



Unfilled Jobs in Oregon
Results from the 2018
Job Vacancy Survey



About the Oregon Benefits Survey

In 2018 we surveyed 13,800 private employers with two or more employees.

If they were hiring, we asked about these characteristics of each vacancy:

- Job title
- Full- or part-time status
- Permanent or temporary status
- Starting wage or salary
- Education and experience requirements

We also ask: **“If the position has been difficult to fill, please briefly describe the most important reason why.”**



Oregon had roughly 58,000 job vacancies at any given time in 2018.

2018 Job Vacancies in Oregon

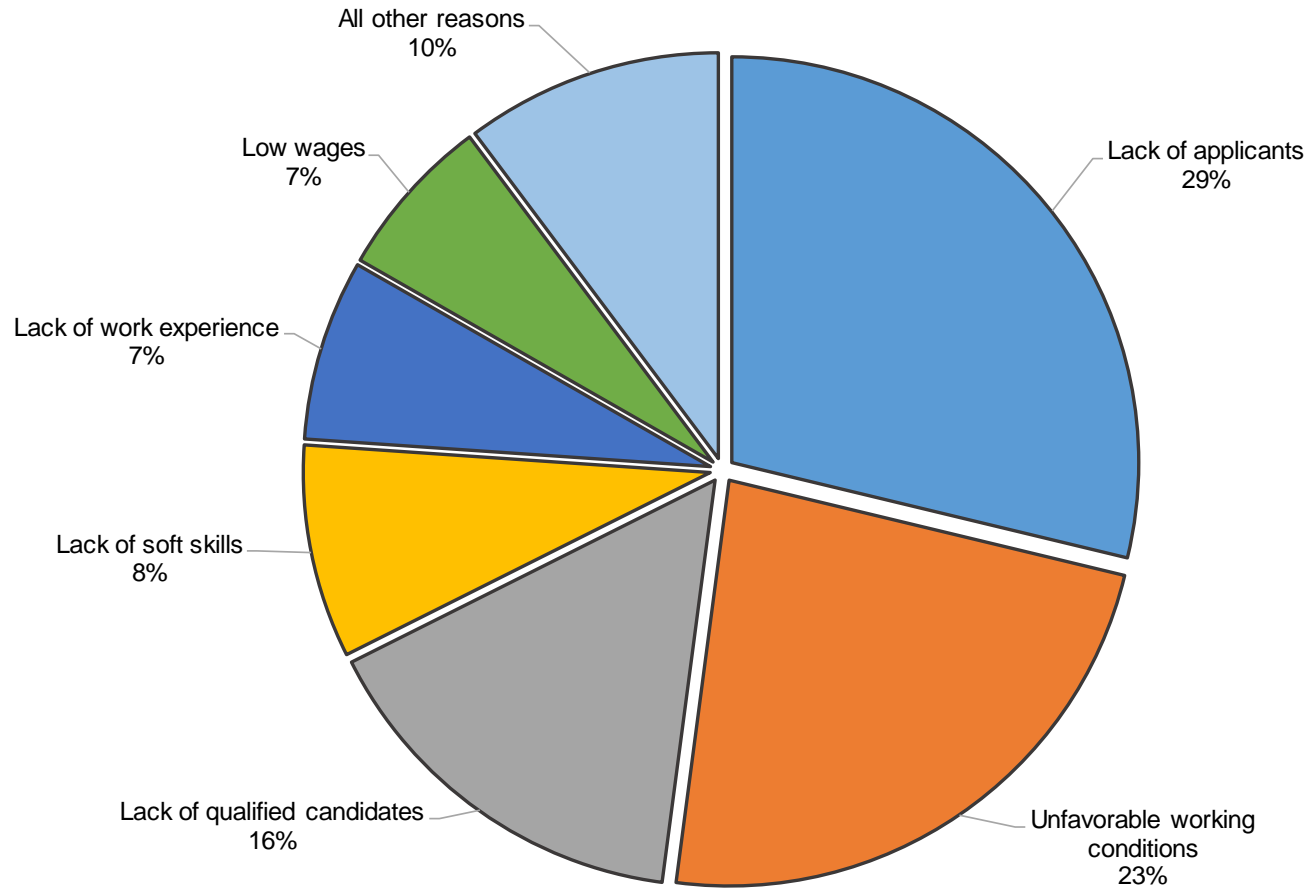
	All	Difficult to fill	Filled without difficulty
Vacancies	57,960	33,023	24,937
Average wage	\$17.63	\$18.76	\$15.48
Full time	79%	80%	78%
Permanent	89%	91%	88%
Require education beyond high school	32%	34%	27%
Require previous experience	54%	67%	38%
Difficult to fill	57%	100%	0%

Businesses faced challenges filling 33,000 (or 57%) of their job openings. Difficult-to-fill job vacancies offered a higher average starting wage, and were more likely to require previous experience.



Why are job vacancies difficult to fill in Oregon?

Employer-Provided Reasons for Difficulty Filling Job Vacancies in Oregon, 2018



With unemployment near record lows, businesses most often identified a lack of applicants as the primary difficulty filling job vacancies.

Characteristics of Difficult-to-fill Job Vacancies in Oregon by Primary Reason, 2018

Primary Reason	Vacancies	Average wage	Full time	Permanent	Require education beyond high school	Require previous experience
Lack of applicants	7,965	\$20.92	88%	96%	39%	66%
Unfavorable working conditions	6,452	\$15.34	65%	79%	18%	53%
Lack of qualified candidates	4,294	\$22.33	88%	97%	62%	91%
Lack of soft skills	2,351	\$14.07	64%	87%	19%	54%
Lack of work experience	1,994	\$22.47	96%	96%	31%	97%
Low wages	1,800	\$13.84	66%	94%	10%	37%
All other reasons	2,826	\$18.86	82%	90%	48%	76%
No response provided	5,341	\$19.80	82%	91%	30%	66%
All difficult-to-fill vacancies	33,023	\$18.76	80%	91%	34%	67%
Vacancies filled without difficulty	24,937	\$15.48	78%	88%	27%	38%

Specific quotes from employers about a lack of applicants for jobs included mentions of low unemployment, little available labor in the workforce, and competition with other businesses.



Employers reported difficulty filling vacancies in 321 different occupations in 2018.

Top Occupations in Oregon by Highest Number of Difficult-to-Fill Job Vacancies, 2018

Occupation	All vacancies	Difficult to fill	% Difficult
Personal Care Aides	3,043	2,038	67%
Heavy and Tractor-Trailer Truck Drivers	1,936	1,664	86%
Food Preparation Workers	889	806	91%
Cooks, Restaurant	1,074	724	67%
Roofers	725	716	99%
Landscaping and Groundskeeping Workers	756	619	82%
Retail Salespersons	1,902	610	32%
Nursing Assistants	1,001	598	60%
Maids and Housekeeping Cleaners	788	592	75%
Construction Laborers	807	592	73%
Farmworkers and Laborers, Crop, Nursery, and Greenhouse	798	591	74%
Automotive Service Technicians and Mechanics	769	576	75%
Combined Food Preparation and Serving Workers, Including Fast Food	852	562	66%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	1,275	552	43%
Electricians	563	540	96%
Customer Service Representatives	858	502	59%
Forest and Conservation Workers	494	494	100%
Production Workers, All Other	929	487	52%
Carpenters	850	485	57%
Plumbers, Pipefitters, and Steamfitters	416	416	100%



Gail Krumenauer, Senior Economic Analyst

Oregon Employment Department

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Ways and Means Joint Committee on Transportation and Economic Development

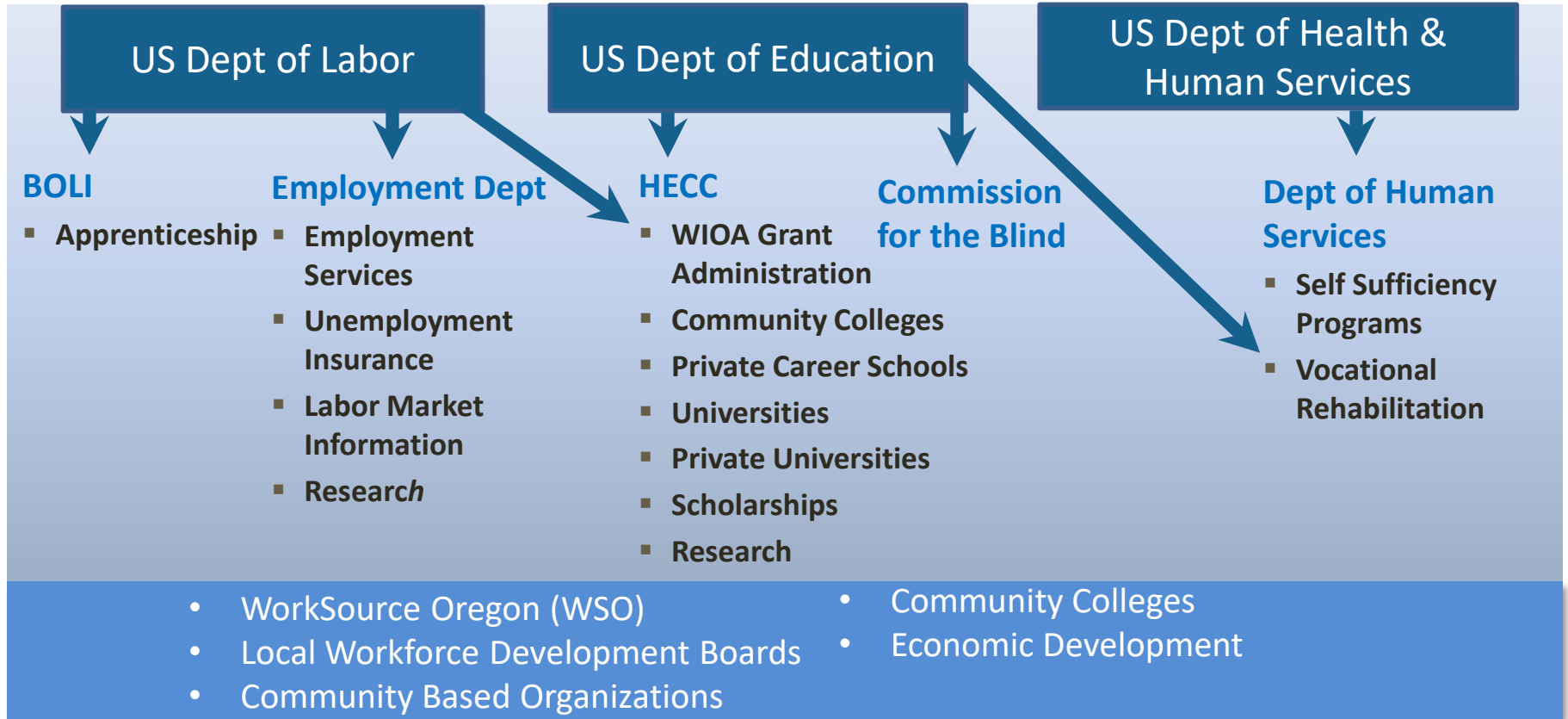
Agency Overview

Kay Erickson, Director
Graham Slater, Deputy Director

February 11 and 12, 2019



Public Workforce Agencies and Programs



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



Our Vision

An Oregon where meaningful work
enables the state's diverse people and businesses
to realize their full potential,
creating prosperity in every community



Our Core Programs

Unemployment Insurance

- Support economic stability for Oregonians and communities during times of unemployment through the payment of unemployment benefits

Workforce Operations (WorkSource Oregon Centers)

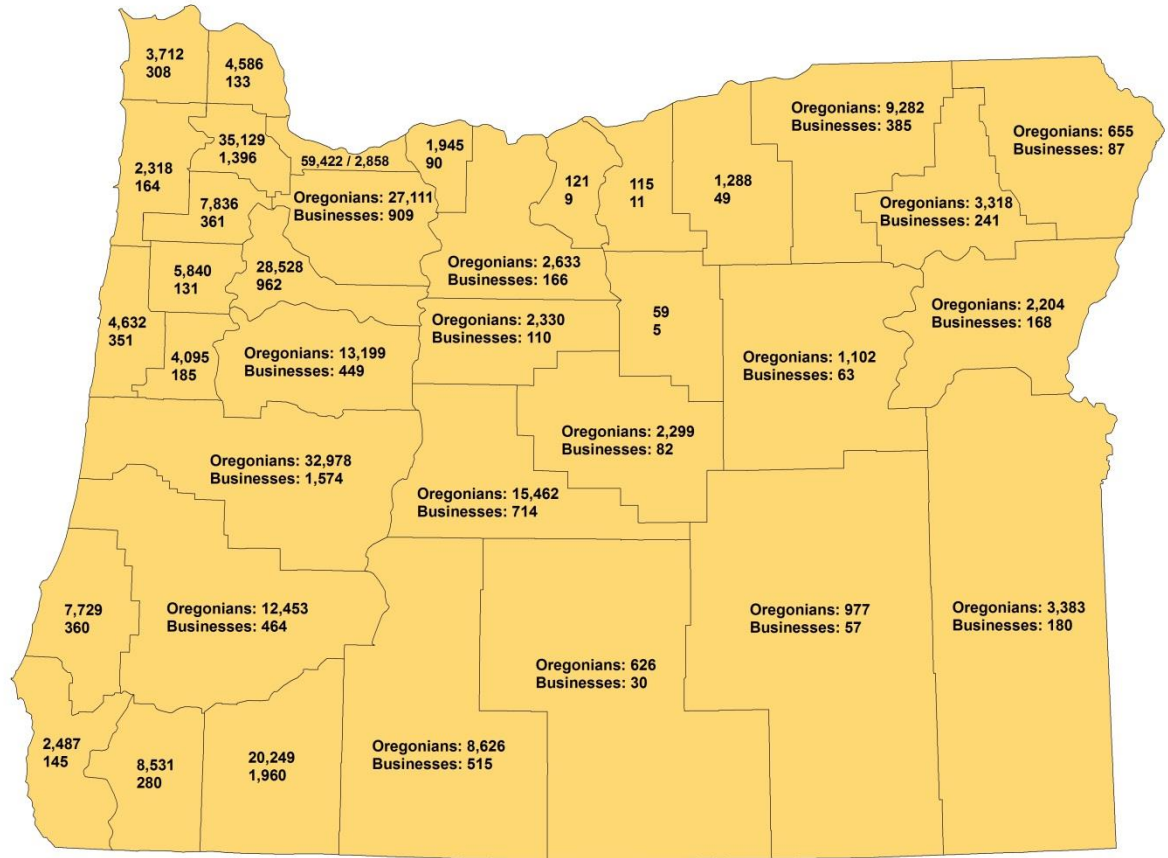
- Serve businesses by recruiting and referring the best qualified applicants to jobs
- Provide resources to diverse job seekers in support of their employment needs

Workforce and Economic Research

- Develop and distribute quality workforce and economic information to promote informed decision making



We provided unemployment benefits or job search services to almost 340,000 Oregonians in 2017 and 2018—and we helped almost 16,000 business fill vacancies across the state



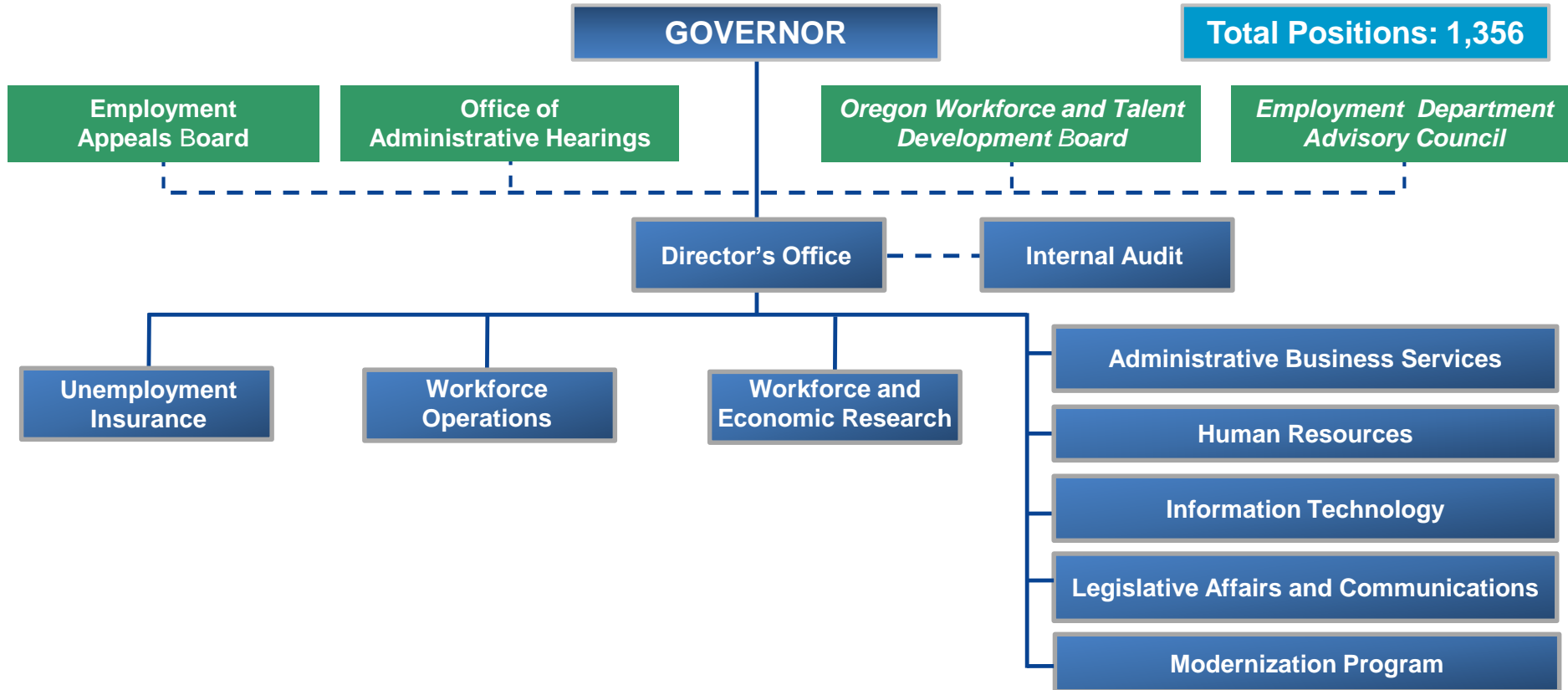
Our Core Services

In 2018:

- **Unemployment Insurance** collected 8.9 million wage records from approximately 129,000 employers and paid \$501 million in unemployment insurance benefits to about 113,000 workers
- **Workforce Operations** provided employment services to 168,268 job seekers, and assisted 14,060 businesses in finding employees
- **Workforce and Economic Research** responded to 5,200 customer information requests; gave approximately 288 presentations with a total audience of more than 10,000; distributed 685,000 reports and publications and electronic newsletters; and welcomed 488,000 visits to our QualityInfo.org website and over 12,000 visits to our blog (OregonEmployment.Blogspot.com)



Organizational Structure



Key Factors Affecting Services

Federal policies and
funding levels

Demographics

Economy

Changing nature of
work



Key Factors Affecting Services

Federal policy guidance and funding levels

- Long-term decline in federal revenues
- Our U.S. Department of Labor funding in place through September 2019
- Stronger focus on requiring work search activities if receiving benefits
- Continued support of expanding apprenticeship model
- Partial federal government shutdown and continuing resolution for funding through February 15



Key Factors Affecting Services

Demographics

- Population growth driven by in-migration
- Aging workers, looming retirements
- Long-term unemployed find it more difficult to get jobs

Key Factors Affecting Services

Economy

- Oregon job growth faster than the nation
- Broad-based recovery with growth in nearly every sector
- Lowest unemployment rate in over 40 years
- Rural areas have higher unemployment and slower employment growth
- A recession will come



Key Factors Affecting Services

Changing Nature of Work

- Diversification of industries
- Automation, technology, and artificial intelligence
- The emerging “gig economy”
- Changes impacting the incumbent workforce
- Aging, available, and skilled workforce



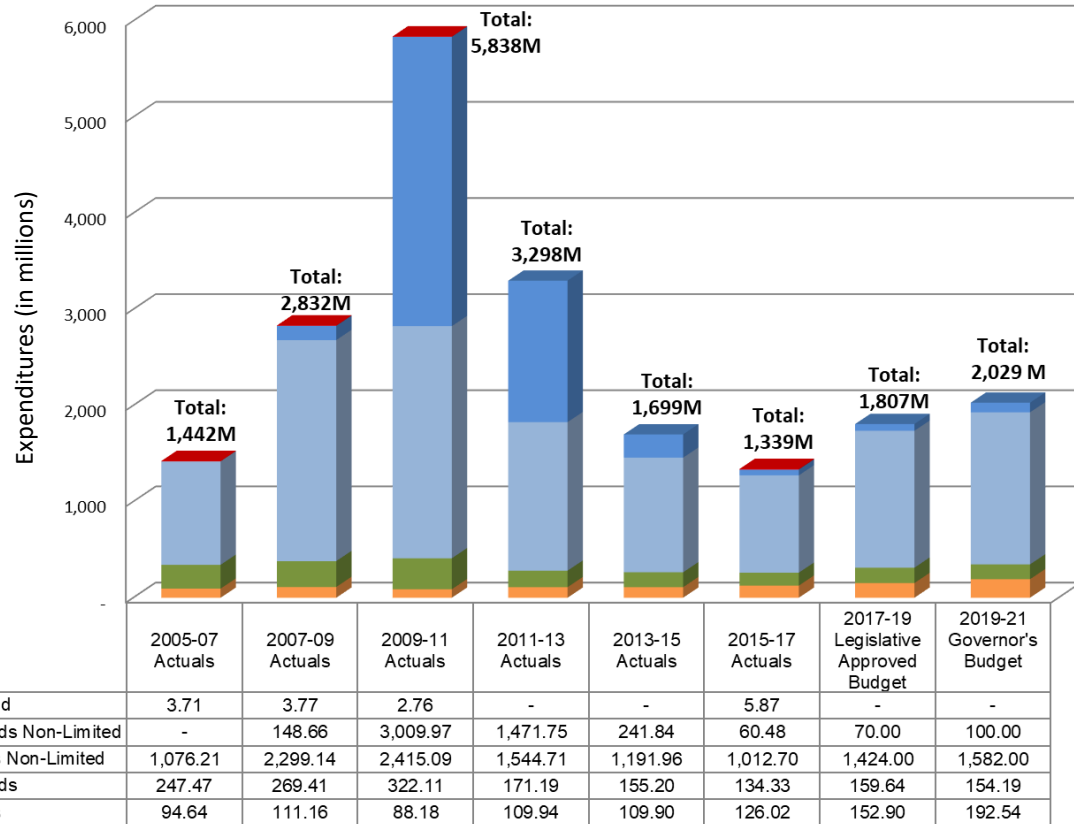
2019-21 Budget Context

- Adding resources in established programs with existing revenue, mostly in federal and contracted workforce programs
- Agency-wide priority is to modernize business and technology systems
- Expenditures managed to revenues, holding a 90-day operating reserve
- Unemployment Insurance Trust Fund is solvent for next economic downturn



Expenditures by Fund Type

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

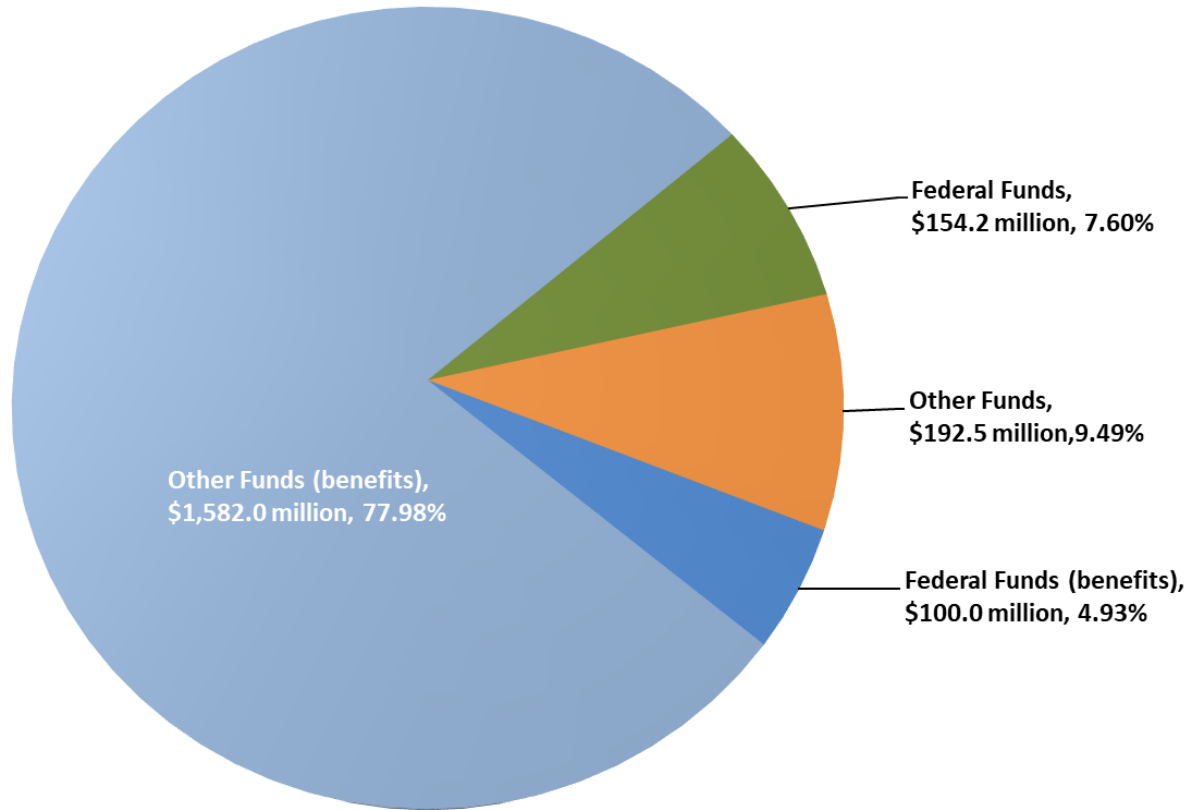


- General Fund expenditures 2005-07 to 2009-11 represent Child Care Division
- General Fund expenditures 2015-17 represent the Oregon Talent Council



2019-21 Expenditures by Fund Type

Total Expenditures
\$2,028.7 million



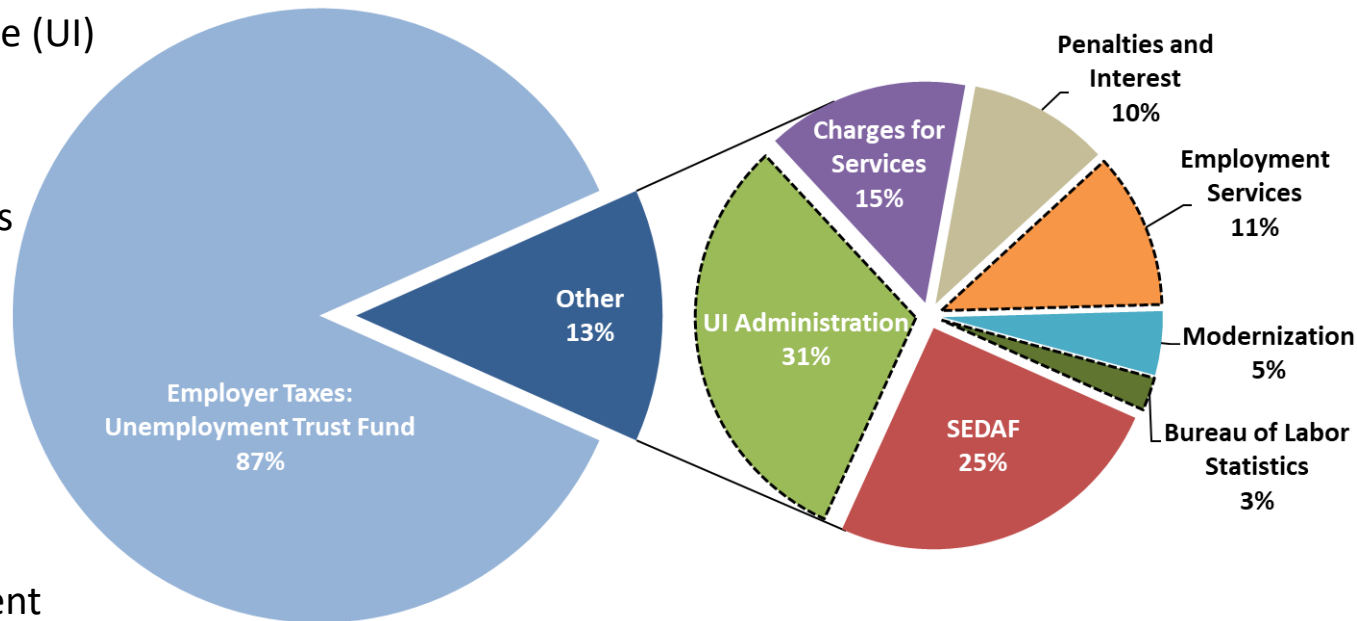
Major Revenue Sources

Federal Funds

- Unemployment Insurance (UI) Administration Grant
- Employment Services*
- Bureau of Labor Statistics

Other Funds

- Employer Taxes
- Charges for Services
- Penalties and Interest
- Modernization
- Supplemental Employment Department Administrative Fund (SEDAF)



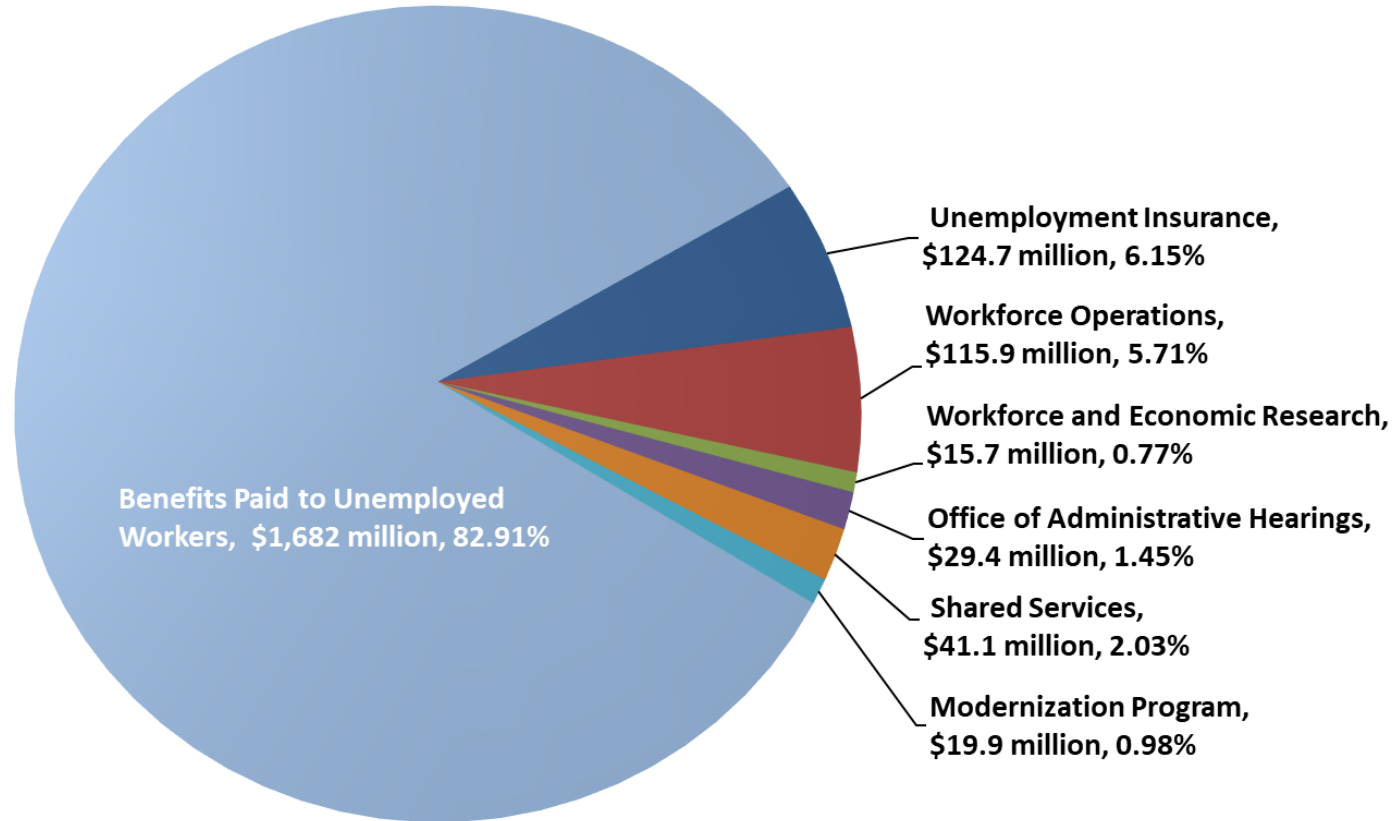
*Employment Services includes Reemployment Services and Eligibility Assessments, Wagner Peyser, Veterans Employment Services, Trade Act Administration, Work Opportunity Tax Credit, and Foreign Labor Certification Program



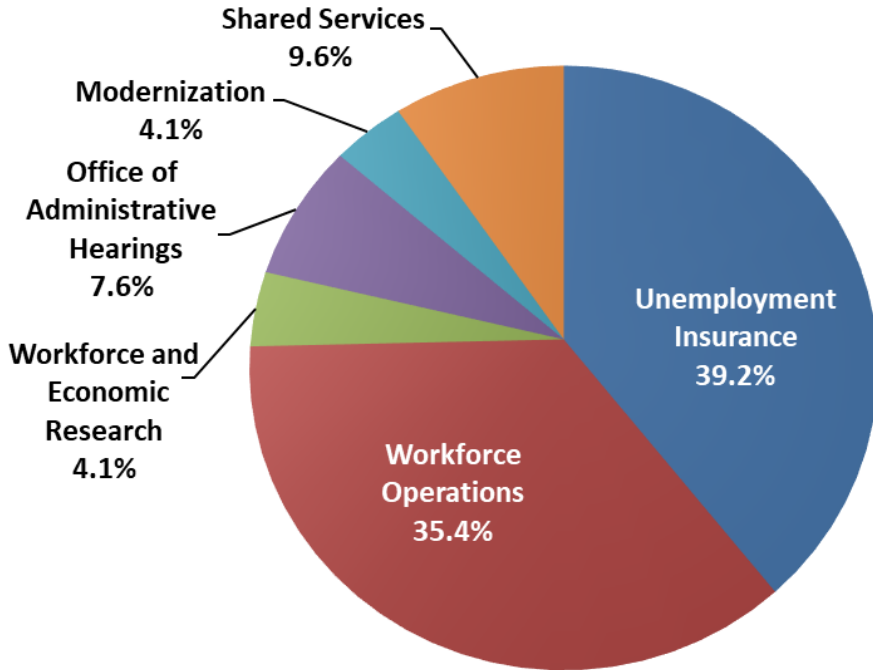
2019-21 Expenditures by Program

Total Expenditures
\$2,028.7 million

Benefit payments
make up
approximately 83%
of expenditures

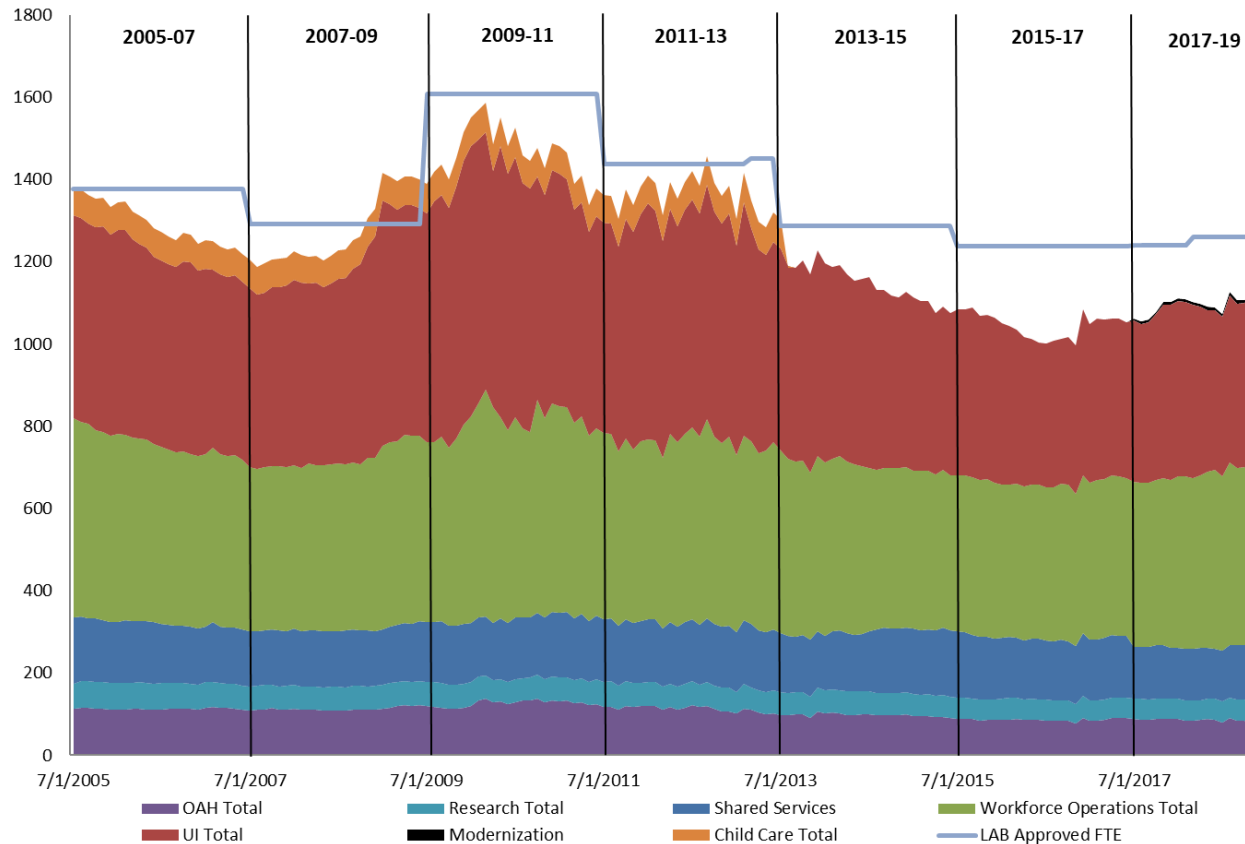


2019-21 Operational Budget: Positions



Program	2017-19 Legislatively Approved Budget	2019-21 Governor's Budget
Unemployment Insurance	563	532
Workforce Operations	443	480
Workforce and Economic Research	54	55
Office of Administrative Hearings	104	103
Modernization	17	55
Shared Services	138	131
Total Agency Positions	1,319	1,356

Agency Staffing is Managed to Economic Needs



Supervisory Span of Control Report

- **107 total supervisors** = 100 employees in a supervisory role + 8 vacant supervisory – 1 agency head
- **1,223 total non-supervisors** = 1039 employees in a non-supervisory role + 184 vacant non-supervisory
- **1:11.43 supervisory ratio** = 107 supervisors for 1,223 non-supervisors



Supervisory Span of Control Report

Applicable factors

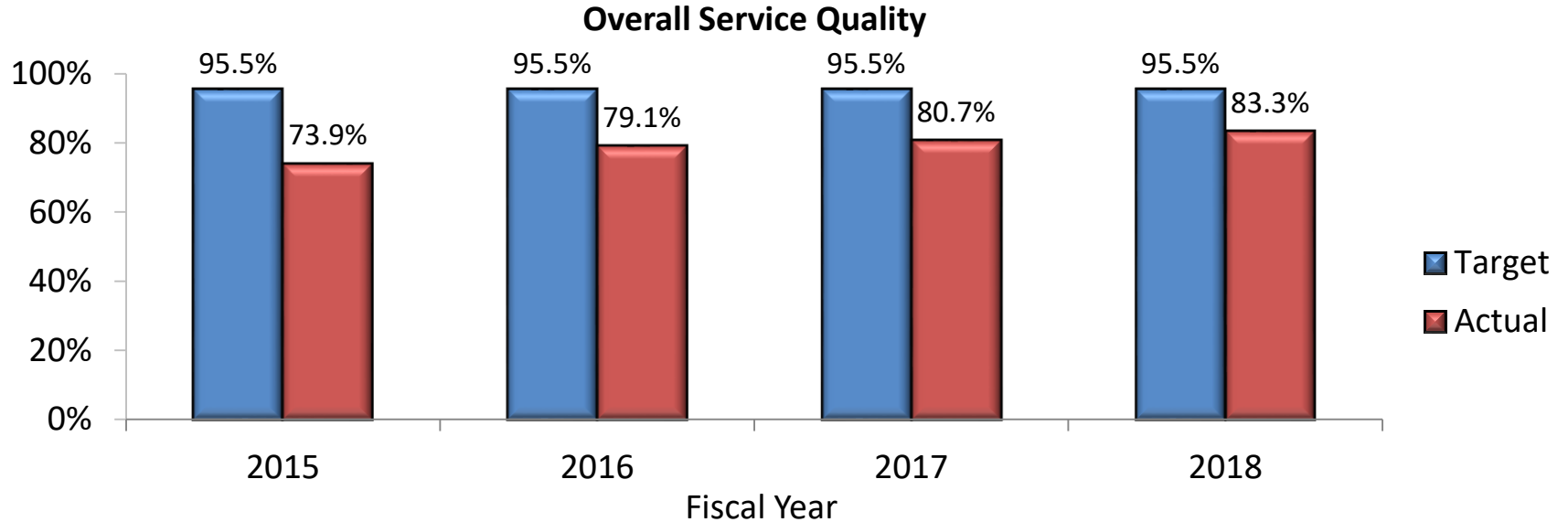
- Risk to public and employee safety
- Geographic locations of employees
- Complexity of duties and mission
- Agency size and hours of operation
- Non agency staff and temporary employees

No change requested at this time



Key Performance Measures and Outcomes for 2018

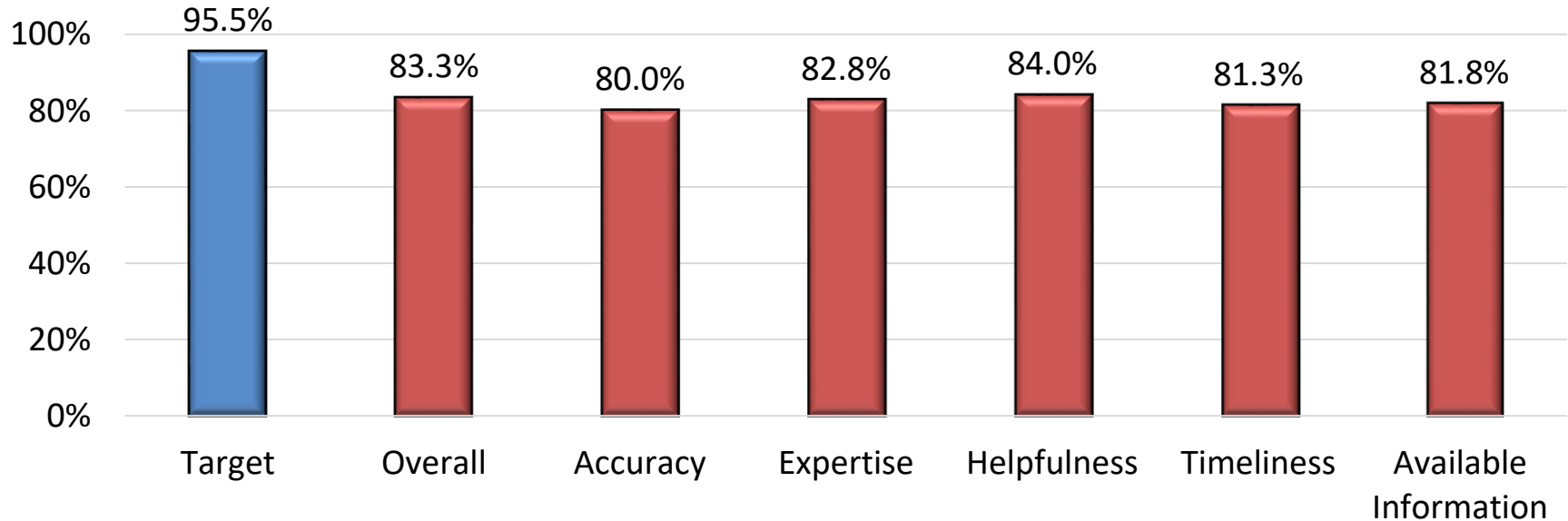
KPM #13 Customer Service: Percentage of customers rating their satisfaction with the agency's customer service as "good" or "excellent" • A higher percentage is better



Key Performance Measures and Outcomes for 2018

KPM #13 Customer Service: Percentage of customers rating their satisfaction with the agency's customer service as "good" or "excellent" • A higher percentage is better

Fiscal Year 2018





Workforce and Economic Research

Bob Uhlenkott, Division Director





Workforce and
Economic Data,
Information, and
Analytics are the
“Gold Rush” of
the 21st Century!

2018 Workforce and Economic Information Snapshot



Population

11th Among States



In-Migration

10th Among States



Employment

9th Among States



Wages

+1.5%



Unemployment

4.1%



Labor Force Participation

62.1%



Job Vacancies

60,500



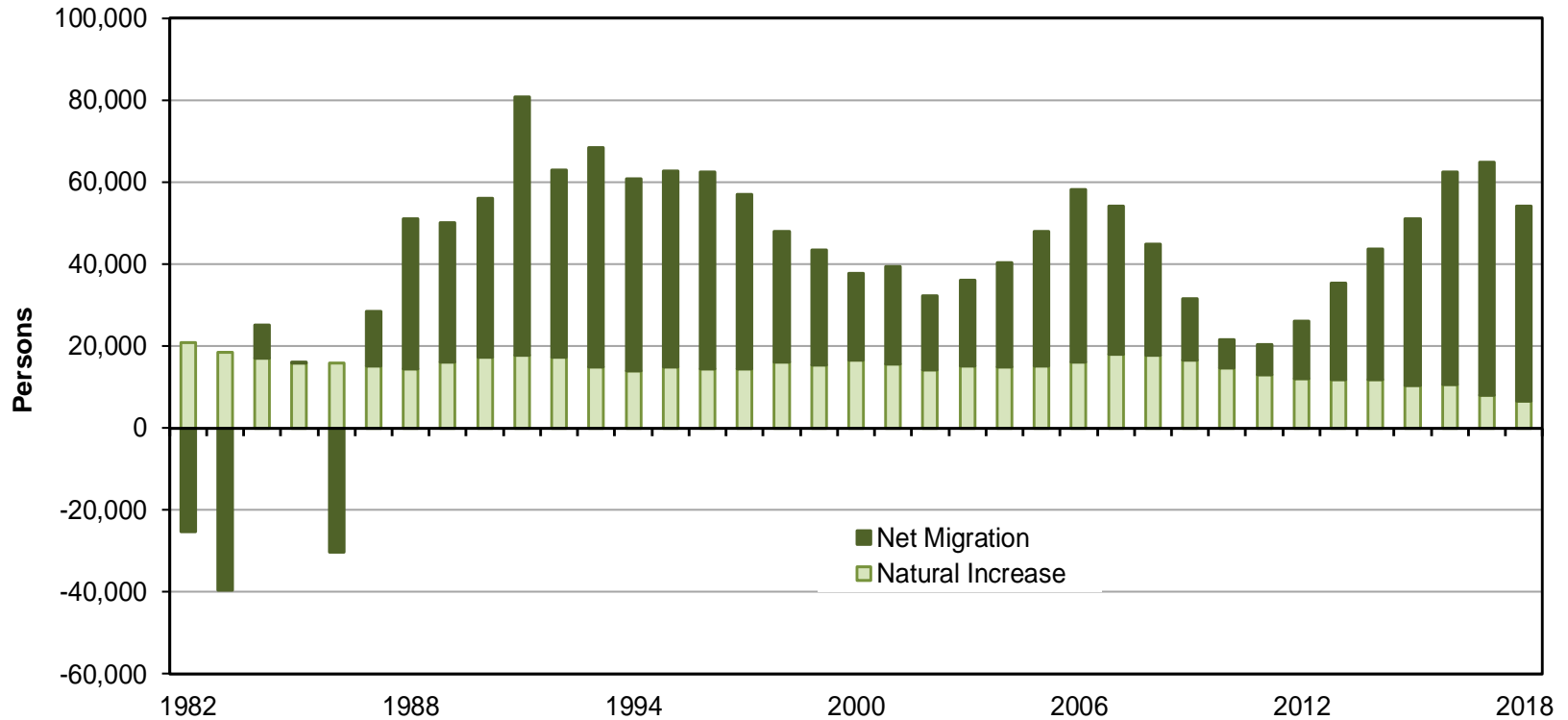
Aging Workforce

23% are 55+

Data are for recent year, or over-the-year, December 2018



Components of Oregon's Annual Population Change

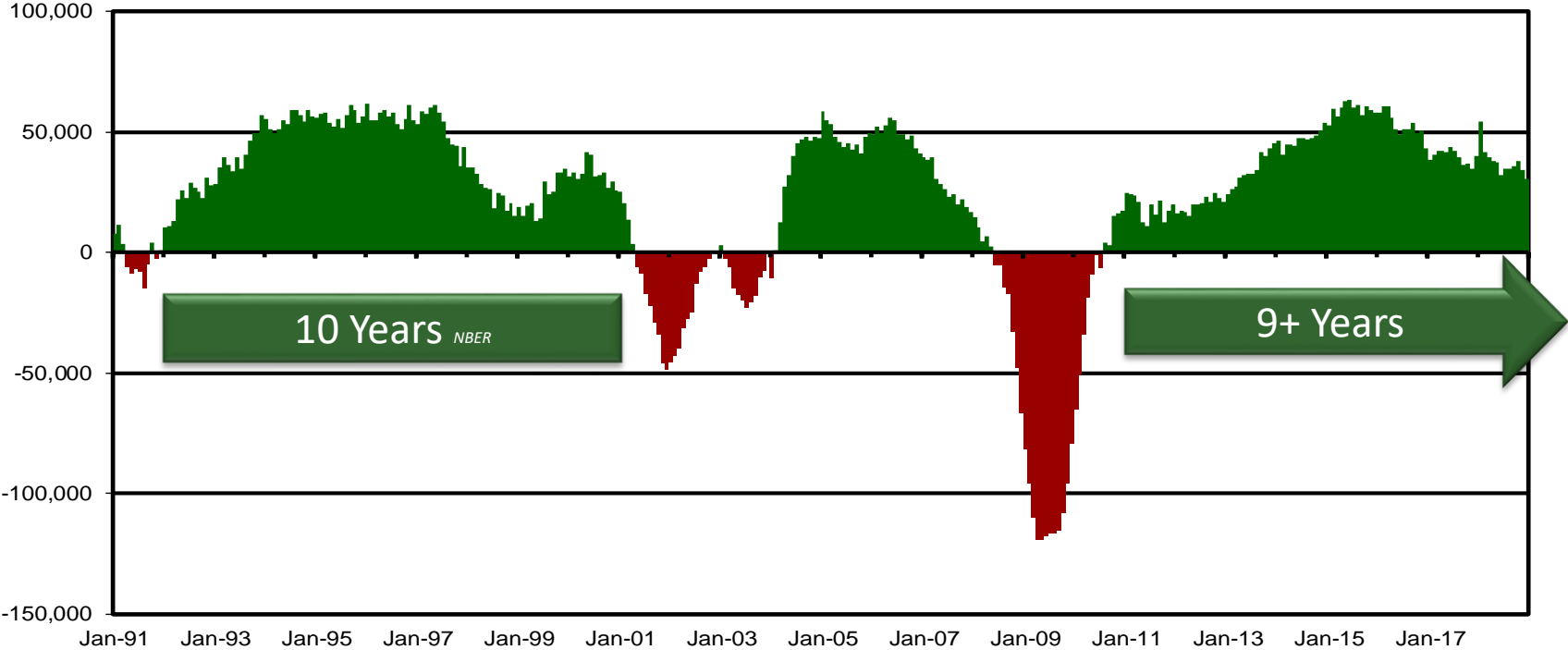


Source: Portland State University, Population Research Center



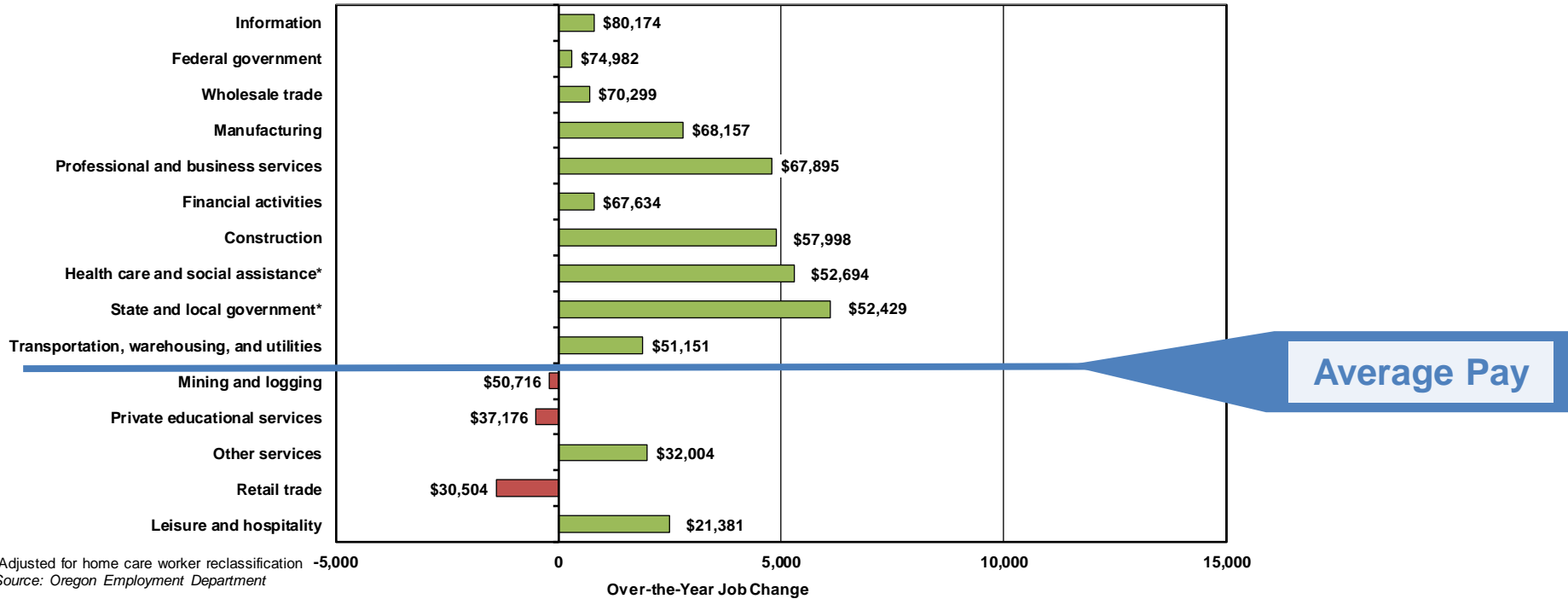
Oregon's Year-Over-Year Job Growth and Decline

-seasonally adjusted-



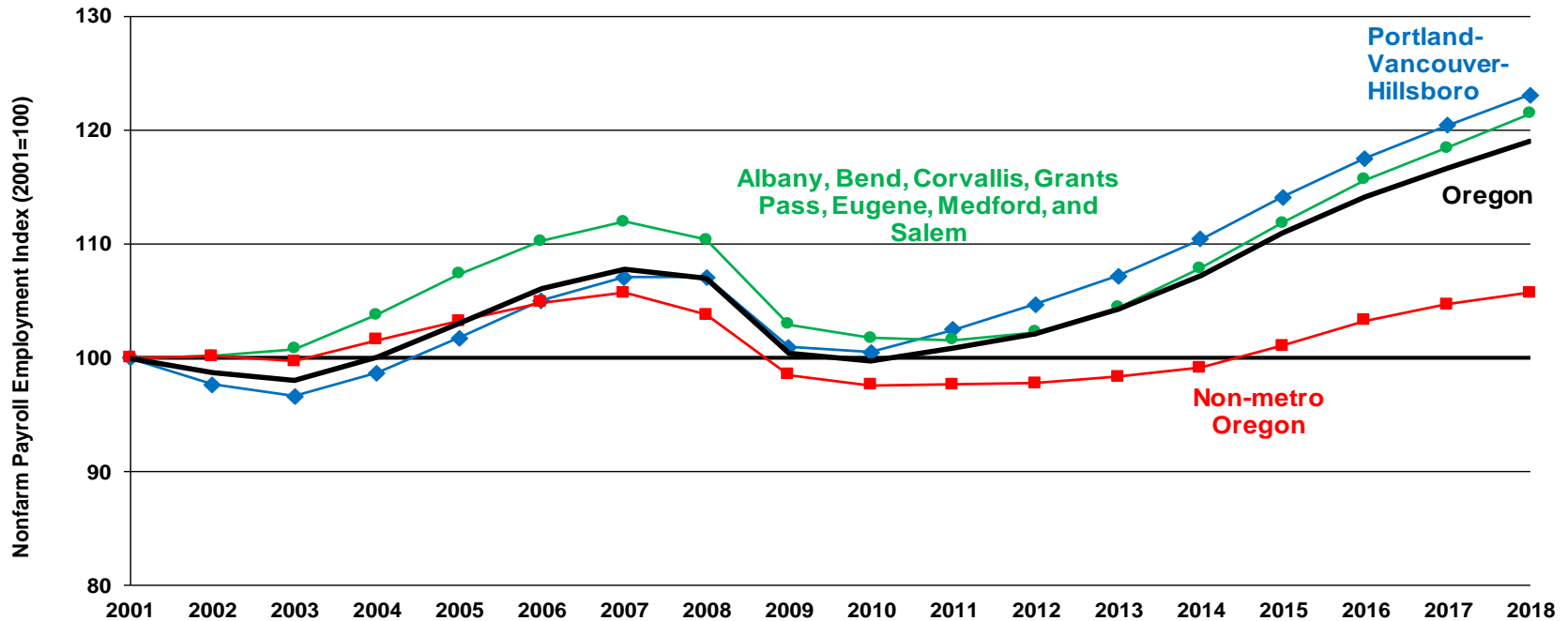
Oregon Job Growth and Average Pay by Industry

December 2017 – December 2018, 2017 Average Pay



Employment Levels Relative to 2001

Portland Area, Other Metro Areas, and Combined Non-Metro Counties

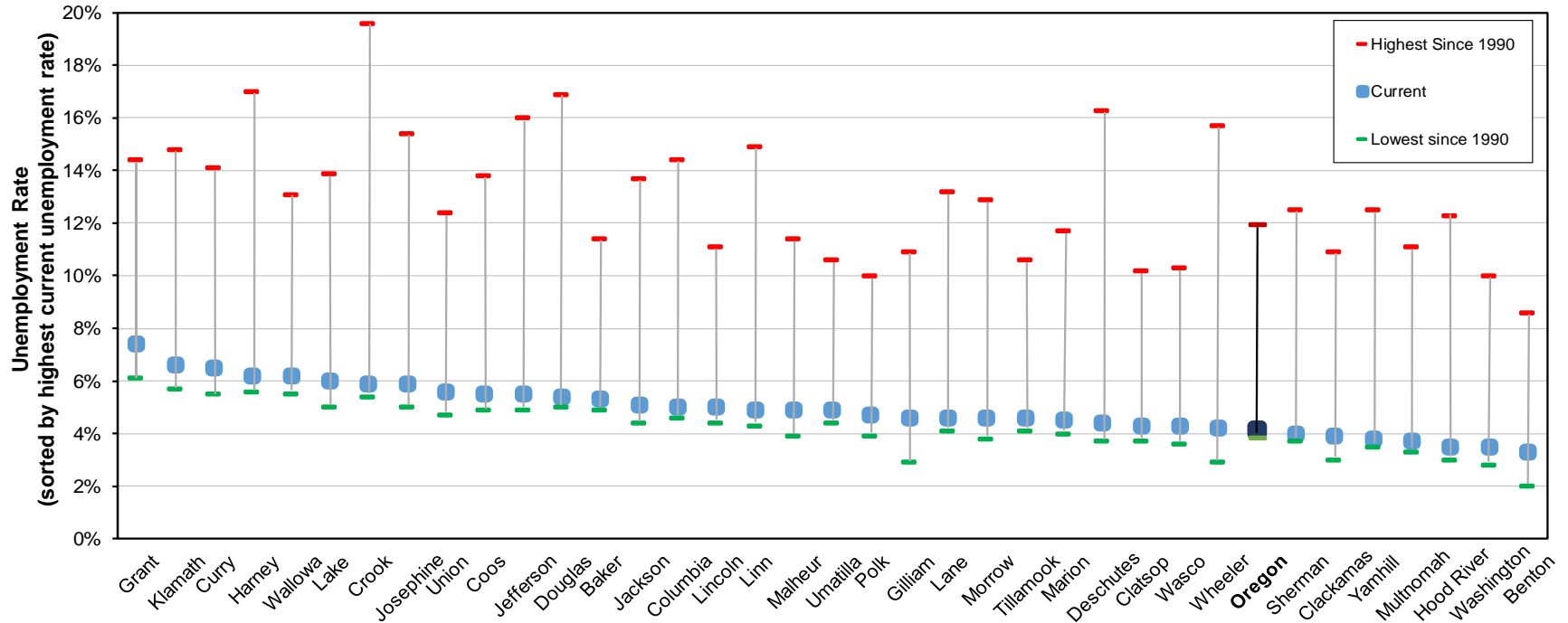


Source: Oregon Employment Department, Current Employment Statistics



Unemployment Rates in Oregon Counties

December 2018 and Maximum and Minimum since 1990, Seasonally Adjusted



Workforce and Economic Research

Total Positions: 55

Surveys

- Conduct surveys of Oregon businesses and individuals
- Develop key economic indicators for Oregon and counties
- Conduct construction industry wage survey

Analysis

- Analyze data from Employment Department surveys and other sources
- Prepare publications, reports, presentations
- Respond to customized information requests

Business

- Develop information products geared to Oregon businesses
- Bridge the information gap between education and work
- Respond to customized information requests for community and government entities

Systems

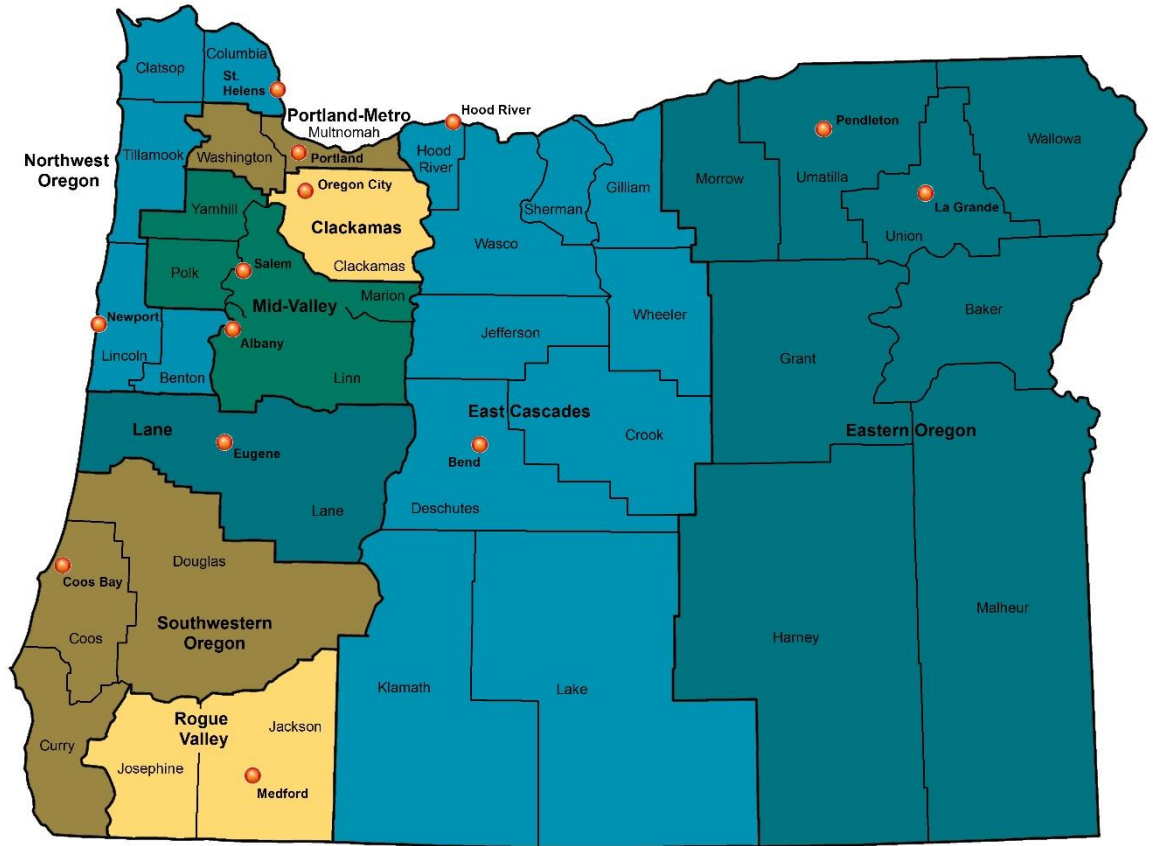
- Provide workforce and economic information through QualityInfo.org
- Provide geographic information systems analyses and services

Performance Reporting Information System

- Develop Oregon's new workforce performance measurement system
- Compute and publish performance measures
- Provide customized wage match services



We are “*working and living*” all throughout the state, in both rural and urban areas, to provide customized analysis and research to serve customers in their communities



Information About Oregon's Diverse Workforce

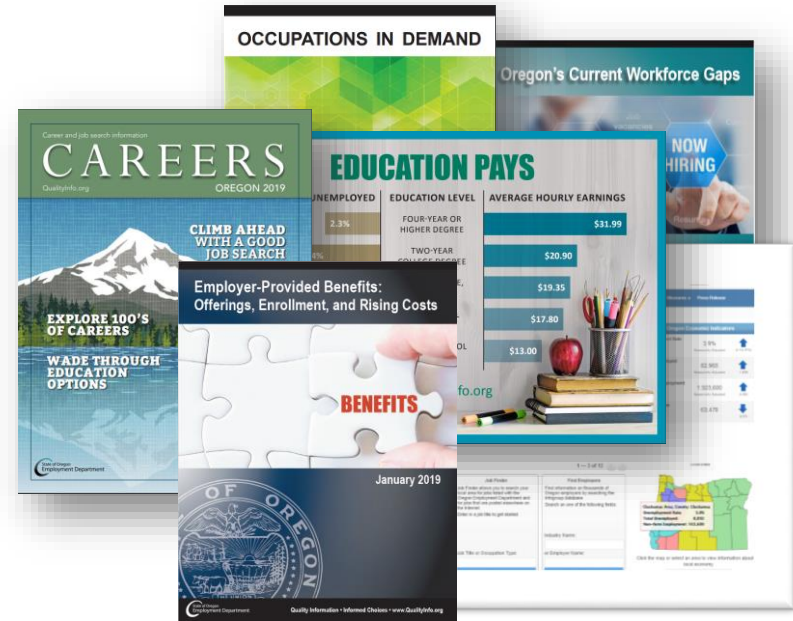
Workforce information available for:

- Employment and earnings outcomes of workers who receive state services
- Native American and tribal workforce in Oregon
- Communities of color
- Oregon's veterans
- Workers with a disability
- Workers nearing retirement age
- Young workers
- Women in the workforce

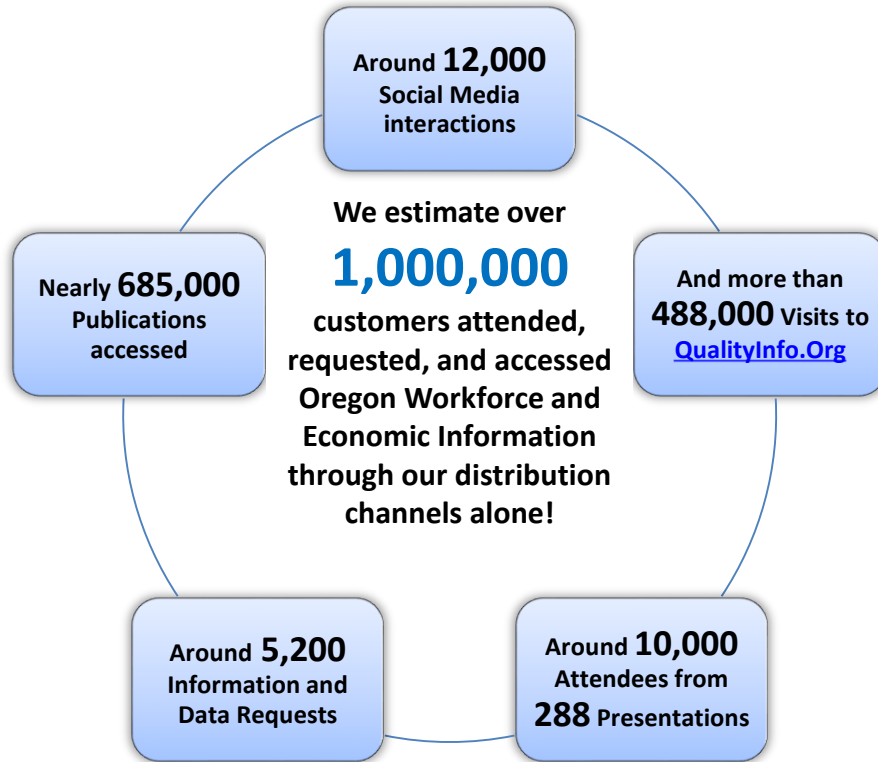


Improvements and Research Priorities

- Electronic story boards
- New videos and information on skills and training required for occupations in the workforce
- Sharing, leveraging, and matching data with other state and local entities to assist them in their missions
- Careers Publication | Education Pays Illustration | Occupations in Demand Oregon's Current Workforce Gaps Report | Oregon Fringe Benefit Survey



Products and Service Exposure in 2018

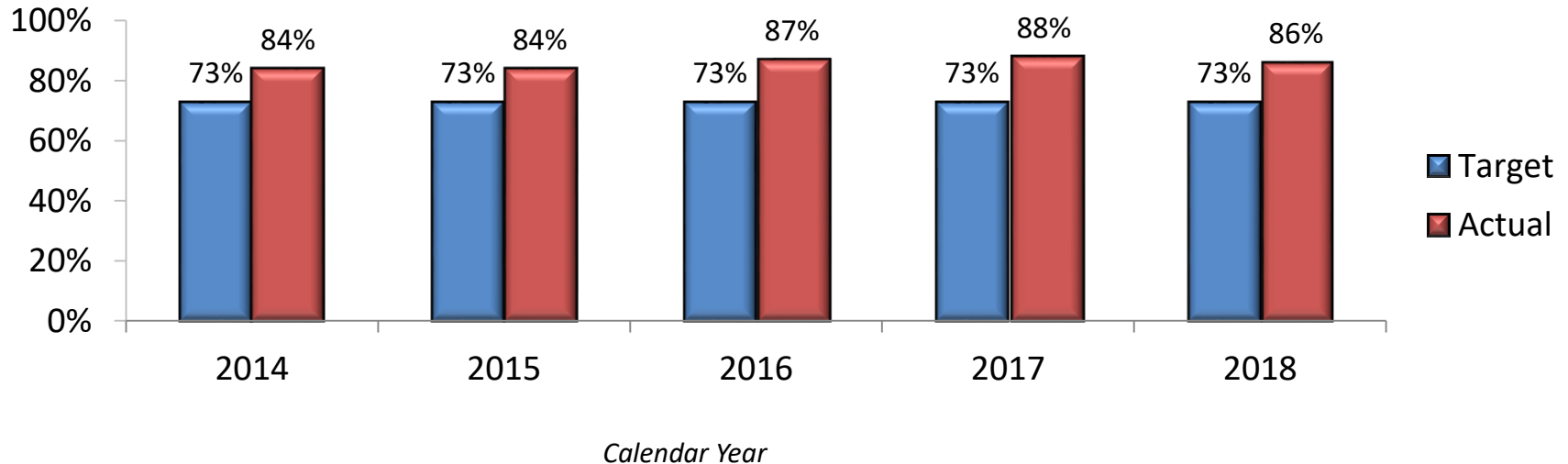


Most Personal Contacts:

- Education entities
- Businesses
- State and local government
- Local Workforce Development Boards
- Media

Key Performance Measures and Outcomes for 2018

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 • A higher percentage is better





Workforce Operations

Jim Pfarrer, Division Director





WorkSource Oregon (WSO) is a network of public and private partners who work together to effectively respond to workforce challenges through high-quality services to individuals and businesses, resulting in job attainment, retention and advancement—state agency partners include:

- Department of Human Services
- Vocational Rehabilitation
- Oregon Youth Authority
- Department of Corrections
- Higher Education Coordinating Commission
- Bureau of Labor and Industries
- Commission for the Blind



Workforce Operations Division is the WorkSource Oregon public partner that:

- Manages the connection of Job Seekers to Employers
- Manages and delivers several key programs of WSO
- Manages and operates most WSO facilities



Job Seekers
168,268
17 – 19 Biennium



Employers
14,060
17 – 19 Biennium

Workforce Operations

Central Office

Total Positions: 480

Central OR

Bend
Klamath Falls
Madras
Prineville
Redmond
The Dalles

Clackamas

Oregon City

Lane

Eugene-Springfield
Florence

Eastern OR

Baker City
Burns
Canyon City
Enterprise
Hermiston
La Grande
Ontario
Pendleton

Mid-Valley

Albany
Dallas
Lebanon
McMinnville
Salem
Woodburn

Northwest OR

Astoria
Corvallis
Lincoln City
Newport
St. Helens
Tillamook

Portland Metro

Beaverton/Hillsboro
Gresham
N/NE Portland
SE Portland
Tualatin

South Coast

Brookings
Coos Bay
Roseburg

Southern OR

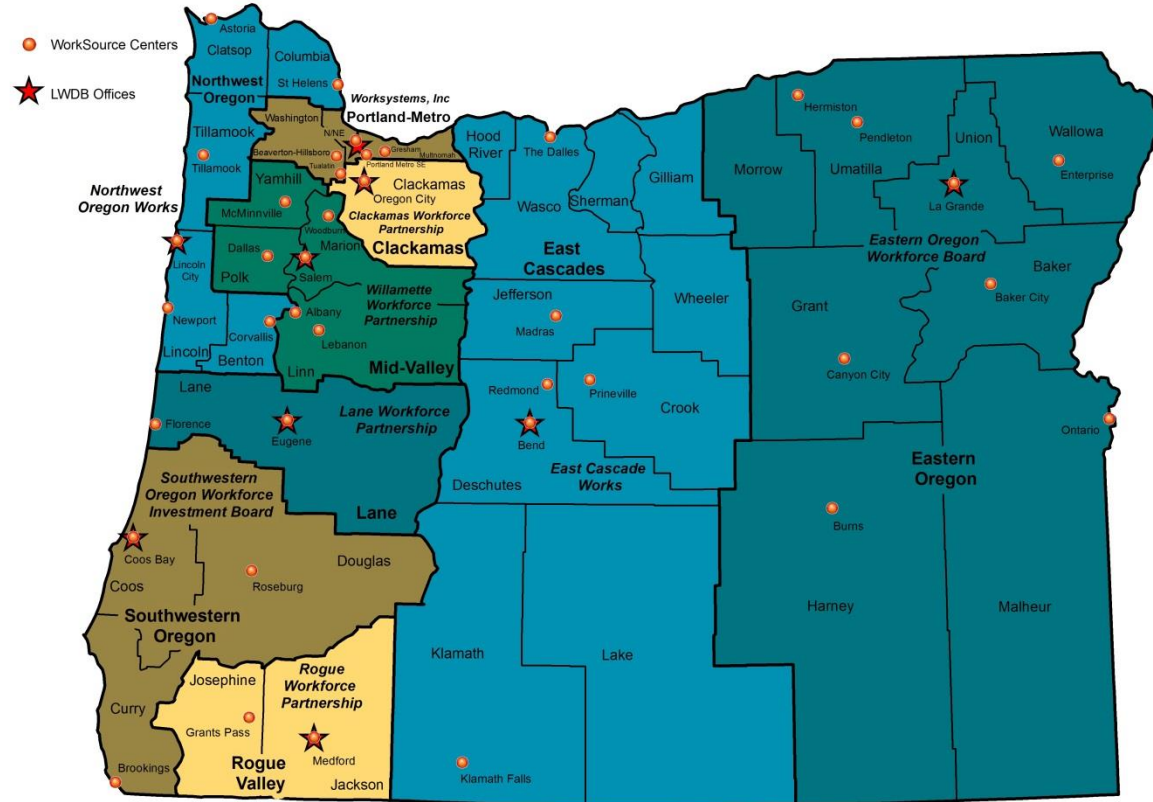
Grants Pass
Medford



Oregon's WorkSource Centers

Total Positions:
480

\$115,895,118



Job Seekers and Businesses Served

Job Seekers: 168,268

Businesses: 14,060

(Totals for July 2017-December 2018)

WorkSource Center	Job Seekers	Employers
Albany	4,853	488
Astoria	1,683	442
Baker City	1,173	238
Bend	6,329	748
Brookings/Harbor	1,458	209
Burns	357	97
Canyon City	685	81
Coos Bay	4,242	512
Corvallis	1,472	369
Dallas	1,442	174
Enterprise	266	N/A
Eugene-Springfield	15,514	1,361
Florence	558	153

WorkSource Center	Job Seekers	Employers
Grants Pass	5,394	432
Hermiston	2,356	399
Klamath Falls	4,560	503
La Grande	1,627	432
Lebanon	1,658	195
Lincoln City	576	199
Madras	602	N/A
McMinnville	3,520	484
Medford	11,160	952
Newport	1,457	345
Ontario	1,846	547
Oregon City	9,736	1,208
Pendleton	1,672	293

WorkSource Center	Job Seekers	Employers
Portland Metro - Beaverton/Hillsboro	13,444	886
Portland Metro - Gresham	12,712	2,678
Portland Metro - N/NE	12,443	820
Portland Metro - SE	11,017	349
Portland Metro - Tualatin	11,685	1,694
Prineville	720	N/A
Redmond	2,548	605
Roseburg	6,208	518
Salem	13,876	1,254
St Helens	2,168	239
The Dalles	2,103	469
Tillamook	991	236
Woodburn	2,193	335



Key Factors Affecting Services

- Demand from local businesses and job seekers for help with their employment needs—businesses finding it harder to find qualified individuals
- Low unemployment rate means staff are serving more customers with barriers to employment making conversations longer with customers
- New or expanded grant opportunities
- Opportunities to collaborate with state workforce agencies and local partners to:
 - Attract business to Oregon
 - Ensure local communities have skilled workers
 - Connect skilled workers with employers
 - Assist populations with barriers to enter or advance in the workforce



Key Federal Programs



Job Seekers



Employers



Key Federal Programs



The annual **Migrant and Seasonal Farmworker** conference provided training to all outreach staff and managers in 2018—the agency signed two Memorandums of Understanding this biennium to enhance workforce opportunities for farmworkers—one with the Oregon Human Development Corporation and one with the Mexican Consulate

Foreign Labor Certification applications continue to grow—30 were received in 2015, compared to 238 since July 2017—**Policy Package 103** establishes one position that is federally funded to increase agency capacity to effectively serve the employer community



Key Federal Programs



Oregon's Trade Act Program continues to be considered the best in the nation. Trade Act served 6,323 participants in the 17-19 biennium—local Trade Act Navigators expand job seeker and employer access to services—**Policy Package 103** establishes seven positions that are federally funded to increase agency capacity to effectively serve Oregon communities

Annually, 15,000 **veterans access services** through local offices—roughly 2,000 of those veterans have significant barriers to employment and are provided intensive services by 22 veteran employment specialists—strong partnerships exist with the Veterans Administration, Oregon Department of Veterans Affairs, Oregon military units, and other community support organizations



Key Federal Programs

Since July 2017, over 75,000 **Reemployment Services and Eligibility Assessments** occurred with unemployment insurance claimants—customized Business Services staff have been responsible for many unemployment insurance claimants interviewing for and accepting jobs ranging between \$70,000 and \$150,000 annually



Workforce Operations delivers intensive services to **supplemental nutrition assistance program (SNAP)** recipients—since the start of the biennium, 22,500 SNAP recipients volunteered to participate, and DHS required another 6,000 to participate—**Policy Package 102** establishes 41 positions that are federally funded through charges for services to state agencies to handle program growth

Key Federal Programs



Partnerships between Bureau of Labor and Industries, Employment Department, and the Higher Education Coordinating Commission are stronger than ever and **registered apprenticeship** has expanded into two new industries—healthcare and information technology

The **Work Opportunity Tax Credit (WOTC)** has an annual growth rate of 9%—a position was added last year to educate employers and WSO staff about the WOTC program—application processing time has been reduced from 88 to 28 days!



2017 – 2019 Accomplishments

- Over \$158,667,400 in tax credits were issued to Oregon Employers since July 2017
- Processing time was reduced from 88 days to 28 days
- New outreach efforts increased Oregon employer participation by 10%
- WOTC participation in the Second Chance Tour resulted in an 8% increase in applications for job seekers with legal histories



Work Opportunity Tax Credit

2017 – 2019 Accomplishments

Trade Act Navigator success stories:

- Pacific Crest workers became eligible through a Navigator's efforts with 31 workers in training to date
- Workers from Rough Ready and a food plant in Hermiston became aware of Trade Act through the Rapid Response and Navigator partnership with 61 workers in training to date



Trade Adjustment Assistance

2017 – 2019 Accomplishments

- The SNAP Training and Employment Program (STEP) is now available in WorkSource Oregon centers statewide
- Services to able bodied adults without dependents (ABAWD) are expanding from seven to fourteen counties—supportive services provided include transportation, clothing, and education



SNAP Training and Employment Program

Program Video

<https://www.youtube.com/watch?v=W8-VmJEFaX0&feature=youtu.be>



Areas of Future Focus

- Expand Registered Apprenticeship programs into new industries
- Build stronger partnerships with Oregon Youth Authority to provide early employment services to youth
- Integrate STEP and ABAWD services into WorkSource Oregon centers statewide
- Partner with workforce system leadership to continuously improve operational standards for WorkSource Oregon centers
- Scale business services model statewide
- Evolve business processes as we modernize the IT systems that support us



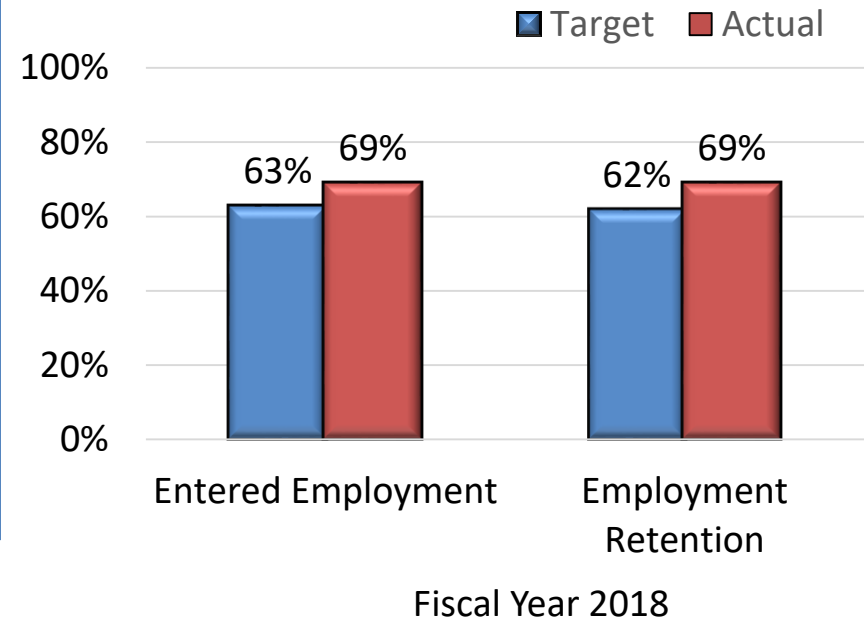
Key Performance Measures and Outcomes for 2018

KPM #1 Entered Employment:

Percentage of adult program participants who are in unsubsidized employment during the second quarter after utilizing Workforce Operations services • A higher percentage is better

KPM #2 Employment Retention:

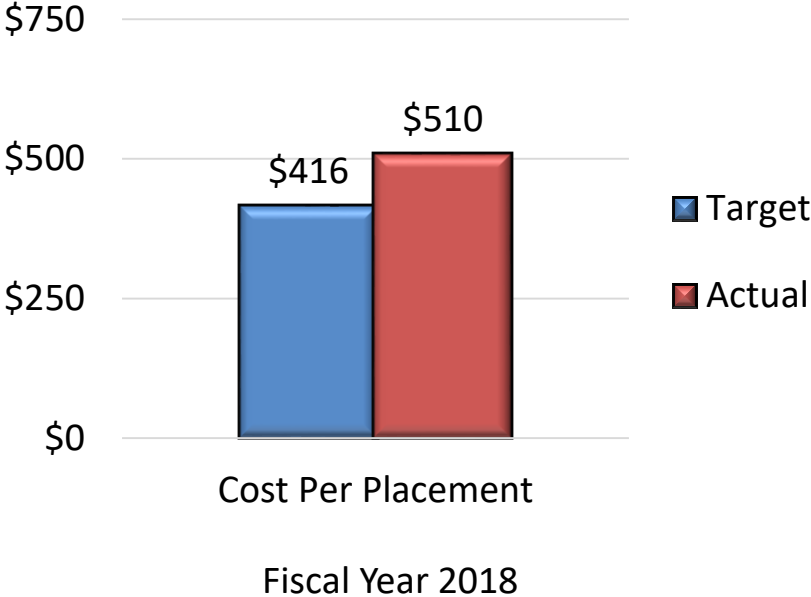
Percentage of adult program participants who are in unsubsidized employment during the fourth quarter after exiting the program • A higher percentage is better



Key Performance Measures and Outcomes for 2018

KPM #3 Cost Per Placement:

Total cost of Workforce Operations program divided by the total number of job seekers entered into employment after receiving services





Unemployment Insurance

David Gerstenfeld, Division Director



Unemployment Insurance (UI)

*Employment
Appeals Board*

Total Positions: 532

UI Tax

- Employer registration
- Tax status determination
- Combined tax reporting
- Tax collection
- Account maintenance
- Field audits

UI Benefits

- Process claims
- Determine benefit eligibility
- Pay benefits
- Benefit Payment Control
(prevent, detect, and recover overpayments)
- Allocate benefit payments
among employers

UI Policy

- Quality control
- Federal and state compliance
- Legislative, rule, and policy
work
- Trust fund projections and
analysis
- Interstate programs
- Training



The Purpose of Unemployment Insurance

- Provide partial wage replacement to unemployed workers
- Stabilize the economy in local communities
- Preserve a trained, local workforce for businesses
- Collaborate with WorkSource Oregon to get people back to work faster
- Weekly, eligibility based program that provides up to 26 weeks of benefits



Unemployment Insurance Programs



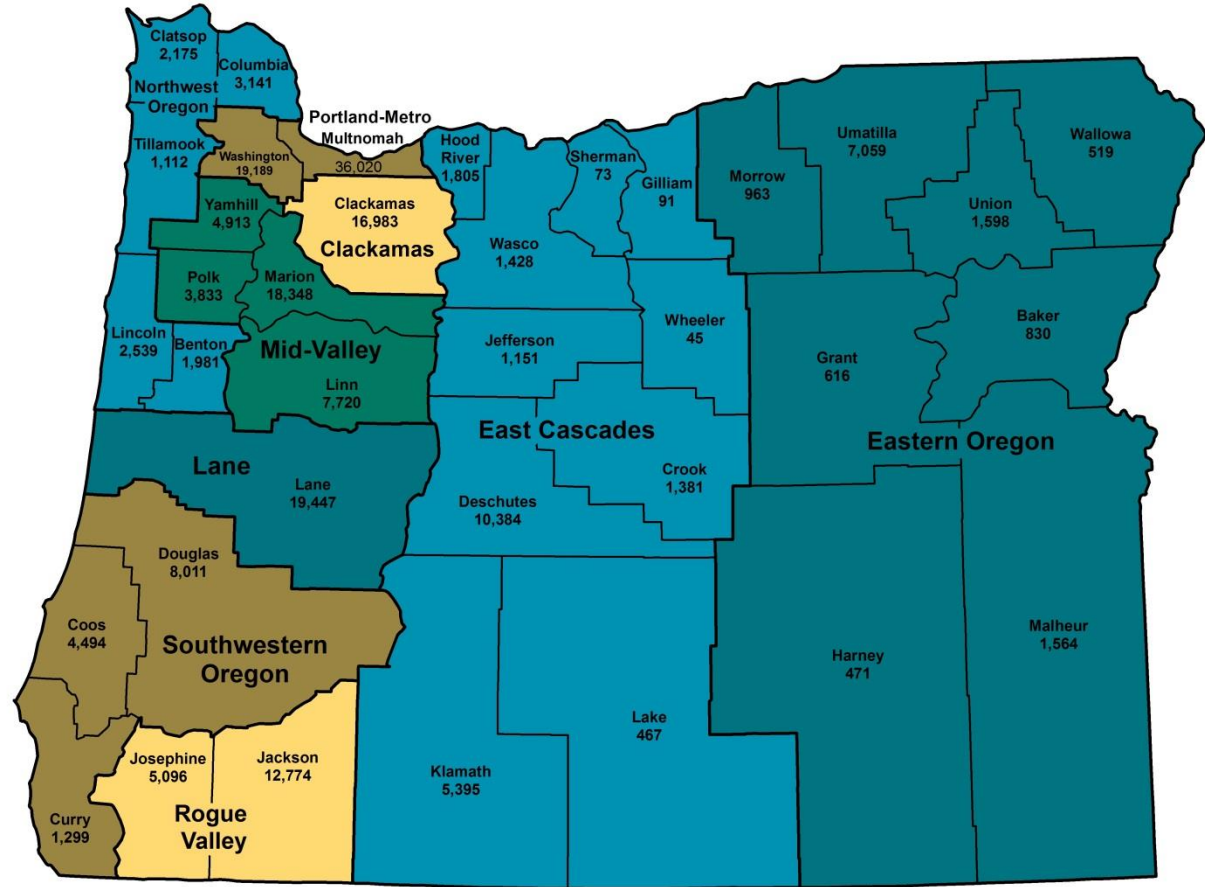
Key Factors Affecting Services

- Overall economic conditions
- Size of Oregon's workforce
- Need for UI benefits has recurring seasonal fluctuations
- Demand for specialized programs
- Programmatic and policy changes



Unemployment Insurance Claims for 2018

Total Claims
223,914

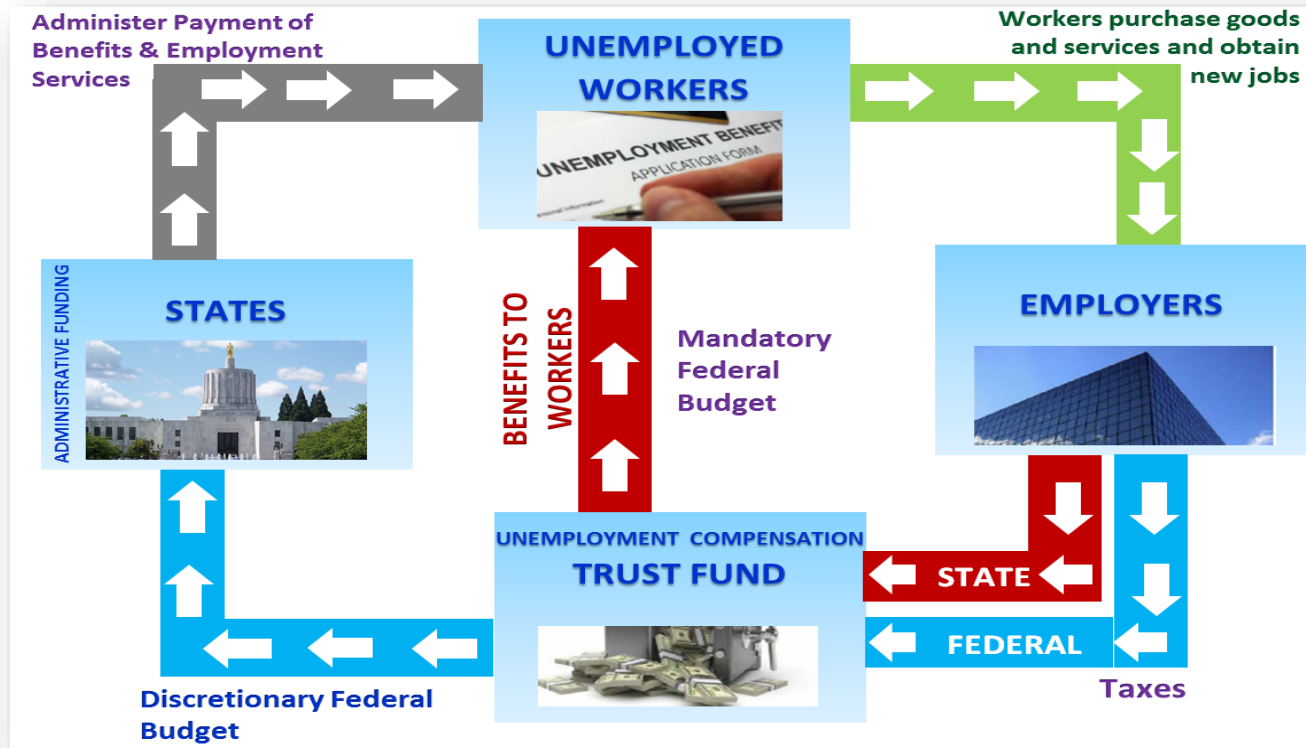


Federal-State Partnership

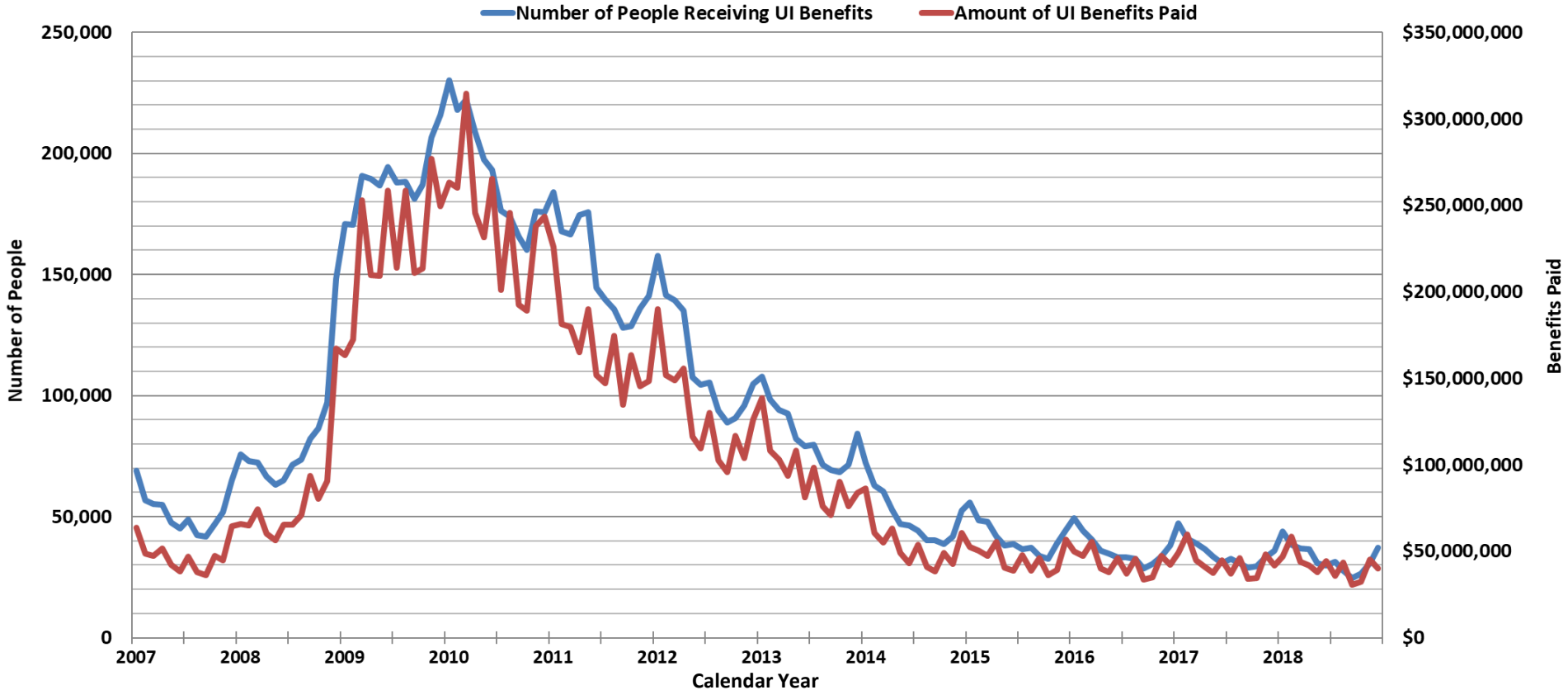
- Oregon employers pay state UI payroll taxes
- The federal government holds that money in the UI Trust Fund for Oregon to pay UI benefits
- U.S. Department of Labor provides an administrative grant to Oregon to operate the UI program
- If Oregon conforms to federal requirements, employers have reduced Federal Unemployment Tax Act (FUTA) payroll taxes



Unemployment Insurance and Employment Services System



Monthly Unemployment Insurance Benefits



People Served by the Unemployment Insurance Program

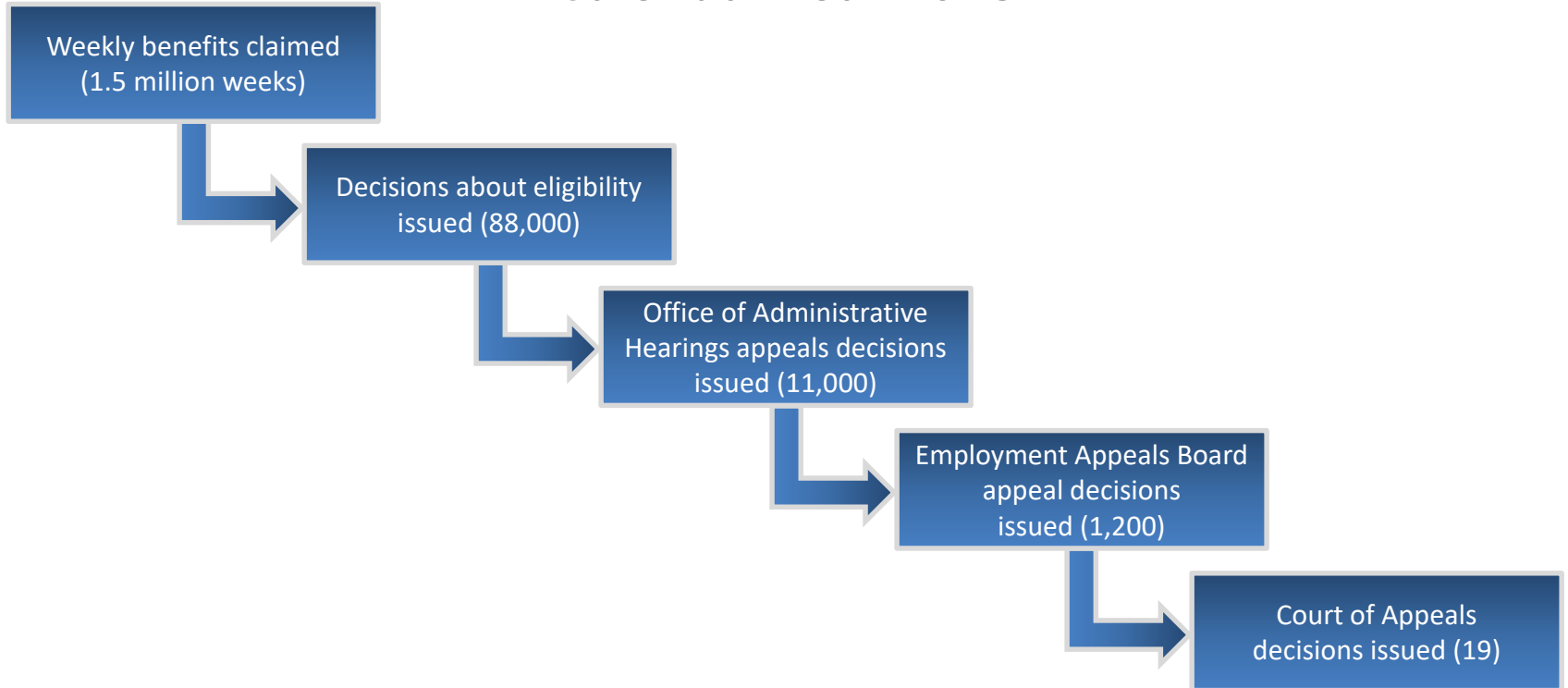
Calendar Year 2018

- 1.5 million weeks of benefits claimed
- 113,000 workers received \$501 million in unemployment insurance benefits
- 377,000 calls answered through contact center
- 129,000 employers filed 8.9 million wage records
- \$886,000,000 million in payroll taxes collected



Decisions about UI Eligibility

Calendar Year 2018



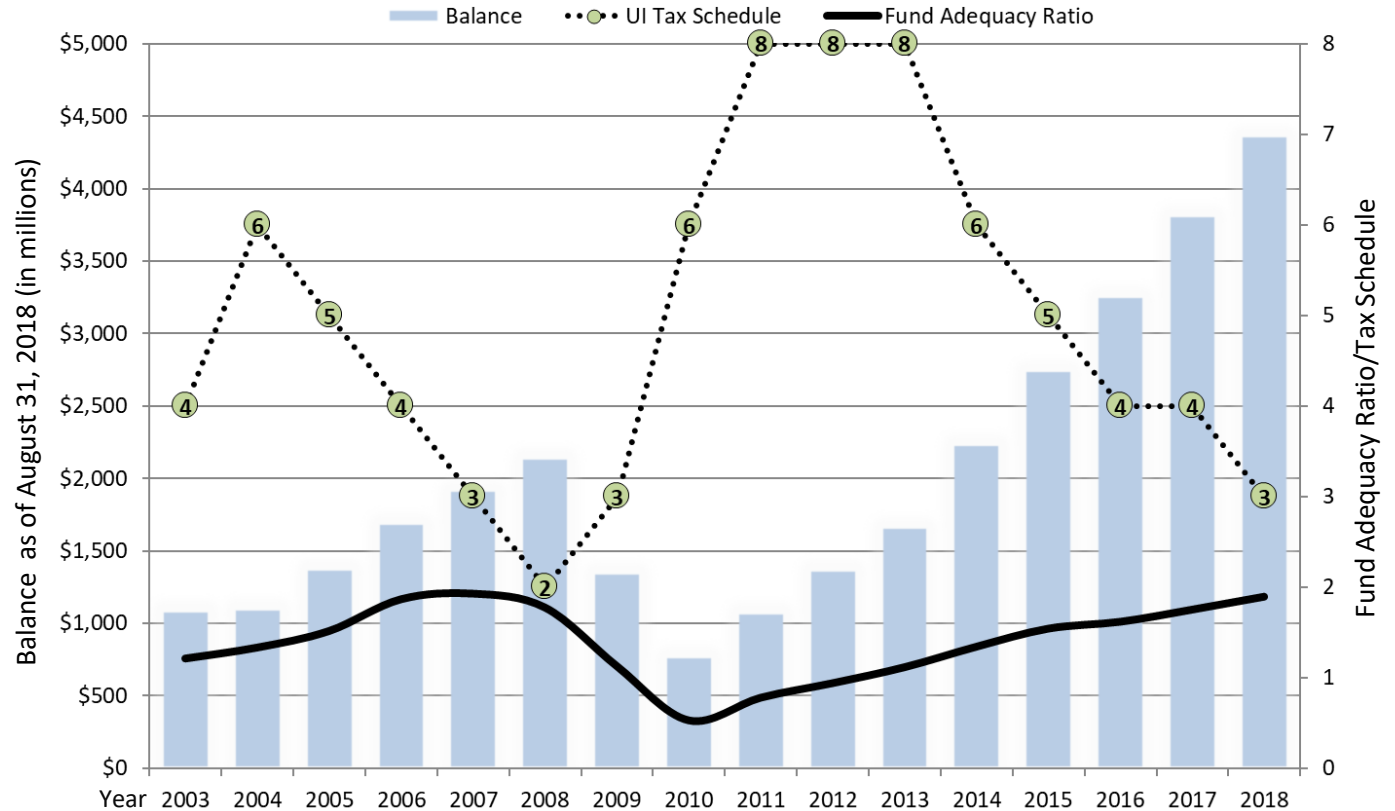
UI Trust Fund Basics

- Oregon's statutory, self-balancing formula plans ahead for economic downturns to avoid tax increases during recessions
- An “adequacy ratio” determines which of 8 tax schedules apply for a particular year
- Within each tax schedule, employers' tax rates depend on their use of the UI system
- Federal and state law only permit the UI Trust Fund to be used for specific purposes – primarily paying UI benefits
- Oregon's UI Trust Fund is viewed as a model for other states



Trust Fund Balance, Schedule, and Fund Adequacy Ratio

Federal and state law restrict the use of funds to Unemployment Insurance



UI System Opportunities According to U.S. DOL

Oregon shares many challenges with UI programs nationally

- Inadequate federal administrative funding
- Need to modernize UI systems
- Loss of institutional knowledge and capacity
- Inability to provide desired levels of service

We have avoided problems other states face

- Inadequate UI Trust Fund
- Decreased safety net for unemployed workers



Preparing for Opportunities

- Oregon struggles to serve people as quickly as we would like
- Ongoing efforts to minimize improper payments – sophisticated fraud schemes and federal requirements contribute to the challenges
- Progress is being made – outdated technology and processes are barriers
- Technology limitations make it harder to work with partner agencies to best serve the public



Unemployment Insurance is Part of the Workforce System

- Connectivity team supports collaboration and communication between Unemployment Insurance, Workforce Operations and the Office of Workforce Investments to better help unemployed job seekers
- Close collaboration with Workforce Operations to administer the Reemployment Services and Eligibility Assessment program, helping people get reemployed more quickly and preventing benefit overpayments
- Collaborate with partners to align UI with training, apprenticeship and other workforce development strategies



Interagency Compliance Network

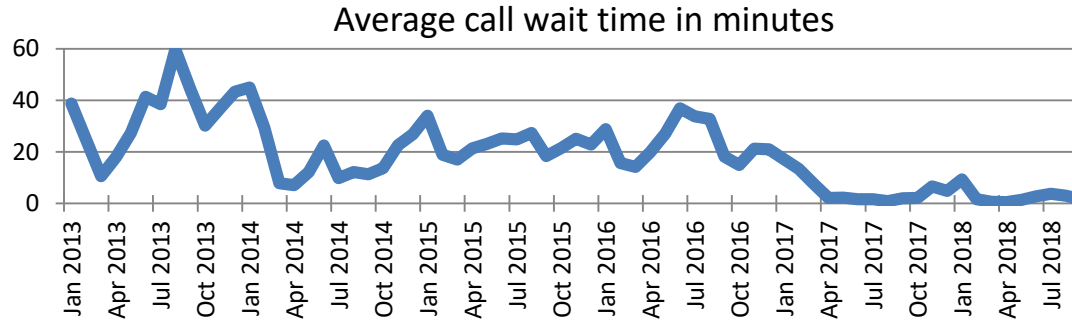
Multi-agency group collaborating on common issues related to workers

- Consistency in determinations relating to worker classification
- Gather and share information regarding improper payment practices
- Coordinate public education and enforcement efforts



Accomplishments

- People calling about UI claims have significantly shorter wait times



- Oregon is one of only five states that passed federal data validation requirements for its UI program
- Oregon employers timely pay their UI taxes 96.5% of the time
- Proactively preparing for the next recession



2019-21 Priorities

- Modernizing outdated processes and systems
- Serving the public more timely
- Improving benefit accuracy and collection efforts
- Preparing for the next recession

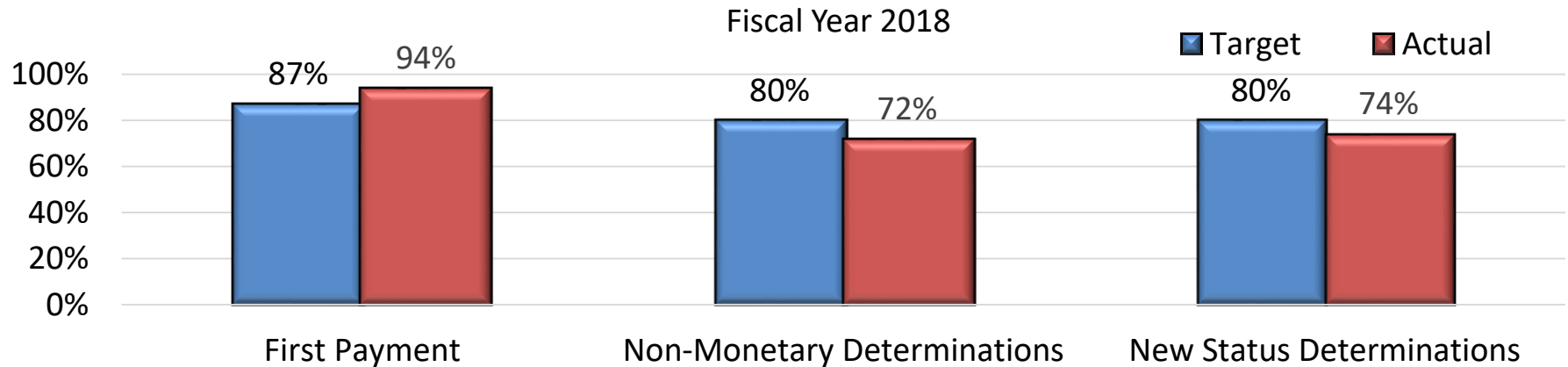


Key Performance Measures and Outcomes for 2018

KPM #4 First Payment Timeliness: Percentage of initial unemployment insurance payments made within 21 days of eligibility • A higher percentage is better

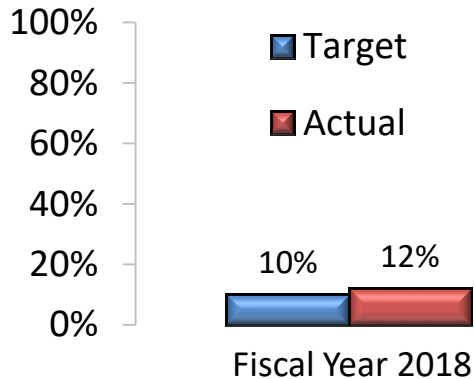
KPM # 5 Non-Monetary Determinations Timeliness: Percentage of claims that are adjudicated within 21 days of issue detection • A higher percentage is better

KPM #12 Timeliness of New Status Determinations: Percentage of new status determinations completed within 90 days of the end of the liable quarter • A higher percentage is better

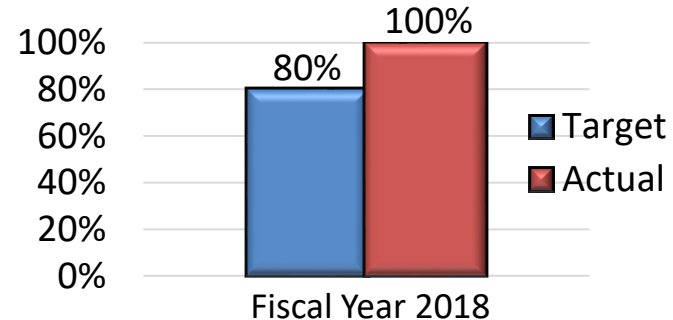


Key Performance Measures and Outcomes for 2018

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 • A lower percentage is better



KPM #11 Higher Authority Appeals Timeliness: Percentage of cases requesting an appeal that receive a decision within 45 days of the date of request. A higher percentage is better.



Program Video

<https://youtu.be/uZLQgTdohTU>





Modernization Program

Kay Erickson, Director



Program Overview

Modernization Program is a **multi-year initiative** focused on **transforming the agency's business processes and core technology systems**

Computer systems supporting receipt of **unemployment insurance taxes**, payment of **unemployment insurance benefits**, and delivery of **employment services will be replaced**

Business processes will be transformed to take advantage of **new system capabilities**

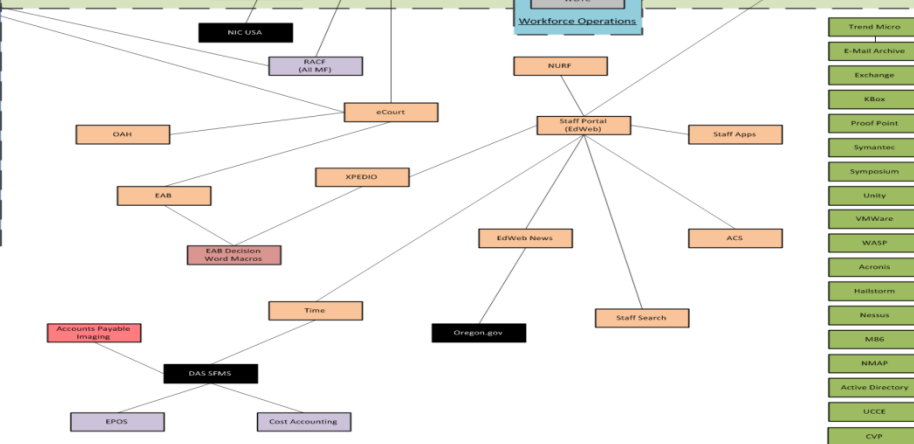
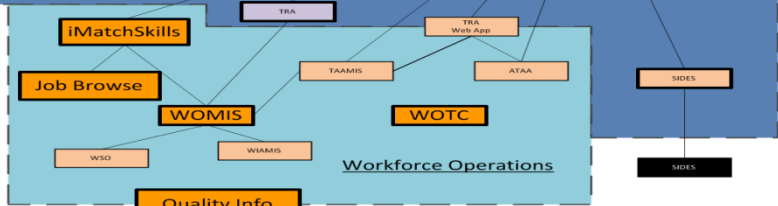
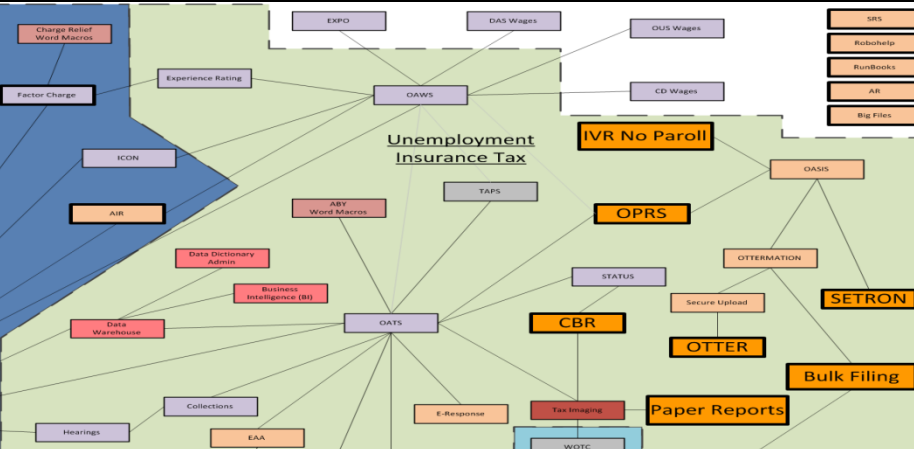
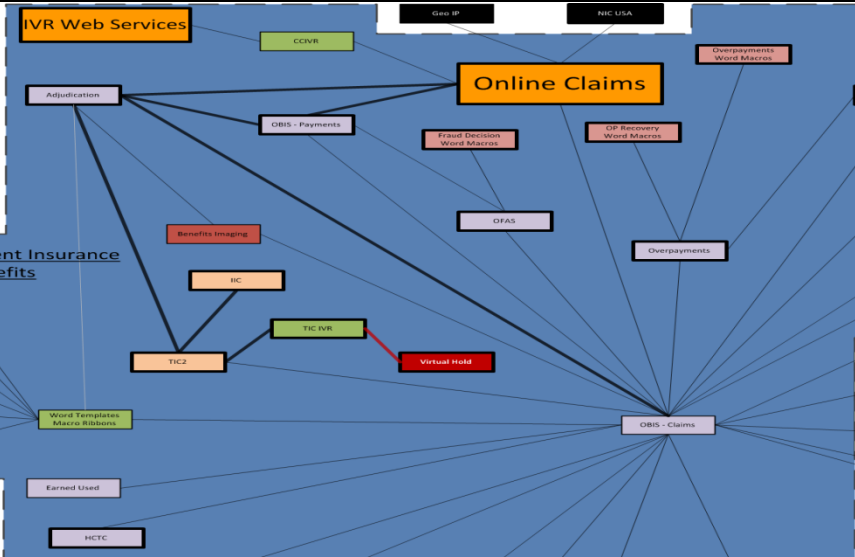


- DPTS
- Esor
- ASIST GT
- ECRO
- LAUS

- SBS
- Robobridge
- RunBooks
- ARL
- Big Files

- ### Unemployment Insurance Benefits
- Adj. NonMonetary Word Macros
 - Adj. Monetary Word Macros
 - Records & Retels Word Macros
 - Adjudication Word Macros
 - Letters & Forms Word Macros
 - Extensions Word Macros
 - Word Templates Macro Ribbons
 - Earned Used
 - HCTC

- Central Office Info- MS Access
- Court Info for Adj- MS Access
- Interpreters - Admin- MS Access
- Contracts- MS Access
- CRC- MS Access
- DMV- MS Access
- FD Info- MS Access
- Hear Log- MS Access
- ECRC- MS Access
- OED Interpreters- MS Access
- Personnel- MS Access
- School- MS Access
- TUI- MS Access
- OP Legal- MS Access
- Claimant Hearing- MS Access
- PA Schedule- MS Access
- Convictions- MS Access
- Dispute- MS Access
- EAR- MS Access
- Hav Factors- MS Access
- Hearings Inv.- MS Access
- Monthend- MS Access
- OP Hearings- MS Access
- Relief- MS Access
- Self Employed- MS Access
- WOTC- MS Access



- Trend Micro
- E-Mail Archive
- Exchange
- KBBox
- Proof Point
- Symantec
- Symposium
- Unity
- VMWare
- WASP
- Acronis
- Hallstorm
- Nessus
- MARC
- NMAP
- Active Directory
- UCEE
- CVP

Legend: ● Customer Interface ● Mainframe ● Word Templates ● Web Applications ● Technical Support ● Imaging ● MS Access DB ● Misc. ● Outside App.

Modernization Program Goals

Enhance customer
experience

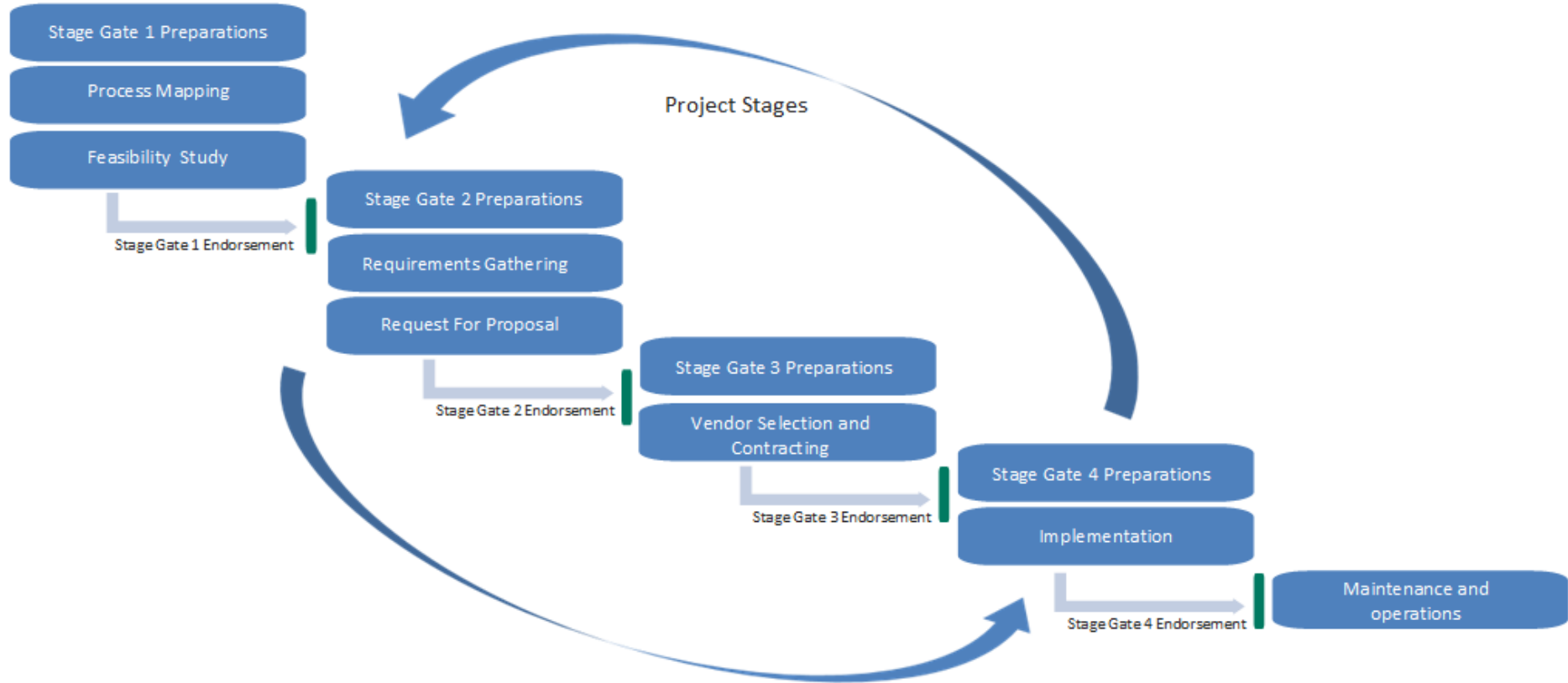
Modernize technology

Transform business
processes

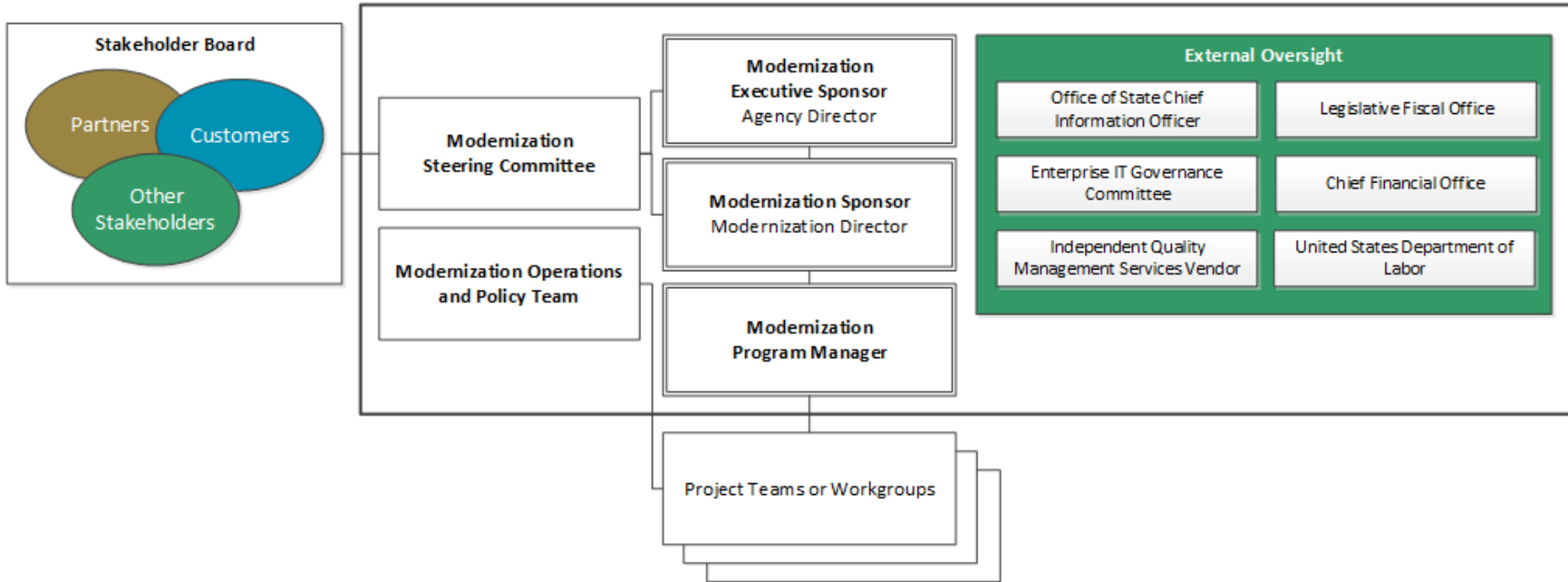
Improve security



Modernization Program Steps and Stages



Modernization Program Governance



Revised: 2/1/2019



Partners are Necessary for Core Business Processes*

Unemployment Insurance Tax

Tax Payments

Banks
Department of Consumer
and Business Services
Department of Revenue
State Treasury

Data Sharing

Department of Human Services
Public Employees Benefit Board
Oregon Health Authority
U.S. Department of Labor
Higher Education
Coordinating Commission
U.S. Department of Health
and Human Services

Combined Business Registration

Department of Consumer
and Business Services
Department of Revenue
Secretary of State

Employer Quarterly Reporting

Department of Consumer
and Business Services
Department of Revenue

Unemployment Insurance Benefits

UI Benefit Payments

Banks
State Treasury

Collections

Department of Justice
Department of Revenue
Internal Revenue Service

Data Sharing

Department of Human Services
National Association of State Workforce Agencies
Social Security Administration
State and County Jails
U.S. Department of Labor

**lists not exhaustive*



Partners are Necessary for Core Business Processes*

Employment Services

Data Sharing

Department of Consumer and Business Services

Department of Human Services

Direct Employers

Higher Education Coordinating Commission

Local Workforce Development Boards

U.S. Department of Labor

Service Partners

Business Oregon

Community Colleges

Department of Corrections

Department of Human Services

Department of Veterans' Affairs

Higher Education Coordinating Commission

Local Workforce Development Boards

Non-Profits

Oregon Commission for the Blind

Oregon Youth Authority

Title I Providers

U.S. Department of Veterans Affairs

Workforce and Talent Development Board

Research and Administrative Functions

Data Sharing

Bureau of Labor and Industries

Business Oregon

Department of Administrative Services

Department of Human Services

Department of Transportation

Higher Education Coordinating Commission

Oregon Counties and Cities

Other Federal and State Agencies

U.S. Bureau of Labor Statistics

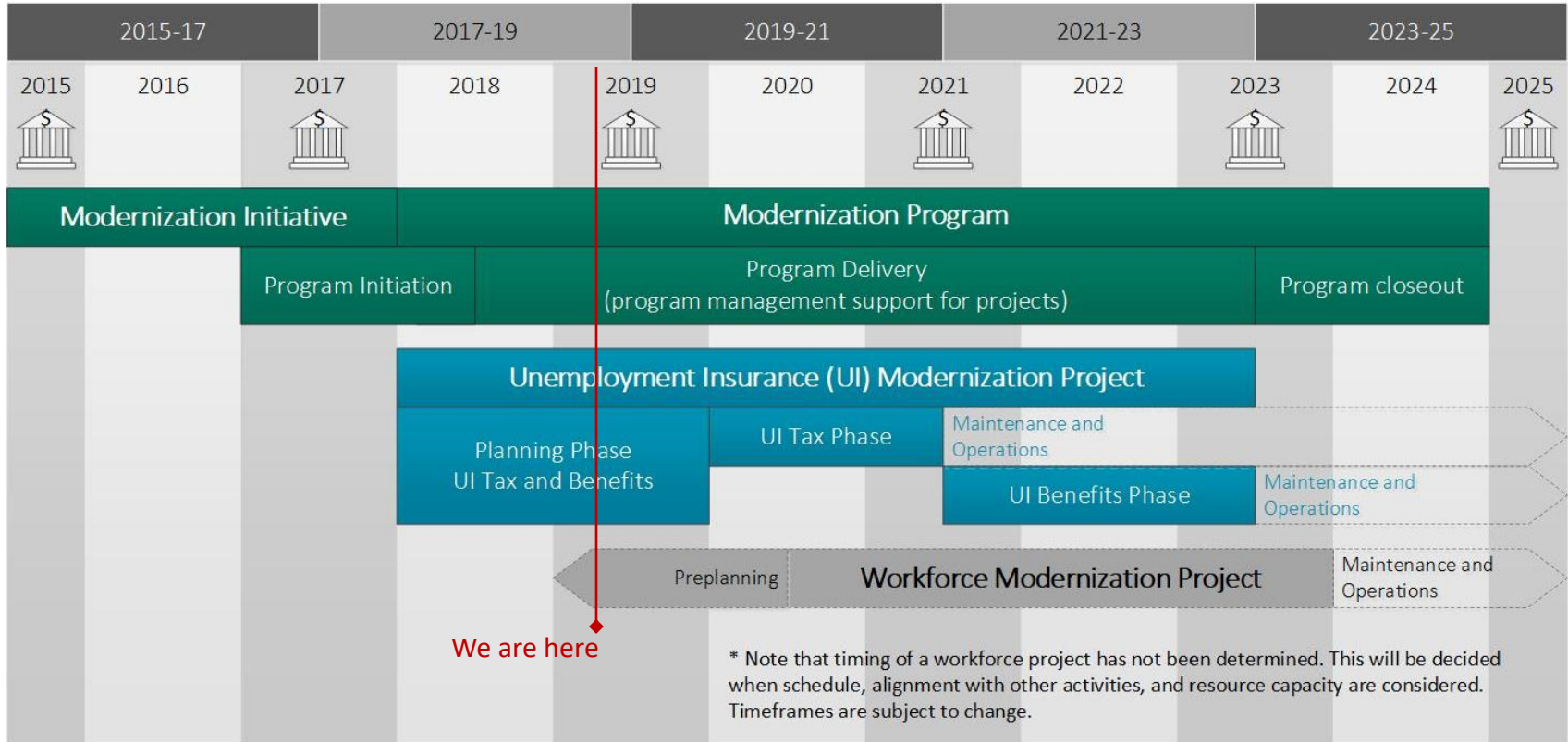
U.S. Census Bureau



**lists not exhaustive*



Modernization Program Timeline



Revised: 12/2018



2017-19 Modernization Program Accomplishments

- Completed feasibility study **January 2018**
- Received Stage Gate 1 endorsement for overall Modernization Program **January 2018**
- Initiated the Unemployment Insurance Project **April 2018**
- Submitted for Stage Gate 2 endorsement for UI project **December 2018**
- On schedule and under budget



First Project Underway – Unemployment Insurance

- Unemployment insurance systems contain **oldest** components, with some dating back to 1985
- As of 2018, almost 40% of department technical staff are **eligible to retire**
- Many of the Unemployment Insurance Tax processes are manual and **inefficient**
- Extremely **limited** self-service options for our customers



First Project Underway – Unemployment Insurance

- Unemployment program collects **revenues** in support of unemployed workers and agency services
- Essential to our good **stewardship** of the Unemployment Insurance Trust Fund on behalf of Oregon employers and the federal government
- **Data** collected by Unemployment Insurance Tax is the foundation for agency core business operations and key partners



Unemployment Insurance is Foundational

- **Oregon's households and economy**—provides financial support that is an essential contribution to the stability of Oregon communities
- **Revenue collection for state government**—Combined Payroll Reporting System is a partnership with Department of Revenue and the Department of Consumer and Business Services
- **Information on every covered worker and almost all businesses**—supports Quarterly Census of Employment and Wages (QCEW) and provides foundation for Oregon's Performance Reporting Information System (PRISM)
- **Necessary investment in state's infrastructure**—integrating tax and benefits will create efficiencies for us and partner agencies



Unemployment Insurance Project Scope

- **Implement** vendor solutions that deliver unemployment insurance tax and benefits, and support employment services
- **Configure or develop** vendor solutions to meet the agency's detailed business requirements
- Revise high-level **business process documentation** that reflects industry best practices provided by the vendor and existing user community
- **Knowledge transfer** and technical documentation to support the new systems



Unemployment Insurance Project Scope

UI Modernization Project Scope Measures

Legacy systems to be replaced	31 systems
Legacy systems impacted	48 systems
External data transfers	128 total (126 data transfers 2 interfaces)
Internal data transfers	234 total
External system accesses	58 access points, 24 stakeholders
Mandatory reports	113 (66 state and federal reports 47 financial reports)
Business requirements	<i>In progress</i>
Technical requirements	<i>In progress</i>



Next Steps 2017-19

- Stage Gate 2 approval for Unemployment Insurance project
- Procure independent quality management services (iQMS) vendor **February 2019**
- Request for proposal for Unemployment Insurance solution **April 2019**
- Hiring **February – November 2019**
- Facilities preparation **February – June 2019**
- IT Readiness **May 2019**



Modernization Program

Total Positions: 55

Key Partners and Stakeholders

Steering Committee

Federal, State, and External Oversight

Vendors

- Solution vendors(s)
- iQMS/IV&V vendor
- Change management
- Technical professional services

Expanded UI Project Team

- Operational staff providing subject matter expertise, testing, training, and other functions

Core Program Team

- Program leadership, management, operational support
- Project management, scheduling, task management
- Technical leadership, IT liaison, management, and support
- Business analysis on system requirement, configuration, and development
- Human resources, budget, contract administration, and support

UI Modernization Project Team

- Business management and operational support
- Project management, scheduling, task management
- Technical management and operational support
- Lead and coordinate data development, configuration, conversion, and interfaces
- Business and technical analysis on documents, designs, and processes
- System and user training



2019-21 Modernization Policy Package



July 1 through February 1

through June 30

through February 1

through June 31

Project Managers (2)
 Budget Analyst
 Program Business Manager
 Program Technical Lead
 UI Project Technical Manager
 UI Project Business Manager
 Business Analysts (11)
 Technical Team (16)
 IT Help Desk Techs (2)
 Human Resources Analyst

+ \$3.50 million	+ \$2.90 million	+ \$4.30 million	+ \$3.00 million
+ 37 pos/8.33 FTE	+ 0 pos/5.98 FTE	+ 0 pos/8.35 FTE	+ 0 pos/5.98 FTE
= \$3.50 million	= \$6.40 million	= \$10.70 million	= \$13.70 million
= 37 pos/8.33 FTE	= 37 pos/14.30 FTE	= 37 pos/22.65 FTE	= 37 pos/28.63 FTE



Priorities for 2019-21

- **Request For Proposal** execution
 - Selecting vendor
 - Contract negotiations
- **Hire and onboard** Unemployment Insurance project staff
- **Submit** for Stage Gate 3
- **Begin** Unemployment Insurance project implementation
- **Pre-planning** for the Workforce project
 - Meetings with stakeholders
 - Request for Information



Modernization is a Multi-Biennia Effort

Range of System Development Vendor Costs and Timelines*

System	Solution Vendor Development Costs	Vendor Maintenance and Support Costs (Annually)	Implementation Timeline
Unemployment Insurance Modernization Project	\$20 - \$40 million	\$3 - \$6 million	3 ½ years
Workforce Modernization Project	\$0.6 - \$3.5 million	\$0.2 - \$3 million	1 - 2 years

** Cost estimates represent what is known as of January 2019 and will be adjusted as we learn more. NOTE: Internal staffing, facilities, infrastructure, training, and other vendor services are not included here.*



Modernization is a Multi-Biennia Effort

Unemployment Insurance Project 2017-2023

Estimated Total Costs for Program Staff, Project Staff, and Vendor*

Implement UI Tax and Benefits solution	\$80 - \$123 million
Annual vendor software maintenance and support	\$3 - \$6 million
Other ongoing operating costs	<i>Pending solution selection</i>

****Cost estimates represent what is known as of January 2019 and will be adjusted as we learn more from our 2019 Request for Proposal.***



Modernization is a Multi-Biennia Effort

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	\$ 406,601	\$ (282,246)
	Policy Package 101	\$ 4,682,314	\$ 3,159,479	\$ (1,522,835)
	Total	\$ 5,371,161	\$ 3,566,080	\$ (1,805,081)
2019-21	Base budget	\$ 8,359,984	\$ 8,359,984	\$ -
	Policy Package 101	\$ 13,699,764	\$ 13,699,764	\$ -
	Total	\$ 22,059,748	\$ 22,059,748	\$ -
2021-23	Base budget	\$ TBD	\$ TBD	\$
	Policy Package 101	\$ TBD	\$ TBD	\$
	Total	\$ TBD	\$ TBD	\$
2023-25	Base budget	\$ TBD	\$ TBD	\$
	Policy Package 101	\$ TBD	\$ TBD	\$
	Total	\$ TBD	\$ TBD	\$
	Cumulative Base Budget	\$ 10,035,464	\$ 9,363,840	\$ (671,624)
	Cumulative Policy Packages	\$ 21,428,104	\$ 17,502,806	\$ (3,925,298)
	Total through 2019-21	\$ 31,463,568	\$ 26,866,646	\$ (4,596,922)

*Actual as of 12/31/2018

**Projected as of 2/4/2019



Office of Administrative Hearings

John Mann

Chief Administrative Law Judge



Office of Administrative Hearings

Oregon's Central Panel

- On January 2, 2000, the State of Oregon created the Hearings Officer Panel as a pilot project—the panel consolidated the hearing programs of seven state agencies
- In 2003, the legislature enacted legislation making the office permanent—the legislation changed the name of the panel to the Office of Administrative Hearings (OAH)
- All state agencies are required to use the OAH for administrative hearings unless specifically exempted by statute (ORS 183.635)
- At least 27 states have adopted “central panels” of administrative law judges so that hearings for state agencies can be conducted by neutral decision makers



The Office of Administrative Hearings

Oregon's Central Panel

- Approximately 80% of OAH hearings are conducted by telephone
- Many in-person hearings are held at one of our three main hearing offices in Eugene, Salem, and Tualatin
 - Satellite offices are also located in Medford, Bend, and Portland
- OAH also holds hearings in public buildings throughout Oregon when hearings are subject to geographical restrictions or when necessary to accommodate the needs of the parties



The Office of Administrative Hearings Oregon's Central Panel

Types of Hearings

- Unemployment Insurance Benefits and Taxation
- Social Service Benefits
- Child Support
- Department of Motor Vehicles
- Special Education
- Water Resources
- Professional Licensing and Regulatory



The Office of Administrative Hearings Oregon's Central Panel

Agencies That Have Chosen to Use Our Services

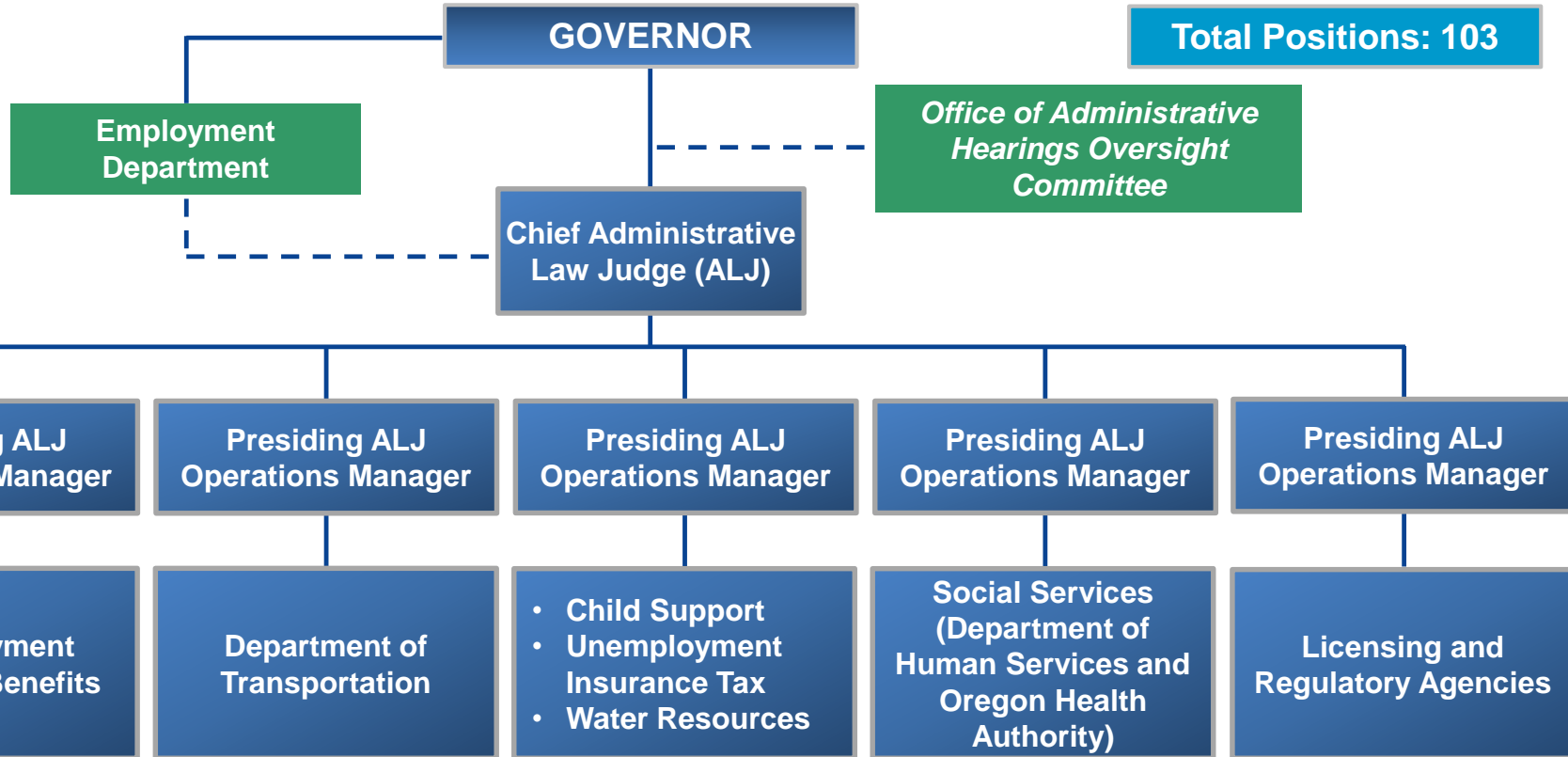
Several state agencies have voluntarily entered into agreements to have the OAH conduct their hearings—these include:

- Oregon Department of Education
- Department of Corrections
- Oregon State Police
- Oregon Youth Authority
- Department of Justice – Charitable Activities Section
- Energy Facility Siting Council

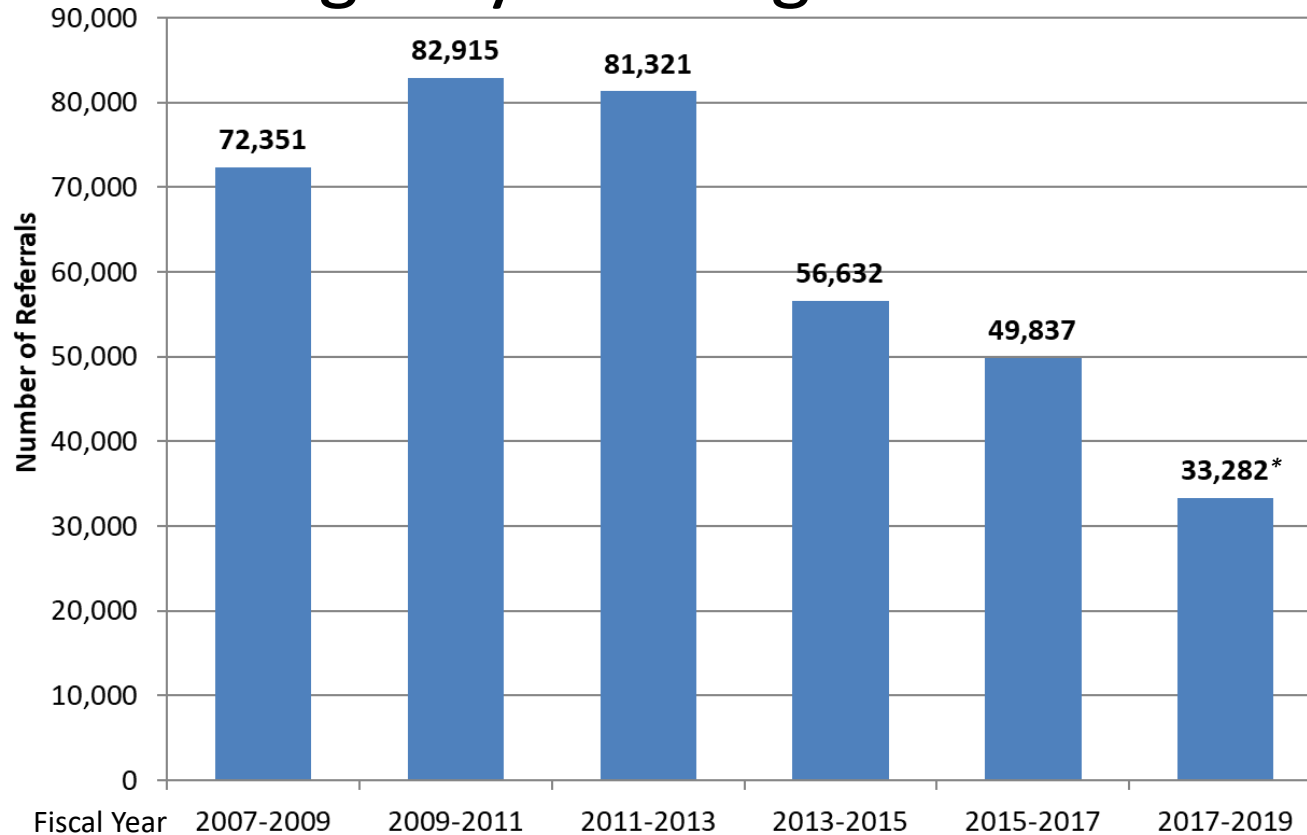


Organizational Structure

Total Positions: 103



Agency Hearing Referrals

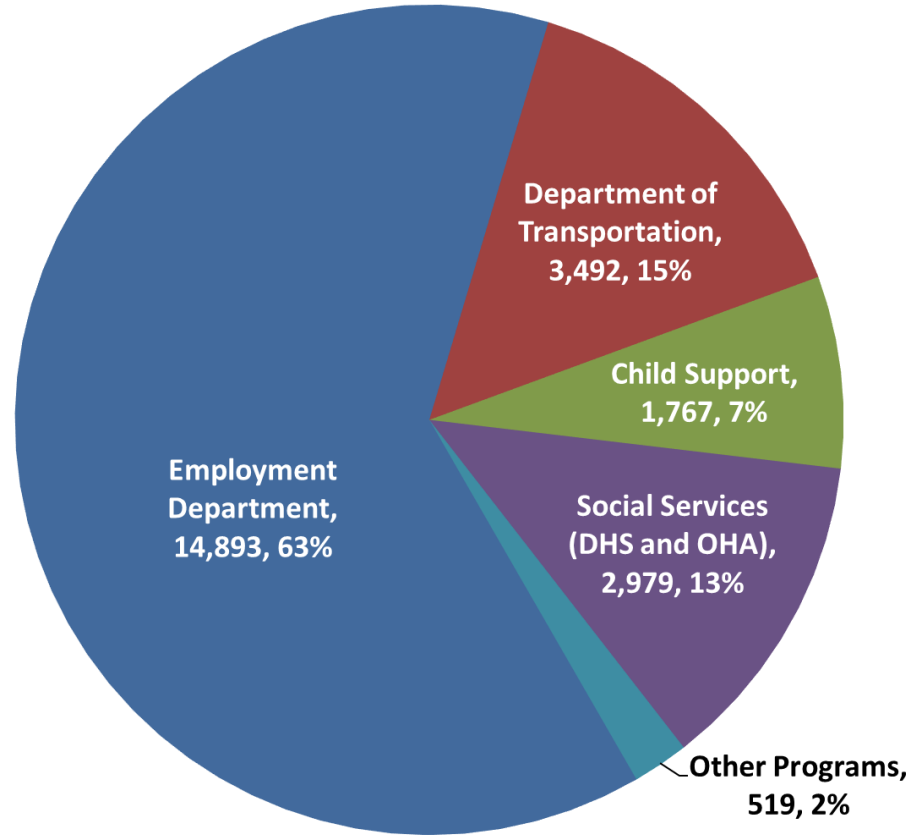


*Through December 2018



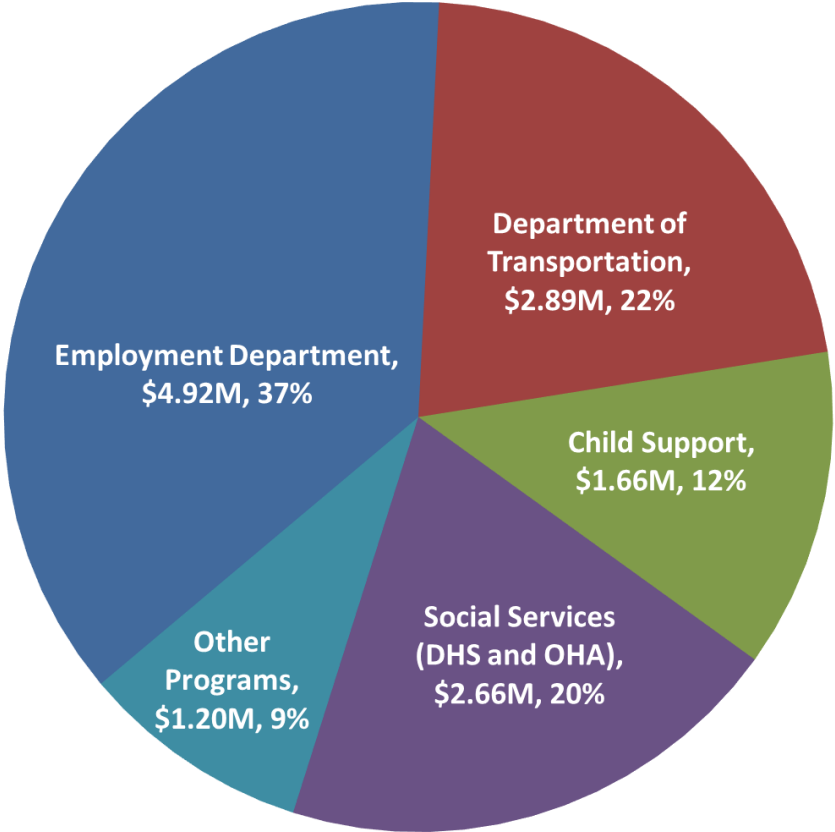
Hearing Requests

Fiscal Year 2018
Requests Received
23,650



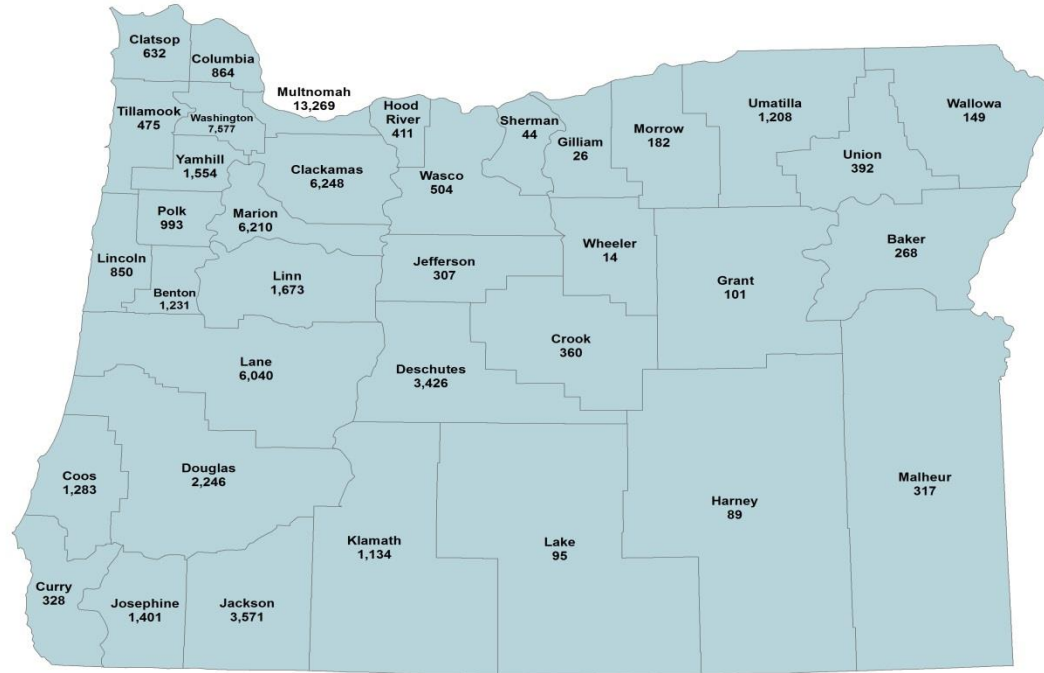
Expenditures by Program

Fiscal Year 2018
Expenditures
\$13.33 million



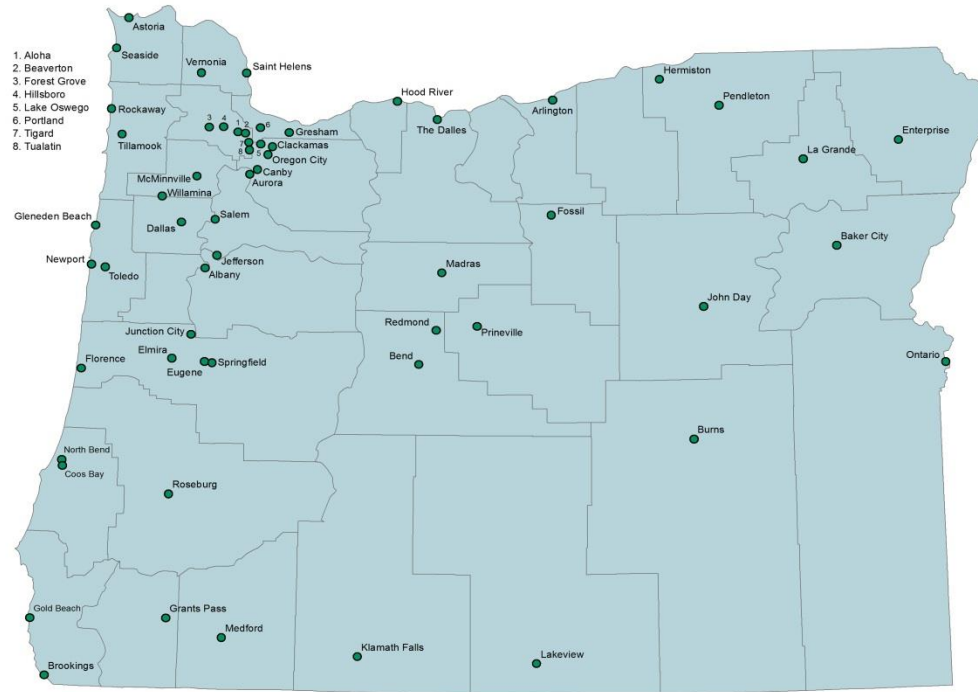
Hearing Participants by County 2015-2017

65,535
Participants
from 36
Oregon
Counties

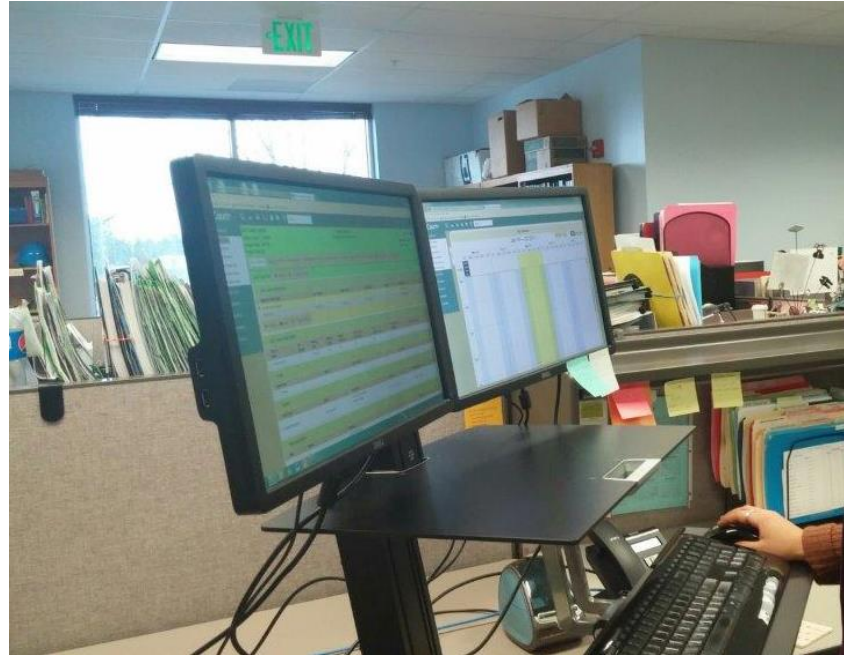


Administrative Law Judge (ALJ) Travel 2015-2017

During the
2015-2017
biennium, ALJs
traveled to 59
Cities in 34
Oregon Counties
to conduct
hearings



OAH Modernization: Completion and Successful Implementation of OAH Case Management Project



Public Service Accomplishments

- Full and fair contested case hearings to agencies and thousands of Oregonians
- Electronic Case Management System available to referring agencies
- Convenient and efficient digital files and recordings



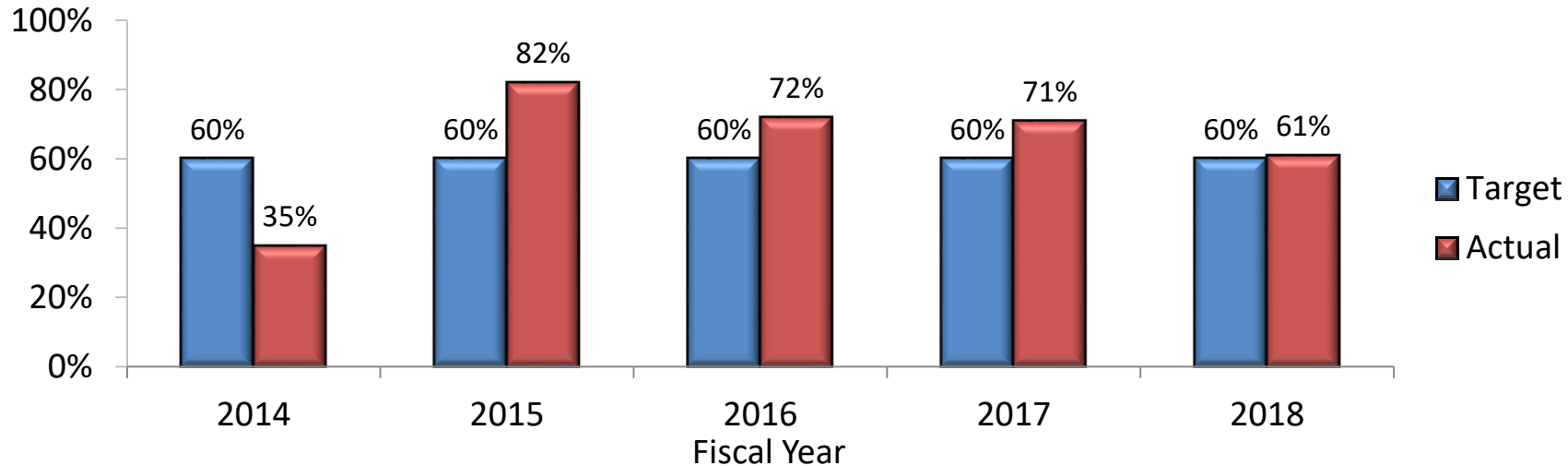
Areas of Future Focus

- Declining referrals in many programs related to historically strong Oregon economy
- Marijuana regulation hearings
- Succession planning
- Strengthening diversity



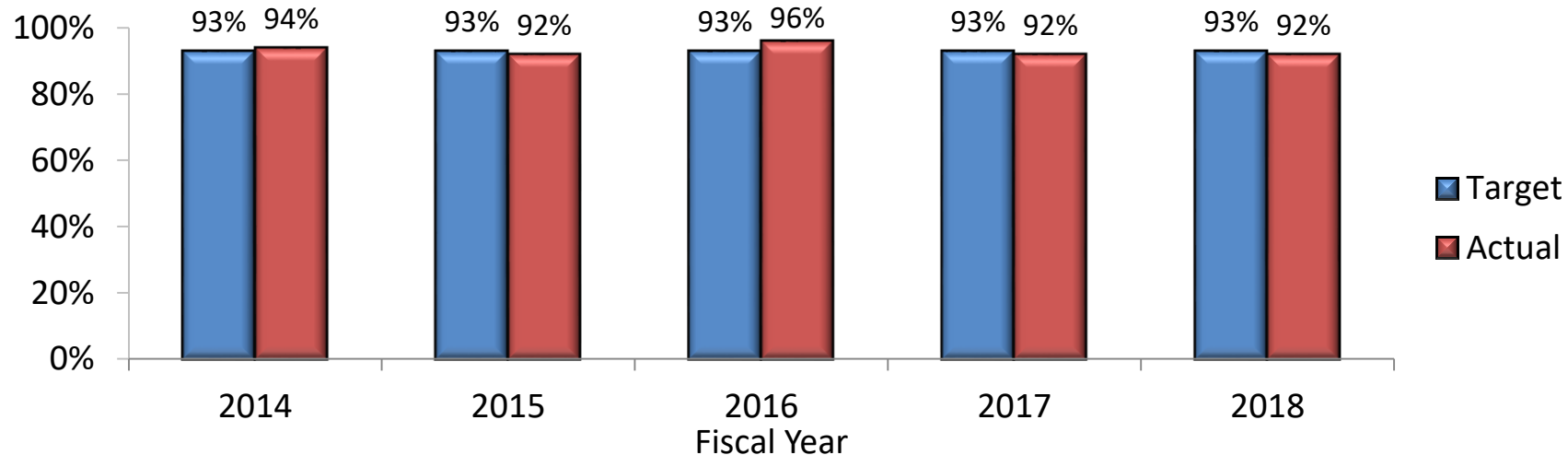
Key Performance Measures and Outcomes for 2018

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 • A higher percentage is better



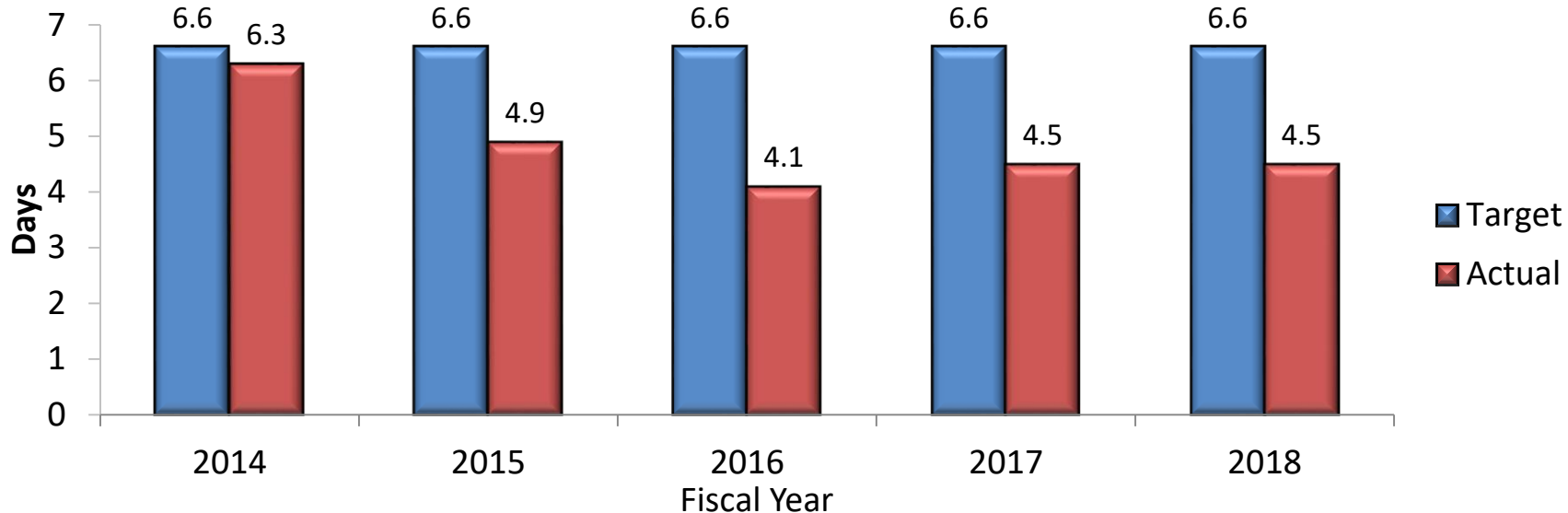
Key Performance Measures and Outcomes for 2018

KPM #8 Non-Unemployment Insurance Appeals Timeliness: Percentage of orders issued within the standards established by the user agencies • A higher percentage is better



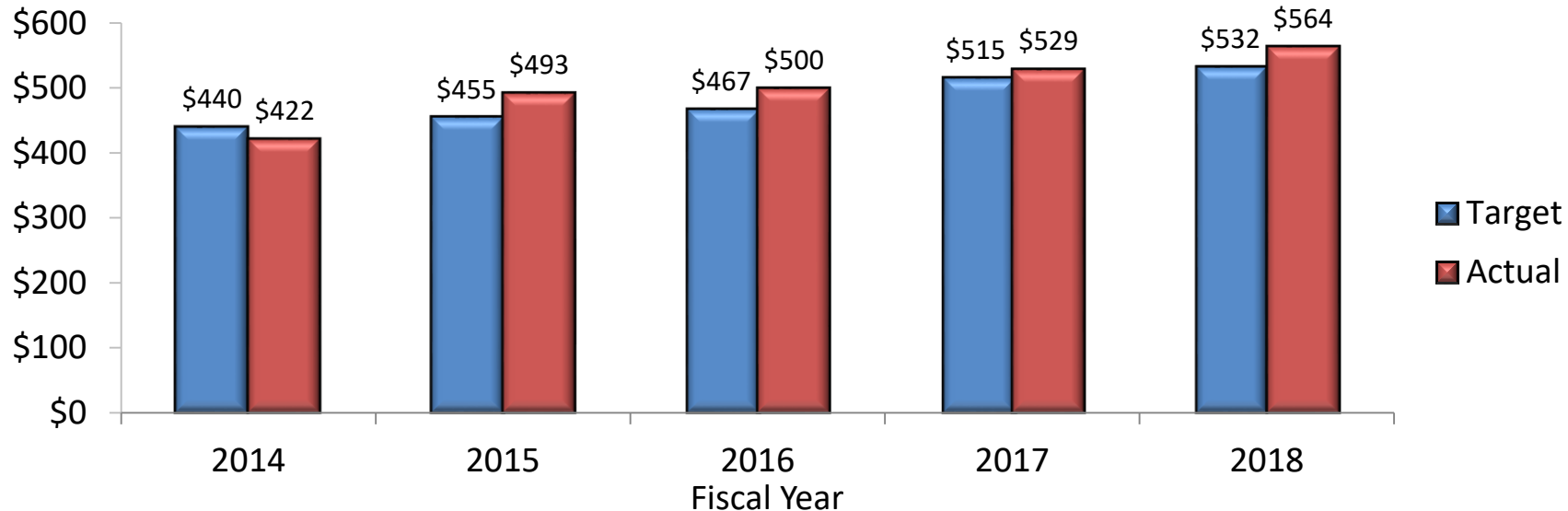
Key Performance Measures and Outcomes for 2018

KPM #9 Average Days to Issue an Order: Average number of days to issue an order following the close of record • Fewer days to issue a decision is better



Key Performance Measures and Outcomes for 2018

KPM #10 Cost Per Referral to OAH: Average cost of hearing referral to the Office of Administrative Hearings • A lower cost is better



Thank You

Office of Administrative Hearings



**Use of Additional Funding to Provide Employment and Supportive Services to Oregon’s Veterans
Response to Request for Information**

March 5, 2019

I. Background

Representative Evans has requested that the department assess how additional funding at multiple levels could be used to support veteran employment and direct services to reintegrate veterans into civilian life post-deployment or separation from service.

Representative Evans’ asked the department to tailor options to the following "ballpark" amounts for both annual and biennium capacities:

1. \$250,000
2. \$500,000
3. \$750,000
4. \$1,000,000

The following information is in response to this specific request.

II. Summary of Veterans Programs

The Oregon Employment Department’s veterans programs are comprised of three specialized positions: Disabled Veterans’ Outreach Program Specialist (DVOP), Local Veterans Employment Representative (LVER), and Consolidated Position staff (50% DVOP and 50% LVER). The department’s current veterans programs are grant funded by the Jobs for Veterans State Grant (JVSG) through the U.S. Department of Labor Veterans’ Employment Training Service (USDOL-VETS). In the past four fiscal years, the state has experienced a continued decrease in the number of DVOP FTE based on its annual funding modification and estimates, from 29 DVOP FTE (FY2015) to 15 DVOP FTE (FY2018). Our JVSG current FY2019 funding is \$18,580 less than FY2018 funding. This JVSG funding support 20 core positions with five non-core positions:

3	Local Veterans Employment Representatives	20 core JVSG funded positions
15	Disabled Veterans’ Outreach Program Specialists	
2	Consolidated Positions (50% DVOP and 50% LVER)	
5	Disabled Veterans’ Outreach Program Specialist	“Special Initiative” JVSG; funds requested; not core funded positions

Each year, the Oregon Employment Department requests additional interim funding from USDOL-VETS through a “Special Initiative” grant to keep an additional five DVOPs working. The five DVOPs

provide intensive employment services in accordance with the special initiative request by providing outreach services to rural veterans, transitioning service members (TSM), veterans ages 18-24, low income veterans, and currently incarcerated and veteran ex-offenders. On January 10, 2019, an USDOL-VETS National Office e-mail stated that they will not be accepting any additional funding requests for FY2019. Without the additional funding the Oregon Employment Department will have to make reductions to the five DVOP positions when the funding ends, assuming that the federal government doesn't allow an additional funding request.

Disabled Veterans' Outreach Program Specialist (DVOP)

DVOPs are located at multiple WorkSource Oregon centers, and cover large regions of the state. They provide individualized intensive career services to veterans with significant barriers to employment using a Case Management framework to develop Individual Employment Plans that set goals and action items to overcome significant barriers to employment. They also offer access to other veteran services (i.e. U.S. Department of Veterans Affairs, Oregon Department of Veterans Affairs, housing services, and training).

Local Veterans Employment Representatives (LVERs)

LVERs are located in two WorkSource Oregon centers (Tualatin and Albany). The LVERs coverage area splits Western Oregon in half, with Salem being the centerline. One LVER works north to the State of Washington, while the other LVER works south to the State of California border. They 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 businesses, industries, and community-based organizations. LVERs plan business-veteran events throughout the state to promote hiring veterans, assist businesses with veteran recruitment strategies, and connecting veterans with apprenticeships programs. They work closely with WorkSource Oregon Regional Business Teams, Local Workforce Development Boards, apprenticeships, business organizations (Society for Human Resource Management, HR Certification Institute, Oregon Employer Councils, 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. Note: The third LVER position performs the State Veteran Programs' Coordinator role.

Consolidated Position (CP)

CPs serve in a dual role as 50% DVOP and 50% LVER to carry out each function as described previously. There are only two CP positions, located in La Grande and Bend to serve Eastern and Central Oregon.

Veterans' Employment Specialist (VES)

The proposed Veterans' Employment Specialist (VES) funded positions will have the ability to: serve all veterans seeking employment and training, promote all veterans including National Guard and Reservists to businesses and employer groups; apprenticeships; and organize special veteran

events. The positions will also outreach to Native American veterans in Oregon, and collaborate with Tribes, existing DVOP and LVERS, and community partners.

III. Options for Funding the Veterans' Employment Specialist Positions

This response is based on the understanding that additional revenue would be allocated to the Oregon Employment Department for enhanced services to Oregon's veterans. The proposed Veterans' Employment Specialist roles would continue as long as this additional revenue source was available to the Oregon Employment Department. These estimates are intended to provide an idea of how additional funding may best be used at this time. This information is subject to change, depending on the funding levels and identified greatest need to best serve veterans. These new veteran positions will be able to serve any veteran including National Guard and Reservists, and not have the strict limitations of the veteran and eligible veteran definition set by USDOL-VETS.

Funding Option Packages - (options also summarized in reference Table 3)

\$250,000 per year or \$500,000 per biennium:

Provide funding for two new Veterans' Employment Specialist positions for one year.

One veteran position for Central Oregon and one position for the Portland area. Central Oregon has had one CP (50% DVOP and 50% LVER) to serve the demand of 2,910 veterans and 852 National Guard and Reservists over the past three years. The Portland area WorkSource centers served 10,451 veterans and 3,717 National Guard and Reservists in the last three years. Central Oregon is in the most need, and next the Portland coverage area. These positions will perform similar roles as the Consolidated Positions, offering business outreach to promote hiring of all veterans, and to work one-on-one with any veteran seeking employment and training, including National Guard and Reservists. These two positions would also conduct special events to give enhanced access to veteran benefits by collaborating with other organizations. Both positions would perform collaborative veterans employment and training services to Native American veterans (figure 2). Estimated funding would be \$125,000 per year per position to cover wages, benefits, training, and travel expenses.

\$500,000:

Continue to fund four of the five "Special Initiative," DVOP positions (\$125,000 per year per position, \$250,000 per biennium per position). The positions serve the following areas: Tualatin, St. Helens, Grants Pass, Klamath Falls, and Newport. This funding amount will cover up to four DVOP positions. The four locations to be continued will be based on data (high demand areas, special veterans populations, and past veteran employment services). On January 10, 2019 the USDOL-VETS National Office sent an e-mail communication indicating it will not be accepting interim funding requests for FY2019. This will directly affect the "Special Initiative" veteran (DVOP) representative positions. It will have a greater impact on the valuable services provided to the rural

veterans, transitioning service members, veterans ages 18-24, low income veterans, and currently incarcerated and veteran ex-offenders. Estimated funding would be \$125,000 per year per position to cover wages, benefits, training, and travel expenses.

We have experienced a significant reduction in the past and lost personnel with valuable veteran and military cultural knowledge, and veteran cross-institutional knowledge that aids in the success of Oregon veterans. Funding these positions will allow the Veterans' Employment Specialist (VES) positions to work with all veterans and promote them to businesses, and for apprenticeship opportunities.

\$750,000:

Provides funding to establish two to three new Veterans' Employment Specialist positions (\$375,000 per year, \$750,000 per biennium). These positions would focus on serving all veterans, including National Guard and Reservists. Locations to be determined based on data (i.e. high demand areas and special veterans populations). The new positions will have flexibility to work one-on-one with any veteran seeking employment and training, directly promote hiring of veterans to businesses and employer groups, and organize special veteran events. Positions could also outreach to Native American veterans in Oregon, and collaborate with Tribes.

\$1,000,000 (two options):

Option 1 - Provides funding to establish four new Veterans' Employment Specialist positions that focus on serving all veterans, including National Guard and Reservists (\$500,000 per year, \$1,000,000 per biennium). Locations to be determined based on data from high demand areas, and special veterans populations. The new positions will have flexibility to work one-on-one with any veteran seeking employment and training, directly promote hiring of veterans to businesses and employer groups, and organize special veteran events. Positions could also outreach to Native American veterans in Oregon and collaborate with Tribes.

Option 2 - Continue supporting four of the five "Special Initiative," DVOP positions that serve the follow areas: Tualatin, St. Helens, Grants Pass, Klamath Falls, and Newport (\$500,000 per year, \$1,000,000 per biennium). This funding amount will cover up to four DVOP positions. The four locations selected for continued funding will be based on data of high demand areas, special veterans populations, and past veteran employment services. When the federal funding is exhausted, the DVOPs will switch over to the new "Veterans' Employment Specialist" state funding and roles while keeping the same areas covered. The new state funded positions will have flexibility to work one-on-one with any veteran seeking employment and training, directly promote hiring of veterans to businesses and employer groups, and organize special veteran events. Positions could also outreach to Native American veterans in Oregon, and collaborate with Tribes.

IV. New Veterans' Employment Specialist (VES) Role (if funded by Oregon Legislature)

Veterans' Employment Specialists (VES) perform the following key functions:

- Provide one-on-one intensive employment services to any veteran, and promote veterans to employers within their communities.
- Provide one-on-one intensive employment services to National Guard and Reservists.
- Strengthen partnerships with the National Guard and Reservists—outreach will involve the National Guard and Reservist units in their regions. **Note:** There are employment services currently offered by the Service Member Family Employment Education Program (SMFEED) for the National Guard and Reservists. The new Veterans' Employment Specialist can help fill gaps in services and strengthen partnerships.
- Apprenticeship and on-the-job training programs— increased flexibility to partner more effectively with employers, apprenticeship programs, and on-the-job training programs.
- Coordinate and facilitate veterans employment and networking events in rural areas.

V. Need for Unique Veterans' Employment Specialist Role

- Traditionally, the Employment Department receives funding through the U.S. Department of Labor– Veterans Employment and Training Service (USDOL-VETS) to fund the agency's Veteran Programs. However, the agency does not receive enough funding to provide adequate coverage for the entire state. The USDOL-VETS provides program boundaries on the definition of a veteran and narrows the scope of which veterans to assist by listing specific significant barriers to employment. This new unique Veterans' Employment Specialist role would remove those boundaries to serve all veterans, and triage the veterans to a DVOP or LVER as needed.
- USDOL-VETS typically provides funding for Disabled Veterans Outreach Program Specialists (DVOPs) to provide intensive employment services, case management, and outreach to veterans with disabilities and significant barriers to employment. Local Veterans Employment Representatives (LVERs) foster relationships with and promote the hiring of veterans to businesses and employer groups. By utilizing state funds to supplement veterans employment services program, the Employment Department has more flexibility with the role of the unique Veterans' Employment Specialist and in turn may be able to serve a larger number of veterans, including National Guard and Reservists in these communities.
- Additional funding will allow Veterans' Employment Specialist staff to utilize their connections and referral capabilities, increase outreach efforts, and leverage existing technology to provide intensive employment services to 40,073 veterans that are currently active and received services with WorkSource Oregon.

- Additionally, Oregon does not have active duty military installations (with the exception of two small U.S. Coast Guard installations). Active duty installations provide amenities to veterans such as transition services and employment and training services. In Oregon, when active duty veterans and demobilized Oregon National Guard and Reserve members return to the state and communities, which could have few or no transition services available. These unique veteran’s representatives can help to fill that void.

VI. Veterans Employment Networking Events

Rural Oregon tends to have higher veteran unemployment rates (Table 1). Along with rural veterans, we have other veterans throughout the state that face challenges with employment and training due to significant barriers to employment. The Veterans Employment Networking events are intended to break down the barriers to employment.

To provide this enhanced service to Oregon’s veteran population, the agency recognizes that there will be additional cost associated with facility rentals, set-up, advertisement, and other miscellaneous related costs. The Oregon Employment Department has outlined the use of **\$10,000 – \$20,000** over a biennium to support Veterans Employment Networking events throughout Oregon. This would be an additional line item to support the Veterans’ Employment Specialist (VES) positions.

Facilitating Veterans Networking Events

Veterans’ Employment Specialist will do the following:

- Assess the employment and training needs for veterans and employers in rural areas to ensure that each networking event is meeting the specific needs of each area.
- Ensure that all aspects of the event are planned and coordinated in a timely and organized manner.
- Track the success of the event through satisfaction surveys, employment statistics, and other positive outcomes as a result of each event.
- Maintain relationships with event planning committee members in order to better plan future events.
- Assist with the advertising for each event.
- Work with community partners to help pay for incidentals such as food, parking, or transportation to the event.

Location of Events

This would fund three networking events per area, with the goal of nine (9) events per calendar year, in the following workforce areas:

- Southwestern Oregon— Coos, Curry, and Douglas counties
- Rogue Valley—Jackson and Josephine counties

- East Cascades—Deschutes, Klamath, and Lake counties
- Eastern Oregon— Harney, Malheur, Umatilla, Union, and Wallowa counties

Employment Networking Events:

- Employment Department Veterans Representatives would involve Local Workforce Development Boards, WorkSource Oregon Centers, employers, Society of Human Resource Management chapters, the Employer Support of the Guard and Reserve (ESGR), and local veterans service organizations in the planning and implementation of networking events. These events could lead to an increased number of veterans entering into long-term, living wage employment and will build stronger partnerships with employers committed to hiring veterans.
- Prior to the event, veterans representatives would foster relationships with employers in order to learn about each organization, including company culture, job openings, and what they are looking for in an ideal candidate. Veterans Representatives would also work with community partners and WorkSource Oregon staff to help prepare veteran job seekers for the event.
- During the event, employers would get the opportunity to talk about the benefits of working for their organization, answer questions on how best to apply to their organization, and interview veterans on the spot.
- Human resources professionals would assist veteran job seekers by providing them with advice on how best to navigate human resources applicant tracking systems, interview techniques, and provide value added referrals to human resources colleagues that are currently hiring. Veterans representatives may also incorporate onsite interviewing and job search workshops as part of the networking event.

Need for Networking Events in Rural Communities

Rural areas have smaller WorkSource Oregon centers, with limited staff to assist with the planning and coordination of workshops, hiring, and networking events.

WorkSource Oregon services in non-rural areas:

- There are 39 WorkSource Oregon locations throughout Oregon.
- A typical WorkSource Oregon location in the Portland Metro region has between 30-50 staff and partners to provide quality employment services and training and education opportunities to job seekers.
- Portland Metro WorkSource locations are usually closer in distance to each other and are located along well established bus and light rail (Max) routes.

- WorkSource Oregon locations in the Willamette Valley (Albany and Salem), and in the Eugene and Corvallis areas also have larger WorkSource Oregon locations with higher staffing levels and increased access to employment, educational and vocational and supportive services.

WorkSource Oregon services in rural areas:

- There are 10 Disabled Veterans Outreach Program staff available to provide intensive veterans services in these regions.
- 18 of the 39 WorkSource Oregon centers are located in rural areas.
- Many of the rural WorkSource Oregon locations have small numbers of staff. For example, the Burns office has just three staff total to provide employment services to the entire county.

The following maps and tables highlight the rural areas, special populations, and unemployment rates in Oregon.

iMS Registered Veterans by WorkSource Center and Veteran Population by County

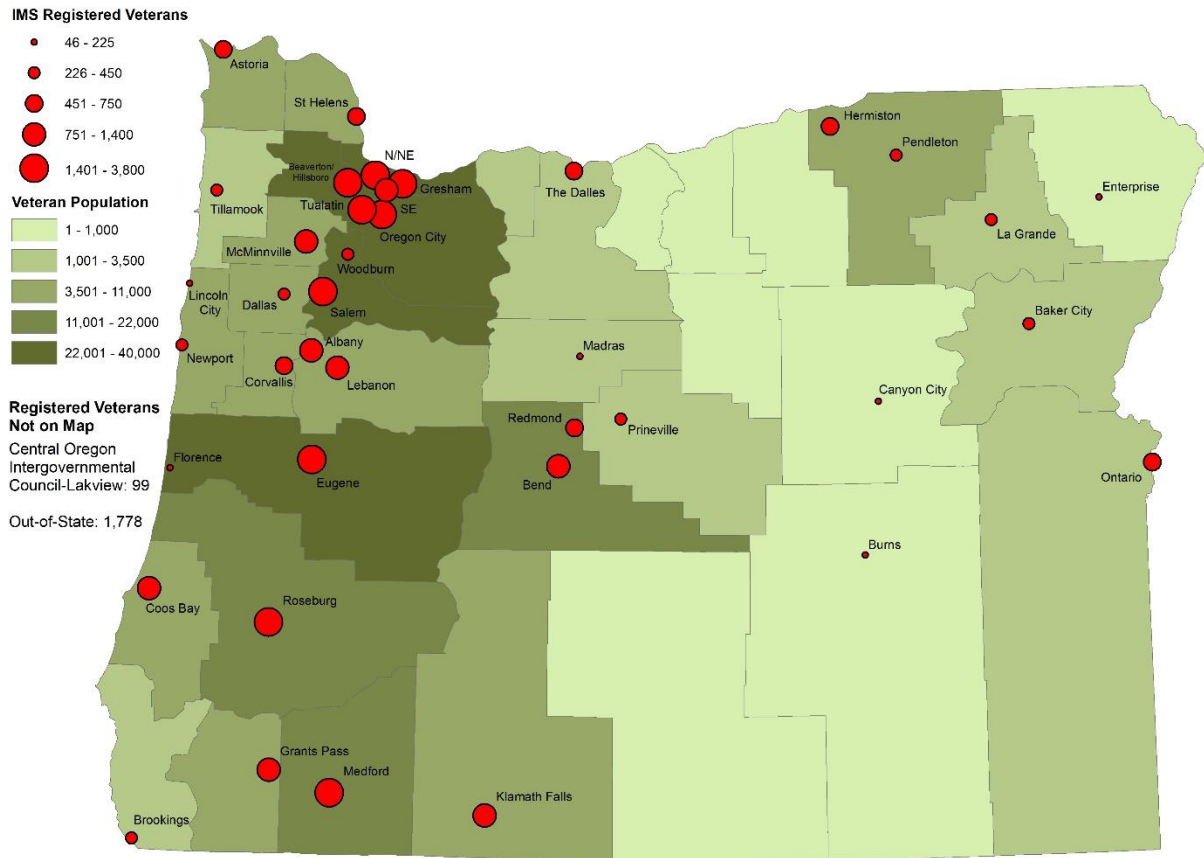


Figure 1. Veterans using WorkSource Oregon services. Note: iMatchSkills (iMS) Registered Veterans refers to the veterans that have utilized WorkSource Oregon services.

Veteran and Native American Veteran Populations, ACS Veteran Data 2013-2017 5-year estimates

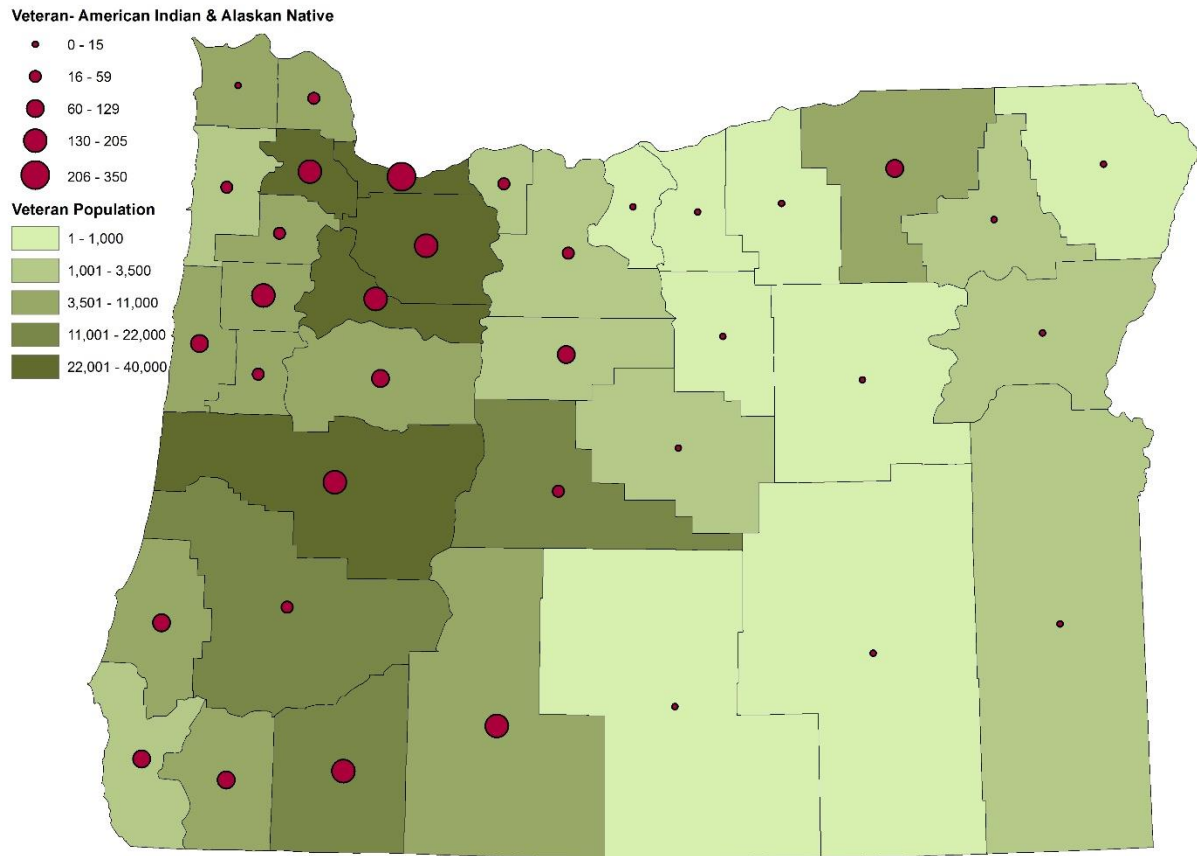


Figure 2. Native American veteran populations.

Table 1. Veterans that received WourkSource Oregon (WSO) Services between February 2016 – February 2019 by WSO Centers.

Field Office Code	Field Office Description	All Veterans	National Guard & Reservist
028	OUTSIDE OREGON	1,778	494
102 - DVOP	PORTLAND METRO GRESHAM	2,980	885
103 - DVOP	PORTLAND METRO SE	931	264
111	PORTLAND METRO N/NE	2,063	587
150 - DVOP	ASTORIA	633	157
190	TILLAMOOK	271	70
170 - DVOP	MCMINNVILLE	1,037	311
180 - DVOP	OREGON CITY	2,484	774
210 - DVOP (2	SALEM	2,857	965
211	DALLAS	443	141
212	WOODBURN	259	95
250 - DVOP	NEWPORT	395	98
253	LINCOLN CITY	171	50
274	CORVALLIS	538	162
270 - DVOP	ALBANY	1,080	295
272	LEBANON	752	212
280 - DVOP	PORTLAND METRO BEAVERTON- HILLSBORO	2,143	632
281 - DVOP	ST. HELENS	703	216
287 - DVOP	PORTLAND METRO TUALATIN	1,993	575
310 - DVOP (2 each)	EUGENE	3,785	955
312	FLORENCE	154	42
320 - DVOP	ROSEBURG	1,417	353
610	COOS BAY	961	235
614	BROOKINGS	233	53
410 - DVOP	MEDFORD	2,404	681
420 - DVOP	GRANTS PASS	1,171	296
710 - DVOP	KLAMATH FALLS	1,142	347
711	LAKEVIEW - COIC - LAKE COUNTY	99	26
720 - DVOP half	BEND	1,307	353
722	PRINEVILLE	309	99
723	MADRAS	193	48
724	REDMOND	646	219
510	THE DALLIES	455	133
810 - DVOP half	PENDLETON	382	137
811	HERMISTON	503	162
820	LA GRANDE	377	133
822	ENTERPRISE	46	17
910 - DVOP	ONTARIO	504	159
911	BURNS	88	38
920	BAKER CITY	260	72
921	CANYON CITY	126	38
Grand Total		40,073	11,579

Table 2. 2018 Veterans Unemployment Rates in Rural Oregon.

2018 Veterans Unemployment Rates in Rural Oregon		
Southwestern Oregon	Veterans Unemployment by County	Veterans Statewide Rate
Douglas County	4.8%	4.8%
Coos County	7.1%	
Curry County	5.0%	
Rogue Valley Region	Veterans Unemployment by County	Veterans Statewide Rate
Jackson County	8.6%	4.8%
Josephine County	8.6%	
Central Oregon	Veterans Unemployment by County	Veterans Statewide Rate
Deschutes County	4.8%	4.8%
Klamath County	10.3%	
Lake County	5.8%	
Eastern Oregon	Veterans Unemployment by County	Veterans Statewide Rate
Union County	2.5%	4.8%
Wallowa County	15.8%	
Malheur County	9.1%	
Harney County	10.7%	

Table 3. Reference Chart for Funding Option Packages .

Veterans' Employment Specialist State of Oregon Funding Option Packages February 2019		
\$250,000 grant	Increase veterans services in Central Oregon and the Portland area with two Veterans' Employment Specialists for one year	
<p>1 Consolidated type position in Central Oregon</p> <p>Estimated funding needed \$125,000 per year \$250,000 per biennium</p>	Position will have flexibility to work one-on-one with any veteran, including National Guard and Reservist. Directly promote hiring of veterans to businesses. Organize special veteran events.	Outcome is a dedicated position to promote veterans to businesses and apprenticeships. Provide one-on-one intensive employment assistance to any veteran.
<p>1 Consolidated type position in Portland area</p> <p>Estimated funding needed \$125,000 per year \$250,000 per biennium</p>	Position will have flexibility to work one-on-one with any veteran, including National Guard and Reservists. Directly promote hiring of veterans to businesses. Organize special veteran events. Position will also outreach to Native American veterans in Oregon, and collaborate with Tribes.	Outcome is a dedicated position to promote veterans to businesses and apprenticeships. Provide one-on-one intensive employment assistance to any veteran. Additional outreach supporting Native American veterans with employment and training.
\$500,000 grant	To continue supporting four of the five "Special Initiative" DVOP positions that serve the follow areas: Tualatin, St. Helens, Grants Pass, Klamath Falls, and Newport. This funding amount will cover up to four DVOP positions. The four locations to be continued will be based on data (i.e. high demand areas, special veterans populations, and past employment services).	
<p>1 Consolidated type position Estimated funding needed \$125,000 per year \$250,000 per biennium</p> <p>2 Consolidated type positions Estimated funding needed</p>	Position will have flexibility to work one-on-one with any veteran, including National Guard and Reservists. Directly promote hiring of veterans to businesses. Organize special	Outcome allows veterans employment services to be maintained at current levels. These dedicated positions will promote veterans to businesses and apprenticeships. Provide

<p>\$250,000 per year \$500,000 per biennium</p> <p>4 Consolidated type positions Estimated funding needed \$500,000 per year \$1,000,000 per biennium</p>	<p>veteran events.</p>	<p>one-on-one intensive employment assistance to any veteran. Additional outreach supporting the Native American Veterans with employment and training.</p>
<p>\$750,000 grant</p>	<p>Establish two-three new Veterans' Employment Specialist positions that focus on serving all veterans, including National Guard and Reserves. Locations to be determined based on data (i.e. in high demand areas, and special veterans populations).</p>	
<p>2 Consolidated type positions Estimated funding needed \$250,000 per year \$500,000 per biennium</p> <p>3 Consolidated type positions Estimated funding needed \$375,000 per year \$750,000 per biennium</p>	<p>Position will have flexibility to work one-on-one with any veteran, including National Guard and Reservist. Directly promote hiring of veterans to businesses. Organize special veteran events. Positon will also outreach to Native American veterans in Oregon, and collaborate with Tribes.</p>	<p>Outcome is a dedicated position to promote veterans to businesses and apprenticeships. Provide one-on-one intensive employment assistance to any veteran. Additional outreach supporting the Native American Veterans with employment and training.</p>
<p>\$1,000,000 grant Option 1</p>	<p>Establish four new Veterans' Employment Specialist positions that focus on serving all veterans, including National Guard and Reservists. Locations to be determined based on data (i.e. high demand areas, and special veterans populations).</p>	
<p>4 Consolidated Positions Estimated funding needed \$500,000 per year \$1,000,000 per biennium</p>	<p>Position will have flexibility to work one-on-one with any veteran, including National Guard and Reservist. Directly promote hiring of veterans to businesses. Organize special veteran events. Positon will also outreach to Native American veterans in</p>	<p>Outcome is a dedicated position to promote veterans to businesses and apprenticeships. Provide one-on-one intensive employment assistance to any veteran. Additional outreach supporting the Native American veterans with employment and</p>

	Oregon, and collaborate with Tribes.	training.
\$1,000,000 grant Option 2	To continue supporting four of the five “Special Initiative” DVOP positions that serve the follow areas: Tualatin, St. Helens, Grants Pass, Klamath Falls, and Newport. This funding amount will cover up to four DVOP positions. The four locations to be continued will be based on data (i.e. high demand areas, special veterans populations, and past employment services).	
4 Consolidated Positions Estimated funding needed \$500,000 per year \$1,000,000 per biennium	Position will have flexibility to work one-on-one with any veteran, including National Guard and Reservist. Directly promote hiring of veterans to businesses. Organize special veteran events. Positon will also outreach to Native American veterans in Oregon, and collaborate with Tribes.	Outcome is a dedicated position to promote veterans to businesses and apprenticeships. Provide one-on-one intensive employment assistance to any veteran. Additional outreach supporting the Native American veterans with employment and training.

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New and Emerging Jobs in Oregon: The Latest Trends

The Oregon Employment Department's occupational employment projections through the year 2027 include the latest trends in new and emerging jobs in Oregon. Projections provide the expected growth rate and annual openings for 724 different occupations from 2017 to 2027. Occupations generally include numerous types of jobs, from old familiar job titles, to new job titles that may not even exist yet. In many cases, new and emerging jobs are reflecting within the fastest growing occupations.

Many of the fastest growing occupations are in health care as the sector adapts to new technology, new ways of providing health care, and an aging population. While the overall number of jobs in Oregon is expected to grow 12 percent from 2017 to 2027, health care related occupations are expected to grow 19 percent. New and emerging jobs are also creating fast growth in occupations related to data analysis and high tech.

Click on the occupation titles for wage information and training requirements.

Fastest growing large occupations in health care (more than 1,000 jobs in 2017):

- [Physician Assistants](#): +39% growth; 133 annual openings
- [Home Health Aides](#): +35% growth; 1,048 annual openings
- [Nurse Practitioners](#): +35% growth; 160 annual openings
- [Health Specialties Teachers](#): +31%; 445 annual openings
- [Veterinary Assistants](#): +29%; 319 annual openings
- [Other Health Diagnosing and Treating Practitioners](#): +29%; 121 annual openings
- [Veterinary Technologists and Technicians](#): +29%; 214 annual openings

Data analysis and high tech round out the 10 fastest growing large occupations:

- [Operations Research Analysts](#): +34%; 115 annual openings
- [Software Developers, Applications](#): +33%; 1,400 annual openings
- [Market Research Analysts and Marketing Specialists](#): +29%; 817 annual openings

Fast growing smaller occupations (fewer than 1,000 jobs in 2017):

- [Wind Turbine Service Technicians](#): +74% growth; 11 annual openings
- [Cartographers and Photogrammetrists](#): 39% growth; 63 annual openings
- [Statisticians](#): +38%; 73 annual openings
- [Information Security Analysts](#): 32%; 73 annual openings

An overview of projected industry and occupation employment through 2027 is available at www.QualityInfo.org/projections.

Date: March 5, 2019

To: Joint Committee on Ways and Means, Subcommittee on Transportation and Economic Development

From: Kay Erickson, Director, Oregon Employment Department

Subject: Follow-Up Information to House Bill 5008 Public Hearing

Thank you for the opportunity to provide testimony February 11-12, 2019 on House Bill 5008, the Oregon Employment Department's program authorization and budget bill. We are pleased to provide additional information in response to questions that arose during our presentation.

- 1) Please provide context around the number of vacancies referenced in the presentation (slide 21). Is this number considered a normal number of vacancies for the agency? How are services impacted by these vacancies?

The following graph shows the Employment Department vacancy rates from 2011 – 2019. This includes the Office of Administrative Hearings (OAH). The numbers of vacancies referenced in the presentation are at a rate considered normal for the department and do not significantly impact our services.

Biennium	19-21	17-19	15-17 *	13-15	11-13	Average
State Fiscal Year	4/17-3/18	4/15-3/16	4/13-3/14	4/11-3/12	4/09-3/10	
Annual turnovers	121	155	213	186	154	165.8
# approved positions	1320	1272	1345	1515	1660	1422.4
% of positions turnover	9%	12%	16%	12%	9%	12%
* Removed impact of Child Care 83 positions moved to Education						

- 2) The Office of Administrative Hearings has more than 100 staff and is therefore subject to supervisory ratio reporting; please provide this information for OAH.

The following is the supervisory ratio information for both OAH and the Employment Department separately.

Office of Administrative Hearings Supervisory Ratio for the last quarter of 2017-2019 biennium:

The agency actual supervisory ratio as of 9/30/2018 is 1:11.875

The Agency actual supervisory ratio is calculated using the following calculation:

$$\begin{array}{rccccccc} 8 & = & 9 & + & 0 & - & 1 \\ \text{(Total supervisors)} & & \text{(Employee in a supervisory role)} & & \text{(Vacancies that if filled would} & & \text{(Agency head)} \\ & & & & \text{perform a supervisory role)} & & \end{array}$$

$$\begin{array}{rccccccc} 95 & = & 79 & + & 16 \\ \text{(Total non-supervisors)} & & \text{(Employee in a non-supervisory role)} & & \text{(Vacancies that if filled would perform a non-} \\ & & & & \text{supervisory role)} & & \end{array}$$

The agency has a current actual supervisory ratio of-

$$\begin{array}{rccccccc} 1:11.875 & = & 95 & / & 8 \\ \text{(Actual span of control)} & & \text{(Total non - Supervisors)} & & \text{(Total Supervisors)} \end{array}$$

Employment Department Supervisory Ratio for the last quarter of 2017-2019 biennium:

The agency actual supervisory ratio as of 9/30/2018 is 1:11.51

The Agency actual supervisory ratio is calculated using the following calculation:

$$\begin{array}{rccccccc} 98 & = & 91 & + & 8 & - & 1 \\ \text{(Total supervisors)} & & \text{(Employee in a supervisory role)} & & \text{(Vacancies that if filled would} & & \text{(Agency head)} \\ & & & & \text{perform a supervisory role)} & & \end{array}$$

$$\begin{array}{rccccccc} 1128 & = & 960 & + & 168 \\ \text{(Total non-supervisors)} & & \text{(Employee in a non-supervisory role)} & & \text{(Vacancies that if filled would perform a non-} \\ & & & & \text{supervisory role)} & & \end{array}$$

The agency has a current actual supervisory ratio of-

$$\begin{array}{rccccccc} 1:11.51 & = & 1128 & / & 98 \\ \text{(Actual span of control)} & & \text{(Total non - Supervisors)} & & \text{(Total Supervisors)} \end{array}$$

- 3) Please provide information on the industries that have issues filling job vacancies. What are the circumstances and challenges, and what is being done?

See attachments:

- New and Emerging Jobs in Oregon
- Difficult to Fill Job Vacancies in 2018

In 2018, the Employment Department surveyed 13,800 private employers to ask them about job vacancies they were actively trying to fill. They reported 58,000 job vacancies at any given time in 2018, and identified 57 percent (or 33,000) of them as difficult to fill. Hiring challenges occurred across the economy. Employers reported difficulty filling vacancies in 321 different occupations. With unemployment near record lows throughout much of 2018, employers most often cited a lack of applicants as the primary challenge filling job vacancies. They mentioned low unemployment in

their open-ended comments, as well as little available labor in the workforce, and competition with other businesses for workers.

The Employment Department collects and publishes high-level job vacancy statistics quarterly, and publishes an in-depth report about hard-to-fill job vacancies each year. An annual summary for 2018 is attached, and additional job vacancy reports are available on the “publications” page of QualityInfo.org.

- 4) What are federal expenses related to the Trade Act in a given year? How many individuals don’t qualify for services that might be affected by foreign competition?

Funding Level of Trade Adjustment Assistance Program

The Trade Adjustment Assistance (TAA) Program includes retraining benefits, employment and case management services, job search allowances, relocation allowances, additional income support in the form of Trade Readjustment Allowances (TRA), Reemployment Trade Adjustment Assistance (RTAA), and Alternative Trade Adjustment Assistance (ATAA).

TAA Program Training and Other Activities (TaOA) funds may be used to cover the cost of training (and related costs), employment and case management services, job search allowances, relocation allowances, and related-state administration.

TAA Program Spending for the last four years:

Year	Total TaOA Funds Spent	Total TRA/RTAA Spent
2015	\$3,837,412	\$7,350,512
2016	\$10,271,827	\$9,155,005
2017	\$12,389,162	\$13,721,769
2018	\$10,748,927 (through October)	\$13,408,796

Over the last four years, the TAA program has spent an average of \$5,793,530.00 each year in TaOA funds, and an average of \$10,909,020.00 each year in TRA and RTAA benefits.

Worker Eligibility for Trade Adjustment Assistance Program

Workers are eligible for the TAA program once a petition for the worker group is submitted to the U.S. Department of Labor and, upon investigation, the worker group meets criteria for eligibility,

and is found to have been negatively impacted by foreign competition. Group eligibility criteria include workers:

- In firms that produce articles or supply services based on an increase in imports of articles or services;
- In firms that have shifted production to any foreign country;
- In firms that produce component parts or supply services where there are increased imports of the finished article;
- In firms that are downstream producers or supply testing, packaging, maintenance, and transportation services to companies with TAA-certified workers; and
- Whose firm is identified in specific types of International Trade Commission affirmative “injury” or “market disruption” determinations.

Workers that are not eligible for TAA benefits are referred to Title 1 Dislocated Worker Services of the Workforce Innovation and Opportunity Act available in local or WorkSource Oregon centers. Services vary depending on the need of the dislocated worker and available resources.

The data for workers petitioning for TAA this biennium to date include:

2017

- 54 petitions were certified, entitling 4,002 workers negatively impacted by foreign competition to TAA benefits and services.
- 26 petitions were either denied, terminated, or withdrawn once filed due to eligibility criteria not being met for the TAA program. 938 affected workers were referred to Title 1 services as a result.

2018

- 46 petitions were certified, entitling 1,900 workers negatively impacted by foreign competition to TAA benefits and services.
- 17 petitions were either denied or terminated once filed due to eligibility criteria not being met for the TAA program. 433 affected workers were referred to Title 1 services as a result.
- 8 petitions are still under investigation with a potential of 488 affected workers.

- 5) Are there local or state programs aimed at helping veterans that used to exist that don't now? If you had more resources how would they be used?**

See attached:

- Funding Options for Support Services to Oregon Veterans

6) Can you provide more information on second chance programs?

Please see the following link for more information about Second Chance program initiatives:

<https://www.secondchancetour.com/>

7) Does the Workforce Operations KPM # 3 (slide 58) relating to cost per person served change substantially with the economy and specifically during a recession?

There are several components that impact the cost per person served, including:

- Overall economy – both unemployment rate and number of jobs added in a given time period;
- Number of job openings we receive from businesses;
- Number of job-ready job seekers coming into our centers;
- Number of not-job-ready job seekers coming into our centers;
- Number of employees we have providing placement services; and
- Costs of providing placement services.