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## Mission Statement

### **The Mission of The Oregon Employment Department is to Support Business and Promote Employment.**

How we accomplish that mission:

- Support economic stability for Oregonians and communities during times of unemployment through the payment of unemployment benefits.
- Serve businesses by recruiting and referring the best qualified applicants to jobs, and provide resources to diverse job seekers in support of their employment needs.
- Develop and distribute quality workforce and economic information to promote informed decision making.
- Provide access to child care that is safe, high quality, and affordable.



## Historical Perspective

### LEGAL AUTHORITY

#### FEDERAL STATUTES AND REGULATIONS

The Employment Department's programs are administered in compliance with the Wagner-Peyser Act, the Workforce Investment Act of 1998, the Social Security Act of 1935 (42 USC 501; 42 USC 504), and the Federal Unemployment Tax Act (Chapter 23, Internal Revenue Code). The Child Care and Development Block Grant Act of 1990 (42 USC 9801) and 45 CFR Parts 98 and 99. Additionally, the Code of Federal Regulations (Title 20, parts 1-1099) comprises the federal regulations applicable to the Employment Department.

#### STATE STATUTES AND ADMINISTRATIVE RULES

The Employment Department and the Employment Appeals Board are established under the authority of Chapter 657 of the Oregon Revised Statutes (ORS 657.005-657.990). OAR Chapter 471 contains the agency's administrative rules. The Child Care Division is established under the authority of Chapter 657A of the Oregon Revised Statutes (ORS 657A.010-657A.990). OAR Chapter 414 contains the Child Care Division's administrative rules. The Office of Administrative Hearings is established under authority of ORS 183.310-183.550.

### HISTORIC OVERVIEW

The very first services provided in Oregon that connected employers with job seekers occurred in 1913. The federal government established the national Employment Service system in 1933. The program has changed and evolved over time to best meet the needs of Oregonians. During the 1980's, significant Federal funding reductions severely limited the services that could be provided and resulted in a number of office closures. Working together with business, labor and the legislature, funding difficulties were overcome in the 1990's and services to businesses and job seekers were enhanced. Now, with the legislative approval of our strategic plan implementation, an exciting chapter is opening for the Department as we roll-out iMatchSkills via the internet and focus services on the needs of businesses. Tracy Loudon will be briefing you on the latest developments in the area of Business and Employment Services.

Also begun early in the century, was the concept of supporting local communities during tough economic times through an insurance program called Unemployment Compensation. This program, now named Unemployment Insurance, was established by the federal Social Security Act in 1935. It is based on a dual structure of federal and state statutes and is administered by each state. Tom Byerley will bring you up to date on developments in this program area and the implementation of our new Unemployment Insurance service centers.

The Department has been providing labor market statistics for over 50 years. The 1990's saw a dramatic increase in the amount and complexity of data that was available due to increased use



## Historical Perspective

of desktop computers. It was in 1997 that the legislature approved the funding of 14 workforce analysts to provide customized workforce and economic information at the local level. With the advent of the internet, a means of disseminating large amounts of data to local decision makers including businesses, elected officials, and public entities is being fully used by the Department. Graham Slater will be presenting you with information on the most recent efforts to aid Oregonians in making informed decisions.

The safety of children while in child care is a more recent addition to the responsibilities of the Department. Though the regulation of child care has been around for some time, it was in 1993 that the responsibilities were combined in the Child Care Division of the Employment Department. This action by the legislature raised the visibility of the program and highlighted its importance to workforce development. Tom Olsen will be telling you about some innovative steps he has been taking to improve this program in the state.

The most recent program addition to the Employment Department is the Office of Administrative Hearings. The 1999 legislature piloted the concept of a centralized panel of administrative law judges to address the perception that an impartial forum is difficult to achieve when a dispute is being heard by an employee of the state agency with whom the dispute originated. Tom Ewing will be bringing you information relating to the efficiencies he has achieved with the Office and its impartial resolution of contested case hearings.



# Major Programs and Target Groups

## UNEMPLOYMENT INSURANCE DIV.

- Provide wage replacement income to eligible unemployed workers
- Maintain communities' economic stability during periods of high unemployment to avoid economic dislocation
- Ensure an available labor force for employers in the community
- Link UI recipients to reemployment services
- Ensure due process to customers and uncompromised integrity of the UI program through prompt and equitable adjudications
- Administer an equitable UI tax system through educated employer compliance
- Ensure solvency of the UI Trust Fund

### Funding Sources

Federal	\$99.8 M
Other	0.7
Fraud Control Fund	2.5
Reed Act	11.0
Total	\$114.0

**31.7 %**

03-05 LAB	646.8 FTE
05-07 GRB	598.1 FTE

## BUSINESS AND EMPLOYMENT SERVICES DIV.

- Recruit and refer the best qualified applicants to employers
- Recruiting services to new and expanding businesses in Oregon
- Contractual services with workforce partnerships for placement activities
- Reemployment services for claimants
- Refer job seekers to training and community services
- Statewide pre-paid referral and placement service for Oregon job seekers
- Specialized placement for targeted applicant groups (e.g., veterans, migrant and seasonal farm workers)

03-05 LAB	511.2 FTE
05-07 GRB	506.4 FTE

### Funding Sources

Federal	\$27.0 M
Other	3.7
SEDAF*	24.6
Penalty & Interest	12.9
Reed Act	19.1
Total	\$87.3

**24.2%**

## WORKFORCE AND ECONOMIC RESEARCH DIV.

- Gather current information from Oregon business and other sources
- Compute key economic indicators for Oregon (e.g., unemployment rate, wage levels, employment trends)
- Project industry and occupational employment trends in Oregon
- Provide occupational and career information to students, parents, teachers, educational planners, and policy-makers
- Tailor economic and workforce information to meet the needs of Oregon businesses
- Measure performance of the workforce system

03-05 LAB	70.5 FTE
05-07 GRB	70.5 FTE

### Funding Sources

Federal	\$6.7 M
SEDAF*	5.6
Other	.3
Total	\$12.6

**3.5%**

## CHILD CARE DIVISION

- Inspect and license child care facilities; investigate serious complaints against child care providers
- Fund training and professional development opportunities for child care providers
- Fund child care subsidies for low-income families and high risk populations
- Continue statewide funding to Child Care resource and referral services and to local Commissions on Children and Families

03-05 LAB	68.9 FTE
05-07 GRB	69.5 FTE

### Funding Sources

Federal	\$118.2 M
General Fund	3.6
Other	2.3
Total	\$124.1

**34.5%**

## OFFICE OF ADMINISTRATIVE HEARINGS

- Provide an independent and impartial forum for citizens and businesses to adjudicate their disputes with state agencies
- Provide consistent interpretation and application of contested case rules

- Improve and consolidate hearings operations to become more efficient and reduce overall hearings costs

03-05 LAB	124.1 FTE
05-07 GRB	124.0 FTE

### Funding Sources

Other	\$21.9 M
-------	----------

**6.1%**

Does not include \$1,328.1 million of Nonlimited Unemployment Insurance Benefits.  
2003-05 Legislatively Approved Budget (LAB) includes Emergency Boards through April 2004.  
2005-07 Governor's Recommended Budget (GRB) includes Policy Packages and Essential Packages.  
Dollars are in millions.

\*Supplemental Employment Department Administrative Fund.



# 2005-07 Organizational Chart

**Governor**

**Employment Appeals Board\*\***  
Pos.: 9  
FTE: 9.00

**Director**

**Administration**

Pos.: 103  
FTE: 103.00  
 ♦ Office of Human Resources  
 ♦ Business Services  
 ♦ Info. Tech. Services  
 ♦ Safety and Risk Mgmt.

**Budget & Program Analysis**

Pos.: 9  
FTE: 9.00

**Deputy Director**

Pos.: 10  
FTE: 10.00  
 ♦ MOA Coordinator  
 ♦ Internal Auditor  
 ♦ Legislative/Rules

**Communications/ Customer Access**

Pos.: 5  
FTE: 5.00

**Unemployment Insurance Div.**

Pos.: 542  
FTE: 527.03  
 ♦ UI Benefits  
 ♦ UI Programs and Methods  
 ♦ UI Tax  
 ♦ UI Centers  
 ♦ Eugene  
 ♦ Metro  
 ♦ Bend

**Business and Employment Services Div.**

Pos.: 490  
FTE: 447.51  
 ♦ Workforce Partnership Liaison  
 ♦ B&ES Programs  
 ♦ Monitor Advocate  
 ♦ Oregon Employer Council

**Child Care Division**

Pos.: 74  
FTE: 69.50  
 ♦ Safety & Licensing  
 ♦ Planning & Coordination  
 ♦ Community Support  
 ♦ Child Care Commission\*

**Office of Admin. Hearings**

Pos.: 124  
FTE: 124.00  
 ♦ Social Hearings  
 ♦ Transportation Hearings  
 ♦ Employment Hearings

**Workforce & Econ. Research Div.**

Pos.: 65  
FTE: 64.50  
 ♦ Surveys  
 ♦ Analysis  
 ♦ Labor Market Info.

**Region 1**  
Astoria  
St. Helens\*  
Tillamook\*

**Region 2**  
Beaverton  
Gresham  
Hillsboro  
Portland  
N Portland

**Region 3**  
McMinnville  
Newberg\*  
Salem  
Dallas\*

**Region 4**  
Albany  
Corvallis\*  
Lebanon\*  
Newport  
Lincoln City\*

**Region 5**  
Eugene  
Florence\*

**Region 6**  
Roseburg

**Region 7**  
Coos Bay  
Gold Beach\*  
Brookings

**Region 8**  
Grants Pass  
Medford  
Ashland\*

**Region 9**  
The Dalles  
Hood River\*

**Region 10**  
Bend  
Redmond  
Madras\*  
Prineville\*

**Region 11**  
Klamath Falls  
Lakeview\*

**Region 12**  
Hermiston  
Pendleton  
Milton-  
Freewater\*

**Region 13**  
Baker City  
La Grande  
Enterprise\*

**Region 14**  
Ontario  
Burns\*  
John Day\*

**Region 15**  
Oregon City

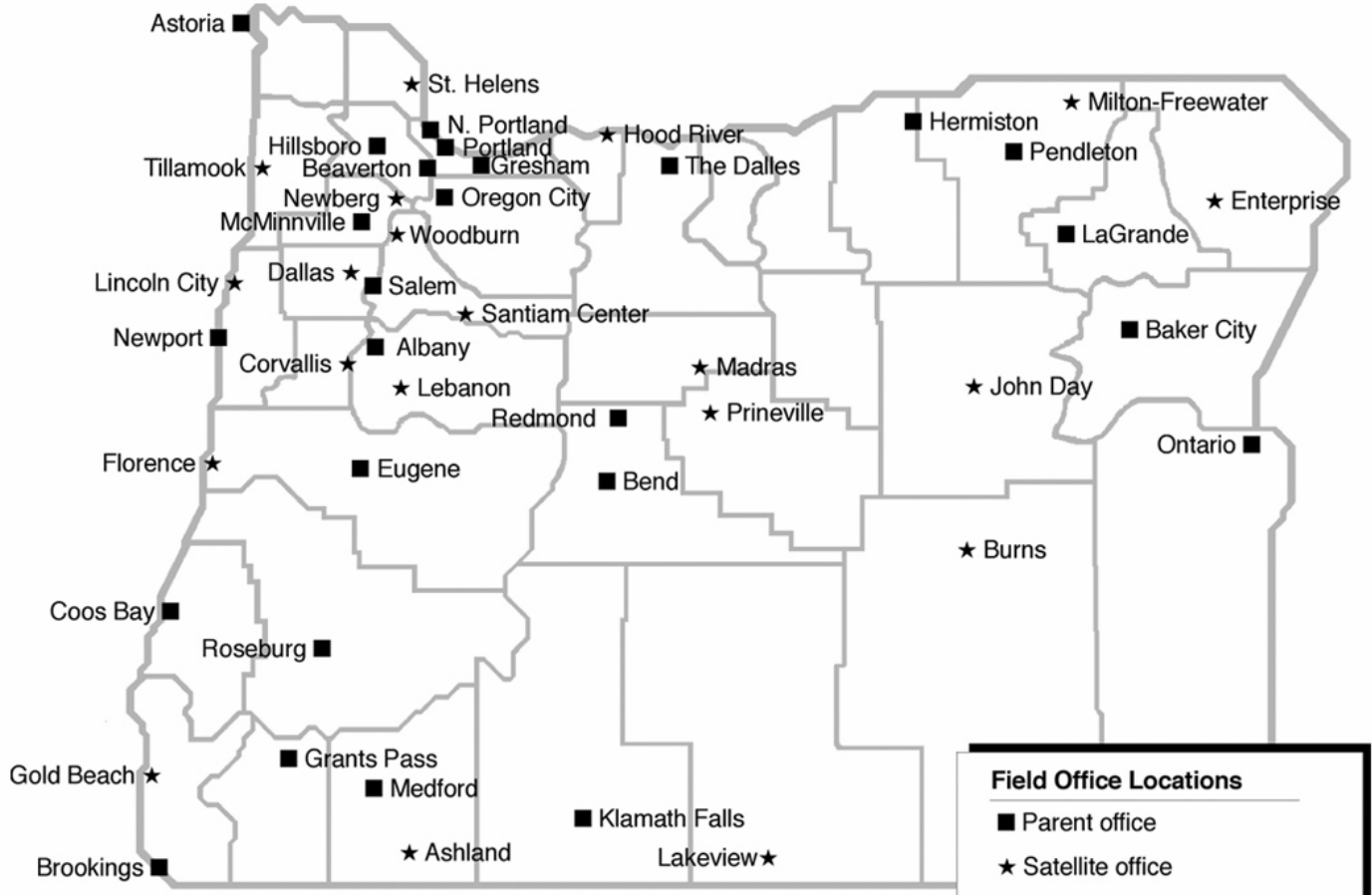
\*Outreach Offices

\*The members of the Child Care Commission are appointed by the Governor and the Legislature.  
\*\*The Employment Appeals Board has 3 positions that are appointed by the Governor.

	2003-05	2005-07
Total Positions	1,476	1,431
Total FTE	1,405.17	1,368.54

# Service Delivery

## Employment Department Offices

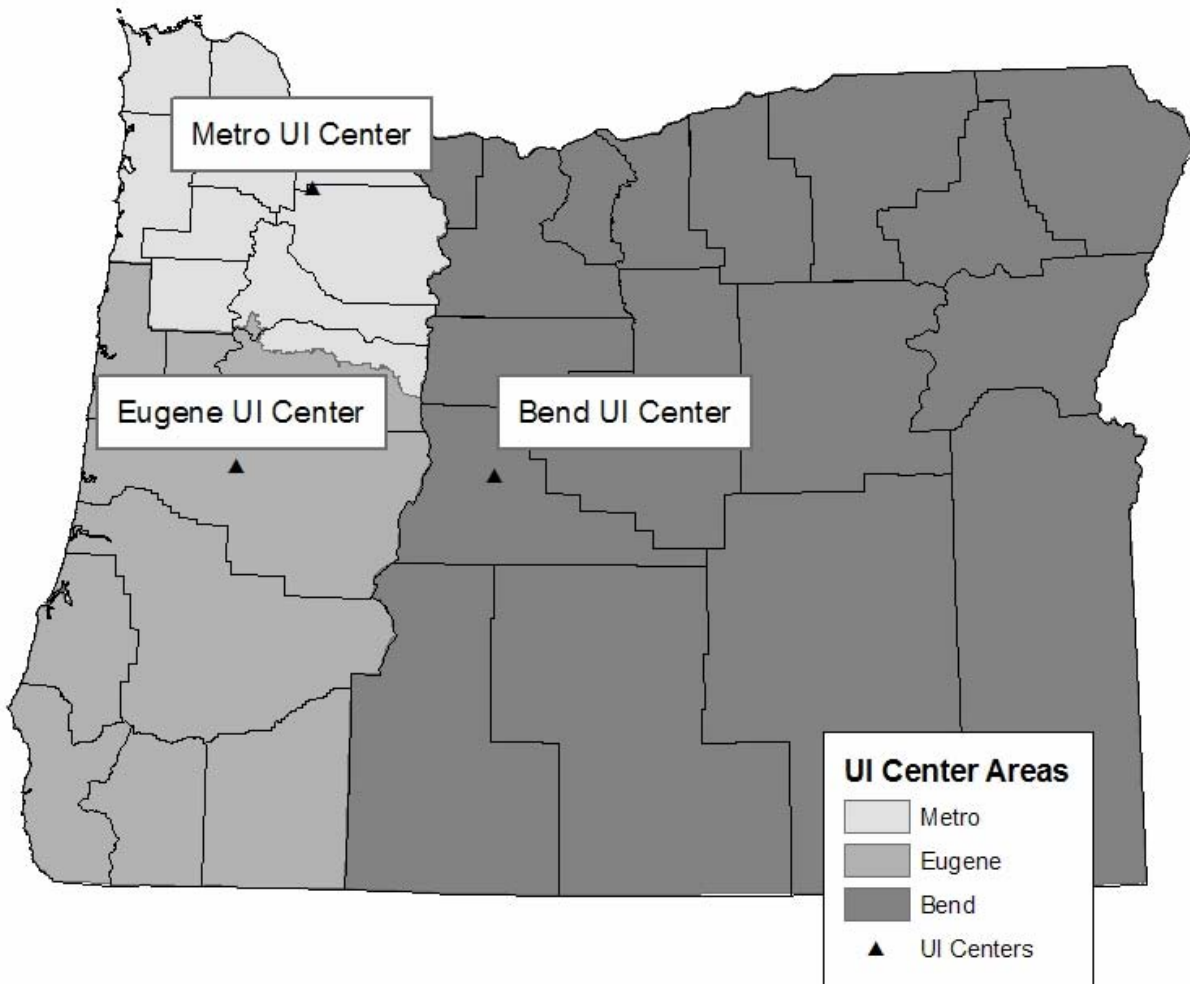


### Services delivered:

- On location
- By phone
- Over the Internet
- By mail
- Kiosk

# Service Delivery

## UI Service Centers



Services delivered:

- By phone
- Over the Internet
- By mail
- Kiosk





## Goals

The Employment Department has identified the following long-term strategic goals to advance the mission of the department:

- Maintain the integrity of the Unemployment Insurance Trust Fund;
- Shift focus of programs to business as the number one customer;
- Use technology effectively to streamline services;
- Create sustained partnerships and pursue co-location of staff;
- Continue development and enhancement of tools to facilitate the matching of employers with job seekers;
- Establish strong linkages with economic development programs and activities;
- Assure and protect the health, safety, and well-being of children in child care businesses;
- Continue finding ways to produce higher quality information on more aspects of Oregon's economy and workforce at more localized geographic levels;
- Improve and consolidate administrative hearings operations to become more efficient and reduce hearings costs; and
- Provide multiple access options and points of service to best meet the needs of our customers.



## Performance Measures Overview

The Employment Department has 14 Key Performance Measures that are included in the Annual Performance Progress Report that is included in the appendix of this document. A more detailed discussion of those measures will occur as each of the Division Administrators give their presentations.

### **Matching Employers with Job Seekers**

- Two measures of the department's success in bringing together businesses with job seekers
- Two measures of the overall satisfaction of customers with the services being provided

### **Timely, Fair and Accurate Unemployment Insurance Payments**

- Five measures of the timeliness of services being provided to our customers
- Two measures of the quality of the services being provided

### **Maintain a Solvent Trust Fund**

- Two measures of employer timeliness in submitting quarterly reports and payments by the due date

### **Safe Child Care**

- A measure of the percentage of required reviews that have occurred

Overall, our performance declined during the recent recession as the number of available jobs decreased and unemployment rose to rates we haven't experienced for 20 years. During recent months, those measures have improved as the agency has focused on improving services and investing resources in technology and service delivery options like our new UI service centers.



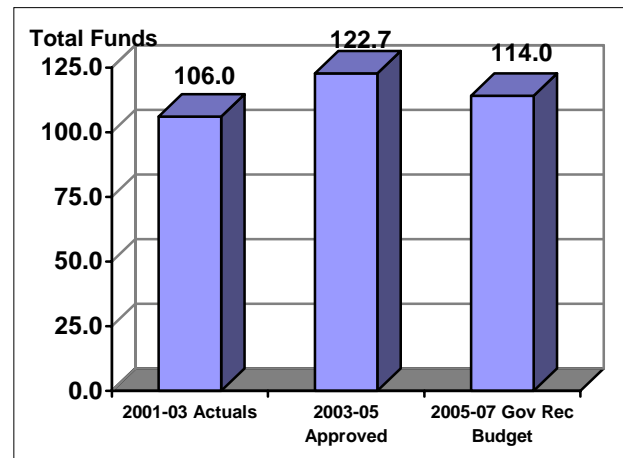
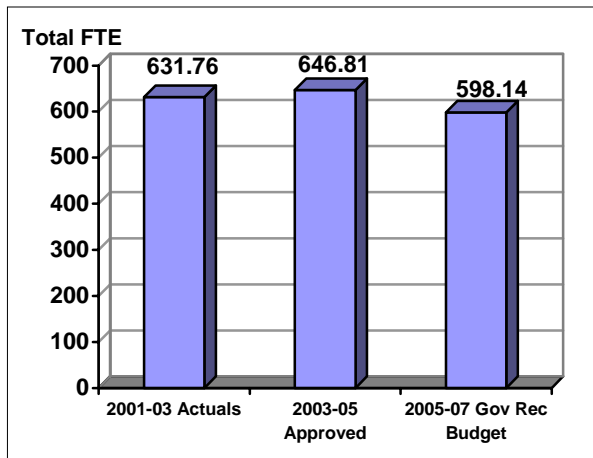
# Unemployment Insurance Division

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

- Provide wage replacement income to eligible unemployed workers.
- Maintain communities' economic stability during periods of high unemployment to avoid economic dislocation.
- Ensure an available, trained labor force for employers in the community.
- Ensure solvency of the UI Trust Fund.

	2001-03 Actuals	2003-05 Approved Budget	2005-07 Governor's Recommended Budget
General Fund	-	-	-
Other Fund	7,132,253	19,873,851	14,258,237
Federal Fund	98,861,156	102,834,570	99,753,529
Total Funds	105,993,409	122,708,421	114,011,766
FTE	631.76	646.81	598.14

*Governor's Recommended Budget includes budget package #302.*





# Unemployment Insurance Division

## Statutory Authority

**Excerpt of ORS 657.601 Employment Department.** There is established an Employment Department. The department shall:

(1) Administer the unemployment insurance laws of this state to support Oregonians during periods of unemployment.

## Program History and Background

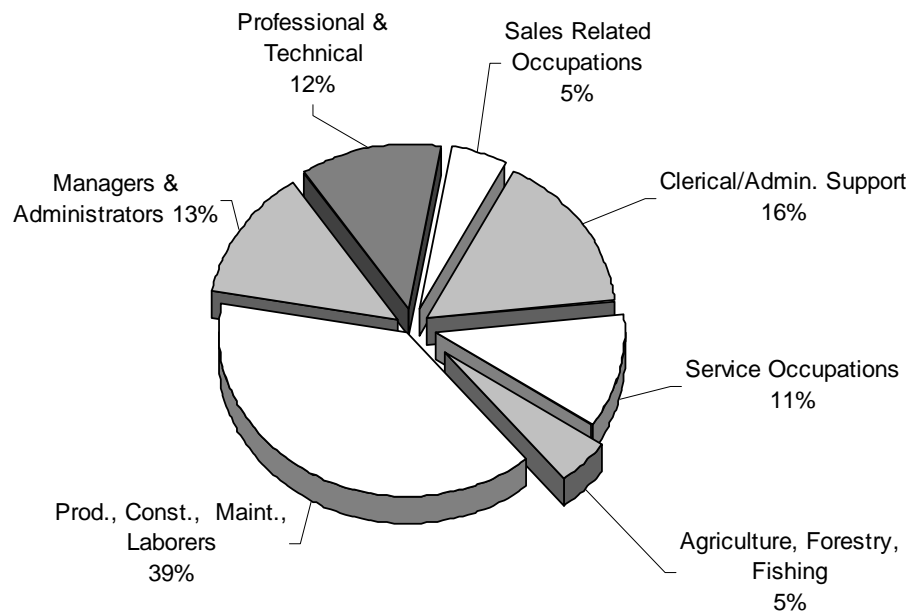
- Unemployment Insurance began as part of the Social Security Act of 1935. Before unemployment insurance, Oregonians relied on savings, charity, relatives or friends when they were out of work. Like accident and health insurance, unemployment insurance protects workers against financial hardship. It is not “welfare” or a “handout,” but pays eligible workers who are out of work through no fault of their own.
- Unemployment Insurance directly supports business and promotes employment in Oregon. The program “primes the pump” of economic recovery by rapidly pumping dollars into communities hit by joblessness so as to offset the ripple effects of unemployment on other sectors in the economy.
- Employers fund the Unemployment Insurance Trust Fund through a state payroll tax for the payment of weekly benefits through a rate determined by their experience with the program.
- The Unemployment Insurance Trust Fund is forward-funded to provide a pool of funds sufficient to withstand conditions that exist during a recession.
- Funds to administer the program are also collected from employers, based upon a federal payroll tax (FUTA), and are distributed by the federal government. Base unemployment insurance administrative funding has been declining in real terms since 1995 when automatic inflation adjustments to the UI budget request were ended by Congress. This has created challenges for the department to continue delivering the services Oregonians have come to expect. We have been able to bridge the gap in funding through use of one time Reed Act funds.



# Unemployment Insurance Division

## Profile of Our Customers

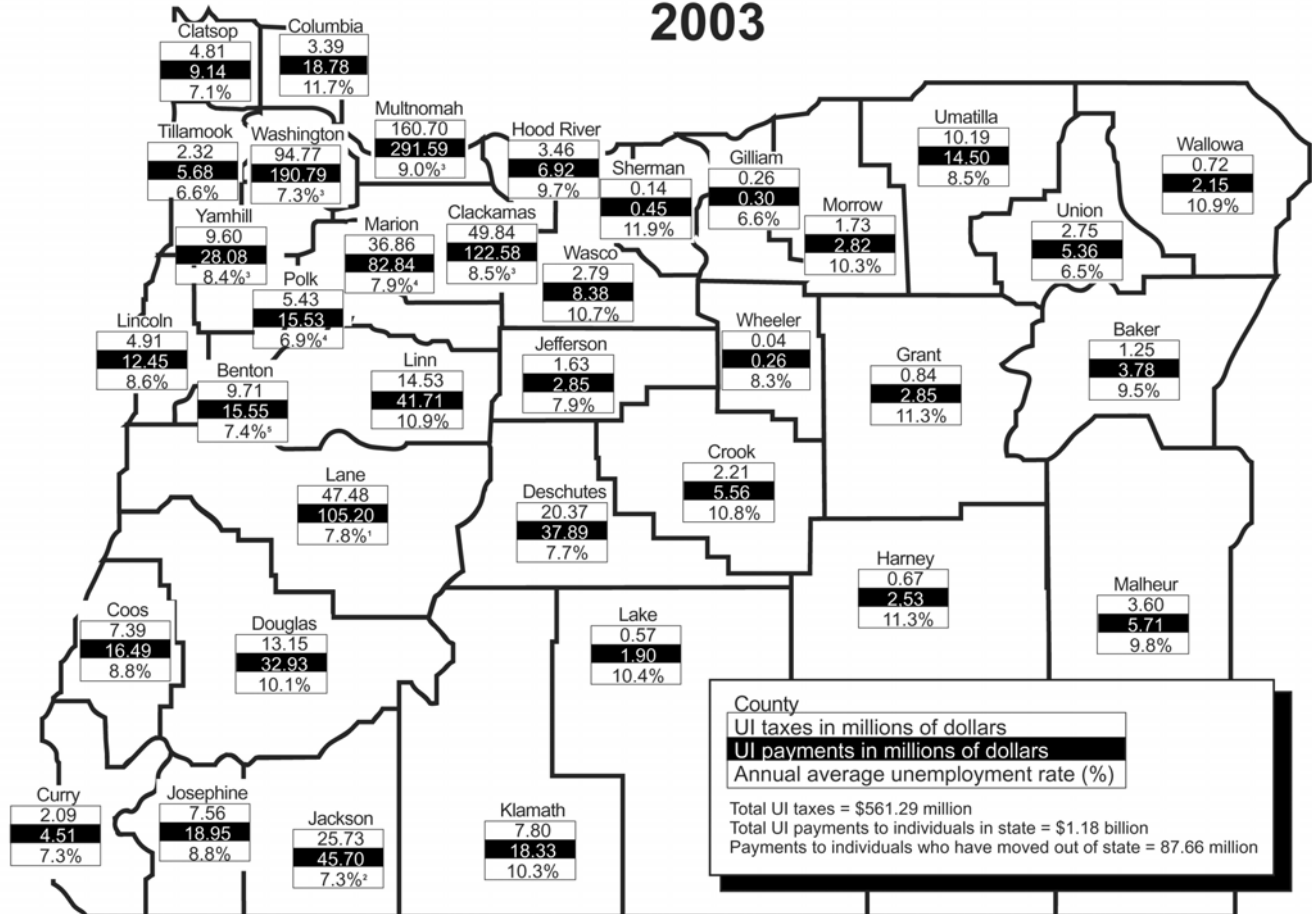
### Unemployment Insurance Recipients by Occupation Calendar Year 2003 (Total 274,832)





# Unemployment Insurance Division

## Taxes, Benefits & Unemployment Rates by County 2003



1/ Eugene-Springfield MSA  
 2/ Medford-Ashland MSA  
 3/ Portland-Vancouver PMSA  
 4/ Salem MSA  
 5/ Corvallis MSA

OED Budget and Programs Analysis-December 2004



## Unemployment Insurance Division

### 2003 UI Taxes Assessed and UI Payments

<u>County</u>	<u>Taxes Assessed</u>	<u>Benefit Paid</u>	<u>Gain</u>
BAKER	\$ 1,249,016	\$ 3,779,360	\$ 2,530,344
BENTON	9,709,188	15,547,781	5,838,594
CLACKAMAS	49,840,136	122,576,045	72,735,909
CLATSOP	4,812,621	9,140,775	4,328,153
COLUMBIA	3,389,484	18,778,913	15,389,429
COOS	7,386,444	16,489,000	9,102,556
CROOK	2,213,040	5,559,045	3,346,005
CURRY	2,087,036	4,509,476	2,422,440
DESCHUTES	20,366,425	37,893,319	17,526,894
DOUGLAS	13,154,260	32,929,841	19,775,581
GILLIAM	260,483	302,261	41,778
GRANT	839,017	2,846,236	2,007,218
HARNEY	671,114	2,533,949	1,862,836
HOOD RIVER	3,457,312	6,918,844	3,461,532
JACKSON	25,730,104	45,696,769	19,966,664
JEFFERSON	1,631,058	2,846,603	1,215,545
JOSEPHINE	7,558,202	18,949,638	11,391,436
KLAMATH	7,803,026	18,325,732	10,522,706
LAKE	572,940	1,896,957	1,324,017
LANE	47,478,041	105,195,842	57,717,800
LINCOLN	4,909,943	12,449,996	7,540,053
LINN	14,532,594	41,705,791	27,173,198
MALHEUR	3,602,513	5,705,402	2,102,889
MARION	36,861,408	82,844,033	45,982,625
MORROW	1,732,473	2,820,062	1,087,589
MULTNOMAH	160,704,666	291,587,599	130,882,933
POLK	5,432,612	15,528,863	10,096,251
SHERMAN	137,357	447,911	310,554
TILLAMOOK	2,317,011	5,681,505	3,364,493
UMATILLA	10,187,193	14,504,939	4,317,746
UNION	2,746,300	5,363,319	2,617,018
WALLOWA	718,579	2,154,881	1,436,302
WASCO	2,789,351	8,384,066	5,594,715
WASHINGTON	94,766,078	190,789,490	96,023,412
WHEELER	41,216	259,235	218,019
YAMHILL	9,600,687	28,078,859	18,478,172
<b>OREGON</b>	<b>\$ 561,288,930</b>	<b>\$ 1,181,022,338</b>	<b>\$ 619,733,408</b>

Includes payments for all programs and types (UI, UCFE, UCX) of claims in Oregon.

Vocational and Interstate Liabe payments (for Regular and extension programs EB, TEUC and OEB), are not included.



# Unemployment Insurance Division

## Program Delivery

### Improving Access to Services – The Strategic Plan

Since the beginning of the 2003-05 biennium, the Employment Department has embarked on several initiatives to increase access to services for our customers through our Strategic Plan. The overarching goal is to provide unemployment insurance benefit and tax services 24/7 on a self serve basis where possible. Below are the highlights of what has been accomplished to date under the unemployment insurance benefits part of the plan:

### Unemployment Insurance Benefits:

- Telephone Initial Claims (TIC) – The Employment Department is in the final stages of implementing a new remote service delivery model and has opened two (Eugene and Portland/Metro) of the three planned call centers where unemployment insurance services are being consolidated. The Bend UI center will open in early April 2005. The Portland and Bend UI centers are being brought on-line ahead of schedule and all three of the centers are under budget. As a result, the department is now accepting applications for unemployment benefits through a new Interactive Voice Recognition (IVR) system that records up to 70% of the initial claims questions automatically, eliminating the need for the customer to fill out a paper form. This also nearly eliminates the need for data entry by agency staff. The additional time gained by staff through this system is being spent providing more comprehensive benefit rights and job placement assistance information resulting in customers better understanding our services.
- Internet Claims – Unemployed workers can also file an unemployment insurance claim at any time, around the clock, 365 days a year. They can file an initial application, restart a claim or file a weekly claim for benefits. This provides easy access to our customers at their time schedule. Approximately 30 % of all initial claim applications are filed via our Web site.
- Prepaid Debit Cards – Beginning in March of 2004, our UI customers statewide were provided the ability to access their weekly benefit payments through a prepaid debit card called “Reliacard” rather than a paper check. The card can be used just like any other debit card at any vendor honoring Visa/Mastercard.

### Program Challenges for UI benefits include:

- Continuing, annual reductions in administrative funding.
- High workload resulting from the slow economic recovery.
- Familiarizing our customers with the new remote service delivery model over the telephone and Internet.





## Unemployment Insurance Division

### Program Solutions for UI Benefits:

- The focus for the department in the delivery of unemployment benefits for the coming biennium is to continue the evolution of services that allow customers options (telephone, Internet and mail) to access our services.

### Unemployment Insurance Tax:

Unemployment Insurance also includes our Tax Section where contributions for the UI Trust Fund are collected and administered. For Unemployment Insurance Tax our program priority is:

- To promote voluntary compliance by employers to support a low cost, equitable tax system that ensures accurate and prompt payment of benefits to unemployed workers. The program achieves this priority by providing efficient, streamlined access options to Oregon employers, ongoing educational assistance to our employer customers, and enforcement actions when necessary.

The outcome of this priority is:

- A solvent Trust Fund resulting from the ease and efficiency of the report and payment system and the variety of methods available for employers to file reports and pay taxes. Currently, nearly 35% of all Oregon employers file quarterly reports using one of three different electronic filing options.
- A level playing field for all businesses resulting from increased efforts to educate employers about their rights and responsibilities, and appropriate enforcement actions.

Program Challenges for UI Tax include:

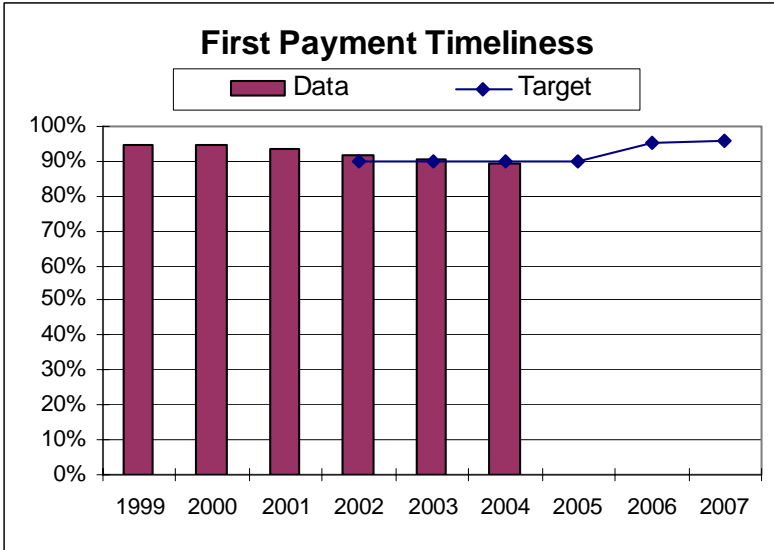
- Demand for improved technological options exceeds resources;
- Increasing workload;
- Unfair business practices.

Program Solutions – Tax:

- Continuing technological enhancements made within resources available. Our goal is to have more than 50% filing electronically by 2008; in addition, the Department intends to invest in technology that will allow employers to manage UI Tax and Benefits accounts on-line.
- Finding internal efficiencies and continuing to enhance access options to allow employers to manage their own accounts. Over the 2003-05 biennium, efficiencies have resulted in a savings of more than 2000 person hours per year. We expect additional efficiencies of a similar magnitude within the coming biennium.

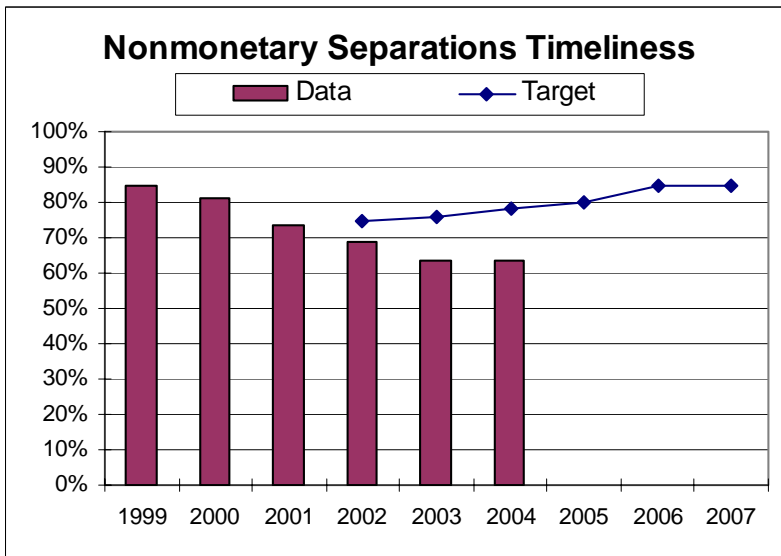
# Unemployment Insurance Division

## Performance Measure 471-05



% of UI Payments made within 21 days of eligibility.

## Performance Measure 471-06



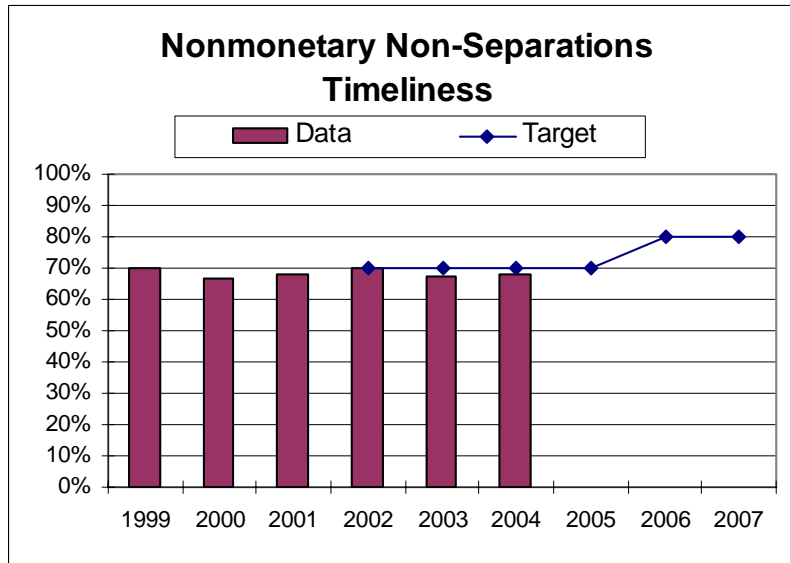
% of claims which relate to job separation that are adjudicated within 21 days of issue detection.

Data source: Budget & Program Analysis.



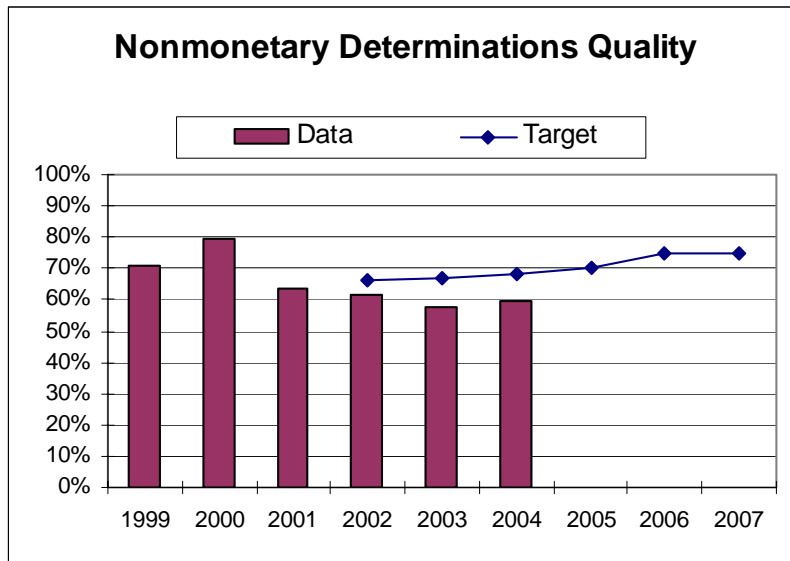
# Unemployment Insurance Division

## Performance Measure 471-07



% of claims which are unrelated to job separation that are adjudicated within 14 days of issue detection.

## Performance Measure 471-08

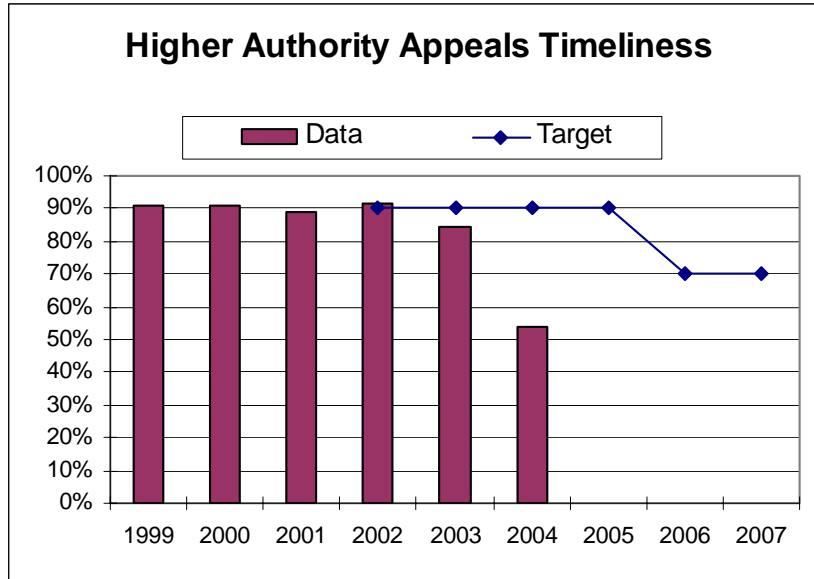


% of cases that are unrelated to earnings in which adjudication meets a standard of quality.

Data source: Budget & Program Analysis.

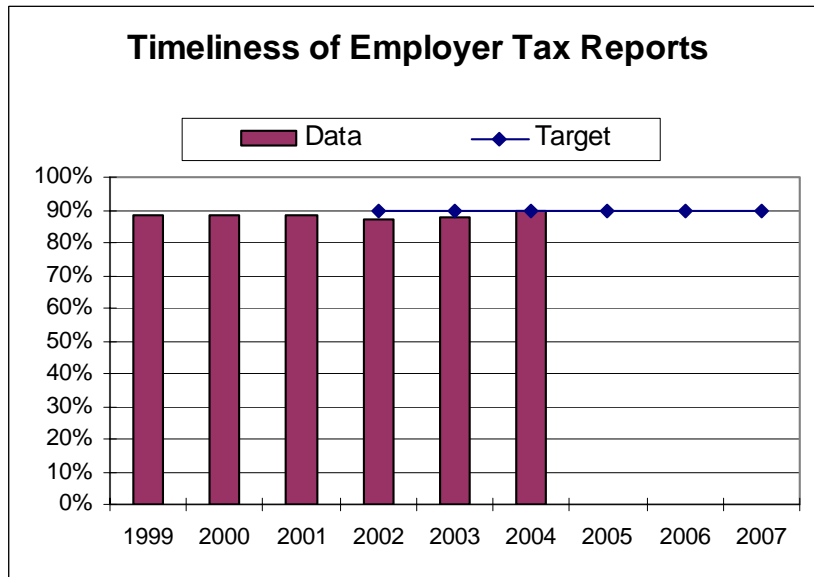
# Unemployment Insurance Division

## Performance Measure 471-11



% of cases requesting an appeal that receive a decision within 45 days of the date of request.

## Performance Measure 471-12



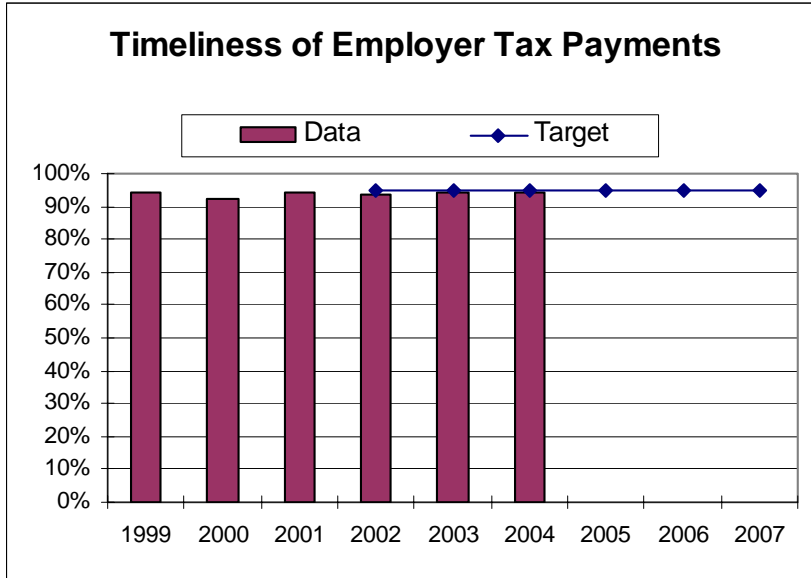
% of employers that submitted tax reports by the due date.

Data source: Budget & Program Analysis.



# Unemployment Insurance Division

## Performance Measure 471-13



% of employers that submitted tax payments by the due date.

Data source: Budget & Program Analysis.



## Unemployment Insurance Division

### 302 – Fraud Control Fund

#### *Description*

The department requests authorization to establish 3 permanent full time positions, as listed below for the 2005-07 biennium. The purpose of these positions is to reduce UI Benefit overpayments as well as continue and improve collection of UI Benefit overpayments:

Other Funds	\$362,334
Positions/FTE	3/3.00

#### *Background*

- ◆ ORS 657.400 created the Employment Department Special Fraud Control Fund in 1997. The purpose of this fund is to improve the integrity of the Unemployment Insurance program through the prevention, discovery and collection of unemployment insurance overpayments.
- ◆ Over the last decade, the collection of these overpayments has failed to keep pace with the outstanding balance.
- ◆ Two revenue agent positions were approved as Limited Duration positions for the 2003-05 biennium.
- ◆ One information systems specialist was approved as a Limited Duration position for the 2003-05 biennium to improve fraud control software and enhance further automation efforts.

#### *Outcomes / Results*

- ◆ Continuation of UI benefit overpayment collections of approximately \$2,000,000 - \$2,600,000 for the 2005-07 biennium.
- ◆ Prevent further growth in the outstanding overpayment balance
- ◆ Reduce the outstanding overpayment balance.
- ◆ Maintenance of the new automated overpayment detection system and continuation of software modifications needed to improve the effectiveness of overpayment control activities.
- ◆ Maintain or increase the Fraud Control Fund, enabling the department to request and fund other improvements as needed to improve the overpayment control process.

**Oregon Employment Department (OED)**

2005 - 2007 Biennium

Agency Number:

47100

Unemployment Insurance (UI)

**Program/Division Priorities of Governor's Recommended Budget**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Priority (ranked with highest priority first)	Dept. & Prgm. or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	POP Y/N	10% Reduction of GRB*	Code C, F S, or D	Citations any)	(if Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	
Dept	Prgm/ Div																	
2	1	OED (UI)	Pay UI Benefits--Process initial and continued weeks claims includes determination of validity of the claim			7,390,694	1,310,108,136	76,295,616		\$ 1,393,794,446	436	417.10	N	116,239,296	F	Social Security Act of 1935 (42 USC 501; 42 USC 504). Federal Unemployment Tax Act (Chapter 23, Internal Revenue Code).	471-05, 471-06, 471-07, 471-08, 471-11	6
3	2	OED (UI)	Collect UI Tax Wage Reports & Quarterly Payments from Employers			1,306,480		14,763,469		\$ 16,069,949	92	86.04	N	1,486,092	F	Social Security Act of 1935 (42 USC 501; 42 USC 504). Federal Unemployment Tax Act (Chapter 23, Internal Revenue Code).	471-12, 471-13	6
13	3	OED (UI)	UI Benefit Payment Control--Detect and collect on UI overpayments			3,108,323		4,577,733		\$ 7,686,056	42	42.00	Y	2,976,770	F	Social Security Act of 1935 (42 USC 501; 42 USC 504). Federal Unemployment Tax Act (Chapter 23, Internal Revenue Code).		6
18	4	OED (UI)	UI Tax Audit and Collections of Delinquent Employer Accounts			2,452,740		4,116,711		\$ 6,569,451	53	53.00	N	5,572,845	F	Social Security Act of 1935 (42 USC 501; 42 USC 504). Federal Unemployment Tax Act (Chapter 23, Internal Revenue Code).		6
				-	-	14,258,237	1,310,108,136	99,753,529	-	\$ 1,424,119,902	623	598.14		126,275,003				

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

**Document criteria used to prioritize activities:**

The Unemployment Insurance (UI) program is a **system** that supports economic stability for Oregonians and communities during times of unemployment through the payment of unemployment claims. The highest priority is ensuring that the insurance funds which have been paid by employers are provided to the claimants. The second priority is to collect the taxes to maintain the future of the program. Final priorities go to auditing and collecting both unpaid taxes and erroneous claims. These final priorities are vital to ensuring the integrity of the system.

**16. Code**

- C Constitutional
- F Federal
- S Statutory
- D Debt Service

**19. Primary Purpose Program/Activity Exists**

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



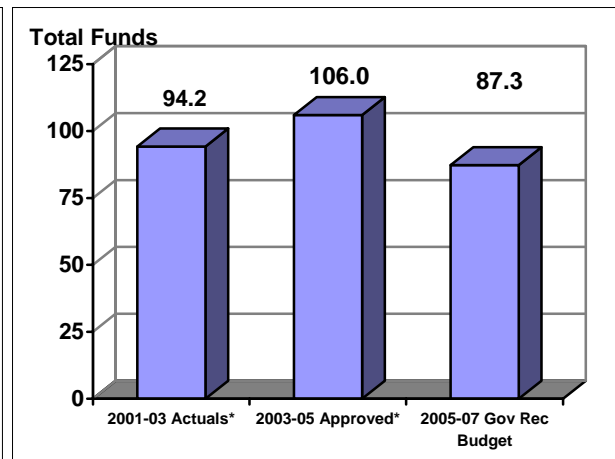
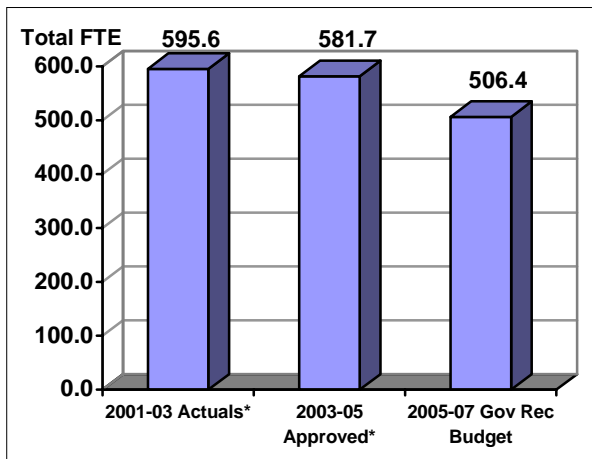
## Business and Employment Services Division

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

- Recruit and refer the best qualified applicants to employers by matching the skills and experience of job seekers with employer openings.
- Operate a statewide, pre-paid, match and referral and placement service for Oregon job seekers.
- Provide re-employment services to UI claimants.
- Collaborate with WorkSource system partners in developing local service delivery strategies and processes to meet the needs of business and job seekers.

	2001-03 Actuals*	2003-05 Approved Budget*	2005-07 Governor's Recommended Budget
General Fund	-	-	-
Other Fund	56,379,428	66,770,006	60,274,752
Federal Fund	37,830,476	39,226,734	27,001,850
Total Funds	94,209,904	105,996,740	87,276,602
FTE	595.56	581.73	506.40

*Governor's Recommended Budget includes budget packages #303.*



*\*Past biennium included Workforce and Economic Research Division which was approximately 70 FTE and 12 million.*





## Business and Employment Services Division

### Statutory Authority

#### **ORS 657.710 Free public employment offices**

The Director of the Employment Department shall establish and maintain such free public employment offices, including such branch or affiliate offices, as may be necessary for the proper administration of this chapter and for participation in Oregon's workforce investment system.

### Program History and Background

Serve Businesses by recruiting and referring the best qualified applicants to jobs, and provide resources to diverse job seekers in support of their employment needs.

- The Business and Employment Service (B&ES) system is Oregon's connection between employers and job ready workers.
- In 1913 a free labor exchange service was established by the City of Portland and in 1918 two more offices were opened in Marshfield and Eugene. These offices were financed and administered by the Federal government to fill defense-related jobs.
- In 1933, the federal government established a national employment service system, offices were then established all over Oregon. The Unemployment Insurance system was established in 1935 and joined the employment Service system.
- Today the Oregon Employment Department has 48 full service B&ES offices and is co-located with partners in WorkSource centers throughout the state.
- Partnering with other service providers and community organizations to provide services to job seekers and business was formalized in 1998 with the Workforce Investment Act.
- The heart of the B&ES system is the connection of employers, who have job listings, to qualified job applicants who are seeking work.
- In 2003, after extensive internal evaluation, the Employment Department launched its Strategic Plan. Core strategies for Business & Employment Services include:
  - Focus on the needs of businesses
  - Establish Account Representatives and Business Representatives in each office
  - Search for and send the best qualified candidates to employers
  - Obtain better information about the knowledge, skills, education, licenses, work experience and abilities of job seekers
  - Strengthen our efforts to assist UI claimant customers to return to work at the earliest opportunity
  - Increase the collaboration with our partners in serving our customers



## Business and Employment Services Division

### Program Funding

- Funding B&ES programs is a major concern – national funds (Wagner-Peyser) have not increased, even for inflation, in almost 15 years.
- In 1987 and 1989, the Oregon Legislature approved small “diversions” of state collected payroll taxes for unemployment benefits to support UI and B&ES programs.
- In 1991, the Oregon Legislature approved the establishment of the Benefit Reserve Trust Fund and the Supplemental Employment Department Administration Funds (SEDAF) as a longer term solution.
- SEDAF funds do not provide long-term funding stability. HB 2127 will reduce employer payroll taxes and provide stable funding for B&ES services.

### How We Deliver Our Services

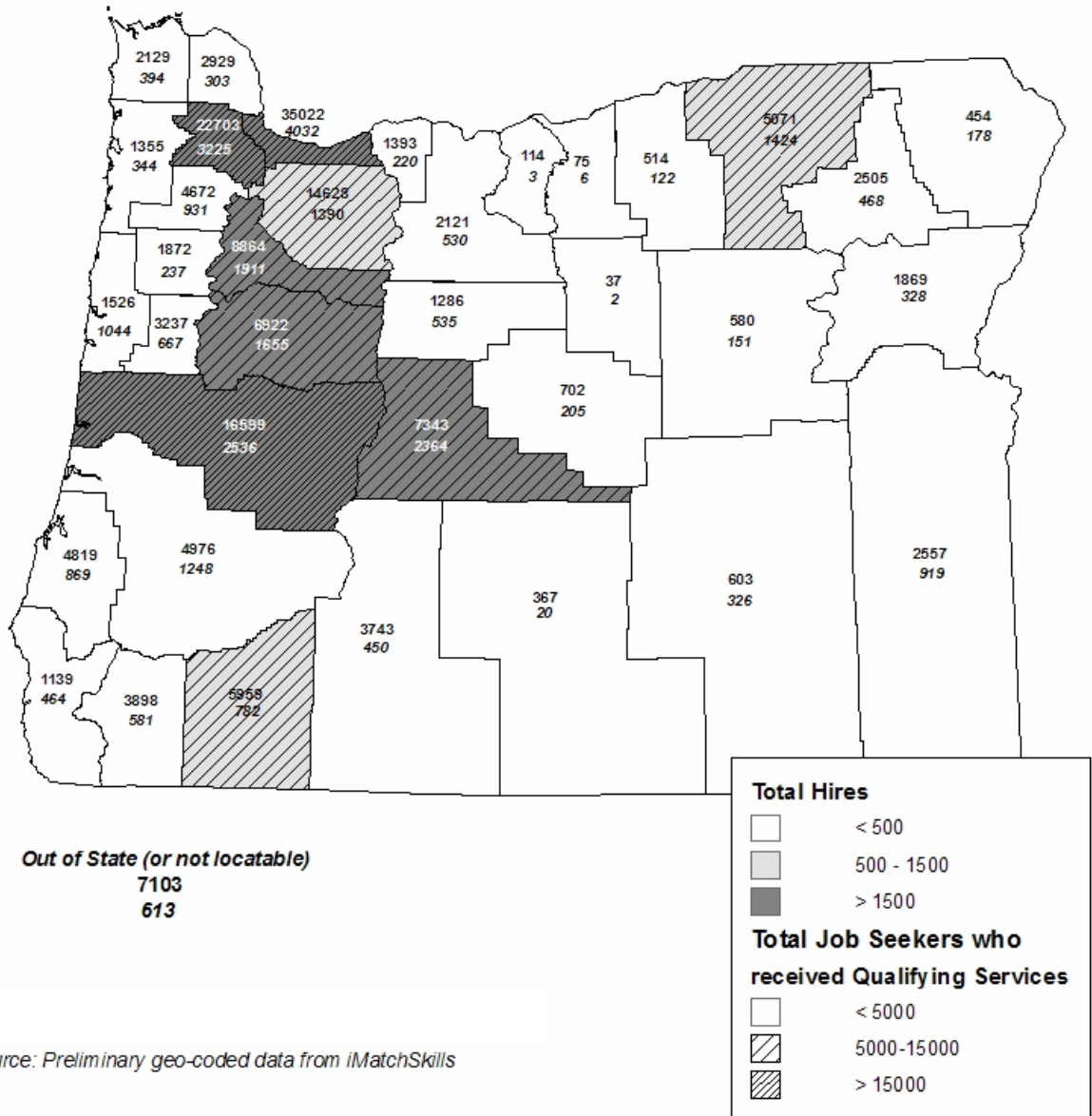
- Staff are located around the state in 48 offices and also provide services in over 30 partner locations.
- Services can be accessed via the Internet at [www.WorkinginOregon.com](http://www.WorkinginOregon.com) and through our kiosk system, phone or fax.
- iMatchSkills (iMS) is the department’s solution for cost effective recruiting.
  - iMS is available to job seekers and businesses 24/7 on the Internet
  - iMS is a self-service, web based job posting and resume searching tool
  - iMS can match job seekers to employer openings by occupation, experience, skills, licenses/certificates, and level of education



# Business and Employment Services Division

Services to Our Customers

**Employment Services – 2004 Year to Date**  
*Total Job Seekers who Received Qualifying Services - 181,686*  
*Total Hires - 31,477*



Source: Preliminary geo-coded data from iMatchSkills

- "Hires" is the bottom number and represents the number of job seekers placed in job openings.
- "Qualified Services" is the top number and represents the number of job seekers who received services to aid in their job search.



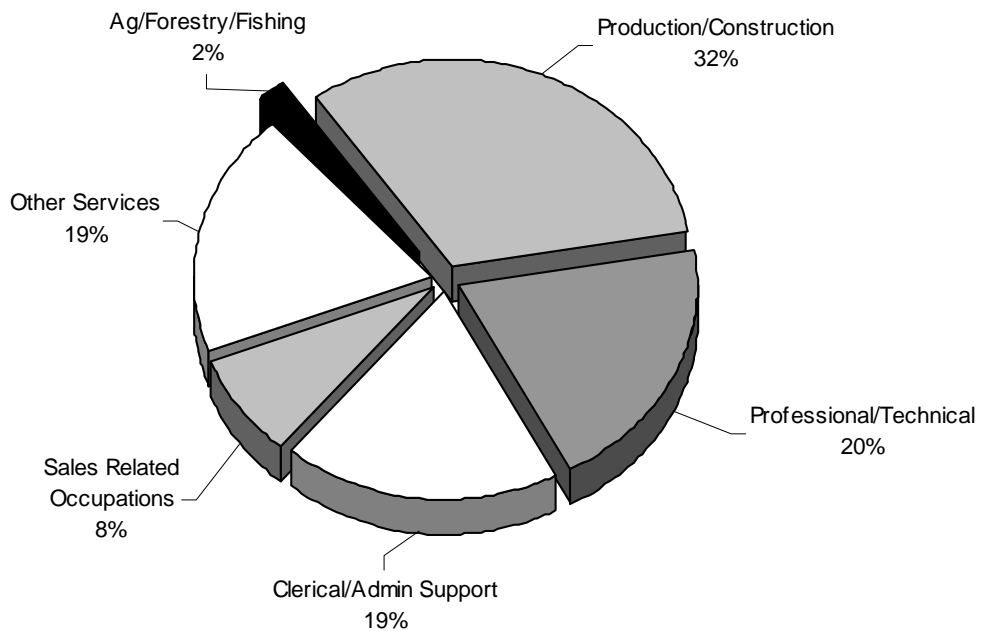
# Business and Employment Services Division

## Profile of Our Customers

### Business

- Any and all types of businesses are eligible to use our services
- Businesses of all sizes and geographic locations
- Those that are interested in taking advantage of hiring incentives and tax credits

## Job Listings Program Year ending June 30, 2004 (Total 84,816)





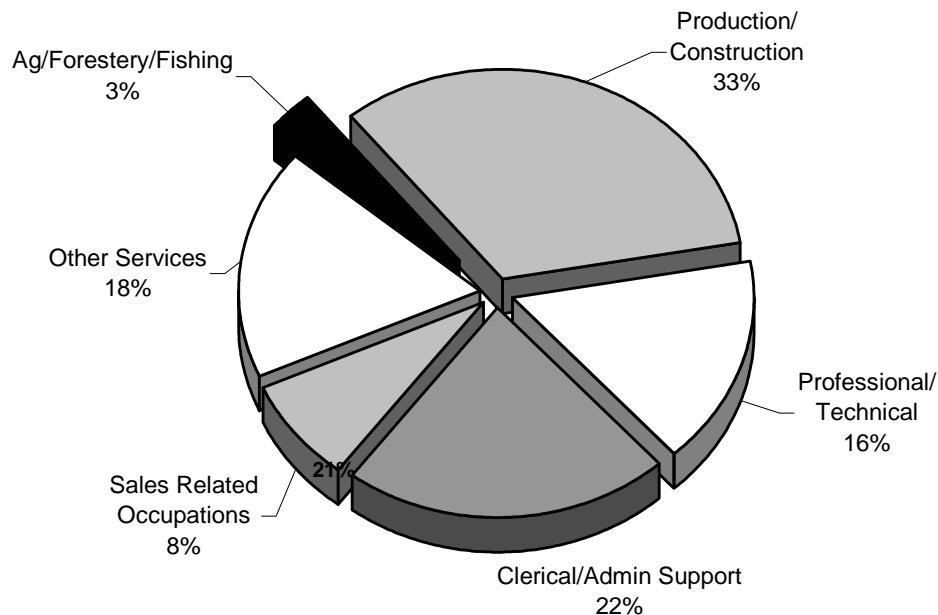
## Business and Employment Services Division

### Profile of Our Customers

#### Job Seekers

- Any and all job seekers are eligible to use our services
- Registered job seekers reflect the full diversity of Oregon's workforce
- Educational levels ranging from no high school diploma or GED to Bachelors or higher degree
- Training, experience, and skills from production, clerical, laborer, professional and more

## Applicants Served Program Year ending June 30, 2004 (Total 440,372)





## Business and Employment Services Division

### iMatchSkills

- iMatchSkills (iMS) is the Employment Department’s answer to cost effective recruiting
- iMS is available to job seekers and businesses 24/7 on the Internet
- iMS has 200,000 active job seekers at any point in time
- Since implementation in April to December 31, 2004, iMatchSkills has helped businesses fill 31,583 positions and registered 128,860 job seekers, and
- iMatchSkills saved Oregon businesses over \$44.7 million as compared to a nationally recognized Dot.Com

### Comparison of iMatchSkills to a Nationally Recognized Dot.Com Recruitment Service

	<b>iMatch Skills</b>	<b>Nationally Recognized Dot.Com</b>
Cost per job listing	no extra cost	\$495 for new customers. regular price \$765
Length of time listing can run	unlimited amount of time	60 days
Area you can search for resumes	unlimited distance	within 50 mile radius
Amount of time you can search new resumes	as long as listing is open	2 weeks
Search by job title	Yes	Yes
Screen by minimum requirements	Yes	Yes
Confidential job listings	Yes	Yes
Search by required or preferred skills	Yes	No
Search by required or preferred license/certificates	Yes	No
Search by level of education	Yes	Yes
Side-by-side job/job seeker comparison	Yes	No

Data Source: iMatchskills from April 2004 to December 31, 2004.



## Business and Employment Services Division

### Program Delivery

- A major structural change in the way employment and unemployment services are delivered has given the agency the opportunity to reevaluate in detail the way Business and Employment Services are provided now and in the future.
- The primary Business & Employment Services function is to provide employers and businesses with workforce solutions through finding the best qualified applicants available and providing connections to other workforce services.

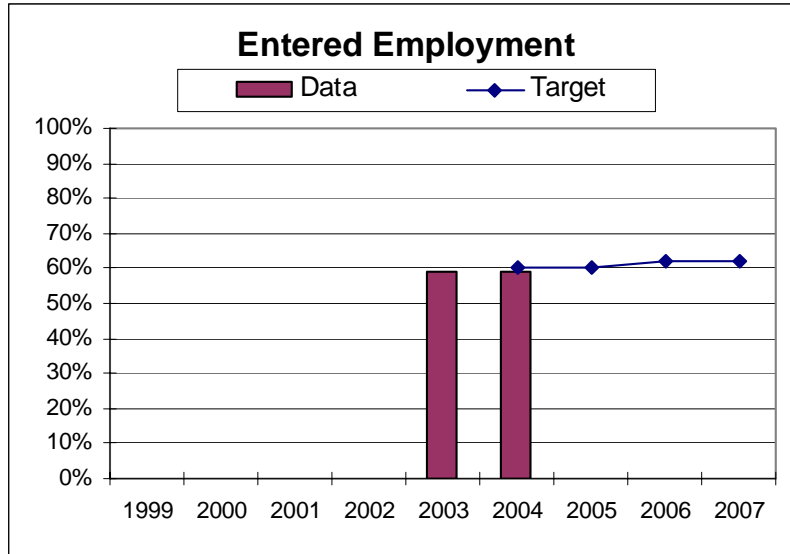
To accomplish this, three major initiatives have been developed out of intensive internal reevaluation and strategic planning:

1. Focus on acquiring a deep knowledge and understanding of the needs of business by developing stronger working relationships with them.
  - To do this we have implemented a business and account representative system to provide a single point of contact for businesses, gained industry specific knowledge, and participated in business community activities.
2. Job listings will be taken and job seekers registered through iMatchSkills.
  - iMatchSkills provides employers and job seekers with an easy to use self-service option for matching qualified job seekers and job listings without diminishing staff access and services.
  - Skills are identified for each job listed and for each job seeker. This expands our ability to connect qualified job seekers with employers using skills. Using transferable skills connects job seekers with job openings that in the past would not have occurred.
3. We are increasing our collaboration with our workforce partners to create a workforce system that meets the needs of both employers and job seekers.
  - Through co-location and joint service delivery.



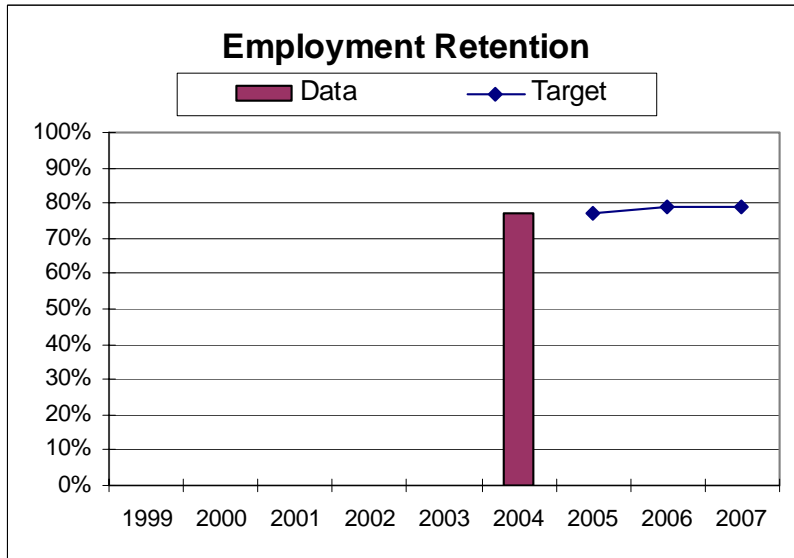
## Business and Employment Services Division

### Performance Measure 471-01



% of Job Seekers who got a job with a new employer after registering with Employment Department.

### Performance Measure 471-02



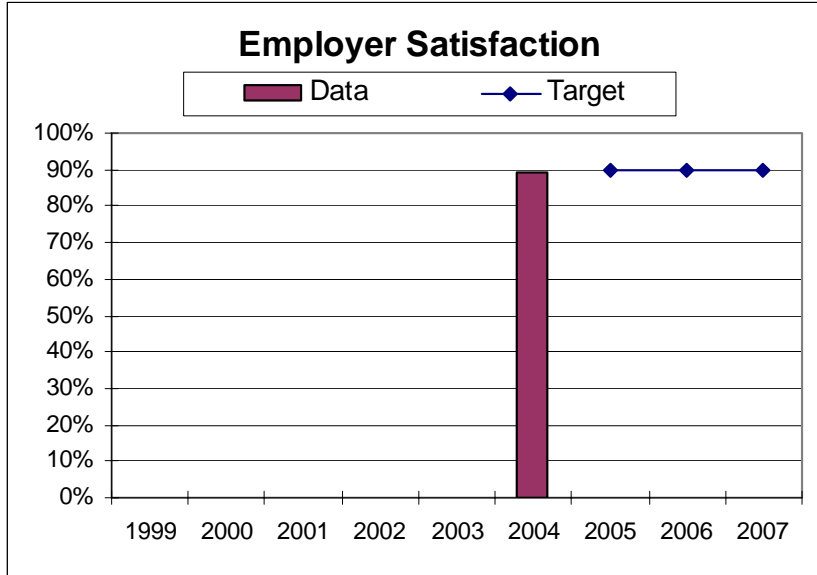
% of Job Seekers who were in employment two quarters after registering with the Employment Department.

Data source: Budget & Program Analysis.



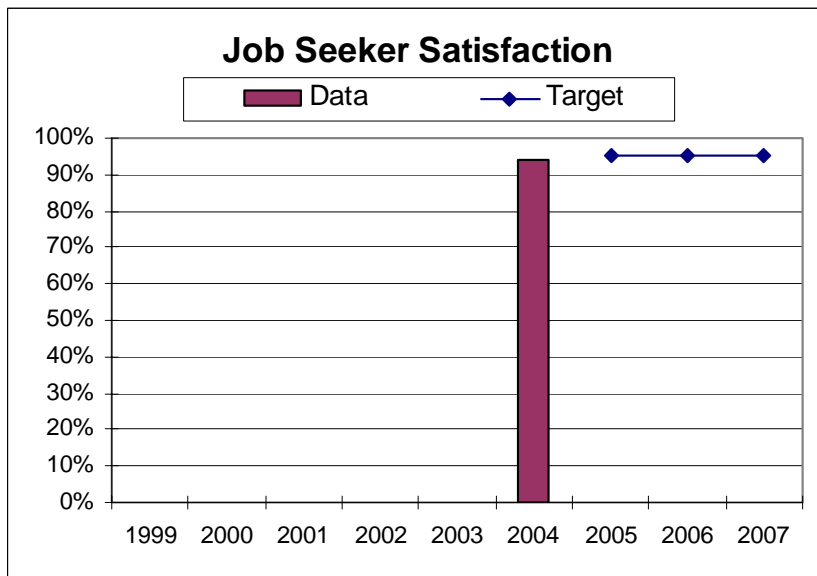
## Business and Employment Services Division

### Performance Measure 471-03



% of employers who rate department services good or excellent on average.

### Performance Measure 471-04



% of job seekers who rate department services good or excellent on average.

Data source: Budget & Program Analysis.



## Business and Employment Services Division

### 303 – Employment Contracted Services

#### *Description*

- ◆ Establish limited duration position authority that enables immediate response to grant and contract opportunities during the 2005-07 biennium.
- ◆ Respond to the needs of local communities, partner agencies, federal initiatives, and key customers, consistent with Oregon workforce policies and priorities, by providing contracted job placement services for workforce partner agencies.

Other Funds	\$2,852,166
Positions/FTE	25/25.00

#### *Background*

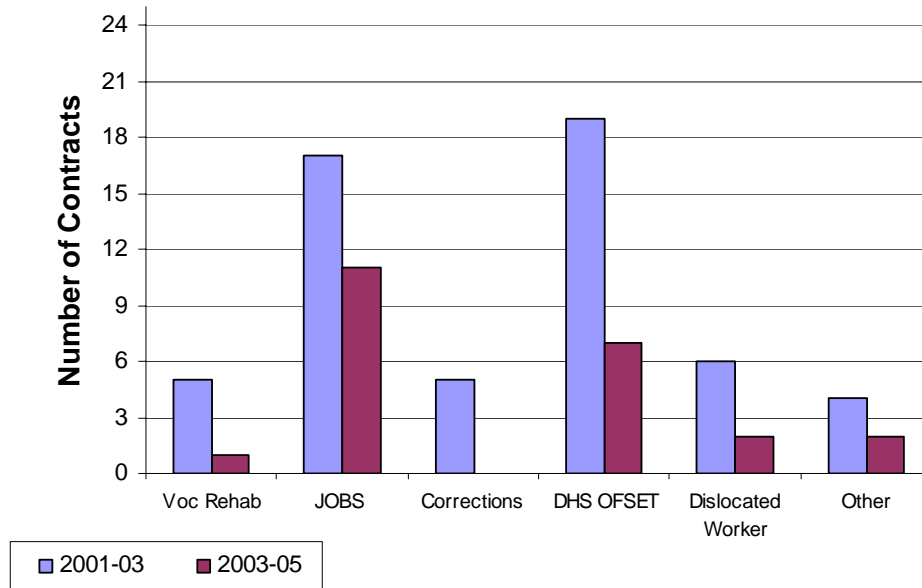
- ◆ Because the Employment Department has a strong employer connection for job listings and placement, the department provides important placement services for job-ready or nearly job-ready customers of other state agencies and non-state entities.
- ◆ The Employment Department's ability to respond to outside requests is dependent upon sufficient limited duration position authority. These positions are needed to enable the department to respond to grants and contracts where its unique and specialized skills and tools are needed for placement activities or workforce analysis.

#### *Outcomes / Results*

- ◆ These positions are needed to enable the department to respond to grants and contracts where its unique and specialized skills and tools are needed for placement activities or workforce analysis.
- ◆ Increase the number of clients from partner agencies that enter employment programs with Employment Department assistance.

## Business and Employment Services Division

### ES Reimbursed Contracts



**Vocational Rehabilitation:** Assist Oregonians with disabilities to achieve and maintain employment and independence.

**JOBS:** Assist participants to transition as quickly as possible from dependence on public assistance and services to employment using employment, readiness services, retention and supportive services.

**Corrections:** Assist Corrections clients who are about to be released to get help in seeking work and securing a job.

**DHS Oregon Food Stamp Employment and Training (OFSET):** Assist participants to transition as quickly as possible from dependence on public assistance to self sufficiency and employment through a community partnership program.

**Dislocated Worker:** Assist Oregonians who are long-term unemployed with limited opportunities for reemployment in the same or similar occupation in the area where the person resides become retrained in a demand occupation to enable them to return to work as soon as possible.

**Other:** Assist participants of local entities by providing employment placement services.

**Oregon Employment Department (OED)**

2005 - 2007 Biennium

Agency Number:

47100

Business & Employment Services (B&ES)

Program/Division Priorities of Governor's Recommended Budget																		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Priority (ranked with highest priority first)	Dept. & Prgm. or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	POP Y/N	10% Reduction of GRB*	Code C, F S, or D	Citations any)	(if Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	
Dept	Prgm/ Div																	
6	1	OED (B&ES)	Field Office Core Services - Serves businesses by recruiting and referring the best qualified applicants to employers by matching the skills and experience of job seeker with employer openings at 47 locations throughout Oregon.			60,274,752		17,453,649	\$ 77,728,401	470	438.40	Y	4,840,755	F	Wagner-Peyser Act, the Workforce Investment Act of 1998. Code of Federal Regulations (Title 20, parts 1-1099).	471-01, 471-02, 471-03, 471-04	6	
10	2	OED (B&ES)	Veteran Services - Programs to meet the employment and training needs of service-connected special disabled veterans, service connected disabled veterans and other eligible veterans. Programs provide public employment service (established by the Wagner-				4,866,000		\$ 4,866,000	38	38.00	N		F	Wagner-Peyser Act, the Workforce Investment Act of 1998. Code of Federal Regulations (Title 20 and Title 38)	471-01, 471-02, 471-03, 471-04	6	
14	3	OED (B&ES)	Trade Act Program - Provides benefits and services to workers who have lost their jobs due to imports and/or shift in production to certain countries. Benefits include retraining, job search and relocation allowances, special UI benefits in the form of T				18,000,000	2,794,035	\$ 20,794,035	17	17.00	N	20,794,035	F	Wagner-Peyser Act, the Workforce Investment Act of 1998. Code of Federal Regulations (Title 20, parts 1-1099).	471-01, 471-02, 471-03, 471-04	6	
15	4	OED (B&ES)	Claimant Reemployment - Through a Federal grant, additional reemployment services (beyond the core) are provided to claimants, including individualized labor market information, one on one job search assistance, comprehensive enrollment into the departme					1,249,756	\$ 1,249,756	9	9.00	N	1,249,756	F	Wagner-Peyser Act, the Workforce Investment Act of 1998. Code of Federal Regulations (Title 20, parts 1-1099).	471-01, 471-02, 471-03, 471-04	6	
20	5	OED (B&ES)	Work Opportunity Tax Credit - provides employers an incentive, in the form of tax credits, to hire certain target group members.					439,358	\$ 439,358	3	3.00	N		F	Wagner-Peyser Act, the Workforce Investment Act of 1998. Code of Federal Regulations (Title 20, parts 1-1099).		6	
22	6	OED (B&ES)	Foreign Labor Certification - Program that processes employer applications to hire foreign workers and to assure that efforts have been explored to fill their positions with U.S. workers.					199,052	\$ 199,052	2	1.00	N	199,052	F	Wagner-Peyser Act, the Workforce Investment Act of 1998. Code of Federal Regulations (Title 20, parts 1-1099).		6	
				-	-	60,274,752	18,000,000	27,001,850	\$ 105,276,602	539	506.40		27,083,598					

Oregon Employment Department (OED)																			
2005 - 2007 Biennium																	Agency Number:		47100
Business & Employment Services (B&ES)																	Program/Division Priorities of Governor's Recommended Budget		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Priority (ranked with highest priority first)	Dept. & Prgm. or Activity Initials	Program Unit/Activity Description			GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	POP Y/N	10% Reduction of GRB*	Code C, F S, or D	Citations any)	(if Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code
Dept	Prgm/ Div																		

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

**Document criteria used to prioritize activities:**

The mission of the Oregon Employment Department Business and Employment Services Program area is to support business and promote employment. Therefore, the programs were prioritized based on which can serve the largest number of Oregonians while making the greatest impact on the lives of employers and job seekers.

- Oregon businesses and job seekers need direct services delivered at the local level.
- Our returning and disabled veterans need reemployment assistance now more than ever.
- Workers who lose their jobs to foreign competition and/or shift in production need retraining and other reemployment services to find new careers in the global economy.
- Some Unemployment Insurance claimants who have recently acquired work experience and skills need additional reemployment services to assist them in returning to work at the earliest possible opportunity.
- The Work Opportunity Tax Credit Program supports business by providing a tax credit to employers hiring disadvantaged workers.
- Many of the the Foreign Labor Certification Program activities are being transferred from Oregon to the Department of Labor.

**16. Code**

- C Constitutional
- F Federal
- S Statutory
- D Debt Service

**19. Primary Purpose Program/Activity Exists**

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
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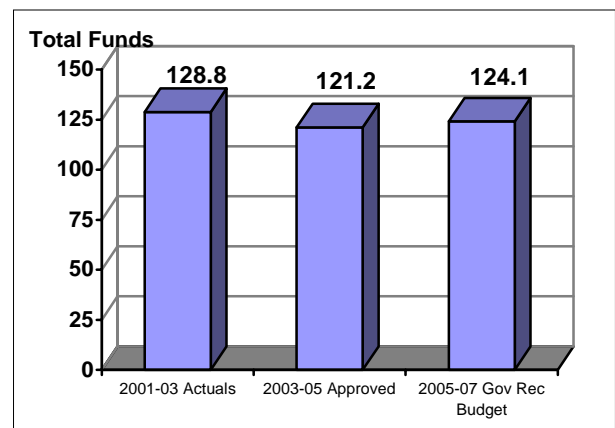
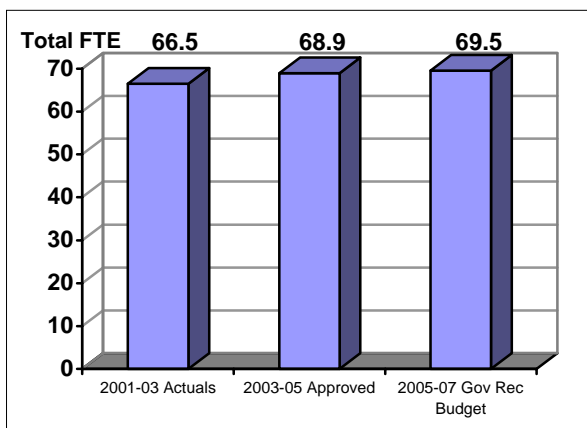
## Child Care Division

The Child Care Division (CCD) was established within the Oregon Employment Department to highlight the importance of child care in developing and maintaining a diverse, multi-skilled workforce. The division supports families and employers by planning, promoting, and funding a statewide child care system. As Oregon's lead agency for the federal Child Care and Development Fund, the division:

- Works to ensure the safety of children by licensing more than 6,000 child care businesses and investigating complaints against providers.
- Initiates and funds programs that improve the quality and availability of child care.
- Provides funding to over 200 state and local agencies and organizations to make child care more affordable for low-income working families, migrant and seasonal workers, teen parents, children with special needs, and parents participating in substance abuse programs.

	2001-03 Actuals	2003-05 Approved Budget	2005-07 Governor's Recommended Budget
General Fund	1,946,632	3,426,181	3,586,694
Other Fund	2,759,908	653,375	2,289,021
Federal Fund	124,052,676	117,087,384	118,180,142
Total Funds	128,759,216	121,166,940	124,055,857
FTE	66.46	68.88	69.50

*Governor's Recommended Budget includes budget packages #301.*





## Child Care Division

### Statutory Authority

#### **657A.010 Child Care Division**

There is established within the Employment Department a Child Care Division. The Child Care Division, as designated by the Governor, shall be responsible for administering funds received by the State of Oregon pursuant to the federal Child Care and Development Block Grant Act of 1990, the Dependent Care Planning and Development Grant and other federal child care funds and grants received by the State of Oregon.

### Program History and Background

The Child Care Division's primary mission is to ensure the health and safety of children in care through regulation of child care businesses. The division also works with partners to lead and fund projects that improve the quality, affordability and accessibility of child care.

The history of child care in Oregon goes back many years. Recent milestones include:

- 1969: Child care regulation is transferred from the State Board of Health to the Public Welfare Division.
- 1971: Regulation is moved to the Children's Services Division of the Department of Human Resources (now DHS). On-site inspection and complaint investigation is limited to child care centers; family child care operates under "registration without inspection".
- 1993: The Child Care Division (CCD) is created within the new Employment Department. The move is championed by child care advocates who seek to raise the visibility of the program while highlighting its importance to workforce development. CCD is designated as lead agency for federal child care funds. The child care subsidy program continues to be operated by the Department of Human Services.
- 1998: An investigative series on family child care by a Portland TV station reveals numerous abuses of "registration without inspection" and finds that children are at risk of harm. A joint interim legislative committee convenes and recommends more stringent standards and requirements for family child care businesses.
- 1999-2001: Over the course of these two sessions, the Legislature approves on-site health and safety reviews and establishes minimum training requirements for family child care providers.
- 2001: State budget cuts result in a reduction of eligibility for the subsidy program from 185% to 150% of the federal poverty level. Subsidy payments to child care providers are reduced to the point where they are the lowest in the United States.

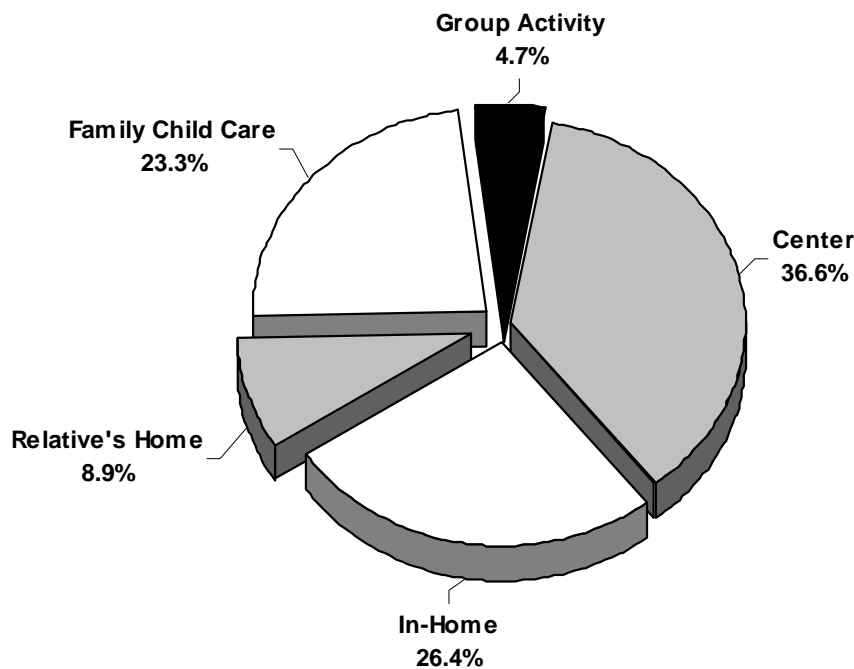
## Child Care Division

Although the Child Care Division inspects over 6000 licensed child care businesses, Oregon law exempts a significant number of providers from regulation, including: preschools and other educational programs provided for four hours or less each day; providers caring for three or fewer children or children from only one family; babysitters; programs operated by school districts or parent cooperatives; and programs where parents are on site.

### Profile of Our Customers

The Child Care Division has three primary customer groups: Children in care, working parents, and child care providers.

## Percentage of Children (0-12) in Paid Care by Type

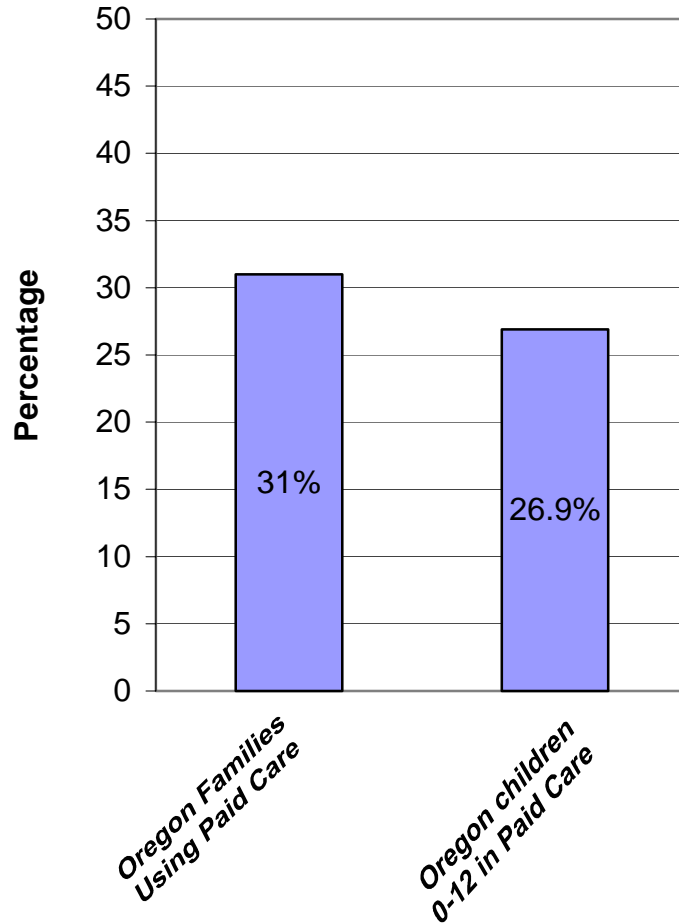






## Child Care Division

### Families and Children Using Paid Child Care in Oregon





## Child Care Division

### Program Delivery

Quality Initiatives: Child care is early education. New research on brain development has confirmed that the first few years of life are the most critical in determining a child's intellectual, emotional, and social development. Because quality child care is vital to ensuring that children enter school ready to succeed, the division initiates and funds innovative programs, including:

- A child care mentoring project that teams experienced child care providers with new providers to help them provide safe, quality child care.
- Provider training programs that focus on health and safety, social and emotional development, and care-giving for infants and toddlers.
- Career development opportunities for care providers through the Oregon Registry.
- A statewide public information campaign to educate consumers about the importance of quality child care and businesses about the availability of Oregon's child care tax credits.
- A pilot project to make Public Health Nurses available as consultants to child care providers.

In 2003, the Oregon Legislature enacted the Oregon Child Care Contribution Tax Credit. By making a contribution to the program, taxpayers receive a state tax credit of 75 cents for each dollar contributed. A total of \$500,000 in tax credits are available each calendar year for five years, beginning with tax year 2004. The 2004 tax credits have all been sold.

Proceeds from the credits will be used to create a demonstration project to show how child care can work when quality, affordability, and provider compensation are addressed simultaneously. Through a competitive process, Lane Family Connections was selected as the initial recipient of project funds.

Affordable Child Care: An Oregon family with both parents working full time at minimum wage earns only \$27,000 per year. These families struggle to afford the cost of child care, which averages over \$3,000 per year, per child. The Child Care Division (CCD) contracts federal funds to DHS for the Employment Related Day Care (ERDC) program. It also contracts with over 200 community-based organizations to provide child care service for families with special challenges and needs, including:

- Teen parents completing education or training programs
- Parents completing substance abuse programs
- Migrant and seasonal workers
- Parents who have children with special needs

Oregon tax credits allow employers to receive a credit of up to 50 percent of the cost of providing child care related services to their employees. Eligible activities include wage subsidies and resource and referral services. The "Oregon Employers of Choice" campaign



## Child Care Division

provides outreach to businesses on the benefits of family-friendly policies and assistance in using Oregon's employer child care tax credits.

Availability of Care: The division is an active partner in building the supply of child care in local communities:

- CCD funds and supports Oregon's Child Care Resource and Referral (CCR&R) system. CCR&R was created by the Legislature in 1988 to provide child care information, assistance, and referrals to working families, providers, and the business community. Oregon has 17 CCR&R service delivery areas (SDA's) coordinated at the state level by the Child Care Resource and Referral Network.
- The division provides funding to the Commission on Children and Families to assist in planning and expanding the supply of child care at the county level.
- CCD is funding a pilot project to recruit, train, and support providers to serve children with special needs.

Partnerships: The division actively partners with many state and local agencies and organizations to build Oregon's child care system, including:

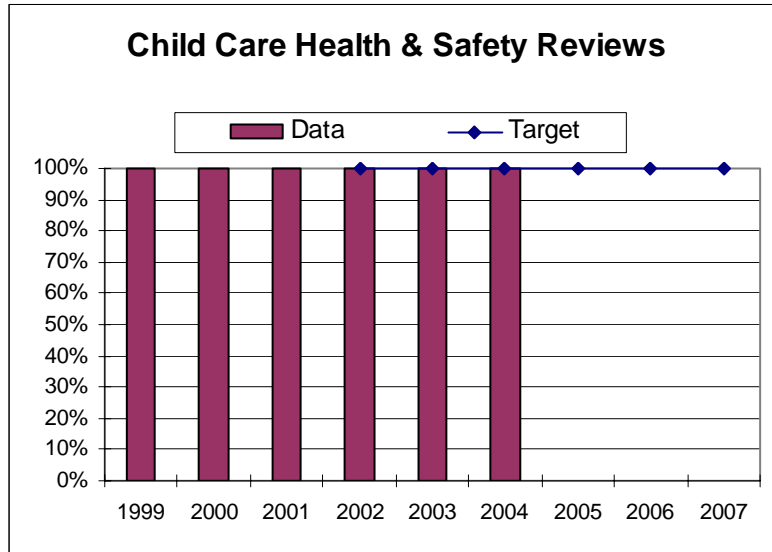
- The Commission for Child Care was created in statute within the Employment Department to address the issues, problems and alternative solutions that are critical to the development of accessible, affordable and quality child care services.
- The Childhood Care and Education Coordinating Council is an ad hoc organization of agencies, organizations, and advocacy groups. Convened and chaired by the Child Care Division, the Council develops the federal child care plan and collaboratively assists in the implementation of programs funded by the division and policies recommended by the Commission for Child Care.
- The Director of the Employment Department is a member of the State Commission on Children and Families, and the Division is active in Commission committees working to develop early childhood health and prevention programs.

Challenges: The Child Care Division will continue to build a strong infrastructure for Oregon's child care system. Challenges include:

- Expanding child care in rural communities and for parents who work non-traditional hours.
- Increasing the number of providers who serve infants, toddlers, and children with special needs.
- Expanding training opportunities for providers, including distance learning.
- Improving the use of technology in providing services and information.
- Creating strategies to recruit and retain quality child care providers.
- Increasing the presence of businesses as partners and advocates in child care and work/life issues.

## Child Care Division

### Performance Measure 471-14



% of family child care facilities required to have onsite health and safety reviews that were reviewed by Child Care Division.

Data source: Budget & Program Analysis.



## Child Care Division

### 301 – Child Care Contribution Tax Credit

#### *Description*

The department requests authorization to use Child Care Contribution Tax Credit funds for the purpose of implementing the Child Care Contribution Tax Credit program.

Other Funds	\$1,533,021
Positions/FTE	0/0.00

#### *Background*

- ◆ ORS 657A.700 created the Oregon Child Care Contribution Tax Credit Program in 2001.
- ◆ There was a correction of technical problems made in the 2003 Legislative Session.
- ◆ Taxpayers receive an Oregon state tax credit of 75 cents for every dollar contributed.
- ◆ Funds will be distributed to qualified community agencies which in turn distribute the funds to child care providers.

#### *Outcomes / Results*

- Higher quality care for children.
- Decrease parent cost to no more than 10 percent of family income.
- Increase child care provider wages and professional development.

**Oregon Employment Department (OED)**

2005 - 2007 Biennium

Agency Number:

47100

Child Care Division

**Program/Division Priorities of Governor's Recommended Budget**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Priority (ranked with highest priority first)	Dept. & Prm. or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	POP Y/N	10% Reduction of GRB*	Code C, F S, or D	Citations any)	(if Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	
Dept	Prm/ Div																	
1	1	OED (CCD)	Licensing/Regulation - to ensure the safety of children in care; registration/certification, health & safety reviews, criminal record checks.	3,444,524		615,455		9,098,890		\$ 13,158,869	74	69.50	N	0	F	Child Care and Development Block Grant Act of 1990 (42 USC 9801) and 45 CFR Parts 98 and 99	471-14	6
7	2	OED (CCD)	Subsidies for families transitioning off of public assistance, low-income working families, and targeted populations (migrant and seasonal farmworkers, teen parents, parents in alcohol and drug treatment, children with disabilities).					98,801,649		\$ 98,801,649			N	9,010,835	F	Child Care and Development Block Grant Act of 1990 (42 USC 9801) and 45 CFR Parts 98 and 99		6
12	3	OED (CCD)	Resource and Referral - by statute, the Division must support a child care resource and referral system to facilitate placement of children in care, consumer education, and training for child care providers.	142,170				5,212,868		\$ 5,355,038			N	0	F	Child Care and Development Block Grant Act of 1990 (42 USC 9801) and 45 CFR Parts 98 and 99		6
16	4	OED (CCD)	Quality Initiatives - expanded early childhood education and training, compensation programs for providers (wage enhancements), assessment and evaluation of programs, expansion of child care in rural areas and for parents who work non-traditional hours, i			1,673,566		5,066,735		\$ 6,740,301			Y	3,001,924	F	Child Care and Development Block Grant Act of 1990 (42 USC 9801) and 45 CFR Parts 98 and 99		6
				3,586,694	-	2,289,021	-	118,180,142	-	\$ 124,055,857	74	69.50		12,012,759				

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

**Document criteria used to prioritize activities:**

The Oregon Employment Department's Child Care Division(CCD)supports families and employers by planning, promoting, and funding a statewide child care system. CCD is Oregon's lead agency for the federal Child Care and Development Fund. The most important priority for the department is regulating child care providers to ensure the safety of children so their parents can participate in the workforce. Secondly, the Division initiates programs and provides subsidies to ensure that child care is both available and affordable for parents. Finally, the Division works to improve the quality of day care.

**16. Code**

- C Constitutional
- F Federal
- S Statutory
- D Debt Service

**19. Primary Purpose Program/Activity Exists**

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

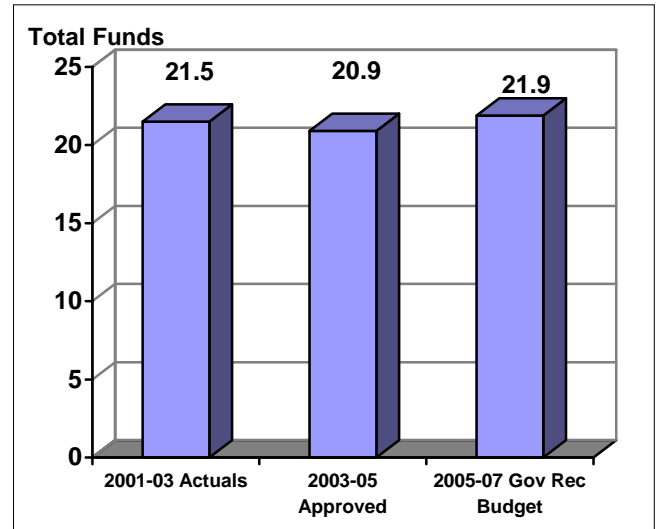
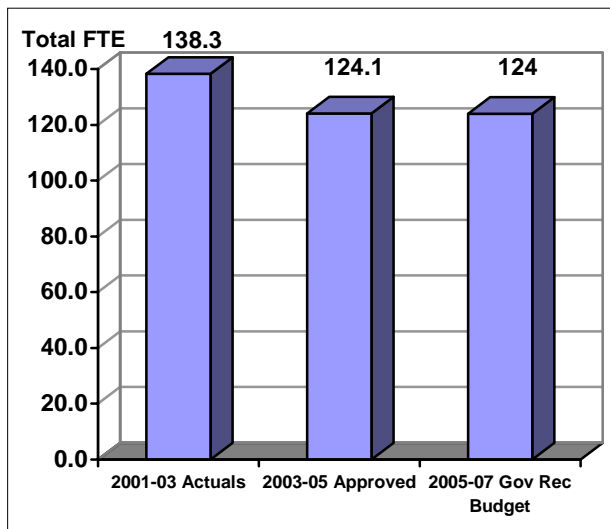


## Office of Administrative Hearings

The Office of Administrative Hearings (OAH):

- provides an independent and impartial forum in which citizens can litigate their disputes with state agencies through contested case hearings;
- ensures that the hearing process is informal, accessible, and convenient to citizens who choose to represent themselves;
- decides cases based on legal merit, without regard to outcome;
- promptly issues either proposed or final orders either meeting or exceeding all applicable timelines.

	2001-03 Actuals	2003-05 Approved Budget	2005-07 Governor's Recommended Budget
General Fund	-	-	-
Other Fund	21,507,598	20,878,109	21,871,363
Federal Fund	-	-	-
Total Funds	21,507,598	20,878,109	21,871,363
FTE	138.25	124.09	124.00





## Office of Administrative Hearings

### Statutory Authority

#### **183.605 Office of Administrative Hearings**

The Office of Administrative Hearings is established within the Employment Department. The office shall be managed by the chief administrative law judge employed under ORS 183.610.

### Program History and Background

In 1997 the Oregon Legislature passed a bill to create a central panel of administrative law judges who were independent of the agencies whose cases they heard. The Governor vetoed the bill, in part because of concern over costs. Nevertheless, he agreed to further study. A committee was formed headed by Representative Lane Shetterly. Out of that merged House Bill 2525 (1999), which established the Office of Administrative Hearings (formerly known as the Hearing Officer Panel). The bill consolidated the hearings units of the following seven agencies: Construction Contractors Board, Department of Consumer and Business Services, Department of Human Services, Department of Transportation, Employment Department, Oregon Liquor Control Commission, and the Water Resources Department. The OAH became operational on January 1, 2000. Currently, it employs approximately 125 persons, including 67 administrative law judges.

The OAH was due to sunset in 2004. This was a political compromise, reflecting the controversy surrounding the creation of a central panel in Oregon. During the next three years, the OAH proved itself: It was substantially less expensive than before. The quality of work improved. And the perception of good government was promoted by separating agency regulation from agency enforcement. In 2003 Representative Shetterly, among others, sponsored House Bill 2526 to make the OAH permanent. The bill passed both chambers of the Legislature with only one dissenting vote. In May 2003 Governor Kulongoski signed the bill into law.

The OAH hears the cases of approximately 75 agencies. The principal agencies excluded are Workers' Compensation Board, Employment Relations Board, Public Utilities Commission, Bureau of Labor and Industries, and Department of Corrections. In 2003 almost 40,000 cases were referred to the OAH. In terms of breadth of jurisdiction and number of referrals, the OAH is one of the largest central panels in the nation (there are approximately 27).



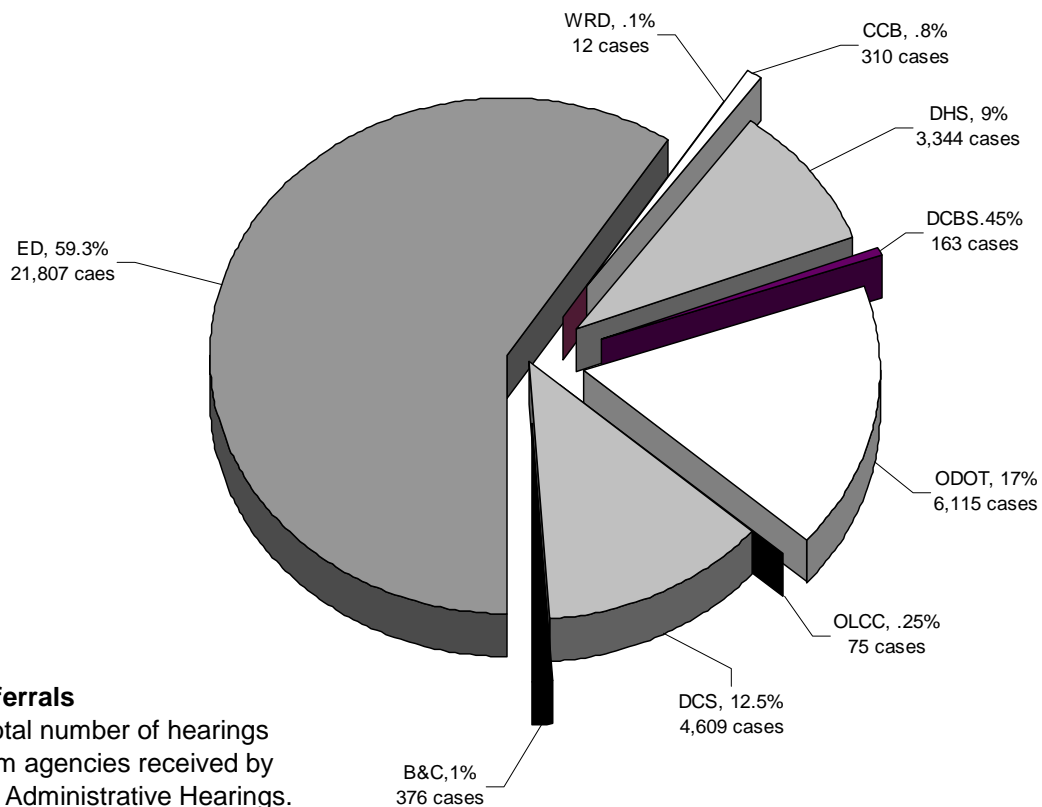


# Office of Administrative Hearings

## Profile of Our Customers

The OAH's principal customers are state agencies and the public (private citizens and employers). Secondary customers are attorneys who represent them, from the private bar and the Department of Justice.

### Office of Administrative Hearings Hearing Referrals Received January to December 2004



#### Hearing Referrals

This is the total number of hearings requests from agencies received by the Office of Administrative Hearings.

B&C	Boards and Commissions
CCB	Construction Contractors Board
DCBS	Dept of Consumer & Business Services
DCS	Division of Child Support
DHS	Department of Human Resources
ED	Employment Department
ODOT	Oregon Department of Transportation
OLCC	Oregon Liquor Control Commission
WRD	Water Resources Department

**Total Referrals - 36,811 cases**



## Office of Administrative Hearings

### Program Delivery

In the last four years, the OAH has experienced substantially reduced hearing costs. This has been due both to the economies of scale available in a large central panel such as Oregon's and to the constant effort of OAH management to streamline operations.

In each of these four years, the average cost of a referral has declined: In fiscal year (FY) 2000-01 it was \$322; in FY 2001-02 it was \$292; in FY 2002-03 it was \$285; and in the last rolling twelve months (September 2003 through August 2004), it was \$276. This is a reduction of 14 percent over the three years. Total savings to the State of Oregon, unavailable without the OAH, were over \$4.3 million.

In addition, OAH management is seeking further efficiencies and service to the public:

- *Integrated case management system:* The legacy case management systems which came from the seven consolidated agencies either could not communicate with each other or were unreliable or both. This made it impossible to efficiently assign cases across the OAH. The OAH is in the process of building a single, integrated case management system.
- *Single network:* An integrated case management system requires that all the OAH be on the same network. Two-thirds of the OAH share a single network; one-third does not. It is hoped that the migration to a single network will be completed by the first part of 2005.
- *Implied consent hearings:* The governing statute requires all implied consent hearings to convene within 100 miles of the arrest or driver's residence. ALJs travel to all parts of the state throughout the year to conduct in-person hearings. This is very inefficient and costly. The OAH is engaged in a pilot with the Oregon State Police to hold hearings by telephone.
- *Telephone conference bridge for hearings:* Currently, ALJs initiate calls to all parties and witnesses. This is inefficient. The OAH has implemented a new method of conducting telephone hearings, by which hearing participants, including ALJs, call into a conference line. This has reduced ALJ time attempting to contact participants, and has reduced operational staff time responding to telephone inquiries regarding hearings.
- *Symposium telephone system:* Almost 22,000 unemployment insurance cases were referred to the OAH in 2004. However, there were only three telephone lines to receive telephone inquiries. Callers were put on hold for unacceptably long periods of time. The OAH purchased a new telephone system, giving it sixteen telephone lines. This, plus an automated menu, has reduced substantially the wait time.



## Office of Administrative Hearings

- *Website:* The OAH has a website which, among other things, advises citizens how to represent themselves at hearing, and links to all the statutes and rules of 75 agencies for whom the OAH provides hearing services. Also, the OAH is gradually posting final orders, so that citizens (and agencies) can learn how agencies have ruled in the past on certain issues.
- *Block scheduling:* The OAH had a substantial backlog in unemployment insurance cases because of an increased workload due to the recession. To eliminate the backlog, the OAH embarked on a program of mass scheduling of hearings. The backlog is now gone.
- *Other unemployment insurance hearings efficiencies:* The OAH developed a method to allow citizens to appeal directly to the OAH from Employment Department administrative decisions. This is a convenience to citizens and promotes more efficient processing of hearing requests. The OAH will soon embark on a pilot to hold hearings without seeking documents from the Department. With almost 22,000 referrals a year, this will be a workload reduction for both.
- *Digital recorders:* The OAH is moving toward the use of digital recorders instead of cassette audio recorders for recording hearings. The digital recorders are substantially cheaper; they are more portable; the chips are much cheaper than cassettes; audio files can be sent via the Internet; and the quality of recording is superior.
- *Cross-training:* ALJs are increasingly being cross-trained into other program areas. This is an efficiency measure, because it allows the OAH to respond to case loads as they rise or fall.



# Office of Administrative Hearings

## OAH TIMELINESS REPORT JANUARY 1 TO SEPTEMBER 30, 2004 (FIRST, SECOND AND THIRD QUARTERS)

Agency	Program	Standard	Orders Issued	Percent Meeting Standard	Average Days to Order Issuance
<b>CONSTRUCTION CONTRACTORS BOARD</b>	Claims	100% within 45 days of record close	1st Q: 38 2nd Q: 61 3rd Q: 28	100% 97% 100%	11 20 12
	Enforcement	100% within 30 days of record close	1st Q: 5 2nd Q: 4 3rd Q: 8	60% 75% 62%	48 34 28
<b>CONSUMER &amp; BUSINESS SERVICES, DEPT. OF</b>	All Cases	100% within 45 days of record close	1st Q: 48 2nd Q: 50 3rd Q: 52	85% 98% 98%	29 20 17
<b>DIVISION OF CHILD SUPPORT</b>	All Cases	100% within 30 days of hearing	1st Q: 908 2nd Q: 1225 3rd Q: 945	91% 94% 94%	13 9 9
<b>EMPLOYMENT DEPARTMENT</b>	Unemployment Insurance	60% within 30 days of hearing request	1st Q: 5653 2nd Q: 4911 3rd Q: 4488	39% 73% 70%	5 4 3
	Unemployment Insurance	80% within 45 days of hearing request	1st Q: 5653 2nd Q: 4911 3rd Q: 4488	61% 84% 83%	39 40 40
	Unemployment insurance	95% within 90 days of hearing request	1st Q: 5653 2nd Q: 4911 3rd Q: 4488	85% 93% 92%	71 68 68
	Tax	100% within 45 days of record close	1st Q: 9 2nd Q: 22 3rd Q: 15	50% 83% 81%	62 31 25
<b>HUMAN SERVICES, DEPT. OF</b>	Oregon Medical Assistance Program	100% within 90 days of hearing request	1st Q: 137 2nd Q: 131 3 <sup>rd</sup> Q: 122	70% 92% 74%	76 56 72



## Office of Administrative Hearings

Agency	Program	Standard	Orders Issued	Percent Meeting Standard	Average Days to Order Issuance
<b>HUMAN SERVICES, DEPT. OF (continued)</b>	Food Stamps	100% within 60 days of hearing request	1st Q: 131 2nd Q: 153 3rd Q: 123	39% 64% 72%	75 65 57
	Oregon Health Plan	100% within 90 days of hearing request	1st Q: 93 2nd Q: 78 3rd Q: 60	20% 72% 78%	111 90 84
	Temporary Assistance to Needy Families	100% within 90 days of hearing request	1st Q: 64 2nd Q: 77 3rd Q: 55	56% 75% 71%	87 73 88
	Intentional Program Violation	100% within 90 days of hearing notice	Data not available		
	Seniors & Persons with Disabilities/ Medicaid	100% within 90 days of hearing request	Data not available		
	General Assistance	100% within 90 days of hearing request	1st Q: 36 2nd Q: 56 3rd Q: 58	78% 70% 59%	68 76 86
	Other	100% within 30 days of record close	1st Q: 121 2nd Q: 125 3rd Q: 105	75% 86% 78%	30 10 18
	Public assistance (expedited)	100% within 3 days of record close	1st Q: 6 2nd Q: 18 3rd Q: 8	83% 78% 50%	1 1 6
	Food stamps (expedited)	100% within 4 days of record close	1st Q: 1 2nd Q: 1 3rd Q: 0	100% 100% N/A	1 0 N/A
	Care facility license (expedited)	100% within 10 days of agency notice	Data not available		
<b>OREGON LIQUOR CONTROL</b>	All Cases	100% within 45 days of record	1st Q: 2 2nd Q: 5	100% 100%	15 34



## Office of Administrative Hearings

COMMISSION		close	3rd Q: 13	100%	25
Agency	Program	Standard	Orders Issued	Percent Meeting Standard	Average Days to Order Issuance
TRANSPORTATION, DEPT. OF	General licensing and suspensions	100% within 45 days of hearing	1st Q: 437 2nd Q: 456 3rd Q: 324	96% 94% 93%	24 21 24
	Implied Consent	100% within 30 days of arrest date	1st Q: 930 2nd Q: 893 3rd Q: 905	100% 100% 99.9%	26 26 26
WATER RESOURCES DEPARTMENT	Cancellation	100% within 45 days of record close	Data not available		
	Application (<3 parties)	100% within 180 days of hearing notice	Data not available		
	Application (>3 parties)	100% within 270 days of hearing notice	Data not available		
OTHER AGENCIES	All Cases	100% within 45 days of record close	1st Q: 37 2nd Q: 40 3rd Q: 43	52% 80% 86%	44 38 33

### Operational Indicators 2000-2004

	Referrals	Cost	Hours	Average Cost/Referral	Average Hours/Referral	Cost Savings
2000-01	30,659	\$ 9.1 m	262,165	\$322	8.55	BASE YEAR
2001-02	34,748	\$10.1 m	266,880	\$292	7.68	\$1.04 MILLION
2002-03	39,291	\$11.2 m	279,980	\$285	7.13	\$1.45 MILLION
11/03-10/04	38,291	\$10.5 m	263,935	\$276	6.92	\$1.75 MILLION
	<b>+24.4%</b>	<b>+6.5%</b>	<b>+6%</b>	<b>-14%</b>	<b>-19%</b>	<b>TOTAL: \$4.24 MILLION</b>



# Office of Administrative Hearings

## Office of Administrative Hearings Customer Agency Satisfaction Survey Summary<sup>1</sup> Surveys Received from 1/14/02 through 10/31/04

### OAH Agency Results

		Not Satisfied	Satisfied	Very Satisfied
1.	Was our clerical support staff professional in handling your request for hearing?	1%	46%	53%
2.	Did the hearing officer conduct the hearing in a professional manner?	2%	31%	68%
3.	How would you rate the level of knowledge/expertise of the hearing officer?	4%	39%	58%
4.	Did our order clearly explain the decision in light of applicable statute, rule, and precedential court cases?	5%	35%	60%
<b>5.</b>	<b>What was your overall level of satisfaction with our service?</b>	<b>3%</b>	<b>37%</b>	<b>60%</b>

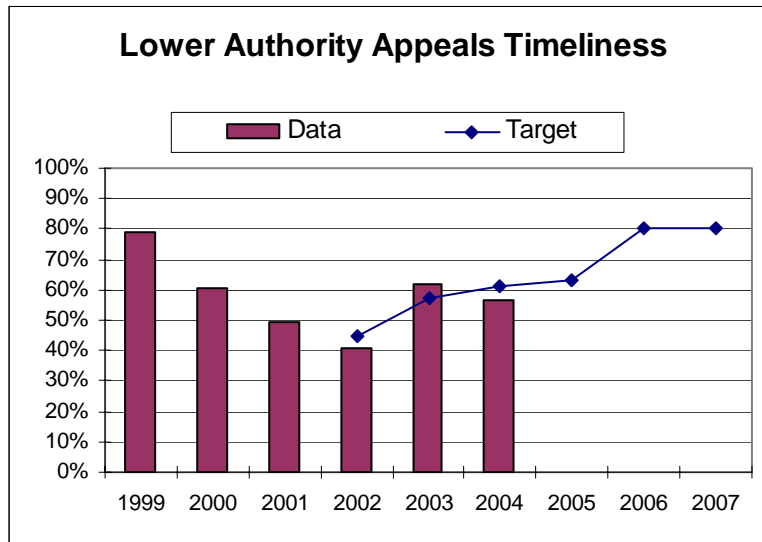
### OAH Customer Results

		Not Satisfied	Satisfied	Very Satisfied
1.	Was our clerical support staff professional in handling your request for hearing?	7%	34%	59%
2.	Were you able to fully present your case at hearing?	15%	30%	55%
3.	Did we complete the hearing and issue the order in a timely manner?	13%	41%	46%
4.	Did you understand our decision and how that decision was reached?	0%	31%	50%
<b>5.</b>	<b>What was your overall level of satisfaction with our service?</b>	<b>19%</b>	<b>35%</b>	<b>46%</b>

<sup>1</sup>Summarizes responses to specific questions. Not everyone responded to all questions.

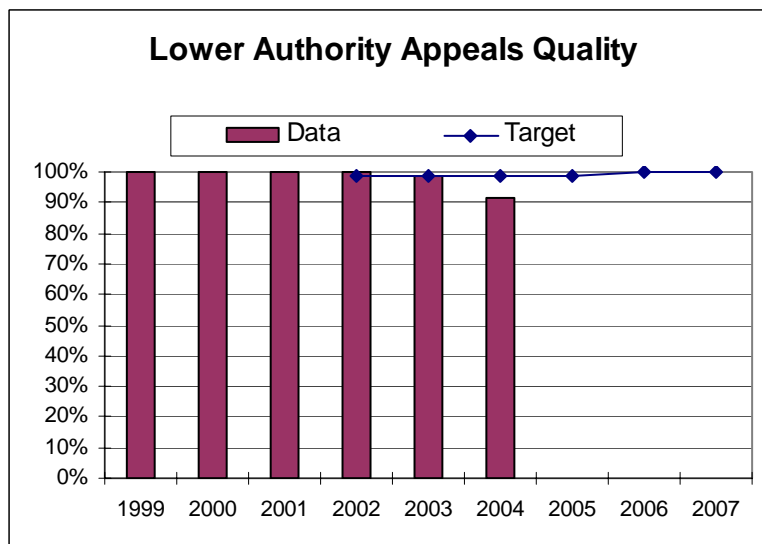
## Office of Administrative Hearings

### Performance Measure 471-09: Unemployment Insurance Cases



% of cases requesting a hearing that receive a hearing or are otherwise resolved within 30 days of the date of request.

### Performance Measure 471-10: Unemployment Insurance Cases



% of hearings that meet a standard of quality.

Data source: Budget & Program Analysis.



**Oregon Employment Department (OED)**

2005 - 2007 Biennium

Agency Number:

47100

Office of Administrative Hearings

**Program/Division Priorities of Governor's Recommended Budget**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Priority (ranked with highest priority first)	Dept. & Prgm. or Activity Initials	Program Unit/Activity Description		GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	POP Y/N	10% Reduction of GRB*	Code C, F S, or D	Citations any)	(if	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code
Dept	Prgm/ Div																		
4	1	OED (OAH)	Implied Consent Hearings--Determine whether the driver's license of a person arrested for drunken driving must be revoked. Hearing must be held and order issued within 30 days of driver's arrest or driver's license cannot be revoked.							\$ 5,030,413	29	29.00	N	548,991	S	ORS 183.310-183.550			4
9	2	OED (OAH)	Division of Child Support Hearings-- Establish the monetary obligation of a noncustodial parent for support of the parent's child. There is no statutory timeline for order issuance. However, delay reduces the amount of support for the child.							\$ 1,968,423	11	11.00	N	209,908	S	ORS 183.310-183.550			4
11	3	OED (OAH)	Unemployment Insurance Hearings-- Determine whether an unemployed citizen is eligible for unemployment insurance benefits. Failure to meet timelines set by the federal government may result in loss of federal funds to the state.							\$ 7,654,977	43	43.00	N	855,780	S	ORS 183.310-183.550		471-09, 471-10	4
21	4	OED (OAH)	All Other Hearings--Provide due process to Oregonians in their disputes with state agencies. These hearings generally are not subject to statutory or regulatory timelines.							\$ 7,217,550	41	41.00	N	576,782	S	ORS 183.310-183.550			4
					-	-	21,871,363	-	-	\$ 21,871,363	124	124.00		2,191,461					

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

**Document criteria used to prioritize activities:**

Statute requires the Office of Administrative Hearings(OAH) to perform hearings for designated state agencies. OAH cannot chose to perform only certain hearings. The prioritization is based on which hearings are required to be done sooner. Those without statutory or federally required timelines would be delayed in a prioritization process.

**16. Code**

- C Constitutional
- F Federal
- S Statutory
- D Debt Service

**19. Primary Purpose Program/Activity Exists**

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

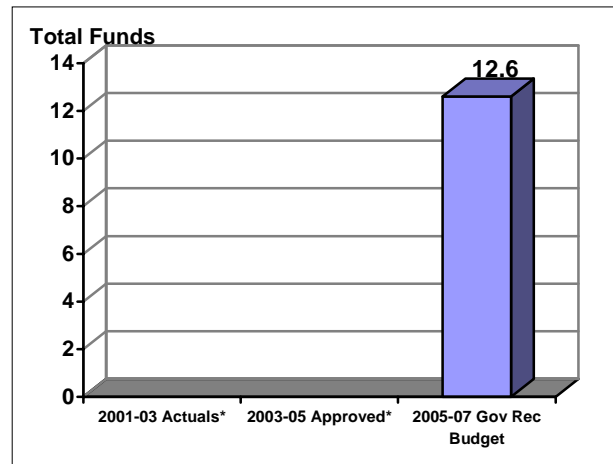
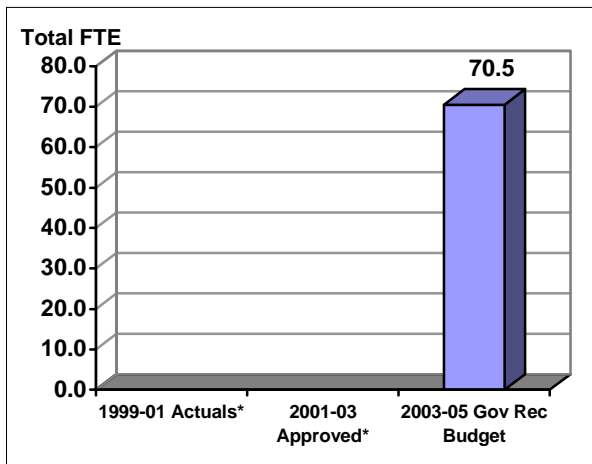


## Workforce and Economic Research Division

“Develop and distribute quality workforce and economic information to promote informed decision making.”

- Develop reliable, timely, and accurate workforce and economic information for Oregon and its local areas.
- Measure current changes in Oregon’s economic climate; project future workforce trends.
- Disseminate information by means of publications, presentations, the Internet, and personal responses to customer requests.
- Provide occupational and career information to students, parents, teachers, educational planners, and policy-makers.
- Tailor industry, occupational, wage, and skills information to meet the needs of businesses, educators, policymakers, and a variety of other customers.

	2001-03* Actuals	2003-05 Approved Budget*	2005-07 Governor’s Recommended Budget
General Fund	-	-	-
Other Fund	-	-	5,913,611
Federal Fund	-	-	6,730,918
Total Funds	-	-	12,644,529
FTE	-	-	70.50



*\*Workforce and Economic Research Division was approximately 70 FTE and 12 million and was included in Business and Employment Services Division during 2001-03 and 2003-05 biennia.*



# Workforce and Economic Research Division

## Statutory Authority

### **Workforce Investment Act of 1998**

Designated state employment statistics agency, responsible for managing the Oregon's workforce information system and participating in the national employment statistics system.

### **657.730 Labor market information system; rules. (2)(a)**

Oversight, operation and management of a statewide comprehensive labor market and occupational supply and demand information system, including development of a five-year employment forecast for state and labor market areas.

## Program History and Background

- Basic employment and unemployment estimates trace back to 1947.
- For at least 30 years, a strong commitment to producing information for Oregon and its counties and workforce regions.
- Major changes in the past ten years:
  - Database technology and national vision provide impetus for rapid expansion of Internet data dissemination (mid-1990s).
  - Workforce Analysts – providing customized workforce and economic information for private sector businesses – approved by 1997 Legislature.
  - Workforce Investment Act of 1998 requires designation of state “employment statistics agency”; increases emphasis on local information; names employers, workforce boards, and educational entities as top priority customers.
  - Geographic Information System (GIS) concepts investigated in 1999; fully functional GIS operational in 2002.
  - Long, bulky analyses give way to short, nimble, customer-focused surveys and reports (e.g., Douglas County Manufacturing Skills Survey 2004).
  - Oregon’s Performance Reporting Information System fully implemented following SB 250 in the 2003 Legislature.
  - Most federal budgets change little over ten-year period. No major disasters, but rarely keeping pace with inflation.
  - Development of OLMIS into a nationally-recognized, award-winning LMI web site ([www.qualityinfo.org](http://www.qualityinfo.org)).

## **Profile of our customers**

- Those who directly fund many of our activities: the U.S. Bureau of Labor Statistics, the U.S. Department of Labor, and the Oregon Bureau of Labor and Industries.
- Those named as priority customers by our funding entities: private sector businesses; workforce boards and related policy-makers; workforce partners and the workforce development system; educational planners and policy-makers; the education and training system.
- Many others who receive our information and services at essentially no cost.

## Workforce and Economic Research Division

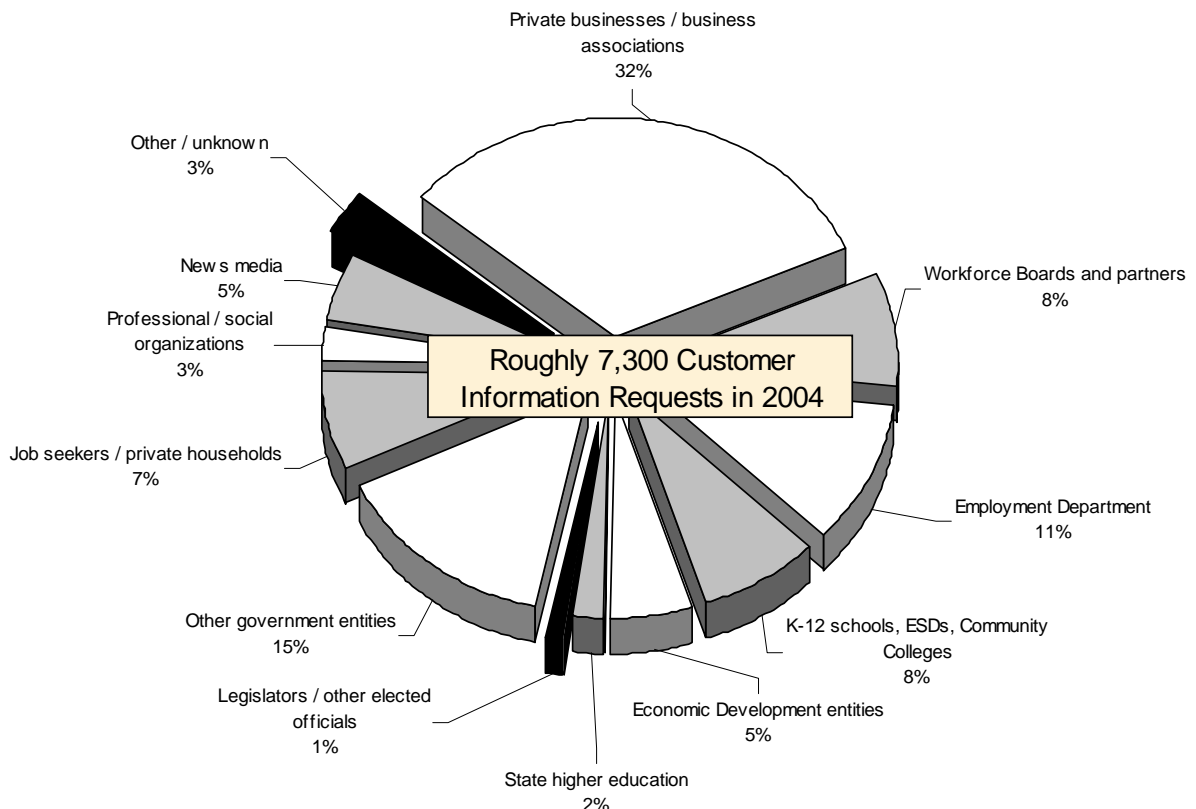
Services are delivered to customers in a variety of ways:

- By responding to individual information requests from customers ... more than 7,000 in 2004.
- By distributing a variety of publications geared toward different groups of customers ... roughly 514,000 in 2004.
- By giving presentations to a variety of audiences ... roughly 450 presentations to more than 11,200 individuals in 2004.
- Through our national award-winning website, [www.qualityinfo.org](http://www.qualityinfo.org) ... roughly 25,000-30,000 visitors per month in 2004.

Research staff received almost 900 letters of thanks for the information and service they provided in 2004. Private sector businesses, education entities, and workforce system partners were heavily represented in these letters.

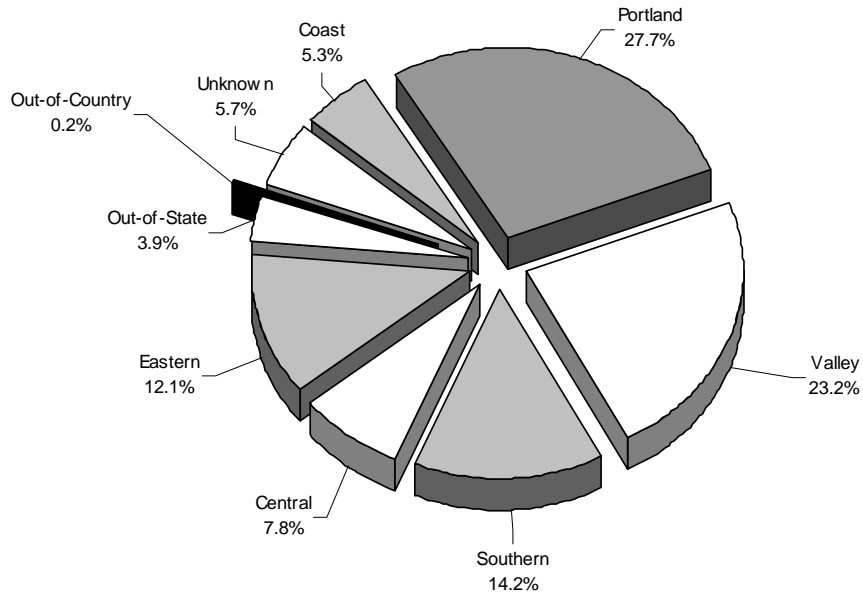
A census of all customer information requests during the month of October 2004 provided the following information:

### Who Are Our Customers?

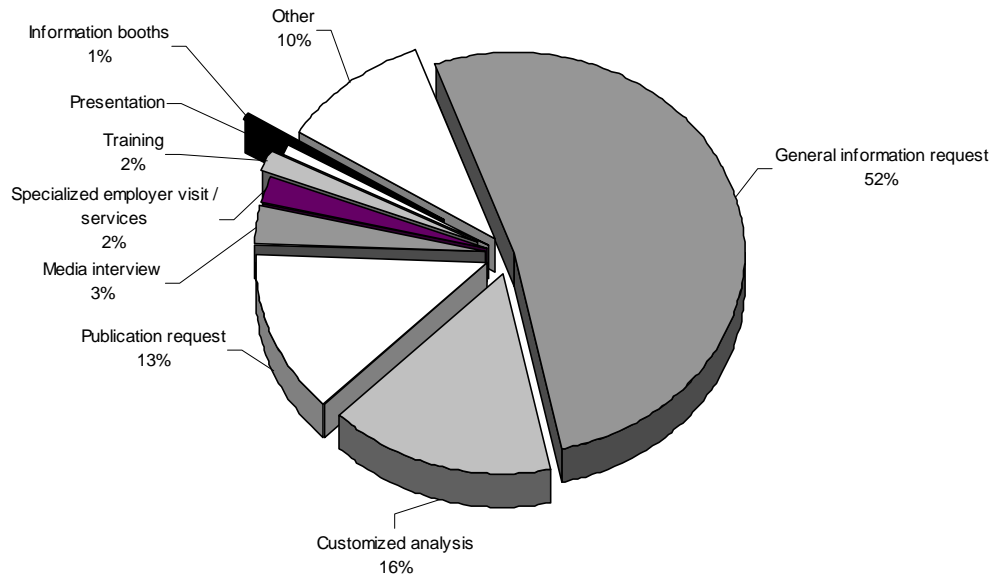


# Workforce and Economic Research Division

## Where Are Our Customers?

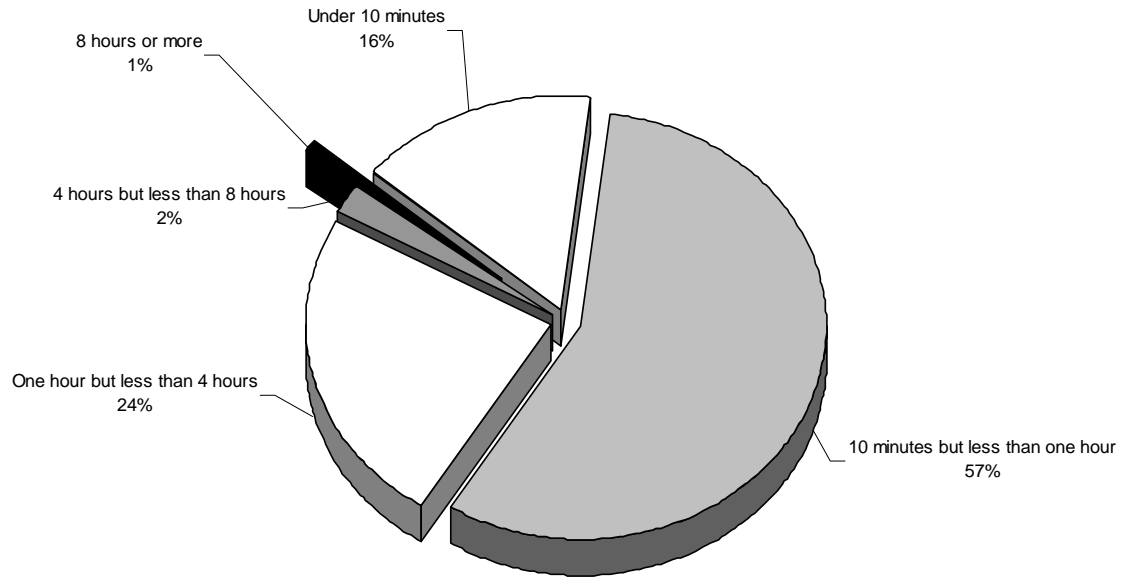


## What Information Did We Provide?

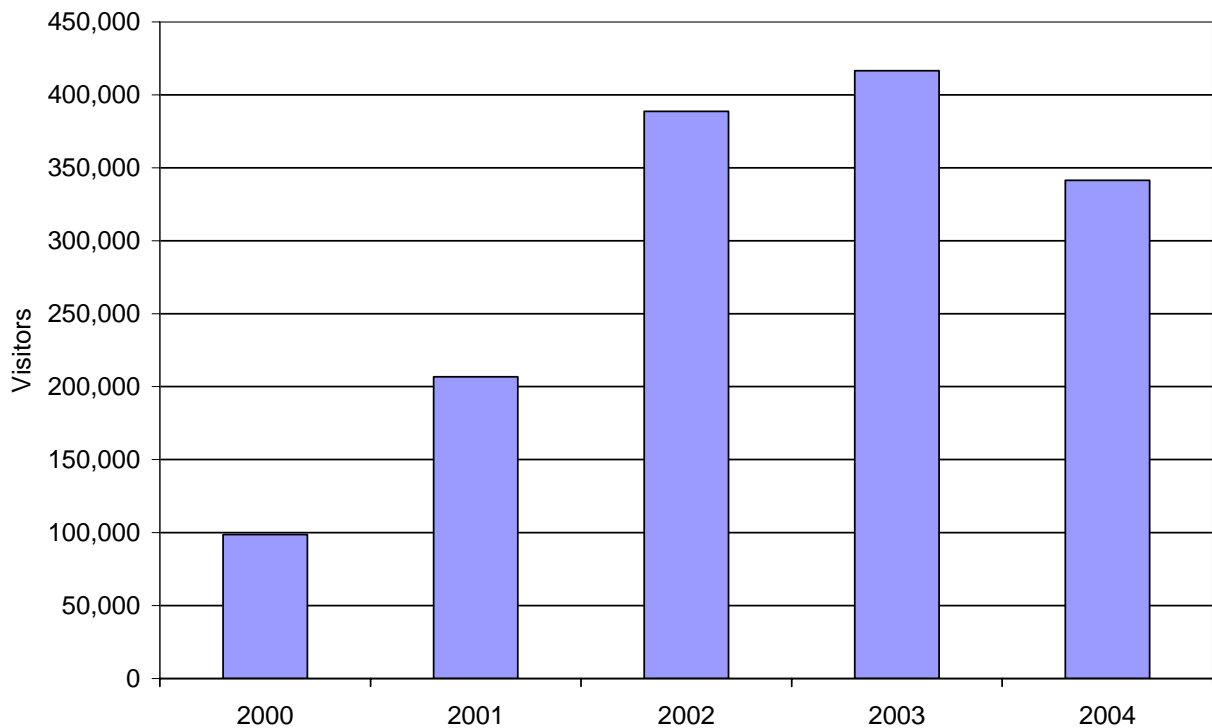


## Workforce and Economic Research Division

### How Long Did Our Information Requests Take?



### Many customers get their info from our web site.





## Workforce and Economic Research Division

### Program Delivery

Two primary rules:

- First, do no harm. Maintaining quality information is the primary goal – unbiased, reliable, timely, and useful. Without that, we have nothing.
  - Recent improvements: statistical redesign of employment estimating; introduction of new occupational and industry coding structures, reflecting the economy of the 21st Century; improvements to establishment detail and geo-coding.
  - Future improvements: statistical redesign of unemployment rate methodology; implementation of new metro area designations.
- Second, improve customer service.
  - Recent improvements: more timely wage information; shorter, more focused analyses and reports; first customized survey and report for workforce board.
  - Future improvements: fully develop capability for customized surveys and reports; increased focus on private sector businesses' information needs; redesign [www.qualityinfo.org](http://www.qualityinfo.org); ongoing customer satisfaction focus.
- Future surveys and special reports may focus on employment benefits, vacancies, training, and skills. Who decides? Our customers do.

### Performance Measures

Reflecting the dual focus of the Workforce and Economic Research Division, performance measures focus equally on:

- Data Quality – three measures.
  - Response rate for occupational employment survey.
    - 75% on 1/13/05; performance standard is 65%.
  - Response rate for industry employment refiling survey.
    - 98% for First Quarter 2004; performance standard is 80%.
  - Revision of non-farm payroll employment estimates.
    - -0.1% in 2003; performance standard is +/-0.6%.
- Customer Service – three measures.
  - Customer satisfaction survey of workforce boards.
    - Annual, starting in May 2005.
  - Customer contacts.
    - 531,409; includes customer information requests, publications distributed, and audiences at presentations.
  - Visitors to [www.qualityinfo.org](http://www.qualityinfo.org) web site.
    - 341,355 “visits” in 2004; each visitor counted only once per month.

**Oregon Employment Department (OED)**

2005 - 2007 Biennium

Agency Number:

47100

Workforce & Economic Research Division (WERD)

**Program/Division Priorities of Governor's Recommended Budget**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Priority (ranked with highest priority first)	Dept. & Prgm. or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	POP Y/N	10% Reduction of GRB*	Code C, F S, or D	Citations any)	(if	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code
Dept	Prgm/ Div																	
5	1	OED (WERD)	Core economic surveys and estimation -- provides essential, core data for all workforce and economic analysis; primarily statewide; some metro areas and counties.			820,213		3,258,547		\$ 4,078,760	23	22.50	N	F	Wagner-Peyser Act; Workforce Investment Act of 1998; ORS 657.730			6
8	2	OED (WERD)	Workforce and economic analysis: state and regional -- turns basic data into meaningful analysis and information; provides regional and local, as well as statewide, information.			702,538		2,375,833		\$ 3,078,371	17	17.00		F	Wagner-Peyser Act; Workforce Investment Act of 1998; ORS 657.730; ORS 657.734; ORS 657.736			6
17	3	OED (WERD)	Information dissemination: state and regional -- ensures that customers have access to information, hard copy or electronic.			1,053,807		913,782		\$ 1,967,589	11	11.00	476,937	F	Wagner-Peyser Act; Workforce Investment Act of 1998; ORS 657.730; ORS 657.736			6
19	4	OED (WERD)	Customized services to key customer groups -- targets key customer groups identified by Employment Department Mission, Workforce Investment Act, and ORS 657.730; includes customized analyses and services geared toward specific customer needs and geographi			3,337,059		182,756		\$ 3,519,809	20	20.00	757,067	F	Wagner-Peyser Act; Workforce Investment Act of 1998; ORS 657.730			6
				-	-	5,913,611	-	6,730,918	-	\$ 12,644,529	71	70.50			1,234,004			

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

**Document criteria used to prioritize activities:**

Conceptually: conduct surveys and compute numbers; then analyze numbers and trends; then share general information with customers; then target analyses to specific customer needs. In more detail: first, we produce basic workforce and economic data -- unemployment rate, industry and occupational employment, average wages. Priority one gives us only tables of numbers, primarily at the statewide and major metropolitan area levels. Second, we analyze the basic information to identify and understand trends; we also expand coverage to all metro areas, counties, workforce regions, and sub-county levels. Third, we make sure the information is shared with as many customers as possible, through publications and our web site, plus a small number of presentations and responses to customer information requests. Fourth, we seek to tailor the information to customers' specific needs, conducting special surveys and developing special reports for key customers. Examples include private sector businesses, workforce boards, educators and students, legislators and other elected officials.

**16. Code**

- C Constitutional
- F Federal
- S Statutory
- D Debt Service

**19. Primary Purpose Program/Activity Exists**

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





## Major Budget Drivers and Environmental Factors

**New Governor** – In November 2002, voters elected Ted Kulongoski as Oregon’s new Governor. When he took office in January 2003, he stated his primary goal was to help Oregon recover from the recession. To that end, he directed the state’s workforce agencies to support employers in a more coordinated effort to meet their business needs and resolve employer related problems.

**Federal Action** – In March 2003, the Bush administration revealed its plan for the reauthorization of the Workforce Investment Act (WIA). If passed by Congress, this legislation may affect services currently delivered under the Wagner-Peyser Act (a Federal law that created the national employment service system in 1933) and the way in which federal funds are distributed.

**Technological advances** – Telephone and Internet systems now allow service delivery options that will improve customer service and reduce administrative costs. During the 2003-05 biennium the agency acquired new Unemployment Insurance automation infrastructure that has enabled the department to provide Unemployment Insurance services, including tax reporting, to Oregonians in new, more efficient ways.

**Funding** – The Department continues to struggle, along with other state agencies, with issues of sustainable program delivery supported by fluctuating funding sources. Federal funding has, in some instances, been higher in recent years, but will now be declining relative to the costs of service delivery. U.S. Department of Labor has indicated that future funding for some programs is subject to prioritization decisions that have not yet been made. Other Fund revenue streams, which provide a large portion of the department’s budget, are insufficient, and we are using one-time funds which once expended, are gone forever.

**Funding support for other agencies** – The Child Care Division is the state’s recipient of the federal Child Care and Development Fund. The division retains a small portion of the federal funds for regulation of child care facilities, subsidies for high risk populations, and administration. The majority of the funds are contracted to other state agencies, including the Department of Human Services, Oregon Department of Education, and the State Commission for Children and Families. The President’s budget proposes flat funding for child care for the next five years. In addition, the Temporary Assistance to Needy Families and the Child Care and Development Fund are past due for reauthorization in congress. Reauthorization language under consideration includes an increase in the number of hours TANF recipients are required to work each week. If the hours of work increase, demand for child care is projected to substantially increase. If demand increases, and federal funds remain the same, the division will have fewer dollars to allocate for state child care priorities.

**Employer support** – Because Oregon employers have augmented the state’s labor market information system, the Employment Department has long been a leader nationally in



## Major Budget Drivers and Environmental Factors

providing labor market information; Oregon has one of the first provisions in state law making the delivery of labor market information an integral part of the agency's mission. This has allowed the department to provide much-needed information about local areas, for use by employers, educators and local policy-makers, for economic development, business and workforce planning efforts.



# Program Priorities, Outcomes, Challenges, and Solutions

## UNEMPLOYMENT INSURANCE DIVISION

<p><b>◆ Prompt, accurate payment of unemployment insurance (UI) benefits to workers who have been unemployed through no fault of their own.</b></p>
<p>Outcomes</p> <ul style="list-style-type: none"> <li>• Regionalization of UI service delivery into three UI centers where customer have the choice to file by telephone, Internet or paper application by mail</li> <li>• A reduction in the time required to process initial applications, adjudication of eligibility issues and payment of benefits</li> </ul>
<p>Challenges</p> <ul style="list-style-type: none"> <li>• Customer awareness of our services</li> <li>• On-going training of our staff in the use of the new technology and the requirements for a complete, high quality claim</li> </ul>
<p>Solutions</p> <ul style="list-style-type: none"> <li>• Focusing on marketing our new service delivery to Oregonians</li> <li>• On-site training labs and trainers to train our staff in UI claims filing and eligibility adjudication</li> </ul>
<p><b>◆ Security and integrity of the UI trust fund through the verification of claimant identity and monitoring of claims to ensure proper eligibility.</b></p>
<p>Outcomes</p> <ul style="list-style-type: none"> <li>• Ensuring the identity of our claimant customers</li> <li>• Awareness of when claimants return to work</li> </ul>
<p>Challenges</p> <ul style="list-style-type: none"> <li>• Resources (staff) to complete system programming and for monitoring weekly claims activities continue to be inadequate</li> </ul>
<p>Solutions</p> <ul style="list-style-type: none"> <li>• Verify identity of UI claimants through a real time query of the Social Security data base</li> <li>• Use best practices from other states and the Information Technology Support Center (ITSC) to initiate security measures to protect system integrity from fraudulent claim schemes</li> <li>• Use the National New Hire Directory, in addition to the State Directory of New Hires currently in place, to determine claimant return to work at the earliest opportunity</li> <li>• Analyze the Benefit Accuracy Measure studies for trends in claims that have led to benefit overpayments and close any gaps</li> </ul>



## Program Priorities, Outcomes, Challenges, and Solutions

### UNEMPLOYMENT INSURANCE DIVISION Cont'd

<p><b>◆ Promote voluntary compliance by employers to support a low cost, equitable tax system that ensures accurate and prompt payment of benefits to unemployed workers.</b></p>
<p>Outcomes</p> <ul style="list-style-type: none"> <li>• A solvent Trust Fund resulting from the ease and efficiency of the report and payment system</li> </ul>
<p>Challenges</p> <ul style="list-style-type: none"> <li>• Demand for improved technological options exceeds resources</li> <li>• Unfair business practices employed by some firms (e.g., SUTA dumping, not reporting employees)</li> </ul>
<p>Solutions</p> <ul style="list-style-type: none"> <li>• Continuing technological enhancements made within resources available</li> <li>• Finding internal efficiencies and continuing to enhance access options to allow employers to manage their own accounts</li> </ul>



# Program Priorities, Outcomes, Challenges, and Solutions

## BUSINESS AND EMPLOYMENT SERVICES DIVISION

<p><b>◆ Serve businesses by recruiting and referring the best qualified applicants to jobs, and provide resources to job seekers in support of their employment needs.</b></p>
<p>Outcomes</p> <ul style="list-style-type: none"> <li>• Employers are provided a pre-paid referral service that encompasses all of Oregon</li> <li>• Job Seekers become employed more rapidly using a centralized referral service</li> </ul>
<p>Challenges</p> <ul style="list-style-type: none"> <li>• Meeting businesses needs by obtaining a complete registration and referring the best qualified job seekers has historically been our biggest challenge</li> </ul>
<p>Solutions</p> <ul style="list-style-type: none"> <li>• All unattached UI claimants will be required to provide a comprehensive ES registration and failure to do so will result in the denial of UI benefits</li> <li>• iMatchSkills, an automated skills matching system</li> <li>• New efforts to work effectively with workforce partners</li> </ul>

<p><b>◆ Provide re-employment services and referrals to job training opportunities to UI claimants.</b></p>
<p>Outcomes</p> <ul style="list-style-type: none"> <li>• UI claimants return to work as quickly as possible</li> <li>• Claimants' position on the wage and skill continuum is preserved or enhanced</li> <li>• Reduced numbers of claimants who exhaust their UI benefits, thereby insuring the continued strength of the UI Trust Fund</li> </ul>
<p>Challenges</p> <ul style="list-style-type: none"> <li>• Economic conditions may slow return to work strategies</li> <li>• Coordination of programs between state and local partners</li> </ul>
<p>Solutions</p> <ul style="list-style-type: none"> <li>• Initiate an ongoing dialogue with all Unemployment Insurance claimants and follow-up on their job search efforts</li> <li>• Help individuals learn about and use the many reemployment tools and training opportunities within the Oregon Employment Department and One Stop Career system</li> <li>• Work side by side with our partners because no one agency or organization can meet all of the needs of businesses and Job Seekers, but together we have the tools that both need</li> </ul>



# Program Priorities, Outcomes, Challenges, and Solutions

## CHILD CARE DIVISION

<p><b>◆ Ensure the health and safety of children in child care.</b></p>
<p>Outcomes</p> <ul style="list-style-type: none"> <li>• Children do not become seriously injured in child care</li> <li>• Children do not become seriously ill in child care</li> </ul>
<p>Challenges</p> <ul style="list-style-type: none"> <li>• Oregon has a large number of providers who are legally exempt from licensing, including those caring for three or fewer children, children from only one family, part- time programs, and programs operated by school districts or government entities</li> <li>• CCD does not have the authority to levy fines against child care centers. The only sanctions available are suspension and revocation</li> </ul>
<p>Solutions</p> <ul style="list-style-type: none"> <li>• All licensed child care providers receive on site health and safety reviews</li> <li>• Complaints received against child care providers are addressed</li> <li>• All licensed providers and household members are required to pass background checks</li> <li>• All injuries in child care that require 3rd party medical attention are tracked</li> <li>• All children in care are required to have current immunization records</li> <li>• The division funds a pilot program to make health consultants available to providers</li> </ul>
<p><b>◆ Promote child care that is of high quality</b></p>
<p>Outcomes</p> <ul style="list-style-type: none"> <li>• Children enter school ready to succeed</li> <li>• Providers have access to training and education necessary to provide quality care</li> </ul>
<p>Challenges</p> <ul style="list-style-type: none"> <li>• Child care is one of the lowest-paying professions in Oregon</li> <li>• Training is difficult to obtain in rural areas</li> </ul>
<p>Solutions</p> <ul style="list-style-type: none"> <li>• CCD uses federal funds to develop training and professional development courses</li> <li>• Training scholarships are available through local organizations</li> <li>• A CCD-funded program connects new providers with experienced mentors</li> <li>• CCD funds a pilot program to increase provider compensation based on training</li> </ul>



# Program Priorities, Outcomes, Challenges, and Solutions

## CHILD CARE DIVISION Cont'd

<p>◆ <b>Promote child care that is affordable and accessible</b></p>
<p>Outcomes</p> <ul style="list-style-type: none"> <li>• Working parents can afford quality child care</li> <li>• Parents can find child care near where they live or work.</li> <li>• Parents can find child care at the hours they need it</li> </ul>
<p>Challenges</p> <ul style="list-style-type: none"> <li>• Many low and moderate income families pay up to 30% of household income for care</li> <li>• Child care for parents who work odd hours is difficult to find</li> <li>• It is difficult to find child care in rural areas</li> <li>• It is difficult to find child care for special needs children</li> </ul>
<p>Solutions</p> <ul style="list-style-type: none"> <li>• The division is implementing the Child Care Contribution Tax Credit, a new way to fund quality child care</li> <li>• The division received Employment Department funds to create the <b>Oregon Employers of Choice</b> campaign to make businesses aware of Oregon's employer tax credits and the benefits of providing child care assistance to their employees</li> <li>• CCD funds Child Care Resource and Referral (CCR&amp;R) services to provide child care information to parents and recruit providers for odd hour care</li> <li>• The division works with the Commission on Child Care and local CCR&amp;R agencies to create more rural child care options</li> <li>• The division funds child care for children with special needs through a contract with the Oregon Developmental Disability Council</li> </ul>



# Program Priorities, Outcomes, Challenges, and Solutions

## OFFICE OF ADMINISTRATIVE HEARINGS

◆	<b>Provide citizens with an independent and impartial forum in which to litigate their disputes with state agencies.</b>
	<p>Outcomes</p> <ul style="list-style-type: none"> <li>• Orders are issued which are legally correct and outcome-indifferent</li> <li>• Hearings are cost-effective, always seeking operational and other efficiencies to reduce expenses</li> </ul>
	<p>Challenges</p> <ul style="list-style-type: none"> <li>• Training Administrative Law Judges (ALJs) to achieve consistent and timely orders</li> <li>• Gaining operational efficiencies</li> </ul>
	<p>Solutions</p> <ul style="list-style-type: none"> <li>• The OAH is experimenting with a mix of training tools: in-person training, remote training by internet (e.g., e-mail), videotaping lecture series and then putting them onto DVD for personal viewing</li> <li>• Consolidate operations into three offices (Portland, Salem, and Eugene)</li> <li>• Development and implementation of a case management system</li> <li>•</li> </ul>

## WORKFORCE AND ECONOMIC RESEARCH DIVISION

◆	<b>Calculate, estimate, analyze, and distribute the <u>workforce and economic information</u> that is essential to informed decision-making across Oregon.</b>
	<p>Outcomes</p> <ul style="list-style-type: none"> <li>• Provide information which includes unemployment rates, industry employment trends, occupational projections, wage and income estimates, to be used by private businesses, elected officials, policy-makers, educational institutions, workforce and training providers, students, and job seekers as they analyze their current situation and plan for their future</li> </ul>
	<p>Challenges</p> <ul style="list-style-type: none"> <li>• Meeting customer demand, while maintaining the quality of information provided</li> </ul>
	<p>Solutions</p> <ul style="list-style-type: none"> <li>• Continue introducing new data analysis capabilities (e.g. geo-coding of economic data) and a more flexible, customer-responsive work organization (e.g., ad hoc special surveys group) so that we can better meet the needs of individual customers</li> </ul>



**Oregon Employment Department (OED)**

2005 - 2007 Biennium

Agency Number:

47100

**Department-Wide Priorities of Governor's Recommended Budget**

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Priority (ranked with highest priority first)	Dept. & Prgm. or Activity Initials	Program Unit/Activity Description		GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	POP Y/N	10% Reduction of GRB*	Code C, F S, or D	Citations any	(if any)	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code
Dept	Prgm/ Div																		
<b>TIER 1</b>																			
1	1	OED (CCD)	Licensing/Regulation - to ensure the safety of children in care; registration/certification, health & safety reviews, criminal record checks.		3,444,524		615,455		9,098,890	\$ 13,158,869	74	69.50	N	0	F	Child Care and Development Block Grant Act of 1990 (42 USC 9801) and 45 CFR Parts 98 and 99		471-14	6
2	1	OED (UI)	Pay UI Benefits--Process initial and continued weeks claims includes determination of validity of the claim				7,390,694	1,310,108,136	76,295,616	\$ 1,393,794,446	436	417.10	N	116,239,296	F	Social Security Act of 1935 (42 USC 501; 42 USC 504). Federal Unemployment Tax Act (Chapter 23, Internal Revenue Code).		471-05, 471-06, 471-07, 471-08, 471-11	6
3	2	OED (UI)	Collect UI Tax Wage Reports & Quarterly Payments from Employers				1,306,480		14,763,469	\$ 16,069,949	92	86.04	N	1,486,092	F	Social Security Act of 1935 (42 USC 501; 42 USC 504). Federal Unemployment Tax Act (Chapter 23, Internal Revenue Code).		471-12, 471-13	6
4	1	OED (OAH)	Implied Consent Hearings--Determine whether the driver's license of a person arrested for drunken driving must be revoked. Hearing must be held and order issued within 30 days of driver's arrest or driver's license cannot be revoked.				5,030,413			\$ 5,030,413	29	29.00	N	548,991	S	ORS 183.310-183.550			4
5	1	OED (WERD)	Core economic surveys and estimation -- provides essential, core data for all workforce and economic analysis; primarily statewide; some metro areas and counties.				820,213		3,258,547	\$ 4,078,760	23	22.50	N	0	F	Wagner-Peyser Act; Workforce Investment Act of 1998; ORS 657.730			6
6	1	OED (B&ES)	Field Office Core Services - Serves businesses by recruiting and referring the best qualified applicants to employers by matching the skills and experience of job seeker with employer openings at 47 locations throughout Oregon.				60,274,752		17,453,649	\$ 77,728,401	470	438.40	Y	4,840,755	F	Wagner-Peyser Act, the Workforce Investment Act of 1998. Code of Federal Regulations (Title 20, parts 1-1099).		471-01, 471-02, 471-03, 471-04	6

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Dept	Prgm/ Div																	
<b>TIER 2</b>																		
7	2	OED (CCD)	Subsidies for families transitioning off of public assistance, low-income working families, and targeted populations (migrant and seasonal farmworkers, teen parents, parents in alcohol and drug treatment, children with disabilities).				98,801,649		\$ 98,801,649			N	9,010,835	F	Wagner-Peyser Act, the Workforce Investment Act of 1998. Code of Federal Regulations (Title 20, parts 1-1099).			6
8	2	OED (WERD)	Workforce and Economic Research Division-develops and distributes quality workforce and economic information to promote informed decision making			702,538	2,375,833		\$ 3,078,371	17	17.00	N	0	F	Wagner-Peyser Act, the Workforce Investment Act of 1998. Code of Federal Regulations (Title 20, parts 1-1099).			6
9	2	OED (OAH)	Division of Child Support Hearings--Establish the monetary obligation of a noncustodial parent for support of the parent's child. There is no statutory timeline for order issuance. However, delay reduces the amount of support for the child.			1,968,423			\$ 1,968,423	11	11.00	N	209,908	S	ORS 183.310-183.550			4
10	2	OED (B&ES)	Veteran Services - Programs to meet the employment and training needs of service-connected special disabled veterans, service connected disabled veterans and other eligible veterans. Programs provide public employment service (established by the Wagner-Peyser Act) to meet the requirement of providing the maximum level of employment and training opportunities for veterans.				4,866,000		\$ 4,866,000	38	38.00	N	-	F	Wagner-Peyser Act, the Workforce Investment Act of 1998. Code of Federal Regulations (Title 20 and Title 38)	471-01, 471-02, 471-03, 471-04		6
11	3	OED (OAH)	Unemployment Insurance Hearings--Determine whether an unemployed citizen is eligible for unemployment insurance benefits. Failure to meet timelines set by the federal government may result in loss of federal funds to the state.			7,654,977			\$ 7,654,977	43	43.00	N	855,780	S	ORS 183.310-183.550		471-09, 471-10	4
12	3	OED (CCD)	Resource and Referral - by statute, the Division must support a child care resource and referral system to facilitate placement of children in care, consumer education, and training for child care providers.	142,170			5,212,868		\$ 5,355,038			N	0	F	Child Care and Development Block Grant Act of 1990 (42 USC 9801) and 45 CFR Parts 98 and 99			6

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Dept	Prgm/ Div																		
13	3	OED (UI)	UI Benefit Payment Control--Detect and collect on UI overpayments				3,108,323		4,577,733	\$ 7,686,056	42	42.00	Y	2,976,770	F	Social Security Act of 1935 (42 USC 501; 42 USC 504). Federal Unemployment Tax Act (Chapter 23, Internal Revenue Code).		6	

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Dept	Prgm/ Div																		
<b>TIER 3</b>																			
14	3	OED (B&ES)	Trade Act Program - Provides benefits and services to workers who have lost their jobs due to imports and/or shift in production to certain countries. Benefits include retraining, job search and relocation allowances, special UI benefits in the form of Trade Readjustment Allowances, and other reemployment services.				18,000,000	2,794,035			\$ 20,794,035	17	17.00	N	20,794,035	F	Wagner-Peyser Act, the Workforce Investment Act of 1998. Code of Federal Regulations (Title 20, parts 1-1099).	471-01, 471-02, 471-03, 471-04	6
15	4	OED (B&ES)	Claimant Reemployment - Through a Federal grant, additional reemployment services (beyond the core) are provided to claimants, including individualized labor market information, one on one job search assistance, comprehensive enrollment into the department's computer job match system.					1,249,756			\$ 1,249,756	9	9.00	N	1,249,756	F	Wagner-Peyser Act, the Workforce Investment Act of 1998. Code of Federal Regulations (Title 20, parts 1-1099).	471-01, 471-02, 471-03, 471-04	6
16	4	OED (CCD)	Quality Initiatives - expanded early childhood education and training, compensation programs for providers (wage enhancements), assessment and evaluation of programs, expansion of child care in rural areas and for parents who work non-traditional hours, increase providers who service infants, toddlers, and children with special needs, improve use of technology in providing services and information.				1,673,566	5,066,735			\$ 6,740,301	0	0.00	Y	3,001,924	F	Child Care and Development Block Grant Act of 1990 (42 USC 9801) and 45 CFR Parts 98 and 99		6
17	3	OED (WERD)	Information dissemination: state and regional -- ensures that customers have access to information, hard copy or electronic.				1,053,807	913,782			\$ 1,967,589	11	11.00	N	476,937	F	Wagner-Peyser Act; Workforce Investment Act of 1998; ORS 657.730; ORS 657.736		6

**Oregon Employment Department (OED)**

2005 - 2007 Biennium

Agency Number:

47100

**Department-Wide Priorities of Governor's Recommended Budget**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Priority (ranked with highest priority first)	Dept. & Prgm. or Activity Initials	Program Unit/Activity Description		GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	POP Y/N	10% Reduction of GRB*	Code C, F S, or D	Citations any)	(if Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code
Dept	Prgm/ Div																	
<b>TIER 4</b>																		
18	4	OED (UI)	UI Tax Audit and Collections of Delinquent Employer Accounts			2,452,740		4,116,711		\$ 6,569,451	53	53.00	N	5,572,845	F	Social Security Act of 1935 (42 USC 501; 42 USC 504). Federal Unemployment Tax Act (Chapter 23, Internal Revenue Code).		6
19	4	OED (WERD)	Customized services to key customer groups -- targets key customer groups identified by Employment Department Mission, Workforce Investment Act, and ORS 657.730; includes customized analyses and services geared toward specific customer needs and geographic areas; includes support to higher priority program areas.			3,337,053		182,756	0	\$ 3,519,809	20	20.00	N	757,067	F	Wagner-Peyser Act; Workforce Investment Act of 1998; ORS 657.730		6
20	5	OED (B&ES)	Work Opportunity Tax Credit - provides employers an incentive, in the form of tax credits, to hire certain target group members.					439,358		\$ 439,358	3	3.00	N	-	F	Wagner-Peyser Act, the Workforce Investment Act of 1998. Code of Federal Regulations (Title 20, parts 1-1099).	471-01, 471-02, 471-03, 471-04	6
21	4	OED (OAH)	All Other Hearings--Provide due process to Oregonians in their disputes with state agencies. These hearings generally are not subject to statutory or regulatory timelines.			7,217,550				\$ 7,217,550	41	41.00	N	576,782	S	ORS 183.310-183.550	471-09, 471-10	4
22	6	OED (B&ES)	Foreign Labor Certification - Program that processes employer applications to hire foreign workers and to assure that efforts have been explored to fill their positions with U.S. workers.					199,052		\$ 199,052	2	1.00	N	199,052	F	Wagner-Peyser Act, the Workforce Investment Act of 1998. Code of Federal Regulations (Title 20, parts 1-1099).		6
				3,586,694	-	104,606,984	1,328,108,136	251,666,439	-	\$ 1,687,968,253	1,431	1,368.54		168,796,825				

\*\* Detail to be provided on LFO Form 507-3

Prioritize each program activity for the Department as a whole

**Document criteria used to prioritize activities:**

- The future of Oregon will be determined by the investments we make in our children, our economy and our quality of life.
- The basic educational needs of children must be met and adults should have opportunities to develop through training and education
  - We must work to preserve Oregonians' basic health and daily needs
  - Economic development and a positive business climate are key to creating sustainable businesses and jobs
  - State government should be stable, responsive and accountable to Oregonians

**16. Code**

- C Constitutional
- F Federal
- S Statutory
- D Debt Service

**19. Primary Purpose Program/Activity Exists**

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development

**Oregon Employment Department (OED)**

2005 - 2007 Biennium

Agency Number:

47100

**Department-Wide Priorities of Governor's Recommended Budget**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Priority (ranked with highest priority first)	Dept. & Prgm. or Activity Initials	Program Unit/Activity Description		GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	POP Y/N	10% Reduction of GRB*	Code C, F S, or D	Citations any)	(if	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code
Dept	Prgm/ Div																		

- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support



## Budget Detail

### Summary of Packages

- **Package 010 – Non-PICS Personal Services Adjustments:** This package increases Personal Services \$6,878,440 for PERS bonds that were included in Services and Supplies in the 2003-05 biennium. This package also includes standard inflationary increases for temporary appointments, overtime, and all other differential costs, increases for PERS contribution, social security taxes, unemployment assessments, and mass transit taxes and an adjustment for vacancy savings. These additional changes increase Personal Services \$46,319.
- **Package 022 – Cost of Phased-out Programs:** The department decreased its budget by \$777,285 to remove the Services and Supplies costs related to 45 limited duration positions. The package also removes \$4,000,000 in one-time costs for establishing the Unemployment Insurance service centers.
- **Package 030 – Inflation and Price List Adjustments:** This package decreases Services and Supplies \$4,746,565 for PERS bonds that were included in Services and Supplies in the 2003-05 biennium and moved to Personal Services in 2005-07. The costs of goods and services increased \$3,035,480 based on an overall 2.4% biennial inflation factor increase in Services and Supplies expenditures, allowed exceptions, and changes in State Government Service Charges. It also includes \$2,944,571 for Special Payments inflation increase.
- **Package 040 – Mandated Caseload:** There is a reduction of \$3,319,327 due to a projected caseload reduction in the Unemployment Insurance Program.
- **Package 050 – Fund Shifts or Revenue Reductions:** There is a shift of \$369,915 from Federal to Other Funds for Certificate of Participation Debt Service costs for the Eugene facility to reduce federal equity issues.
- **Package 060 – Technical Adjustments:** This package includes technical adjustments to move funds and positions to establish the Workforce and Economic Research Division (WERD), move funds and positions to and from the Unemployment Insurance and Business and Employment Services programs to implement the Department's strategic plan, and to establish adequate bilingual differentials. The net effect of these changes is zero.
- **Package 070 – Revenue Reductions:** Revenue not anticipated in the 2005-07 biennium is removed in this package. The amounts include \$12,620,512 for the JOBS Plus Program, \$2,914,560 for the Groundfish Transitional income program, and \$2,073,265 in the Child Care Development Fund.
- **Package 090 – Analyst Adjustments:** This package decreases Services and Supplies \$794,309 for anticipated savings from implementation of the "Smart Buy" program.



## Budget Detail

“Smart Buy” is an initiative to create sustainable savings in office supplies, cellular phones, express mail, PC hardware, Telecom LD, PC peripherals, copiers, and software.

- **Package 095 – CNIC Participating Agency:** This package shifts \$1 Other Funds from Personal Services to Services and Supplies as a placeholder with an expectation that a technical adjustment during the legislative process would reconcile to the final implementation plan for the CNIC consolidation of the state’s data center and networking capacity. The Employment Department is one of 12 participating state agencies. However, the Department currently receives data services from the Department of Human Services data center and anticipates that there will be little effect on positions within the Employment Department.
- **Package 301 – Child Care Contribution Tax Credit:** This package provides Other Funds limitation to distribute the funds collected by the Department through the Child Care Contribution Tax Credit Program to non-governmental entities. (Page D-8)  
Positions/FTE:                      0/0.00    Other Funds:                      \$ 1,533,021
- **Package 302 – Fraud Control Fund:** This package continues and makes permanent administrative funding for the department’s Benefit Payment Control staff that will allow the department to continue increased collection of overpaid benefits. (Page B-12)  
Positions/FTE:                      3/3.00    Other Funds:                      \$ 362,334
- **Package 303 – Employment Contracted Services:** This package establishes limited duration position authority that will enable immediate response to grant and contract opportunities during the 2005-07 biennium. (Page C-11)  
Positions/FTE:                      25/25.00    Other Funds:                      \$ 2,852,166





## Other Funds Ending Balances

### Ending Balance Non-limited Trust Fund

- End of 2003-05 Biennium = \$1.47 Billion
- End of 2005-07 Biennium = \$1.80 Billion
- Trust Fund Income mainly from Employer Taxes
- Tax Schedules adjusted annually to maintain balance sufficient to pay 18 months benefits

### Ending Balance Administrative Funds

- End of 2003-05 Biennium = \$9.6 Million
- End of 2005-07 Biennium = \$1.9 Million
- Total Administrative Expenditures 2005-07 = \$104.6 Million
- Ending balance reserve is 1.8% of expenditures
- Only have minimum needed for cash flow

### Reed Act Funds

- End of 2003-05 Biennium = \$68.2 Million (included in \$1.47 Billion)
- End of 2005-07 Biennium = \$38.2 Million (included in \$1.80 Billion)
- These funds are deposited in Trust Fund
- Legislature may authorize use for administration of UI and B&ES programs



## Quarterly Long-Term Vacancy Report

Program Area	Position Number	Position Title	Position Type	Amount	How long vacant 7 to 11 months	How long vacant 12 months+	Anticipated Fill Date	Reason for Extended Vacancy
Business & Employment Services	3251	Procurement & Contract Spec 2	PF	108,552 OF		1	na	Vacancy due to pending reclass process
Unemployment Insurance	233	Office Spec 1	PF	39,624 FF	1		na	Vacancy due to pending reclass process



## Proposed Legislation and Effect on Budget

**SB 35** – Provides the Employment Department with warrant authority for non-tax judgments. Gives the Employment Department the authority to place all judgments under warrant, including judgments for attorney fees, costs, etc.

*Budget Impact – \$22,700 increase in Penalty and Interest Funds revenue.*

**HB 2124** – Prohibits tax rate manipulation to comply with federal law. Clarifies circumstances under which an employer's experience may be acquired by or transferred to another employer. Clarifies that payroll tax rates are based upon the experience of the employing enterprise not the legal entity. Imposes penalties for manipulating experience rates to avoid taxes. Imposes penalties on individuals who advise companies to engage in this practice.

*Budget Impact - \$1,097,600 increase in Unemployment Insurance Trust Fund revenue.*

**SB 37** – Transfers tax liability to a successor employing enterprise that conducts substantially the same business. This legislation would improve tax payments and collections by ensuring that a business could not simply close down to avoid tax assessments and then start operating the same business under a new name or as a new legal entity.

*Budget Impact – \$198,621 increase in Unemployment Insurance Trust Fund revenue.*

**HB 2126** - Allows the Department to combine and jointly issue overpayment determinations with decisions that disqualify previously paid benefits. The proposed change would improve due process for claimants by allowing disclosure of the full impact of the original denial, including the overpayment information and the type of recovery. Current law results in a thirty-plus day delay in informing claimants of the full impact of a decision denying previously paid benefits.

*Budget Impact - \$60,000 increase in Unemployment Insurance Trust Fund revenue.*

**HB 2127** - Modifies the trust fund solvency formula to reduce taxes, reduces new employer rates, rounds taxable wage base to nearest \$100 rather than \$1000. Revises the current Supplemental Employment Department Administrative Fund funding mechanism by spending down the Benefit Reserve Fund for benefits and redirects, on a permanent basis, .09% of UI taxable payroll into the fund.

*Budget Impact - \$42,649,309 decrease in Unemployment Insurance Trust Fund revenues (\$9,654,181 of the decrease in revenues to the UI Trust Fund results in an increase of the same amount to SEDAF).*

**Oregon Employment Department (OED)**

2005 - 2007 Biennium

Agency Number:

47100

**Detail of 10% Reduction to Governor's Recommended Budget**

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Priority (ranked with highest priority first)	Dept. & Prgm. or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction	
Dept	Prgm/ Div												
6	1	OED (B&ES) Kiosks			324,000				\$ 324,000	0	0.00	S&S--Reduce access in communities with offices	
6	1	OED (B&ES) IT Replacement			674,000				\$ 674,000	0	0.00	S&S--Delay replacement of equipment	
16	4	OED (CCD) Child Care Contribution Tax Credit			172,255				\$ 172,255	0	0.00	SP -- Reduce contributions and distribution to community	
19	4	OED (WERD) Administrative cuts			30,000				\$ 30,000	0	0.00	S&S -- Reduce support result in long-term inefficiencies	
6	1	OED (B&ES) Administrative cuts						385,000	\$ 385,000	2	2.00	PS(\$250,000) S&S(\$135,000) long-term inefficiencies	
17	3	OED (WERD) Reduce services and supplies			230,849		246,088		\$ 476,937	0	0.00	S&S -- Reduce ability to meet customer expectations	
16	4	OED (CCD) Support to Local Commissions on Children and Families	358,669						\$ 358,669	0	0.00	SP -- Reduce support to Oregon's child care infrastructure	
22	4	OED (OAH) Delay hearings without deadlines			576,782				\$ 576,782	2	2.00	PS(\$330,000)S&S(\$246,782)Citizens wait longer for resolution	
23	6	OED (B&ES) Alien Labor Certification					199,052		\$ 199,052	2	1.00	PS(\$146,184) S&S(\$52,868) Service to employers considering hiring foreign labor would be discontinued.	
3	2	OED (UI) UI Tax Collections					1,486,092		\$ 1,486,092	12	12.00	PS -- Active collection of accounts eliminated. Trust fund lower	
18	4	OED (UI) UI Tax Employer Audits					2,848,343		\$ 2,848,343	23	23.00	PS -- Audits limited. Focus shift to setting up new employers & researching "blocked" claims. Trust fund lower.	
13	3	OED (UI) UI Benefit Integrity Programs			1,733,774				\$ 1,733,774	14	14.00	PS -- Reduce audit and subsequent collection of overpayments	
19	4	OED (WERD) Reduction in Workforce Analysis & Dissemination			332,608				\$ 332,608	3	3.00	PS -- Reduce responses to information requests	
16	4	OED (CCD) Support to Department of Education for campus based child care.			71,000				\$ 71,000	0	0.00	SP --Reduced support for teen parents	
15	4	OED (B&ES) Claimant Reemployment					1,249,756		\$ 1,249,756	9	9.00	PS(\$1,014,268)S&S(\$235,488)Claimants less able to find jobs;longer claim duration.	
16	4	OED (CCD) Support to Local Commissions on Children and Families					2,400,000		\$ 2,400,000	0	0.00	SP -- Reduce support to Oregon's child care infrastructure	
4,9,11	1-3	OED (OAH) Delay hearings with deadlines			807,339				\$ 807,339	4	4.00	PS(\$520,000)S&S(\$287,340)Citizens wait longer for resolution	
14	3	OED (B&ES) Trade Act				18,000,000	2,794,035		\$ 20,794,035	17	17.00	PS(\$1,870,272)S&S(\$923,763)Discontinue training/relocation services to workers who have lost jobs due to foreign imports	
18	4	OED (UI) UI Tax Employer Audits					2,724,502		\$ 2,724,502	22	22.00	PS--Further reduce employer audits. Trust fund lower.	
13	3	OED (UI) UI Benefits Integrity Programs			1,242,996				\$ 1,242,996	10	10.00	PS--Further reduce audit and subsequent collection of overpayments. Trust fund lower.	
4,9,11	1-3	OED (OAH) Delay hearings with deadlines			807,340				\$ 807,340	4	4.00	PS(\$520,000)S&S(\$287,340)Citizens wait longer for resolution	
19	4	OED (WERD) Workforce Special Studies & Services					394,459		\$ 394,459	3	3.00	PS--Reduce responses to information requests	
2	1	OED (UI) UI Call Centers					1,428,482		\$ 1,428,482	0	0.00	S&S -- Close Bend UI Center. Loss of back-up system.	
7	2	OED (CCD) Employment Related Day Care					9,010,835		\$ 9,010,835	0	0.00	SP -- Fewer \$ to support families leaving TANF	
6	1	OED (B&ES) Field Office Core Services			3,457,755				\$ 3,457,755	20	20.00	PS(\$1,962,720)S&S(\$1,492,035)Less direct support in communities for employers & job seekers.	
2	1	OED (UI) Reduce UI Benefits				114,810,814			\$ 114,810,814	0	0.00	SP -- Reduced payments to the unemployed	
			358,669	-	10,460,698	132,810,814	25,166,644	-	\$ 168,796,825	147	146.00		



## Agency's Detailed List of 10% Reduction Options

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
1. Kiosks	This would reduce the number of Kiosks available to provide Employment services to communities that are closely located to full service ED offices.	\$324,000 OF	Kiosks would be retained in communities where we do not have local offices to provide a minimum level of access. Citizens of larger metropolitan areas would be able to access services at our local offices, but only during office hours.
2. Equipment Replacement	This reduction would result in a change in the IT Replacement schedule, causing some IT equipment in the Field to remain in use for longer periods. This could result in higher maintenance costs and decreased production and inefficient customer service.	\$674,000 OF	This would delay replacement of outdated computer equipment, although replacements would continue on an extended time line.
3. Child Care Contribution Tax Credit	HB 2783 authorizes the child care division to sell \$500 thousand in tax credits per year. The first year's sale of credits will be capped at \$328 thousand.	\$172,255 OF	The pilot project enacted by the 2003 Legislature will be reduced in scope.



## Agency's Detailed List of 10% Reduction Options

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
4. and 5. Administrative cuts	This reduction would impact Administrative Support functions that provide program support. This would result in reduced service and support to Field offices from Central Office units such as Human Resources and Business Management, degrading personnel and facility management, which would negatively impact customer service.	\$30,000 OF \$385,000 FF	Infrastructure reductions generally result in long term inefficiencies, but may be implemented if other reductions indirectly reduce workload in the administrative support area.
6. Reduce services and supplies in the Workforce and Economic Research Division	Reducing <u>Out of State Travel</u> would almost totally eliminate our ability to take leadership roles at the national level, roles which have provided significant financial or program benefits to Oregon. This would also completely eliminate our ability to send staff to required national training, potential	\$230,849 OF \$246,088 FF	Purchases which enhance the value of services are essential to meeting the mission and goals of the department. Reductions can occur, but it severely undermines the department's ability to meet our customers' expectations.



## Agency's Detailed List of 10% Reduction Options

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
	<p>impacting our contracts with the Bureau of Labor Statistics and certainly resulting in poorer quality economic information for Oregon.</p> <p>Reducing <u>Printing and Publication costs by 20%</u> <u>would</u> leave some customers without the information they need, or without easy access to the information they need.</p> <p>Reducing <u>Instate Travel by 10%</u> will have a direct impact on customer service because most in-state travel for Research staff is tied directly to customer requests for presentations or information provision at meetings.</p> <p>Reducing In-State Training by 20% will have a direct impact on data quality and customer</p>		



## Agency's Detailed List of 10% Reduction Options

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
	<p>service. With 23 Research staff out-stationed all across Oregon, a reduced ability to bring staff together for technical or other training will result in data quality and customer service deterioration.</p>		
<p>7. Support to Local Commissions on Children and Families</p>	<p>General fund for child care regulation will be reduced. Because regulation of child care is a statutory responsibility, federal funds previously allocated to community agencies serving high risk populations will be used to backfill the General Fund.</p>	<p>\$358,669 GF</p>	<p>Support for services to teen parents, parents in substance abuse treatment, and migrant and seasonal workers will be reduced before reductions in programs that assure the health and safety of children in child care.</p>
<p>8. Delay Hearings without Deadlines</p>	<p>Timeliness of hearings and issuance of orders will be substantially delayed for the agencies that do not have required timeliness standards.</p>	<p>\$576,782 OF</p>	<p>With this reduction, an initial step is taken that will hinder the provision of services in a timely fashion but will not deny services.</p>





## Agency's Detailed List of 10% Reduction Options

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
9. Alien Labor Certification	This grant protects the jobs and wages of US workers by ensuring foreign labor is only used when U.S. workers are not available. This reduction would eliminate the program.	\$199,052 FF	<p>Services to employers considering hiring foreign labor would be discontinued.</p> <p>We would investigate alternative service delivery mechanisms with The US Department of Labor.</p>
10. Unemployment Insurance Tax Collections	Activities to ensure the integrity of the Unemployment Insurance Trust Fund will be curtailed by reducing staff responsible for UI Tax collections from 14 FTE to two. Active collections of delinquent accounts would be eliminated, as would the pursuit of collection actions related to bankruptcies and garnishments.	\$1,486,092 FF	Oregon employers will be relied upon to make voluntary payments of the quarterly tax payments.
11. Unemployment Insurance Tax Employer Audits	Activities to ensure the integrity of the Unemployment Insurance Trust Fund will be further curtailed through the reduction of staff responsible for auditing	\$2,848,343 FF	Oregon employers will be relied upon to accurately report taxable wages as well as voluntarily comply with UI Tax law and rule. Focus will be shifted to only the setting up of



## Agency's Detailed List of 10% Reduction Options

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
	employer accounts from 53 to 30.		new employer accounts and correcting "blocked UI clams."
12. Unemployment Insurance Benefits Integrity Programs	Activities to ensure unemployment insurance benefit claimants are accurately reporting their eligibility status and work and earnings correctly, will be reduced. The number of benefit claims audited will be reduced, benefit overpayment resulting from errors by the Department or reversal of a decision to allow benefits will not be set up. Staff responsible for these activities will be reduced by 14 FTE.	\$1,733,774 OF	In a budget reduction scenario, our focus must remain on paying benefits to ensure the economic health of Oregon communities. Reductions in integrity activities allow the Department to maintain current service levels in unemployment insurance eligibility determinations and benefit payments.
13. Workforce Analysis and Dissemination	Elimination of these three FTE will have little impact on data quality (because none of the three FTE are located in the primary data collection or analysis units), but will significant impact on customer	\$332,608 OF	This is the first of two possible staff reductions for the Workforce and Economic Research Division. With this reduction, the department would be in a position of having a wealth of data, but lack the resources to fully disseminate



## Agency's Detailed List of 10% Reduction Options

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
	<p>service. Specifically:</p> <ul style="list-style-type: none"> <li>• Reduction in our ability to handle customized special analysis requests for workforce partners, policy makers, and elected officials.</li> <li>• Reduction in our ability to respond to information requests from customers in certain geographic areas of the state.</li> </ul>		<p>information that has come to be relied on by decision makers across Oregon.</p>
<p>14. Support to Department of Education for campus based child care</p>	<p>Child Care Division staff funded with Other Funds to perform Criminal History checks on child care providers will be switched to federal funds. Federal funds to the Department of Education will be reduced by the equivalent amount, resulting in fewer dollars available to support campus based child</p>	<p>\$71,000 OF</p>	<p>Support for teen parent child care will be reduced.</p>



## Agency's Detailed List of 10% Reduction Options

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
	care.		
15. Claimant Reemployment	This grant makes it possible to provide additional reemployment services to claimants, including specialized labor market information, one on one job search assistance, comprehensive enrollment into the department's computer job match system. This reduction would eliminate the program and 9 FTE in 2005-2007.	\$1,249,756 FF	Providing reemployment services to claimants is a core service of the department. Removing this service area may result in longer UI claim duration for some Oregonians and an increased cost to the UI Trust Fund.
16. Support to Local Commissions on Children and Families	County Commissions will have fewer dollars available to build local child care infrastructure.	\$2,400,000 FF	Support for Oregon's child care local child care infrastructure will be reduced.
17. Administrative Hearings	Timeliness of hearings and issuance of orders will be substantially delayed for the agencies that do have required	\$807,339 OF	This second step in Administrative Hearings reductions will impact agencies that have required timeliness standards. A backlog begins developing early in the



## Agency's Detailed List of 10% Reduction Options

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
	timeliness standards.		biennium because agencies are required by law to use the services of the Office of Administrative Hearings.
18. Trade Act Program	The Trade Act Program allows the Department to provide special benefits to workers who have lost their jobs due to imports, including retraining, job search and relocation allowances, and other re-employment services. This reduction would eliminate the program.	\$2,794,035 FF \$18,000,000 OF NL	Training, relocation, and specialized job search assistance to workers from Trade Act certified employers would no longer be available. The department will continue to provide core reemployment services.  We would investigate the possibility of 1B or other providers delivering this service.
19. Unemployment Insurance Tax Employer Audits	Activities to ensure the integrity of the Unemployment Insurance Trust Fund will be further curtailed through the reduction of staff responsible for auditing employer accounts. Staff will be reduced to eight auditors statewide from the 30 above.	\$2,724,502 FF	Oregon employers will be relied upon to accurately report taxable wages as well as voluntarily comply with the UI Tax law and rule. Focus will be shifted to only the setting up of new employer accounts and correcting "blocked UI claims."



## Agency's Detailed List of 10% Reduction Options

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
20. UI Benefits Integrity Programs	Activities to ensure unemployment insurance benefit claimants are accurately reporting their eligibility status and work and earnings correctly will be further reduced. The number of benefit claims audited will be reduced, benefit overpayments resulting from errors by the Department or reversal of a decision to allow benefits will not be set up. Staff responsible for these activities will be reduced by an additional 10 FTE.	\$1,242,996 OF	In a budget reduction scenario, our focus must remain on paying benefits to ensure the economic health of Oregon communities. Further reductions in the integrity activities allows the Department to maintain current service levels in unemployment insurance eligibility determinations and benefit payment.
21. Administrative Hearings	Timeliness of hearings and issuance of orders will be substantially delayed for the agencies that do have required timeliness standards.	\$807,340 OF	This third step in Administrative Hearings reductions will further impact agencies that have required timeliness standards. The backlog will build substantially during the biennium. The time period between a request for services and a final decision is rendered will increase



## Agency's Detailed List of 10% Reduction Options

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
			significantly to the point that customers will believe there has been a denial of service.
22. Workforce Special Studies and Services	<p>Elimination of these three FTE will have little impact on data quality (because none of the three FTE are located in the primary data collection or analysis units), but will have significant impact on customer service. Specifically:</p> <ul style="list-style-type: none"> <li>• Reduction in our ability to handle customized special analysis requests for workforce partners, policy makers, and elected officials.</li> <li>• Reduction in our ability to respond to customized information requests from private sector businesses in</li> </ul>	\$394,459 FF	This is the second of two possible staff reductions for the Workforce and Economic Research Division. With this reduction, the department's ability to conduct special studies of Oregon workers, to provide customized training to workforce partners, and to provide private sector businesses with localized information would be seriously impacted or eliminated.



## Agency's Detailed List of 10% Reduction Options

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
	<p>Oregon.</p> <ul style="list-style-type: none"> <li>Near elimination of our ability to provide routine and customized training and support to workforce development partners, one-stops, and other workforce service providers.</li> </ul>		
23. UI Service Centers	Close Bend UI Service Center, reducing UI service centers to two in the Willamette Valley.	\$1,428,482 FF	This would save building costs and overhead. It would, however, eliminate any back up system in case of catastrophe in the Willamette Valley.
24. Employment Related Day Care	Special payments to DHS in support of ERDC are the largest single item in the division's budget. DHS will have fewer dollars to provide child care assistance to families leaving TANF.	\$9,010,835 FF	The impact is transferred to the Employment Related Day Care provided by Department of Human Services because the division's primary responsibility in statute is assuring the health and safety of children in child care.





## Agency's Detailed List of 10% Reduction Options

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
25. Field Office Core Services	A reduction in numbers of B&ES staff, locations of Field Offices, or a combination of both. The exact locations and numbers of these reductions would be determined based on current economic factors and business needs. These reductions would have a direct negative impact on the quality and quantity of service to Business and Job Seekers that could be delivered.	\$3,457,755 OF	This would impact the direct delivery of core services of the Agency. Services to Job Seekers and Business would be reduced, although balanced as much as possible through alternative service delivery such as Kiosks and Internet technology
26. Unemployment Benefit Payments	Reduce the number of allowable weeks or the dollar per week on all claims	\$114,810,814	This would reduce the support to Oregon unemployed workers and hurt the economic stability of communities, especially those experiencing high unemployment.

# ANNUAL PERFORMANCE PROGRESS REPORT - EXECUTIVE SUMMARY

TIME PERIOD: FISCAL YEAR 2003 – 2004

## INTRODUCTION

Performance Target Achievement	#
<b>Total Number of Key Performance Measures (KPMs)</b>	14
# of KPMs at target for most current reporting period	4
# of KPMs not at target for most current reporting period	10

### Influence on Benchmarks and High-level Outcomes

- Made over 4.2 million timely, fair and accurate benefit payments to Oregonians.
- Provided economic stability by injecting over \$1.0 billion into the Oregon economy.

### Performance Accomplishments

- Maintained acceptable levels of performance during a period of very high Unemployment Insurance (UI) workload.
- Processed UI Initial Claims for over 600,000 Oregonians in a timely and effective manner.
- Continued to provide Labor Exchange and Child Care services at the highest levels of performance.

### Future Challenges

- Implementation of new Agency Strategic Plan.
- Establish three regional UI Contact Centers by Summer 2005.
- Implementing a new model of interaction between the agency and its employer customers

## ANNUAL PERFORMANCE PROGRESS REPORT - PART I, MANAGING FOR RESULTS

TIME PERIOD: FISCAL YEAR 2003 – 2004

Agency: Employment Department	Date Submitted: December 21, 2004	Version No.: 2
Contact: David Sutherland	Phone: 503-947-1251	
Alternate: Tracy Louden	Phone: 503-947-1213	

Agency Name: Employment Department		Agency No.: 471
<b>The following questions shed light on how well performance measures and performance data are leveraged within your agency for process improvement and results-based management.</b>		
1	How were staff and stakeholders involved in the development of the agency's performance measures?	Staff and managers at all levels and from all sections of the agency were represented in a year long performance measure selection process. Staff from each major division of the agency were asked to compile a list of measures that represented their activities. They were then requested to select those measures that they considered to be key measures that best represented those activities. Those key measures were then presented to a large representative group of managers who chose a number of measures that best represented the overall activity of the agency.
2	How are performance measures used for management of the agency?	They are used primarily for performance monitoring and compliance with respect to U.S. Dept. of Labor performance standards. Performance measures are available weekly, monthly and quarterly for review by managers, as appropriate.
3	What training has staff had in the use performance measurement?	Currently there is no agency-wide training for staff in the use of performance measurement.
4	How does the agency communicate performance results and for what purpose?	Performance results are available on the Agency Intranet for purposes of informing staff. They are also disseminated periodically at management meetings for purposes of performance monitoring and decision making. <a href="http://www.emp.state.or.us">www.emp.state.or.us</a>
5	What important performance management changes have occurred in the past year?	The Department has begun to implement a new strategic plan that extensively impacts Unemployment Insurance (UI) service delivery, and has considerable impact throughout the entire agency. UI services will, in the future, be delivered from three telephone call centers in Portland, Eugene, and Bend. Withdrawing the UI function from local offices will also affect how our other services and those of our partner agencies will be delivered at the local level. The transition to this new structure will continue through 2005.

**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

TIME PERIOD: FISCAL YEAR 2003 – 2004

Agency Name: Employment Department		Agency No.: 471								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
# -01 ENTERED EMPLOYMENT – % of job seekers who got a job with a new employer after registering with the Employment Department	Target				NA	NA	60%	60%	62%	62%
	Data				NA	59%	59%			

Data Source: ETA 9002

**Key Performance Measure Analysis**

To what goal(s) is this performance measure linked?

*Matching Employers with Job Seekers*

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

*Employment’s contribution to related Oregon benchmarks is indirect and has limited impact.*

How does the performance measure demonstrate agency progress toward the goal?

*How effectively the department provides employers with qualified job seekers and provides job seekers with appropriate employment opportunities*

Compare actual performance to target and explain any variance.

*Performance is 1% below target. Variance is primarily due to adverse economic conditions.*

Summarize how actual performance compares to any relevant public or private industry standards.

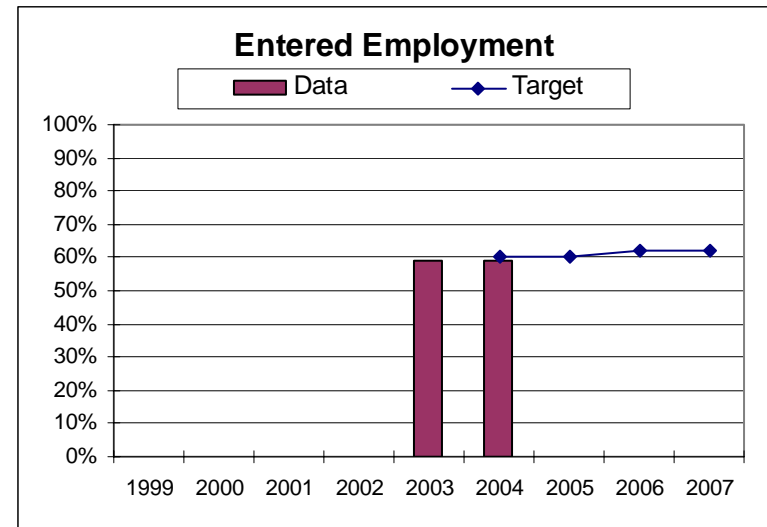
*US Dept of Labor established a goal of 58% for this reporting period.*

What is an example of a department activity related to the measure?

*Qualified Employment Service (ES) registrants are referred to employers who have placed job listings with the department*

What needs to be done as a result of this analysis?

*No action required. As economic conditions improve we will meet or exceed targets.*



**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

TIME PERIOD: FISCAL YEAR 2003 – 2004

Agency Name: Employment Department		Agency No.: 471								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
# -02 EMPLOYMENT RETENTION – % of Job Seekers who were in employment two quarters after registering with the Employment Department.	Target				NA	NA	NA	77%	79%	79%
	Data				NA	NA	77%			

Data Source: ETA 9002

**Key Performance Measure Analysis**

To what goal(s) is this performance measure linked?

*Matching Employers with Job Seekers*

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

*Employment’s contribution to related Oregon benchmarks is indirect and has limited impact.*

How does the performance measure demonstrate agency progress toward the goal?

*How effectively the department provides employers with qualified job seekers and provides job seekers with appropriate employment opportunities.*

Compare actual performance to target and explain any variance.

*No targets set for this period.*

Summarize how actual performance compares to any relevant public or private industry standards.

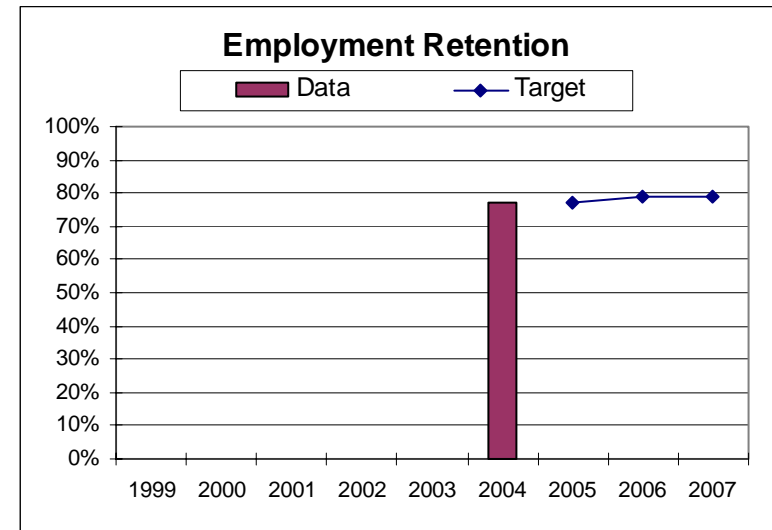
*US Dept of Labor established a goal of 72% for this reporting period.*

What is an example of a department activity related to the measure?

*Qualified Employment Service (ES) registrants are referred to employers who have placed job listings with the department*

What needs to be done as a result of this analysis?

*No action required.*



**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

TIME PERIOD: FISCAL YEAR 2003 – 2004

Agency Name: Employment Department		Agency No.: 471								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
# -03 EMPLOYER SATISFACTION – % of employers who rate department services good or excellent on average.	Target				NA	NA	NA	90%	90%	90%
	Data				NA	NA	89.1%			

Data Source: Employment Service Survey

**Key Performance Measure Analysis**

To what goal(s) is this performance measure linked?

*Matching Employers with Job Seekers*

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

*Employment’s contribution to related Oregon benchmarks is indirect and has limited impact.*

How does the performance measure demonstrate agency progress toward the goal?

*Quality of service provided to employer customers during the job listing process.*

Compare actual performance to target and explain any variance.

*No target set for this period.*

Summarize how actual performance compares to any relevant public or private industry standards.

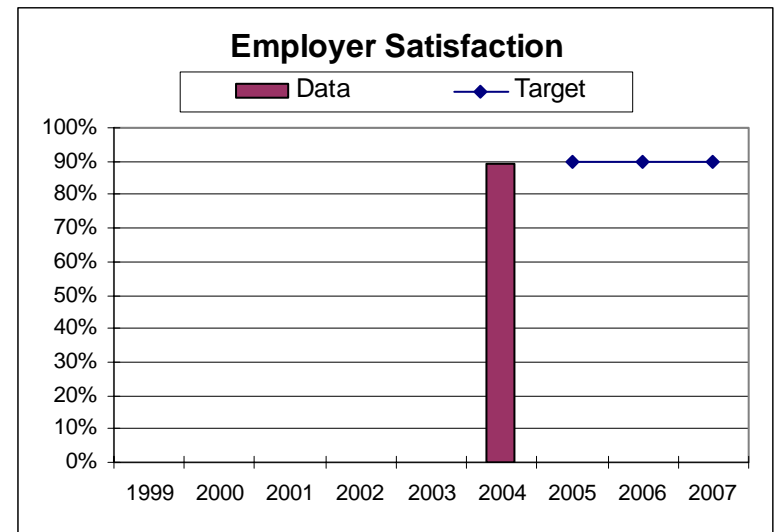
*This level of satisfaction would be considered high by almost any standard.*

What is an example of a department activity related to the measure?

*Completing the job listing and applicant referral process to employers’ expectations*

What needs to be done as a result of this analysis?

*No action required.*



**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

TIME PERIOD: FISCAL YEAR 2003 – 2004

Agency Name: Employment Department		Agency No.: 471								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
#-04 JOB SEEKER SATISFACTION – % of job seekers who rate department services good or excellent on average.	Target				NA	NA	NA	95%	95%	95%
	Data				NA	NA	94.3%			

Data Source:

**Key Performance Measure Analysis**

To what goal(s) is this performance measure linked?

*Matching Employers with Job Seekers*

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

*Employment’s contribution to related Oregon benchmarks is indirect and has limited impact.*

How does the performance measure demonstrate agency progress toward the goal?

*Quality of services received by Job Seekers during the referral process.*

Compare actual performance to target and explain any variance.

*No target set for this period.*

Summarize how actual performance compares to any relevant public or private industry standards.

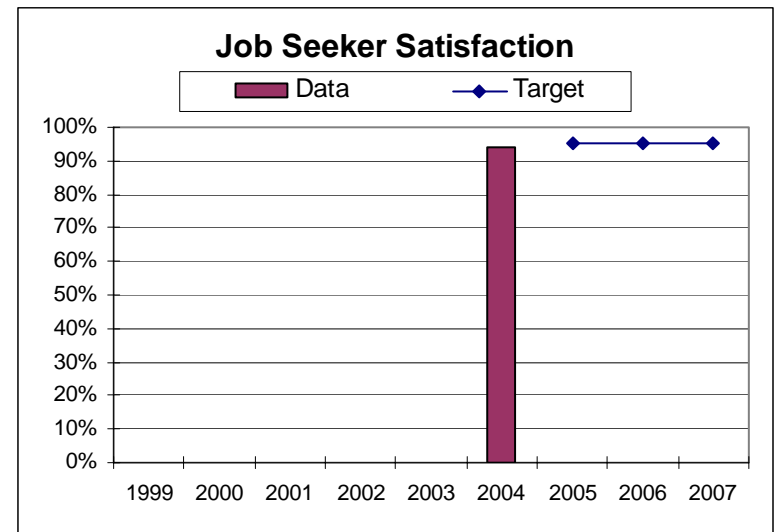
*This level of satisfaction would be considered high by almost any standard.*

What is an example of a department activity related to the measure?

*Referring qualified Job Seekers to employers with suitable openings.*

What needs to be done as a result of this analysis?

*No action required.*



**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

TIME PERIOD: FISCAL YEAR 2003 – 2004

Agency Name: Employment Department		Agency No.: 471								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
# -05 FIRST PAYMENT TIMELINESS – % of initial unemployment insurance payments made within 21 days of eligibility.	Target				90%	90%	90%	90%	95%	96%
	Data	94.8%	94.4%	93.3%	92.0%	90.7%	89.6%			

Data Source: ETA 9050

**Key Performance Measure Analysis**

To what goal(s) is this performance measure linked?

*Timely, Fair & Accurate Unemployment Insurance Payments*

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

*Employment's contribution to related Oregon benchmarks is indirect and has limited impact.*

How does the performance measure demonstrate agency progress toward the goal?

*Prompt and effective processing of Unemployment Insurance (UI) benefit payments.*

Compare actual performance to target and explain any variance.

*Performance is less than one half of one percent below the target. Excessive workload resulting from adverse economic conditions is the primary cause of the shortfall.*

Summarize how actual performance compares to any relevant public or private industry standards.

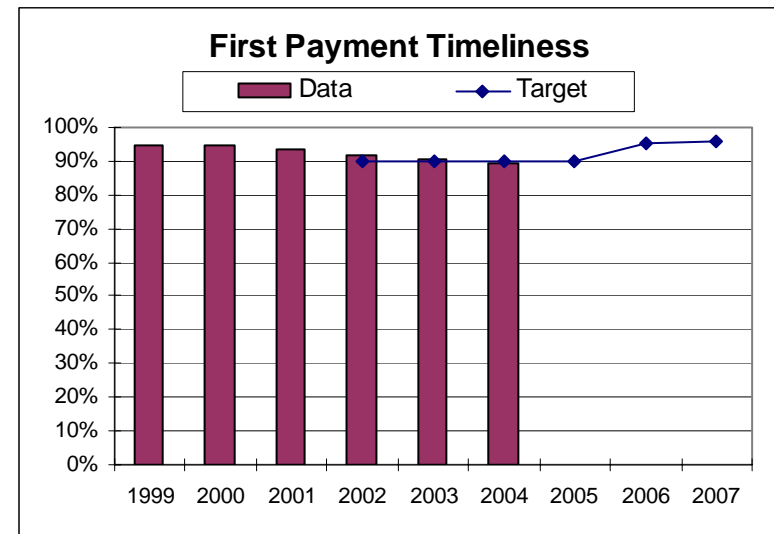
*The 90% standard is set by the US Dept. of Labor as the desired level of achievement for this measure.*

What is an example of a department activity related to the measure?

*The processing of UI initial claims.*

What needs to be done as a result of this analysis?

*No action required. As workload falls to typical levels we will again meet or exceed targets.*





**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

TIME PERIOD: FISCAL YEAR 2003 – 2004

Agency Name: Employment Department		Agency No.: 471								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
# -06 NON-MONETARY SEPARATIONS TIMELINESS – % of claims which are related to job separation that are adjudicated within 21 days of issue detection	Target				75%	76%	78%	80%	85%	85%
	Data	84.6%	80.9%	73.6%	68.9%	63.4%	63.7%			

Data Source: ETA 9052

**Key Performance Measure Analysis**

To what goal(s) is this performance measure linked?

*Timely, Fair & Accurate Unemployment Insurance Payments*

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

*Employment’s contribution to related Oregon benchmarks is indirect and has limited impact.*

How does the performance measure demonstrate agency progress toward the goal?

*The timeliness with which the department determines an applicant’s eligibility for UI benefit payments.*

Compare actual performance to target and explain any variance.

*Performance is 4% below target. Excessive workload resulting from adverse economic conditions is the primary cause of the shortfall.*

Summarize how actual performance compares to any relevant public or private industry standards.

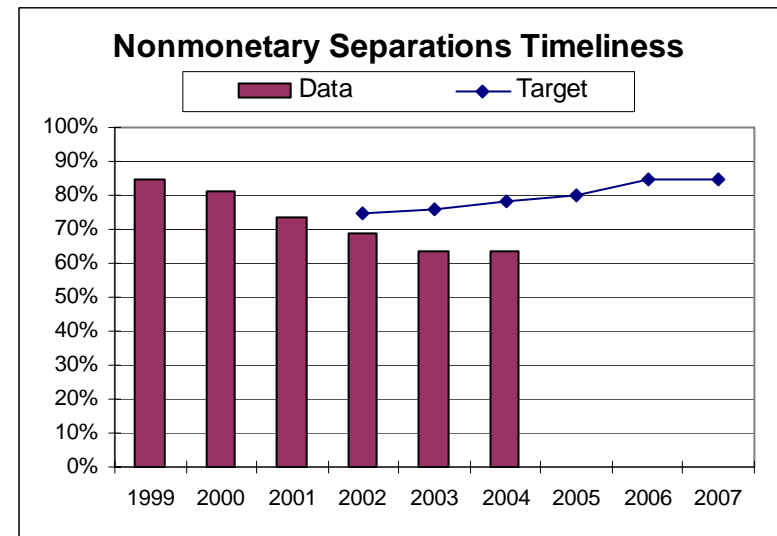
*The 80% standard is set by the US Dept. of Labor as the desired level of achievement for this measure.*

What is an example of a department activity related to the measure?

*Adjudication of eligibility issues between employers and claimant that relate to the way a claimant’s employment is terminated.*

What needs to be done as a result of this analysis?

*No action required. As workload falls to typical levels we will again meet or exceed targets.*



**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

TIME PERIOD: FISCAL YEAR 2003 – 2004

Agency Name: Employment Department		Agency No.: 471								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
# -07 NON-MONETARY NON-SEPARATIONS TIMELINESS – % of claims which are unrelated to job separation that are adjudicated within 14 days of issue detection.	Target				70%	70%	70%	70%	80%	80%
	Data	70%	67%	67.8%	69.7%	67.5%	67.7%			

Data Source: ETA 9052

**Key Performance Measure Analysis**

To what goal(s) is this performance measure linked?

*Timely, Fair & Accurate Unemployment Insurance Payments*

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

*Employment’s contribution to related Oregon benchmarks is indirect and has limited impact.*

How does the performance measure demonstrate agency progress toward the goal?

*The timeliness with which the department determines an applicant’s eligibility for UI benefit payments*

Compare actual performance to target and explain any variance.

*Performance is 2% below target. Variance is the result of a combination of process related issues and excessive workload due to adverse economic conditions..*

Summarize how actual performance compares to any relevant public or private industry standards.

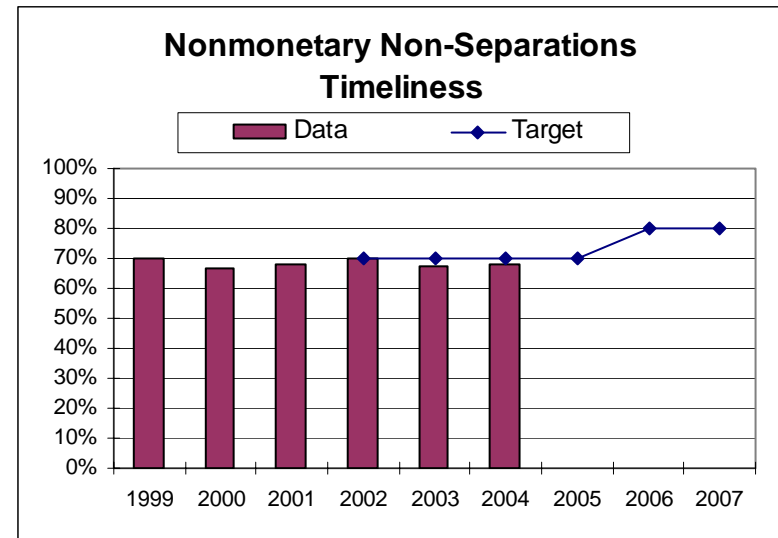
*An 80% standard is set by the US Dept. of Labor as the desired level of achievement for this measure*

What is an example of a department activity related to the measure?

*Adjudication of eligibility issues between the department and a claimant that relate to the rules for benefit eligibility*

What needs to be done as a result of this analysis?

*Streamlining of the adjudication process by centralization of activity and implementation of imaging technology*



**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

TIME PERIOD: FISCAL YEAR 2003– 2004

Agency Name: Employment Department		Agency No.: 471								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
# -08 NON-MONETARY DETERMINATIONS QUALITY – % of cases in which adjudication meets a standard of quality.	Target				66%	67%	68%	70%	70%	70%
	Data	70.9%	79.4%	63.5%	61.9%	57.8%	59.8%			

Data Source: ETA 9056

**Key Performance Measure Analysis**

To what goal(s) is this performance measure linked?

*Timely, Fair & Accurate Unemployment Insurance Payments*

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

*Employment’s contribution to related Oregon benchmarks is indirect and has limited impact.*

How does the performance measure demonstrate agency progress toward the goal?

*Indicates the quality of the process followed in adjudicated claims.*

Compare actual performance to target and explain any variance.

*Performance is 8% below target. Variance is the result of a combination of staff training issues and excessive workload due to adverse economic conditions.*

Summarize how actual performance compares to any relevant public or private industry standards.

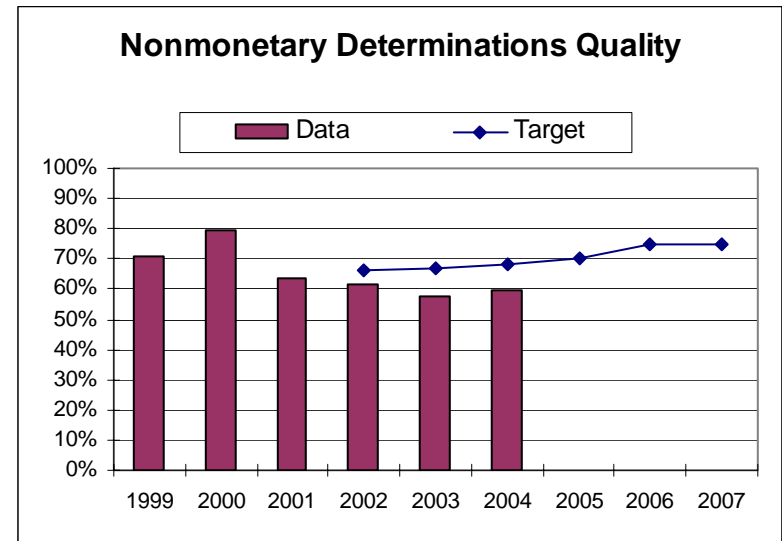
*A 75% standard is set by the US Dept. of Labor as the desired level of achievement for this measure*

What is an example of a department activity related to the measure?

*Adjudication of UI claims*

What needs to be done as a result of this analysis?

*Implement improvements in staff training.*



**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

TIME PERIOD: FISCAL YEAR 2003 – 2004

Agency Name: Employment Department		Agency No.: 471								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
# -09 LOWER AUTHORITY APPEALS TIMELINESS – % of cases requesting a hearing that are heard or are otherwise resolved within 30 days of the date of request.	Target				45%	57%	61%	63%	80%	80%
	Data	78.7%	60.2%	49.5%	40.8%	62.1%	56.6%			

Data Source:

**Key Performance Measure Analysis**

To what goal(s) is this performance measure linked?

*Timely, Fair & Accurate Unemployment Insurance Payments*

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

*Employment’s contribution to related Oregon benchmarks is indirect and has limited impact.*

How does the performance measure demonstrate agency progress toward the goal?

*The timeliness with which the department responds to a claimant’s request for a hearing regarding eligibility for UI benefit payments*

Compare actual performance to target and explain any variance.

*Performance is 4% below target. Variance is caused primarily by excessive workload due to adverse economic conditions*

Summarize how actual performance compares to any relevant public or private industry standards.

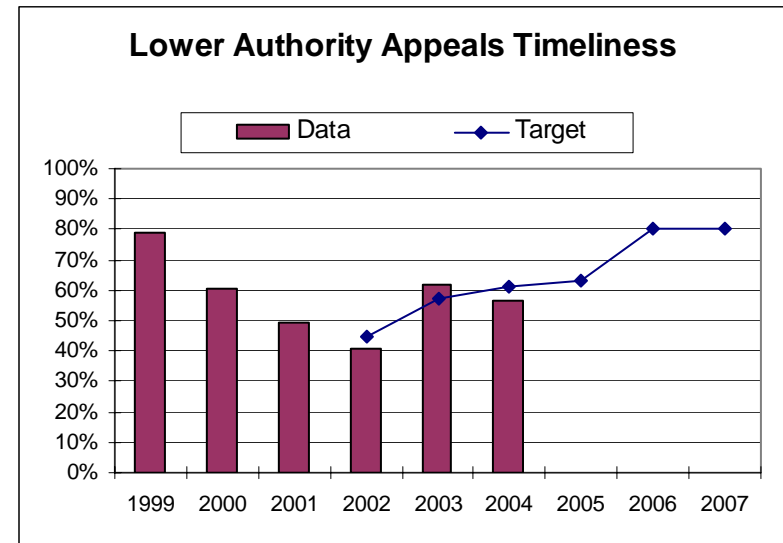
*A 60% standard is set by the US Dept. of Labor as the desired level of achievement for this measure*

What is an example of a department activity related to the measure?

*Cases heard by Administrative Law Judges.*

What needs to be done as a result of this analysis?

*No action required. As workload falls to typical levels we will again meet or exceed targets.*



**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

TIME PERIOD: FISCAL YEAR 2003 – 2004

Agency Name: Employment Department		Agency No.: 471								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
# -10 LOWER AUTHORITY APPEALS QUALITY – % of hearings that meet a standard of quality.	Target				99%	99%	99%	99%	100%	100%
	Data	100%	100%	100%	100%	98.8%	91.5%			

Data Source: ETA 9057

**Key Performance Measure Analysis**

To what goal(s) is this performance measure linked?

*Timely, Fair & Accurate Unemployment Insurance Payments*

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

*Employment’s contribution to related Oregon benchmarks is indirect and has limited impact.*

How does the performance measure demonstrate agency progress toward the goal?

*Indicates the quality of the process followed in UI claims hearings*

Compare actual performance to target and explain any variance.

*Performance is 7% below target. Variance is caused primarily by excessive workload due to adverse economic conditions.*

Summarize how actual performance compares to any relevant public or private industry standards.

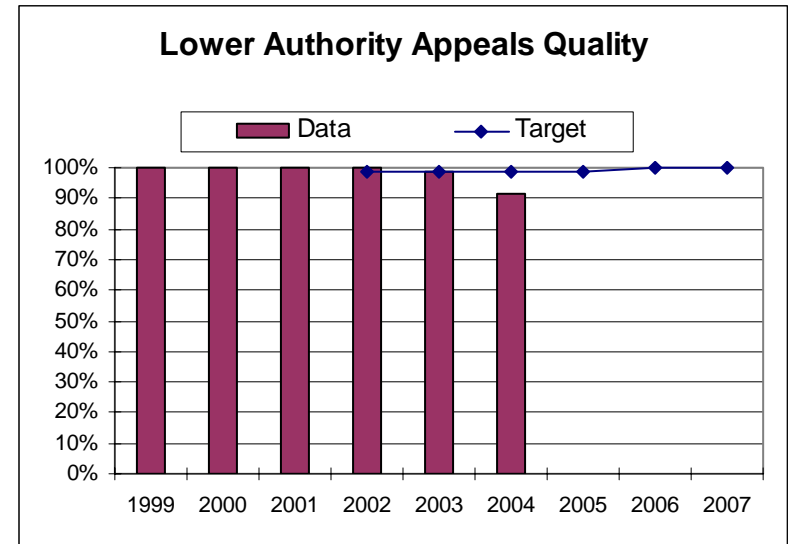
*An 80% standard is set by the US Dept. of Labor as the desired level of achievement for this measure*

What is an example of a department activity related to the measure?

*Cases heard by Administrative Law Judges.*

What needs to be done as a result of this analysis?

*No action required. As workload falls to typical levels we will again meet or exceed targets*



**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

TIME PERIOD: FISCAL YEAR 2003 – 2004

Agency Name: Employment Department		Agency No.: 471								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
# -11 HIGHER AUTHORITY APPEALS TIMELINESS – % of cases requesting an appeal that receive a decision within 45 days of the date of request.	Target				90%	90%	90%	90%	70%	70%
	Data	91%	90.8%	89%	91.3%	84.3%	54.1%			

Data Source:

**Key Performance Measure Analysis**

To what goal(s) is this performance measure linked?

*Timely, Fair & Accurate Unemployment Insurance Payments*

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

*Employment’s contribution to related Oregon benchmarks is indirect and has limited impact.*

How does the performance measure demonstrate agency progress toward the goal?

*The timeliness with which the department processes a claimant’s request for a hearing regarding eligibility for UI benefits.*

Compare actual performance to target and explain any variance.

*Performance is 45% below target. Variance is the result of a combination of staffing levels and excessive workload due to adverse economic conditions.*

Summarize how actual performance compares to any relevant public or private industry standards.

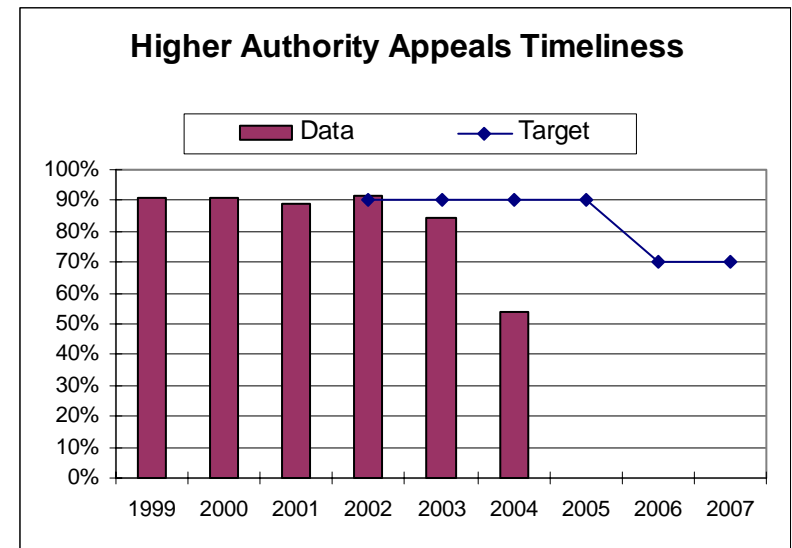
*A 50% standard is set by the US Dept. of Labor as the desired level of achievement for this measure*

What is an example of a department activity related to the measure?

*Hearing appeals of Lower Authority decisions.*

What needs to be done as a result of this analysis?

*As workload falls to typical levels, staffing adjustments will be made to address current deficient performance.*



**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

TIME PERIOD: FISCAL YEAR 2003 – 2004

Agency Name: Employment Department		Agency No.: 471								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
# -12 TIMELINESS OF EMPLOYER TAX REPORTS – % of employers that submitted tax reports by the due date.	Target				90%	90%	90%	90%	90%	90%
	Data	88.7%	88.7%	88.4%	87.1%	87.5%	89.6%			

Data Source : Oregon Tax Employer Reporting System (OTTER)

**Key Performance Measure Analysis**

To what goal(s) is this performance measure linked?

*Maintain Solvent Trust Fund*

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

*Employment’s contribution to related Oregon benchmarks is indirect and has limited impact.*

How does the performance measure demonstrate agency progress toward the goal?

*Effectiveness of voluntary compliance in establishing amount of collectible tax.*

Compare actual performance to target and explain any variance.

*Performance is less than half of one percent below target.*

Summarize how actual performance compares to any relevant public or private industry standards.

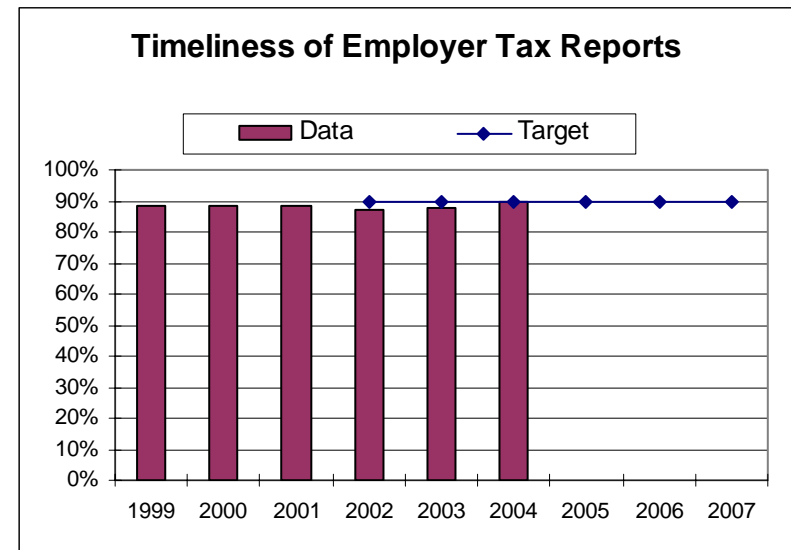
*National average is currently 88.2%.*

What is an example of a department activity related to the measure?

*Maintaining an easy to use electronic filing system that supports voluntary compliance.*

What needs to be done as a result of this analysis?

*No action required.*



**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

TIME PERIOD: FISCAL YEAR 2003 – 2004

Agency Name: Employment Department		Agency No.: 471								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
# -13 TIMELINESS OF EMPLOYER TAX PAYMENTS – % of employers that submitted tax payments by the due date.	Target				95%	95%	95%	95%	95%	95%
	Data	94.3%	92.2%	94.5%	93.9%	94.5%	94.4%			

Data Source: Oregon Tax Employer Reporting System (OTTER)

**Key Performance Measure Analysis**

To what goal(s) is this performance measure linked?

*Maintain Solvent Trust Fund*

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

*Employment’s contribution to related Oregon benchmarks is indirect and has limited impact.*

How does the performance measure demonstrate agency progress toward the goal?

*Effectiveness of voluntary compliance in submission of tax payments*

Compare actual performance to target and explain any variance.

*Performance was less than one percent below target.*

Summarize how actual performance compares to any relevant public or private industry standards.

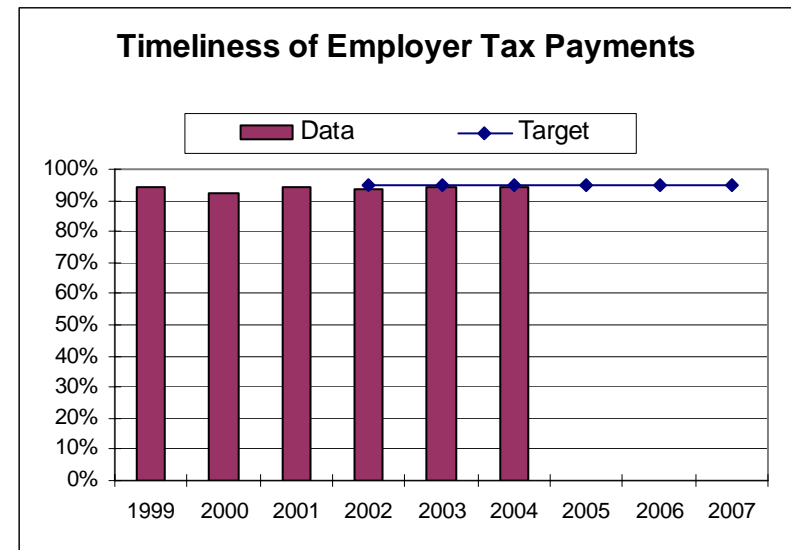
*National average is currently 89.9%.*

What is an example of a department activity related to the measure?

*Monitoring of employer payment activity.*

What needs to be done as a result of this analysis?

*No action required.*





**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

TIME PERIOD: FISCAL YEAR 2003 – 2004

Agency Name: Employment Department		Agency No.: 471								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
# -14 CHILD CARE HEALTH & SAFETY REVIEWS – % of family child care facilities required to have health & safety onsite reviews that were reviewed by Child Care Division	Target				100%	100%	100%	100%	100%	100%
	Data	100%	100%	100%	100%	100%	100%			

Data Source: Child Care Division

**Key Performance Measure Analysis**

To what goal(s) is this performance measure linked?

*Safe, Quality Child Care*

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

*Employment’s contribution to related Oregon benchmarks is indirect and has limited impact.*

How does the performance measure demonstrate agency progress toward the goal?

*Ensures that child care facilities meet health and safety standards.*

Compare actual performance to target and explain any variance.

*Performance meets target.*

Summarize how actual performance compares to any relevant public or private industry standards.

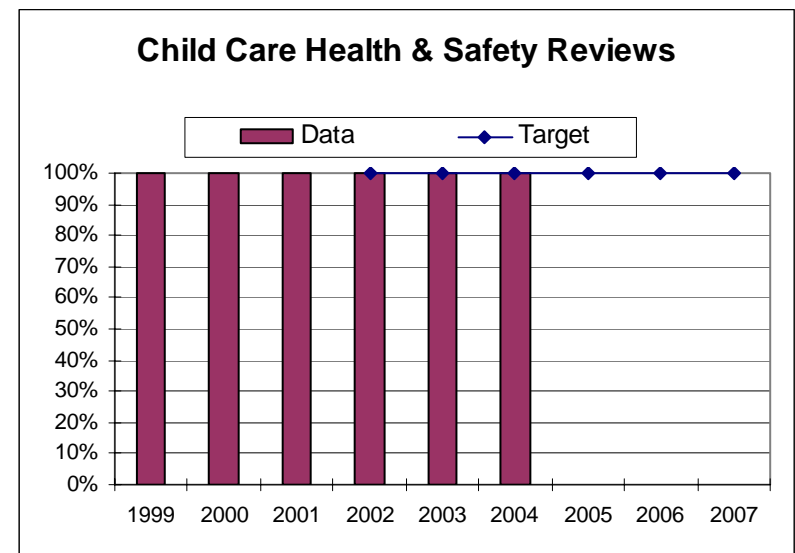
*No standard available.*

What is an example of a department activity related to the measure?

*In-person visits to child care facilities.*

What needs to be done as a result of this analysis?

*No action required.*





## Professional Services and Purchasing Contracts

The Department conducts all contracting under the authority of the Department of Administrative Services (DAS) following all applicable administrative rules. Contracts written by the Department that are within the DAS delegated authority levels are accomplished by the centralized Procurement Section under the direction of the Department designated Procurement Officer.

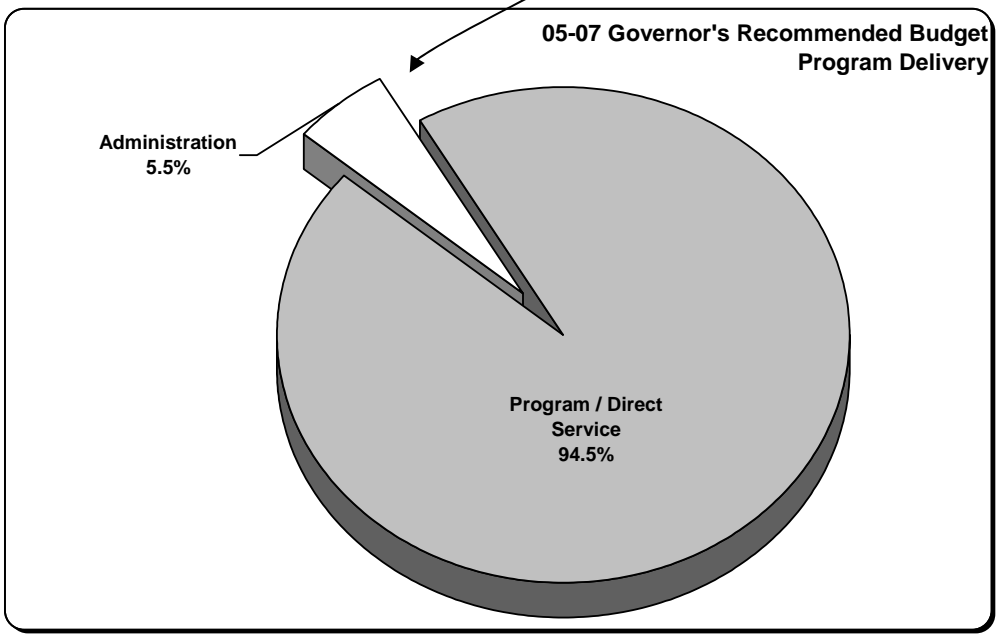
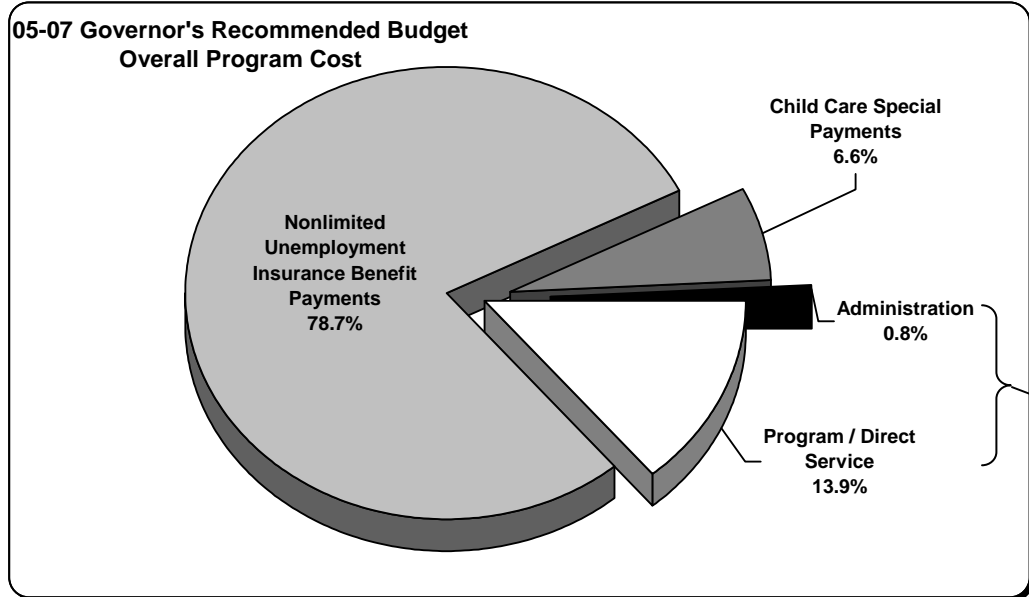


## Technical Adjustments

Placeholder for potential Technical Adjustments.

## Program & Administration Costs

	Total Governor's Recommended Budget	Percentage of Total	Percentage of Program Delivery
Nonlimited UI Benefits	1,328,108,136	78.7%	
Child Care Special Payments	111,862,653	6.6%	
<b>Program Service Delivery</b>			
Administration	13,546,995	0.8%	5.5%
Program / Direct Service	234,450,469	13.9%	94.5%
<b>Total</b>	<b>1,687,968,253</b>	<b>100.0%</b>	<b>100.0%</b>



*Administration Includes:  
Director's Office  
Administration  
Budget & Program  
Analysis  
Communications*