

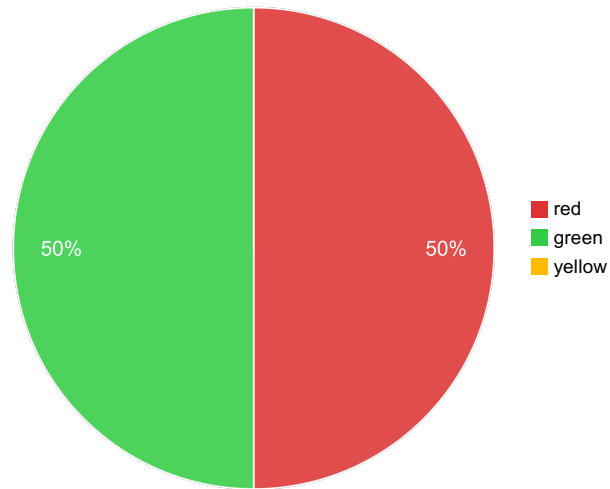
# Employment Department

Annual Performance Progress Report

Reporting Year 2024

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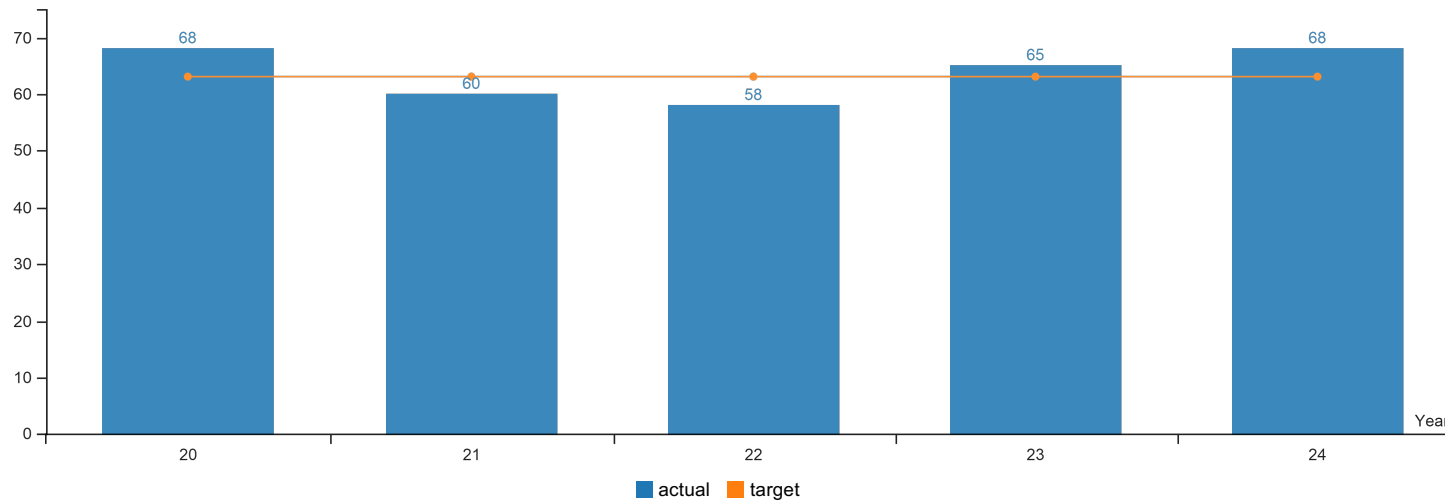
KPM #	Approved Key Performance Measures (KPMs)
1	ENTERED EMPLOYMENT - Percentage of job seekers who receive service from Workforce Operations that are still employed after six months.
2	EMPLOYMENT RETENTION - Percent of job seekers who receive service from Workforce Operations that are still employed after 12 months.
3	COST PER PLACEMENT - Total cost of Workforce Operations (Business & Employment Services) program divided by the total number of job seekers entered into employment after receiving services.
4	FIRST PAYMENT TIMELINESS - Percentage of initial Unemployment Insurance payments made within 21 days of eligibility.
5	NON-MONETARY DETERMINATIONS TIMELINESS - Percentage of claims that are adjudicated within 21 days of issue detection.
6	UNEMPLOYMENT INSURANCE ADMINISTRATIVE COSTS AS A PERCENT OF BENEFITS PAID - Compares dollars paid to unemployed workers against the cost of providing those benefits. Specifically, all costs associated with Unemployment Insurance administration, including related Department of Justice and Office of Administrative Hearings costs, less Re-Employment Eligibility Assessments and State Government Service Charges, divided by Total Unemployment Insurance Benefits paid.
7	UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of cases requesting a hearing that are heard or are otherwise resolved within 30 days of the date of request.
8	NON-UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of orders issued within the standards established by the user agencies.
9	AVERAGE DAYS TO ISSUE AN ORDER - Average number of days to issue an order following the close of record.
10	COST PER REFERRAL TO OAH - Average cost of hearing referral to the Office of Administrative Hearings.
11	HIGHER AUTHORITY APPEALS TIMELINESS - Percentage of cases requesting an appeal that receive a decision within 45 days of the date of request.
12	TIMELINESS OF NEW STATUS DETERMINATIONS - Percentage of new status determinations completed within 90 days of the end of the liable quarter.
13	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent," including overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.
14	FOUNDATIONAL SURVEY RESPONSE RATE - Ordinary (non-weighted) arithmetic mean of four annual response rates: (1) Occupational Employment Statistics employment; (2) Occupational Employment Statistics units; (3) Annual Refiling Survey employment; and (4) Annual Refiling Survey units.



Performance Summary	Green	Yellow	Red
	= Target to -5%	= Target -5% to -15%	= Target > -15%
Summary Stats:	50%	0%	50%

KPM #1	ENTERED EMPLOYMENT - Percentage of job seekers who receive service from Workforce Operations that are still employed after six months.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>Entered Employment - Percent of Job Seekers who got a Job with New Employer</b>					
Actual	68%	60%	58%	65%	68%
Target	63%	63%	63%	63%	63%

### How Are We Doing

**PERFORMANCE:** The 6-month Entered Employment Rate (EER) for State Fiscal Year (SFY) 2024 is 68%. This is five percentage points above the target of 63%.

**OUR STRATEGY:** To improve employment outcomes by providing services, in collaboration with our workforce partners, which are customized to the needs of individual job seekers and help prepare them to plan and carry out a successful job search.

**ABOUT THE TARGET:** Targets are negotiated directly between the U.S. Department of Labor and the Oregon Employment Department (the Department). A higher percentage is better.

**HOW WE COMPARE:** The performance in SFY 2024 was 68% compared to 65% in 2023 and 58% in 2022. The national average for SFY 2023 was 68% (national data for SFY 2024 is not yet available). Of note, SFY 2023 regional performance varied across states with Alaska reporting 69%, Arizona 61%, California 61%, Hawaii 58%, Idaho 70%, and Washington 64%.

### Factors Affecting Results

This measure has benefited from Oregon's strong labor market conditions, where job openings continue to outnumber the unemployed. Unemployment rates also remain near record lows, between 4.0% and 4.2% since October 2023, levels many economists consider full employment.

Despite the state's strong economic conditions, the EER in SFY 2024 for many groups facing barriers to employment was well below the 68% statewide average: long-term unemployed (56%), low-income (64%), displaced homemakers (59%), houseless individuals (59%), individuals with disabilities (59%), and those experiencing re-entry (58%). Challenges returning to work include lack of current and transferable skills, employment gaps, transportation, childcare, housing stability, and other factors disproportionately affecting underserved and underrepresented communities.

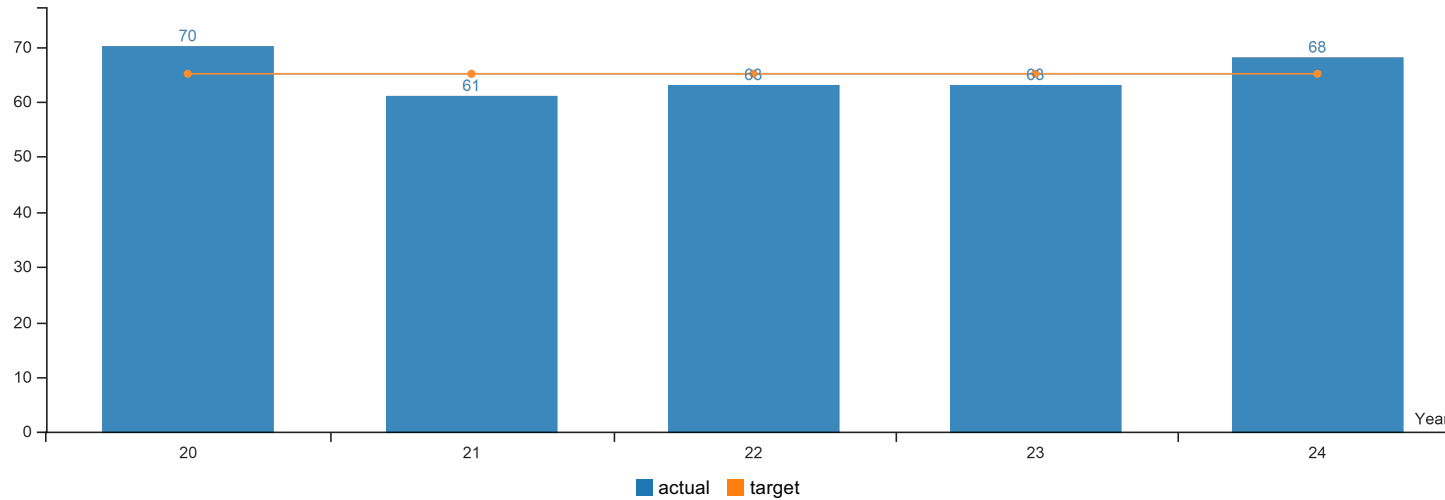
We continue to provide reemployment services to job seekers in person and virtually, focusing on Unemployment Insurance claimants, migrant and seasonal farmworkers, Supplemental Nutrition Assistance Program (SNAP) recipients, Veterans, and other targeted and underrepresented populations. Examples of reemployment services include virtual job-finding workshops; customized labor market and career information; local resource rooms equipped with computers, phones, and photocopy machines; job fairs and networking events; and support services (transportation assistance, work-related clothing, etc.) through the SNAP Training and Employment Program and other grants.

As part of our integrated service delivery approach, staff also work to connect job seekers with workforce services, including partner organizations that provide targeted populations such as dislocated workers and youth with career development and skills training opportunities. One innovative example of this work includes outreach to two correctional institutions (Warner Creek and Deer Ridge) to provide one-on-one assistance to adults in custody and connect them to a WorkSource center before release. Other examples are stationing Trade Act navigators in local WorkSource centers to provide job-placement assistance to Trade Act participants and launching a new business model in 2023 to streamline and improve outreach efforts to migrant and seasonal farmworkers throughout the state.

We continue to invest in business services, using a regional business services model to support workforce investment activities and help local businesses find and build their workforce. We have been successful in using this model to create business services teams and creating a single point of contact across the state. Improved communication and coordination of service delivery between workforce partners has resulted from this braided service approach and allowed for more streamlined and targeted placement of WorkSource Oregon customers, particularly those facing barriers to employment.

KPM #2	EMPLOYMENT RETENTION - Percent of job seekers who receive service from Workforce Operations that are still employed after 12 months.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>Employment Retention</b>					
Actual	70%	61%	63%	63%	68%
Target	65%	65%	65%	65%	65%

### How Are We Doing

**PERFORMANCE:** The 12-month Employment Retention Rate (ERR) for SFY 2024 is 68%. This is three percentage points above the target of 65%.

**OUR STRATEGY:** To improve long-term employment outcomes by providing services, in collaboration with our workforce partners, that are customized to the needs of individual job seekers and address potential barriers to employment.

**ABOUT THE TARGET:** Targets are negotiated directly between the U.S. Department of Labor and the Oregon Employment Department (the Department). A higher percentage is better.

**HOW WE COMPARE:** The performance was 68% in SFY 2024, five percentage points higher than in 2023. The national average for SFY 2023 was 67% (national data for SFY 2024 is not yet available). Of note, SFY 2023 regional performance varied across states with Alaska reporting 67%, Arizona 55%, California 61%, Hawaii 64%, Idaho 67%, and Washington 63%.

### Factors Affecting Results

Like KPM #1, this measure benefits from favorable labor market conditions. The SFY 2024 ERR of 68% exceeded its annual target in 2024, despite a gradual rise in seasonally adjusted unemployment from 3.6% in July 2023 to 4.1% in June 2024.

Despite the state besting its target for this measure, it's important to highlight that the ERR for many groups facing barriers to employment was well below the 68% statewide average: low-income (64%), long-term unemployed (55%), displaced homemakers (58%), people experiencing homelessness (58%), individuals with disabilities (57%), and those experiencing re-entry (55%).

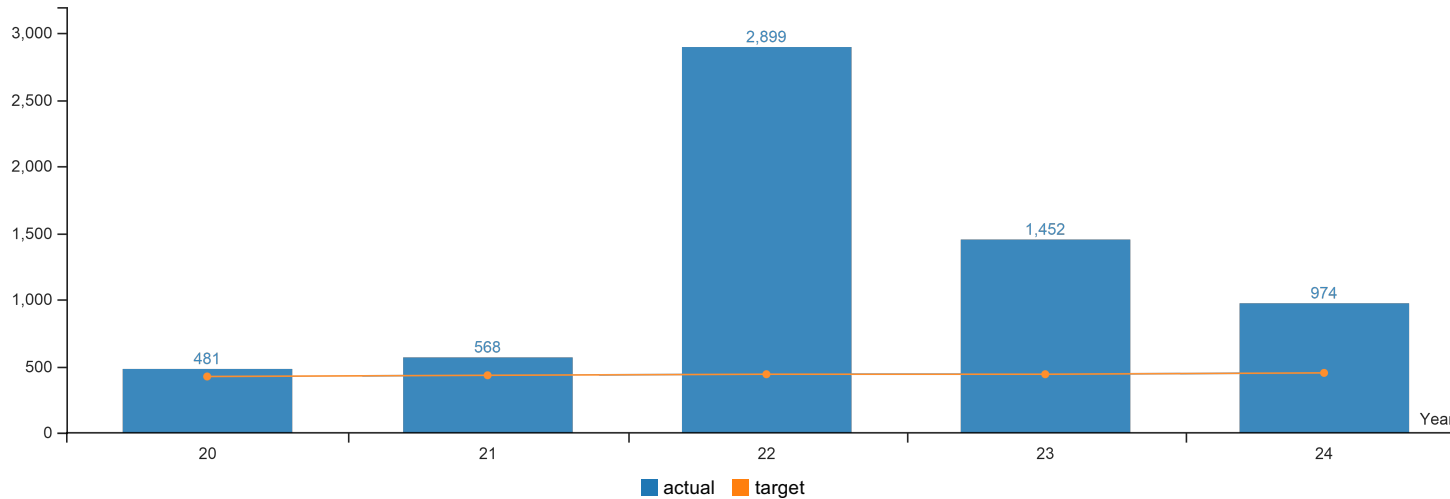
To address the reemployment needs of those facing barriers, we employ a braided service delivery strategy to identify an individual's needs and co-enroll them with workforce programs for which they may be eligible. These programs include SNAP Training and Employment, Trade Adjustment Assistance for Workers, Workforce Innovation and Opportunity Act Title 1 Adult and Dislocated Worker, and National Farmworkers Jobs Program. These programs complement our core labor exchange and job-matching services through case management, re-training, financial assistance with transportation, tools, clothing, and other job-related expenses, and follow-up (retention) services to support individuals who have entered unsubsidized employment.

A strong alignment between the employer's needs and the job seeker's interests and skills improves job retention. Prior results reflected a high percentage of workers who gained employment after receiving workforce services remained employed, indicating a good match was made between employers and new hires.

To build on that success, we have launched several initiatives in recent years that appear to be paying off as evidenced by the improved ERR in SFY 2024. Staff meet on-site with employers as part of the recruitment process to learn about their workforce needs. They build a LinkedIn partnership for employers to match to and network with WorkSource Oregon candidates through an online recruiter platform. They hire job developers to help connect job seekers facing barriers to employment with businesses, and they help improve the employability of job seekers through the identification of their job readiness skills in areas such as interviewing, resumes, soft skills, and career development.

KPM #3	COST PER PLACEMENT - Total cost of Workforce Operations (Business & Employment Services) program divided by the total number of job seekers entered into employment after receiving services.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = negative result



Report Year	2020	2021	2022	2023	2024
<b>Cost per Placement</b>					
Actual	\$481.00	\$568.00	\$2,899.00	\$1,452.00	\$974.00
Target	\$424.00	\$433.00	\$441.00	\$441.00	\$451.00

#### How Are We Doing

**PERFORMANCE:** The number of placements in SFY 2024 was 57,861 and expenditures in Workforce Operations were \$56,353,640. This translates to a cost per placement of \$974, which is 116% higher (worse) than the target. On a positive note, the cost per placement decreased for the second consecutive year since reaching a high of \$2,899 in SFY 2022. (SFY 2022 performance was significantly impacted by the pandemic, with low placement numbers of 18,541, while costs remained relatively unchanged.)

**OUR STRATEGY:** To continue monitoring budgetary constraints and fiscal responsibility. We continue to work with our WorkSource Oregon partners to leverage resources, reduce costs, and address changing customer needs while seeking to improve outcomes across local communities.

**ABOUT THE TARGET:** Cost per placement measures the cost of the program between fiscal years. The targets will be adjusted for inflation each biennium by a maximum of 4%. A lower cost is better.

**HOW WE COMPARE:** The cost per placement decreased by 33% between SFY 2024 and SFY 2023, when it was \$1,452. Cost per placement fell by \$1,925 (-66%) since SFY 2022 when it reached \$2,889. There is not a national measure compiled for comparison.

#### Factors Affecting Results

Placements are a direct result of the number of individuals served by staff in WorkSource centers. Simply put, fewer people using the centers impacts placements. While individuals receiving services has increased each year since reaching a record low in SFY 2021 during the pandemic, they remain below pre-pandemic levels. As a comparison, we served 115,379 individuals in SFY 2020

compared to 105,328 in SFY 2024—a decrease of almost 9%.

Several factors may explain why fewer customers are being served at WorkSource centers. First, the unemployment rate in Oregon has been well below 5% since April 2021, reaching a record low of 3.4% in April and May of 2023. Second, the overall share of the population participating in the labor force has dropped. According to the U.S. Bureau of Labor and Statistics, the national labor force participation rate in June 2024 was 62.6%, down from 63.3% in February 2020 and 67.2% in January 2001. According to a 2022 survey by the U.S. Chamber of Commerce, labor force participation is impacted by retirements, prioritizing personal growth or focusing on acquiring new skills or education over searching for a job, and deciding that returning to work is not essential are some of the reasons. Third, public job boards have expanded significantly in recent years with the rise in artificial intelligence and data analytics. And finally, a generation raised in a largely digital age with access to smartphones and other technology to search for employment may be less inclined to register with the public labor exchange.

Another factor negatively impacting this measure is inflation. According to the U.S. Bureau of Labor and Statistics, the average inflation rate was 4.7% in 2021, 8.0% in 2022 and 4.1% in 2023. Before 2021, the average rate was 2.4% or below between 2012 and 2020.

To help contain costs, we implemented the statewide service delivery model in March of 2023. This model allows staff across the state to serve job seekers by video conference regardless of customer location, thus increasing operational efficiency by leveraging staff resources. Additional measures include working closely with our workforce partners to leverage resources through shared facilities, and a strategic business model that emphasizes co-enrollment across workforce programs where appropriate.

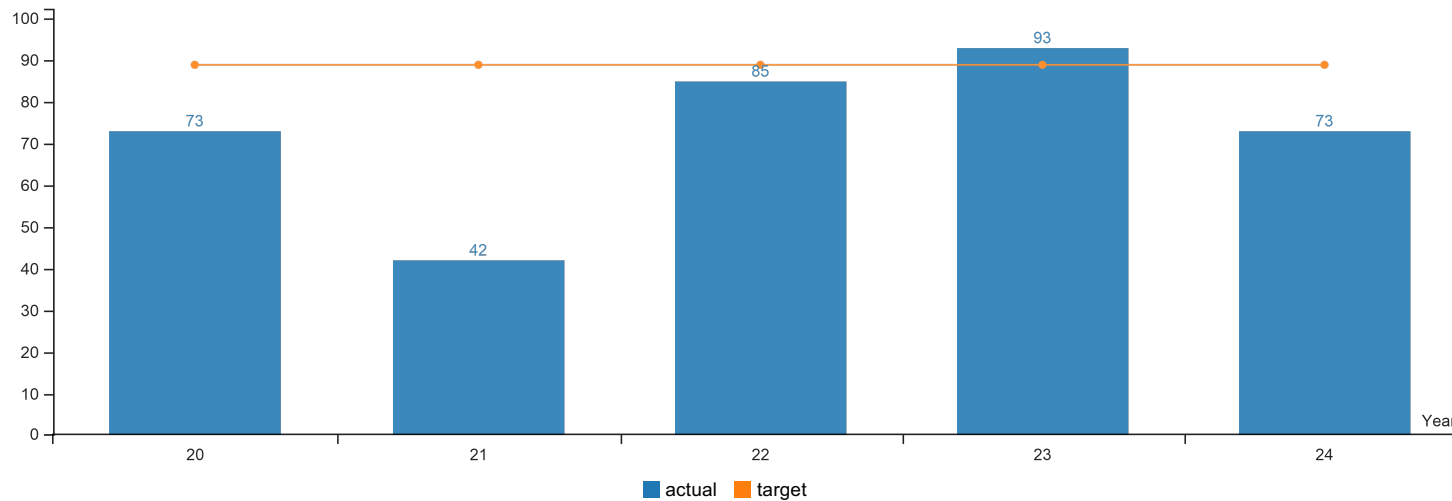
To help job seekers find work, our business processes have and will continue to adapt. This includes a strong focus on helping underrepresented and vulnerable populations such as Unemployment Insurance claimants, long-term unemployed, SNAP recipients, migrant and seasonal farmworkers, and Veterans. This service delivery strategy aligns with our federal funders' expectations that workforce programs provide a higher level of intensive, customized service to individuals facing barriers. It's important to note that this work often requires more time and resources, thus increasing service delivery costs.

And finally, we will continue working with state and local WorkSource partners to effectively address the labor needs of businesses and to connect job seekers to available employment opportunities and leverage resources. We have had success providing customized services to employers and tailoring job seeker services to meet local demand. This program continues to produce higher levels of employer satisfaction and demand continues to grow. To meet this demand, business services representatives are focusing on job development and other placement strategies such as partnering with LinkedIn to connect job seekers with employment opportunities through an online recruiter platform, hosting job fairs and open houses, using a standardized set of criteria to assess an individual's work readiness skills to increase their chances of being a successful candidate, and pairing work ready candidates with career development coordinators who help them achieve their career goals through one-on-one coaching and connecting them to on-the-job training and employment opportunities.



KPM #4	FIRST PAYMENT TIMELINESS - Percentage of initial Unemployment Insurance payments made within 21 days of eligibility.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>First Pay Timeliness</b>					
Actual	73%	42%	85%	93%	73%
Target	89%	89%	89%	89%	89%

#### How Are We Doing

**PERFORMANCE:** The timeliness of first payments was 73% in SFY 2024, which is lower (worse) than the target of 89%.

**OUR STRATEGY:** We work in pursuit of efficiencies by streamlining UI processes and leveraging new technologies, which improve timeliness and the customer experience. We continue hiring and training employees and updating the employee training process and support tools. We are monitoring performance metrics and anticipating when and where reallocation of resources can improve performance.

**ABOUT THE TARGET:** The 89% target for this measurement was established in the 2019-21 biennium. This is 2% higher than the US Department of Labor (DOL) target. The percentage of claims paid within 21 days of the initial claim filing reflects the efficiency of determining eligibility and giving unemployed workers their first benefit payment. A higher percentage of timely first payments is better.

**HOW WE COMPARE:** The measure ranged from 42% to 93% between SFY 2019 and SFY 2024. The performance in SFY 2023 of 93% was above the average national performance of 68%. The performance in SFY 2024 of 73% was below the average national performance of 79%.

#### Factors Affecting Results

We continue to prioritize timely benefit payments. We are challenged to meet this measure due to chronic federal underfunding.

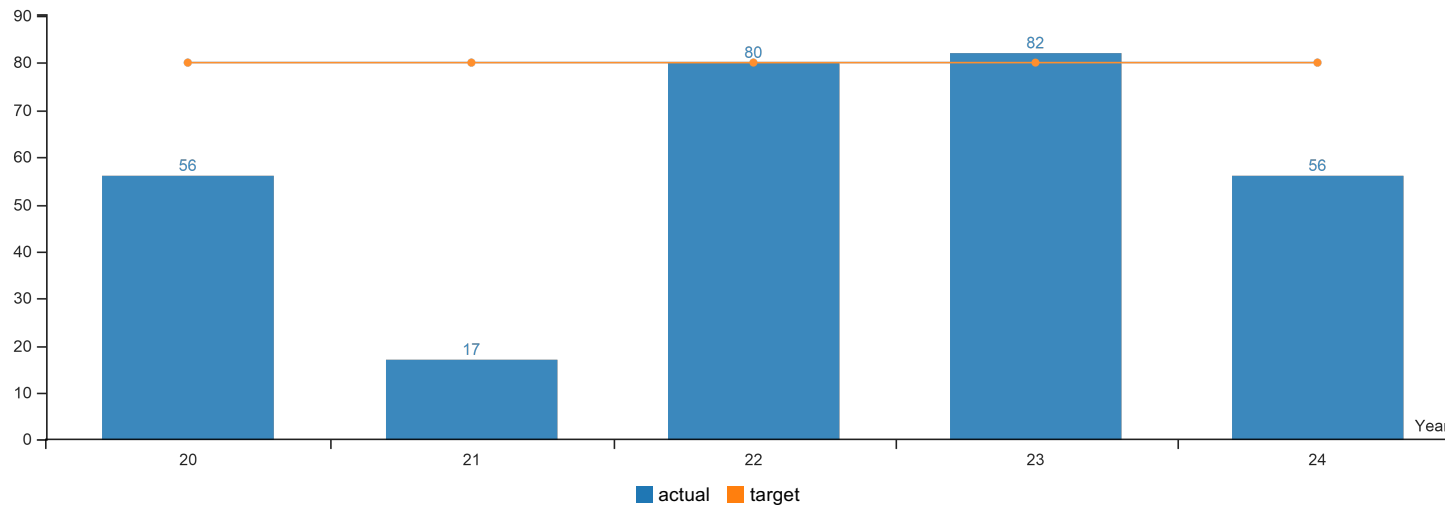
Processing initial claims within four to seven days of filing positively affects first-pay timeliness, as does resolving 80% of issues on claims within 14 days. High call volume and backlogs in

administrative appeals of our decisions negatively affect first-pay timeliness. We were additionally challenged during the transition from legacy computer systems to the modernized Frances system, which resulted in service delays as employees and customers adapted and gained proficiency using the new system.

We continue to develop comprehensive reporting dashboards in the new modernized system to better measure and monitor how quickly we process initial claims, call volume, non-monetary determinations, suspended claims, and investigation workloads. We are also updating reporting dashboards specific to first-pay timeliness to measure and monitor the workloads that significantly affect the metric and ensure we are correctly prioritizing those workloads. The process changes and efficiencies gained through Modernization improve visibility into the workload and are anticipated to mitigate some of the negative impacts on this metric in the coming years.

KPM #5	NON-MONETARY DETERMINATIONS TIMELINESS - Percentage of claims that are adjudicated within 21 days of issue detection.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>Percent of Claims that are Adjudicated with 21 days (Non-Monetary Determinations Timeliness)</b>					
Actual	56%	17%	80%	82%	56%
Target	80%	80%	80%	80%	80%

#### How Are We Doing

**PERFORMANCE:** The percent of timely non-monetary determinations was 56% in SFY 2024, falling short of its 80% target.

**OUR STRATEGY:** To seek new efficiencies through the modernized Frances system and related process improvements that will result in improved timeliness without adversely impacting other customer service standards, including developing new tools and reviewing and revising production standards. Telephone system capabilities are being leveraged to provide better data, allowing us to have adjudicators, who issue non-monetary decisions, spend more time focused on that work. We have prioritized getting all adjudicator positions filled and building the skills and experience needed for employees to be able to resolve claim issues quickly.

**ABOUT THE TARGET:** The 80% target is the target established by the DOL. A higher percentage of non-monetary determinations adjudicated within 21 days is better.

**HOW WE COMPARE:** This measure has ranged from 17% to 82% between SFY 2019 and SFY 2023. The performance of 82% in SFY 2023 is above the average national performance of 58%. The performance of 56% in SFY 2024 is below the average national performance of 63%.

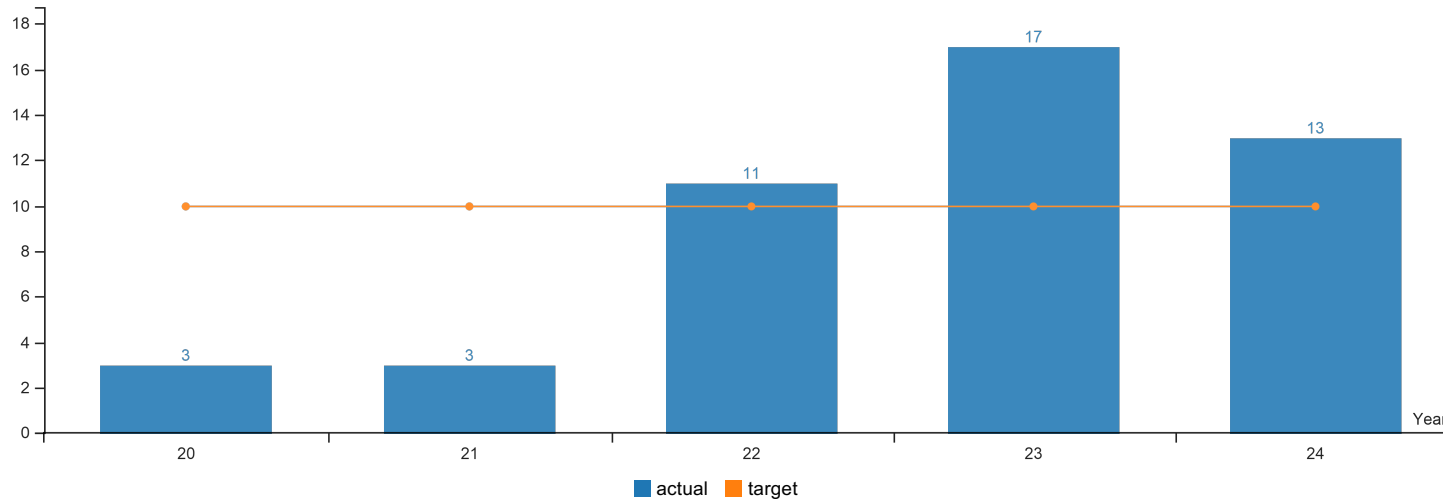
#### Factors Affecting Results

Declining federal revenue led us to reduce staffing levels, which negatively impacted performance. The volume of staff has reduced since the end of the COVID-19 pandemic, and the complexity of laws has continued to increase. Due to the reduction in staff, it has been and continues to be a challenge to balance the need to make determinations quickly and have as complete information as possible to minimize fraud, potential overpayments, and improper denials of benefits.

Pandemic conditions resulted in historically low performance for non-monetary timeliness, and it continues to be challenging to meet this measure due to long-term pressures from added program requirements and inadequate federal funding. Until March 2024, outdated technology contributed to our challenges by significantly limiting opportunities to shift work processes or adapt to shifting workloads. On March 4, 2024, we modernized business processes and technology systems for UI programs. After an anticipated, and brief, decline in performance after modernization during which staff gained knowledge and proficiency using the new system, our overall performance in this area has begun to show improvement. While modernization is a multi-year endeavor, the modernized system and processes allow for more automation and upfront fact-finding, improving the timeliness of non-monetary determinations.

KPM #6	UNEMPLOYMENT INSURANCE ADMINISTRATIVE COSTS AS A PERCENT OF BENEFITS PAID - Compares dollars paid to unemployed workers against the cost of providing those benefits. Specifically, all costs associated with Unemployment Insurance administration, including related Department of Justice and Office of Administrative Hearings costs, less Re-Employment Eligibility Assessments and State Government Service Charges, divided by Total Unemployment Insurance Benefits paid.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = negative result



Report Year	2020	2021	2022	2023	2024
<b>UNEMPLOYMENT INSURANCE ADMINISTRATIVE COSTS AS A PERCENT OF BENEFITS PAID</b>					
Actual	3%	3%	11%	17%	13%
Target	10%	10%	10%	10%	10%

**How Are We Doing**

PERFORMANCE: Controllable administrative costs were \$96,816,563 and benefit payments were \$769,185,284 in SFY 2024 resulting in cost relative to benefits paid of 13%. This is higher (worse) than the target of 10%.

OUR STRATEGY: To continue pursuing efficiencies from centralization and new technology implementation to streamline UI processes to improve timeliness and customer service. This pursuit focuses, in part, on expanding ways in which the public can more easily gain self-service access and get information that traditionally required staff involvement.

ABOUT THE TARGET: The target for this measurement was 10% in the 2017 Legislative Session. As a newer measurement, there was minimal historical data to set this target. The cost divided by benefits paid ratio reflects the efficiency of making benefit payments. A lower percentage is better.

HOW WE COMPARE: The 13% measure in SFY 2024 was four percentage points lower than SFY 2023. The measure was 12% in 2018 and 2019, 3% in 2020 and 2021, and 11% in 2022. There is not a national measure compiled for comparison.

**Factors Affecting Results**

In our experience, administrative costs, as a percent of benefits paid, tend to be lower (better) during recessionary periods and higher (worse) in a strong economy. During a recession, benefits paid increase faster than administrative costs because more people claim more benefits for a longer period.

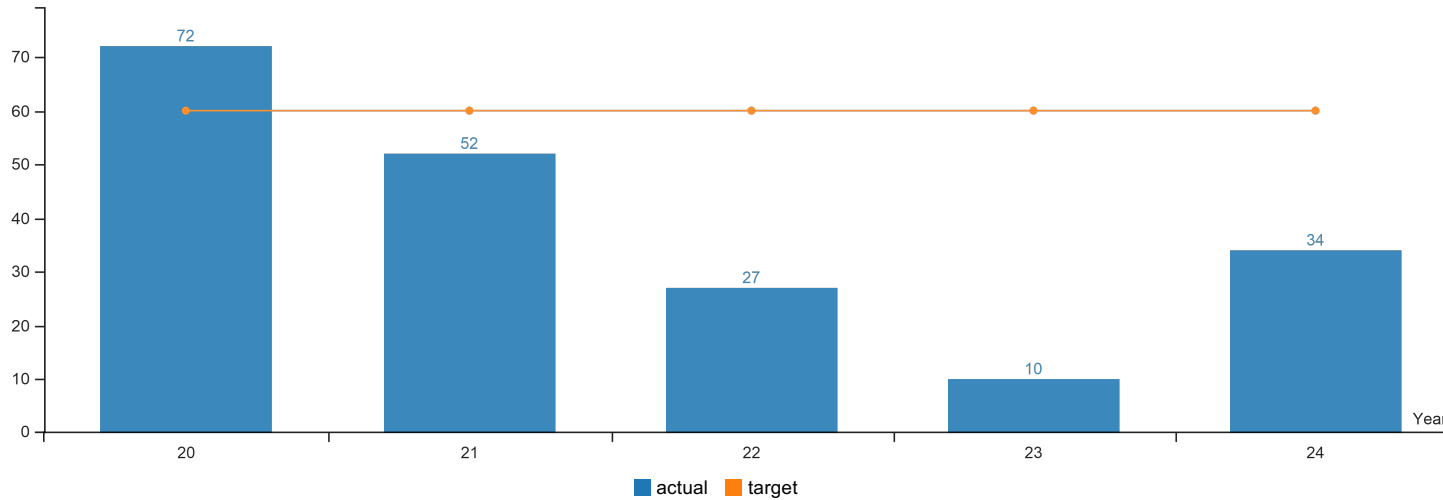
The low ratios in 2020 and 2021 were due to the CARES Act, Continued Assistance Act (CAA), and American Rescue Plan Act (ARPA). These created new federal benefit programs that increased benefit payments: Federal Pandemic Unemployment Compensation (FPUC) and Pandemic Emergency Unemployment Compensation (PEUC). However, as the economy improved and fewer benefits were paid out, this measure has moved toward the historical average. The currently higher ratio represents investments in building skills, tools, and infrastructure that will ultimately increase efficiency. In addition to our modernized UI and Paid Leave system, examples of these investments include updating performance measures and creating individual performance scorecards to let team members and supervisors see their performance, creating performance dashboards that allow program leadership to track the overall health and direction of the program, revising all UI benefit letters, and developing modular self-directed UI training that managers can assign and team member can access individually.

We have implemented the modernized UI system. The modernized UI contributions systems went live in September 2022 and the modernized UI benefits systems went live in March 2024. The modernized system offers many self-service options and automates many manual processes. We anticipated and realized an initial decrease in productivity as team members learned the new system before productivity gains were recognized. We continue to work on system operations and enhancements to improve and automate many processes that have been manual in our legacy system.

Automating claims processes and modernizing the technical and business environments will improve staff efficiency, allowing increased opportunities to improve customers' experience navigating the UI program. We remain focused on increasing self-service options for the public to improve customer service.

KPM #7 UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of cases requesting a hearing that are heard or are otherwise resolved within 30 days of the date of request.
Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>Unemployment Insurance Appeals Timeliness</b>					
Actual	72%	52%	27%	10%	34%
Target	60%	60%	60%	60%	60%

**How Are We Doing**

PERFORMANCE: The percent of timely UI appeals was 34% in SFY 2024, which is below (worse than) the target of 60%.

OUR STRATEGY: Toward the end of the previous biennium, The Office of Administrative Hearings (OAH) responded by roughly doubling the size of staff focused on UI program appeals. This staff increase was accomplished by leveraging creative recruitment and budget practices that included hiring both limited duration positions and offering job rotations for qualified OED adjudicators. OAH also shifted and reprioritized existing resources. The budget for 23-25 reflects a permanent adoption of this strategy by making limited duration positions permanent and even further increasing staffing levels. As a result of these practices, OAH has made significant progress on clearing the UI lower appeals backlog. A further round of hiring is planned for fall of 2023, with the aim of permanently bolstering capacity in OAH’s UI program.

ABOUT THE TARGETS: For UI cases, timeliness is defined as the percentage of cases in which a party has requested a hearing that are heard or otherwise resolved within 30 days of a hearing request. The target of 60% is the target established by the U.S. Department of Labor. A higher percentage is better.

HOW WE COMPARE: SFY 2024 performance was 34%, significantly above the 10% reached in SFY 2023. The measure varied from 27% to 83% during SFY 2018-2022.

**Factors Affecting Results**

For many years the OAH has exceeded the targets set by the DOL. As recently as the fiscal year ending June 30, 2020, the OAH issued decisions in 72% of all UI appeals within 30 days of the hearing request; a number that exceeded federal standards. The COVID-19 pandemic resulted in unprecedented demand for Oregon’s unemployment benefits system. Record numbers of

Oregonians filed initial claims resulting in a backlog in adjudication. As this demand worked through the system to lower appeals it naturally resulted in a significant increase in requests for a UI hearing, beginning in December of 2020. At the time these hearing requests were received by OAH and many had already passed the 30-day timeliness standard. During previous economic downturns, associated workload increases occurred over a more protracted timeframe. However, because of the pandemic, OAH experienced a sharp spike in workload for 2-3 weeks.

Hearing requests have continued at near record levels from January 1, 2019, to July 1, 2019, receiving 6,121 UI referrals; yet, for the same period in 2022, OAH received 9,544 UI referrals (roughly a 56% increase). Most of these cases are related to the COVID-19 pandemic, including CARES Act cases and work separations. OAH responded by bringing a record number of staff into the UI program. Recruitment began in May 2022 when we hired 14 additional staff, which doubled the size of staff focused on UI program appeals. OAH leveraged creative recruitment and budget practices for these positions, hiring both for limited-duration positions and offering job rotations for qualifying OED adjudicators. These new Administrative Law Judges (ALJ) began their work in late August of 2022. Additionally, ALJs from other program areas assisted by offering to take on UI cases as time allowed. This has resulted in significant progress toward clearing the UI backlog.

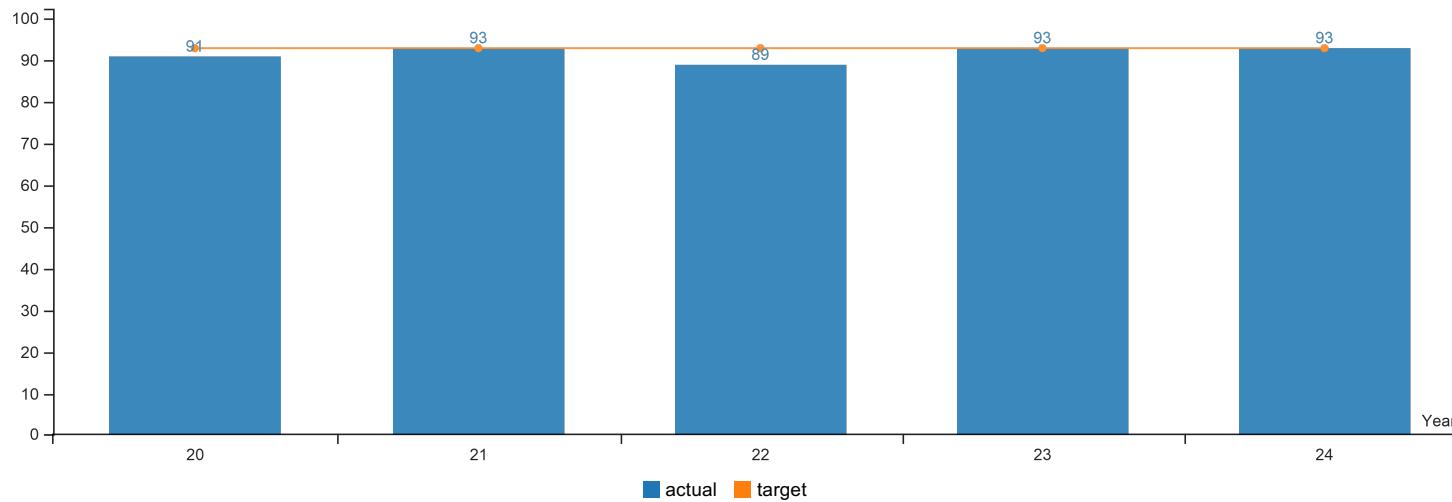
While OAH made significant progress during the second half of the reporting period, this was only achievable after a significant increase in staffing levels. Unfortunately, just as staffing was ramping up at OAH, OED experienced a tandem negative impact on resources. Starting in Q4 2022, due to reductions in staffing at the Employment Department, the majority of unemployment insurance hearing requests forwarded to OAH were untimely. A large backlog of hearing requests built up at OED and these hearing requests began to age. Therefore, even as OAH doubled the size of the UI lower appeals program, a significant portion of the hearing requests OAH received during this timeframe were already past the target for KPM #7. The confluence of these factors greatly and negatively affected KPM #7. However, it should be noted that since the end of the reporting period, OED has made great strides in compressing timelines during the referral process. Currently, most lower appeals referrals are well within achievable time standards. In addition, OED and OAH have cooperated to sign a service-level agreement that bolsters our commitment to working together on this issue.

As OAH works through these old cases, KPM #7 will suffer in the short term. By prioritizing this work, timeliness standards are negatively impacted due to the age of cases. Referrals have also remained at higher than historic averages. To respond during the 2023-25 biennium, OAH permanently adopted increased capacity across the UI program by making limited-duration positions permanent and leveraging even further recruitment. As part of this strategic plan, OAH hired additional ALJ 1s in the fall of 2023. These new positions were cross trained on UI and Paid Leave Oregon appeals. A new management position was also created to supervise a larger team of ALJs.



KPM #8	NON-UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of orders issued within the standards established by the user agencies.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>Non-UI Appeals Timeliness</b>					
Actual	91%	93%	89%	93%	93%
Target	93%	93%	93%	93%	93%

#### How Are We Doing

**PERFORMANCE:** The percentage of non-UI cases disposed of within the standards for SFY 2024 was 93%, which is equal to the target of 93%.

**OUR STRATEGY:** Primarily, agencies that use our services establish the timeliness standards for non-UI appeals. The OAH monitors decision deadlines to ensure orders are issued within established timeframes.

**ABOUT THE TARGETS:** Most timeliness standards for non-UI hearings are established by agencies who use our services. A higher percentage of orders issued within the standard set by the user agency is better.

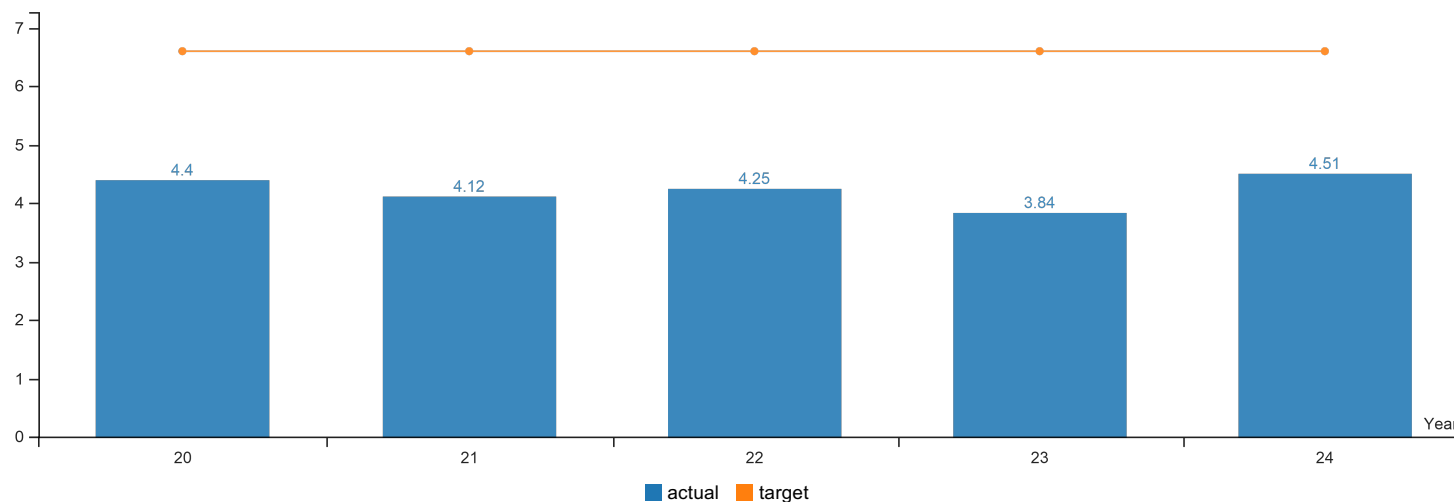
**HOW WE COMPARE:** The OAH was equivalent to the standard of 93% during SFY 2024. The OAH also achieved this standard in SFY 2021 and again in SFY 2023.

#### Factors Affecting Results

While non-UI hearings have not experienced the same spike in workload as UI, these program areas have not been immune to the effects of the pandemic. With unprecedented demand for public services, OAH has seen an increase in the number of hearings requests across the state enterprise. Additionally, the backlog in UI cases necessitated a reprioritization of existing resources. These combined factors resulted in a slight negative impact on the non-UI timeliness standard in 2022. However, OAH has been able to reverse this trend and meet targets in 2023 by effectively and creatively managing teams assigned to this workload. To prevent more negative impacts, OAH is hiring additional ALJ 2 and ALJ 3 positions.

KPM #9	AVERAGE DAYS TO ISSUE AN ORDER - Average number of days to issue an order following the close of record.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = negative result



Report Year	2020	2021	2022	2023	2024
<b>Average Days to Issue Order</b>					
Actual	4.40	4.12	4.25	3.84	4.51
Target	6.60	6.60	6.60	6.60	6.60

#### How Are We Doing

During SFY 2024 performance was 4.51 days, which is lower (better) than the target of 6.60 days.

OUR STRATEGY: The OAH monitors the time it takes to produce legally sufficient decisions. The OAH goal is to be as prompt as possible.

ABOUT THE TARGETS: An important aspect of timeliness is the average number of days it takes an Administrative Law Judge to issue an order following the close of the record. The time needed to write and issue an order varies with the complexity and duration of a hearing. The public is better served by orders we issue promptly, if they maintain quality standards.

HOW WE COMPARE: The average time to issue an order was 4.51 days in SFY 2024. The measure varied from 3.84 to 5.07 days during SFY 2015-2023.

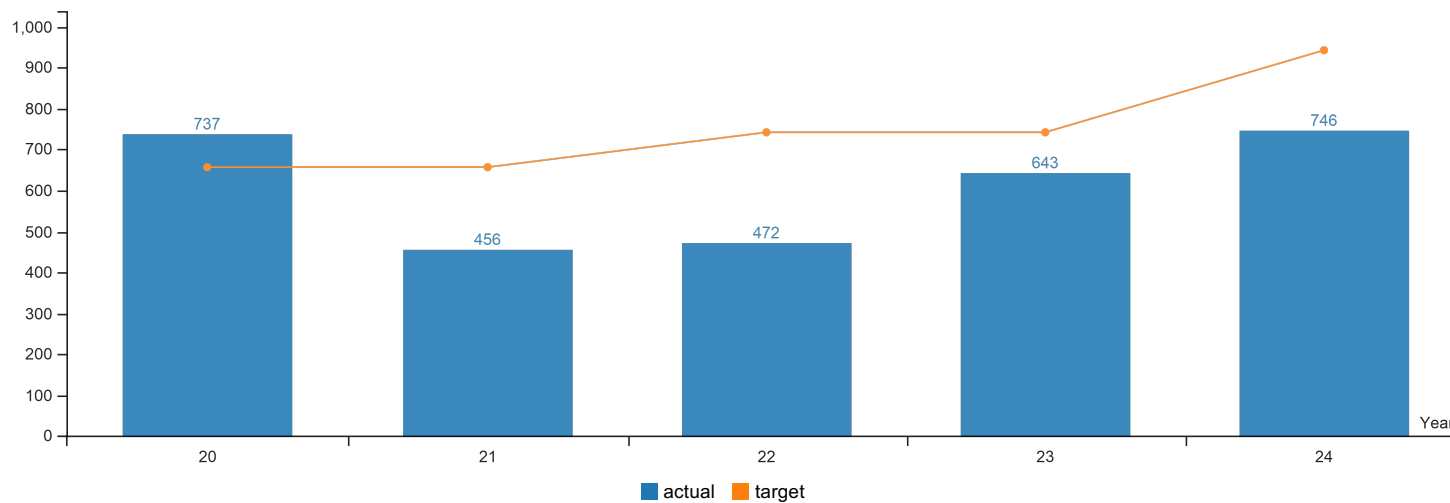
#### Factors Affecting Results

The average number of days in which cases were resolved in SFY 2023 improved upon the past year's performance. This is partially due to significantly increased capacity in the UI program coupled with well-trained and appropriately on-boarded ALJs, who are issuing orders extremely efficiently.

Orders in UI cases are typically issued within a few days after the hearing. While there is a backlog of cases that have requested a hearing, this has not resulted in a tandem backlog in the issuance of orders. Thus, with the significant increase of UI cases, the OAH experienced a decline in the average number of days to issue an order in SFY 2021. Exceeding targets for KPM #9 will likely continue, as UI caseloads are expected to remain higher than historic averages.

KPM #10	COST PER REFERRAL TO OAH - Average cost of hearing referral to the Office of Administrative Hearings.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = negative result



Report Year	2020	2021	2022	2023	2024
<b>Cost Per Referral to OAH</b>					
Actual	\$737.00	\$456.00	\$472.00	\$643.00	\$746.00
Target	\$657.00	\$657.00	\$742.00	\$742.00	\$942.00

**How Are We Doing**

PERFORMANCE: The cost per referral was \$746 in SFY 2024, which is below (better) than the target of \$942.

OUR STRATEGY: To maintain service levels without increasing costs to agencies that refer cases to the OAH.

ABOUT THE TARGETS: Cost per referral is derived from the cost of the OAH program between years. The target is adjusted for inflation and the mix of referrals each biennium based on the Governor's Budget. An estimated target of \$942 was assigned for SFY 2024 and 2025 and will be updated as applicable within the schedule established by the Legislature. A lower cost per referral is better.

HOW WE COMPARE: The average cost per referral was \$746 in SFY 2024, which is an increase of 16% compared to SFY 2023, a 58% increase compared to SFY 2022, an 64% increase compared to SFY 2021, and a 1% increase compared to SFY 2020.

**Factors Affecting Results**

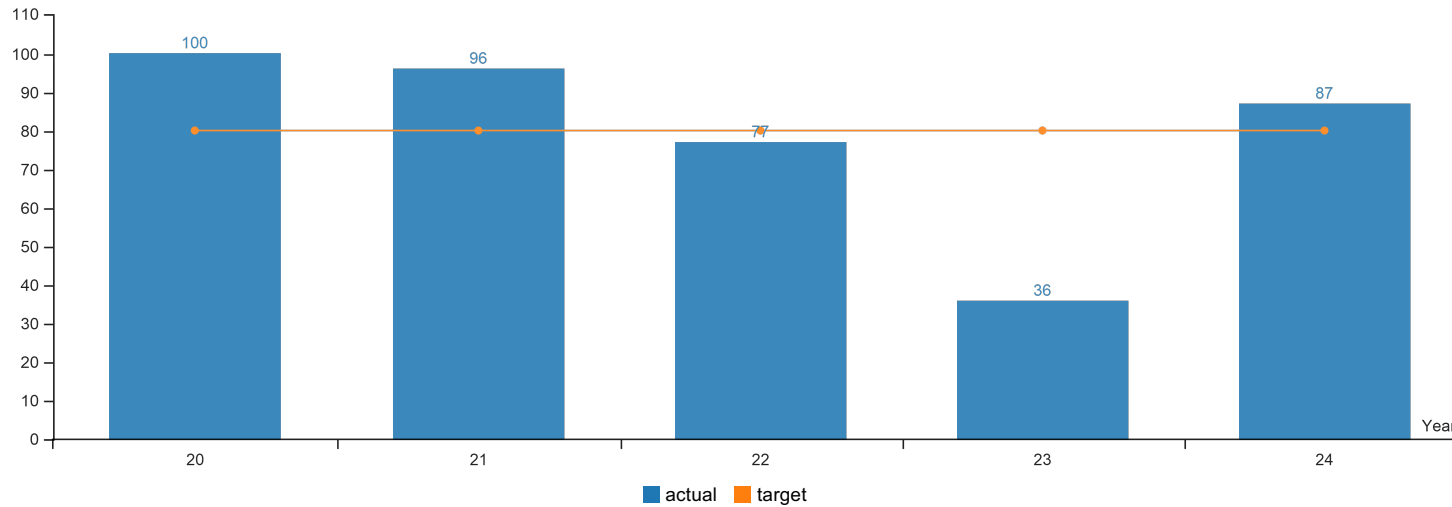
While the cost per referral has increased since SFY 2022, OAH continues to exceed targets for KPM #10. Increased costs are due to several factors, including the following: 1) rate increases for the cost of ALJs and support staff; 2) increased referrals of complex cases requiring Senior ALJs, such as water disputes; and 3) inflation.

The decreased cost per referral from SFY 2020 to SFY 2021 reflects the sharp increase in the number of UI cases referred to the OAH. In the immediate aftermath of the pandemic, the OAH saw a significant decrease in the number of UI hearings as we adopted more lenient eligibility rules, and few employers contested claims for benefits. Those aspects changed dramatically in December 2020

when UI cases increased to levels not seen since the Great Recession. This increase has resulted in a similar effect to KPM #9. Because UI hearings are typically brief, they are the least expensive hearings at the OAH. Consequently, the increase in UI hearing referrals decreased the average overall cost per hearing for the OAH.

KPM #11	HIGHER AUTHORITY APPEALS TIMELINESS - Percentage of cases requesting an appeal that receive a decision within 45 days of the date of request.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>Higher Authority Appeals Timeliness</b>					
Actual	100%	96%	77%	36%	87%
Target	80%	80%	80%	80%	80%

**How Are We Doing**

PERFORMANCE: During SFY 2024, the percentage of cases requesting an appeal that received a decision within 45 days of the date of request was 87%, exceeding the annual 80% target by seven percentage points.

OUR STRATEGY: The strategy of the Oregon Employment Appeals Board (EAB) is to issue legally accurate and sufficient decisions as promptly as possible, while also making EAB services usable for as many parties as possible and practicing financial stewardship. EAB's goal is to issue decisions within 45 days of a party's application for review.

ABOUT THE TARGET: The Oregon Legislature's Key Performance Measure (KPM #11) related to EAB's work requires that EAB issue 80% of EAB decisions within 45 days. A higher percentage is better.

HOW WE COMPARE: EAB performance in SFY 2024 was 87%. Oregon ranks 21<sup>st</sup> in performance among the 48 states with higher authority appeals. The EAB performed steadily in SFY 2024, exceeded its 80% target in 10 of 12 months.

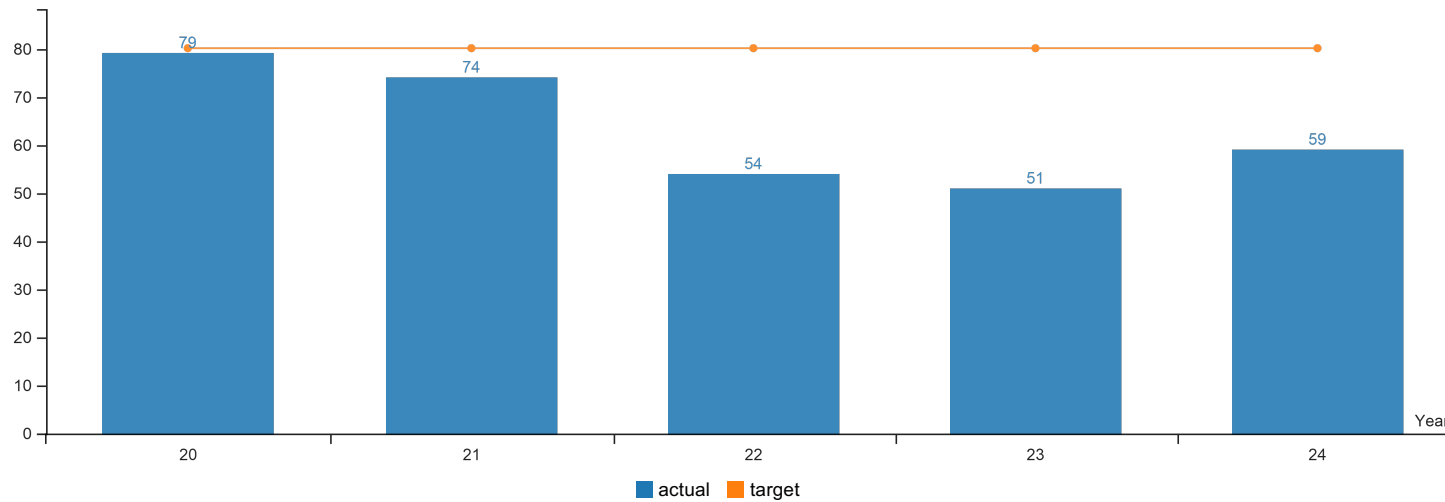
**Factors Affecting Results**

To address a backlog of cases generated during FY 2022, EAB implemented changes to reduce the ages of its pending cases. One change was to expand temporarily the parameters for when EAB will issue a decision adopting an order issued by the Office of Administrative Hearings (OAH) that has been appealed to EAB, resulting in EAB having to write fewer full decisions. EAB staff were able then to focus its limited resources on complex cases, cases of first impression, and cases that required reversal, modification, or to be remanded to the OAH for further proceedings. EAB was also

able to decrease the age of its pending cases because it had an additional limited duration employee for most of FY 2023 and was fully staffed beginning in November 2022. EAB also continued to streamline the decision-writing process and shifted more writing duties to all staff. Finally, because EAB has experienced an increased number of applications for review that were referred to EAB from the OAH that were already more than 45 days old at the time of referral, EAB is working with the OAH to reduce that number.

KPM #12	TIMELINESS OF NEW STATUS DETERMINATIONS - Percentage of new status determinations completed within 90 days of the end of the liable quarter.
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>Timeliness of New Status Determination</b>					
Actual	79%	74%	54%	51%	59%
Target	80%	80%	80%	80%	80%

**How Are We Doing**

PERFORMANCE: 59% of registrations were completed within 90 days in SFY 2024.

OUR STRATEGY: To implement processes to monitor and ensure tax accounts are established within 90 days of the end of the first of the quarter in which liability occurs. This includes working with those who do not provide us with timely information needed to start the status determination process and identifying ways to streamline processes and more agilely utilize our staff.

ABOUT THE TARGET: The DOL sets the timeliness target for new status determinations at 70%. We set a higher target based on the importance of this target to our customers. We also wanted to align with the long-term goal of the DOL to reach 89%. Determining employer status promptly influences the timeliness of getting wage data needed to quickly and accurately process claims. It also influences the timeliness of UI tax payments.

HOW WE COMPARE: Performance in SFY 2024 was 59%. The measure ranged from 51% to 79% during SFY 2018-2023. The SFY 2024 performance is lower (worse) than the target of 80% and lower than the 70% target established by the DOL.

**Factors Affecting Results**

Two key elements affected the overall performance of this specific measure.

The first element is that we continued to struggle with staffing into FY 2023. As new employees were hired, many of the remaining experienced examiners were assigned to facilitate a smooth transition and preparation for the new computer system including rollout testing and training. In addition, during this time many trained employees resigned for retirement or promotion resulting in a

significant loss of experienced reviewers while we filled positions and trained new employees. While we filled positions with new employees, we suffered a significant loss of experienced reviewers. While new staff grew into their jobs, the immediate impact on work in existing queues was delayed.

The second element was moving from a legacy system to a new system. Moving to the new system from the legacy system also impacted the staff's time to determine new employer subjectivity. It took time to prepare for the new system and make sure the data from the legacy system would be as accurate as possible in the new system. We had to train staff to use the new system with many hours of testing. This required staff resources that affected the processing of new employer subjectivity.

Registration timeliness improved as the newer staff were trained and people became familiar with the new system. As of June 16, 2023, the following statistics reflect our registration timeliness:

- 86% of all new employer registrations were less than 30 days old
- 11% were 30-60 days old
- 1% were 60-90 days old
- 2% were older than 90 days old

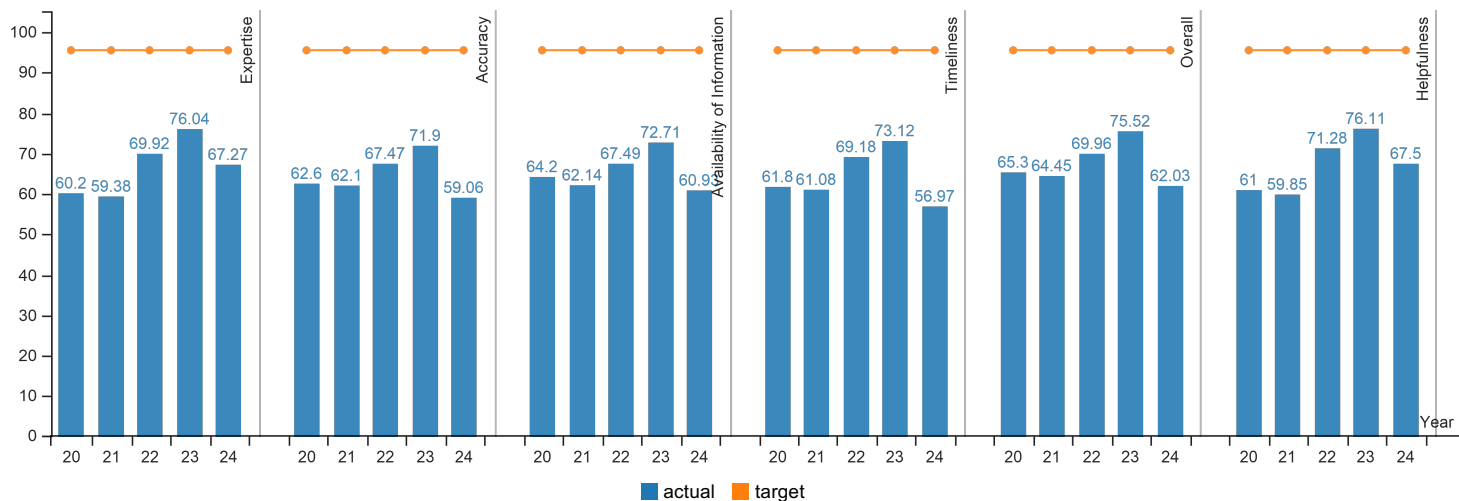
Over the year, performance steadily improved. Unfortunately, the overall timeliness was greatly affected by an influx of historic work items from our agency partners. This reduced timeliness to 51% by the end of June. Since that time, the team has continued to make progress in improving new registration timeliness. We began using new tools afforded by our new system which allows for performance review daily and better management of the registration process. However, additional improvements to the online combined registration system, a process shared by our agency, the Department of Revenue, the Department of Consumer and Business Services, and the Secretary of State's office, are still necessary to ensure registrations contain complete information and allow for more automated determinations. We continue to reach out to employers and their representatives to reduce the number of late registrations and to monitor timeliness.

A significant percentage of status determination work arrives at our office as part of a shared combined business registration process. This process previously coordinated by the Secretary of State and now coordinated by the Department of Revenue, also involves the Department of Consumer and Business Services. Maintaining a system that meets the diverse needs of these agencies can also present challenges.

We are in the process of modernizing both our business processes and our technology systems for UI and Paid Leave programs. While this is a multi-year endeavor, modernized systems and processes will allow for needed additional improvements to the online combined registration system and will ultimately provide for greater customer service. In addition, the increased reporting capabilities and the workflow tools of the modernized system create greater visibility into processing queues allow for continued process improvement and streamlining. This in combination with trained staff and the movement from legacy account determinations to account determinations native to the modernized system have had a positive effect on registration timeliness overall. Assuming stabilized staffing, we anticipate seeing continued improvements to this KPM through 2024.



KPM #13 CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent," including overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.  
 Data Collection Period: Jul 01 - Jun 30



Report Year	2020	2021	2022	2023	2024
<b>Expertise</b>					
Actual	60.20%	59.38%	69.92%	76.04%	67.27%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
<b>Accuracy</b>					
Actual	62.60%	62.10%	67.47%	71.90%	59.06%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
<b>Availability of Information</b>					
Actual	64.20%	62.14%	67.49%	72.71%	60.93%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
<b>Timeliness</b>					
Actual	61.80%	61.08%	69.18%	73.12%	56.97%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
<b>Overall</b>					
Actual	65.30%	64.45%	69.96%	75.52%	62.03%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
<b>Helpfulness</b>					
Actual	61%	59.85%	71.28%	76.11%	67.50%
Target	95.50%	95.50%	95.50%	95.50%	95.50%

How Are We Doing

**PERFORMANCE:** Data for SFY 2024 represents survey responses from job seekers, including UI claimants and non-claimants, as well as employers who listed job openings with us. Performance in overall service quality during SFY 2024 was 62.03% and is closely tied to the other measures of performance for customer satisfaction including expertise, accuracy, availability of information, timeliness, and helpfulness. The performance is below (worse than) the target of 95.50%.

**OUR STRATEGY:** To continuously prioritize and execute customer service improvements. We monitor the information received from monthly customer satisfaction surveys, seeking to identify ways to improve.

**ABOUT THE TARGET:** We set the target for a favorable rating at 95.50% to aspire for the highest quality customer service for job seekers, businesses with recruitments, and UI claimants. Although the target was set based on a completely different survey methodology, we continue to pursue a high standard to support business and promote employment.

**HOW WE COMPARE:** The performance in service quality in SFY 2024 was 62.03%. The measure has varied between 64.45% and 83.30% during SFY 2018-2023.

Note: UI claimants were excluded from the survey universe during SFY 2021 because of the COVID-19 pandemic. UI claimants were added again beginning with SFY 2022.

#### **Factors Affecting Results**

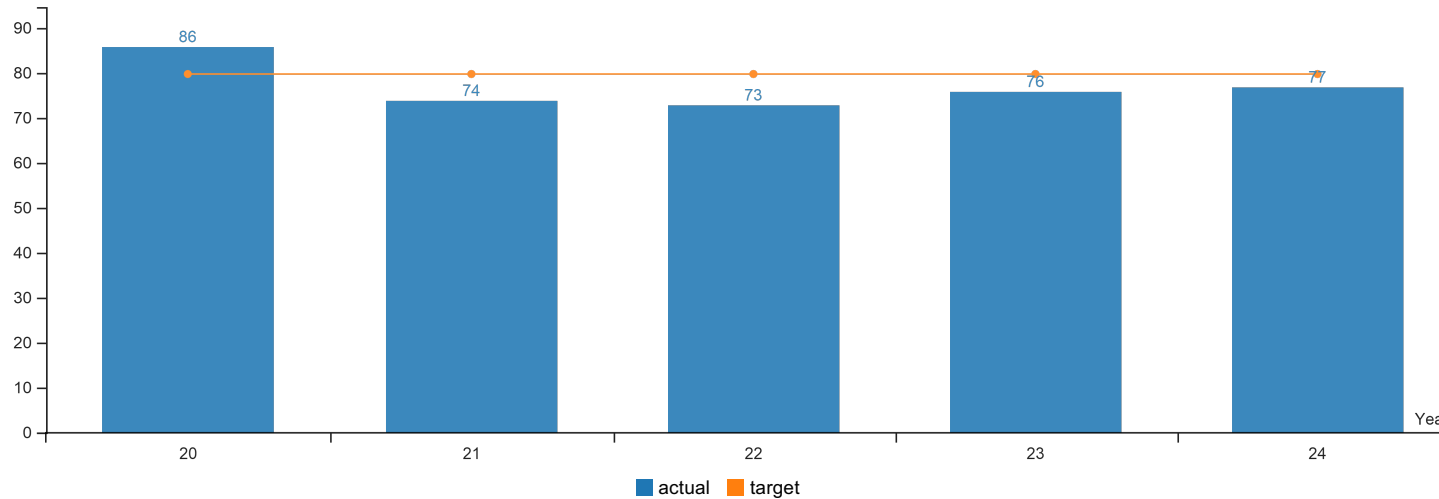
Employers continue to face challenges filling job openings due to ongoing, historically low unemployment rates. This, coupled with the launch in March 2024 of the new unemployment insurance system, Frances, may explain the slight dip in customer satisfaction in each category, excluding Availability of Information, from 2023 to 2024. During the rollout of Frances, ES staff supported UI claimants in the centers with filing for benefits, accessing claims, navigating the new system, and resolving system issues. This support remained significant for over two months. We anticipate that, as customers and staff become increasingly familiar with Frances, these slight losses will be overtaken in 2025.

The work initiated in 2022 for Workforce Operations staff to support a uniform level of UI claimants continues today. This includes service above what was provided pre-pandemic, yet below the full extent of what was provided during the pandemic. Enhanced UI claimant support includes, but is not limited to, helping customers change their Frances access code, manage their Frances profile, obtain a benefit estimate, and navigate the identity verification process.

Our statewide virtual service delivery model, initiated in March 2023, continues to expand and evolve to serve our job-seeking customers and help them connect with WSO staff more efficiently. Central to this model is the ability for customers to reserve a computer in a local WSO center or schedule a virtual meeting with staff to receive job search assistance or complete the registration and intake process as required. In the summer of 2024, we began plans to collect data on the number of services provided in-person vs. virtually, which should help inform operational decisions regarding the model going forward.

KPM #14	FOUNDATIONAL SURVEY RESPONSE RATE - Ordinary (non-weighted) arithmetic mean of four annual response rates: (1) Occupational Employment Statistics employment; (2) Occupational Employment Statistics units; (3) Annual Refiling Survey employment; and (4) Annual Refiling Survey units.
	Data Collection Period: Jan 01 - Dec 31

\* Upward Trend = positive result



Report Year	2020	2021	2022	2023	2024
<b>FOUNDATIONAL SURVEY RESPONSE RATE</b>					
Actual	86%	74%	73%	76%	77%
Target	80%	80%	80%	80%	80%

#### How Are We Doing

**PERFORMANCE:** Data reported reflect response rates for the calendar year. The 2024 measure (based on the 2023 calendar year data) shows a 77% response rate, which is below (worse than) the target of 80%.

**OUR STRATEGY:** The Workforce and Economic Research Division (Research) follows a well-established research protocol in partnership with the federal Bureau of Labor Statistics (BLS) to complete the Quarterly Census of Employment and Wages (QCEW) and Occupational Employment and Wages Statistics (OEWS) surveys. Research staff work towards maximizing compliance and lessening the reporting burden.

**ABOUT THE TARGETS:** Higher response rates (percent) lead to more robust data that can produce more reliable estimates. The target response rate incorporates data from the BLS and us. The target response rate is 80%, higher than the federal contracted target rate.

**HOW WE COMPARE:** The response rate of 77% for reporting year 2024 is below the target of 80% but up from last year's measure of 76%. The measure has varied between 73% and 86% during reporting years 2018-2024.

#### Factors Affecting Results

The data represent response rates from the Quarterly Census of Employment and Wages and the Occupational Employment and Wage Statistics surveys. These two sources of information, gathered from employers in every industry and area of Oregon, are foundational to the Research Division's published and publicly available industry and occupational statistics.

Survey response rates are influenced by the following: an appropriate survey length; relevancy of a survey topic to the recipient; follow-up actions, such as multiple contacts to request completions; and delivery methods. The Research Division uses survey instruments designed by the BLS to provide high-quality data that meet national statistical standards. Also, research staff work with employers to collect detailed and accurate responses.

In 2022, staffing levels were down in the Occupational Employment and Wage Statistics (OEWS) program, which made reaching the 80% target very difficult. Additionally, a new electronic reporting system, QUEST, was implemented by the BLS for the Quarterly Census of Employment and Wages (QCEW) program. We were training staff and transitioning to the Frances system at the same time. Despite these challenges, the Research team continued to meet federal program deliverables. We anticipate continued challenges as new staff are onboarding, training, and settling into their new roles; and we expect to increase performance in the 2023 calendar year.