00	02	4,727.00		85,086 47,426			85,086 47,426
1910118	MMS X7008	IP PRINCIPAL EXECUTIVE/MANAGER E	1	.96	23.00	02	7,561.00		173,903 76,647			173,903 76,647
1910119	OAH C1488	IP INFO SYSTEMS SPECIALIST 8	1	.75	18.00	02	6,456.00		116,208 55,088			116,208 55,088
1910120	OAH C1488	IP INFO SYSTEMS SPECIALIST 8	1	.75	18.00	02	6,456.00		116,208 55,088			116,208 55,088
1910121	OAH C1488	IP INFO SYSTEMS SPECIALIST 8	1	.75	18.00	02	6,456.00		116,208 55,088			116,208 55,088
1910122	OAH C1488	IP INFO SYSTEMS SPECIALIST 8	1	.75	18.00	02	6,456.00		116,208 55,088			116,208 55,088
1910123	OAH C1487	IP INFO SYSTEMS SPECIALIST 7	1	.75	18.00	02	5,927.00		106,686 52,745			106,686 52,745
1910124	OAH C1487	IP INFO SYSTEMS SPECIALIST 7	1	.75	18.00	02	5,927.00		106,686 52,745			106,686 52,745
1910125	OAH C1487	IP INFO SYSTEMS SPECIALIST 7	1	.75	18.00	02	5,927.00		106,686 52,745			106,686 52,745
1910126	OAH C1487	IP INFO SYSTEMS SPECIALIST 7	1	.75	18.00	02	5,927.00		106,686 52,745			106,686 52,745

01/03/19 REPORT NO.: PFDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:47100 DEPT OF EMPLOYMENT
 SUMMARY XREF:010-90-00 Modernization Initiative

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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2019-21
 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 101 - Modernize Business and Technol

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1910127	OAH C1487	IP INFO SYSTEMS SPECIALIST 7	1	.75	18.00	02	5,927.00		106,686 52,745			106,686 52,745
1910128	OAH C1486	IP INFO SYSTEMS SPECIALIST 6	1	.75	18.00	02	5,351.00		96,318 50,191			96,318 50,191
1910129	OAH C1486	IP INFO SYSTEMS SPECIALIST 6	1	.75	18.00	02	5,351.00		96,318 50,191			96,318 50,191
1910130	OAH C1486	IP INFO SYSTEMS SPECIALIST 6	1	.75	18.00	02	5,351.00		96,318 50,191			96,318 50,191
1910131	OAH C1486	IP INFO SYSTEMS SPECIALIST 6	1	.75	18.00	02	5,351.00		96,318 50,191			96,318 50,191
1910132	OAH C1486	IP INFO SYSTEMS SPECIALIST 6	1	.75	18.00	02	5,351.00		96,318 50,191			96,318 50,191
1910133	OAH C1486	IP INFO SYSTEMS SPECIALIST 6	1	.75	18.00	02	5,351.00		96,318 50,191			96,318 50,191
1910134	OAH C1485	IP INFO SYSTEMS SPECIALIST 5	1	.75	18.00	02	5,007.00		90,126 48,667			90,126 48,667
1910135	OAH C1485	IP INFO SYSTEMS SPECIALIST 5	1	.50	12.00	02	5,007.00		60,084 32,443			60,084 32,443
1910136	OAH C1485	IP INFO SYSTEMS SPECIALIST 5	1	.50	12.00	02	5,007.00		60,084 32,443			60,084 32,443
1910137	MMN X1323	AP HUMAN RESOURCE ANALYST 3	1	.50	12.00	02	5,650.00		67,800 34,344			67,800 34,344
TOTAL PICS SALARY									3,954,286			3,954,286
TOTAL PICS OPE									1,984,112			1,984,112
TOTAL PICS PERSONAL SERVICES =									37	28.63	687.00	5,938,398

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Employment Dept
2019-21 Biennium

Agency Number: 47100

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

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Other Revenues	-	-	138,285	-	-	-
Transfer In - Intrafund	-	4,682,313	4,682,313	19,857,463	19,857,463	-
Total Other Funds	-	\$4,682,313	\$4,820,598	\$19,857,463	\$19,857,463	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE:

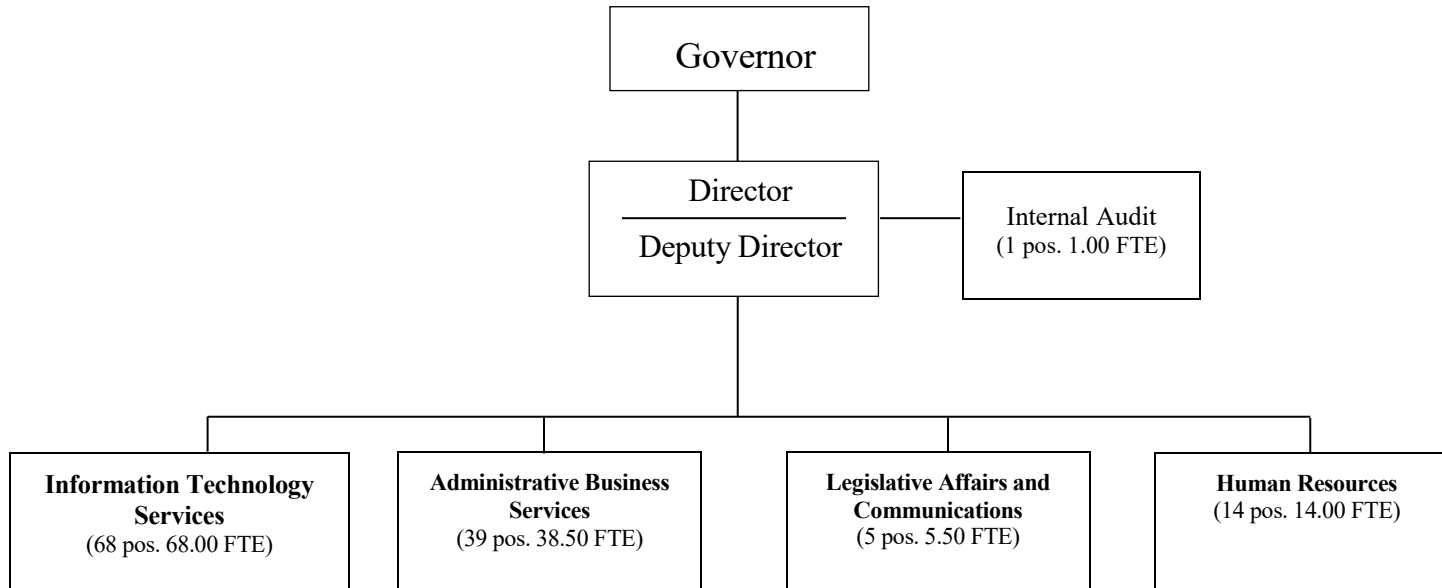
Modernization Program

Source	Fund	ORBITS Revenue Acct	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Estimated	2019-21		
						Agency Request	Governor's Recommended	Legislatively Adopted
REVENUE								
Federal Government	Federal	995	0	0		0	0	
Employer Taxes	Other	120	0	0		0	0	
Federal Funds as OF	Other	355	0	0		0	0	
Charges for Services	Other	410	0	0		0	0	
Fines & Forfeitures	Other	505	0	0		0	0	
Interest Income	Other	605	0	0		0	0	
Other Revenues	Other	975	0	0		0	0	
Tsf from Other Agencies	Other	Various	0	0		0	0	
Tsf to Other Agencies	Other	Various	0	0		0	0	
Tsf to General Fund	Other	2060	0	0		0	0	
TRANSFERS TO/FROM NON- LIMITED		1010/2010						
SEDAF	Other		0	0		0	0	
Special Administration (P&I)	Other		0	0		0	0	
Reed Act	Other		0	0		0	0	
Modernization	Other		1,240,558	5,509,446		19,857,463	19,857,463	
Fraud Control Fund	Other		0	0		0	0	
Other	Other		0	0		0	0	
Total			1,240,558	5,509,446		19,857,463	19,857,463	

___ Agency Request X Governor's Recommended ___ Legislatively Adopted

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EMPLOYMENT DEPARTMENT SHARED SERVICES



Budget Summary Level

	<u>2017-19</u>	<u>2019-21</u>
Pos.:	138	131
FTE:	136.91	131.00

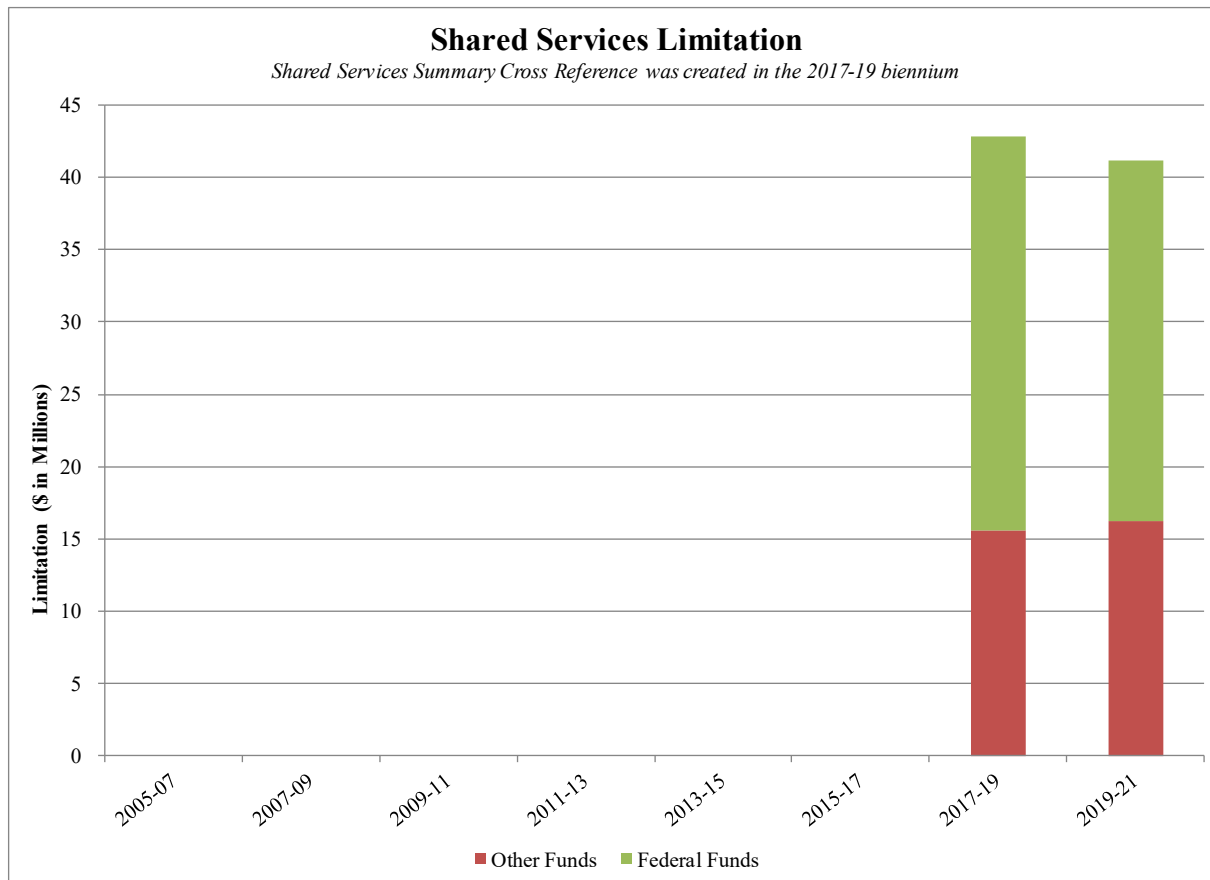
MISSION

The program areas budgeted within Shared Services provide efficient and effective administrative oversight and support services to meet the business and operational needs of all programs administered by the Oregon Employment Department. The organizational chart displays the programs within this budget structure.

PROGRAM EXECUTIVE SUMMARY

Primary Strategic Focus Area: *A Thriving Statewide Economy*

Primary Division Contact: Kay Erickson, Agency Director, (503) 947-1477



PROGRAM OVERVIEW

Core administrative functions are provided by Administrative Business Services, Director's Office, Human Resources, Information Technology Services, and Legislative Affairs and Communications. Centralization of core administrative functions allows agency programs to focus on the delivery of services to customers. Shared Services expenditures represent approximately 2.1 percent of the total Employment Department budget.

Program Funding Request

Shared Services programs are requesting budget authority for the 2019-21 biennium of:

\$16,251,100	Other Funds
\$24,930,879	Federal Funds
\$2,202,285	Modernization Funds (also included in Other Funds above)

Beginning with the 2017-19 biennium, administrative costs were budgeted in a new Shared Services budget structure at the request of the Department of Administrative Services. Prior to the 2017-19 biennium, the Shared Services budgeted expenditures were embedded in the agency's divisions. Actual expenditures for the programs displayed within the Shared Services structure which benefit an applicable agency program are directly charged to that program, and indirect expenditures are charged in accordance with the agency's Cost Allocation Plan as approved by the U.S. Department of Labor. Shared Services budgeted expenditures include costs for State Government Service Charges, agency vehicles, property maintenance, risk management, and Capital Outlay expenditures that serve the entire agency. The requested expenditure authority enables programs budgeted within Shared Services to continue providing all current levels of support without decreasing service delivery.

Program Description

Five programs within the Shared Services budget structure provide the agency centralized, fully integrated, and collaborative delivery of oversight and support services. These programs include Administrative Business Services, Director's Office, Human Resources, Information Technology Services, and Legislative Affairs and Communications. Primary cost drivers include new program initiatives, ongoing agency program operations, the number of locations supported, the number of employees, the number of program transactions, system interfaces, required program supporting activities, the complexity of services delivered, and systems supported.

Program Justification and Link to Strategic Focus Areas

Shared Services programs are pivotal to increasing operational efficiencies within the agency. Shared Services programs continue to identify and implement automation and process efficiencies to provide a foundation for future capabilities. The demand for data, process automation, and mobile technologies continues to increase. The agency achieves economies of scale that ensures cost effective delivery of support service functions during both robust and recessionary economic conditions, thus enabling programs to deliver services to customers in an efficient manner. Programs within the Shared Services budget structure seek to streamline delivery of services, minimize costs, and increase capacity for all agency programs, thus linking to the Governor's overarching goal of excellence in state government.

Program Performance

The Administrative Business Services, Director's Office, Human Resources, Information Technology Services, and Legislative Affairs and Communications programs support the agency's three primary divisions (Unemployment Insurance, Workforce Operations, and Workforce and Economic Research), the agency's Modernization Program, and the Office of Administrative Hearings. The Shared Services employees provide administrative support to approximately 1,300 employees in over 40 locations across the state. Supporting current systems, processes, and functions necessary to maintain ongoing operations, while supporting additional or new program initiatives, requires a constant balancing of workload and maximization of existing resources to ensure programs are operating within approved budget limitations and available funding.

Enabling Legislation/Program Authorization

Federal Statutes and Regulations

The Wagner-Peyser Act, Workforce Innovation and Opportunity Act of 2014, Social Security Act of 1935 (42 USC 501; 42 USC 504), Federal Unemployment Tax Act (Chapter 23, Internal Revenue Code), and the Code of Federal Regulations (Title 20, parts 1-1099) are the federal regulations governing Employment Department programs.

State Statutes and Administrative Rules

The Employment Department and the Employment Appeals Board are established in chapter 657 of the Oregon Revised Statutes (ORS 657.005-657.990). The agency's Administrative Rules are found in Oregon Administrative Rules (OAR chapter 471). The Office of Administrative Hearings is established in ORS 183.605-183.690.

Funding Streams

Shared Services is funded by Other Funds (39%) and Federal Funds (61%) with actual expenditures charged directly to benefiting program funding sources and indirect expenditures charged according to the agency's approved Cost Allocation Plan. Other Funds sources primarily include a diversion of employer Unemployment Insurance taxes as specified in ORS 657.783 and linked to the Supplemental Employment Department Administrative Fund (SEDAF). All SEDAF monies are appropriated continuously to the agency for the payment of administrative expenses under the statute for which federal funding has been reduced, eliminated, or otherwise is not available. Depending upon direct and indirect charges to programs, Other Funds sources may also include Workforce Operations contracts, Penalty and Interest, Unemployment Insurance Fraud Control Fund, and Unemployment Insurance Modernization Funds. Federal Funds sources include United States Department of Labor's Unemployment Insurance State Administration Grant, Reemployment Services and Eligibility Assessment Grant, Trade Act Administration, Veterans' Employment Services, Wagner-Peyser funds as cited in Title III of the Workforce Innovation and Opportunity Act of 2014, Foreign Labor Certification, and Work Opportunity Tax Credit programs.

Significant Proposed Program Changes from 2019-21

The agency has no significant proposed program changes for the 2019-21 biennia. The agency expects to continue providing services as it has in past biennia with actual costs directly charged to programs where applicable and indirect costs charged according to the agency's approved Cost Allocation Plan.

SHARED SERVICES

Five programs within the Shared Services budget structure provide the agency fully centralized, integrated, and collaborative delivery of oversight and support services. These programs including Administrative Business Services, Director's Office, Human Resources, Information Technology Services, and Legislative Affairs and Communications.

Administrative Business Services

Administrative Business Services collects, analyzes, and publishes fiscal data to support the development of policy and informed resource allocation decisions, and researches and develops effective ways to improve the agency's ability to achieve its mission and goals through performance measurement, strategic planning, and continuous improvement strategies. Administrative Business Services includes the Accounting Unit, Budget Unit, Contracts and Procurement Unit, and the Property and Risk Management Unit. Collectively, these units provide: the administration of vendor payments, travel reimbursements, general accounting, and payroll services; the development, execution, and oversight of the agency's biennial budget and reporting; contracts coordination, management, execution, and oversight; purchase of supplies and equipment; property and maintenance management, as well as lease coordination; central mail operations; vehicle administration; and risk management of the agency's properties and its employees. Administrative Business Services delivers its functions in collaboration with and in compliance with standards set forth by the Offices of the State Chief Financial Officer, Chief Procurement Officer, Chief Information Officer, Enterprise Asset Management, Risk Management, and the Legislative Fiscal Office.

Director's Office

The Director's Office is responsible for overall leadership, strategic and policy development, and administrative oversight for all Employment Department programs and associated activities. The Director's Office:

- Leads the Employment Department as we strive to fulfill our mission to *Support Businesses and promote Employment* for Oregonians.
- Provides leadership, strategic and policy development, and administrative oversight for all Employment Department programs and activities.
- Fosters a workplace environment centered on fairness, equity, and inclusion, where everyone is treated with respect and dignity.
- Supports and guides the members of the executive team, as they provide leadership to their areas of responsibility.
- Ensures consistency with strategic direction and priorities of the Governor's Office, Oregon's Department of Administrative Services, the Enterprise Leadership Team, the Workforce Talent and Development Board, and the Employment Department Advisory Council.
- Works closely with key policy makers and elected officials at the national, state, and local levels.
- Assures compliance with internal and external rules, policies, and laws; supports and is home to the Employment Department's Internal Audit function.

Human Resources

Human Resources is responsible for developing and implementing comprehensive, full-service human resource programs that include: human resources

strategic planning and governance; recruitment; partnering to optimize performance and employee engagement; training; leadership development and retention; equity and inclusion, classification, compensation, benefits, and position control; policies and procedures; and employee and labor relations that support the agency's mission and strategic goals. In alignment with the enterprise Human Resource programs and policies set by the Department of Administrative Services Chief Human Resources Office, Human Resources strategically develops, executes, and implements agency human resource priorities by collaborating with the agency's executive team, management, internal committees, project teams, and other state agencies.

Information Technology Services

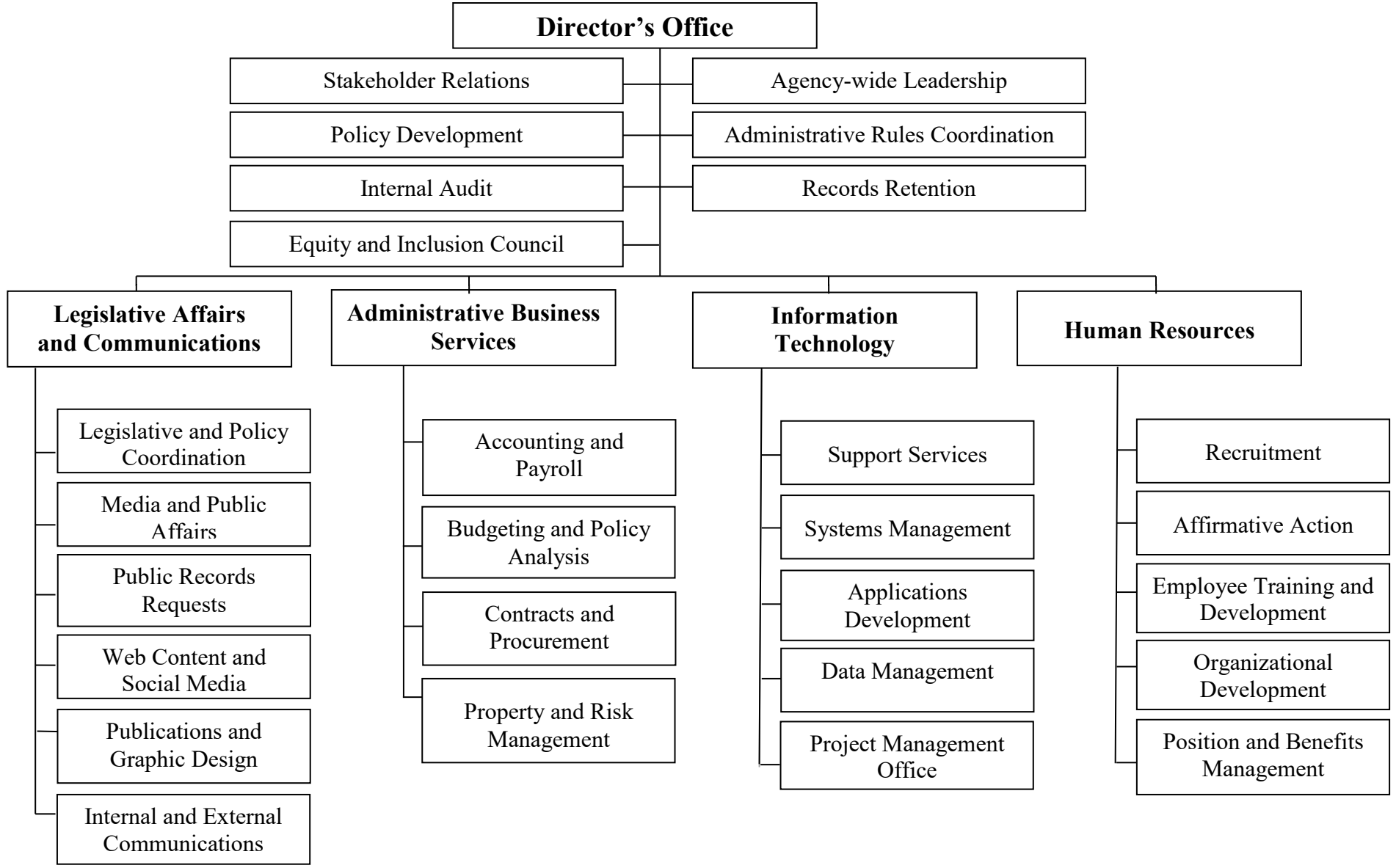
Information Technology Services is responsible for establishing, maintaining, and securing the technical infrastructure, systems, and data the agency utilizes to accomplish its strategic goals, and provide services to customers, partners, and stakeholders. Information Technology Services includes: Support Services Unit which provides first line support to users of the agency's technology; Systems Unit which provides second tier support for the network, phone systems, servers, as well as Enterprise Architecture for the agency; Applications Development Unit which provides the second tier support for existing applications and creates new applications as requested; and the Data Management Unit which provides support for databases, enterprise data warehouse, business intelligence and Quality Assurance testing of applications. As a service area, Information Technology Services supports and enhances the work of the agency's programs with the desired outcome of providing additional efficiency for our customers, partners, and stakeholders through technology automation for the agency.

Information Technology Services also includes the Project Management Office (PMO), which is responsible for managing agency projects that include an Information Technology (IT) component. The PMO ensures projects under its purview are managed using an established project management methodology utilizing standardized tools and templates, and that projects are in compliance with standards set forth by the Office of the State Chief Information Officer. The PMO is also responsible for reporting project portfolio performance to the agency's IT Governance Committee, in alignment with the committee's charter, and for ensuring that project delivery is in alignment with the agency's strategic initiatives.

Legislative Affairs and Communications

Legislative Affairs and Communications supports the mission and strategic goals of the Employment Department by serving as the primary face of the agency for internal and external communications including public records requests, legislative and media inquiries, agency website and social media presence. Working with the agency's programs, Legislative Affairs and Communications produce publications that promote agency services to employers and job seekers. In alignment with the Governor and working with the agency's director and executive team, Legislative Affairs and Communications strategically develops, executes, and implements agency legislative priorities by collaborating with other state and federal agencies, policymakers, stakeholders, and interest groups. These legislative and communications roles serve as a foundation for the agency to engender accountability, transparency, and trust with the citizens and businesses we serve.

**Shared Services
Core Functions Summary**



Key Issues

The agency is currently dependent upon aging technology systems, many of which are near or at the end of their service life, and the processes which support these systems. Programs within the Shared Services budget structure are the primary areas within the agency responsible for supporting these systems and processes. Recruiting and retaining qualified talent to support these aging systems is difficult and the ability to maintain these systems is manually intensive. Processes necessary to support these systems require manual intervention, which leads to capacity and processing constraints. While staff has maximized knowledge, skillsets, and process automation, until the agency is able to fully transition systems through completion of its modernization effort, core administrative support teams will continue to be challenged to provide efficient and effective support services to agency programs.

Performance Results

Administrative programs provide agency-wide support and contribute to each Division (Unemployment Insurance, Workforce Operations, and Research) and our Modernization Program in achieving the performance results identified in their respective division narratives. Shared Services programs also provide support for the Office of Administrative Hearings and bills for such support.

Proposed Legislation

Shared Services have no proposed legislation.

EMPLOYMENT DEPARTMENT SHARED SERVICES ESSENTIAL PACKAGES

010 Non-PICS Personal Service /Vacancy Factor

There are three adjustments in this package including an adjustment to the estimated vacancy factor, an estimate of the 2019-21 Pension Obligation Bond, and removal of mass transit taxes from Federal Funds. The agency did not request an adjustment to the vacancy factor calculation for 2019-21. The net adjustment for 2019-21 is an increase of \$658,257. This is a combination of an increase of \$297,727 Other Funds and an increase of \$360,530 Federal Funds.

021 Phase-In

There are no phase-in costs for Shared Services for the 2019-21 biennium.

022 Phase-Out Programs & One-time Costs

There are no phase-out costs for Shared Services for the 2019-21 biennium.

031 and 032 Inflation & Price List Adjustments

This package includes both the standard inflation as prescribed by the Department of Administrative Services in the budget instructions, and adjustments to State Government Service Charges. A general inflation factor of 3.8% was applied to most services and supplies, including rent expenses. Professional Services were inflated 4.2% and Attorney General estimates were inflated by 20.14%. State Government Service Charges were adjusted to match the Price List items including assessments and charges for Department of Administrative Services, Secretary of State, Central Government Service Charges and others. The cost of goods and services decreased the budget by \$2,050,195. This is a combination of a decrease of \$712,434 Other Funds and \$1,337,761 Federal Funds.

050 Fund Shifts

The budget for Shared Services reflects increased use of Other Funds resources, as federal funding declines. This package shifts \$1,289,788 Federal Funds to Other Funds limitation.

060 Technical Adjustment

The impact of this package to Shared Services is a decrease of two positions (2.00 FTE) and a decrease of \$435,533 total funds, \$72,798 decrease to Other Funds and \$362,735 to Federal Funds.

There were three positions (3.00 FTE) that were handled incorrectly during the 2017-19 budget as part of the process of developing the Shared Services Summary Cross Reference (SCR) (010-05-10-00000). Three positions were on rotation and were moved incorrectly as part of the Shared Services SCR.

Two positions are moved from Shared Services to Unemployment Insurance (position number 0003140, Revenue Agent 2, and position number 0003417, Administrative Specialist 2) and one is moved to Workforce Operations (position number 0002667, Principal/Executive Manager E).

One position was not moved to the Shared Services SCR in 2017-19 from Workforce Operations and should have been (position number 0000644, Operations & Policy Analyst 4).

091 Statewide Adjustment DAS Charges

This package represents changes to State Government Service Charges and Department of Administrative Services price list charges for services made for the Governor's Budget. This package decreases the budget by \$524,572 Other Funds and \$786,858 Federal Funds for a total decrease of \$1,311,430.

092 Statewide Attorney General Adjustment

This package adjusts Attorney General rates from the published price list at Agency Request Budget to the Governor's Budget. This package decreases the Shared Services division by \$2,628 Other Funds and \$4,665 Federal Funds, a total decrease of \$7,293.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Shared Services
Cross Reference Number: 47100-010-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Pension Obligation Bond	-	-	20,050	36,903	-	-	56,953
Mass Transit Tax	-	-	49,722	-	-	-	49,722
Vacancy Savings	-	-	227,955	323,627	-	-	551,582
Total Personal Services	-	-	\$297,727	\$360,530	-	-	\$658,257
Total Expenditures							
Total Expenditures	-	-	297,727	360,530	-	-	658,257
Total Expenditures	-	-	\$297,727	\$360,530	-	-	\$658,257
Ending Balance							
Ending Balance	-	-	(297,727)	(360,530)	-	-	(658,257)
Total Ending Balance	-	-	(\$297,727)	(\$360,530)	-	-	(\$658,257)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 031 - Standard Inflation

Gross Reference Name: Shared Services
Gross Reference Number: 47100-010-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	1,129	1,858	-	-	2,987
Out of State Travel	-	-	342	570	-	-	912
Employee Training	-	-	1,064	1,102	-	-	2,166
Office Expenses	-	-	7,402	33,372	-	-	40,774
Telecommunications	-	-	9,321	3,890	-	-	13,211
State Gov. Service Charges	-	-	(814,759)	(1,584,825)	-	-	(2,399,584)
Data Processing	-	-	18,865	119,951	-	-	138,816
Professional Services	-	-	1,806	2,898	-	-	4,704
IT Professional Services	-	-	11,382	35,910	-	-	47,292
Attorney General	-	-	7,405	13,144	-	-	20,549
Employee Recruitment and Develop	-	-	304	-	-	-	304
Dues and Subscriptions	-	-	1,026	1,520	-	-	2,546
Facilities Rental and Taxes	-	-	21,926	24,396	-	-	46,322
Facilities Maintenance	-	-	988	1,330	-	-	2,318
Other Services and Supplies	-	-	251	1,233	-	-	1,484
Expendable Prop 250 - 5000	-	-	1,216	2,394	-	-	3,610
IT Expendable Property	-	-	17,898	3,496	-	-	21,394
Total Services & Supplies	-	-	(\$712,434)	(\$1,337,761)	-	-	(\$2,050,195)
Total Expenditures							
Total Expenditures	-	-	(712,434)	(1,337,761)	-	-	(2,050,195)
Total Expenditures	-	-	(\$712,434)	(\$1,337,761)	-	-	(\$2,050,195)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 031 - Standard Inflation

Cross Reference Name: Shared Services
Cross Reference Number: 47100-010-05-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	712,434	1,337,761	-	-	2,050,195
Total Ending Balance	-	-	\$712,434	\$1,337,761	-	-	\$2,050,195

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Shared Services
Cross Reference Number: 47100-010-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Professional Services	-	-	-	-	-	-	-
IT Professional Services	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 050 - Fundshifts

Gross Reference Name: Shared Services
Gross Reference Number: 47100-010-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Data Processing	-	-	1,289,788	(1,289,788)	-	-	-
Total Services & Supplies	-	-	\$1,289,788	(\$1,289,788)	-	-	-
Total Expenditures							
Total Expenditures	-	-	1,289,788	(1,289,788)	-	-	-
Total Expenditures	-	-	\$1,289,788	(\$1,289,788)	-	-	-
Ending Balance							
Ending Balance	-	-	(1,289,788)	1,289,788	-	-	-
Total Ending Balance	-	-	(\$1,289,788)	\$1,289,788	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 060 - Technical Adjustments

Cross Reference Name: Shared Services
Cross Reference Number: 47100-010-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	(58,416)	(176,640)	-	-	(235,056)
Empl. Rel. Bd. Assessments	-	-	-	(122)	-	-	(122)
Public Employees' Retire Cont	-	-	(9,913)	(29,976)	-	-	(39,889)
Social Security Taxes	-	-	(4,469)	(13,513)	-	-	(17,982)
Worker's Comp. Assess. (WCD)	-	-	-	(116)	-	-	(116)
Flexible Benefits	-	-	-	(70,368)	-	-	(70,368)
Total Personal Services	-	-	(\$72,798)	(\$290,735)	-	-	(\$363,533)
Services & Supplies							
Instate Travel	-	-	-	(3,650)	-	-	(3,650)
Employee Training	-	-	-	(1,320)	-	-	(1,320)
Office Expenses	-	-	-	(9,910)	-	-	(9,910)
Telecommunications	-	-	-	(21,040)	-	-	(21,040)
Facilities Rental and Taxes	-	-	-	(31,130)	-	-	(31,130)
Fuels and Utilities	-	-	-	-	-	-	-
Facilities Maintenance	-	-	-	(3,830)	-	-	(3,830)
Expendable Prop 250 - 5000	-	-	-	(1,040)	-	-	(1,040)
IT Expendable Property	-	-	-	(80)	-	-	(80)
Total Services & Supplies	-	-	-	(\$72,000)	-	-	(\$72,000)
Total Expenditures							
Total Expenditures	-	-	(72,798)	(362,735)	-	-	(435,533)
Total Expenditures	-	-	(\$72,798)	(\$362,735)	-	-	(\$435,533)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 060 - Technical Adjustments

Gross Reference Name: Shared Services
Gross Reference Number: 47100-010-05-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	72,798	362,735	-	-	435,533
Total Ending Balance	-	-	\$72,798	\$362,735	-	-	\$435,533
Total Positions							
Total Positions							(2)
Total Positions	-	-	-	-	-	-	(2)
Total FTE							
Total FTE							(2.00)
Total FTE	-	-	-	-	-	-	(2.00)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 091 - Statewide Adjustment DAS Chgs

Gross Reference Name: Shared Services
Gross Reference Number: 47100-010-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Telecommunications	-	-	(45,000)	45,000	-	-	-
State Gov. Service Charges	-	-	(462,226)	-	-	-	(462,226)
Data Processing	-	-	(17,346)	(831,858)	-	-	(849,204)
Total Services & Supplies	-	-	(\$524,572)	(\$786,858)	-	-	(\$1,311,430)
Total Expenditures							
Total Expenditures	-	-	(524,572)	(786,858)	-	-	(1,311,430)
Total Expenditures	-	-	(\$524,572)	(\$786,858)	-	-	(\$1,311,430)
Ending Balance							
Ending Balance	-	-	524,572	786,858	-	-	1,311,430
Total Ending Balance	-	-	\$524,572	\$786,858	-	-	\$1,311,430

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 092 - Statewide AG Adjustment

Gross Reference Name: Shared Services
Gross Reference Number: 47100-010-05-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Attorney General	-	-	(2,628)	(4,665)	-	-	(7,293)
Total Services & Supplies	-	-	(\$2,628)	(\$4,665)	-	-	(\$7,293)
Total Expenditures							
Total Expenditures	-	-	(2,628)	(4,665)	-	-	(7,293)
Total Expenditures	-	-	(\$2,628)	(\$4,665)	-	-	(\$7,293)
Ending Balance							
Ending Balance	-	-	2,628	4,665	-	-	7,293
Total Ending Balance	-	-	\$2,628	\$4,665	-	-	\$7,293

01/03/19 REPORT NO.: PFDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:47100 DEPT OF EMPLOYMENT
 SUMMARY XREF:010-05-00 Shared Services

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

PAGE 1
 PROD FILE

2019-21
 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 060 - Technical Adjustments

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
0000644	MMN X0873	AP OPERATIONS & POLICY ANALYST 4	1	1.00	24.00	04	7,208.00		172,992			172,992
									77,894			77,894
0002667	MMS X7008	IP PRINCIPAL EXECUTIVE/MANAGER E	1-	1.00-	24.00-	07	9,642.00		231,408-			231,408-
									92,276-			92,276-
0003140	OAH C5111	AP REVENUE AGENT 2	1-	1.00-	24.00-	02	3,264.00			78,336-		78,336-
										54,590-		54,590-
0003417	OAH C0108	AP ADMINISTRATIVE SPECIALIST 2	1-	1.00-	24.00-	06	4,096.00			98,304-		98,304-
										59,505-		59,505-
TOTAL PICS SALARY									58,416-	176,640-		235,056-
TOTAL PICS OPE									14,382-	114,095-		128,477-
TOTAL PICS PERSONAL SERVICES =			2-	2.00-	48.00-			72,798-	290,735-			363,533-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Employment Dept Agency Number: 47100
2019-21 Biennium Cross Reference Number: 47100-010-05-00-00000

Source	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Charges for Services	-	2,224,464	2,224,464	1,645,000	1,645,000	-
Other Revenues	-	340,606	340,606	-	-	-
Transfer In - Intrafund	-	13,318,587	13,318,587	15,133,300	15,133,300	-
Total Other Funds	-	\$15,883,657	\$15,883,657	\$16,778,300	\$16,778,300	-
Federal Funds						
Federal Funds	-	28,796,255	28,796,255	25,722,402	25,722,402	-
Total Federal Funds	-	\$28,796,255	\$28,796,255	\$25,722,402	\$25,722,402	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE:

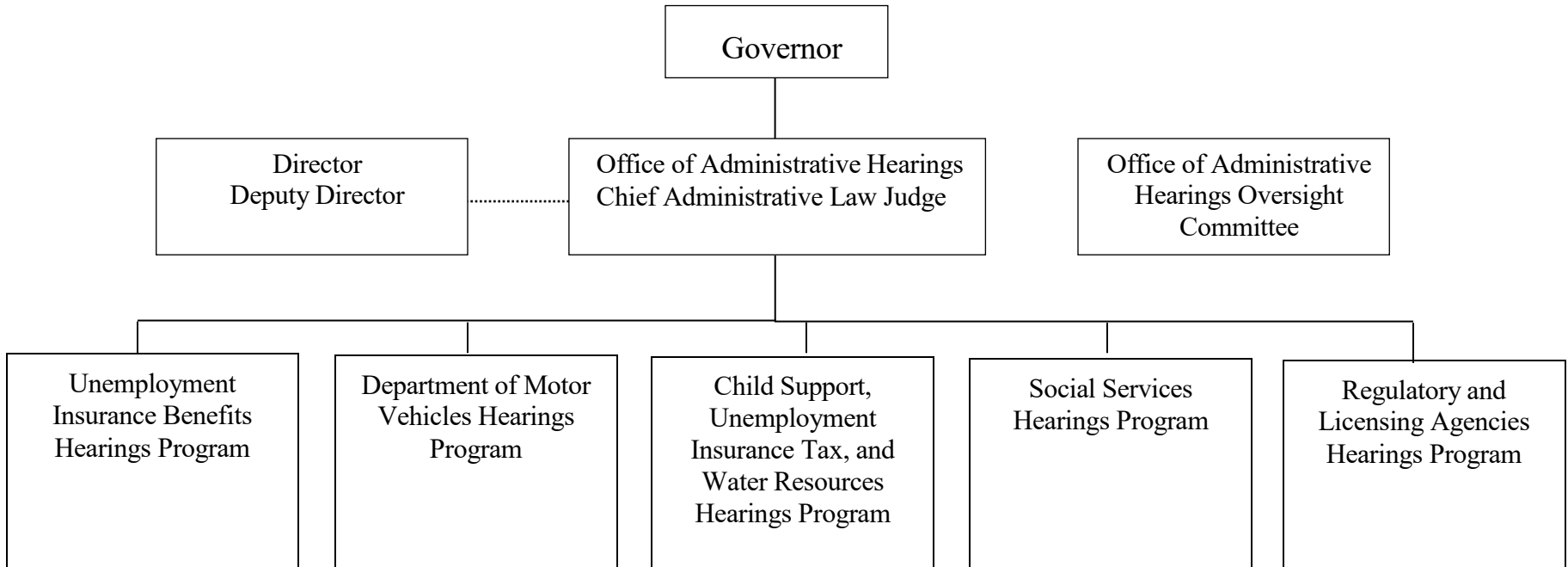
Employment Shared Services

Source	Fund	ORBITS Revenue Acct	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Estimated	2019-21		
						Agency Request	Governor's Recommended	Legislatively Adopted
REVENUE								
Federal Government	Federal	995		26,565,000		25,722,402	25,722,402	
Employer Taxes	Other	120		0		0	0	
Federal Funds as OF	Other	355		0		0	0	
Charges for Services	Other	410		1,950,000		1,645,000	1,645,000	
Fines & Forfeitures	Other	505		0		0	0	
Interest Income	Other	605		0		0	0	
Rents & Royalties	Other	510		0		0	0	
Other Revenues	Other	975		69,500		0	0	
Tsf from Other Agencies	Other	Various		0		0	0	
Tsf to Other Agencies	Other	Various		0		0	0	
Tsf to General Fund	Other	2060		0		0	0	
TRANSFERS TO/FROM NON-LIMITED		1010/2010						
SEDAF	Other			10,569,091		4,623,300	4,623,300	
Special Administration (P&I)	Other			1,792,087		10,500,000	10,500,000	
Reed Act	Other			218,644		0	0	
Modernization	Other			688,848		0	0	
Fraud Control Fund	Other			1,000,000		10,000	10,000	
Other	Other			0		0	0	
Total				42,853,170		42,500,702	42,500,702	

___ Agency Request Governor's Recommended ___ Legislatively Adopted

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OFFICE OF ADMINISTRATIVE HEARINGS



Budget Summary Level

2017-19 2019-21

Pos.: 104 103
FTE: 102.88 101.88

MISSION

The mission of the Office of Administrative Hearings (OAH) is to serve the public by providing contested case hearing services in an impartial, fair and efficient manner.

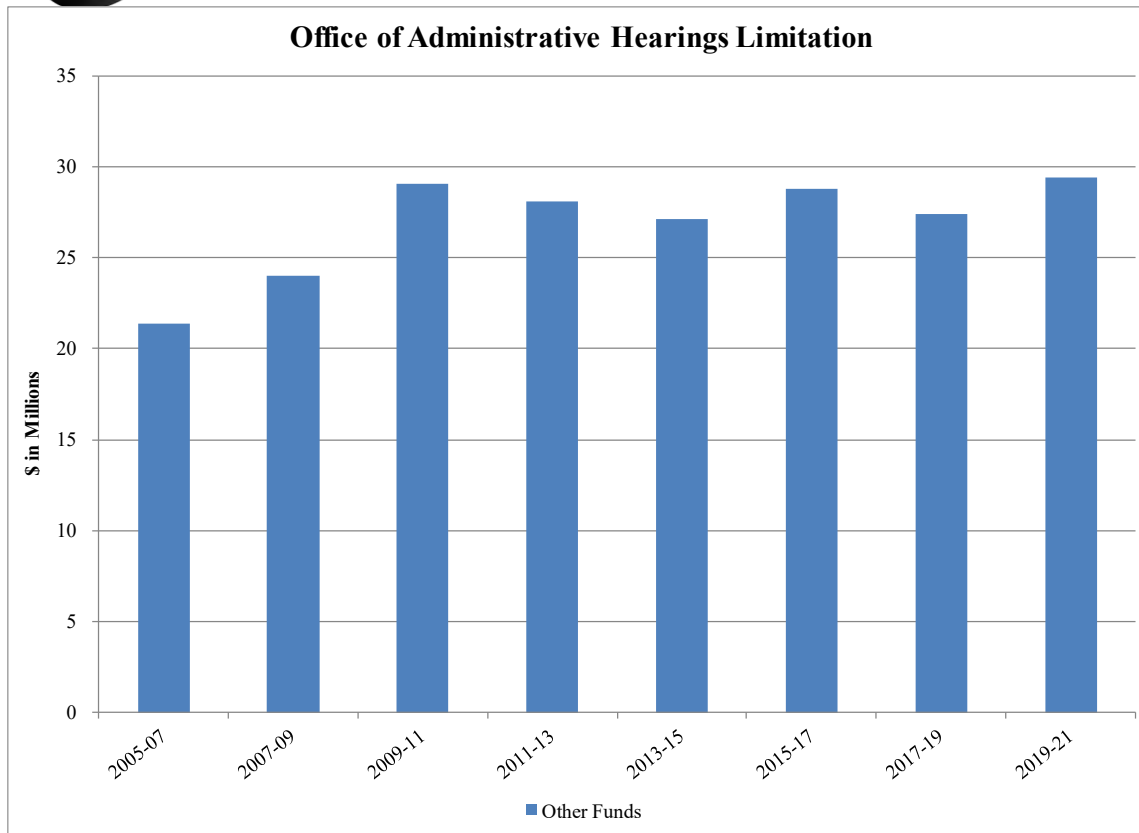
PROGRAM EXECUTIVE SUMMARY

The Office of Administrative Hearings supports the Governor's Strategic Focus Areas and overarching goal of excellence in state government by resolving disputes between Oregon agencies, boards and commissions through the correct application of Oregon law, as highlighted below.

Strategic Focus Areas:

- *Healthy and Safe Communities*
The Office of Administrative Hearings supports this strategic focus area by providing due process hearings for Oregonians to dispute the denial or reduction of health care and other social service benefits by the Department of Human Services and the Oregon Health Authority; by providing a system for adjudicating the denial or suspension of driving privileges by the Division of Driver and Motor Vehicle Services to protect against drivers who may pose a safety risk to themselves and to others; and by providing hearing services for health care regulatory agencies to ensure that health care providers meet basic standards of competence and professionalism.
- *A Seamless System of Education*
The Office of Administrative Hearings supports this strategic focus area by providing hearing services for the Office of Child Care to help ensure that child care providers meet all required standards of safety and quality; providing resolution of Special Education disputes for parents, students, and school districts; and by conducting hearings for the Teacher Standards & Practices Commission aimed at ensuring that Oregon teachers adhere to high standards of professional integrity.
- *A Thriving Statewide Economy*
The Office of Administrative Hearings supports this strategic focus area by resolving disputes between the Oregon Employment Department, individuals and businesses, and between individual Oregonians and professional licensing boards responsible for ensuring that Oregon businesses and professionals are able to provide high-quality services to Oregonians.
- *Responsible Environmental Stewardship*
The Office of Administrative Hearings supports this strategic focus area by conducting hearings for agencies responsible for ensuring the health of Oregon's environment including the Department of Environmental Quality, the Department of State Lands, the Department of Agriculture, the Department of Forestry, the Department of Fish and Wildlife, the Department of Parks and Recreation, and the Water Resources Department.

Primary Program Contact: John Mann, Chief Administrative Law Judge, (503) 947-1516



PROGRAM OVERVIEW

The Office of Administrative Hearings holds contested case hearings (dispositions) referred by over 70 Oregon agencies, boards and commissions. These hearings are constitutionally required to give Oregonians and businesses a chance to dispute actions taken by the state that may affect their individual interests.

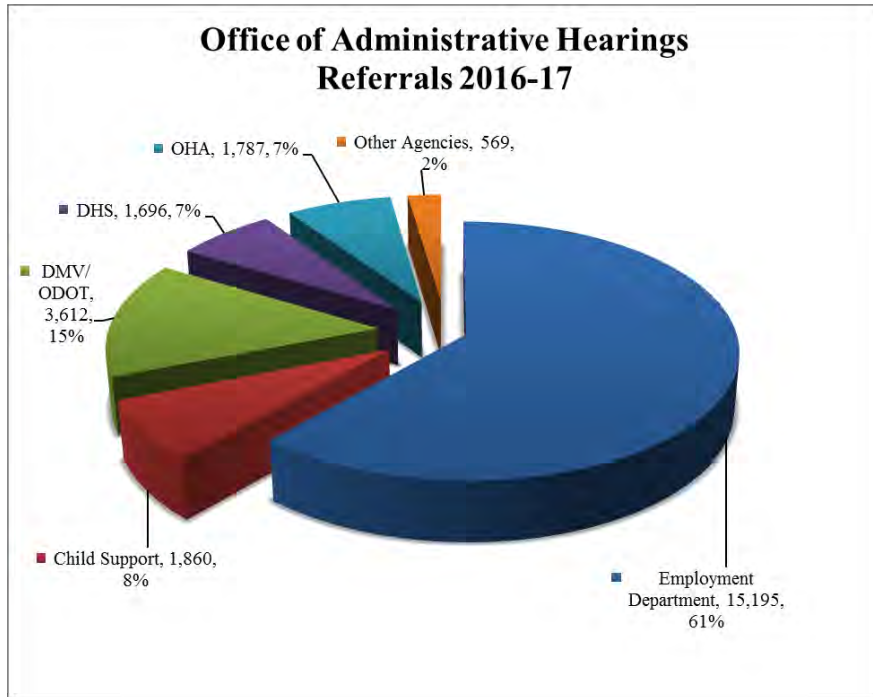
Program Funding Request

The Office of Administrative Hearings is requesting budget authority for the 2019-21 biennium of:
 \$29,378,697 Other Funds

Costs are driven by the volume of hearings referred by agencies and the complexity of issues involved. The amount charged to each agency, board or commission depends on each agency’s actual use of Office of Administrative Hearings services; it is not based on the estimates that are made for statewide budgeting purposes. As required under Oregon Revised Statutes (ORS) 183.655, charges are based on all costs associated with hearings. The Office of Administrative Hearings remains flexible in its management of the hearing process so that many costs, including staff costs, can be adjusted

based on actual workload from agencies. Workload peaks are managed through the use of limited duration staff, temporary staff, and occasional overtime. The Office of Administrative Hearings also relies on cross-training to allow shifting of resources between program areas to adjust to fluctuations in demand.

The requested funding authority allows the Office of Administrative Hearings to continue to provide services without major changes in service delivery.



Program Description

The Office of Administrative Hearings provides an independent and impartial forum for individual Oregonians and Oregon businesses to dispute proposed agency actions with which they disagree. Office of Administrative Hearings Administrative Law Judges (ALJs) conduct the hearings and issue decisions independent from the agencies that proposed the action. The vast majority of hearings are conducted by telephone with individuals representing themselves. However, most cases referred by the Department of Motor Vehicles, and by regulatory and professional licensing agencies, are held in person with parties and agencies often represented by attorneys. State agencies that are required to use attorneys are represented by the Oregon Attorney General’s office. During fiscal year 2017, nearly 60 agencies, boards and commissions referred contested cases to the Office of Administrative Hearings.

During the 2017 fiscal year, the Office of Administrative Hearings received 24,719 hearing referrals from state agencies. The Oregon Employment Department referred the largest number, 15,195 cases, representing 61% of all cases referred to the Office of Administrative Hearings. The remaining cases were referred by approximately 60 different agencies, boards, commissions and local governments.

The Administrative Procedures Act, the Oregon Attorney General’s Model Rules for Contested Case Hearings, and by statutes and administrative rules applicable to specific state agencies governs hearings.

The work of the Office of Administrative Hearings is regularly reviewed by the Office of Administrative Hearings Oversight Committee which is comprised of eight members who are appointed by the Governor, the Senate President, the Speaker of the House, and the Oregon Attorney General. The Office of Administrative Hearings Oversight Committee reviews the effectiveness, fairness, and efficiency of the Office of Administrative Hearings and makes recommendations to the Governor and the Legislative Assembly.

Program Justification and Link to Strategic Focus Areas

Contested case hearings give Oregonians a voice in responding to decisions made by state agencies that directly affect their interests. Administrative law judges who conduct contested case hearings make decisions that are independent from the agencies that refer the disputes. Administrative Law Judges are required by law to be impartial. Through their independence, the Office of Administrative Hearings gives the public confidence that hearings are not a rubber stamp of agency action, and provides transparency into the decision-making process.

Program Performance

The Office of Administrative Hearings experienced a significant increase in cases between 2008 and 2012 as a result of the Great Recession. Hearing requests in cases involving unemployment insurance benefits, social service benefits, and cases requesting modification of child support obligations increased dramatically during that period. Fortunately, Oregon’s strong and growing economy has lessened the need for Oregonians to access such public benefits resulting in a decrease in the number of hearing requests in those programs. However, despite the strong economy, the Office of Administrative Hearings received over 14,000 unemployment insurance benefit hearing referrals in FY 2016 and 2017 and is projected to receive a similar number in FY 2018. It is therefore unlikely that unemployment insurance benefit hearing referrals (which constitute approximately 59 percent of the Office of Administrative Hearings caseload) will decline significantly over the next biennium.

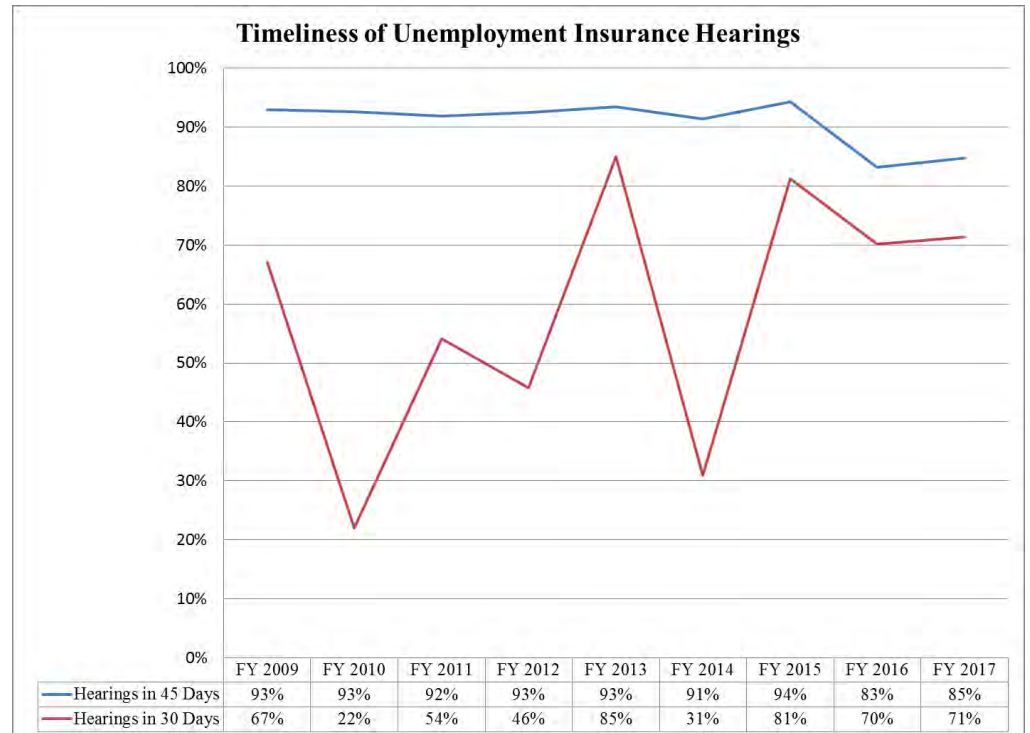


An important aspect of timeliness is the average number of days it takes for an Administrative Law Judge to issue an order following the close of the hearing record. The time needed to write and issue an order varies with the complexity and length of a hearing. The Office of Administrative Hearings Key Performance Measure standard is to resolve cases in an average of 6.6 days for all types of hearings conducted by the Office of Administrative Hearings. The Office of Administrative Hearings has consistently exceeded this standard each year.



The cost per referral is calculated by averaging the cost of all Office of Administrative Hearings services performed for referrals across all program areas. This includes the cost of multi-day highly contentious hearings, as well as the cost of relatively brief telephone hearings. The lowest cost hearings for the Office of Administrative Hearings are unemployment benefit hearings, which usually take two hours or less to resolve, including the time to write the order. Thanks to Oregon’s strong and growing economy, the Office of Administrative Hearings has received significantly fewer unemployment insurance benefit referrals over the last several years (31,014 in FY 2010 vs. 14,704 in FY 2017.) With that reduction in hearing volume for that program, the amount that the Office of Administrative Hearings bills for unemployment benefits hearings now constitute a smaller proportion of our overall costs, which results in a higher average cost per referral.

For unemployment insurance cases, timeliness is defined as the percent of cases requesting a hearing that are heard or otherwise resolved within established federal benchmarks. The federal goal is to resolve 60 percent of unemployment insurance hearings within 30 days of the hearing request. This standard has adopted by Oregon as an Office of Administrative Hearings Key Performance Measure. While not part of the Oregon’s Key Performance Measure, the Office of Administrative Hearings often achieves the additional federal requirement of resolving 80 percent of unemployment insurance hearings within 45 days.



Enabling Legislation/Program Authorization

In the landmark 1970 case of *Goldberg v. Kelly*, the United States Supreme Court held that the due process clause of the United States Constitution requires an evidentiary hearing when an agency denies a person certain government benefits. Subsequent cases have built on that concept for most cases in which an agency takes an action that directly affects the interest of an individual or business. The Office of Administrative Hearings was established in 2000 pursuant to ORS 183.605 and is charged with conducting contested case hearings for most Oregon agencies with a few statutorily listed exceptions. Oregon Administrative Rules (OAR) 183.635.

Funding Streams

The Office of Administrative Hearings is funded by the agencies that refer cases for hearing. Under ORS 183.655, the Office of Administrative Hearings charges agencies fees in an amount calculated to recover the cost of providing the Administrative Law Judge, the cost of conducting the hearing and associated administrative costs. The Office of Administrative Hearings does not have any separate or independent source of revenue.

Significant Proposed Program Changes from 2017-19

The Office of Administrative Hearings is not proposing any significant changes for the 2019-21 biennium.

OFFICE OF ADMINISTRATIVE HEARINGS

The Office of Administrative Hearings is established under ORS 183.605 to conduct contested case proceedings on behalf of state agencies.

Contested case proceedings are conducted by Administrative Law Judges (ALJs) who are employed by the Office of Administrative Hearings. ALJs are required by law to be impartial in the performance of their duties and to remain fair in all hearings. The majority of hearings are conducted by telephone. Most participants represent themselves and do not seek outside legal counsel.

The Office of Administrative Hearings currently has 103 permanent positions. Offices are located in Tualatin, Portland, Salem, Eugene, Medford and Bend.

During fiscal year 2017, nearly 60 agencies, boards and commissions referred 24,719 contested cases to the Office of Administrative Hearings. Pursuant to ORS 183.655, agencies reimburse the OAH for all costs associated with conducting hearings.

Administrative support for the Office of Administrative Hearings is provided by the Oregon Employment Department pursuant to OAR 183.605(3). The Office of Administrative Hearings reimburses the Employment Department for the cost of those services.

Key Issues

The Office of Administrative Hearings successfully consolidated its multiple databases into a single case management system in 2017. The case management system is operational and available to all agencies that refer hearings to the Office of Administrative Hearings. Consolidation of this

system has resulted in less reliance on paper files, electronic storage of case documents, and provides an electronic platform for access to case related data for external agency customers.

Performance Results

During the economic downturn, the Office of Administrative Hearings workload increased dramatically and has now dropped to below pre-recession levels. The decline appears to have stabilized with referrals remaining relatively steady over the past four fiscal years. The Office of Administrative Hearings routinely issues orders within the timeframes established by customer agencies and monitors work quality to ensure that the public is well served.

Proposed Legislation

The Office of Administrative Hearings has no proposed legislation.

OFFICE OF ADMINISTRATIVE HEARINGS ESSENTIAL PACKAGES

010 Non-PICS Personal Service/Vacancy Factor

There are three adjustments in this package including an adjustment to the estimated vacancy factor, an estimate of the 2019-21 Pension Obligation Bond, and removal of mass transit taxes from Federal Funds. The agency did not request an adjustment to the vacancy factor calculation for 2019-21. The net adjustment for 2019-21 is an increase of \$538,187 Other Funds.

021 Phase-In

There are no phase-in costs for the Office of Administrative Hearings for the 2019-2021 biennium.

022 Phase-Out Programs & One-time Costs

There are no phase-out costs for the Office of Administrative Hearings for the 2019-2021 biennium.

031 Inflation & Price List Adjustments

This package includes both the standard inflation as prescribed by the Department of Administrative Services in the budget instructions, and adjustments to State Government Service Charges. A general inflation factor of 3.8% was applied to most services and supplies, including rent expenses. Professional Services were inflated 4.2% and Attorney General estimates were inflated by 20.14%. State Government Service Charges were adjusted to match the Price List items including assessments and charges for the Department of Administrative Services, Secretary of State, Central Government Service Charges and others. The cost of goods and services increased the budget by \$638,220 Other Funds.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Office of Administrative Hearings
Cross Reference Number: 47100-010-40-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Temporary Appointments	-	-	1,434	-	-	-	1,434
Overtime Payments	-	-	292	-	-	-	292
Shift Differential	-	-	103	-	-	-	103
All Other Differential	-	-	6,288	-	-	-	6,288
Public Employees' Retire Cont	-	-	1,134	-	-	-	1,134
Pension Obligation Bond	-	-	34,390	-	-	-	34,390
Social Security Taxes	-	-	621	-	-	-	621
Mass Transit Tax	-	-	(1,705)	-	-	-	(1,705)
Vacancy Savings	-	-	495,630	-	-	-	495,630
Total Personal Services	-	-	\$538,187	-	-	-	\$538,187
Services & Supplies							
State Gov. Service Charges	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	538,187	-	-	-	538,187
Total Expenditures	-	-	\$538,187	-	-	-	\$538,187
Ending Balance							
Ending Balance	-	-	(538,187)	-	-	-	(538,187)
Total Ending Balance	-	-	(\$538,187)	-	-	-	(\$538,187)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 031 - Standard Inflation

Cross Reference Name: Office of Administrative Hearings
Cross Reference Number: 47100-010-40-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	4,936	-	-	-	4,936
Out of State Travel	-	-	567	-	-	-	567
Employee Training	-	-	330	-	-	-	330
Office Expenses	-	-	12,996	-	-	-	12,996
Telecommunications	-	-	15,697	-	-	-	15,697
State Gov. Service Charges	-	-	490,877	-	-	-	490,877
Data Processing	-	-	17,675	-	-	-	17,675
Publicity and Publications	-	-	399	-	-	-	399
Professional Services	-	-	13,926	-	-	-	13,926
IT Professional Services	-	-	23,448	-	-	-	23,448
Attorney General	-	-	940	-	-	-	940
Employee Recruitment and Develop	-	-	63	-	-	-	63
Dues and Subscriptions	-	-	445	-	-	-	445
Facilities Rental and Taxes	-	-	43,744	-	-	-	43,744
Fuels and Utilities	-	-	500	-	-	-	500
Facilities Maintenance	-	-	2,054	-	-	-	2,054
Medical Services and Supplies	-	-	-	-	-	-	-
Other Services and Supplies	-	-	2,114	-	-	-	2,114
Expendable Prop 250 - 5000	-	-	78	-	-	-	78
IT Expendable Property	-	-	7,421	-	-	-	7,421
Total Services & Supplies	-	-	\$638,210	-	-	-	\$638,210
Capital Outlay							
Data Processing Software	-	-	5	-	-	-	5
Data Processing Hardware	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 031 - Standard Inflation

Cross Reference Name: Office of Administrative Hearings
Cross Reference Number: 47100-010-40-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Capital Outlay							
Building Structures	-	-	-	-	-	-	-
Other Capital Outlay	-	-	5	-	-	-	5
Total Capital Outlay	-	-	\$10	-	-	-	\$10
Total Expenditures							
Total Expenditures	-	-	638,220	-	-	-	638,220
Total Expenditures	-	-	\$638,220	-	-	-	\$638,220
Ending Balance							
Ending Balance	-	-	(638,220)	-	-	-	(638,220)
Total Ending Balance	-	-	(\$638,220)	-	-	-	(\$638,220)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Office of Administrative Hearings
Cross Reference Number: 47100-010-40-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Professional Services	-	-	-	-	-	-	-
IT Professional Services	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 092 - Statewide AG Adjustment

Cross Reference Name: Office of Administrative Hearings
Cross Reference Number: 47100-010-40-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Attorney General	-	-	(334)	-	-	-	(334)
Total Services & Supplies	-	-	(\$334)	-	-	-	(\$334)
Total Expenditures							
Total Expenditures	-	-	(334)	-	-	-	(334)
Total Expenditures	-	-	(\$334)	-	-	-	(\$334)
Ending Balance							
Ending Balance	-	-	334	-	-	-	334
Total Ending Balance	-	-	\$334	-	-	-	\$334

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Employment Dept Agency Number: 47100
2019-21 Biennium Cross Reference Number: 47100-010-40-00-00000

Source	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Charges for Services	25,674,167	28,945,452	28,945,452	29,379,031	29,379,031	-
Other Revenues	25,623	-	-	-	-	-
Total Other Funds	\$25,699,790	\$28,945,452	\$28,945,452	\$29,379,031	\$29,379,031	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE:

Office of Administrative Hearings

Source	Fund	ORBITS Revenue Acct	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Estimated	2019-21		
						Agency Request	Governor's Recommended	Legislatively Adopted
REVENUE								
Federal Government	Federal	995	0	0		0	0	
Employer Taxes	Other	120	0	0		0	0	
Federal Funds as OF	Other	355	0	0		0	0	
Charges for Services	Other	410	25,674,167	27,423,763		29,379,031	29,379,031	
Fines & Forfeitures	Other	505	0	0		0	0	
Interest Income	Other	605	0	0		0	0	
Other Revenues	Other	975	25,623	0		0	0	
Tsf from Other Agencies	Other	Various	0	0		0	0	
Tsf to Other Agencies	Other	Various	0	0		0	0	
Tsf to General Fund	Other	2060	0	0		0	0	
TRANSFERS TO/FROM NON-LIMITED								
		1010/2010						
SEDAF	Other		0	0		0	0	
Special Administration (P&I)	Other		0	0		0	0	
Reed Act	Other		0	0		0	0	
Modernization	Other		0	0		0	0	
Fraud Control Fund	Other		0	0		0	0	
Other	Other		0	0		0	0	
Total			25,699,790	27,423,763		29,379,031	29,379,031	

___ Agency Request X Governor's Recommended ___ Legislatively Adopted

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NON-LIMITED

Program Description

Non-limited funds include unemployment tax collections, Unemployment Insurance Trust Fund interest earnings, and federal revenues that are used to pay unemployment insurance and associated benefits to qualified applicants. Non-limited funds also include federal revenue used to pay benefits related to federal training programs such as the Trade Adjustment Assistance Program and as reimbursement of unemployment insurance benefits paid for federal workers.

Unemployment insurance taxes are assessed to employers pursuant to ORS 657.462, collected by the state and then transferred to Oregon's specific account within the Federal Unemployment Trust Fund, in accordance with Sections 303 (a)(4) and (5) of the Social Security Act and Sections 3304 (a)(3) and (4) of the Federal Unemployment Tax Act. Interest earnings are computed on the fund balance and credited to the unemployment Insurance Trust Fund. Funds are transferred to the Oregon Unemployment Benefit Fund for payment of unemployment insurance benefits to eligible claimants. Federal funds are also deposited into the Federal Unemployment Trust Fund for payment of various federal unemployment benefit and training programs.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Employment Dept
Pkg: 031 - Standard Inflation

Cross Reference Name: Employment Dept - Nonlimited
Cross Reference Number: 47100-087-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Special Payments							
Dist to Individuals	-	-	-	-	-	-	-
Total Special Payments	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Employment Dept
2019-21 Biennium

Agency Number: 47100

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

Source	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
Fines and Forfeitures	31,926	-	-	-	-	-
Transfer Out - Intrafund	(31,926)	(765,500)	(765,500)	(552,000)	(552,000)	-
Total Other Funds	-	(\$765,500)	(\$765,500)	(\$552,000)	(\$552,000)	-
Nonlimited Other Funds						
Employment Taxes	50,777,854	2,092,715,141	2,092,715,141	1,286,003,244	1,286,003,244	-
Fines and Forfeitures	3,422,824	14,833,329	14,833,329	17,145,228	17,145,228	-
Interest Income	-	127,708,000	127,708,000	127,815,000	127,815,000	-
Other Revenues	-	30,000,000	30,000,000	30,000,000	30,000,000	-
Transfer In - Intrafund	1,012,699,018	1,431,500,000	1,431,500,000	1,589,500,000	1,589,500,000	-
Transfer Out - Intrafund	(1,106,871,559)	(1,546,401,619)	(1,546,401,619)	(1,735,094,758)	(1,735,094,758)	-
Tsfr To Labor and Ind, Bureau	-	(5,273,000)	(5,273,000)	(5,265,083)	(5,265,083)	-
Total Nonlimited Other Funds	(\$39,971,863)	\$2,145,081,851	\$2,145,081,851	\$1,310,103,631	\$1,310,103,631	-
Nonlimited Federal Funds						
Federal Funds	1,073,179,878	70,000,000	70,000,000	100,000,000	100,000,000	-
Transfer In - Intrafund	-	-	-	6,000,000	6,000,000	-
Total Nonlimited Federal Funds	\$1,073,179,878	\$70,000,000	\$70,000,000	\$106,000,000	\$106,000,000	-

**DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE:
Non-Limited**

Source	Fund	ORBITS Revenue Acct	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Estimated	2019-21		
						Agency Request	Governor's Recommended	Legislatively Adopted
REVENUE								
Federal Government	Federal	995	60,480,860	70,000,000		100,000,000	100,000,000	
Employer Taxes	Other	120	1,924,757,361	2,092,715,141		1,923,744,834	1,923,744,834	
Federal Funds as OF	Other	355	0	0		0	0	
Charges for Services	Other	410	0	0		0	0	
Fines & Forfeitures	Other	505	1,374,332	14,833,329		16,883,811	16,883,811	
Interest Income	Other	605	139,896,291	127,708,000		127,502,000	127,502,000	
Other Revenues	Other	975	25,331,383	30,000,000		30,000,000	30,000,000	
Tsf from Other Agencies	Other	Various	0	0		0	0	
Tsf to Other Agencies	Other	Various	(4,459,812)	(5,273,000)		(5,265,083)	(5,265,083)	
Tsf to General Fund	Other	2060	0	0		0	0	
TRANSFERS TO/FROM NON-LIMITED		1010/2010						
SEDAF	Other		(62,573,557)	(85,744,306)		(89,865,177)	(89,865,177)	
Special Administration P&I	Other		(4,157,058)	(16,765,500)		(18,417,481)	(18,417,481)	
Reed Act	Other		(22,577,204)	0		0	0	
Modernization	Other		(1,240,558)	(6,603,602)		(19,857,463)	(19,857,463)	
Fraud Control Fund	Other		(4,726,401)	(8,475,000)		(12,010,000)	(12,010,000)	
Other	Other		0	0		0	0	
Total			2,242,655,193	2,212,395,062		2,052,715,441	2,052,715,441	

___ Agency Request Governor's Recommended ___ Legislatively Adopted

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Major Construction/Acquisition 10-Year Plan, Lease Plans, Disposals

2019-21 Biennium

Agency Name: Employment Department

Proposed New Construction or Acquisition - Complete for 5 Biennia

Biennium	Priority	Concept/Project Name	Description	GSF	Position Count	General Fund	Other Funds	Lottery Funds	Federal Funds	Estimated Cost/Total Funds
2019-21	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2021-23	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2023-25	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2025-27	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2027-29	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Proposed Lease Changes over 10,000 RSF - Complete for 5 Biennia

Biennium		Location	Description/Use	Term in Years	Total RSF ² +/- (added or eliminated)	USF ³	Position Count ¹	Biennial \$ Rent/RSF ²	Biennial \$ O&M ⁴ /RSF ² not included in base rent payment	Total Cost / Biennium (D+E)*A
					A					
2019-21		Tualatin/Tigard Relocation	Workforce Operations Job Search/Training Office	10	-391	19,020	65	1,077,293	N/A	1,077,293
2021-23		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2023-25		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2025-27		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2027-29		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Planned Disposal of Owned Facility

Biennium		Facility Name	Description
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

Definitions:

- Position Count: 1 Total Legislatively Approved Budget (LAB) Position Count assigned to (home location) each building or lease as applicable.
- RSF 2 Rentable SF per BOMA definition. The total usable area plus a pro-rated allocation of the floor and building common areas within a building.
- USF 3 Usable Square Feet per BOMA definition for office/administrative uses. Area of a floor occupiable by a tenant where personnel or furniture are normally housed plus building amenity areas that are convertible to occupant area and not required by code or for the operations of a building. If not known, estimate the percentage.
- O&M 4 Total Operations and Maintenance Costs for facilities including all maintenance, utilities and janitorial.

Facilities Maintenance and Management

Facilities Maintenance Narrative

The Oregon Employment Department operates in over 39 locations throughout the state and with a central office in Salem. The agency co-locates with many workforce partners to better serve our customers.

In addition to ongoing facilities needs driven by the agency's programs, during the 2019-21 biennium our focus is to increase collaboration with our programs to ensure the highest level of customer service is delivered within the footprint of our current facilities. The age of owned facilities requires additional attention for deferred maintenance and the determination of buy/sell/lease versus capital improvements and repairs and maintenance. The agency endeavors to utilize capital improvement and repairs and maintenance funds to maintain and improve its buildings.

Attachment A:
Employment Department Owned Buildings
Location/square feet/co-tenants

Attachment B:
Employment Department Leased Buildings/Locations
Location/square feet/co-tenants

Facilities Maintenance

The Oregon Employment Department's methodology for estimation of maintenance costs for owned facilities is developed primarily through an independent building assessment, combined with staff site visits and maintenance and janitorial histories. The independent building assessment is completed every five biennia, with the next report to occur within fiscal year 2019. To assess facility needs between independent building assessments staff conduct annual site visits. These combined efforts result in a facilities maintenance approach for the upcoming biennium.

Routine maintenance scheduled for 2019-21 addresses general maintenance and repairs for owned building, and when the independent building assessment is completed, that information will inform the future approach. General maintenance and repairs range from energy saving through replacing lighting controls, insulating non-operable plenum, completing an electrical analysis of a location to determine if savings could be realized. Additionally, the agency will address issues such as preventative and predictive maintenance and improvements.

Oregon Employment Department - Owned (Capital) Facilities

Sublease = space subleased to other entities

Attachment A

Owned Office & Lease	Office Address/Sublessee Name	Total Sq Ft	Owned Office & Lease	Office Address/Sublessee Name	Total Sq Ft
Albany (Year Built 1960)	139 4th Ave SE Albany, OR 97321	10,736	Klamath Falls Sublease	Central Oregon Intergovernmental Council	833
Albany Sublease	Experience Works	93	Klamath Falls Space Agreement	Klamath Indian Tribes Education/employment Dept	64
Albany Sublease	Community Services Consortium	184	Klamath Falls Sublease	DHS	587
Baker City (Year Built 1963)	1575 Dewey Ave Baker City, OR 97814	3,450	Medford (Year Built 1960)	119 N. Oakdale Ave, Medford, OR 97501	9,744
Bend UI (Year Built 1989)	1007 SW Emkay Dr./PO Box 5369	11,300	Medford Sublease	Bureau of Labor & Industries	116
Eugene (Year Built 1980)	2510 Oakmont Way, Eugene OR 97401	28,404	Medford Sublease	Experience Works	93
Eugene Sublease	Lane Workforce Partnership	1,073	Medford Sublease	Easter Seals	278
Eugene Sublease	Experience Works	640	Ontario	375 SW 2 nd Ave.	5,744
Eugene Sublease	Dynamic Education	371	Ontario Sublease	Oregon Human Development Corp.	70
Eugene Sublease	Dept. of Education	1,170	Ontario Sublease	Experience Works	93
Klamath Falls (Year Built 1963)	801 Oak Ave, Klamath Falls, OR 97601	7,769	Ontario Sublease	Training & Employment Consortium	1,186
Klamath Falls Sublease	Experience Works	209	Oregon City (Year Built 1960)	506 High St.	9,200
Oregon City Sublease	Workforce Investment Council, Clackamas County	1,127	Salem FO Sublease	Dynamic Education Systems	167
Oregon City Sublease	Dynamic Education Systems	213	Salem FO Sublease	Willamette Workforce Partnership	1,175

Oregon City Sublease	Easter Seals	213			
Roseburg (Year Built 1961)	846 SE Pine St. Roseburg, OR 97470	10,340			
Roseburg Sublease	Experience Works	213			
Salem FO (Year Built 1963)	605 Cottage St NE, Salem, OR 97308	21,219			
Salem FO Sublease	Easter Seals of Oregon	335			
Salem FO Sublease	DHS/OVRS	167			

Oregon Employment Department Leased Facilities

Prime Lease = Oregon Employment Department carries main lease, subleases after prime are space subleased to other entities

Attachment B

Leased Offices/Subleases/Space Agreements		Office Address/Sublessee Name	Total Sq Ft
Astoria	Prime Lease	450 Marine Drive, Suite 110	6,824
Astoria	Space Agreement	Experience Works	93
Astoria	Space Agreement	Oregon Northwest Workforce Investment Board	625
Beaverton	Prime Lease	9400 SW Beaverton Hillsdale Hwy. Ste. 300	37,268
Bend ES	Prime Lease	1645 NE Forbes Rd. Suite 100	8,670
Bend ES	Space Agreement	Experience Works	93
Bend ES	Space Agreement	Dept. of Human Services	280
Bend OAH	Sublease	Central Oregon Intergovernmental Council	100
Bend Research	Space Agreement	East Cascade WIB; 404 SW Columbia, Ste. 200	342
Brookings	Prime Lease	16261 Hwy 101	2,700
Burns	Prime Lease	809 W. Jackson St	1,400
Burns	Space Agreement	Training & Employment Consortium	53.4
Canyon City	Prime Lease	120 S. Washington St.	1,050
Corvallis	Prime Lease	545 SW 2nd St., Suite C, Corvallis	1,260
Corvallis	Space Agreement	Dept. of Human Services	93
Coos Bay	Prime Lease	990 S. 2 nd St.	7,000
Dallas	Prime Lease	580 Main St. Suite B	642
Eugene	Space Agreement	1401 Willamette Ave. Chamber of Commerce	590
Florence	Space Agreement	3180 Hwy. 101, N., Florence, OR 97439	424
Grants Pass	Sublease	1547 & 1569 NE F St.	3,195
Grants Pass	Space Agreement	The Job Council, OED Tax office	96
Gresham	Prime Lease	19421 SE Stark St.	17,318
Gresham	Sublease	Worksystems, Inc.	1,415
Gresham	Sublease	Dept. of Education	1,565
Hermiston	Sublease	950 SE Columbia Dr, Ste B	5,672
Hermiston	Space Agreement	Community Action Program, East/Central Oregon	456
Leased Offices/Subleases/Space		Office Address/Sublessee Name	Total Sq. Ft.

Agreements			
Hillsboro	Space Agreement	5300 N.E. Elam Young Parkway	290
Hood River	Space Agreement	Dept. of Human Services 1610 - 9th Ct.	120
La Grande	Prime Lease	1901 Adams Ave	3,840
Lebanon	Prime Lease	44 Industrial Way, Su. B.	1,500
Lebanon	Space Agreement	Dept. of Human Services	93
Lincoln City	Prime Lease	801 SW Hwy. 101	931
McMinnville	Prime Lease	370 NE Norton Lane	5,640
McMinnville	Space Agreement	Experience Works	93
McMinnville	Space Agreement	Easter Seals	93
Medford	Space Agreement	100 E. Main	182
Milton-Freewater	Space Agreement	84105 HWY 11	96
Newport	Prime Lease	120 NE Avery St.	6,632
Newport	Space Agreement	Experience Works	93
Newport	Space Agreement	DHS	139
Pendleton	DAS Owned	408 SE 7th Street	6,017
Pendleton	Sublease	Blue Mountain Community College	88
Pendleton	Sublease	CAPECO	197
Pendleton	Sublease	CAPECO	93
Pendleton	Sublease	Experience Works	93
Portland Division	Prime Lease	9226 SE Division	1,000
Portland – BOLI	Prime Lease	800 NE Oregon St.	64
Portland N.	(Albina; DAS Owned)	30 N. Webster, Ste. E	12,395
Portland N.	Sublease	Worksystems Inc	574
Portland N.	Sublease	Experience Works	93
Portland N.	Sublease	Dynamic Ed	186
Portland N.	Sublease	Easter Seals	371
Portland WSI	Space Agreement	1618 SW First Ave., Suite 450, Portland	154
Portland SE	Prime Lease	7916 SE Foster Rd., Portland	2,208
Prineville	Sublease	Central Oregon Intergovernmental Council	160
Redmond	Prime Lease	2158 SE College Lp., Ste.B.	5,114
Redmond	Sublease	Experience Works	93
Leased Offices/Subleases/Space		Office Address/Sublessee Name	Total Sq. Ft.

Agreements			
Redmond	Space Agreement	Dept. of Education	483
Salem CO	(DAS Owned)	875 Union Street NE	82,561
Salem CO	Prime Lease	Dept. of Education	6,250
Salem CO	Prime Lease	HECC/CCWD	1,159
Salem OAH	Prime Lease	4600 - 25th St. NE	16,500
Salem Research	Space Agreement	626 High St.NE	158
Salem EAB	(Stiff Jarman; DAS Owned)	796 Winter Street NE	3,010
St. Helens	Prime Lease	500 N. Columbia Hwy 30, Ste. 320	6,373
St. Helens	Space Agreement	Community Action	181
The Dalles	Prime Lease	700 Union St., Ste. 105	5,446
The Dalles	Space Agreement	Dept. of Education	371
Tigard	Space Agreement	10777 SW Cascade Ave, Tigard	145
Tillamook	Prime Lease	2101 - 5th St.	2,250
Tualatin	Prime Lease	7995 SW Mohawk	32,091
Tualatin	Sublease	Worksystems, Inc.	356
Tualatin	Space Agreement	Experience Works	80
Tualatin	Sublease	Dept. of Education	824
White City	Space Agreement	DHS	114
Willow Creek /Beaverton	Prime Lease	241 SW Edgeway	9,600
Willow Creek	Space Agreement	Experience Works	93
Willow Creek	Space Agreement	Dynamic Education Systems, Inc.	186
Woodburn	Prime Lease	120 East Lincoln, Rm 101	1,889

Facilities Summary Report

2019-21 Biennium

Facility Plan - Facilities Planning Narrative 107bf02a
2019-21 Biennium

Agency Name

Employment Department

1. What are the key drivers for your agency's facility needs, and how do you measure space/facility demand?

The key drivers for the Employment Department's facilities needs is the agency's delivery of its core programs (Unemployment Insurance, Workforce Operations, and Research) and the space needs to deliver those programs. Each program's unique service delivery, functions, and economic and customer demands determine our measures for space needs and location/facility demand. Based upon program size, the Unemployment Insurance and Workforce Operations programs primarily drive our space requirements. Additionally, the agency administratively supports the Office of Administrative Hearings, which is also unique in its service delivery and functions.

Unemployment Insurance space needs remain relatively constant, expanding and contracting in response to economic and customer demands. When the economy slows and unemployment rates rise, space demand increases and the agency mitigates this demand by densifying, utilizing training and meeting rooms for taking calls, or expanding to temporary alternate locations. A secondary consideration for space is business continuity, with the ability to have one location back up another location in the event of a disaster. Space for Unemployment Insurance locations is currently calculated at 250 sq. ft. per FTE.

Workforce Operations space drivers are primarily customers and the overall workforce system logistics. In alignment with federal regulations for this program, Workforce Operations co-locates throughout the state with partners who are part of the workforce system. Factors driving space needs for the Workforce Operations program include economic conditions (when unemployment rates rise, customer demand increase), and federal and state service delivery requirements to co-locate and have a customer-centric facilities approach. Space for Workforce locations is currently calculated at 350 sq. ft. per FTE (includes partners co-located in the buildings, but not part of the agency's total staff counts). This calculation also accommodates the service delivery approach of supplying public Resource Rooms for job searches, training rooms, and computer labs in delivery of the program.

Facilities Summary Report

2019-21 Biennium

Facility Plan - Facilities Planning Narrative 107bf02a
2019-21 Biennium

Agency Name

Employment Department

2. What are the key facility-related challenges over the next 10-years? (Please answer in order of priority)

1. Determining whether to buy/sell/lease versus capital improvement/deferred maintenance on owned buildings to meet needs of the Employment Department's programs.
2. Administering and coordinating leases and sub-leasing with co-located partners in multiple locations throughout the state.
3. Identifying and resourcing the type of improvements needed for owned locations, which is dependent upon program needs, sufficient funding, staff and vendor resources, and market dynamics.
4. Developing a systematic way to identify key program delivery needs that aids in identifying whether current space is sufficient for future service delivery.
5. Planning for economic conditions that increase or reduce the space needs for programs, and the most effective way to deliver space for those needs.

3. What do you need to meet these challenges?

1. Facility assessments to include current condition (expected/useful life of systems and structure), code compliance analysis to include what is currently grandfathered and what would be needed to meet current code, and recommended upgrades that have a proven energy savings.
2. A property management system to track leases, maintenance, operational costs, and similar data elements.
3. Market assessment information for buy/lease and site/location information.

Facilities Summary Report
2019-21 Biennium

Agency Name: Employment Department

Owned Facilities Over \$1 million	FY 2018 DATA		
Number of Facilities	8		
Current Replacement Value \$ (CRV)	\$ 16,764,080	Source	Risk Risk or FCA
Gross Square Feet (GSF)	117,932		
Usable Square Feet (USF)	103,932	Estimate/Actual	88 % USF/GSF
Occupants Position Count (PC)	285	USF/PC	364

Owned Facilities Under \$1 million	2
Number of Facilities	
CRV	\$ 954,521
GSF	21,640

Leased Facilities	231,057		
Total Rentable SF			
Biennial Lease Cost	8,866,200		
Additional Costs for Lease Properties (O&M)	5,966,088		
Usable Square Feet (USF)	256,730	Estimate/Actual	90 % RSF/GSF
Occupants Position Count (PC)	543	USF/PC	472

- Definitions
- CRV Current Replacement Value Reported to Risk or Calculated Replacment Value Reported from Facility Conditions Assessment (FCA)
 - RSF Rentable SF per BOMA definition. The total usable area plus a pro-rated allocation of the floor and building common areas within a building.
 - USF Usable Square Feet per BOMA definition. Area of a floor occupiable by a tenant where personnel or furniture are normally housed plus building amenity areas that are convertible to occupant area and not required by code or for the operations of a building.
If not known, estimate percentage.
 - PC Legislatively Approved Budget (LAB) Position Count
 - O&M Total Operations and Maintenance Costs for facilities including all maintenance, utilities and janatorial.

Facilities Operations and Maintenance and Deferred Maintenance Report
2019-21 Biennium

Agency Name: Employment Department

Facilities Operations and Maintenance (O&M)
Budget

	2015-17 Actual	2017-19 LAB	2019-21 Budgeted	2021-23 Projected
Personal Service (Maintenance)	1,979,768.00	2,112,715	2,192,998	2,280,718
Services & Supplies (Maintenance)	481,110.00	458,402.00	475,821.00	494,854.00
O&M \$/GSF (Maintenance)	7.46	7.79	8.09	8.41

Personal Service (Utilities & Janitorial)				
Services & Supplies (Utilities & Janitorial)				
O&M \$/GSF (Utilities & Janitorial)				

	General Fund	Lottery Fund	Other Funds	Federal Funds
O&M Estimated Fund Split %			70%	30%

Short and Long Term Deferred Maintenance Plan
for Facilities Value Over \$1M

	Current Value (2017)	Ten Year Projection	2019-21 Budgeted	2021-23 Projected
Priorities 1-3 - Currently, Potentially and Not Yet Critical	\$ 1,781,000	\$ 2,859,500	\$ 1,274,500	1,800,000.00
priority 4 - Seismic & Natural Hazard	\$ -	0	0	0
Priority 5 - Moderization				
Total Priority Need	\$ 1,781,000.00	\$ 2,859,500.00	\$ 1,274,500.00	\$ 1,800,000.00
Facility Condition Index (Need/CRV)	12.40%	52.49%		

Assets Over \$1M CRV 16,764,079.00

Process/Software for routine maintenance (O&M)	Buildings is/are tracked for each building via excel spreadsheet
Process/Software for deferred maintenance/renewal	Facility Assessment sheets in both appearance & Scheduled maintenance
Process for funding facilities maintenance	Facility Assessments, energy saving research, Project Manager site visits

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INFORMATION TECHNOLOGY REPORTS

CRITERIA	WEIGHT	SCORING GUIDE	Employment Department Modernization Program	
TOTAL WEIGHTED PROJECT SCORE			138	
Strategic Value			Raw	Weighted
Required Service/Product-Business Alignment (are any of these are true?) <ul style="list-style-type: none"> Mandate (legislative, federal or state) Meets a strategic business need Governor Initiative/Strategy Priority/Compliance for industry 	5	0: none are true 3: one is true 6: two or three are true 9: all are true	6	30
Value to Customer Number of users and the level of positive impact for using the product/service. Consumers or users of the service, product or data. Customer could be citizens, internal agency users, other state/local agencies or other external stakeholders. Or, projects that are funded through grants, IGAs, etc.	5	0: no value to customer 3: low value to customer 6: medium value to customer 9: high value to customer	9	45
Leverage Potential Multiplier effect: <ul style="list-style-type: none"> Service/product can be leveraged as a shared or managed service across agencies or policy area Service/product can be leveraged as a utility service Service/product adds value for external partners 	3	0: no potential, isolated service 3: low potential 6: medium potential 9: high potential	6	18
Risk Importance to Risk Mitigation Would the agency, state, or its customer be exposed to a risk or impact if the service or product is not offered? Or, is an existing service at risk? Do other current services/products depend on it? This could be security, safety, legal or any other risk related in loss .	5	0: no risk to state/ customer if not offered 3: low risk to state/customer if not offered 6: medium risk to state/customer if not offered 9: high risk to state/customer if not offered	9	45
Financial Return on Investment (ROI) / Cost Avoidance Project ROI reduces cost in expenditures once a project becomes a program. Must have a way to measure ROI and the amount of cost that will be avoided due to implementation of the project.	5	0: ROI none or unknown 3: ROI gained over two biennia 6: ROI gained within two biennia 9: ROI gained within one biennium	0	0



Project Prioritization

For Enterprise IT Governance Committee (EITGC)

Overview

The Employment Department is modernizing its core unemployment insurance and employment services business and information technology systems to ensure the agency can continue to fulfill its mission to *Support Business and Promote Employment*. The multi-biennium effort to modernize requires a significant investment, both in technology and changing how we serve our customers. Modernizing our systems and business processes will ensure we can continue to provide services to Oregonians and Oregon businesses today and be ready to respond to emerging and future needs.

Using the Enterprise IT Governance Committee's (EITGC) Prioritization Matrix, the Modernization Program received a total weighted project score of 138 out of 207 (Prioritization Matrix is included below). The sections below provide supporting summaries or references to the appropriate sections from the *Business Case for the Modernization Program*, v1.2.

Required Service and Product-Business Alignment

The Modernization Program is a pivotal strategic investment for the agency that meets critical business needs and aligns with broader statewide priorities and initiatives. Modernizing our core information technology systems and business processes is essential to ensure we can continue to provide services now and into the future, as our aging systems are increasingly difficult and costly to maintain and modify, and increasingly impede our ability to adequately serve Oregon workers and businesses. Additionally, modernization:

- Allows the agency to more easily respond to state and federal legislative or policy changes in a timely, cost-effective manner;
- Improves the ability to meet and sustain performance acceptable to state and federal standards;
- Supports the governor's priority of *A Thriving Statewide Economy* and Future Ready Oregon initiative by improving our ability to administer the unemployment insurance program and to help job seeker's prosper by providing employment services and connections to local employers; and
- Aligns with the 2017-2022 Enterprise Information Resource Management (EIRM) Strategy by improving the accessibility and security of our data, reducing the risks associated with our legacy systems, and enhancing the ability to adapt and expand systems for future needs.

Value to Customer

The Oregon Employment Department is responsible for administering the state's unemployment insurance program and public labor exchange. Our Unemployment Insurance Division provides partial wage replacement to mitigate the impact of economic downturns for individuals and communities, and helps retain skilled workers within their local economies.

For some, the partial wage replacement is critical to cover living expenses and basic needs. Our Workforce Operations Division provides employment services to businesses by recruiting and referring qualified applicants to jobs, and



provides tailored employment services to diverse job seekers to help remove barriers and support their career paths. Unemployment insurance and employment services are provided to customers through the central office in Salem, two contact centers, and 37 WorkSource Oregon Centers throughout the state.

In calendar year 2017, the Unemployment Insurance program collected 8.76 million wage records from approximately 130,000 employers, and paid \$513 million in unemployment insurance benefits to 119,395 workers. In fiscal year 2017, WorkSource Oregon Centers provided employment services to 263,011 individuals, of which approximately 18,300 were veterans and 4,500 were migrant seasonal farm workers, and approximately 10,700 businesses received employment services. The Trade Adjustment Assistance program – a federal program that provides services to workers negatively impacted by foreign competition – served approximately 4,000 affected workers, of which 70 percent re-entered the workforce after completing this program during fiscal year 2016.

Modernizing our unemployment insurance and employment services systems will enable the agency to better serve Oregonians and Oregon businesses. We will be able to meet our customers' desire for personalized and updated services through broadened and timelier access to information and more online, self-service functionality. Additionally, automation of identified processes and improved operational efficiencies will allow our employees to dedicate more time to those customers who need greater assistance. There are also opportunities to improve how we share data, both internally and externally, and to enhance interactions with our partners to better serve our customers.

Leverage Potential

To provide our services and better serve customers, the Employment Department partners with several state agencies and community service providers. Some areas where we partner with other agencies and could potentially improve data exchanges and service delivery include:

- **Employer registration.** To register an employer in the unemployment insurance tax system, the Employment Department must process and validate data from the Secretary of State's Oregon Business Registry. We then create an employer record within the unemployment insurance tax system using the data from the Secretary of State and the Business Identification Number generated by the Department of Revenue (DOR), and determine whether that entity is subject to unemployment insurance taxes. Employers also file registrations directly with us via paper, which bypass the Secretary of State, but still receive a Business Identification Number from the DOR.
- **Combined quarterly payroll reporting and tax collection.** The Employment Department works with the DOR and Department of Consumer and Business Services to coordinate the common tax payment system, primarily administered by the DOR. The Employment Department collects all quarterly payroll reports used for unemployment insurance taxes, state withholding, Lane Transit District and Tri-County Metropolitan Transportation District transit taxes, and the Worker's Benefit Fund. The Employment Department also coordinates with the DOR on debt collection activities for delinquent taxes and benefit overpayments.
- **Employment services.** The Workforce Operations Division delivers employment services under the Workforce Innovation and Opportunity Act (WIOA) in partnership with other state agencies, educational providers, and community and nonprofit organizations. WIOA encourages states to improve customer service through



integrated intake, case management, and reporting systems. The agency also coordinates with the Department of Human Services to deliver employment services to Supplemental Nutrition Assistance Program recipients. To deliver services efficiently and effectively under these partnerships, the Employment Department relies on data shared with and received from our partners. For instance, our Title 1 (job training) partners depend on the data from a job seeker's initial registration in the WorkSource Oregon Management Information System to provide consistent customer information and reduce duplicative efforts.

As we modernize our unemployment insurance and employment services systems, we will engage with our partners to seek opportunities to improve service delivery. There is also potential for better interactions and data exchanges with key partners who have, or plan to, modernize their core systems.

Importance to Risk Mitigation

Postponing the Employment Department's modernization effort and continuing to use legacy systems increases the severity of and exposure to risks that would affect our ability to deliver key services to Oregonians and Oregon businesses. Risks associated with current systems and processes include:

- Potential inability to timely and accurately pay unemployment insurance benefits to Oregonians;
- Limitations to providing customers with personalized and updated services;
- Difficulties sharing data securely and timely with our partners;
- Challenges meeting and sustaining federal performance standards and complying with audit findings that can impact program funding;
- Loss of institutional knowledge as almost 40 percent of Information Technology (IT) staff are eligible to retire;
- Limited ability to modify, improve, and expand systems;
- Inability to accommodate legislative changes, including those that typically arise during recessionary periods; and
- Difficulties in managing access and improving our ability to anticipate and respond to security threats.

The *Problem and Opportunity Definition* section in the business case provides further information on the risks and issues associated with current unemployment insurance and employment services systems.

Return on Investment (ROI) and Cost Avoidance

Modernizing the core systems supporting unemployment insurance and employment services will provide the agency with a significant return on investment. While some benefits may be quantifiable and financially measurable, some are qualitative and relate to improved customer experience, new capabilities, increased flexibility, and risk mitigation to ensure we can continue to sustain and enhance our core services into the future. In addition to the program's supporting objectives, the agency anticipates realizing a return on investment through operational efficiencies (e.g. reduction in manual processes, greater self-service functionality, improved responsiveness to changing workloads), data improvements (e.g. increased timeliness and accuracy of data potentially leading to fewer blocked claims and a decreased overpayment rate), ability to collect new data), flexible and scalable system (e.g. ability to more easily



maintain, modify, and expand systems to meet legislative and customer needs), and risk mitigation (e.g., improved security and auditing capabilities).

As planning evolves into project initiation and scope is defined, we will be able to provide more specificity on the anticipated return on investment. This includes detailed analyses of current costs compared with total costs of ownership estimates for the identified alternatives. Baseline metrics, from which the projects will be evaluated, will also be established.

Prioritization Matrix

CRITERIA	WEIGHT	SCORING GUIDE	Raw	Weighted
TOTAL WEIGHTED PROJECT SCORE			138	
Strategic Value			Raw	Weighted
Required Services/Product/Business Alignment (name any of these alignment?)				
<ul style="list-style-type: none"> Mandate legislative, federal or state Meets strategic business need Operates in critical strategy Priority/Compliance for industry 	5	0: none are true 3: one is true 6: two or three are true 9: all are true	5	30
Value to Customer Number of users and the level of positive impact for using the product/service. Consumers or users of the service, product or data. Customer could be citizens, internal agency users, other state/local agencies or other external stakeholders. Or, projects that are funded through grants, loans, etc.	5	0: no value to customer 3: low value to customer 6: medium value to customer 9: high value to customer	5	45
Leverage Potential Multiple effect:				
<ul style="list-style-type: none"> Service/product can be leveraged and shared or managed/service across agencies or policy areas Service/product can be leveraged as a utility/service Service/product adds value for external partners 	3	0: no potential, isolated service 3: low potential 6: medium potential 9: high potential	3	18
RISK				
Important to Risk Mitigation Would the agency, state, or customer be exposed to a risk or impact if the service or product is not offered? Or, is an existing service at risk? Potential customer safety/product dependency if the candidate security, safety, legal or any other risk related issues.	6	0: no risk to state/customer if not offered 3: low risk to state/customer if not offered 6: medium risk to state/customer if not offered 9: high risk to state/customer if not offered	6	45
Financial				
Return on Investment (ROI) / Cost Avoidance Project ROI reduces cost in any number of ways a project becomes a program. Just have a way to measure ROI and the amount of cost that will be avoided due to implementation of the project.	6	0: ROI none or unknown 3: ROI gained over two years 6: ROI gained within two years 9: ROI gained within one year	6	36



Business Case for the Modernization Program



Oregon Employment Department

Date: June 29, 2018


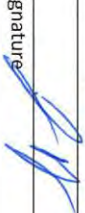

Version: 1.2

Business Case – Authorizing Signatures

Proposal Name and Document Version #	Modernization Program Business Case V1.2		
Agency	Employment Department	Date	June 29, 2018
Division	Modernization	DAS Control #	
Agency Contact	Renee Royston	Phone Number	503-947-1839

The person signing this section is attesting to reviewing and approving the business case as proposed.

This table to be completed by the submitting agency

Executive Sponsor		
Kay Erickson, Employment Department Director		(Date)
Signature 		6/29/18
Sponsor		
Renee Royston, Modernization Director		(Date)
Signature 		6-28-18
Business Sponsor		
David Gerstenfeld, Unemployment Insurance Division Director		(Date)
Signature 		6-28-2018
Business Sponsor		
Jim Pfarrer, Workforce Operations Division Director		(Date)
Signature 		6-28-18
Business Sponsor		
Bill Truex, Chief Information Officer		(Date)
Signature 		6/29/18
State Data Center Representative (if required by the State CIO)		
(Name)		(Date)
Not required		
Signature		

Version History

Version Number	Date	Comment
1.0	December 18, 2017	Original version.
1.1	January 23, 2018	Added information on the feasibility study and clarification on "core" systems.
1.2	June 29, 2018	Incorporated information from the feasibility study, including a high-level alternatives analysis, and updates on program activity.

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BUDGET NARRATIVE

Executive Summary

The mission of the Oregon Employment Department is to *Support Business and Promote Employment*. We accomplish this by:

- Supporting economic stability for Oregonians and communities during times of unemployment through the payment of unemployment benefits;
- Serving businesses by recruiting and referring the best qualified applicants to jobs, and providing resources to diverse job seekers in support of their employment needs; and
- Developing and distributing quality workforce and economic information to promote informed decision-making.

In 2017, we collected wage records from approximately 130,000 employers and paid \$513 million in unemployment insurance benefits to 119,395 workers. Additionally, in fiscal year 2017, we provided employment services to approximately 263,000 job seekers and 10,700 businesses. Though we are currently in a period of low unemployment, a growing labor force and the certainty of an eventual economic (recessionary) cycle means the demand for our services will continue to grow.

As we look to the future and assess how to provide our core unemployment insurance and employment services, we recognize that we must be able to meet our customers' desire for personalized and updated service delivery, and be flexible and adaptable to changing needs and requirements. We would like to take advantage of opportunities to improve how we share data and interact with our partners, while managing access appropriately to protect data, ensure confidentiality, and respond to security threats. Our ability to make these improvements is constrained by our current aging tools and technology.

For these reasons, the Employment Department is making a significant investment to replace our current unemployment insurance and employment services systems with modern technology, and transform business processes so that we can better serve our customers – Oregonians and Oregon businesses.

The primary goals identified for the Modernization Program are to:

- **Enhance customer experience.** Deliver improved services, such as online self-service, automation, access to data, and integration with partners.
- **Transform business processes.** Leverage modern system capabilities to provide improvements and efficiencies in business processes, deliver new tools for our employees, and support more effective service delivery to our customers.
- **Improve security.** Improve our ability to anticipate and respond to security threats, and manage access.
- **Modernize technology.** Replace the agency's aging computer systems that support unemployment insurance taxes, payment of unemployment insurance benefits, and delivery of employment services.

These goals will be accomplished over the next few biennia through execution of projects chartered to replace the agency's business processes and information technology systems. In the 2015-17 biennium, the agency began initial planning and initiated a feasibility study to identify high-level business requirements, perform market research, and develop a strategic plan. So far in the 2017-19 biennium, we have completed the feasibility study; initiated workgroups to review and document current systems, interfaces, and data exchanges; completed customer journey maps that identify pain points; initiated enterprise architecture activities; continued the process of staffing our team; and continued developing program plans that will guide future projects.

Tasks for the remainder of the current biennium include defining scope, documenting requirements, and preparing a request for proposal to be released in early 2019 for our first project(s) focused on transforming the

unemployment insurance program, starting with unemployment insurance tax. Additional projects will be initiated as resources and capacity become available during the current and future biennia.

This business case updates the previous version to include details from the feasibility study, including an analysis of alternatives, strategic program decisions, and key activities planned for the remainder of the 2017-19 and 2019-21 biennia.

Purpose and Background

Purpose

The Employment Department is modernizing its core unemployment insurance and employment services business and information technology systems to ensure the agency can continue to fulfill its mission to *Support Business and Promote Employment*. The multi-biennia effort to modernize requires a significant investment, both in technology and changing how we serve our customers. Modernizing our systems and business processes will ensure we can continue to provide services to Oregonians and Oregon businesses today, and be ready to respond to emerging future needs.

The primary drivers for modernization include:

- **Risk that we cannot sustain delivery of secure and reliable services.** First and foremost, we must ensure we can continue to deliver secure and reliable services. It is becoming increasingly difficult to recruit and retain employees with the skillsets needed to support our aging computer systems. As of May 2018, almost 40 percent of the technical employees that support our existing systems can retire immediately.
- **Challenges to provide customers with personalized and updated services.** Our customers desire personalized and updated services, such as online self-service options and mobile-friendly applications, and it is not feasible to meet these needs with our current systems.
- **Constrained and inflexible systems that cannot adapt to changing business, state, and federal requirements.** There are many opportunities to be more efficient and effective in how we deliver our services. Our current systems constrain our ability to change our business processes, implement requirements due to state and federal policy changes, resolve challenges, and automate or remove manual work. These improvements will allow us to be more efficient, reduce processing time, improve the accuracy of actions and information, and be more responsive to policy changes.
- **Difficulties in managing access and sharing data securely with our partners.** Our existing systems were not designed with integrated security. Controlling security is complex and it is difficult to manage user access appropriately. Newer technology provides opportunities for improved security measures, and would allow us to respond more nimbly to security threats and more easily manage access. Additionally, our partners wish to interact and share data with us using modern and flexible technologies.

Agency Background

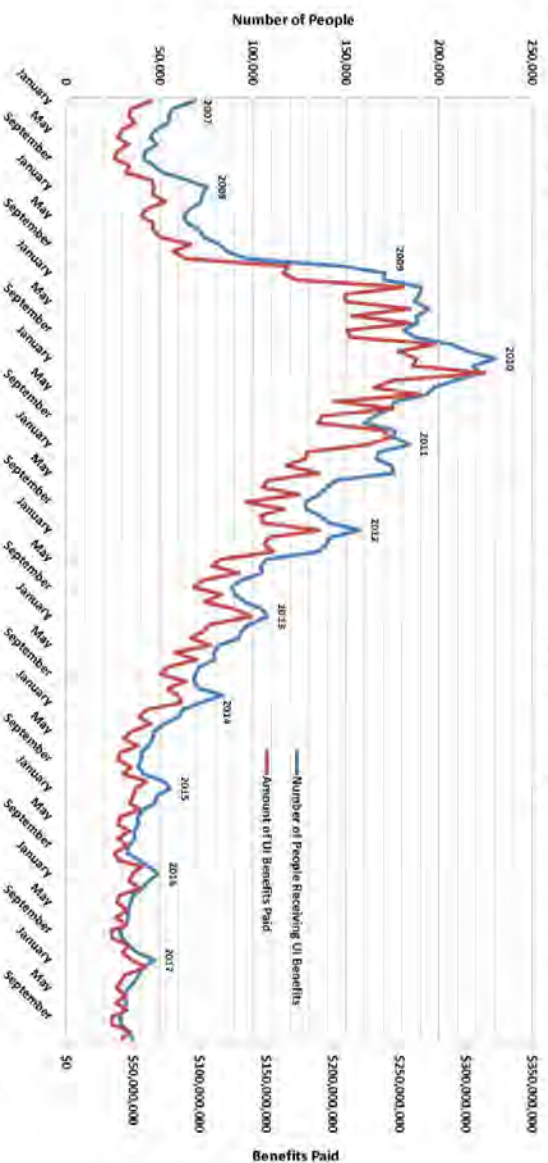
The Oregon Employment Department is responsible for administering the state's unemployment insurance program and public labor exchange helping connect job seekers and employers. Our Unemployment Insurance Division provides partial wage replacement to mitigate the impact of economic downturns for individuals and communities and helps retain skilled workers within their local economies. For some, the partial wage replacement is critical to cover living expenses and basic needs. Our Workforce Operations Division provides employment services to businesses by recruiting and referring qualified applicants to jobs, and provides tailored

employment services to diverse job seekers to help remove barriers and support their individual career paths. The Workforce Operations Division also manages several programs including Veterans Employment Services, Work Opportunity Tax Credit (WOTC), Migrant Seasonal Farm Workers, Foreign Labor Certifications, and Trade Act Assistance among other programs. Unemployment insurance and employment services are provided to customers through the central office in Salem, two contact centers, and 37 WorkSource Oregon Centers throughout the state.

In calendar year 2017, the Unemployment Insurance program collected 8.76 million wage records from approximately 130,000 employers, and paid \$513 million in unemployment insurance benefits to 119,395 workers. The demand for agency services greatly fluctuates based on economic conditions. Service levels for unemployment insurance, as well as employment services for job seekers, follow a countercyclical pattern increasing during periods of high unemployment and decreasing during periods of low unemployment.

Currently, we are in a period of low unemployment. However, as noted by the state's Office of Economic Analysis in the *2019-21 Budget and Legislative Concept Instructions*, "recessionary risks are rising for the 2019-21 biennium." As depicted in Figure 1, the number of people receiving unemployment insurance benefits increased sharply during the past recession. In 2010, \$2.7 billion in benefits were paid to almost 370,000 individuals.

Figure 1: Unemployment Insurance Benefits - Number of People Receiving and Amount Paid



In fiscal year 2017, WorkSource Oregon Centers provided employment services to 263,011 individuals, of which approximately 18,300 were veterans and 4,500 were migrant seasonal farm workers, and approximately 10,700 businesses received employment services. The Trade Adjustment Assistance program – a federal program that provides services to workers negatively impacted by foreign competition – served approximately 4,000 affected workers, of which 70 percent re-entered the workforce after completing this program during fiscal year 2016.

The current technical infrastructure supporting these services is comprised of many aged, disparate systems that utilize different technology platforms. Unemployment insurance benefits and tax systems, mostly a mainframe system coded in COBOL, were designed in the 1990s, long before the widespread use of the Internet to transmit information and conduct business.

Over the years, as new program requirements were passed by federal or state government, or as customer needs arose, many subroutines or subsystems have been developed to fulfill the new requirements and serve those needs. For instance, there are currently multiple systems supporting employer quarterly wage reporting. Each system supports different functionalities that have been needed over the years, yet this "additive"

approach (although responsive and necessary to meet business needs in the short term) created inconsistencies and an increased maintenance and support workload for Information Technology staff. The current environment is a complicated web of systems in a multitude of different programming languages (e.g. Apex, COBOL, ColdFusion, HTML, JavaScript, Oracle PL/SQL) that multiplies the difficulty of adjusting to new regulations and customer demand.

Employment services are supported by the WorkSource Oregon Management Information System. This network, or environment, supports various applications including:

- Common customer registration, where job seekers create an account which captures information to help determine eligibility for programs across state agencies and community partners under the Workforce Innovation and Opportunity Act.
- Public labor exchange (iMatchSkills), a web-based system piloted in 2003 and launched in 2004 that helps connect job seekers with employers. iMatchSkills allows job seekers to create customized profiles, identify skill gaps, and search for jobs. Employers are able to set up accounts, post and manage job listings, and view the qualifications of potential candidates. iMatchSkills is also used as part of the multi-agency Supplemental Nutrition Assistance Program (SNAP) Training and Education Program.
- Trade Adjustment Assistance Management Information System, an internal application that supports the administration of participant activity in federal Trade Act programs.

In addition to serving customers and employees, these applications support federal program reporting requirements and allow us to track operational and performance measures. iMatchSkills is linked with numerous Employment Department systems providing information on unemployment insurance claim records, employer tax records, historical wage data, and local labor markets and occupational data. This helps employees deliver more effective, efficient, and customized services.

Service delivery of both unemployment insurance and employment services is further supported by manual processes that augment system gaps. For instance, although roughly two-thirds of new unemployment insurance claims are started online, most claims are manually reviewed by Business and Employment Specialists. To process claims, employees often have to use multiple mainframe screens simultaneously, along with several other applications.

If issues are detected with a claim, a file is manually generated and assigned to the appropriate employee. After a determination of the issue has been made, decisions are manually entered into the mainframe system and employees must take separate actions to remove stops in the system that prevent benefit payments, inactivate system line flags used to indicate the status of claims, modify answers, and/or clean up the claim file. These files serve as the official record for internal adjudication processes and subsequent hearing and appeals processes.

In an effort to better serve customers, various state agencies partner to deliver related services. To assist Oregonians and Oregon businesses, the Employment Department relies on data transfers to and from many distinct agencies. We must ensure we can provide secure access to data shared between our partners. Some examples of how we coordinate with other agencies to provide core government services include:

- **Employer registration.** To register an employer in the unemployment insurance tax system, the Employment Department must process and validate data from the Secretary of State's Oregon Business Registry. We then create an employer record within the unemployment insurance tax system using the data from the Secretary of State (SOS) and the Business Identification Number generated by the Department of Revenue (DOR), and determine whether that entity is subject to unemployment insurance taxes. Employers also file registrations directly with us via paper, which bypass the SOS, but still receive a Business Identification Number from the DOR.

- **Combined quarterly payroll reporting and tax collection.** The Employment Department works with the DOR and Department of Consumer and Business Services (DCBS) to coordinate the common tax payment system, primarily administered by the DOR. The Employment Department collects all quarterly Oregon Employment Department Modernization Program Business Case

payroll reports used for unemployment insurance taxes, state withholding, Lane Transit District and Tri-County Metropolitan Transportation District transit taxes, and the Worker's Benefit Fund. The Employment Department also coordinates with the DOR on debt collection activities for delinquent taxes and benefit overpayments.

- Employment services.** The Workforce Operations Division delivers employment services under the Workforce Innovation and Opportunity Act (WIOA) in partnership with other state agencies, educational providers, and community and nonprofit organizations. WIOA encourages states to improve customer service through integrated intake, case management, and reporting systems. The agency also coordinates with the Department of Human Services to deliver employment services to Supplemental Nutrition Assistance Program recipients. To deliver services efficiently and effectively under these partnerships, the Employment Department relies on data shared with and received from our partners. For instance, our Title 1 (job training) partners depend on the data from a job seeker's initial registration in the WorkSource Oregon Management Information System to provide consistent customer information and reduce duplicative efforts.

The agency's Workforce and Economic Research Division is also a heavy user of unemployment insurance and employment services data for various analyses and reports. Data from quarterly employer tax reports and unemployment insurance claims feed into programs such as the Quarterly Census of Employment and Wages, and Local Area Unemployment Statistics – both federal-state cooperative programs with the Bureau of Labor Statistics with required deliverables.

From information on occupational wages and projections to current employment and unemployment numbers, output from the Research Division helps inform the decision-making of students, job seekers, businesses, policy makers, and government entities across Oregon. Unemployment insurance wage data and system integrity is critical to provide accurate and timely information.

Employer wage records also form the foundation for Oregon's workforce system's performance measures. These measures are presented as part of the Performance Reporting Information System (PRISM), which produces information about the effectiveness of workforce system programs and services. This information is presented on QualityInfo.org. These measures answer questions such as: Did the people served by the workforce system find jobs? Of those who found a job, are they earning higher wages than prior to their participation in the workforce system?

On the other side of the data equation, many state and federal agencies rely on Employment Department data operationally. Employers' wage data, collected quarterly to assess unemployment insurance taxes, is used to facilitate the collection of funds that are due to the state, or to validate eligibility for needs-based programs. If new data fields need to be collected on employer wage reports, upgrading the Employment Department's mainframe systems would be cost prohibitive and would not meet today's expectations of timeliness.

The Employment Department is also required to transmit data to the U.S. Department of Labor through the Interstate Connection Network (ICON) hub, which is used by state workforce agencies with differing technologies to securely exchange data. This data is used to facilitate a number of processes such as unemployment insurance claims between states, improper payment cross matches, new hire wages, and federal performance reporting.

Modernizing our systems cannot be successfully completed in a vacuum. Key stakeholders and partners from both service delivery and data sharing perspectives will need to be informed and involved to successfully implement and realize the full potential of our new systems. We will conduct a stakeholder analysis to capture all of our partners and stakeholders, along with our points of interaction. This will help us understand their communication needs and how we will engage with them at the various stages throughout the program. We intend to involve our partners and include the voice of our customers as we continue to define scope and gather requirements, and we will continue to share information through advisory committees and regular communications.

At the federal level, the U.S. Department of Labor (DOL) provides program guidance, oversight, and funding. At the state and local level, some of our core business and service delivery partners include:

- Department of Administrative Services
- Department of Consumer and Business Services
- Department of Human Services (Vocational Rehabilitation and Self-Sufficiency programs)
- Department of Justice
- Department of Revenue
- Higher Education Coordinating Commission
- Local Workforce Development Boards
- Oregon Commission for the Blind
- Secretary of State
- Oregon State Treasury

Problem and Opportunity Definition

Information technology is essential to enabling efficient service delivery. As a public agency, being responsive to Oregonians and Oregon businesses is a core value. Our business needs have outgrown our existing systems. These systems do not allow us to meet the changing needs and expectations of our customers. This is particularly true for systems that support payment of unemployment insurance benefits, the collection of unemployment insurance taxes, and matching job seekers with job vacancies.

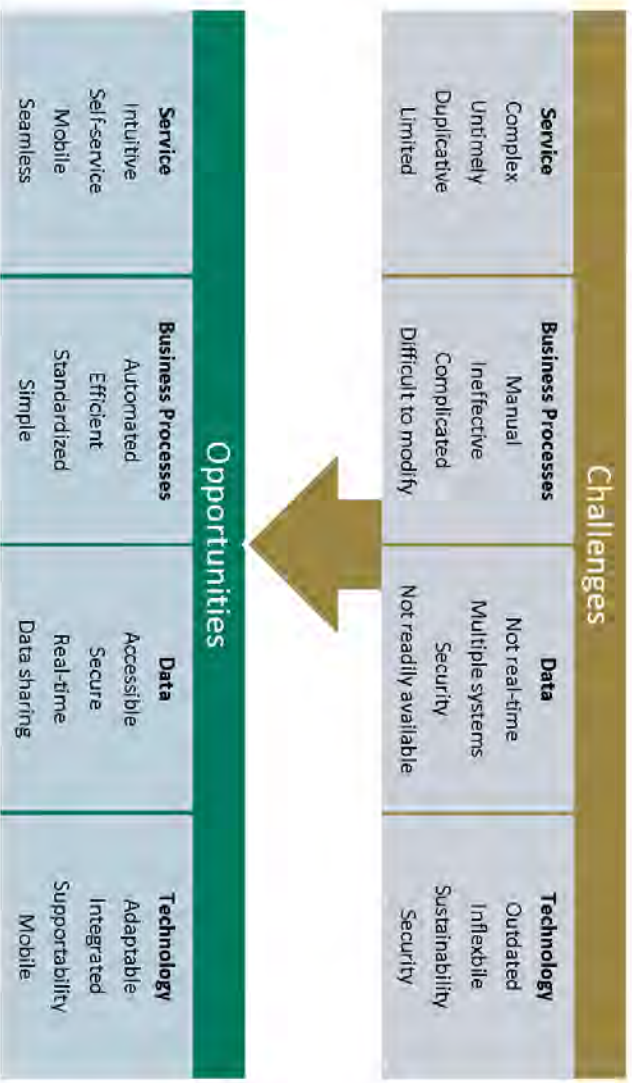
The core technology and processes used to support the Employment Department’s mission and program requirements are becoming unsustainable, and we are struggling to keep up with technological advancements and evolving customer expectations. Some key issues and risks include:

- **Impact of system failure to Oregonians and Oregon businesses.** The systems that support unemployment insurance and workforce business functions are based on outdated technology or are reaching maximum capacity. These systems are decades old and rely on a myriad of disparate, aging software applications and databases that are increasingly difficult and costly to maintain. If these systems fail, it would have a significant impact on the services we deliver to our customers – Oregonians and Oregon businesses.
- **Loss of institutional knowledge as Information Technology (IT) staff retire.** Currently, a significant percentage of our IT staff are eligible for retirement or are approaching eligibility. Our employees are extremely knowledgeable of the current systems and legacy programming languages. However, the ability to find qualified staff to backfill or replace some of the required skill sets is becoming progressively harder because those programming languages are no longer widely taught. Furthermore, vendors or new hires who know legacy programming languages will not have the internal knowledge of our current systems and business requirements to efficiently assist with modification work.
- **Inability to modify and improve systems.** The services we provide to our customers are regulated and guided by federal and state policies, which can frequently change. Even seemingly minor program changes are complex, lengthy, and expensive to implement, and present a risk of introducing errors in the “spider web” of sub-programs that exist today. There are also major challenges when it becomes necessary to scale up systems. Increasing system capacity to handle higher claims levels is hampered by the number of components that must be expanded rapidly and in unison.

- **Inability to accommodate legislative changes.** Due to the limitations of our current legacy systems, such as the limited ability to add or expand data fields, we have either had to greatly modify, or deny completely, legislative requests for service or program changes that impacted these systems. One recent example is the new statewide transit tax. As part of the bill review and fiscal impact process during the 2017 legislative session, the Employment Department was asked to estimate what it would cost to collect that information via the Form OQ (Oregon Quarterly Tax Report) in order for employers to pay for their portion of the tax. However, to accommodate the new payroll tax (similar to how we collect TriMet and Lane Transit District taxes) the entire Form OQ would have had to be redesigned. This would have necessitated a change to our scanner software, quarterly reporting applications, and subsequent changes at the DOR and DCBS because of the combined reporting relationship. These changes were estimated to cost between \$500,000 and \$700,000, and take a minimum of 12 to 18 months to complete. Ultimately, the decision was to have the DOR collect the tax in a standalone process with a new form to ensure the implementation deadline was met.
- **Constraints to our partners.** As our local, state, and federal partner agencies modify their policy objectives, systems, or business processes, our inability to adapt or modify our systems is a constraint to both individual and multi-agency performance. Opportunities to work together, share data, and provide services more efficiently and effectively with our partners are being lost. We must be able to more easily adapt our systems and tools to take advantage of these opportunities stemming from modern systems.
- **Systems are antiquated and are unintuitive.** The structure and design of our systems creates usability challenges for our employees and customers. Employees must frequently access multiple screens and manually process information to conduct daily work, such as processing an unemployment insurance claim and updating employer accounts. Manual processes increase the likelihood of delays and errors. Furthermore, employee satisfaction and the pride that comes with executing our mission is negatively impacted by the time spent with duplicative and manual work. It is difficult to train new employees on these older systems, and our ability to attract and retain younger workers will be compromised by our antiquated technology environment. Comparable challenges exist for our customers, as our systems are not as user friendly as people have come to expect in this computerized age.
- **Customer service enhancements cannot be realized.** There is an ongoing business need to continually improve services and system usability to meet ever evolving technology and customer service models and expectations. Current systems offer customers, whether employers or unemployment insurance claimants, limited access to timely information and self-service functionality. Some customers also register in multiple systems to access services. Moreover, services that are available online are not supported on mobile platforms.
- **Security limitations.** Our existing systems were not designed with integrated security. Therefore, we have had to build external or peripheral security and access programs to accomplish the necessary level of security. The lack of security integration challenges our ability to easily share program data or provide access. Controlling security is complex, and it is difficult to appropriately manage user access. Monitoring and auditing capabilities are difficult because security is not built into our core systems. Access review or investigation is conducted through manual review making it difficult to respond to ever-changing security threats.

These problems and associated opportunities addressed by system modernization cover all aspects of the agency. Through work with the Information Technology Support Center (ITSC) and the Office of the State Chief Information Officer (OSCIO), we have documented and analyzed the current state, and identified and documented challenges, with themes emerging around customer service, business processes, data, and technology.

Figure 2: Challenges and Opportunities



Service

- The Employment Department is currently not meeting certain core performance measures or standards. Additionally, our ability to meet and sustain performance levels in accordance with state and federal standards will be further stretched during the next recession as workloads increase.
 - **Non-Monetary Determinations Timeliness (percentage of claims that are adjudicated within 21 days of issue detection):** During calendar year 2017, the percent of timely non-monetary determinations was 58.9 percent. Though this was an increase from the prior year’s measure of 33.6 percent, it was below the U.S. Department of Labor’s target of 80 percent and the national rate of 73.7 percent.
 - **Unemployment Insurance Administrative Costs as a Percent of Benefits Paid:** In fiscal year 2017, benefit payments were \$504,937,474 and controllable administrative costs were \$56,573,607, resulting in a percent of benefits paid of 11.2 percent. This was above the target of 10 percent.
 - **Timeliness of New Employer Status Determinations (percent of new status determinations completed within 90 days of the end of the liable quarter):** For calendar year 2017, 72.7 percent of registrations were completed within 90 days. This was below the target of 80 percent and well below the national rate of 89.0 percent — putting Oregon near the bottom of state rankings.
 - **Customer Service:** In fiscal year 2017, approximately 81 percent of customers rated overall service quality as “good” or “excellent.” This was below the target of 95.5 percent. This metric is based on survey responses from unemployment insurance claimants, other job seekers, and employers who rated their satisfaction with the agency’s service.
 - **Improper Payment Rate:** In calendar year 2017, Oregon had an improper unemployment insurance payment rate of 12.8 percent, which was above the U.S. Department of Labor’s standard of 10 percent.

- Enhance customer experiences through greater integration across lines of business and increased service options utilizing new system capabilities.
 - Currently, customers are asked for the same information multiple times across various disconnected systems. For instance, a customer seeking services from both unemployment insurance and employment services interacts with at least three separate systems. There is an opportunity to provide a more seamless experience to customers, including personalized and updated services such as online self-service options.
 - Our systems do not provide or support many customer enhancements (e.g. online self-service, mobile access, multiple languages, phone system integration, 24x7 accessibility). This hinders our ability to connect with and provide services to our customers in ways they expect or desire.

Business Processes

- Eliminating redundancies and inefficiencies in business processes and manual workarounds is necessary to meet program needs. For example, for the initial employer registration process to determine unemployment insurance tax subjectivity, staff manually review registrations for possible predecessor and successor relationships, assign industry classification codes, and resolve registrations with incomplete information. Though we have improved processes over the past years through management structure changes and structured Lean evaluations, new systems will allow us to further remedy pain points to be more efficient, reduce processing time, and improve accuracy and accessibility of information.
- Our way of gathering information adds inconvenience and delays. For example, during the initial unemployment insurance claim process, information is collected to determine eligibility. However, sometimes additional information is needed and employees must send forms to employers and claimants requesting the information. Improving our systems to gather more of the information up front will make it more convenient for our customers and allow for more timely decisions.
- Automation will reduce the amount of time spent on manual processes and improve our effectiveness and ability to conduct other work. These efficiencies will allow us to spend more time assisting and educating Oregonians and Oregon businesses through our services.
- Streamlining systems and processes will increase our ability to adjust to changing workloads. As depicted in Figure 1, during the past recession demand for our services rapidly increased, and current processes and systems make it difficult to train new employees and provide timely services to customers.
- Modernizing unemployment insurance and workforce systems will allow us to reengineer business processes to take advantage of the capabilities of new technologies.

Data

- Business processes rely on data transfers between unemployment insurance and employment services systems, as well as with external partners. Replacing core systems allows us to improve the quality, accuracy, availability, and security of the agency's data and data exchanges.
 - Current systems have limited ad-hoc reporting and data query capabilities. For instance, data retrieval from iMatchSkills, the employment services system, often requires technical assistance.
 - Needed information can be difficult or impossible to extract if it is saved in a comment in the source system rather than as a field, making analytics difficult to perform.
 - It is difficult for us to report on unemployment insurance financial information, such as liquidated and delinquent debt reporting, to state stakeholders because data within our current systems is not easily accessible or available in the formats needed to support these data requests.

- Not all activities capture the identity of the user that performed the action. Capturing this information would make audits easier and quicker to perform, and provide better system control.
- It is difficult to manage and monitor secure access to data, especially for non-state employees like our local partners and contracted community non-profit service providers across Oregon.
- Ensuring data are available dynamically for the agency, our customers, and our partners, who wish to interact and share data with us, using modern and flexible technologies.
 - Federal, state, and local workforce organizations share the strategic goal of integrating services across agencies. The Employment Department works closely with the Higher Education Coordinating Commission and the state's nine Local Workforce Development Boards to improve outcomes for job seekers. The agency and our partners have developed agreements to define roles and responsibilities, workflow, and shared performance measures as required by the federal Workforce Innovation and Opportunity Act. A common sign-on and the ability to share data are goals of the state workforce plan; these goals cannot be achieved until new technology is adopted.

Technology

- Key systems are based on obsolete or outdated applications and reaching maximum capacity.
 - The current mainframe system is experiencing problems with field size limitations. The fields were designed with a fixed length that met the needs of the agency when the system was developed. The current field length does not easily allow new or expanded data fields to be captured. Over time the agency has determined a need to receive additional information, such as employer payroll information and individual wage information. The data collected by these systems is vital to properly pay unemployment insurance benefits and is used by the DOR and DCBS to collect taxes.
 - Our data is used by many other agencies to validate program eligibility and measure program effectiveness. The effort to expand data fields in the existing system would be significant, as multiple files, screens, and processes would need to be modified. It is expected that an effort of this kind would consume all the current mainframe resources for multiple years. For instance, a request a few years ago to modify the wage system would have required phases over a three to five year period; ultimately, our agency decided not to modify the wage system due to time constraints. Because key systems are reaching maximum capacity, it poses a critical risk to stay on our current platform without modernizing our architecture.
- Service improvements and the ability to implement new legislative requirements in a timely manner are limited by the current technical infrastructure.
 - Because of current technology infrastructure limitations, and time spent maintaining current systems, the agency has been unable to implement desired changes. These changes include increasing customers' access to self-service functionality, improving the efficiency and timeliness of processing unemployment claims and employer registrations, and reducing overpayments.
 - The current mainframe environment cannot be easily or quickly adapted to transfer data between the Employment Department and other agencies. As other state agencies replace their aging legacy systems with modern technology, interfaces between our systems are constrained by our outdated technology and capabilities.
- Aging technologies and processes are increasingly difficult to support. The complexity of maintaining the agency's various legacy systems requires specific skillsets and knowledge of system intricacies. This presents a risk that systems will become unsustainable or unsupported.
- Recruiting and retaining IT staff with the skill sets necessary to support these systems is becoming a significant challenge, threatening business continuity. As of May 2018, almost 40 percent of our IT staff that support our existing systems are eligible to retire immediately.

Modernization Program

Modernization Background

The Modernization Program is currently funded by unemployment insurance funds distributed by the U.S. Department of Labor in 2009, also known as modernization funds, which reside in the Unemployment Insurance Trust Fund. The U.S. Department of Labor has issued guidelines on how this money may be spent as authorized in Section 903(c)(2) of the Social Security Act and 20 CFR Parts 652 and 667, which includes use for application development and other technology that support unemployment insurance and employment service delivery.

In 2015, the Oregon Legislature authorized use of \$3.04 million to begin our Modernization Initiative. The agency expended \$1.24 million in the 2015-17 biennium. In 2016 and 2017, we hired several key positions to perform initial planning work. The agency contracted with the Information Technology Support Center (ITSC) to conduct a feasibility study and engaged with the Office of the State Chief Information Officer (OSCIO) through their Enterprise Alignment Program.

In 2017, the Oregon Legislature authorized an additional \$4.68 million to continue our planning efforts in the 2017-2019 biennium, develop detailed program plans, complete the feasibility study, document business and technical requirements at sufficient detail to develop and publish a request for proposal, and begin vendor evaluation and selection. As of June 15, 2018, we are projecting expenditures of \$4.46 million for 2017-19. See Figure 3.

During 2019-21, the program's focus will shift to detailed planning and delivery of the initial project(s) concentrated on transforming the unemployment insurance program. It is expected that a request for proposal will be released in early 2019, followed by contract negotiations and contract award to a solution vendor later in 2019. Since the solution vendor is not yet known, and project planning has not yet been conducted, the anticipated costs for the 2019-21 biennium reflect the information that is known at this time. Planned expenditures will be adjusted as further program and project plans are developed, project scope is defined, vendors are chosen, and resource needs are validated.

Figure 3: Modernization Anticipated Budget

Biennium	Description	Total Limitation Requested	Actual* + Projected** Expenditures	Unused Limitation
2015-17	Base budget	\$ 986,633	\$ 597,255	\$ (389,378)
	Policy Package 101	\$ 3,046,026	\$ 643,563	\$ (2,402,463)
	Total	\$ 4,032,659	\$ 1,240,818	\$ (2,791,841)
2017-19	Base budget	\$ 688,847	\$ 618,292	\$ (70,555)
	Policy Package 101	\$ 4,682,314	\$ 3,837,861	\$ (844,453)
	Total	\$ 5,371,161	\$ 4,456,153	\$ (915,008)
2019-21	Base budget	\$ 8,359,984	\$ 8,359,984	\$ 0
	Policy Package xxx	\$ 13,735,851	\$ 13,735,851	\$ 0
	Total	\$ 22,095,835	\$ 22,095,835	\$ 0
2021-23	Base budget	\$ TBD		
	Policy Package xxx	\$ TBD		
	Total	\$ TBD		
Cumulative Base Budget		\$ 10,035,464	\$ 9,575,531	\$ (459,933)
Cumulative Policy Packages		\$ 21,464,191	\$ 18,217,275	\$ (3,246,916)
Total through 2017-19		\$ 31,499,655	\$ 27,792,806	\$ (3,706,849)

* as of April 30, 2018

** as of June 15, 2018

Program Goals and Objectives

The primary goals for the Modernization Program are listed below. These goals and supporting objectives will be achieved through execution of various projects. The projects' charters will include the specific objectives, along with metrics that will be used to ensure the objectives are met. Accompanying program measures are still being developed.

Goal 1: Enhance customer experience. Deliver improved services, such as online self-service, automation, access to data, and integration with partners.

Supporting objectives

- Improve customer satisfaction
- New online service options
- Increase access to timely and accurate data for customers
- Create additional data elements that address missing data points
- Seamless service delivery with our partners

Goal 2: Transform business processes. Leverage modern system capabilities to provide improvements and efficiencies in business processes, deliver new tools for our employees, and support more effective service delivery to our customers.

Supporting objectives

- Improve state, federal, and other internal key performance outcomes and metrics long term

- Minimize process pain points
- Automate repeated manual processes that do not require human judgement
- Fulfill business requirements

Goal 3: Improve security. Improve our ability to anticipate and respond to security threats, and manage access.

Supporting objectives

- Extensible and flexible access control administration
- Comprehensive audit logs
- Comply with all applicable regulatory security standards

Goal 4: Modernize technology. Replace the agency's aging computer systems that support unemployment insurance taxes, payment of unemployment insurance benefits, and delivery of employment services.

Supporting objectives

- Replace in-scope systems and functions
- Replace in-scope interfaces
- Deliver flexible and sustainable systems
- Deliver technical requirements

Strategic Alignment

The Modernization Program is a pivotal strategic investment for the agency. Making this investment to transform our business and technology processes will demonstrate that the Employment Department is responsive, trustworthy, and solves problems in a sustainable way. Modernization supports the agency's current 2014-2019 strategic plan and is embedded in the goals and objectives. The agency is in the process of a strategic planning effort to refresh its agency goals and define its strategic direction for the future. The Modernization Program is involved with this effort and will ensure the goals for modernization remain in alignment with the agency's revised goals.

The Modernization Program aligns with broader statewide priorities and initiatives. The unemployment insurance and employment services programs support the governor's priority of *A Thriving Statewide Economy* by providing financial stability to unemployed individuals and their communities, and helping connect job seekers with employers in their communities. Furthermore, through modernizing our systems and processes, the agency seeks to broaden access – allowing Oregonians and Oregon businesses to interact with the agency in the format of their choosing – that results in equitable outcomes.

Employment services support the Future Ready Oregon initiative by providing a standardized system for customer intake, assessment, and referral to supportive services, such as job-finding workshops, education and training programs, and apprenticeship programs, with the goal of helping Oregonians improve their skills and economic self-sufficiency and connect with local employers. As part of the state's workforce development system, the Employment Department plays a key role in helping to close the gap between the skills Oregon's workers have and the skills Oregon's growing businesses need. Additionally, modernizing our employment services technology systems supports Oregon's Workforce Talent and Development Board goals (as described in Oregon's State Plan required by the federal Workforce Innovation and Opportunity Act), particularly:

- Goal 1: Create a customer-centric workforce system that is easy to access, highly effective, and simple to understand.
- Goal 2: Provide business and industry customized workforce solutions to prepare and deliver qualified and viable candidates and advance current workers.

BUDGET NARRATIVE

The Modernization Program also aligns with the 2017-2022 Enterprise Information Resource Management (EIRM) Strategy, specifically:

- “Goal 3: Data Utility” by improving the accessibility and security of our data, as well as the flexibility to capture new data, to improve our ability to use data as a strategic asset benefiting our customers and partners; and
- “Goal 5: Capacity Management” by reducing the risks associated with our legacy systems, improving service delivery, and enhancing the ability to adapt and expand system for future needs through thoughtful and strategic planning.

Return on Investment

Modernizing the core systems supporting unemployment insurance and employment services will provide the agency with a significant return on investment. While some benefits may be quantifiable and financially measurable, some are qualitative and relate to improved customer experience, new capabilities, increased flexibility, and risk mitigation to ensure we can continue to sustain and enhance our core services into the future. In addition to the program’s supporting objectives, the agency anticipates realizing a return on investment through:

- **Operational efficiencies.** Current business processes, for both unemployment insurance and employment services, are burdened with pain points and manual, paper processes. Improvements through process reengineering, addition of customer self-service functionality, and automation of identified tasks can free up staff time for more value-added, impactful services. The time and resources saved can be repurposed toward improving the timeliness with which we can serve the public. As noted above, we are currently not meeting two core U.S. DOL performance measures around timeliness – Non-Monetary Determinations Timeliness and Timeliness of New Employer Status Determinations. We can also repurpose resources toward improving the services we provide to our customers, increasing investigation activity to discover and reduce overpayments, and collecting debts owed to the state (as of June 26, 2018 roughly \$110 million in unemployment benefit overpayments and \$60 million in delinquent employer unemployment tax contributions have been identified). These activities can bring financial benefits, as the ability to assist claimants in finding employment more quickly and every dollar recovered increases the health of the Unemployment Insurance Trust Fund.
- Operational efficiencies gained through modernization will improve our ability to respond to fluctuations in demand, such as increased workloads during recessions. During the past recession, additional staff were hired to handle the sharp increase in unemployment insurance claims, and processes had to be adjusted to accommodate unemployment extensions. Though we cannot predict when and how severe the next recession will be, any reduction in staff time required to complete processes will generate savings during the next economic downturn, and potentially reduce the need to hire additional staff.

Additionally, the ability to more quickly update our processes to accommodate extensions or other programmatic changes during economic cycles will reduce the risk of unintended consequences (e.g. higher overpayments). Furthermore, with modern systems, training times may be reduced for new staff, thus allowing the agency to adapt more quickly to changing economic cycles. Finally, as we can never predict the certainty of our federal funding sources, the efficiencies resulting from modernization would help mitigate the effects of federal funding reductions.

- **Data improvements.** Benefits will be realized through improved data accuracy and data sharing, both internally and with partners. For instance, any improvements to the wage system that improve the accuracy of the data, or reduce the number of records in the suspense or questionable wage files, will benefit the Employment Department (e.g. fewer “blocked claims” that can delay benefit payments, reduction in improper payment rate, reduction in claim redeterminations, improved accessibility and

accuracy of data for labor market information) and many of our partners that rely on the data for recovery efforts or eligibility determination.

Reporting is another area where benefits could be achieved. Currently, the agency is required to submit several reports informing state and federal officials of program activity and compliance with performance goals. Failure to submit these reports in a timely manner could compromise our ability to govern the programs and jeopardize agency funding. Automating these reporting functions, and improving collection and formatting of this required data, could reduce staff time preparing these reports. Infrastructure and data storage costs will also be evaluated as projects are chartered and solutions identified.

Lastly, modernizing our systems will give us the ability to collect and analyze data that has historically not been available to us. The data collected by the unemployment insurance tax program is foundational for our core programs, and the ability to enhance that data will provide benefits throughout the agency and to our partners.

- **Flexible and scalable systems.** Though modernizing our legacy systems is not a financially-driven, cost-savings effort, the ability to more easily maintain, adapt, and expand the future system will bring benefits to our customers, partners, and staff. Often the costs and resources required to modify the unemployment insurance systems exceed the benefits, as most major modifications are a heavy lift due to the complexity of the programming and expertise required. Even something that appears to be a simple change requires significant expense of time and resources. For instance, changing an identification field from numeric to alpha-numeric for our debt collection programs required 1,400 hours. Modern systems will increase the agency's ability to implement system enhancements to meet customer expectations and comply with new program requirements arising from federal or state legislation.

- **Risk mitigation.** As we look to modernize, the agency seeks to eliminate or mitigate the risks associated with current systems and processes in order to sustain delivery of secure and reliable services. As previously noted, a significant percentage of technical staff supporting current systems are approaching retirement and it's increasingly difficult finding employees with the skillsets needed to support legacy systems. In addition, we look to improve security by having fewer systems to maintain access and security rights to, and integrity by providing more robust auditing capabilities.

As planning evolves into project initiation and scope is defined, we will be able to provide more specificity on the anticipated return on investment. This includes more detailed analyses of current costs compared with total costs of ownership estimates for the identified alternatives. Baseline metrics, from which the projects will be evaluated, will also be established.

Feasibility Study

In November 2016, we contracted with the Information Technology Support Center (ITSC) to conduct a feasibility study. The ITSC is a non-profit organization housed in the National Association of State Workforce Agencies, funded by grants from the U.S. Department of Labor, and governed by state unemployment insurance and workforce leaders. The ITSC has worked with other states on their modernization efforts and is knowledgeable of unemployment insurance models and practices nationwide, including costs, risks and schedules of modernization efforts.

Key deliverables from the feasibility study included:

- Current state analysis to understand the "as is" state and desired improvements;
- High-level business and technical requirements;
- Gap analysis to help identify the gap between what we have, what we want, and what's available;

- Market research and alternatives analysis to determine which solutions already exist that could be best leveraged to fit our needs;
- Strategic planning for modernization, outlining potential timelines and sequencing scenarios, success factors, costs, risks, benefits, and lessons learned based on other states' modernization projects; and
- Readiness assessment based on the activities conducted during the feasibility study and focused on the various organizational and staffing facets of the Employment Department.

To complete these deliverables, the following activities were conducted:

- **Business needs assessment.** ITSC and agency staff conducted interviews and work sessions to develop “as-is” documentation for 50 functional areas within the agency. ITSC staff also job-shadowed agency staff to gather requirements for major agency processes.
- **System functionality and technical assessment.** ITSC staff conducted interviews with agency technical staff and managers to discuss the primary systems anticipated to be in scope for the modernization effort, and to collect, review, and analyze agency documentation describing current technology platforms. Note that the system functionality was included as part of the business needs assessment.
- **Gap assessment.** Agency employees attended 20 webinar demonstrations of other states' unemployment insurance or employment services systems to better understand the available options, functionality, and capabilities. Surveys were conducted after these demonstrations to gather agency staff feedback on new functionality desired for future systems. This information was provided to the ITSC for their gap assessment. ITSC staff utilized the information gathered from demonstrations and business needs assessment to develop baseline requirements. Agency staff worked with the vendor to categorize and rank these requirements.

ITSC staff met with agency leadership to review the gap assessment, highlight high-level considerations on schedule and budget, and gather preferences on implementation approach, sequencing, intellectual property ownership, and maintenance and support. This activity was performed as part of the work on the strategic planning deliverable.

- **Market assessment.** Agency and ITSC staff traveled to six selected states – Idaho, Kentucky, Michigan, Mississippi, New Mexico, and Tennessee – to learn about the development and implementation approaches of unemployment insurance and employment services systems already working in other states. During the visits, states shared valuable lessons learned around project management, change management, communication, system implementation, system functionality, and ongoing maintenance and support. The gathered lessons learned will be incorporated into further planning for the Modernization Program.
- **Strategic planning for agency modernization.** The ITSC met with agency leadership to discuss development approaches, possible timelines, costs, and technical preferences. The ITSC utilized this information, as well as information gathered from previous activities, to produce an overview of paths to modernization and an assessment of agency readiness to embark upon its modernization program.

Participation of employees from all sections of the agency was invaluable throughout the feasibility study. Not only did we gather input on current processes from employees whose work will need to be supported by any new system we might implement, but the activities broadened our perspectives of possibilities for the future. The lessons learned from the site visits and communications with the ITSC highlighted the type and amount of work that will be required throughout Modernization from planning to system maintenance and support.

The Modernization Program achieved several successes during the feasibility study that concluded January 2018.

The webinars and site visits expanded our knowledge of available market solutions and how other states resourced and approached their modernization projects. This information will be useful as we construct program plans and identify our preferred implementation approach. The current state assessments and high-

level requirements will be useful starting points for the creation of requirements for a request for proposal (RFP). However, additional work will be needed to identify scope and to evaluate current and projected costs to determine our path forward.

Enterprise Architecture

Another key planning activity has been solidifying our knowledge of and documenting our current processes, systems, data exchanges, and interfaces. This work has been facilitated internally, along with assistance from the Office of the State Chief Information Officer (OSCIO). The agency will build off of these conversations and documents to identify our desired “future state” and architectural changes that must be made to achieve the desired outcomes.

Engagement with the Office of the State Chief Information Officer

In May 2017, the Employment Department began work with the OSCIO through its Enterprise Alignment Program to supplement work being performed by ITSC. During this effort, the agency conducted visioning sessions that looked to answer the following questions: Where do we want to go? What do we want our future to look like? What problems would we like to solve?

As part of this process, current state “customer journey maps” were created that provide a high-level visual representation of current processes, including identification of current pain points and system interactions. Additionally, business canvases were created for each business area that provide the context of “Why” we do “What” we do and for “Whom.” The canvases reflect key business services, goals, metrics, and outcomes, and the resources and partners needed to deliver these services.

Additionally, the Employment Department has engaged with the OSCIO Chief Technology Officer to evaluate the current state agency architecture with an Enterprise Architecture Assessment. Tasks for this assessment include mapping current business functions to system capabilities and modeling data flows. This assessment will be included as part of the agency’s Stage Gate 2 submission.

Workgroups

The Employment Department’s Modernization Steering Committee authorized formation of two workgroups, with representatives throughout the agency, to gather and document information about our system, data exchanges, and interfaces. The inventories created by these workgroups is foundational to defining the scope of modernization and determining the impact on employees, customers, partners, and stakeholders.

- 1) **Data and Systems Workgroup.** The purpose of this workgroup was to gather and document information about the agency’s current systems and the data that is shared with agency partners. The workgroup reviewed existing enterprise architecture documentation and ensured agency data and systems inventories were updated with needed information. This workgroup completed its tasks in March 2018.
- 2) **Interfaces and Access Workgroup.** The purpose of the Interface and Access Workgroup is to gather and document information about our current interfaces with external partners and systems, as well as document entities that have direct access into Employment Department systems.

Additional workgroups will be formed as needed to document, review, and evaluate internal interfaces and data transfers, reports, letters, data preparedness, and other items.

Current Status

Since the completion of the feasibility study and receipt of our Stage Gate 1 endorsement in January 2018, our work has been focused on initiating the Modernization Program, defining the goals and objectives for the program, and constructing program plans that will guide future projects. In April 2018, we selected unemployment insurance tax as the initial focus for Modernization. To inform this decision, a workgroup comprised of representatives from key agency programs and functions was formed to conduct analysis and bring a recommendation to the Modernization Steering Committee for decision.

The workgroup considered the following factors for each program—unemployment insurance tax, unemployment insurance benefits, and employment services:

- Readiness;
- Complexity of programs in each area;
- Strategic alignment with statewide initiatives and priorities;
- Risk of delay;
- Value to our customers and efficiencies to be gained; and
- External factors, such as a future recession or changes in law or policy.

The workgroup presented their findings to the Modernization Steering Committee, who reached a unanimous decision that the unemployment insurance tax will be the first focus of our modernization efforts.

Some of the primary reasons for selecting unemployment insurance tax as the initial focus area include:

- These systems contain the oldest components, with some dating back to 1985.
- This program collects approximately \$2 billion in revenues per biennium that support the payment of benefits to unemployed workers and provide funding for many of the agency's programs.
- The data collected by this program serves as the foundation for many of the agency's core business functions (economic research, unemployment insurance benefits, and employment services), as well as for some key external partners. However, we are currently unable to make many modifications requested by both internal and external partners due to the age and complexity of the current system.
- Many of the processes are manual and inefficient. There are opportunities to enhance the experience for our customers and improve processes and workflows for our employees.
- Unemployment insurance tax processes are well documented, and therefore, more readily converted into business requirements.
- Unemployment insurance tax systems provide extremely limited self-service options for our customers.
- The unemployment insurance tax system is essential to our good stewardship of the Unemployment Insurance Trust Fund on behalf of Oregon employers and the federal government.

As part of our feasibility study, agency preferences were identified and documented. One of these preferences is to pursue an integrated unemployment insurance solution that supports both tax and benefits. While the decision was made to focus first on unemployment insurance tax, the approach for procuring an integrated solution requires defining scope and requirements for both unemployment insurance tax and benefits. Our approach will be a single unemployment insurance project, with phases for tax and then benefits.

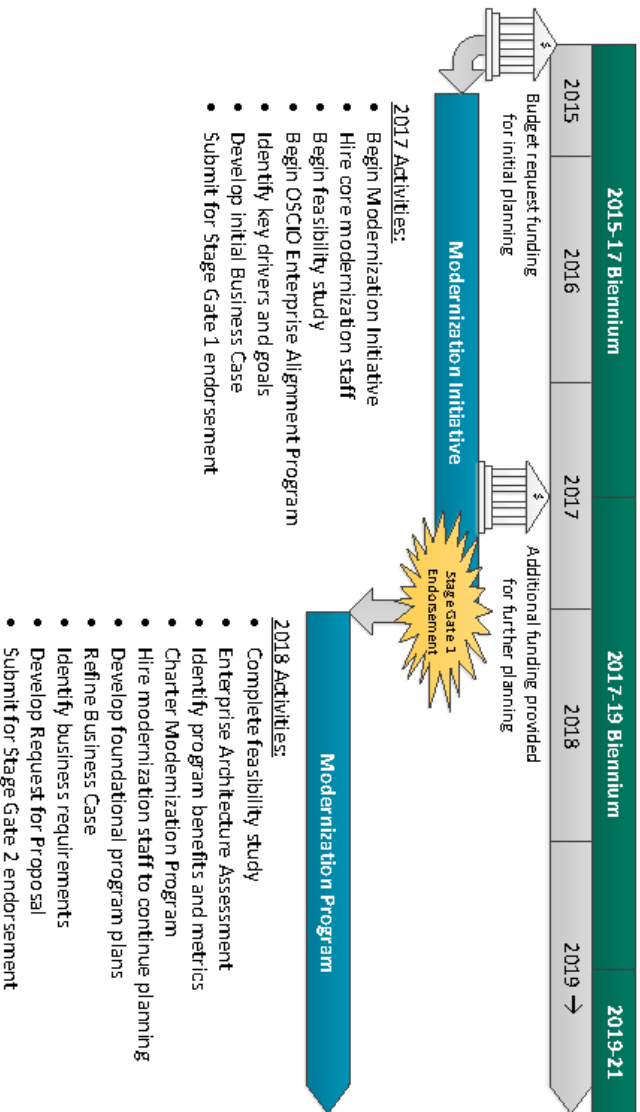
As we define scope for the unemployment insurance project, we will review the systems inventory, as well as assess the interfaces and functionality provided by these systems. The work completed as part of the feasibility study with the ITSC, and the enterprise architecture assessment with the OSCLO, will help provide context on current system capabilities, accompanied with desired capabilities available in the market.

We intend to reach out to our partners and customers to help define scope and our future state. We will work with our partners to validate current processes, explore potential for improvements in how we interface our systems and processes, and look for opportunities for how we can better serve our common customers. We will also engage our customers to gather their feedback for improving their experience. These engagements will help determine when and how we might modify our current governance structures to create further opportunities to involve our partners and customers.

Once scope is defined for the unemployment insurance project, we will begin activities that support Stage Gate 2 submission. This includes documenting and validating business and technical requirements that will support a request for proposal. As systems and functionalities to be replaced are identified, we will calculate current state costs as a baseline from which to measure and evaluate the costs and benefits of potential solutions.

Figure 4 provides additional information on tasks planned for the remainder of the year.

Figure 4: Modernization Roadmap



Alternatives Analysis

Assumptions and Preferences

As the Employment Department undertakes its Modernization Program, planning and decision-making are framed by the following assumptions, preferences, and constraints:

- Successfully modernizing the systems that support unemployment insurance and employment services will require a collective effort from all areas of the Employment Department, as well as key stakeholders and partners.
- The Employment Department is committed to an inclusive and participatory process with adequate representation from employees, key customers, partners, and stakeholders. We will work with enterprise-level organizations to clearly identify modernization’s impacts on state agency partners’ budget, technology systems, and business processes, and we will keep interested stakeholders apprised of our progress.
- We will learn from the experience of others, seek best practices, and obtain lessons learned. We will incorporate this knowledge as we plan our modernization approach and implement our plan. Further, we will review and consider enterprise-level investments as a possible means to leverage capabilities

and functions implemented by partner agencies that may result in efficiencies of scale and a greater return on investment for the state.

- The Employment Department will follow the technology standards and guidelines established by the Department of Administrative Services' Enterprise Technology Services to the best of our ability given the capability of available solutions.
- The Employment Department prefers an integrated unemployment insurance system that meets the required functionality for both benefits and tax programs.
- The Employment Department's preference is to "buy" not "build" whenever possible, though adjustments will be necessary to adapt any product to meet the Employment Department's requirements. Though unemployment insurance and employment services programs are guided by federal policy, each state has different business rules, policies, and organizational structures for the delivery of services. Therefore, available systems will not be an exact match to Oregon's needs. Based on the feasibility study and state site visits, there are no true commercial off-the-shelf (COTS) solutions and any system solution leveraged from another state (e.g. transfer, consortium) would require modifications.
- The Employment Department will pursue a customer-centric solution(s) that can be scaled, maintained, and updated to evolve with technology.
- The Employment Department must continue to maintain and operate current systems through implementation to minimize disruption of services to Oregonians and Oregon businesses.
- The Employment Department will implement communications and change management strategies to engage and support employees through this significant transition.
- As with any major organizational change, current employees, both technical and business, will need training to learn to operate and maintain the new system(s). Employees will need to understand the overlaps and gaps between existing and new business practices.
- We will communicate and work with our partners who will need to know how to access and use the new system(s).

Selection Criteria and Alternatives Ranking

The following high-level criteria have been identified to measure and analyze the different alternatives:

- **Level of Integration.** The Employment Department prefers an integrated unemployment insurance system that supports both unemployment insurance benefits and tax. However, the level of potential integration, or connectivity, with employment services, as well as other enterprise applications, is also a key factor for evaluation.
- **Amount of Customization.** Based on the assumption noted above, any proposed alternative will require some amount of customization. However, it's our preference to adapt, transform, and improve processes, rather than customizing the new system(s) to existing processes. Alternatives will be measured on the level of customization required, which will impact costs, schedule, and staffing, as well as the degree of configuration available.
- **Operational Maintenance and Support Model.** Alternatives will be evaluated on, among other things, the flexibility and ease of maintenance and modifications post implementation. This includes considerations such as whether support, upgrades, and modifications are conducted in-house, by a vendor, or in partnership with other states.
- **Total Cost of Ownership.** The total cost of ownership is comprised of the initial system costs, implementation costs, and ongoing maintenance and support costs. For both unemployment insurance

and employment services systems, these costs depend on factors such as the development methodology, vendor, amount of customization, modules or functionalities selected, level of integration, data migration, staffing needs, and the ongoing maintenance and support model.

Solution Requirements

Certain functional and non-functional requirements must be met for the agency to conduct business. Across all program areas this includes ensuring compliance with federal (e.g. U.S. Department of Labor) and state statutes, policies, and regulations. Both unemployment insurance and employment services programs must also meet federal reporting requirements.

Unemployment insurance tax and benefits, and employment services are the core programs in purview of modernization. At this time, high-level business processes in scope for each program area include:

- **Unemployment Insurance Benefits**

- Process initial and continued unemployment insurance claims;
- Determine benefit eligibility;
- Pay unemployment insurance benefits;
- Manage workload with flexibility to accommodate economic fluctuations;
- Prevent, detect, and investigate fraudulent receipt of unemployment insurance benefits as well as manage and recover overpaid unemployment insurance benefits;
- Provide a claimant portal with access to information and self-service functionality; and
- Administer interstate, federal, and specially-focused programs, such as Self Employment Assistance, Training Unemployment Insurance, and Work Share among other programs.

- **Unemployment Insurance Tax**

- Process initial employer registrations and determine subjectivity to unemployment insurance taxes;
- Accept and process employer quarterly tax reports;
- Support, document, and conduct field audits;
- Identify and collect missing quarterly returns and balances owed;
- Maintain employer accounts (e.g. updating contact information, power of attorney, third party administrator, entity type, etc.); and
- Develop trust fund projections and analysis.

- **Employment Services**

- Create job seeker accounts;
- Determine program(s) eligibility;
- Match and refer job seekers to job listings;
- Support career planning services;
- Track services provided under the Workforce Innovation and Opportunity Act, or other state and federal programs;
- Create employer account profiles in the labor exchange;
- Post job listings; and
- Support Trade Act program administration.

Changes to the unemployment insurance and employment services systems will impact the interfaces and data transfers that occur regularly with internal programs and systems not within scope for the Modernization Program. Specifically, this includes systems that support the agency's research and financial services divisions. Data from unemployment insurance systems, such as employer wage records and weekly claims, are key inputs for federal-state research programs. Thus it's critical to account for any impact on these systems and programs. Interfaces will be one scope element managed and measured for each project.

Other requirements cover technical areas, including configurability, maintenance and support, security (e.g. access, audit capabilities), data integrity), and mobile capabilities.

The system relationships diagram in Appendix A provides a glimpse into the number and complexity of the agency's information technology systems, including databases and applications potentially in scope for the Modernization Program. This diagram will be updated as we progress with planning and scope is defined.

As we define scope, we will utilize system, data, and interface inventories completed by the workgroups noted above, as well as work completed with the ITSC, the OSCIO, and subsequent participation from employees, partners, customers, and other stakeholders.

Alternatives Identification

Oregon is not unique in its unemployment insurance and employment services modernization effort as states across the nation have replaced, or are replacing, aged mainframe systems and leveraging new technologies to better meet customer needs. These projects have helped expand the available market options for replacing core systems. We can also leverage the experiences of these states to examine costs, risks, benefits, and best practices.

As highlighted in the feasibility study, including the site visits, and based on currently available market, below is a list of the alternative solutions, for both unemployment insurance and employment services systems, along with the baseline of maintaining the existing environment.

Alternative 1 – Maintain the Status Quo. Maintain the current state and continue use of existing unemployment insurance and employment services systems and processes. While this alternative is not preferred nor recommended, current and projected benefits, risks, and costs will be considered for comparison with other alternatives.

Alternative 2 – Custom Development. Design, develop, and implement a system that meets the Employment Department's needs. This could be developed in-house with staff augmentation, or in collaboration with a vendor. This approach may also involve "refactoring" existing applications to retain existing business rules, but upgrading the underlying architecture.

Alternative 3 – Commercial off-the-Shelf (COTS) System. Purchase a COTS product that best meets the Employment Department's needs and has been successfully implemented in another state.

Alternative 4 – Transfer or Framework System. Leverage another state's proven system, and modify and supplement that system to meet Employment Department's specific statutes, policies, and requirements.

Alternatives Analysis

Each of the alternatives noted have varying costs, benefits, and risks based on the vendor, functionalities desired, quantity and quality of migrated data, and amount of customization required among other items. Other factors that will need to be evaluated include sequencing of systems and applications to be replaced, and the interoperability of systems, or how they will interface and exchange data without creating an impact to service delivery or other programs.

The feasibility study and the state site visits provided examples of system costs and timelines associated with the different approaches (represented in Figure 5). These activities also confirmed our assumption that "if

you've seen one state, you've seen one state," meaning that each state's path to modernization was somewhat unique, as reflected in the varying costs.

Figure 5: System Development Costs and Timelines

System	Vendor Development Costs	Maintenance and Support Costs (Annually)	Implementation Timeline
Unemployment Insurance Benefits	\$10 - \$23 million	\$2 - \$4 million	2 - 3 years
Unemployment Insurance Tax	\$4 - \$27 million	\$2 - \$3 million	1 ½ - 2 years
Employment Services	\$0.6 - \$3.5 million	\$0.2 - \$3 million	1 - 2 years

Other project expenses, such as internal staffing, facilities, infrastructure, training, quality assurance, and other vendor services, will need to be considered as well. ITSC estimates non-vendor costs are about 40 to 66 percent of the vendor costs.

When considering total cost of ownership, it will be important to evaluate the costs for ongoing maintenance and support. As learned during the feasibility study and state site visits, some states initially struggled with transitioning to a sustainable, long-term operational maintenance and support environment. Most states have planned and pursued a vendor supported model or a shared model where vendor resources are used to augment in-house technical staff.

Alternative 1 – Maintain the Status Quo.

Maintain and continue use of existing unemployment insurance and employment services systems. While this alternative is not recommended, current and projected performance metrics and costs will be considered for comparison with other alternatives and evaluation of the potential return on investment.

Benefits

- Agency staff are familiar with existing unemployment insurance and employment services systems and processes.

- No, or minimal, disruptions to service delivery.

Risks

- Existing systems do not meet our customers' and partners' expectations.
- It is increasingly costly and difficult to maintain and modify systems. Also as more time is spent maintaining the current systems, fewer resources are available to expand and improve the systems.
- We are unable to expand current unemployment insurance systems in a cost efficient manner to meet new federal or state requirements.
- Current systems preserve known, and create new, inefficiencies and pain points in business processes.
- Staff with technical knowledge are approaching retirement, and it's difficult to hire staff with the needed technical knowledge, such as expertise in COBOL. Additionally, it can take a large amount of time to bring new hires up to speed on the system architecture and business processes.

Alternative 2 – Custom Development.

Design, develop, and implement a system that meets the Employment Department's needs. This could be developed in-house with staff augmentation, or in collaboration with a vendor. This approach may also involve "refactoring" existing applications to retain existing business rules, but upgrading the underlying architecture.

Benefits

- Ability to control development process and project methodology.
- System is designed to specifically meet the agency's goals and needs.
- Ability to fully control maintenance, support, and upgrades. This includes the ability to maintain and support the system in-house, outsource support to a vendor selected through a competitive procurement process, or pursue a hybrid model that best utilizes insourced and outsourced resources.
- Agency only pays for functionality that is needed.

Risks

- Most complex of the development approaches, with the potential for longer project durations and increased costs.
- The Employment Department lacks the technical staff capacity and expertise to design and build a system from scratch in a modern programming language, thus requiring heavy staff augmentation. Also, as learned during the feasibility study, states that have pursued custom approaches have needed to contract with vendors for technical resources.
- Keeping the new solution modern would involve additional major IT projects, compared with implementing updates developed by a vendor.
- Benefits from business process reengineering may not be fully realized.
- Inefficiency of time and resources spent designing and building components that already exist on the market, i.e. "reinventing the wheel."
- Unless maintenance and support is outsourced, requires the agency to recruit, hire, and retain sufficient technical staffing. This includes keeping employees' skills and qualifications up to date.
- Challenges with developing and implementing system changes or upgrades in a timely manner.
- All potential risk is assumed by the agency.

Alternative 3 – Commercial off-the-Shelf (COTS) System.

Purchase a commercial off-the-shelf (COTS) product that best meets the Employment Department's needs and has been successfully implemented in another state. COTS products are commercially available software designed for specific applications that can be used with little or no customization beyond agency specific configuration. As realized from the feasibility study, the availability of COTS, or COTS-like, unemployment insurance and employment services solutions has expanded over the years as more states have modernized.

Benefits

- Ability to leverage an existing, proven solution that can shorten the development and implementation timeline.
- Provides a collection of reusable functional assets and components; potentially providing the precise fit promised by custom development without having to "start from scratch."
- Allows flexibility through component configuration, though the degree of configuration varies by vendor.
- Partnership with vendor allows for continual improvement (e.g. version upgrades and service packs) and access to national experiences and practices. There is also the potential to collaborate with other states using the same system to share ideas, questions, and potential enhancements.
- Vendor maintains the system to reflect federal legislative and policy changes as well as major technology updates.

- Provides a predefined overall architecture in terms of its composition and interaction of its components.
- Allows the agency to reengineer business processes to improve efficiencies based on processes built into these systems based on knowledge and experience of other states.
- Potential for a hybrid maintenance and support model that best utilizes in-house and vendor technical staff.
- Risk is shared with the vendor.

Risks

- Staff “buy in” and adjustment to the new system(s) and processes.
- Solution requires more configuration or customization than initially planned, increasing project schedule and costs.
- Vendor owns the core code, creating a long-term reliance on vendor for support, modifications, and upgrades. Also the agency’s ability to accept and schedule system upgrades, whether major or minor, may be limited. Agency business continuity is dependent on vendor success and continued support of product and market.
- Integration with existing systems or other potential vendor systems.

Alternative 4 – Transfer or Framework System.

Leverage another state’s proven system and supplement that system to meet Employment Department’s specific policies and requirements.

Benefits

- Ability to leverage an existing, proven solution that can shorten the development and implementation timeline compared to custom developments.
- Provides a collection of reusable functional assets and components, thus potentially providing the precise fit promised by custom development without having to “start from scratch.”
- Provides a predefined overall architecture in terms of its composition and interaction of its components.
- Potential of significant productivity gains and cost savings with any “out-of-the-box” functionality offered within the framework.
- Potential to own the core code, thus providing the agency the ability to control maintenance, support, and upgrades.
- Depending on the maintenance and support model, partnership with the vendor or transfer state(s) allows for continual improvement and upgrades of common components or functionalities.

Risks

- Staff “buy in” and adjustment to the new system(s) and processes.
- The fit of the framework or transfer system is overestimated, creating development challenges such as increased customization, lengthened timelines, and additional costs.
- Extensive technical analysis is needed prior to implementation to determine the re-configurability of the architecture and solution, as well as how well it meets state’s architectural needs and preferences.
- Integration with existing systems or other potential vendor systems.

As we move forward with the initial unemployment insurance project, we will utilize these alternatives and further evaluate specific alternatives that match our preferences, are able meet our requirements, are available

within the market, and offer the potential to deliver the most value to our customers and partners. Additionally, as we continue to delineate the systems and functionality in scope we will be able to provide detailed cost analyses.

Conclusions, Recommendations, and Next Steps

Conclusions

Our systems and processes need to be more effective, efficient, and flexible to enhance our services for Oregonians and Oregon businesses. Our agency needs to adjust from more transactional-based services to customer-centric services. The risks of our systems becoming unsustainable or unstable are escalating. It is time to mitigate these risks and ensure we can continue to provide unemployment insurance and employment services.

Modern systems implemented in other states have demonstrated improved efficiencies and innovation through greater automation, integration, and customer usability. Replacing our unemployment insurance and employment services computer systems and reengineering business processes will improve how we provide services to Oregonians and Oregon businesses, and will demonstrate that the Employment Department is responsive, trustworthy, and solves problems in a sustainable way, supporting the Governor's priorities of creating good jobs and providing career training. Making this investment supports managing the costs of state government and delivering good value and service.

Consequences of Failure to Act

Postponing the modernization effort and continuing to use legacy systems increases the severity of and exposure to risks that would affect our ability to deliver key services to Oregonians and Oregon businesses:

- Challenges to provide customers with personalized and updated services.
- Constrained and inflexible systems that cannot adapt to changing business, state, or federal requirements, or fluctuating workloads during economic cycles.
- Difficulties in managing access and sharing data securely with our partners.
- Risk that we cannot sustain delivery of secure and reliable services.

Recommendations and Next Steps

Based on the risks associated with our current systems and potential benefits, or return on investment, of modernizing our legacy systems, we are recommending support of the Employment Department moving forward with planning, and initiating the first modernization project focusing on the unemployment insurance program. Since our preference is for an integrated unemployment insurance solution, our approach will concentrate on the unemployment insurance systems as a whole for defining scope, documenting requirements, and planning for a request for proposal. Also, the decision to launch the first official project in unemployment insurance does not mean modernization work in other areas of the department will stop. This is highlighted by the interdependencies among the agency's programs and the desire to improve integration and service delivery across programs. Furthermore, based on the lessons learned from the feasibility study and an analysis of the potential paths to modernization, our activities will be focused on leveraging and adapting an existing, proven unemployment insurance solution.

As we move from program definition to planning and preparation, work for the remainder of the 2017-2019 biennium includes:

- Refining process maps;

- Defining scope and documenting detailed requirements;
- Selecting solution approach;
- Planning key messaging, communications, and outreach strategies;
- Engaging with our partners and stakeholders, and reaching out to our customers to gather their input;
- Hiring additional staff to support further planning activities;
- Continuing to identify and assess risks and mitigation strategies;
- Developing performance measures that define the outcomes and success of the program;
- Developing a roadmap and plan for delivery of program benefits;
- Contracting with an independent quality assurance vendor;
- Conducting quality control reviews of program planning documents and processes;
- Conducting IT readiness activities;
- Begin data preparation;
- Completing Stage Gate 2 planning and requesting OSCIO Stage Gate 2 endorsement;
- Releasing of request for proposal(s) for solution vendor(s); and
- Chartering the initial project(s) focused on unemployment insurance.

In the 2019-21 biennium, the focus will move to detailed planning and delivery of the initial project(s) focused on transforming the unemployment insurance program. This will include:

- Completion of negotiation and award of solution vendor contracts;
- Hiring of program and project staff;
- Development of specific project plans and timelines with involvement from the solution vendor(s);
- Establishment of baselines for project scope, schedule, and budget;
- Development and configuration activities;
- Testing and training activities;
- Organizational change management activities;
- Program and project management activities;
- Continued independent quality assurance oversight; and
- Continued reporting and OSCIO Stage Gate submissions.

To ensure success of the Modernization Program, we will continue to involve all sections of the agency and key stakeholders. This includes working with the Oregon Legislature in the current and future biennia to obtain authorization of resources to support the program and projects. We will continue to collaborate with the OSCIO for guidance; work with the OSCIO, Chief Financial Office, and Legislative Fiscal Office; pursue endorsements throughout the Stage Gate review process; and utilize the Enterprise Project and Portfolio Management system for all program and project reviews, approvals, and status, and quality assurance reporting activities throughout the life of the Modernization Program. We will also contract with an independent quality assurance vendor.

Other critical success factors include ongoing executive support, active engagement from employees, strategic communication and change management, and project management expertise.

The Modernization Program is a priority of the agency and its outcomes will touch every aspect of our organization, from processes to people. Project performance measures, and oversight requirements will be established to ensure the Modernization Program and projects deliver the expected outcomes and benefits. The Modernization Program will be required to adhere to the same oversight requirements and follow program management standards and best practices. As projects are chartered and planned, baselines for scope, schedule, and budget will be established, measured, and reported.

Employment Department

Annual Performance Progress Report

Reporting Year 2018

Published: 9/24/2018 9:26:04 AM

KPM #	Approved Key Performance Measures (KPMs)
1	ENTERED EMPLOYMENT - Percentage of adult program participants who are in unsubsidized employment during the second quarter after utilizing Workforce Operations services.
2	EMPLOYMENT RETENTION - Percentage of adult program participants who are in unsubsidized employment during the fourth quarter after exiting the program.
3	COST PER PLACEMENT - Total cost of Workforce Operations (Business & Employment Services) program divided by the total number of job seekers entered into employment after receiving services.
4	FIRST PAYMENT TIMELINESS - Percentage of initial Unemployment Insurance payments made within 21 days of eligibility.
5	NON-MONETARY DETERMINATIONS TIMELINESS - Percentage of claims that are adjudicated within 21 days of issue detection.
6	UNEMPLOYMENT INSURANCE ADMINISTRATIVE COSTS AS A PERCENT OF BENEFITS PAID - Compares dollars paid to unemployed workers against the cost of providing those benefits. Specifically, all costs associated with Unemployment Insurance administration, including related Department of Justice and Office of Administrative Hearings costs, less Re-Employment Eligibility Assessments and State Government Service Charges, divided by Total Unemployment Insurance Benefits paid.
7	UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of cases requesting a hearing that are heard or are otherwise resolved within 30 days of the date of request.
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 - Average cost of hearing referral to the Office of Administrative Hearings.
11	HIGHER AUTHORITY APPEALS TIMELINESS - Percentage of cases requesting an appeal that receive a decision within 45 days of the date of request.
12	TIMELINESS OF NEW STATUS DETERMINATIONS - Percentage of new status determinations completed within 90 days of the end of the liable quarter.

KPM #	Approved Key Performance Measures (KPMs)
13	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent," including overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.
14	FOUNDATIONAL SURVEY RESPONSE RATE - Ordinary (non-weighted) arithmetic mean of four annual response rates: (1) Occupational Employment Statistics employment; (2) Occupational Employment Statistics units; (3) Annual Refiling Survey employment; and (4) Annual Refiling Survey units.

Performance Summary		Green	Yellow	Red
		= Target to -5%	= Target -5% to -15%	= Target > -15%
Summary Stats:		57.14%	28.57%	14.29%
KPM #1	ENTERED EMPLOYMENT - Percentage of adult program participants who are in unsubsidized employment during the second quarter after utilizing Workforce Operations services.			
	Data Collection Period: Jul 01 - Jun 30			

* Upward Trend = positive result

Report Year	2014	2015	2016	2017	2018
Entered Employment - Percent of Job Seekers who got a Job with New Employer					
Actual	No Data	No Data	No Data	No Data	69%
Target	TBD	TBD	TBD	TBD	63%

How Are We Doing

PERFORMANCE: Under the Workforce Innovation and Opportunity Act (WIOA), the U.S. Department of Labor changed the way the Employment Retention Rate (ERR) is calculated. Because the new definition is not comparable to the previous ERR calculations, previous year data are not available. The EER with the new definition for State Fiscal Year (SFY) 2018 is 69%, which is above the target of 63%.

OUR STRATEGY: Improve employment outcomes by providing services, in collaboration with our workforce partners, that are customized to the needs of individual job seekers.

ABOUT THE TARGET: Targets are negotiated directly between the Employment Department and the U.S. Department of Labor.

HOW WE COMPARE: The national EER for the full program year 2017 (July 2017 thru June 2018) is not yet available. The most recent national data for the quarter ending March 31, 2018, is 68%, which is comparable to Oregon’s EER for the same period.

Factors Affecting Results

Labor market conditions impact this measure. With the state experiencing record low unemployment in 2018, fewer job seekers have sought our services and those that are unemployed generally require more staff assistance during each visit. We’ve changed our business processes to provide additional staff assistance for these job seekers.

The Employment Department, along with its partners in WorkSource Oregon, will continue to provide reemployment services to job seekers, focusing on claimants, veterans and other targeted populations. The Employment Department recently entered into a partnership with the Department of Human Services to expand services to Supplemental Nutrition Assistance Program (SNAP) participants across the state. SNAP participants now include able-bodied adults between the ages of 18-49 who have no dependents. We will continue our current effort to customize business services to assist employers in filling job openings with well-qualified Oregonians while supporting the Oregon Workforce and Talent Development Board's strategic plan to focus services toward specific industry sectors and targeted populations.

KPM #2	EMPLOYMENT RETENTION - Percentage of adult program participants who are in unsubsidized employment during the fourth quarter after exiting the program.
	Data Collection Period: Jan 01 - Jun 30

* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
Employment Retention					
Actual	No Data	No Data	No Data	No Data	69%
Target	TBD	TBD	TBD	TBD	62%

How Are We Doing

PERFORMANCE: Under the Workforce Innovation and Opportunity Act (WIOA), the U.S. Department of Labor changed the way the Employment Retention Rate (ERR) is calculated. Because this measure tracks employment four quarters after services were provided, we do not yet have a full year of data for this measure. The ERR for the data available for State Fiscal Year (SFY) 2018 is 69%, which is above the target of 62%.

OUR STRATEGY: Improve employment outcomes by providing services, in collaboration with our workforce partners, that are customized to the needs of individual job seekers.

ABOUT THE TARGET: Targets are negotiated directly between the Employment Department and the U.S. Department of Labor.

HOW WE COMPARE: The national ERR for the full program year 2017 (July 2017 thru June 2018) is not yet available. The most recent national data for the quarter ending March 31, 2018, is 67%. Oregon's ERR for the same period was 69%, two percentage points higher.

Factors Affecting Results

A good alignment between employer needs and the interests and skills of job seekers improves job retention. This measure shows that workers obtaining employment after receiving workforce services remain employed, indicating a good match was made between employers and new hires.

The Employment Department will continue to review and improve services to job seekers and employers in collaboration with our WorkSource Oregon partners.

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

** Upward Trend = negative result*

Report Year	2014	2015	2016	2017	2018
Cost per Placement					
Actual	\$281.00	\$355.00	\$400.00	\$443.00	\$510.00
Target	\$200.00	\$200.00	\$200.00	\$400.00	\$416.00

How Are We Doing

PERFORMANCE: The number of placements was 83,222. The State Fiscal Year (SFY) 2018 expenditures in Workforce Operations came to \$42,477,523. The cost per placement was \$510, a 15% increase over last year's cost per placement and \$94 per placement over our targeted goal.

OUR STRATEGY: The agency continues to be conscious of budgetary constraints and fiscal responsibility. We continue to work with our partners to leverage resources, reduce costs, and address changing customer needs while seeking to improve outcomes across local communities. As explained below, though, we are currently serving job seekers who need more customized and in-depth services than was true a few years ago. This is one cause of the increase in cost per placement. It is a natural result of the current economic conditions in Oregon, in which many who are currently unemployed must overcome significant barriers to employment. We, with our partners, help them to do that.

ABOUT THE TARGET: Cost per placement measures the cost of the program between years. The results do not measure changes in program complexity or economic conditions. The targets will be adjusted for inflation each biennium by a maximum of 4%.

HOW WE COMPARE: There is no national measure compiled for comparison.

Factors Affecting Results

This performance measure is sensitive to employer competition for workers, and the alignment of available jobs relative to the interests and skills of job seekers. In the current market, those unemployed or underemployed as a result of plant closures or structural unemployment often have greater barriers to employment. The Employment Department has found that these job seekers require more staff assistance during each visit. Our business processes have changed to provide additional assistance and time needed to help job seekers find work. This service model also aligns with the expectations of our federal funders that workforce programs provide a higher level of intensive, customized service to individuals, which often requires more resources, thus increasing the cost for customer service. The current combination of these factors has a compounding, negative effect on how this measure reflects performance.

The Employment Department will continue to 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 improve feedback to tailor job seeker services to meet local demand. Initial analysis indicates that the Employment Department's customized business recruitments are producing higher levels of employer satisfaction and demand continues to grow. In Program Year 2017, employers posted 5,841 customized business recruitment job listings, an increase of 35% over the prior year; during the same period, staff recorded 3,438 placements on these listings, an increase of 21% over the prior year.

KPM #4	FIRST PAYMENT TIMELINESS - Percentage of initial Unemployment Insurance payments made within 21 days of eligibility.
	Data Collection Period: Jul 01 - Jun 30

* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
First Pay Timeliness					
Actual	96%	92%	87%	88%	94%
Target	95%	87%	87%	87%	87%

How Are We Doing

PERFORMANCE: The timeliness of first payments increased from 88% to 94%.

OUR STRATEGY: The Employment Department continues to pursue efficiencies by streamlining Unemployment Insurance processes and leveraging new technologies to improve timeliness and the customer experience.

ABOUT THE TARGET: The target for this measurement was updated to match the U.S. Department of Labor standard of 87% in 2015. The percentage of claims paid within 21 days of the initial claim filing reflects the efficiency of determining eligibility and giving unemployed workers their first benefit payment. A higher percentage of timely first payments is better.

HOW WE COMPARE: At 94%, this measure is above the target and is above the national rate of 89%.

Factors Affecting Results

The Employment Department continues to make timely benefit payments a priority. Outdated technology and ongoing efforts to minimize benefit overpayments are ongoing challenges. Creating a new call intake function in our Unemployment Insurance Contact Centers, more quickly shifting resources between functional units, and an increased focus on staff training have all contributed to the increase in this performance measure. Improved training on customer service with a focus on how to control calls, as well as a focus on performance management metrics of call handle times and calls per hour, has significantly decreased our call wait times which, in turn, allows for more staff to more quickly process the initial claims workload. The ongoing low unemployment rate has also helped by keeping claims levels down during this time of decreased federal funding.

KPM #5	NON-MONETARY DETERMINATIONS TIMELINESS - Percentage of claims that are adjudicated within 21 days of issue detection.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result

Report Year	2014	2015	2016	2017	2018
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Report Year	2014	2015	2016	2017	2018
Percent of Claims that are Adjudicated with 21 days (Non-Monetary Determinations Timeliness)					
Actual	77%	70%	46%	40%	72%
Target	80%	80%	80%	80%	80%

How Are We Doing

PERFORMANCE: The percent of timely non-monetary determinations was 72%, an increase from 40% in State Fiscal Year 2017, but less than the target of 80%.

OUR STRATEGY: The Employment Department is seeking new efficiencies through process improvements that will result in improved timeliness without adversely impacting other customer service standards, including developing new tools and reviewing and revising production standards. New telephone system capabilities are being leveraged to provide better data, allowing us to have adjudicators, who issue non-monetary decisions, spend more time focused on that work. This strategy is showing results, increasing the time staff spent on these duties by about 10% so far. Additional training is being provided to increase productivity, including getting more staff trained on more types of issues to avoid backlogs forming when a disproportionate number of particular issues arise. The department is prioritizing getting all adjudicator positions filled and building the skills and experience needed for staff to be able to process claims quickly.

ABOUT THE TARGET: The target of 80% is comparable to the national target. A higher percentage of non-monetary determinations adjudicated within 21 days is better.

HOW WE COMPARE: 72% of the non-monetary determinations were written within 21 days. According to the 2018 first quarter report of UI Nonmonetary Determination Data from the U.S. Department of Labor, Oregon ranked 28th of the 53 states (50 states and 3 jurisdictions). In that quarter, Oregon's percent of timely non-monetary determinations was 76%, which was higher than the national average of 73%. Although the annual performance of 72% is lower than the target of 80% that the U.S. Department of Labor sets for the decision timeliness measure, the Employment Department significantly improved the efficiencies over the year.

Factors Affecting Results

The Employment Department had proportionally higher staffing during the recession. As staffing has returned to non-recessionary levels and the complexity of laws added over several years has increased, it is more difficult to make timely determinations. This complexity has resulted in additional processes, which take staff time that could otherwise be focused on more timely processing claims. With the improving economic conditions, it has also become more difficult to hire and retain staff for this work. Another impact was a significant focus on improving how quickly calls are answered and claims are processed before a non-monetary decision is needed. Very significant progress was made there, but that made progress on the speed of issuing these decisions more difficult. Balancing the need to quickly make determinations and to have as complete information as possible to minimize overpayments is also a challenge. Process

improvements, more focus on setting and helping staff meet individual standards, and efforts to maintain staffing levels have made a positive impact. Additional process improvements are planned, but their ultimate impact is not yet known and most process changes have a short-term negative impact on performance as staff are trained on, and acclimate to, new process.

The Employment Department's outdated, inflexible, and complex technology architecture is also negatively impacting performance. As new steps are added to processes, more manual work is required. Importantly, the limits on what can be automated make it difficult to make improvements. The reality of declining federal revenue has caused the department to reduce costs including reducing staffing levels which also has a negative impact on performance.

In sum, there are long-term pressures of added requirements to the program while funding has decreased. During the recession, the impact on performance was mitigated by an influx of federal revenue, and a commensurate increase in staffing levels. Now that revenue is declining, some of those long-term pressures are more obvious. Aging technology, while not the sole cause of declining performance, is a contributing factor and something that constrains the department's ability to make process improvements.

KPM #6	UNEMPLOYMENT INSURANCE ADMINISTRATIVE COSTS AS A PERCENT OF BENEFITS PAID - Compares dollars paid to unemployed workers against the cost of providing those benefits. Specifically, all costs associated with Unemployment Insurance administration, including related Department of Justice and Office of Administrative Hearings costs, less Re-Employment Eligibility Assessments and State Government Service Charges, divided by Total Unemployment Insurance Benefits paid.
	Data Collection Period: Jul 01 - Jun 30

* *Upward Trend = negative result*

Report Year	2014	2015	2016	2017	2018
UNEMPLOYMENT INSURANCE ADMINISTRATIVE COSTS AS A PERCENT OF BENEFITS PAID					
Actual	No Data	No Data	No Data	11%	12%
Target	TBD	TBD	TBD	10%	10%

How Are We Doing

PERFORMANCE: Benefit payments were \$509,164,579 in State Fiscal Year (SFY) 2018 and Controllable Administrative Costs were \$61,587,063, resulting in a percent of benefits paid of 12%, an increase from 11% in SFY 2017.

OUR STRATEGY: The Employment Department continues to pursue efficiencies from centralization and new technology implementation to streamline unemployment insurance processes to improve timeliness and customer service. This includes a focus on expanding ways in which the public can help themselves access and provide information that traditionally required more staff involvement.

ABOUT THE TARGET: The target for this new measurement was set at 10% in the 2017 Legislative Session. The ratio of benefits paid to amounts spent administering the program reflects the efficiency of making those payments.

HOW WE COMPARE: There is no national measure compiled for comparison.

Factors Affecting Results

The Employment Department's experience is that cost per claim tends to go down during recessionary periods and increase as the market recovers. The volume of claims drops faster than expenses, especially since some expenses remain fixed. Current technology restricts the ability to automate manual processes. Efforts to decrease benefit overpayments, better identify and recover overpayments, and better help people become re-employed more quickly, create additional work that tends to increase the cost of administering claims.

The Employment Department has taken steps in the past several biennia to reduce costs, including consolidating separate Unemployment Insurance Contact Center locations and combining related business units. To improve efficiencies, the Employment Department must automate claim processes by modernizing the technical and business environments to increase staff efficiency. The Employment Department is focused on increasing "self-service" options for the public to decrease costs further. Lean Six Sigma efforts continue to identify efficiencies, and efforts to increase communication with our customers through electronic means, are expected to decrease costs and improve customer service. It will be difficult to improve on this performance measure, however, while claims levels remain at historic lows and as we continue to work to increase the speed and accuracy of our service to the public.

KPM #7	UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of cases requesting a hearing that are heard or are otherwise resolved within 30 days of the date of request.
	Data Collection Period: Jul 01 - Jun 30

* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
Unemployment Insurance Appeals Timeliness					
Actual	35%	82%	72%	71%	61%
Target	60%	60%	60%	60%	60%

How Are We Doing

PERFORMANCE: Our performance was at 61%, which is slightly above the target of 60%.

OUR STRATEGY: The Office of Administrative Hearings (OAH) provides Oregonians an independent forum to dispute decisions made by the Employment Department that impact their lives. The OAH strives to provide timely resolution of these disputes.

ABOUT THE TARGETS: For unemployment insurance cases, timeliness is defined as the percentage of cases requesting a hearing that is heard or otherwise resolved within 30 days of a hearing request. The target of 60% is consistent with the target established by the U.S. Department of Labor. A higher percentage is better.

HOW WE COMPARE: State Fiscal Year (SFY) 2018 performance was at 61%, which is lower than the SFY 2017 performance of 71%.

Factors Affecting Results

The OAH continues to exceed the national target set by the U.S. Department of Labor. Timeliness in this area was below the target in the first half of the fiscal year due to insufficient staffing assigned to unemployment insurance cases. That issue has been addressed and the OAH has consistently exceeded the target every month since January 2018. The OAH will continue to monitor referrals and continue to utilize cross-trained staff to ensure that hearings are timely scheduled.

KPM #8	NON-UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of orders issued within the standards established by the user agencies.
	Data Collection Period: Jul 01 - Jun 30

** Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
Non-UI Appeals Timeliness					
Actual	94%	92%	96%	92%	92%
Target	93%	93%	93%	93%	93%

How Are We Doing

PERFORMANCE: The percentage of non-Unemployment Insurance (UI) cases disposed of within the standards for State Fiscal Year (SFY) 2018 was 92%, which is slightly below the standard of 93%.

OUR STRATEGY: The timeliness standards for non-UI appeals are established by the user agencies. The Office of Administrative Hearings (OAH) monitors decision deadlines to ensure that orders are issued within established timeframes.

ABOUT THE TARGETS: The user agencies establish the timeliness standards for non-UI hearings. A higher percentage of orders issued within the standard set by the user agency is better.

HOW WE COMPARE: During SFY 2018 the OAH achieved the standard 92% of the time which is comparable to 92% in SFY 2017.

Factors Affecting Results

The OAH exceeded the target in most of our program areas. Our social services program lagged slightly below the target largely as the result of staff turnover which resulted in the need for additional training and mentoring of newly assigned administrative law judges. The OAH expects timeliness to improve in that program during the next fiscal year.

KPM #9	AVERAGE DAYS TO ISSUE AN ORDER - Average number of days to issue an order following the close of record.
	Data Collection Period: Jul 01 - Jun 30

** Upward Trend = negative result*

Report Year	2014	2015	2016	2017	2018
Average Days to Issue Order					
Actual	6.30	4.90	4.10	4.50	4.50
Target	6.60	6.60	6.60	6.60	6.60

How Are We Doing

PERFORMANCE: During State Fiscal Year (SFY) 2018 achievement was at 4.5 days, below the target of 6.6 days.

OUR STRATEGY: The Office of Administrative Hearings (OAH) monitors the number of days to produce legally sufficient decisions. The OAH goal is to be as prompt as possible.

ABOUT THE TARGETS: An important aspect of timeliness is the average number of days it takes for an Administrative Law Judge to issue an order following the close of the record. The time needed to write and issue an order varies with the complexity and length of a hearing. Fewer days to issue a decision is generally better provided that quality standards can also be met.

HOW WE COMPARE: Average days to issue an order was 4.5 days, which is comparable to 4.5 days in SFY 2017.

Factors Affecting Results

The OAH will continue to monitor programs and look for efficiencies in case scheduling and assignments and other process improvements.

KPM #10	COST PER REFERRAL TO OAH - Average cost of hearing referral to the Office of Administrative Hearings.
	Data Collection Period: Jul 01 - Jun 30

* *Upward Trend = negative result*

Report Year	2014	2015	2016	2017	2018
Cost Per Referral to OAH					
Actual	\$422.00	\$493.00	\$500.00	\$529.00	\$564.00
Target	\$440.00	\$455.00	\$467.00	\$515.00	\$532.00

How Are We Doing

PERFORMANCE: The cost per referral was \$564, which is higher than the target of \$532.

OUR STRATEGY: Maintain service levels without increasing costs to agencies that refer cases to the Office of Administrative Hearings (OAH).

ABOUT THE TARGETS: Cost per referral measures the cost of the OAH program between years. A lower cost is better.

HOW WE COMPARE: The average cost per referral was \$564 for State Fiscal Year (SFY) 2018, which is an increase of 6.5% over the SFY 2017 cost per referral of \$529.

Factors Affecting Results

Increased cost of salaries and benefits of existing staff and increased training costs associated with the hiring of a number of new administrative law judges (ALJs) to fill vacancies caused by retirements contributed to the increase in costs per referral. Average costs also reflect a relatively low number of unemployment insurance referrals, continuing a trend over the last several years. Because unemployment insurance cases are the least expensive per hearing, a low volume of such referrals results in a higher average cost per case overall.

The OAH also monitors the average cost per case disposition. Because the OAH was able to resolve over 1,300 cases that were referred in the previous fiscal year, the number of dispositions (24,967) was higher than the number of referrals (23,650) received during the 2018 fiscal year. This resulted in cost per disposition of \$534 which is 5.3% lower than the cost per referral.

The OAH will continue to monitor programs and look for efficiencies in scheduling and technology. The OAH will continue to utilize cross-trained staff to maximize the efficient use of staff in response to fluctuations in referral rates within particular program areas.

KPM #11	HIGHER AUTHORITY APPEALS TIMELINESS - Percentage of cases requesting an appeal that receive a decision within 45 days of the date of request.
	Data Collection Period: Jul 01 - Jun 30

* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
Higher Authority Appeals Timeliness					
Actual	94%	80%	91%	99%	100%
Target	75%	75%	75%	80%	80%

How Are We Doing

PERFORMANCE: During State Fiscal Year (SFY) 2018, the percent of appeals that received a decision within 45 days or less was 100%, improved from 99% in SFY 2017.

OUR STRATEGY: Continue to issue decisions promptly.

ABOUT THE TARGET: A higher percentage is better.

HOW WE COMPARE: As has been the case in past years, the Employment Appeals Board (EAB) performed above the 80% target and the national average of 50%.

Factors Affecting Results

During State Fiscal Year (SFY) 2015, the EAB was challenged by staff reductions and budgetary considerations. The EAB successfully met these challenges by reorganizing staff and changing assignments. As a result, a higher percentage of appeal timeliness was achieved in SFY 2016, and even higher percentages of appeal timeliness were achieved in SFY 2017 and SFY 2018.

The EAB will continue to work with the Employment Department and Office of Administrative Hearings to improve efficiencies in adjudication and appeals processes.

KPM #12	TIMELINESS OF NEW STATUS DETERMINATIONS - Percentage of new status determinations completed within 90 days of the end of the liable quarter.
	Data Collection Period: Jul 01 - Jun 30

* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
Timeliness of New Status Determination					
Actual	77%	63%	75%	76%	74%
Target	80%	80%	80%	80%	80%

How Are We Doing

PERFORMANCE: 74% of registrations were completed within 90 days. This represents 14,938 of the total 20,123 status determinations in State Fiscal Year (SFY) 2018 being completed within 90 days.

OUR STRATEGY: Implement processes to monitor and ensure tax accounts are established within 90 days of the end of the first of the quarter in which liability occurs. This includes working with those who do not timely provide the Employment Department with information needed to start the status determination process and identifying ways to streamline processes and more agilely utilize our staff.

ABOUT THE TARGET: The U.S. Department of Labor (DOL) sets the target of the timeliness for status determinations at 70%. The Employment Department set a higher target based on the importance of this measurement to the Employment Department's business and the long-term goal of DOL to reach 89%. Timely determining employer status influences timely getting wage data that is needed to quickly and accurately process claims and influences timely getting UI tax payments.

HOW WE COMPARE: Performance in SFY 2018 was 74%, which is a decrease from the SFY 2017 performance of 76%. While the SFY 2018 performance is below the 80% target for the Key Performance Measure, Oregon exceeds the target of 70%, which is the percentage of timely determinations required by the U.S. Department of Labor.

Factors Affecting Results

The technology used to process the determinations is an aging infrastructure, and it must be updated to provide for more timely determinations and more automated processes. The Employment Department implemented an automated report to monitor progress on a weekly basis, which helped to improve the SFY 2017 performance and allows for better management of the registration process. However, additional improvements to the online combined registration system are necessary to ensure registrations contain complete information and allow for the implementation of automatic determinations. The Employment Department will continue outreach to employers and their representatives to reduce the number of registrations that are filed late and monitor timeliness. A significant percentage of status determination work arrives at the Employment Department as part of a shared combined business registration process coordinated by the Secretary of State, and also involving the Department of Revenue and Department of Consumer and Business Services. Maintaining a system that meets the diverse needs of these agencies can be a challenge.

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

Report Year	2014	2015	2016	2017	2018
Expertise					
Actual	86.50%	75.20%	79.80%	80.40%	82.70%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
Accuracy					
Actual	84.60%	71%	77.70%	78.30%	79.90%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
Availability of Information					
Actual	82.90%	72%	78%	78.90%	81.70%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
Timeliness					
Actual	85.20%	69.20%	75.80%	76.90%	81.40%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
Overall					
Actual	84%	73.90%	79.10%	80.70%	83.30%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
Helpfulness					
Actual	87.90%	76.80%	80.90%	81.90%	84%
Target	95.50%	95.50%	95.50%	95.50%	95.50%

How Are We Doing

PERFORMANCE: Data represents survey responses from unemployment insurance claimants, job seekers, and employers who listed openings with the Employment Department. Performance in overall service quality during State Fiscal Year (SFY) 2018 was 83.3%, compared to 80.7% for SFY 2017. Although the percentages are below the target of 95.5%, the performance scores increased compared to SFY 2017.

OUR STRATEGY: Continuously focus on customer service improvements. The Employment Department monitors the information received from monthly customer satisfaction surveys, seeking to identify ways to improve.

ABOUT THE TARGET: The Employment Department sets the target of 95.5% to provide a high quality of service to our customers who are job seekers, businesses with recruitments, and UI claimants. Although the target was set based on a completely different survey methodology, the Employment Department pursues the high standard to support business and promote employment.

HOW WE COMPARE: In SFY 2015, the Employment Department implemented a new online survey distribution process for sampling all customer groups. The change broadens the survey population to include more workforce industry customers and reduces selection bias. Because of the changes made in SFY 2015, comparisons cannot be made to measurements previous to 2016. Measurements between SFY 2016 and SFY 2018 provide consistent standards and shows consecutive years of improvement across all measures.

Factors Affecting Results

The Employment Department's new survey process provides broader coverage, greater anonymity, and a much larger number of responses than previous processes. The results are providing new information about customer expectations and experiences when receiving services from the Employment Department. The department is in the process of changing service delivery to better align with the new information. However, resource constraints directly impact the pace at which a new service paradigm can be implemented.

For all job seekers and businesses: The Employment Department continues collaboration with system partners to implement a customer-centric WorkSource Oregon (WSO) experience that is easy to access, highly effective, and simple to understand by customers. The Department also continues investing in the redesign of WSO centers to reflect a customer-centric, professional, and welcoming environment. And we are investing in technology to support system requirements of the WSO Standards, and continue work with system partners to provide customers with better resources and services to meet their needs.

For unemployment insurance claimants: Customers must be responded to more promptly at all stages of the claims process. While current technology platforms impair the Employment Department's ability to automate processes and make other changes that would help, Lean Sigma Six approaches are being used to streamline processes. Documents are being revised to be more helpful and understandable to the public through the use of customer-based focus groups. The Employment Department is also using more electronic means of communication so it is more convenient and quicker for customers, focusing on decreasing how long people have to wait to

have calls answered, and increasing training on how to provide good customer service, particularly for those who may have barriers to accessing our services. It is also important to note that some people who seek benefits may not be entitled to receive them. Therefore, some people might give a lower rating of the service they receive because they ultimately do not receive benefits they may need, but for which they are not eligible.

KPM #14	FOUNDATIONAL SURVEY RESPONSE RATE - Ordinary (non-weighted) arithmetic mean of four annual response rates: (1) Occupational Employment Statistics employment; (2) Occupational Employment Statistics units; (3) Annual Refiling Survey employment; and (4) Annual Refiling Survey units.
	Data Collection Period: Jan 01 - Dec 31

* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
FOUNDATIONAL SURVEY RESPONSE RATE					
Actual	84%	84%	87%	88%	86%
Target	73%	73%	73%	73%	73%

How Are We Doing

PERFORMANCE: Data reported reflect response rates for the calendar year. The 2018 measure (based on 2017 calendar year data) shows an 86% response rate.

OUR STRATEGY: The Workforce and Economic Research Division follows a well-established research protocol in partnership with the federal Bureau of Labor Statistics (BLS) to complete the Quarterly Census of Employment and Wages and Occupational Employment Statistics surveys. Research staff work towards maximizing compliance and lessening reporting burden.

ABOUT THE TARGETS: Higher response rates (percentages) lead to more robust data. Newly established metrics incorporating both the BLS and the Employment Department measures target a 73% response rate.

HOW WE COMPARE: Survey response rates remain well over the target of 73%.

Factors Affecting Results

The data represent response rates from the Quarterly Census of Employment and Wages, and the Occupational Employment Statistics surveys. These two sources of information gathered from employers in every industry and area of Oregon are foundational for the Workforce and Economic Research Division's published and publicly available industry and occupational statistics.

Survey response rates are influenced by an appropriate survey length, relevancy of a survey topic to the recipient, follow-up actions such as multiple contacts to request completions, and delivery methods. The Workforce and Economic Research Division use survey instruments designed by the BLS to provide high-quality data that meet national statistical standards. Also, research staff work with employers to collect detailed and accurate responses.



PROPOSED SUPERVISORY SPAN OF CONTROL REPORT

In accordance with the requirements of ORS 291.227, Oregon Employment Department presents this report to the Joint Ways and Means Committee regarding the agency's Proposed Maximum Supervisory Ratio for the 2019-2021 biennium.

Supervisory Ratio for the last quarter of 2017-2019 biennium

The agency actual supervisory ratio as of 9/30/2018 is 1:1.43
 (Date) (Enter ratio from last Published DAS CHRO Supervisory Ratio)

The Agency actual supervisory ratio is calculated using the following calculation:

107	=	100	+	8	-	1
(Total supervisors)		(Employee in a supervisory role)		(Vacancies that if filled would perform a supervisory role)		(Agency head)
1,223	=	1,039	+	184		
(Total non-supervisors)		(Employee in a non-supervisory role)		(Vacancies that if filled would perform a non-supervisory role)		
1:1.43	=	1223	/	107		
(Actual span of control)		(Total non-Supervisors)		(Total Supervisors)		

The agency has a current actual supervisory ratio of -

When determining an agency maximum supervisory ratio all agencies shall begin of a baseline supervisory ratio of 1:1.1, and based upon some or all of the following factors may adjust the ratio up or down to fit the needs of the agency:

← Narrow Span	Wide Span →
High	Low
Dispersed	Assembled
Complex	Not complex
Low	High
Small	Large
Many	Few
High	Low
← More Supervisors	Fewer Supervisors →

BUDGET NARRATIVE

Ratio Adjustment Factors

Is safety of the public or of State employees a factor to be considered in determining the agency maximum supervisory ratio?
YES

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-
The Oregon Employment Department has more than 40 locations across the state of Oregon, most of which provide direct and open customer access to Oregonians and Oregon businesses. While the agency's current supervisory ratio is in the 1:11 range, it's possible that we would request a lower ratio in the future, in part because it's important to have management support and leadership in as many locations as possible, especially during challenging safety or other emergency situations. We are not requesting a change at this time, but we may do so in the future, as we implement our future strategic plan, as we modernize our service model and systems, and as we adjust to varying economic conditions.

Is geographical location of the agency's employees a factor to be considered in determining the agency maximum supervisory ratio? YES

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-
The Employment Department has more than 40 locations across the state of Oregon. These range in terms of employment from several hundred employees to just one. While the agency's current supervisory ratio is in the 1:11 range, it's possible that we would request a lower ratio in the future, in part because it's very challenging to have managers who are more than a hundred miles and far more than two hours from the employees and facilities for which they are responsible. We are not requesting a change at this time, but we may do so in the future, as we implement our future strategic plan, as we modernize our service model and systems, and as we adjust to varying economic conditions.

Is the complexity of the agency's duties a factor to be considered in determining the agency maximum supervisory ratio? YES

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-
The Employment Department provides a wide range of federal and state workforce-related services, some of which involve a small number of employees providing services targeted to diverse and specific Oregon populations. While the agency's current supervisory ratio is in the 1:11 range, it's possible that we would request a lower ratio in the future, in part to allow managers to focus more specifically on these smaller programs. We may also request future changes as we adjust our services to better meet the need of Oregon's growing and increasingly diverse population. We are not requesting a change at this time, but we may do so in the future, as we implement our future strategic plan, as we modernize our service model and systems, and as we adjust to varying economic conditions.

BUDGET NARRATIVE

Are there industry best practices and standards that should be a factor when determining the agency maximum supervisory ratio? NO

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-
Not applicable.

Is size and hours of operation of the agency a factor to be considered in determining the agency maximum supervisory ratio? YES

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-
The Employment Department has more than 1,200 employees, spread across more than 40 locations all across Oregon. While our typical in-person or by-phone customer services are generally provided from 8 am to 5 pm Monday through Friday, we are piloting 7 am to 6 pm customer service in one location and we do provide 24/7 online services. In addition, we have expanded our hours – both to serve unemployed Oregonians and to serve Oregon job seekers – during recessions and we would likely do that again in the future. Therefore, while the agency's current supervisory ratio is in the 1:11 range, it's possible that we would request a lower ratio in the future, in part to provide coverage across expanded hours. We are not requesting a change at this time, but we may do so in the future, as we implement our future strategic plan, as we modernize our service model and systems, and as we adjust to varying economic conditions.

Are there unique personnel needs of the agency, including the agency's use of volunteers or seasonal or temporary employees, or exercise of supervisory authority by agency supervisory employees over personnel who are not agency employees a factor to be considered in determining the agency maximum supervisory ratio? YES

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-
Thirty-nine of the Employment Department's locations are WorkSource centers, spread all across Oregon. Employment in these centers ranges from more than 50 to just one. Almost all of these centers also include workforce-related employees from other state agencies and from private sector non-profit entities. In some cases, they also include volunteers. Sometimes, the Employment Department manager may be the only on-site manager for all of the employees, partners, and volunteers. While the agency's current supervisory ratio is in the 1:11 range, it's possible that we would request a lower ratio in the future, in part to provide more coordination and leadership for all the individuals in our locations. We are not requesting a change at this time, but we may do so in the future, as we implement our future strategic plan, as we modernize our service model and systems, and as we adjust to varying economic conditions.

Is the financial scope and responsibility of the agency a factor to be considered in determining the agency maximum supervisory ratio? NO

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11 - Not applicable.

Based upon the described factors above the agency proposes a Maximum Supervisory Ratio of 1:11 (rounded) at this time.

Unions Requiring Notification: Service Employees International Union, Local 503, OPEU

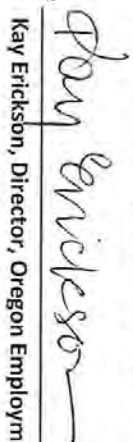
American Federation of State, County, and Municipal Employees, (AFL-CIO)

Date unions notified: January 11, 2019

Submitted by: Oregon Employment Department

Signature Line 
Kathleen M. Olson, Local 471 President

Date 1-18-19

Signature Line 
Kay Erickson, Director, Oregon Employment Department

Date 1/25/19

Audit Response Report

Summary of recommendations and agency responses to financial and performance audits completed by the Secretary of State or the Joint Legislative Audit Committee in fiscal biennia July 1, 2015 – June 30, 2017 and July 1, 2017 to date.

2015-17 Biennium

- **Audit of a Selected Federal Program** (Unemployment Insurance), part of the Annual Statewide Single Audit, for the Year Ended June 30, 2015 (Management Letter 471-2016-03-01, March 1, 2016)

Recommendation – The department continue efforts to improve processes and implement sustainable controls to ensure compliance with program requirements.

Corrective Action – Recommendation fully implemented as of December 28, 2017.

- **Statewide Audit of Information Technology (IT) Security**, November 2016

Recommendation – The Office of the State Chief Information Officer (OSCIO) collaborate with state agencies to (1) develop detailed plans to implement Executive Order No. 16-13 (Unifying Cyber Security in Oregon), (2) ensure remediation of the specific weaknesses communicated to state agencies in separate management letters.

Corrective Action – Collaboration between OSCIO and Employment Department Information Technology Services is continuing.

- **Audit of Selected Financial Accounts**, part of the Annual Audit of the State of Oregon’s financial statements, for the Year Ended June 30, 2016 (Management Letter 471-2017-01-01, January 5, 2017)

Recommendation – N/A; no deficiencies in internal control considered material weaknesses were identified.

Corrective Action – N/A

2017-2019 Biennium

- **Audit of Selected Financial Accounts**, part of the Annual Audit of the State of Oregon’s financial statements, for the Year Ended June 30, 2017 (Management Letter 471-2018-01-01, January 17, 2018)

Recommendation – N/A; no deficiencies in internal control considered material weaknesses were identified.

Corrective Action – N/A

- **Secretary of State Audit: DAS Should Enhance Succession Planning to Address Workforce Risks and Challenges**, Report 2018-37, November 2018

Recommendation – No reportable condition for Employment Department.

Corrective Action – N/A

- **Secretary of State Audit of Statewide Information Technology Procurement** (April 18, 2018 start)
The objectives of the audit are: 1) determine whether the Department of Administrative Services (DAS) provides appropriate oversight to mitigate significant risks associated with planning, staffing, and procuring resources and expertise for major information technology projects, 2) determine the status of strategic sourcing efforts for information technology procurement and identify challenges, leading practices and potential improvements to increase savings, and 3) determine whether the cost of independent quality assurance aligns with industry best practices and is commensurate with project risk, and whether sufficient controls exist to mitigate the conflict of interest for agencies managing their own independent quality assurance contracts.

The scope for this objective will include a selection of major IT projects (\$150,000 and above) that were subject to DAS oversight from calendar year 2015-present. To gain more context of process changes, the audit may also review a selection of pre-Stage Gate projects. The scope will also include current practices and emerging efforts for strategic sourcing of information technology procurements at both individual agencies and state government as a whole, and independent quality assurance contracts or agreements executed or in place from 2015-present. If a larger sample size is needed, they may choose additional contracts prior to 2015.

At the time these budget documents were updated, the audit was still ongoing.

- **Audit of Selected Financial Accounts**, part of the Annual Audit of the State of Oregon’s financial statements, for the Year Ended June 30, 2018 (December 26, 2018)

Recommendation – N/A; no deficiencies in internal control considered material weaknesses were identified.

Corrective Action – N/A

- **Secretary of State Agency Internal Audit Functions Audit, Report 2018-25, August 2018**

Recommendation – The report includes 16 recommendations to DAS intended to enhance the value and impact of state agency internal audit functions. Employment Department was not directly referenced in the report.

Corrective Action – N/A

- **Secretary of State Statewide Single Audit For Fiscal Year Ended June 30, 2018**

The objectives of the federal compliance audit are to (1) determine whether the state has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of its major programs, (2) determine whether the schedule of expenditures of federal awards is stated fairly in all material respects in relation to the state's financial statements as a whole, and (3) obtain an understanding of internal controls over federal programs; plan the testing of internal control over compliance for major programs to support a low assessed level of control risk for the assertions relevant to the compliance requirements for each major program; and perform testing of internal control as planned.

The audit will focus on the Unemployment Insurance program, CFDA 17.225, and the Employment Services Cluster, CFDA 17.207, 17.801, and 17.804 which are administered by the Oregon Employment Department. The audit will employ procedures as necessary to verify the accuracy of expenditures reported in the Schedule of Expenditures of Federal Awards and evaluate and test internal controls and compliance with federal statutes, regulations and the terms and conditions of federal awards related to the federal program.

At the time these budget documents were developed and submitted, this audit was still taking place.

- **Secretary of State Performance Audit of Employment Department Contracting and Procurement (June 5, 2018 start)**

The Audits Division is beginning a performance audit of contracting and procurement administered by the Employment Department. In a performance audit SOS will look at how agencies or programs can better achieve their missions. The audit will focus around the procurement and contracting processes and related expenditures. They will also review other expenditure areas such as SPOTS and travel expenditures.

At the time these budget documents were developed and submitted, this audit was still taking place.

- **U.S. Department of Labor, Veterans Employment and Training Services (VETS) Audit for Jobs for Veterans State Grant (JVSG), preliminary report issued June 20, 2018**

Recommendation – Update/modify communication systems for use by veterans to properly determine DVOP Specialist program eligibility.

Corrective Action – The Employment Department is changing the automated telephone system to have veterans and eligible spouses initially routed to WorkSource Oregon staff, including WIOA, WP, and other AJC program staff to determine DVOP Specialist program eligibility. The Department estimates 90 – 120 days to complete the automated telephone system change at 37 field office locations.

2019-2021 Affirmative Action/Diversity and Inclusion Plan

This is a report on the Oregon Employment Department's demographics as of June 30, 2018, as provided by the Department Of Administrative Services Position and Personnel Database. The data are compared to the demographics from the June 30, 2016, Agency Request Budget Employment Department Budget Narrative.

Workforce Representation for Women:

EEO Category	2018 Employees	2018 Number of Women	2018 Percent	2016 Employees	2016 Number of Women	2016 Percent	Change in Percent
A. Officials/ Administrators	101	61	60.39%	95	51	53.68%	+6.71%
B. Professionals	871	543	62.34%	800	499	62.37%	-0.03%
C. Technicians	17	13	76.47%	17	11	64.70%	+11.77%
F. Administrative Support	122	103	84.42%	103	88	85.43%	-1.02%
H. Service/ Maintenance Workers	0	0	0%	0	0	0%	0%
Agency Total	1111	720	64.80%	1015	649	63.94%	+0.86%

Workforce Representation for People of Color (POC):

EEO Category	2018 Employees	2018 Number of POC	2018 Percent	2016 Employees	2016 Number of POC	2016 Percent	Change in Percent
A. Officials/ Administrators	101	18	17.82%	95	19	20.00%	-2.18%
B. Professionals	871	203	23.30%	800	187	23.37%	-0.07%
C. Technicians	17	3	17.64%	17	3	17.64%	0%
F. Administrative Support	122	23	18.85%	103	23	22.33%	-3.48%
H. Service/ Maintenance Workers	0	0	0%	0	0	0%	0%
Agency Total	1111	247	22.23%	1015	232	22.85%	-0.62%

Workforce Representation for People with Disabilities (PWD):

EEO Category	2018 Employees	2018 Number of PWD	2018 Percent	2016 Employees	2016 Number of PWD	2016 Percent	Change in Percent
A. Officials/ Administrators	101	6	5.94%	95	0	0%	+5.94%
B. Professionals	871	48	5.51%	800	14	1.75%	+3.76%
C. Technicians	17	0	0%	17	0	0%	0%
F. Administrative Support	122	8	6.55%	103	2	1.94%	+4.61%
H. Service/ Maintenance Workers	0	0	0%	0	0	0%	0%
Agency Total	1111	62	5.58%	1015	16	1.57%	+4.01%

The Oregon Employment Department fosters fairness, equity, and inclusion to maintain a workplace environment where everyone is treated with respect and dignity regardless of race, color, national origin, religion, sex, sexual orientation, gender identity, marital status, age, veteran status, disability, or status as a victim of domestic violence, harassment, sexual assault, or stalking. This applies to every aspect of our employment practices, including recruitment, hiring, retention, promotion, and training. A goal of the Oregon Employment Department is to become an employer of choice for individuals of all backgrounds and promote an inclusive workplace culture that encourages diversity and allows employees to excel. Regular review of data on workforce representation of women, people of color, and people with disabilities is a vital component in evaluating current diversity and inclusion initiatives and planning new, targeted strategies. In reviewing the above data, it is clear that overall representation of women and people of color has not substantially changed in the agency workforce from 2016 to 2018, but there has been significant progress in overall representation of people with disabilities. Representation in several specific categories does need to be reviewed and addressed.

First, there has been a substantial increase in the percentage of women in the categories of officials/administrators and technicians. The number of overall officials/administrators went from 95 in 2016 to 101 in 2018, showing an increase of six total officials/administrators. However, the number of women in this category increased by ten, leading to a large percentage increase (6.71%) for women in this category. Given the relatively large number of employees in this category, this percentage change may demonstrate a substantial success for the agency's inclusion efforts towards women in the role of officials/administrators. By contrast, the number of overall employees in the technician category is relatively small, with only 17 employees in both 2016 and 2018. Therefore, the increase by two women during that time period, while yielding a large percentage increase (11.77%), is not necessarily significant. Finally, it is important to note that women are represented in larger proportions in every category of the Employment Department's workforce than would be expected given their representation in the state's population. According to the Oregon census of 2016, women make up only 50.5% of the state's population, but in the agency they make up over 60% of each workforce category.

The data on people of color show several opportunities for further equity initiatives. For example, there is only an increase of one person in the officials/administrators category, which does not keep pace with the increasing number of overall employees in that category and thus yields a negative change of 2.18%. While this is a fairly small percentage, it is important to remain aware that as the agency's positions increase in a given category, that increase should be equitably reflected among protected classes, particularly as visible representation in positions of authority leads to a more inclusive workplace for people of color. In addition, the Oregon census from July 1016 reports that the state's population is approximately 23.6% people of color. The categories of officials/administrators, technicians, and administrative support are all lower than 19%, meaning they are ideal for targeted initiatives for increased representation in these areas. On a more positive note, overall representation of people of color in the agency's workforce (22.23%) is only slightly lower than the statewide census calculation of 23.6%.

Lastly, the representation of people with disabilities shows increases both across the agency and in specific categories with large numbers of employees. First, the number of people with disabilities in officials/administrators has risen from zero to six. This is especially significant given that the previous biennium's plan shows there were also zero people with disabilities in this category in 2014. In the professionals category, the number of people with disabilities has risen from 14 to 48, more than keeping pace with the increased number of overall employees in that category. Across the agency, the number of employees with disabilities has increased from 16 to 62, showing a 4.01% increase in representation. Although these increases are encouraging, the reason(s) for them are not clear. One possibility is that employees and applicants are simply reporting their disability status more than before, perhaps as more applicants become aware of the legally required preference for veterans with disabilities. Comparing this report with other agencies' reports for this biennium may show whether this increase is a statewide trend or unique to the Employment Department and its equity and inclusion initiatives. Given that the representation of people with disabilities statewide is 10.5% but no agency category is at more than 7%, there are still significant opportunities to increase the agency's workforce representation across all Equal Employment Opportunity (EEO) categories through continued efforts in hiring, retention, and promotion.

During the past biennium, the agency has continued dedicating resources to maintaining an Equity and Inclusion Council comprised of 12-15 agency employees. The purpose of the Equity and Inclusion Council is to promote and support equity and inclusion by providing a wide range of policy recommendations to the Executive Team and learning opportunities to the entire Employment Department. The council envisions the Employment Department as a workplace where individual strengths are recognized and appreciated and all employees are encouraged to contribute. The agency director sponsors the council and attends its monthly meetings; the council's work is also authorized and supported by the Employment Department's Executive Team. The council's membership agreement provides for each member to devote up to eight working hours each month in carrying out their council duties.

In September 2017, the Employment Department also dedicated resources to the fulltime position of an Equity and Inclusion Officer, who serves as the Affirmative Action Representative. The Equity and Inclusion Officer chairs the Equity and Inclusion Council and develops and implements programs designed to meet the agency's goal of a diverse and inclusive workforce. This position provides vision, direction, counsel, and leadership to all employees in areas of equity, diversity, and inclusion in their daily work, and in the programs and activities of the agency. Additional responsibilities include developing the agency's long-range plans, goals, objectives, and milestones; evaluating program effectiveness; increasing the diversity of the Employment Department workforce; reducing barriers to employment faced by protected classes and traditionally underrepresented groups; engaging the organization in dialogue that promotes understanding, respect, and inclusion in the work environment; and collecting data, conducting analyses, and providing reports on the agency's progress related to equity, inclusion, affirmative action, and diversity.

Below are charts of the Employment Department’s progress and agency accomplishments since the previous biennium and 2019-2021 goals.

2017-2019 Goals	Progress
<p>The Office of Human Resources will continue to send a link to the Statewide Exit Interview Survey via email to exiting employees either before or after separation. The Recruitment Analyst will request the Statewide Exit Interview Survey results from the Department of Administrative Services twice per year and share results and trends with the Human Resources Manager, Human Resource Analysts, and Executive Team. Based on responses, the agency will look for ways to promote and increase inclusion throughout the agency.</p>	<p>The Office of Human Resources continues to send a link to the Statewide Exit Interview Survey via email to exiting employees either before or after separation. The Equity and Inclusion Officer has taken on the responsibility of requesting the results from the Department of Administrative Services, reviewing for disparate impact, and sharing with not only the Human Resources Director (formerly the Human Resources Manager) Human Resources Business Partners (formerly the Human Resources Analysts), Equity and Inclusion Council, and Executive Team, but also all of the managers within the agency as appropriate.</p>
<p>The agency will assess and utilize relevant social media platforms and reach out to multiple diversity groups.</p> <p>The agency will continue to work with the Governor’s Affirmative Action Office to reach diverse populations.</p>	<p>Agency employees in WorkSource Oregon offices continue to work with the Office of Human Resources in posting competitive recruitments for positions located at the almost 40 WorkSource sites across the state. The agency Recruitment Analyst continues to share job postings with up to 15 LinkedIn diversity groups, including Oregon Professionals of Color, Military Veterans and Service Members, LGBT Chamber of Commerce NW OR & SW WA, Center for Women’s Leadership, and Minority Professional Network. Members of the Equity and Inclusion Council have also posted welcoming statements (along with links to the agency’s posted jobs) and celebrations of key civil rights dates on the agency’s Facebook page. The Equity and Inclusion Officer posts positions at secure online diversity sites and emails postings to a diversity distribution list. The Office of Human Resources continues to work with the Governor’s Affirmative Action Office to reach diverse populations.</p>
<p>As recruitments come open, the Recruitment Analyst will check position descriptions for specific language. They will send reminders and a checklist to managers of items to discuss during performance appraisals, including language to be updated in the employee’s position description.</p>	<p>The Recruitment Analyst ensures that all agency job announcements include the agency’s Equal Employment Opportunity (EEO) and Diversity/Inclusion statement. The Office of Human Resources is working to ensure that the Diversity/Inclusion statement is included in all position descriptions as they come open for recruitments.</p>

2017-2019 Goals	Progress
<p>The agency will continue to develop and roll out courses for new and existing managers. All new managers will complete the courses within six months of being hired as part of a focus on new manager onboarding.</p>	<p>The Office of Human Resources has created a Management Academy with 28 different topics which include trainings on the Americans with Disabilities Act (ADA), creating an inclusive work environment, and veteran preference points during the recruitment process. Trainings have been developed and revised for new managers as part of NEW (New Employee Welcome) onboarding, as well as additional leadership trainings. The agency also applied for and received a federal grant to provide three diversity and inclusion-specific trainings to managers and employees. These include a 3 ½ hour introductory course on diversity, an e-learning on providing services to customers with disabilities, and a 3 ½ hour course on unconscious bias. Current agency managers have completed a Promise of Leadership training, and this training is offered to all new managers.</p>
<p>The Equity & Inclusion Council will submit an annual action plan for support and accountability on projects from the Executive Team. They will improve communication from the Council by sending out quarterly emails with updates on projects and meeting minutes, and activities for employees to participate in.</p> <p>The Council also has a standing place in the agency's monthly electronic newsletter which reaches every employee in the agency. Since the inception of the newsletter in April of 2015, through June of 2016, the Equity and Inclusion articles received nearly 11,500 hits.</p>	<p>The Equity and Inclusion Council has engaged in multiple communications with employees, including submitting an article in the agency's monthly newsletter <i>InnerView</i>. Between July 1, 2016, and June 30, 2018, the Council's articles were viewed over 4,990 times. In addition, the agency Director submitted a separate article about equity and inclusion that was viewed over 200 times. The Council's monthly meeting minutes are posted on the agency intraweb. The Council also hosted three Lunch and Learns for all staff, available for viewing in person, by live webinar, or by archived video. These Lunch and Learns were held on paid time and provided education on Black History Month, Women's History Month, and Asian American and Pacific Islander Heritage Month. The Equity and Inclusion Officer sent regular emails to employees announcing the Lunch and Learns and providing additional education on the event topics. The agency Director also sent messages to employees regarding civil rights observances such as Disability Awareness Month and Martin Luther King, Jr. Day. The Equity and Inclusion Council completed an extensive charter update in June 2018 in preparation for drafting its annual action plan.</p>
<p>The agency's Human Resources Manager position was filled 8-1-16. The goal is to implement a system to track how managers are promoting and fostering a diverse workforce and discrimination free workplace. Recognizing the value of individual and cultural differences and the importance of creating a work environment in which individual differences are valued, the Employment Department is committed to ensuring that Executive Order 16-09 is being met.</p>	<p>Under the guidance of the Human Resources Director (formerly Human Resources Manager) and Executive Director, the Equity and Inclusion Officer distributed a survey to all managers to assess how managers are promoting and fostering a diverse workforce and a workplace free of discrimination. The survey requests information from July 1, 2016, through June 30, 2018.</p>

2017-2019 Goals	Progress
<p>The agency will roll out an Equity & Inclusion internship pilot program from October 2016 to June 2017 to increase job readiness of underrepresented groups. For this pilot, two internship opportunities within the agency’s central office will be open to disabled Oregonians.</p> <p>Success will be measured through individualized performance evaluations and self-assessments completed over the course of the 12 week internship. These will show measurable increases in interns’ skills and confidence respectively. Once the internship has ended, the program will be evaluated for successes, failures, opportunities for improvement, and scalability. The goal is to expand the internship opportunity to other underrepresented groups.</p>	<p>The Equity & Inclusion Council developed an internship program targeting underrepresented groups, starting with people with disabilities. Under this program, the agency hosted three paid interns from Vocational Rehabilitation at its Salem office. In addition, managers at the agency’s Eugene office hosted one paid intern from the Confederated Tribes of Siletz. One of the Salem interns eventually competed for and accepted a permanent position within the agency, and a second Salem intern extended their paid internship by several months. The Eugene intern also competed for and accepted a permanent position with the agency. The Equity and Inclusion Officer has been conducting outreach to other traditionally underrepresented groups and tribal governments in order to expand this internship program.</p>
<p>The agency Recruitment Analyst will continue to discuss recruitment strategies with new managers and supervisors before advertising for positions, and will continue to promote the following resources: Diversity/Inclusion Recruitment Guidelines, diversity tools for managers, diversity interview questions and the agency Recruitment Guide. The Recruitment Analyst will review all job announcements and interview questions to ensure that diversity is being included in each step of the recruitment process.</p>	<p>The Recruitment Analyst meets with every manager before their position is posted to discuss recruitment strategies. Managers have begun to promote diversity in each step of the recruitment process by adding a diversity question during the application process and a diversity question during interviews. The Recruitment Analyst also scans each job announcement for language that might deter applicants based on gender, and managers have been provided with tools for screening their job announcements as well.</p>
<p>The Office of Human Resources, in partnership with the Workforce Operations Division, will continue to educate communities across the state of Oregon about its job opportunities and services through job and career fairs. The Recruitment Analyst will track monthly job and career fairs.</p>	<p>Divisions across the agency, including the Office of Human Resources, Workforce and Economic Research, Unemployment Insurance, Administrative Business Services, and Workforce Operations participated in numerous events throughout the state to provide information about agency job opportunities and services. Events included Veteran Stand Downs, the Governor’s Marketplace, Breakfast for Champions with Partners in Diversity, and multiple job and career fairs.</p>

2017-2019 Goals	Progress
<p>The Recruitment Analyst will pull demographic reports on a quarterly basis and review for any disparate impact. Results will be shared with the Human Resources Manager, Equity and Inclusion Council and Executive Team.</p>	<p>The Equity and Inclusion Officer has assumed responsibility for pulling demographic reports, reviewing for disparate impact, and sharing with not only the Human Resources Director, Equity and Inclusion Council, and Executive Team, but also all of the managers within the agency. Demographic reports include information on applications, new hires, promotions, management vs non-management, and exit employees.</p>
<p>Increase the racial and/or ethnic diversity of staff from current baselines to more closely reflect the racial and ethnic diversity of the agency's customers by at least 50%. Supervisory and non-supervisory staff will be measured separately.</p>	<p>The agency is committed to reflecting the racial and ethnic diversity of all Oregonians. Currently the representation of people of color throughout the agency closely reflects the representation of people of color across the state. In April 2018, the Equity and Inclusion Officer led all managers in a discussion of the current agency employee demographics as compared to overall Oregon demographics. Categories reviewed included applicants, new hires, current employees, promotions, management vs. non-management, and exiting employees. Opportunities for improvement in these categories in terms of specific racial and ethnic populations were identified and discussed.</p>
<p>Increase the representation of staff with disabilities across management to no less than 3%. Review and revise existing or develop new culturally competent career development activities (i.e., mentorships, rotation opportunities, job shadowing, etc.).</p>	<p>The agency has exceeded this goal in the Equal Employment Opportunity (EEO) category of officials/administrators, with people with disabilities now making up 5.94% of this category.</p>
<p>Implement additional components of the NEW (New Employee Welcome) onboarding that assure new hires are provided connections to others in the organization who share a diverse/cultural interest or background (i.e. race or ethnicity, language, sexual orientation, disability) to improve retention of new, diverse hires.</p>	<p>The New Employee Welcome now includes a Colleague component, in which new employees can be linked to others in the organization.</p>

2019 – 2021 Goals	Strategies
<p>Increase recruitment outreach to traditionally underrepresented populations</p>	<p>The agency will finish updating its Criminal Records Check policy and procedure and post them on its public website to demonstrate the agency's longstanding commitment to reducing barriers to employment for populations disproportionately impacted by criminal records checks.</p>

2019 – 2021 Goals	Strategies
	<p>Due date: November 30, 2018</p> <p>The agency will finish updating its telecommuting and telework policies and procedures.</p> <p>Due date: January 31, 2019</p> <p>Agency employees in WorkSource Oregon centers will continue to work with Human Resources to post competitive recruitments. The Equity and Inclusion Officer will provide job announcement flyers to employees who participate in the agency’s extensive community engagement activities to enhance recruitment efforts. The agency will also institute closer tracking of community engagement activities.</p> <p>Due Date: March 31, 2019</p> <p>The Equity and Inclusion Council will develop a resource list of community groups to assist hiring managers in advertising their positions through increased community engagement.</p> <p>Due Date: March 31, 2019</p> <p>The agency Recruitment Analyst will continue to source candidates through LinkedIn and connect with candidates via LinkedIn diversity groups. The Recruitment Analyst will also add two to three LinkedIn groups for professionals with disabilities.</p> <p>Due Date: November 30, 2019</p> <p>Equity and Inclusion Council members will attend at least ten community events specifically to raise awareness of open agency positions throughout traditionally underrepresented communities.</p> <p>Due Date: June 30, 2020</p> <p>Human Resources will continue to work with the Governor’s Office for Diversity, Equity, and Inclusion to reach diverse populations. The Equity and Inclusion Officer will continue posting positions at secure online diversity sites and increase the list of secure sites. The Equity and Inclusion Officer will also continue emailing postings to a diversity distribution list and increase the number of contacts on the list.</p> <p>Due Date: ongoing</p> <p>The Recruitment Analyst will ensure that all job announcements include the Equal Employment Opportunity (EEO) and diversity and inclusion statement. The</p>

2019 – 2021 Goals	Strategies
	<p>Recruitment Analyst will continue to meet with every manager before their position is posted to discuss recruitment strategies and provide tools from the Equity and Inclusion Council, such as supplemental hiring questions and research-based guidance on gendered language.</p> <p>Due Date: ongoing</p>
<p>Meet requirements of Executive Order 17-11</p>	<p>The Equity and Inclusion Officer will record baseline data from the manager survey, provide guidance and resources to individual managers based on their survey results, and work to increase the percentage of managers who are taking specific steps to foster a diverse workforce and a workplace free of discrimination. Specific goals include 75% of managers taking specific steps to provide equitable access to non-mandatory trainings, new projects, and attendance at diversity-oriented trainings.</p> <p>Due Date: March 31, 2019</p> <p>The agency’s Classification and Compensation Analyst will continue updating management and non-management position descriptions to include language around diversity, equity, and inclusion as the positions come up for recruitments, with a goal of all management positions descriptions including this language.</p> <p>Due Date: June 30, 2019</p> <p>The agency will continue providing respectful leadership training to new managers and working towards performance management goals.</p> <p>Due Date: ongoing</p> <p>The Equity and Inclusion Officer will continue to pull demographic statistics twice a year; review for disparate impact; share with the Human Resources Director, Equity and Inclusion Council, Executive Team, and all managers; and provide recommendations as needed.</p> <p>Due Date: ongoing</p> <p>Human Resources will continue sending a link to the Statewide Exit Interview Survey via email to exiting employees either before or after separation. The Equity and Inclusion Officer will request the Statewide Exit Interview Survey results from the Department of Administrative Services twice per year and share results and trends with the Human Resources Director, Human Resources Business Partners, Executive Team, and all managers within the agency as appropriate.</p> <p>Due Date: ongoing</p>
<p>Provide diversity training and information to all employees and enhanced trainings for all managers</p>	<p>The majority of employees in the Workforce Operations and Unemployment Insurance divisions will complete the three diversity trainings obtained through the U.S. Department of Labor. In the fall of 2018, all managers will receive additional</p>

2019 – 2021 Goals	Strategies
	<p>training from Human Resources and the Equity and Inclusion Officer. Due Date: December 31, 2018</p> <p>The Equity and Inclusion Council will provide equity lens-based tools for hiring panels and managers to assist with reviewing and scoring applicants and conducting reference checks. Due Date: June 30, 2019</p> <p>The Council will continue to submit monthly newsletter articles for the agency wide newsletter and develop further communication tools for demonstrating the agency's value of a diverse workforce to our employees. Due Date: June 30, 2019</p> <p>The agency will provide the three diversity trainings obtained under the U.S. Department of Labor on an ongoing basis, particularly for new employees. The agency will also develop a bystander intervention training to provide tools to help employees actively assist in creating and maintaining a respectful and inclusive workplace. Due date: June 30, 2020</p> <p>The Equity and Inclusion Council will host an additional six to nine diversity-based Lunch and Learns or other agency-wide educational opportunities for staff. Due Date: June 30, 2020</p>
Develop annual action plan and/or strategic plan for equity and inclusion	<p>Using its updated charter and current Affirmative Action Plan as a guiding document, the Equity and Inclusion Council will submit a strategic plan and/or annual action plan and budget request to the Executive Team. Due Date: January 31, 2019</p>
Evaluate programs, policies, and procedures using an equity lens	<p>The Equity and Inclusion Council will draft a procedural document regarding transgender employees and customers to further the agency's implementation of the statewide policy on Discrimination and Harassment Free Workplace (50-010-01). Due Date: March 31, 2019</p> <p>The agency will establish a schedule for the Equity and Inclusion Council to evaluate programs, policies, and procedures using an equity lens. The council will provide findings and recommendations to the Executive Team. Due Date: June 30, 2019</p>
Increase internship opportunities for traditionally	The agency will continue hosting interns through the Department of Human Services'

2019 – 2021 Goals	Strategies
underrepresented groups	Vocational Rehabilitation program, with a goal of hosting five interns in the next biennium. The agency will also host six interns from other traditionally underrepresented groups and include mentorship as a key component of each internship. Due Date: June 30, 2020
Enhance existing mentorship program for traditionally underrepresented groups	The Equity and Inclusion Council will further develop the existing mentorship program to assist with retention and development of new hires and current employees from traditionally underrepresented groups, with a goal of 75% of managers assisting their employees in connecting to mentors. Due Date: June 30, 2020

Employment Dept

Summary Cross Reference Listing and Packages
2019-21 Biennium

Agency Number: 47100
BAM Analyst: Lisper, Michelle
Budget Coordinator: Boston, Julie - (503)947-1796

<i>Cross Reference Number</i>	<i>Cross Reference Description</i>	<i>Package Number</i>	<i>Priority</i>	<i>Package Description</i>	<i>Package Group</i>
010-05-00-00000	Shared Services	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
010-05-00-00000	Shared Services	021	0	Phase - In	Essential Packages
010-05-00-00000	Shared Services	022	0	Phase-out Pgm & One-time Costs	Essential Packages
010-05-00-00000	Shared Services	031	0	Standard Inflation	Essential Packages
010-05-00-00000	Shared Services	032	0	Above Standard Inflation	Essential Packages
010-05-00-00000	Shared Services	033	0	Exceptional Inflation	Essential Packages
010-05-00-00000	Shared Services	040	0	Mandated Caseload	Essential Packages
010-05-00-00000	Shared Services	050	0	Fundshifts	Essential Packages
010-05-00-00000	Shared Services	060	0	Technical Adjustments	Essential Packages
010-05-00-00000	Shared Services	081	0	September 2018 Emergency Board	Policy Packages
010-05-00-00000	Shared Services	090	0	Analyst Adjustments	Policy Packages
010-05-00-00000	Shared Services	091	0	Statewide Adjustment DAS Chgs	Policy Packages
010-05-00-00000	Shared Services	092	0	Statewide AG Adjustment	Policy Packages
010-10-00-00000	Unemployment Insurance	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
010-10-00-00000	Unemployment Insurance	021	0	Phase - In	Essential Packages
010-10-00-00000	Unemployment Insurance	022	0	Phase-out Pgm & One-time Costs	Essential Packages
010-10-00-00000	Unemployment Insurance	031	0	Standard Inflation	Essential Packages
010-10-00-00000	Unemployment Insurance	032	0	Above Standard Inflation	Essential Packages
010-10-00-00000	Unemployment Insurance	033	0	Exceptional Inflation	Essential Packages
010-10-00-00000	Unemployment Insurance	040	0	Mandated Caseload	Essential Packages
010-10-00-00000	Unemployment Insurance	050	0	Fundshifts	Essential Packages
010-10-00-00000	Unemployment Insurance	060	0	Technical Adjustments	Essential Packages

Employment Dept

Summary Cross Reference Listing and Packages
2019-21 Biennium

Agency Number: 47100
BAM Analyst: Lisper, Michelle
Budget Coordinator: Boston, Julie - (503)947-1796

<i>Cross Reference Number</i>	<i>Cross Reference Description</i>	<i>Package Number</i>	<i>Priority</i>	<i>Package Description</i>	<i>Package Group</i>
010-10-00-00000	Unemployment Insurance	081	0	September 2018 Emergency Board	Policy Packages
010-10-00-00000	Unemployment Insurance	090	0	Analyst Adjustments	Policy Packages
010-10-00-00000	Unemployment Insurance	091	0	Statewide Adjustment DAS Chgs	Policy Packages
010-10-00-00000	Unemployment Insurance	092	0	Statewide AG Adjustment	Policy Packages
010-20-00-00000	Workforce Operations	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
010-20-00-00000	Workforce Operations	021	0	Phase - In	Essential Packages
010-20-00-00000	Workforce Operations	022	0	Phase-out Pgm & One-time Costs	Essential Packages
010-20-00-00000	Workforce Operations	031	0	Standard Inflation	Essential Packages
010-20-00-00000	Workforce Operations	032	0	Above Standard Inflation	Essential Packages
010-20-00-00000	Workforce Operations	033	0	Exceptional Inflation	Essential Packages
010-20-00-00000	Workforce Operations	040	0	Mandated Caseload	Essential Packages
010-20-00-00000	Workforce Operations	050	0	Fundshifts	Essential Packages
010-20-00-00000	Workforce Operations	060	0	Technical Adjustments	Essential Packages
010-20-00-00000	Workforce Operations	081	0	September 2018 Emergency Board	Policy Packages
010-20-00-00000	Workforce Operations	090	0	Analyst Adjustments	Policy Packages
010-20-00-00000	Workforce Operations	091	0	Statewide Adjustment DAS Chgs	Policy Packages
010-20-00-00000	Workforce Operations	092	0	Statewide AG Adjustment	Policy Packages
010-20-00-00000	Workforce Operations	102	0	Employment Service Contracts, Department of Human Se	Policy Packages
010-20-00-00000	Workforce Operations	103	0	Trade Act and Foreign Labor Certification	Policy Packages
010-40-00-00000	Office of Administrative Hearings	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
010-40-00-00000	Office of Administrative Hearings	021	0	Phase - In	Essential Packages
010-40-00-00000	Office of Administrative Hearings	022	0	Phase-out Pgm & One-time Costs	Essential Packages

Employment Dept

**Summary Cross Reference Listing and Packages
2019-21 Biennium**

**Agency Number: 47100
BAM Analyst: Lisper, Michelle
Budget Coordinator: Boston, Julie - (503)947-1796**

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
010-40-00-00000	Office of Administrative Hearings	031	0	Standard Inflation	Essential Packages
010-40-00-00000	Office of Administrative Hearings	032	0	Above Standard Inflation	Essential Packages
010-40-00-00000	Office of Administrative Hearings	033	0	Exceptional Inflation	Essential Packages
010-40-00-00000	Office of Administrative Hearings	040	0	Mandated Caseload	Essential Packages
010-40-00-00000	Office of Administrative Hearings	081	0	September 2018 Emergency Board	Policy Packages
010-40-00-00000	Office of Administrative Hearings	090	0	Analyst Adjustments	Policy Packages
010-40-00-00000	Office of Administrative Hearings	091	0	Statewide Adjustment DAS Chgs	Policy Packages
010-40-00-00000	Office of Administrative Hearings	092	0	Statewide AG Adjustment	Policy Packages
010-50-00-00000	Workforce and Economic Research	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
010-50-00-00000	Workforce and Economic Research	021	0	Phase - In	Essential Packages
010-50-00-00000	Workforce and Economic Research	022	0	Phase-out Pgm & One-time Costs	Essential Packages
010-50-00-00000	Workforce and Economic Research	031	0	Standard Inflation	Essential Packages
010-50-00-00000	Workforce and Economic Research	032	0	Above Standard Inflation	Essential Packages
010-50-00-00000	Workforce and Economic Research	033	0	Exceptional Inflation	Essential Packages
010-50-00-00000	Workforce and Economic Research	040	0	Mandated Caseload	Essential Packages
010-50-00-00000	Workforce and Economic Research	050	0	Fundshifts	Essential Packages
010-50-00-00000	Workforce and Economic Research	060	0	Technical Adjustments	Essential Packages
010-50-00-00000	Workforce and Economic Research	081	0	September 2018 Emergency Board	Policy Packages
010-50-00-00000	Workforce and Economic Research	090	0	Analyst Adjustments	Policy Packages
010-50-00-00000	Workforce and Economic Research	091	0	Statewide Adjustment DAS Chgs	Policy Packages
010-50-00-00000	Workforce and Economic Research	092	0	Statewide AG Adjustment	Policy Packages
010-70-00-00000	Oregon Talent Council	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages

Employment Dept

Summary Cross Reference Listing and Packages
2019-21 Biennium

Agency Number: 47100
BAM Analyst: Lisper, Michelle
Budget Coordinator: Boston, Julie - (503)947-1796

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
010-70-00-00000	Oregon Talent Council	021	0	Phase - In	Essential Packages
010-70-00-00000	Oregon Talent Council	022	0	Phase-out Pgm & One-time Costs	Essential Packages
010-70-00-00000	Oregon Talent Council	031	0	Standard Inflation	Essential Packages
010-70-00-00000	Oregon Talent Council	032	0	Above Standard Inflation	Essential Packages
010-70-00-00000	Oregon Talent Council	033	0	Exceptional Inflation	Essential Packages
010-70-00-00000	Oregon Talent Council	040	0	Mandated Caseload	Essential Packages
010-70-00-00000	Oregon Talent Council	081	0	September 2018 Emergency Board	Policy Packages
010-70-00-00000	Oregon Talent Council	090	0	Analyst Adjustments	Policy Packages
010-70-00-00000	Oregon Talent Council	091	0	Statewide Adjustment DAS Chgs	Policy Packages
010-70-00-00000	Oregon Talent Council	092	0	Statewide AG Adjustment	Policy Packages
010-90-00-00000	Modernization Initiative	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
010-90-00-00000	Modernization Initiative	021	0	Phase - In	Essential Packages
010-90-00-00000	Modernization Initiative	022	0	Phase-out Pgm & One-time Costs	Essential Packages
010-90-00-00000	Modernization Initiative	031	0	Standard Inflation	Essential Packages
010-90-00-00000	Modernization Initiative	032	0	Above Standard Inflation	Essential Packages
010-90-00-00000	Modernization Initiative	033	0	Exceptional Inflation	Essential Packages
010-90-00-00000	Modernization Initiative	040	0	Mandated Caseload	Essential Packages
010-90-00-00000	Modernization Initiative	081	0	September 2018 Emergency Board	Policy Packages
010-90-00-00000	Modernization Initiative	090	0	Analyst Adjustments	Policy Packages
010-90-00-00000	Modernization Initiative	091	0	Statewide Adjustment DAS Chgs	Policy Packages
010-90-00-00000	Modernization Initiative	092	0	Statewide AG Adjustment	Policy Packages
010-90-00-00000	Modernization Initiative	101	0	Modernize Business and Technology Infrastructure	Policy Packages

Employment Dept

Summary Cross Reference Listing and Packages
2019-21 Biennium

Agency Number: 47100
BAM Analyst: Lisper, Michelle
Budget Coordinator: Boston, Julie - (503)947-1796

<i>Cross Reference Number</i>	<i>Cross Reference Description</i>	<i>Package Number</i>	<i>Priority</i>	<i>Package Description</i>	<i>Package Group</i>
087-00-00-00000	Employment Dept - Nonlimited	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
087-00-00-00000	Employment Dept - Nonlimited	021	0	Phase - In	Essential Packages
087-00-00-00000	Employment Dept - Nonlimited	022	0	Phase-out Pgm & One-time Costs	Essential Packages
087-00-00-00000	Employment Dept - Nonlimited	031	0	Standard Inflation	Essential Packages
087-00-00-00000	Employment Dept - Nonlimited	032	0	Above Standard Inflation	Essential Packages
087-00-00-00000	Employment Dept - Nonlimited	033	0	Exceptional Inflation	Essential Packages
087-00-00-00000	Employment Dept - Nonlimited	040	0	Mandated Caseload	Essential Packages
087-00-00-00000	Employment Dept - Nonlimited	081	0	September 2018 Emergency Board	Policy Packages
087-00-00-00000	Employment Dept - Nonlimited	090	0	Analyst Adjustments	Policy Packages
087-00-00-00000	Employment Dept - Nonlimited	091	0	Statewide Adjustment DAS Chgs	Policy Packages
087-00-00-00000	Employment Dept - Nonlimited	092	0	Statewide AG Adjustment	Policy Packages

Employment Dept

Policy Package List by Priority
2019-21 Biennium

Agency Number: 47100

BAM Analyst: Lisper, Michelle

Budget Coordinator: Boston, Julie - (503)947-1796

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	081	September 2018 Emergency Board	010-05-00-00000	Shared Services
			010-10-00-00000	Unemployment Insurance
			010-20-00-00000	Workforce Operations
			010-40-00-00000	Office of Administrative Hearings
			010-50-00-00000	Workforce and Economic Research
			010-70-00-00000	Oregon Talent Council
			010-90-00-00000	Modernization Initiative
			087-00-00-00000	Employment Dept - Nonlimited
			010-05-00-00000	Shared Services
	090	Analyst Adjustments	010-10-00-00000	Unemployment Insurance
			010-20-00-00000	Workforce Operations
			010-40-00-00000	Office of Administrative Hearings
			010-50-00-00000	Workforce and Economic Research
			010-70-00-00000	Oregon Talent Council
			010-90-00-00000	Modernization Initiative
			087-00-00-00000	Employment Dept - Nonlimited
			010-05-00-00000	Shared Services
			010-10-00-00000	Unemployment Insurance
	091	Statewide Adjustment DAS Chgs	010-20-00-00000	Workforce Operations
			010-40-00-00000	Office of Administrative Hearings
			010-50-00-00000	Workforce and Economic Research
010-70-00-00000			Oregon Talent Council	
010-90-00-00000			Modernization Initiative	
010-05-00-00000			Shared Services	
010-10-00-00000			Unemployment Insurance	
010-20-00-00000			Workforce Operations	
010-40-00-00000			Office of Administrative Hearings	

Employment Dept

Policy Package List by Priority
2019-21 Biennium

Agency Number: 47100

BAM Analyst: Lisper, Michelle

Budget Coordinator: Boston, Julie - (503)947-1796

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	091	Statewide Adjustment DAS Chgs	087-00-00-00000	Employment Dept - Nonlimited
	092	Statewide AG Adjustment	010-05-00-00000	Shared Services
			010-10-00-00000	Unemployment Insurance
			010-20-00-00000	Workforce Operations
			010-40-00-00000	Office of Administrative Hearings
			010-50-00-00000	Workforce and Economic Research
			010-70-00-00000	Oregon Talent Council
			010-90-00-00000	Modernization Initiative
			087-00-00-00000	Employment Dept - Nonlimited
	101	Modernize Business and Technology Infrastruc	010-90-00-00000	Modernization Initiative
	102	Employment Service Contracts. Department of	010-20-00-00000	Workforce Operations
	103	Trade Act and Foreign Labor Certification	010-20-00-00000	Workforce Operations

Employment Dept

Agency Number: 47100

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Employment Department**

Cross Reference Number: 47100-000-00-00-00000

<i>Description</i>	<i>2015-17 Actuals</i>	<i>2017-19 Leg Adopted Budget</i>	<i>2017-19 Leg Approved Budget</i>	<i>2019-21 Agency Request Budget</i>	<i>2019-21 Governor's Budget</i>	<i>2019-21 Leg. Adopted Audit</i>
BEGINNING BALANCE						
0025 Beginning Balance						
3010 Other Funds Cap Improve	-	765,500	765,500	552,000	552,000	-
3200 Other Funds Non-Ltd	2,546,305,935	3,167,144,302	3,167,144,302	4,749,871,833	4,749,871,833	-
3400 Other Funds Ltd	1,773,503	1,466,149	1,466,149	2,841,237	2,841,237	-
All Funds	2,548,079,438	3,169,375,951	3,169,375,951	4,753,265,070	4,753,265,070	-
REVENUE CATEGORIES						
GENERAL FUND APPROPRIATION						
0050 General Fund Appropriation						
8000 General Fund	6,133,655	-	-	-	-	-
TAXES						
0120 Employment Taxes						
3200 Other Funds Non-Ltd	50,777,854	2,092,715,141	2,092,715,141	1,286,003,244	1,286,003,244	-
3400 Other Funds Ltd	4,404,446	-	-	-	-	-
All Funds	55,182,300	2,092,715,141	2,092,715,141	1,286,003,244	1,286,003,244	-
CHARGES FOR SERVICES						
0410 Charges for Services						
3400 Other Funds Ltd	28,614,822	33,703,965	39,277,965	51,088,223	51,444,077	-
FINES, RENTS AND ROYALTIES						
0505 Fines and Forfeitures						
3010 Other Funds Cap Improve	31,926	-	-	-	-	-
3200 Other Funds Non-Ltd	3,422,824	14,833,329	14,833,329	17,145,228	17,145,228	-
All Funds	3,454,750	14,833,329	14,833,329	17,145,228	17,145,228	-

Employment Dept

Agency Number: 47100

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Employment Department**

Cross Reference Number: 47100-000-00-00-00000

<i>Description</i>	<i>2015-17 Actuals</i>	<i>2017-19 Leg Adopted Budget</i>	<i>2017-19 Leg Approved Budget</i>	<i>2019-21 Agency Request Budget</i>	<i>2019-21 Governor's Budget</i>	<i>2019-21 Leg. Adopted Audit</i>
0510 Rents and Royalties						
3400 Other Funds Ltd	295,195	-	-	-	-	-
FINES, RENTS AND ROYALTIES						
3010 Other Funds Cap Improve	31,926	-	-	-	-	-
3200 Other Funds Non-Ltd	3,422,824	14,833,329	14,833,329	17,145,228	17,145,228	-
3400 Other Funds Ltd	295,195	-	-	-	-	-
TOTAL FINES, RENTS AND ROYALTIES	\$3,749,945	\$14,833,329	\$14,833,329	\$17,145,228	\$17,145,228	-
INTEREST EARNINGS						
0605 Interest Income						
3200 Other Funds Non-Ltd	-	127,708,000	127,708,000	127,815,000	127,815,000	-
OTHER						
0975 Other Revenues						
3200 Other Funds Non-Ltd	-	30,000,000	30,000,000	30,000,000	30,000,000	-
3400 Other Funds Ltd	4,575,044	567,786	2,015,267	1,350,000	1,350,000	-
All Funds	4,575,044	30,567,786	32,015,267	31,350,000	31,350,000	-
FEDERAL FUNDS REVENUE						
0995 Federal Funds						
6200 Federal Funds Non-Ltd	1,073,179,878	70,000,000	70,000,000	100,000,000	100,000,000	-
6400 Federal Funds Ltd	145,289,456	162,091,947	162,875,443	155,031,590	155,031,590	-
All Funds	1,218,469,334	232,091,947	232,875,443	255,031,590	255,031,590	-
TRANSFERS IN						
1010 Transfer In - Intrafund						
3010 Other Funds Cap Improve	31,926	765,500	765,500	552,000	552,000	-

Employment Dept

Agency Number: 47100

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Employment Department**

Cross Reference Number: 47100-000-00-00-00000

Description	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
3200 Other Funds Non-Ltd	1,012,699,018	1,431,500,000	1,431,500,000	1,589,500,000	1,589,500,000	-
3400 Other Funds Ltd	94,172,541	114,901,619	114,901,619	139,594,758	139,594,758	-
6200 Federal Funds Non-Ltd	-	-	-	6,000,000	6,000,000	-
All Funds	1,106,903,485	1,547,167,119	1,547,167,119	1,735,646,758	1,735,646,758	-
1100 Tsfr From Human Svcs, Dept of						
3400 Other Funds Ltd	-	175,151	175,151	175,788	175,788	-
1525 Tsfr From HECC						
3400 Other Funds Ltd	1,652,637	179,151	179,151	179,151	179,151	-
TRANSFERS IN						
3010 Other Funds Cap Improve	31,926	765,500	765,500	552,000	552,000	-
3200 Other Funds Non-Ltd	1,012,699,018	1,431,500,000	1,431,500,000	1,589,500,000	1,589,500,000	-
3400 Other Funds Ltd	95,825,178	115,255,921	115,255,921	139,949,697	139,949,697	-
6200 Federal Funds Non-Ltd	-	-	-	6,000,000	6,000,000	-
TOTAL TRANSFERS IN	\$1,108,556,122	\$1,547,521,421	\$1,547,521,421	\$1,736,001,697	\$1,736,001,697	-
REVENUE CATEGORIES						
8000 General Fund	6,133,655	-	-	-	-	-
3010 Other Funds Cap Improve	63,852	765,500	765,500	552,000	552,000	-
3200 Other Funds Non-Ltd	1,066,899,696	3,696,756,470	3,696,756,470	3,050,463,472	3,050,463,472	-
3400 Other Funds Ltd	133,714,685	149,527,872	156,549,153	192,387,920	192,743,774	-
6200 Federal Funds Non-Ltd	1,073,179,878	70,000,000	70,000,000	108,000,000	106,000,000	-
6400 Federal Funds Ltd	145,289,456	162,091,947	162,875,443	155,031,590	155,031,590	-
TOTAL REVENUE CATEGORIES	\$2,425,281,222	\$4,079,141,589	\$4,086,946,566	\$3,504,434,982	\$3,504,790,836	-
TRANSFERS OUT						

Employment Dept

Agency Number: 47100

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Employment Department**

Cross Reference Number: 47100-000-00-00-00000

Description	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
2010 Transfer Out - Intrafund						
3010 Other Funds Cap Improve	(31,926)	(765,500)	(765,500)	(552,000)	(552,000)	-
3200 Other Funds Non-Ltd	(1,106,871,559)	(1,546,401,619)	(1,546,401,619)	(1,735,094,758)	(1,735,094,758)	-
All Funds	(1,106,903,485)	(1,547,167,119)	(1,547,167,119)	(1,735,646,758)	(1,735,646,758)	-
2121 Tsfr To Governor, Office of the						
3400 Other Funds Ltd	(81,337)	(200,000)	(200,000)	(220,000)	(220,000)	-
2839 Tsfr To Labor and Ind, Bureau						
3200 Other Funds Non-Ltd	-	(5,273,000)	(5,273,000)	(5,265,083)	(5,265,083)	-
3400 Other Funds Ltd	(4,459,812)	-	-	-	-	-
All Funds	(4,459,812)	(5,273,000)	(5,273,000)	(5,265,083)	(5,265,083)	-
TRANSFERS OUT						
3010 Other Funds Cap Improve	(31,926)	(765,500)	(765,500)	(552,000)	(552,000)	-
3200 Other Funds Non-Ltd	(1,106,871,559)	(1,551,674,619)	(1,551,674,619)	(1,740,359,841)	(1,740,359,841)	-
3400 Other Funds Ltd	(4,541,149)	(200,000)	(200,000)	(220,000)	(220,000)	-
TOTAL TRANSFERS OUT	(\$1,111,444,634)	(\$1,552,640,119)	(\$1,552,640,119)	(\$1,741,131,841)	(\$1,741,131,841)	-
AVAILABLE REVENUES						
8000 General Fund	6,133,855	-	-	-	-	-
3010 Other Funds Cap Improve	31,926	765,500	765,500	552,000	552,000	-
3200 Other Funds Non-Ltd	2,506,334,072	5,312,226,153	5,312,226,153	6,059,975,464	6,059,975,464	-
3400 Other Funds Ltd	130,947,039	150,793,821	157,815,302	195,009,157	195,365,011	-
6200 Federal Funds Non-Ltd	1,073,179,878	70,000,000	70,000,000	106,000,000	106,000,000	-
6400 Federal Funds Ltd	145,289,456	162,091,947	162,875,443	155,031,590	155,031,590	-
TOTAL AVAILABLE REVENUES	\$3,861,916,026	\$5,695,877,421	\$5,703,682,398	\$6,516,568,211	\$6,516,924,065	-

Employment Dept

Agency Number: 47100

Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Employment Department

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Description	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
EXPENDITURES						
PERSONAL SERVICES						
SALARIES & WAGES						
3110 Class/Unclass Sal. and Per Diem						
8000 General Fund	269,791	-	-	-	-	-
3400 Other Funds Ltd	57,567,925	67,943,946	71,632,017	78,208,861	78,289,381	-
6400 Federal Funds Ltd	60,938,926	80,100,733	82,537,186	84,287,172	84,461,869	-
All Funds	118,776,642	148,044,679	154,169,203	162,496,033	162,751,250	-
3160 Temporary Appointments						
8000 General Fund	152	-	-	-	-	-
3400 Other Funds Ltd	483,563	246,315	246,315	255,675	255,675	-
6400 Federal Funds Ltd	340,603	228,901	228,901	237,600	237,600	-
All Funds	824,318	475,216	475,216	493,275	493,275	-
3170 Overtime Payments						
8000 General Fund	195	-	-	-	-	-
3400 Other Funds Ltd	257,476	99,925	99,925	103,722	103,722	-
6400 Federal Funds Ltd	627,400	181,948	181,948	188,862	188,862	-
All Funds	885,071	281,873	281,873	292,584	292,584	-
3180 Shift Differential						
8000 General Fund	1	-	-	-	-	-
3400 Other Funds Ltd	647	30,057	30,057	31,199	31,199	-
6400 Federal Funds Ltd	2,405	-	-	-	-	-
All Funds	3,053	30,057	30,057	31,199	31,199	-

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<i>Description</i>	<i>2015-17 Actuals</i>	<i>2017-19 Leg Adopted Budget</i>	<i>2017-19 Leg Approved Budget</i>	<i>2019-21 Agency Request Budget</i>	<i>2019-21 Governor's Budget</i>	<i>2019-21 Leg. Adopted Audit</i>
3190 All Other Differential						
8000 General Fund	533	-	-	-	-	-
3400 Other Funds Ltd	1,060,337	871,191	871,191	904,296	904,296	-
6400 Federal Funds Ltd	1,121,186	383,896	383,696	398,484	398,484	-
All Funds	2,182,056	1,255,087	1,255,087	1,302,780	1,302,780	-
SALARIES & WAGES						
8000 General Fund	270,672	-	-	-	-	-
3400 Other Funds Ltd	59,369,948	69,191,434	72,879,505	79,503,753	79,584,273	-
6400 Federal Funds Ltd	63,030,520	80,895,478	83,331,931	85,112,118	85,286,815	-
TOTAL SALARIES & WAGES	\$122,671,140	\$150,086,912	\$156,211,436	\$164,615,871	\$164,871,088	
OTHER PAYROLL EXPENSES						
3210 Empl. Rel. Bd. Assessments						
8000 General Fund	97	-	-	-	-	-
3400 Other Funds Ltd	21,433	31,229	32,361	37,475	37,548	-
6400 Federal Funds Ltd	26,950	40,156	40,156	42,809	42,642	-
All Funds	48,480	71,385	72,517	80,084	80,190	-
3220 Public Employees' Retire Cont						
8000 General Fund	50,454	-	-	-	-	-
3400 Other Funds Ltd	8,935,870	9,732,037	9,986,179	13,448,381	13,462,046	-
6400 Federal Funds Ltd	9,348,926	11,333,659	11,377,588	14,403,226	14,432,872	-
All Funds	18,335,250	21,065,696	21,363,767	27,851,607	27,894,918	-
3221 Pension Obligation Bond						
8000 General Fund	16,351	17,278	17,278	-	-	-

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3400 Other Funds Ltd	3,413,043	4,086,892	4,009,452	4,053,332	4,053,332	-
6400 Federal Funds Ltd	3,832,982	4,399,902	4,582,755	4,683,419	4,683,419	-
All Funds	7,262,376	8,504,072	8,609,485	8,736,751	8,736,751	-
3230 Social Security Taxes						
8000 General Fund	19,794	-	-	-	-	-
3400 Other Funds Ltd	4,339,333	5,290,701	5,585,926	6,079,501	6,085,661	-
6400 Federal Funds Ltd	4,896,080	6,183,831	6,385,660	6,499,818	6,513,176	-
All Funds	9,255,207	11,474,532	11,971,586	12,579,319	12,598,837	-
3240 Unemployment Assessments						
8000 General Fund	46	-	-	-	-	-
3400 Other Funds Ltd	141,059	-	-	-	-	-
6400 Federal Funds Ltd	223,161	136,767	136,767	141,964	141,964	-
All Funds	364,266	136,767	136,767	141,964	141,964	-
3250 Worker's Comp. Assess. (WCD)						
8000 General Fund	111	-	-	-	-	-
3400 Other Funds Ltd	27,264	37,794	39,115	35,641	35,711	-
6400 Federal Funds Ltd	33,483	48,636	48,636	40,622	40,643	-
All Funds	60,858	86,430	87,751	76,263	76,354	-
3260 Mass Transit Tax						
8000 General Fund	1,490	1,786	1,786	-	-	-
3400 Other Funds Ltd	229,304	423,891	423,891	433,276	433,276	-
All Funds	230,794	425,677	425,677	433,276	433,276	-
3270 Flexible Benefits						

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<i>Description</i>	<i>2015-17 Actuals</i>	<i>2017-19 Leg Adopted Budget</i>	<i>2017-19 Leg Approved Budget</i>	<i>2019-21 Agency Request Budget</i>	<i>2019-21 Governor's Budget</i>	<i>2019-21 Leg. Adopted Audit</i>
8000 General Fund	60,370	-	-	-	-	-
3400 Other Funds Ltd	15,856,348	18,226,958	19,544,478	21,577,114	21,619,335	-
6400 Federal Funds Ltd	17,801,227	22,984,672	23,836,876	24,610,882	24,650,557	-
All Funds	33,717,945	41,211,630	43,381,354	46,187,796	46,269,892	-
3280 Other OPE						
3400 Other Funds Ltd	7,839	-	-	-	-	-
OTHER PAYROLL EXPENSES						
8000 General Fund	148,713	19,064	19,064	-	-	-
3400 Other Funds Ltd	32,971,493	37,829,502	39,621,402	45,664,720	45,726,909	-
6400 Federal Funds Ltd	36,162,809	45,127,623	46,408,438	50,422,340	50,505,273	-
TOTAL OTHER PAYROLL EXPENSES	\$69,283,015	\$82,976,189	\$86,048,904	\$96,087,060	\$96,232,182	
P.S. BUDGET ADJUSTMENTS						
3455 Vacancy Savings						
8000 General Fund	-	(6,360)	(6,360)	-	-	-
3400 Other Funds Ltd	-	(3,382,353)	(3,382,353)	(1,625,334)	(1,625,334)	-
6400 Federal Funds Ltd	-	(3,985,269)	(3,985,269)	(1,699,908)	(1,699,908)	-
All Funds	-	(7,353,982)	(7,353,982)	(3,325,242)	(3,325,242)	-
3465 Reconciliation Adjustment						
8000 General Fund	-	(12,704)	(12,704)	-	-	-
3400 Other Funds Ltd	-	(256,055)	(256,055)	-	141,145	-
6400 Federal Funds Ltd	-	938,745	938,745	-	(257,630)	-
All Funds	-	669,986	669,986	-	(116,485)	-
P.S. BUDGET ADJUSTMENTS						

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<i>Description</i>	<i>2015-17 Actuals</i>	<i>2017-19 Leg Adopted Budget</i>	<i>2017-19 Leg Approved Budget</i>	<i>2019-21 Agency Request Budget</i>	<i>2019-21 Governor's Budget</i>	<i>2019-21 Leg. Adopted Audit</i>
8000 General Fund	-	(19,064)	(19,064)	-	-	-
3400 Other Funds Ltd	-	(3,638,408)	(3,638,408)	(1,625,334)	(1,484,189)	-
6400 Federal Funds Ltd	-	(3,026,524)	(3,026,524)	(1,699,908)	(1,957,538)	-
TOTAL P.S. BUDGET ADJUSTMENTS	-	(\$6,683,996)	(\$6,683,996)	(\$3,325,242)	(\$3,441,727)	-
PERSONAL SERVICES						
8000 General Fund	419,385	-	-	-	-	-
3400 Other Funds Ltd	92,341,441	103,382,528	108,862,499	123,543,139	123,826,993	-
6400 Federal Funds Ltd	99,193,329	122,996,577	128,713,845	133,834,550	133,834,550	-
TOTAL PERSONAL SERVICES	\$191,954,155	\$226,379,105	\$235,576,344	\$257,377,689	\$257,661,543	-
SERVICES & SUPPLIES						
4100 Instate Travel						
8000 General Fund	5,228	-	-	-	-	-
3400 Other Funds Ltd	1,029,974	558,402	616,402	699,463	713,183	-
6400 Federal Funds Ltd	608,430	624,915	624,915	694,392	694,392	-
All Funds	1,643,632	1,181,317	1,241,317	1,393,855	1,407,575	-
4125 Out of State Travel						
8000 General Fund	4,124	-	-	-	-	-
3400 Other Funds Ltd	107,335	322,902	322,902	327,572	327,572	-
6400 Federal Funds Ltd	131,710	55,224	55,224	59,051	59,051	-
All Funds	243,169	378,126	378,126	386,623	386,623	-
4150 Employee Training						
8000 General Fund	3,193	-	-	-	-	-
3400 Other Funds Ltd	320,078	238,915	238,915	372,181	373,811	-

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<i>Description</i>	<i>2015-17 Actuals</i>	<i>2017-19 Leg Adopted Budget</i>	<i>2017-19 Leg Approved Budget</i>	<i>2019-21 Agency Request Budget</i>	<i>2019-21 Governor's Budget</i>	<i>2019-21 Leg. Adopted Audit</i>
6400 Federal Funds Ltd	415,411	115,691	115,691	136,447	136,447	-
All Funds	738,682	354,606	354,606	508,628	510,258	-
4175 Office Expenses						
8000 General Fund	2,907	-	-	-	-	-
3400 Other Funds Ltd	2,042,108	4,450,322	4,518,700	7,221,594	7,233,849	-
6400 Federal Funds Ltd	4,592,507	3,832,303	3,832,303	1,788,807	1,788,807	-
All Funds	6,697,522	8,282,625	8,351,003	9,010,401	9,022,656	-
4200 Telecommunications						
8000 General Fund	2,106	-	-	-	-	-
3400 Other Funds Ltd	2,280,713	4,388,987	4,487,755	7,188,331	7,157,292	-
6400 Federal Funds Ltd	2,164,589	2,800,890	2,800,890	691,286	736,286	-
All Funds	4,447,408	7,189,877	7,288,645	7,879,617	7,893,578	-
4225 State Gov. Service Charges						
8000 General Fund	28,850	-	-	-	-	-
3400 Other Funds Ltd	4,244,038	3,610,166	3,610,166	7,101,888	6,639,662	-
6400 Federal Funds Ltd	4,197,270	3,829,984	3,829,984	2,374,383	2,374,383	-
All Funds	8,470,158	7,440,150	7,440,150	9,476,271	9,014,045	-
4250 Data Processing						
8000 General Fund	6,469	-	-	-	-	-
3400 Other Funds Ltd	2,559,017	6,378,715	6,378,715	10,154,197	10,136,851	-
6400 Federal Funds Ltd	6,127,519	7,161,378	7,161,378	3,856,444	3,024,586	-
All Funds	8,693,005	13,540,093	13,540,093	14,010,641	13,161,437	-
4275 Publicity and Publications						

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8000 General Fund	136	-	-	-	-	-
3400 Other Funds Ltd	15,232	183,953	183,953	190,943	190,943	-
6400 Federal Funds Ltd	13,196	85,855	85,855	89,117	89,117	-
All Funds	28,564	269,808	269,808	280,060	280,060	-
4300 Professional Services						
8000 General Fund	92,810	-	-	-	-	-
3400 Other Funds Ltd	303,013	1,257,602	1,257,602	1,298,554	1,298,554	-
6400 Federal Funds Ltd	1,566,254	310,352	310,352	325,690	325,690	-
All Funds	1,962,077	1,567,954	1,567,954	1,624,244	1,624,244	-
4315 IT Professional Services						
8000 General Fund	513	-	-	-	-	-
3400 Other Funds Ltd	1,340,231	4,318,126	4,318,126	8,865,891	8,865,891	-
6400 Federal Funds Ltd	1,461,583	1,872,709	1,872,709	1,951,363	1,951,363	-
All Funds	2,802,327	6,190,835	6,190,835	10,817,254	10,817,254	-
4325 Attorney General						
8000 General Fund	10,355	-	-	-	-	-
3400 Other Funds Ltd	192,983	152,726	152,726	183,484	172,566	-
6400 Federal Funds Ltd	583,410	699,063	699,063	839,855	789,883	-
All Funds	786,748	851,789	851,789	1,023,339	962,449	-
4375 Employee Recruitment and Develop						
8000 General Fund	113	-	-	-	-	-
3400 Other Funds Ltd	44,316	11,802	11,802	12,251	12,251	-
6400 Federal Funds Ltd	48,958	2,900	2,900	3,010	3,010	-

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All Funds	93,387	14,702	14,702	15,261	15,261	-
4400 Dues and Subscriptions						
8000 General Fund	288	-	-	-	-	-
3400 Other Funds Ltd	184,187	258,440	258,440	265,494	265,494	-
6400 Federal Funds Ltd	151,866	136,172	136,172	135,223	135,223	-
All Funds	336,341	394,612	394,612	400,717	400,717	-
4425 Facilities Rental and Taxes						
8000 General Fund	23,483	-	-	-	-	-
3400 Other Funds Ltd	7,682,073	4,807,328	5,154,915	6,945,883	6,945,883	-
6400 Federal Funds Ltd	4,314,376	5,588,896	5,588,896	5,705,989	5,705,989	-
All Funds	12,019,932	10,396,224	10,743,811	12,651,872	12,651,872	-
4450 Fuels and Utilities						
8000 General Fund	5	-	-	-	-	-
3400 Other Funds Ltd	298,820	40,337	63,710	181,948	186,265	-
6400 Federal Funds Ltd	202,395	461,164	461,164	490,268	490,268	-
All Funds	501,220	501,501	524,874	672,216	676,533	-
4475 Facilities Maintenance						
8000 General Fund	154	-	-	-	-	-
3400 Other Funds Ltd	1,758,301	912,992	971,002	2,120,383	2,134,655	-
6400 Federal Funds Ltd	576,031	656,939	656,939	767,325	767,325	-
All Funds	2,334,486	1,569,931	1,627,941	2,887,708	2,901,980	-
4525 Medical Services and Supplies						
3400 Other Funds Ltd	-	42	42	43	43	-

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6400 Federal Funds Ltd	-	85	85	88	88	-
All Funds	-	127	127	131	131	-
4575 Agency Program Related S and S						
3400 Other Funds Ltd	339,591	344,478	344,478	357,588	357,588	-
6400 Federal Funds Ltd	-	257,333	257,333	250,808	250,808	-
All Funds	339,591	601,811	601,811	608,176	608,176	-
4600 Intra-agency Charges						
3400 Other Funds Ltd	3,064,771	5,511,000	5,511,000	9,020,418	9,020,418	-
6400 Federal Funds Ltd	5,635,485	3,331,000	3,331,000	157,578	157,578	-
All Funds	8,700,256	8,842,000	8,842,000	9,177,996	9,177,996	-
4625 Other COP Costs						
3400 Other Funds Ltd	-	265	265	265	265	-
4650 Other Services and Supplies						
8000 General Fund	428	-	-	-	-	-
3400 Other Funds Ltd	692,118	315,094	315,094	526,585	526,585	-
6400 Federal Funds Ltd	201,867	174,995	174,995	178,531	178,531	-
All Funds	894,413	490,089	490,089	705,116	705,116	-
4700 Expendable Prop 250 - 5000						
8000 General Fund	80	-	-	-	-	-
3400 Other Funds Ltd	509,533	215,623	230,507	598,259	600,992	-
6400 Federal Funds Ltd	120,682	100,396	100,396	131,431	131,431	-
All Funds	630,295	316,019	330,903	729,690	732,423	-
4715 IT Expendable Property						

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8000 General Fund	2,606	-	-	-	-	-
3400 Other Funds Ltd	1,454,878	1,640,788	1,640,788	2,394,070	2,403,182	-
6400 Federal Funds Ltd	1,807,929	640,487	640,487	371,094	371,094	-
All Funds	3,265,413	2,281,275	2,281,275	2,765,164	2,774,276	-
SERVICES & SUPPLIES						
8000 General Fund	183,848	-	-	-	-	-
3400 Other Funds Ltd	30,463,310	39,917,005	40,588,005	66,027,265	65,563,775	-
6400 Federal Funds Ltd	34,921,468	32,738,731	32,738,731	20,997,980	20,161,150	-
TOTAL SERVICES & SUPPLIES	\$65,568,626	\$72,655,736	\$73,326,736	\$87,025,245	\$85,724,925	-
CAPITAL OUTLAY						
5150 Telecommunications Equipment						
3400 Other Funds Ltd	-	35,380	35,380	36,724	36,724	-
5200 Technical Equipment						
3400 Other Funds Ltd	6,946	105,245	105,245	109,244	109,244	-
5550 Data Processing Software						
3400 Other Funds Ltd	1,176,408	278,029	278,029	288,594	288,594	-
6400 Federal Funds Ltd	179,640	137,729	137,729	142,963	142,963	-
All Funds	1,356,048	415,758	415,758	431,557	431,557	-
5600 Data Processing Hardware						
3400 Other Funds Ltd	1,641,802	9,300	9,300	9,653	9,653	-
6400 Federal Funds Ltd	-	2,274	2,274	2,360	2,360	-
All Funds	1,641,802	11,574	11,574	12,013	12,013	-
5700 Building Structures						

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8000 General Fund	10	-	-	-	-	-
3010 Other Funds Cap Improve	31,926	765,500	765,500	552,000	552,000	-
3400 Other Funds Ltd	118,447	11,440	11,440	11,875	11,875	-
6400 Federal Funds Ltd	-	887	887	921	921	-
All Funds	150,383	777,827	777,827	564,796	564,796	-
5900 Other Capital Outlay						
3400 Other Funds Ltd	236,867	39,910	39,910	41,426	41,426	-
6400 Federal Funds Ltd	-	50,883	50,883	52,816	52,816	-
All Funds	236,867	90,793	90,793	94,242	94,242	-
CAPITAL OUTLAY						
8000 General Fund	10	-	-	-	-	-
3010 Other Funds Cap Improve	31,926	765,500	765,500	552,000	552,000	-
3400 Other Funds Ltd	3,180,470	479,304	479,304	497,516	497,516	-
6400 Federal Funds Ltd	179,640	191,773	191,773	199,060	199,060	-
TOTAL CAPITAL OUTLAY	\$3,392,046	\$1,436,577	\$1,436,577	\$1,248,576	\$1,248,576	-
SPECIAL PAYMENTS						
6030 Dist to Non-Gov Units						
8000 General Fund	220,231	-	-	-	-	-
6035 Dist to Individuals						
3200 Other Funds Non-Ltd	1,012,699,018	1,424,000,000	1,424,000,000	1,582,000,000	1,582,000,000	-
3400 Other Funds Ltd	-	-	2,209,000	2,100,000	2,100,000	-
6200 Federal Funds Non-Ltd	60,480,860	70,000,000	70,000,000	100,000,000	100,000,000	-
6400 Federal Funds Ltd	36,534	-	-	-	-	-

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All Funds	1,073,216,412	1,494,000,000	1,496,209,000	1,684,100,000	1,684,100,000	-
6045 Dist to Comm College Districts						
8000 General Fund	1,039,997	-	-	-	-	-
6048 Spc Pmt to Public Universities						
8000 General Fund	1,973,522	-	-	-	-	-
6050 Dist to Non-Profit Organizations						
8000 General Fund	2,031,504	-	-	-	-	-
SPECIAL PAYMENTS						
8000 General Fund	5,265,254	-	-	-	-	-
3200 Other Funds Non-Ltd	1,012,699,018	1,424,000,000	1,424,000,000	1,582,000,000	1,582,000,000	-
3400 Other Funds Ltd	-	-	2,209,000	2,100,000	2,100,000	-
6200 Federal Funds Non-Ltd	60,480,860	70,000,000	70,000,000	100,000,000	100,000,000	-
6400 Federal Funds Ltd	36,534	-	-	-	-	-
TOTAL SPECIAL PAYMENTS	\$1,078,481,666	\$1,494,000,000	\$1,496,209,000	\$1,684,100,000	\$1,684,100,000	-
EXPENDITURES						
8000 General Fund	5,868,497	-	-	-	-	-
3010 Other Funds Cap Improve	31,926	765,500	765,500	552,000	552,000	-
3200 Other Funds Non-Ltd	1,012,699,018	1,424,000,000	1,424,000,000	1,582,000,000	1,582,000,000	-
3400 Other Funds Ltd	125,985,221	143,778,837	152,138,808	192,167,920	191,988,284	-
6200 Federal Funds Non-Ltd	60,480,860	70,000,000	70,000,000	100,000,000	100,000,000	-
6400 Federal Funds Ltd	134,330,971	155,927,081	159,644,349	155,031,590	154,194,760	-
TOTAL EXPENDITURES	\$1,339,396,493	\$1,794,471,418	\$1,806,548,657	\$2,029,751,510	\$2,028,735,044	-
REVERSIONS						

Employment Dept

Agency Number: 47100

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Employment Department**

Cross Reference Number: 47100-000-00-00-00000

<i>Description</i>	<i>2015-17 Actuals</i>	<i>2017-19 Leg Adopted Budget</i>	<i>2017-19 Leg Approved Budget</i>	<i>2019-21 Agency Request Budget</i>	<i>2019-21 Governor's Budget</i>	<i>2019-21 Leg. Adopted Audit</i>
9900 Reversions						
8000 General Fund	(265,156)	-	-	-	-	-
ENDING BALANCE						
3200 Other Funds Non-Ltd	1,493,635,054	3,888,228,153	3,888,228,153	4,477,975,464	4,477,975,464	-
3400 Other Funds Ltd	4,961,818	7,014,984	5,676,494	2,841,237	3,376,727	-
6200 Federal Funds Non-Ltd	1,012,699,018	-	-	6,000,000	6,000,000	-
6400 Federal Funds Ltd	10,958,485	6,164,866	3,231,094	-	836,830	-
TOTAL ENDING BALANCE	\$2,522,254,375	\$3,901,406,003	\$3,897,133,741	\$4,486,816,701	\$4,488,189,021	-
AUTHORIZED POSITIONS						
8150 Class/Unclass Positions	1,259	1,288	1,310	1,354	1,352	-
8180 Position Reconciliation	-	10	10	-	4	-
TOTAL AUTHORIZED POSITIONS	1,259	1,298	1,320	1,354	1,356	-
AUTHORIZED FTE						
8250 Class/Unclass FTE Positions	1,226.45	1,232.43	1,251.68	1,300.63	1,303.00	-
8280 FTE Reconciliation	-	7.35	7.35	-	(0.17)	-
TOTAL AUTHORIZED FTE	1,226.45	1,239.78	1,259.03	1,300.63	1,302.83	-

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Budget Support - Detail Revenues and Expenditures

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Employment Dept Operations - Limited

Description	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
BEGINNING BALANCE						
0025 Beginning Balance						
3400 Other Funds Ltd	1,773,503	1,466,149	1,466,149	2,841,237	2,841,237	-
REVENUE CATEGORIES						
GENERAL FUND APPROPRIATION						
0050 General Fund Appropriation						
8000 General Fund	6,133,655	-	-	-	-	-
TAXES						
0120 Employment Taxes						
3400 Other Funds Ltd	4,404,446	-	-	-	-	-
CHARGES FOR SERVICES						
0410 Charges for Services						
3400 Other Funds Ltd	28,614,822	33,703,965	39,277,965	51,088,223	51,444,077	-
FINES, RENTS AND ROYALTIES						
0510 Rents and Royalties						
3400 Other Funds Ltd	295,195	-	-	-	-	-
OTHER						
0975 Other Revenues						
3400 Other Funds Ltd	4,575,044	567,786	2,015,267	1,350,000	1,350,000	-
FEDERAL FUNDS REVENUE						
0995 Federal Funds						
6400 Federal Funds Ltd	145,289,456	162,091,947	162,875,443	155,031,590	155,031,590	-
TRANSFERS IN						

Employment Dept

Agency Number: 47100

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Employment Dept Operations - Limited**

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

<i>Description</i>	<i>2015-17 Actuals</i>	<i>2017-19 Leg Adopted Budget</i>	<i>2017-19 Leg Approved Budget</i>	<i>2019-21 Agency Request Budget</i>	<i>2019-21 Governor's Budget</i>	<i>2019-21 Leg. Adopted Audit</i>
1010 Transfer In - Intrafund						
3010 Other Funds Cap Improve	31,926	765,500	765,500	552,000	552,000	-
3400 Other Funds Ltd	94,172,541	114,901,619	114,901,619	139,594,758	139,594,758	-
All Funds	94,204,467	115,667,119	115,667,119	140,146,758	140,146,758	-
1100 Tsfr From Human Svcs, Dept of						
3400 Other Funds Ltd	-	175,151	175,151	175,788	175,788	-
1525 Tsfr From HECC						
3400 Other Funds Ltd	1,652,637	179,151	179,151	179,151	179,151	-
TRANSFERS IN						
3010 Other Funds Cap Improve	31,926	765,500	765,500	552,000	552,000	-
3400 Other Funds Ltd	95,825,178	115,255,921	115,255,921	139,949,697	139,949,697	-
TOTAL TRANSFERS IN	\$95,857,104	\$116,021,421	\$116,021,421	\$140,501,697	\$140,501,697	-
REVENUE CATEGORIES						
8000 General Fund	6,133,655	-	-	-	-	-
3010 Other Funds Cap Improve	31,926	765,500	765,500	552,000	552,000	-
3400 Other Funds Ltd	133,714,685	149,527,672	156,549,153	192,387,920	192,743,774	-
6400 Federal Funds Ltd	145,289,456	162,091,947	162,875,443	155,031,590	155,031,590	-
TOTAL REVENUE CATEGORIES	\$285,169,722	\$312,385,119	\$320,190,096	\$347,971,510	\$348,327,364	-
TRANSFERS OUT						
2121 Tsfr To Governor, Office of the						
3400 Other Funds Ltd	(81,337)	(200,000)	(200,000)	(220,000)	(220,000)	-
2839 Tsfr To Labor and Ind, Bureau						
3400 Other Funds Ltd	(4,459,812)	-	-	-	-	-

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Budget Support - Detail Revenues and Expenditures
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Employment Dept Operations - Limited

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Description	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
TRANSFERS OUT						
3400 Other Funds Ltd	(4,541,149)	(200,000)	(200,000)	(220,000)	(220,000)	-
TOTAL TRANSFERS OUT	(\$4,541,149)	(\$200,000)	(\$200,000)	(\$220,000)	(\$220,000)	-
AVAILABLE REVENUES						
8000 General Fund	6,133,655	-	-	-	-	-
3010 Other Funds Cap Improve	31,926	765,500	765,500	552,000	552,000	-
3400 Other Funds Ltd	130,947,039	150,793,821	157,815,302	195,009,157	195,365,011	-
6400 Federal Funds Ltd	145,289,456	162,091,947	162,875,443	155,031,590	155,031,590	-
TOTAL AVAILABLE REVENUES	\$282,402,076	\$313,651,268	\$321,456,245	\$350,592,747	\$350,948,601	-
EXPENDITURES						
PERSONAL SERVICES						
SALARIES & WAGES						
3110 Class/Unclass Sal. and Per Diem						
8000 General Fund	269,791	-	-	-	-	-
3400 Other Funds Ltd	57,567,925	67,943,946	71,632,017	78,208,861	78,289,381	-
6400 Federal Funds Ltd	60,938,926	80,100,733	82,537,186	84,287,172	84,461,869	-
All Funds	118,776,642	148,044,679	154,169,203	162,496,033	162,751,250	-
3160 Temporary Appointments						
8000 General Fund	152	-	-	-	-	-
3400 Other Funds Ltd	483,563	246,315	246,315	255,675	255,675	-
6400 Federal Funds Ltd	340,603	228,901	228,901	237,600	237,600	-
All Funds	824,318	475,216	475,216	493,275	493,275	-
3170 Overtime Payments						

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Description	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
8000 General Fund	195	-	-	-	-	-
3400 Other Funds Ltd	257,476	99,925	99,925	103,722	103,722	-
6400 Federal Funds Ltd	627,400	181,948	181,948	188,862	188,862	-
All Funds	885,071	281,873	281,873	292,584	292,584	-
3180 Shift Differential						
8000 General Fund	1	-	-	-	-	-
3400 Other Funds Ltd	647	30,057	30,057	31,199	31,199	-
6400 Federal Funds Ltd	2,405	-	-	-	-	-
All Funds	3,053	30,057	30,057	31,199	31,199	-
3190 All Other Differential						
8000 General Fund	533	-	-	-	-	-
3400 Other Funds Ltd	1,060,337	871,191	871,191	904,296	904,296	-
6400 Federal Funds Ltd	1,121,186	383,896	383,896	398,484	398,484	-
All Funds	2,182,056	1,255,087	1,255,087	1,302,780	1,302,780	-
SALARIES & WAGES						
8000 General Fund	270,672	-	-	-	-	-
3400 Other Funds Ltd	59,369,948	69,191,434	72,879,505	79,503,753	79,584,273	-
6400 Federal Funds Ltd	63,030,520	80,895,478	83,331,931	85,112,118	85,286,815	-
TOTAL SALARIES & WAGES	\$122,671,140	\$150,086,912	\$156,211,436	\$164,615,871	\$164,871,088	-
OTHER PAYROLL EXPENSES						
3210 Empl. Rel. Bd. Assessments						
8000 General Fund	97	-	-	-	-	-
3400 Other Funds Ltd	21,433	31,229	32,361	37,475	37,548	-

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**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Employment Dept Operations - Limited**

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

Description	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
6400 Federal Funds Ltd	26,950	40,156	40,156	42,609	42,642	-
All Funds	48,480	71,385	72,517	80,084	80,190	-
3220 Public Employees' Retire Cont						
8000 General Fund	50,454	-	-	-	-	-
3400 Other Funds Ltd	8,935,870	9,732,037	9,986,179	13,448,381	13,462,046	-
6400 Federal Funds Ltd	9,348,926	11,333,659	11,377,588	14,403,226	14,432,872	-
All Funds	18,335,250	21,065,696	21,363,767	27,851,607	27,894,918	-
3221 Pension Obligation Bond						
8000 General Fund	16,351	17,278	17,278	-	-	-
3400 Other Funds Ltd	3,413,043	4,086,892	4,009,452	4,053,332	4,053,332	-
6400 Federal Funds Ltd	3,832,982	4,399,902	4,582,755	4,683,419	4,683,419	-
All Funds	7,262,376	8,504,072	8,609,485	8,736,751	8,736,751	-
3230 Social Security Taxes						
8000 General Fund	19,794	-	-	-	-	-
3400 Other Funds Ltd	4,339,333	5,290,701	5,585,926	6,079,501	6,085,661	-
6400 Federal Funds Ltd	4,896,080	6,183,831	6,385,660	6,499,818	6,513,176	-
All Funds	9,255,207	11,474,532	11,971,586	12,579,319	12,598,837	-
3240 Unemployment Assessments						
8000 General Fund	46	-	-	-	-	-
3400 Other Funds Ltd	141,059	-	-	-	-	-
6400 Federal Funds Ltd	223,161	136,767	136,767	141,964	141,964	-
All Funds	364,266	136,767	136,767	141,964	141,964	-
3250 Worker's Comp. Assess. (WCD)						

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Employment Dept Operations - Limited

Description	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
8000 General Fund	111	-	-	-	-	-
3400 Other Funds Ltd	27,264	37,794	39,115	35,641	35,711	-
6400 Federal Funds Ltd	33,483	48,636	48,636	40,622	40,643	-
All Funds	60,858	86,430	87,751	76,263	76,354	-
3260 Mass Transit Tax						
8000 General Fund	1,490	1,786	1,786	-	-	-
3400 Other Funds Ltd	229,304	423,891	423,891	433,276	433,276	-
All Funds	230,794	425,677	425,677	433,276	433,276	-
3270 Flexible Benefits						
8000 General Fund	60,370	-	-	-	-	-
3400 Other Funds Ltd	15,856,348	18,226,958	19,544,478	21,577,114	21,619,335	-
6400 Federal Funds Ltd	17,801,227	22,984,672	23,836,876	24,610,682	24,650,557	-
All Funds	33,717,945	41,211,630	43,381,354	46,187,796	46,269,892	-
3280 Other OPE						
3400 Other Funds Ltd	7,839	-	-	-	-	-
OTHER PAYROLL EXPENSES						
8000 General Fund	148,713	19,064	19,064	-	-	-
3400 Other Funds Ltd	32,971,493	37,829,502	39,621,402	45,664,720	45,726,909	-
6400 Federal Funds Ltd	36,162,809	45,127,623	46,408,438	50,422,340	50,505,273	-
TOTAL OTHER PAYROLL EXPENSES	\$69,283,015	\$82,976,189	\$86,048,904	\$96,087,060	\$96,232,182	-
P.S. BUDGET ADJUSTMENTS						
3455 Vacancy Savings						
8000 General Fund	-	(6,360)	(6,360)	-	-	-

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Description	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
3400 Other Funds Ltd	-	(3,382,353)	(3,382,353)	(1,625,334)	(1,625,334)	-
6400 Federal Funds Ltd	-	(3,965,269)	(3,965,269)	(1,699,908)	(1,699,908)	-
All Funds	-	(7,353,982)	(7,353,982)	(3,325,242)	(3,325,242)	-
3465 Reconciliation Adjustment						
8000 General Fund	-	(12,704)	(12,704)	-	-	-
3400 Other Funds Ltd	-	(256,055)	(256,055)	-	141,145	-
6400 Federal Funds Ltd	-	938,745	938,745	-	(257,630)	-
All Funds	-	669,986	669,986	-	(116,485)	-
P.S. BUDGET ADJUSTMENTS						
8000 General Fund	-	(19,064)	(19,064)	-	-	-
3400 Other Funds Ltd	-	(3,638,408)	(3,638,408)	(1,625,334)	(1,484,189)	-
6400 Federal Funds Ltd	-	(3,026,524)	(3,026,524)	(1,699,908)	(1,957,538)	-
TOTAL P.S. BUDGET ADJUSTMENTS	-	(\$6,683,996)	(\$6,683,996)	(\$3,325,242)	(\$3,441,727)	-
PERSONAL SERVICES						
8000 General Fund	419,385	-	-	-	-	-
3400 Other Funds Ltd	92,341,441	103,382,528	108,862,499	123,543,139	123,826,993	-
6400 Federal Funds Ltd	99,193,329	122,996,577	126,713,845	133,834,550	133,834,550	-
TOTAL PERSONAL SERVICES	\$191,954,155	\$226,379,105	\$235,576,344	\$257,377,689	\$257,661,543	-
SERVICES & SUPPLIES						
4100 Instate Travel						
8000 General Fund	5,228	-	-	-	-	-
3400 Other Funds Ltd	1,029,974	556,402	616,402	699,463	713,183	-
6400 Federal Funds Ltd	608,430	624,915	624,915	694,392	694,392	-

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Employment Dept Operations - Limited

<i>Description</i>	<i>2015-17 Actuals</i>	<i>2017-19 Leg Adopted Budget</i>	<i>2017-19 Leg Approved Budget</i>	<i>2019-21 Agency Request Budget</i>	<i>2019-21 Governor's Budget</i>	<i>2019-21 Leg. Adopted Audit</i>
All Funds	1,643,632	1,181,317	1,241,317	1,393,855	1,407,575	-
4125 Out of State Travel						
8000 General Fund	4,124	-	-	-	-	-
3400 Other Funds Ltd	107,335	322,902	322,902	327,572	327,572	-
6400 Federal Funds Ltd	131,710	55,224	55,224	59,051	59,051	-
All Funds	243,169	378,126	378,126	386,623	386,623	-
4150 Employee Training						
8000 General Fund	3,193	-	-	-	-	-
3400 Other Funds Ltd	320,078	238,915	238,915	372,181	373,811	-
6400 Federal Funds Ltd	415,411	115,691	115,691	136,447	136,447	-
All Funds	738,682	354,606	354,606	508,628	510,258	-
4175 Office Expenses						
8000 General Fund	2,907	-	-	-	-	-
3400 Other Funds Ltd	2,042,108	4,450,322	4,518,700	7,221,594	7,233,849	-
6400 Federal Funds Ltd	4,592,507	3,832,303	3,832,303	1,788,807	1,788,807	-
All Funds	6,637,522	8,282,625	8,351,003	9,010,401	9,022,656	-
4200 Telecommunications						
8000 General Fund	2,106	-	-	-	-	-
3400 Other Funds Ltd	2,280,713	4,388,987	4,487,755	7,188,331	7,157,292	-
6400 Federal Funds Ltd	2,164,589	2,800,890	2,800,890	691,286	736,286	-
All Funds	4,447,408	7,189,877	7,288,645	7,879,617	7,893,578	-
4225 State Gov. Service Charges						
8000 General Fund	28,850	-	-	-	-	-

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<i>Description</i>	<i>2015-17 Actuals</i>	<i>2017-19 Leg Adopted Budget</i>	<i>2017-19 Leg Approved Budget</i>	<i>2019-21 Agency Request Budget</i>	<i>2019-21 Governor's Budget</i>	<i>2019-21 Leg. Adopted Audit</i>
3400 Other Funds Ltd	4,244,038	3,610,166	3,610,166	7,101,888	6,639,662	-
6400 Federal Funds Ltd	4,197,270	3,829,984	3,829,984	2,374,383	2,374,383	-
All Funds	8,470,158	7,440,150	7,440,150	9,476,271	9,014,045	-
4250 Data Processing						
8000 General Fund	6,469	-	-	-	-	-
3400 Other Funds Ltd	2,559,017	6,378,715	6,378,715	10,154,197	10,136,851	-
6400 Federal Funds Ltd	6,127,519	7,161,378	7,161,378	3,856,444	3,024,586	-
All Funds	8,693,005	13,540,093	13,540,093	14,010,641	13,161,437	-
4275 Publicity and Publications						
8000 General Fund	136	-	-	-	-	-
3400 Other Funds Ltd	15,232	183,953	183,953	190,943	190,943	-
6400 Federal Funds Ltd	13,196	85,855	85,855	89,117	89,117	-
All Funds	28,564	269,808	269,808	280,060	280,060	-
4300 Professional Services						
8000 General Fund	92,810	-	-	-	-	-
3400 Other Funds Ltd	303,013	1,257,602	1,257,602	1,298,554	1,298,554	-
6400 Federal Funds Ltd	1,566,254	310,352	310,352	325,690	325,690	-
All Funds	1,962,077	1,567,954	1,567,954	1,624,244	1,624,244	-
4315 IT Professional Services						
8000 General Fund	513	-	-	-	-	-
3400 Other Funds Ltd	1,340,231	4,318,126	4,318,126	8,865,891	8,865,891	-
6400 Federal Funds Ltd	1,461,583	1,872,709	1,872,709	1,951,363	1,951,363	-
All Funds	2,802,327	6,190,835	6,190,835	10,817,254	10,817,254	-

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Description	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
4325 Attorney General						
8000 General Fund	10,355	-	-	-	-	-
3400 Other Funds Ltd	192,983	152,726	152,726	183,484	172,566	-
6400 Federal Funds Ltd	583,410	699,063	699,063	839,855	789,883	-
All Funds	786,748	851,789	851,789	1,023,339	962,449	-
4375 Employee Recruitment and Develop						
8000 General Fund	113	-	-	-	-	-
3400 Other Funds Ltd	44,316	11,802	11,802	12,251	12,251	-
6400 Federal Funds Ltd	48,958	2,900	2,900	3,010	3,010	-
All Funds	93,387	14,702	14,702	15,261	15,261	-
4400 Dues and Subscriptions						
8000 General Fund	288	-	-	-	-	-
3400 Other Funds Ltd	184,187	258,440	258,440	265,494	265,494	-
6400 Federal Funds Ltd	151,866	136,172	136,172	135,223	135,223	-
All Funds	336,341	394,612	394,612	400,717	400,717	-
4425 Facilities Rental and Taxes						
8000 General Fund	23,483	-	-	-	-	-
3400 Other Funds Ltd	7,682,073	4,807,328	5,154,915	6,945,883	6,945,883	-
6400 Federal Funds Ltd	4,314,376	5,588,896	5,588,896	5,705,989	5,705,989	-
All Funds	12,019,932	10,396,224	10,743,811	12,651,872	12,651,872	-
4450 Fuels and Utilities						
8000 General Fund	5	-	-	-	-	-
3400 Other Funds Ltd	298,820	40,337	63,710	181,948	186,265	-

Employment Dept

Agency Number: 47100

Budget Support - Detail Revenues and Expenditures

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

2019-21 Biennium

Employment Dept Operations - Limited

<i>Description</i>	<i>2015-17 Actuals</i>	<i>2017-19 Leg Adopted Budget</i>	<i>2017-19 Leg Approved Budget</i>	<i>2019-21 Agency Request Budget</i>	<i>2019-21 Governor's Budget</i>	<i>2019-21 Leg. Adopted Audit</i>
6400 Federal Funds Ltd	202,395	461,164	461,164	490,268	490,268	-
All Funds	501,220	501,501	524,874	672,216	676,533	-
4475 Facilities Maintenance						
8000 General Fund	154	-	-	-	-	-
3400 Other Funds Ltd	1,758,301	912,992	971,002	2,120,383	2,134,655	-
6400 Federal Funds Ltd	576,031	656,939	656,939	767,325	767,325	-
All Funds	2,334,486	1,569,931	1,627,941	2,887,708	2,901,980	-
4525 Medical Services and Supplies						
3400 Other Funds Ltd	-	42	42	43	43	-
6400 Federal Funds Ltd	-	85	85	88	88	-
All Funds	-	127	127	131	131	-
4575 Agency Program Related S and S						
3400 Other Funds Ltd	339,591	344,478	344,478	357,568	357,568	-
6400 Federal Funds Ltd	-	257,333	257,333	250,608	250,608	-
All Funds	339,591	601,811	601,811	608,176	608,176	-
4600 Intra-agency Charges						
3400 Other Funds Ltd	3,064,771	5,511,000	5,511,000	9,020,418	9,020,418	-
6400 Federal Funds Ltd	5,635,485	3,331,000	3,331,000	157,578	157,578	-
All Funds	8,700,256	8,842,000	8,842,000	9,177,996	9,177,996	-
4625 Other COP Costs						
3400 Other Funds Ltd	-	265	265	265	265	-
4650 Other Services and Supplies						
8000 General Fund	428	-	-	-	-	-

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Employment Dept Operations - Limited

<i>Description</i>	<i>2015-17 Actuals</i>	<i>2017-19 Leg Adopted Budget</i>	<i>2017-19 Leg Approved Budget</i>	<i>2019-21 Agency Request Budget</i>	<i>2019-21 Governor's Budget</i>	<i>2019-21 Leg. Adopted Audit</i>
3400 Other Funds Ltd	692,118	315,094	315,094	526,585	526,585	-
6400 Federal Funds Ltd	201,867	174,995	174,995	178,531	178,531	-
All Funds	894,413	490,089	490,089	705,116	705,116	-
4700 Expendable Prop 250 - 5000						
8000 General Fund	80	-	-	-	-	-
3400 Other Funds Ltd	509,533	215,623	230,507	598,259	600,992	-
6400 Federal Funds Ltd	120,682	100,396	100,396	131,431	131,431	-
All Funds	630,295	316,019	330,903	729,690	732,423	-
4715 IT Expendable Property						
8000 General Fund	2,606	-	-	-	-	-
3400 Other Funds Ltd	1,454,878	1,640,788	1,640,788	2,394,070	2,403,182	-
6400 Federal Funds Ltd	1,807,929	640,487	640,487	371,094	371,094	-
All Funds	3,265,413	2,281,275	2,281,275	2,765,164	2,774,276	-
SERVICES & SUPPLIES						
8000 General Fund	183,848	-	-	-	-	-
3400 Other Funds Ltd	30,463,310	39,917,005	40,588,005	66,027,265	65,563,775	-
6400 Federal Funds Ltd	34,921,468	32,738,731	32,738,731	20,997,980	20,161,150	-
TOTAL SERVICES & SUPPLIES	\$65,568,626	\$72,655,736	\$73,326,736	\$87,025,245	\$85,724,925	-
CAPITAL OUTLAY						
5150 Telecommunications Equipment						
3400 Other Funds Ltd	-	35,380	35,380	36,724	36,724	-
5200 Technical Equipment						
3400 Other Funds Ltd	6,948	105,245	105,245	109,244	109,244	-