



Oregon

Tina Kotek, Governor

Employment Department

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February 13, 2025

The Honorable Senator Aaron Woods, Co-Chair
The Honorable Representative David Gomberg, Co-Chair
Joint Committee on Ways and Means Subcommittee on
Transportation and Economic Development
900 Court Street NE, H-174
Salem, OR 97301

RE: Follow-up information for Informational Meeting on House Bill (HB) 5007

Dear Co-Chair Woods and Co-Chair Gomberg,

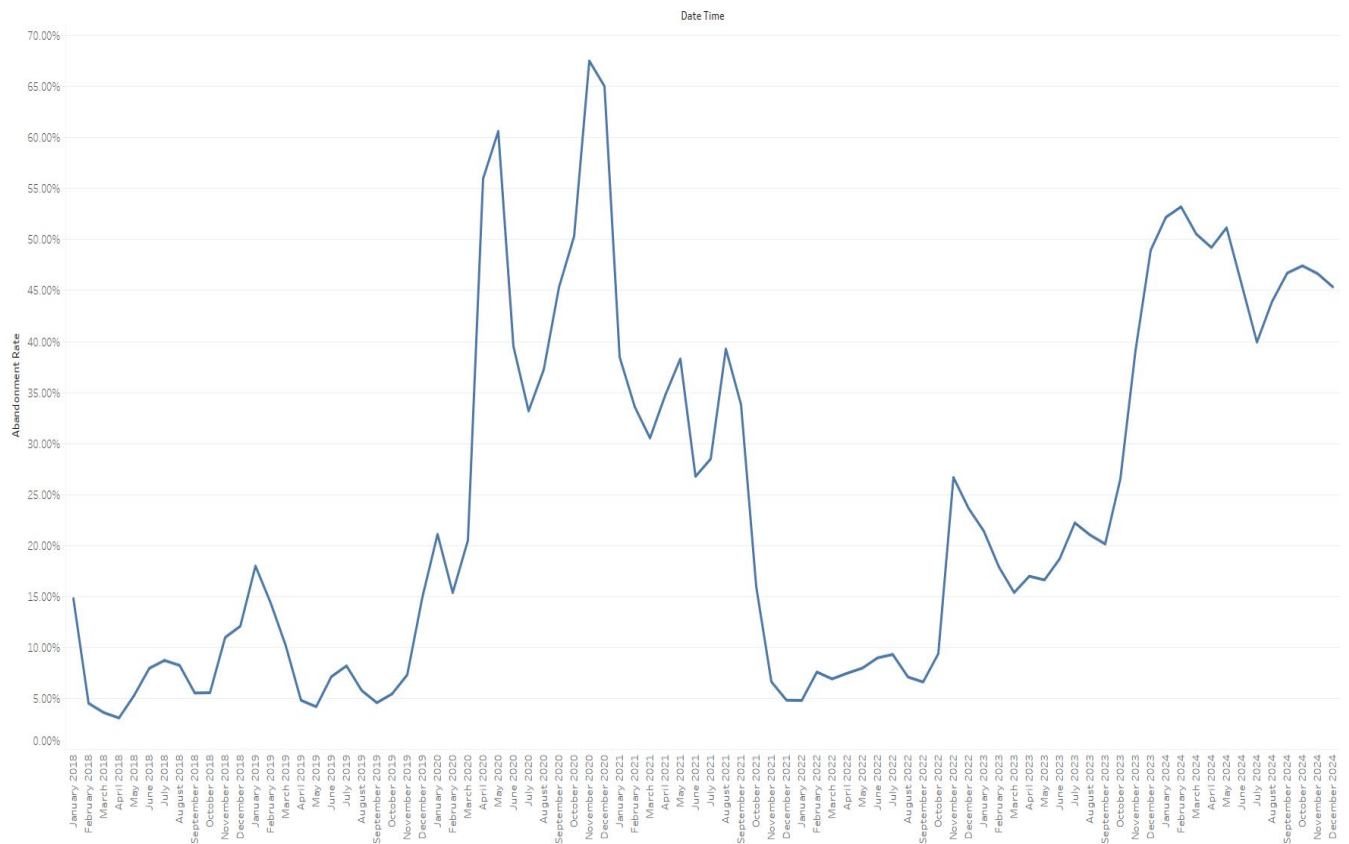
We appreciated the chance to share additional information about the Oregon Employment Department's programs during the February 11 informational session on HB 5007. We are following up here with more information about questions brought up in committee.

Customer Service and Call Wait Times

During the informational session, Co-Chair Woods asked Director Leahy about average call wait times for the Unemployment Insurance program. While we provided call wait time information in our follow-up letter on February 12, we have attached additional information on this in Exhibit A, which includes average call handling time.

Co-Chair Woods also asked about data we have on dropped/abandoned calls. Dropped calls are calls where someone connects with an agent and the call is dropped. Abandoned calls are calls where someone connects, makes selections within the phone tree, enters the queue to wait, and then disconnects. While we track abandoned calls and know some of the reasons calls are abandoned, we do not have precise data on why they are happening (because the calls are abandoned). We do listen to what our customers have to say on this topic, and as Director Leahy discussed during the informational session, abandoned or dropped calls can be a sign of something wrong, as when a customer gets cut off by a phone provider, or they have had to wait too long for us to answer. They can also be a sign that customers were able to resolve their claim issue using Frances Online and no longer need to speak with OED staff.

2018 to 2024 Abandonment rate Monthly graph



As you can see, OED experienced a significant spike in abandoned calls during the peak of the pandemic, which was followed by a drop in late 2021 as we made enormous progress with the pandemic backlogs and customer service improvements. Our abandonment rates did increase after that. In the fall of 2022, we had our first major technology roll out for Oregon employers filing quarterly reports, and this was followed shortly after by the launch of Paid Leave Oregon employer reporting. In the fall of 2023, we lost about one half of our UI staff as the number of people seeking UI benefits increased. That adverse impact on our customer service levels is reflected in several metrics, including the increase in abandoned calls.

Representative Nguyen asked if OED could provide data on the average duration of weeks for UI claims and how quickly claimants find work. The chart below shows the average number of weeks claimed from 2018 through the end of 2024. We have found that participation in the Reemployment Services and Eligibility Assessment (RESEA) program helps to reduce the duration of weeks claimed, and how long people claim benefits changes a lot based on overall economic conditions.



State	Year	Quarter	Average Duration Past 12 Months
			Weeks
OR	2018	1	15.5
OR	2018	2	15.4
OR	2018	3	15.6
OR	2018	4	15.1
OR	2019	1	14.9
OR	2019	2	14.8
OR	2019	3	14.7
OR	2019	4	15
OR	2020	1	13.1
OR	2020	2	10.2
OR	2020	3	13
OR	2020	4	13.5
OR	2021	1	14.1
OR	2021	2	18.6
OR	2021	3	15.2
OR	2021	4	14.7
OR	2022	1	14.7
OR	2022	2	15.5
OR	2022	3	16.3
OR	2022	4	15
OR	2023	1	14
OR	2023	2	14.4
OR	2023	3	14.9
OR	2023	4	15.2
OR	2024	1	15.2
OR	2024	2	14.5
OR	2024	3	13.8

UI Navigator Grant and Community-Based Organizations

Representative Watanabe asked us about the work we have done with Community-Based Organizations (CBOs) to share UI information with underserved Oregonians and improve access to the UI program. Through the American Rescue Plan Act (ARPA), Navigator grant, we have contracted with several CBOs to conduct outreach, training, and UI education, as well as provide general assistance with UI matters.

OED's focus was to partner with CBOs that had a racial equity focus and served economically disadvantaged communities throughout Oregon that lacked fundamental UI knowledge.

Through a competitive request for grant proposal process, OED contracted with three CBOs:

- Somali American Council of Oregon (SACOO) – serving the Somali communities of Washington and Multnomah counties;
- Centro Cultural del Condado de Washington (Centro) – serving the Latino and Hispanic communities in Tillamook, Lincoln, Yamhill, Marion, Wasco, Umatilla, Klamath, Washington, and Multnomah counties; and
- Oregon Human Development Corporation (OHDC) – serving Migrant and Seasonal Farm Workers throughout Oregon.

These CBOs have provided Oregonians with in-person 1:1 UI services in at least 15 different languages, gathered data for the purpose of improving UI program performance and equitable access to UI services, and prepared and posted in-language videos and written resource materials about how to access UI. Unfortunately, this one-time federal grant funding will expire soon, and that lost revenue means we will not be able to maintain that same level of community engagement, even though we know how important it is.

Our Paid Leave Oregon program and Workforce Operations program also work with dozens of diverse CBOs to improve access to our programs.

Breakdown of Positions Across Departments

During Director Humelbaugh’s presentation on Paid Leave, Senator Meek requested that we provide a breakdown of FTE across the division. Exhibit B is a chart that shows where positions are allocated across OED divisions. As you can see, the bulk of roles in UI and Paid Leave are in customer service.

Small Business Utilization of Paid Leave

Representative Gomberg asked Director Humelbaugh how many small businesses participate in the Paid Leave Oregon program. As Director Humelbaugh mentioned during her presentation, businesses with fewer than 25 employees are not required to make Paid Leave contributions. However, some small businesses that receive small employer assistance grants do make Paid Leave contributions. Below is a chart that shows how many small employer assistance grant applications we received since February 1st and the amount of grant money paid out.

Assistance Grants

Grant Applications	
Open	3
Approved	42
Denied	58
Cancelled	44

Grant Type	
Replacement worker	35
Wage-related costs	7

Approved Grant Amounts	
Replacement worker	\$ 105,000
Wage-related costs	\$ 7,000



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As of 12/16/2024

Modernization Project Costs

Co-Chair Woods requested information on the cost components, costs to date, and total estimated project cost for the Frances system and the UI Modernization project. The charts below show the amount spent on modernization efforts on various cost components and the funding sources supporting this project. As I mentioned during the hearing, we have stayed within the original budget and projected timeline for the UI modernization effort, even after we incorporated an entirely new program, Paid Leave Oregon, into the project’s scope.

To date, the UI (and Paid Leave Oregon) Modernization project has spent \$98,059,880 since officially becoming a project in the 2019-2021 biennium. This figure is current through December 31, 2024, the latest month of complete data available. With the project’s anticipated closure in March 2025, we expect to conclude project activities having spent approximately \$106 million, which is under the baselined budget (\$110.9 million) we have established for the project. Of the expenditures to date, \$53,078,110, has been for OED’s contract with FAST Enterprises to implement and operate the Frances system. This project has been primarily funded through Other Funds, which include the Modernization Fund (\$85.6 million received in 2009 for the purposes of Modernization), Paid Leave Trust Fund, and additional non-general fund sources used by the agency; all federal funds are from the Trade Act.

Modernization Budget by Allocation and Funding Source

Expenditure Type	2019-21	2021-23	2023-25*	Total Expenditures to Date	Projected Final Project Expenditures	Rebaselined Project Budget**
Personal Services	\$ 2,645,466	\$ 15,429,912	\$ 15,373,626	\$ 33,449,004	\$ 36,106,514	\$ 38,002,076
Services & Supplies	\$ 1,896,517	\$ 7,279,173	\$ 14,490,406	\$ 23,666,096	\$ 28,848,156	\$ 28,851,895
Capital Outlay	\$ 7,212,580	\$ 16,818,750	\$ 16,913,450	\$ 40,944,780	\$ 40,944,780	\$ 41,962,580
Total	\$ 11,754,563	\$ 39,527,835	\$ 46,777,482	\$ 98,059,880	\$ 105,899,450	\$ 110,922,917

* 2023-25 expenditure figures represent spending through December 31, 2024.

** Rebaselined Project Budget includes contingency dollars that are not allocated to a specific expenditure type and are not expected to be used before the end of the project.

Fund Type Type	2019-21	2021-23	2023-25*	Total Fund Use to Date	Projected Final Fund Use
General Fund				\$ -	
Federal Funds	\$ 5,800,748	\$ 8,800,405	\$ 1,972,956	\$ 16,574,109	\$ 16,574,109
Other Funds	\$ 5,953,815	\$ 30,727,430	\$ 44,804,526	\$ 81,485,771	\$ 89,325,341
Total	\$ 11,754,563	\$ 39,527,835	\$ 46,777,482	\$ 98,059,880	\$ 105,899,450

* 2023-25 expenditure figures represent spending through December 31, 2024.

We appreciated the opportunity to speak with your committee about the work we do at OED and receive constructive feedback about our work. We hope that your committee found our presentation useful, and we are always happy to discuss our work in more detail if you have any additional questions.

David Gerstenfeld

David Gerstenfeld
Director

Cc: Michelle Deister, Principal Legislative Analyst, Legislative Fiscal Office
Stacey Chase, Budget and Policy Analyst, Department of Administrative Services

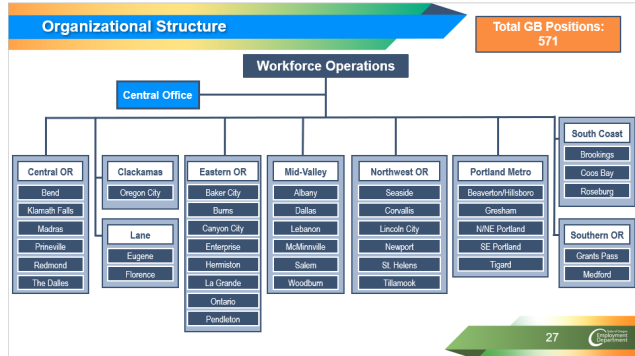
Exhibit A – UI Call Wait Times

UI Call Wait Times

updated as of 2/11/2025

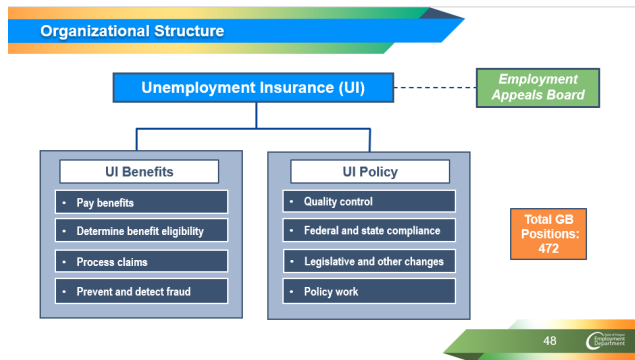
	January	February	March	April	May	June	July	August	September	October	November	December
Total Calls Answered	31,756	24,620	33,884	32,762	28,632	20,469	28,545	23,429	25,711	25,639	20,064	21,840
Answered w/in 15 minutes	53.1%	52.6%	46.8%	50.9%	48.8%	43.4%	45.9%	55.6%	61.0%	68.3%	66.3%	68.9%
Answered 15 to 30 mins	8.3%	7.7%	9.2%	10.5%	9.6%	8.6%	11.5%	9.9%	8.5%	6.0%	7.2%	7.9%
Answered 30 to 60 mins	8.1%	8.5%	12.4%	11.9%	11.0%	11.9%	12.5%	9.3%	8.0%	5.2%	7.4%	6.5%
Answered - > 1 hour	30.6%	31.2%	31.6%	26.7%	30.6%	36.0%	30.1%	25.2%	22.6%	20.5%	19.2%	16.7%
Average Speed of Answer	00:47:32	00:59:30	00:58:28	00:54:34	01:00:40	01:01:19	00:52:41	00:50:39	00:46:13	00:42:40	00:43:50	00:44:29
Avg. Handle Time (m)	28	24	34	28	29	35	41	36	33	31	35	34

Exhibit B – Breakdown of OED Positions Across Divisions



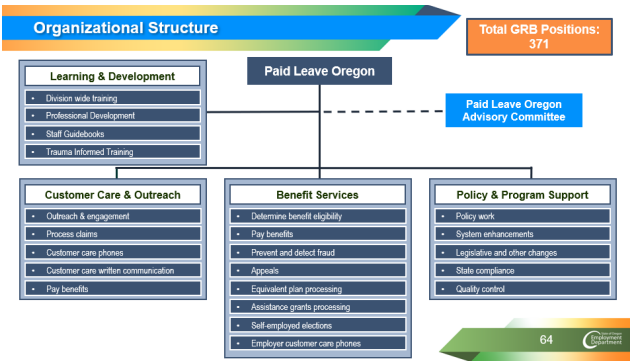
Workforce Operations

Central Operations	121
Central Oregon	46
Clackamas	18
Eastern Oregon	43
Lane	36
Mid-Valley	69
Northwest Oregon	40
Portland Metro	114
South Coast	26
Southern Oregon	55
Division Administration	3
Total for Division:	571



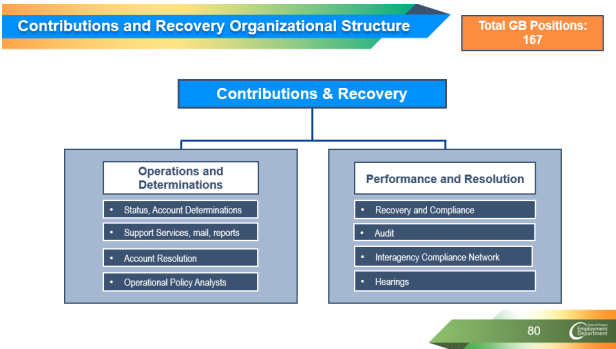
Unemployment Insurance

UI Benefits	437
UI Policy	30
Division Administration	5
Total for Division:	472



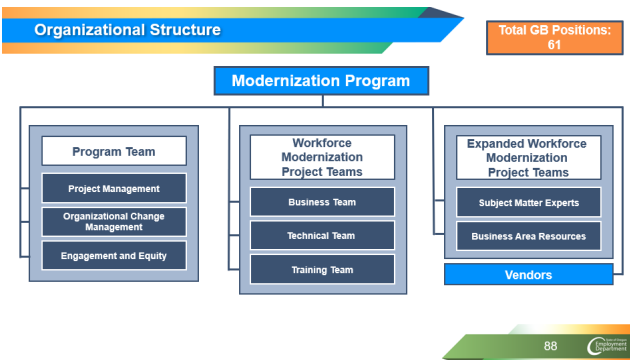
Paid Leave Oregon

Learning & Development	13
Customer Care & Outreach	227
Benefit Services	100
Policy & Program Support	27
Division Administration	4
Total for Division:	371



Contributions and Recovery

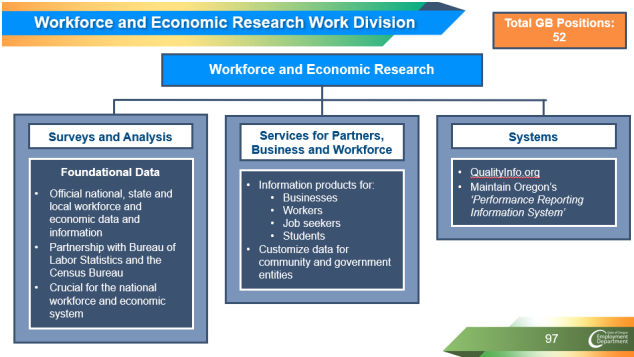
Operations and Determinations	75
Performance and Resolution	89
Division Administration	3
Total for Division:	167



Modernization Program

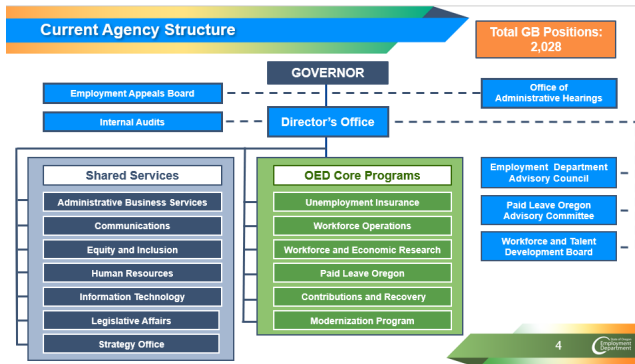
Program Team	19
Workforce Modernization	
Projects Team	38
Expanded Workforce	
Modernization Project Teams	*
Division Administration	4
Total for Division:	61

*As noted in the presentation, the Expanded Project Teams are made up of resources like subject matter experts in other areas of the agency that work closely with Modernization employees while remaining in their home division.



Workforce and Economic Research

Surveys and Analysis	24
Services for Partners, Business and Workforce	20
Systems	6
Division Administration	2
Total for Division:	52



Shared Services

Director's Office	5
Administrative Business Services	51
Communications	11
Equity and Inclusion	7
Human Resources	25
Information Technology	103
Legislative Affairs	2
Strategy Office	8
Total for Division:	212

Note: Total positions included in OED's Governor's Budget is 2,028. The division position details above equal 1,906. The difference in these two amounts are the Office of Administrative Hearings positions (122 positions.)

J WM TED Follow Up 021125 V3 (Final)

Final Audit Report

2025-02-13

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