Employment Department

Annual Performance Progress Report

Reporting Year 2023

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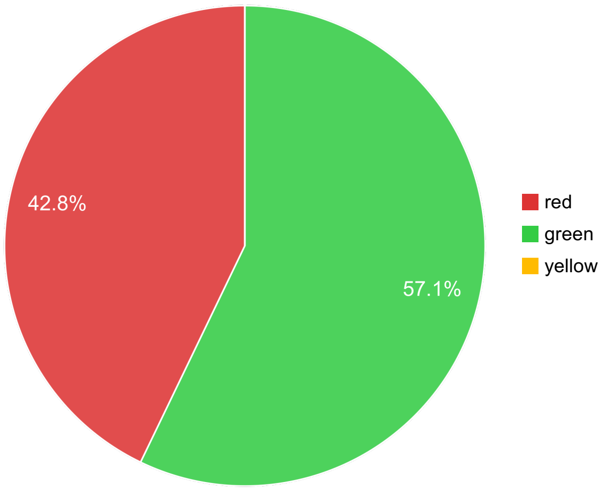
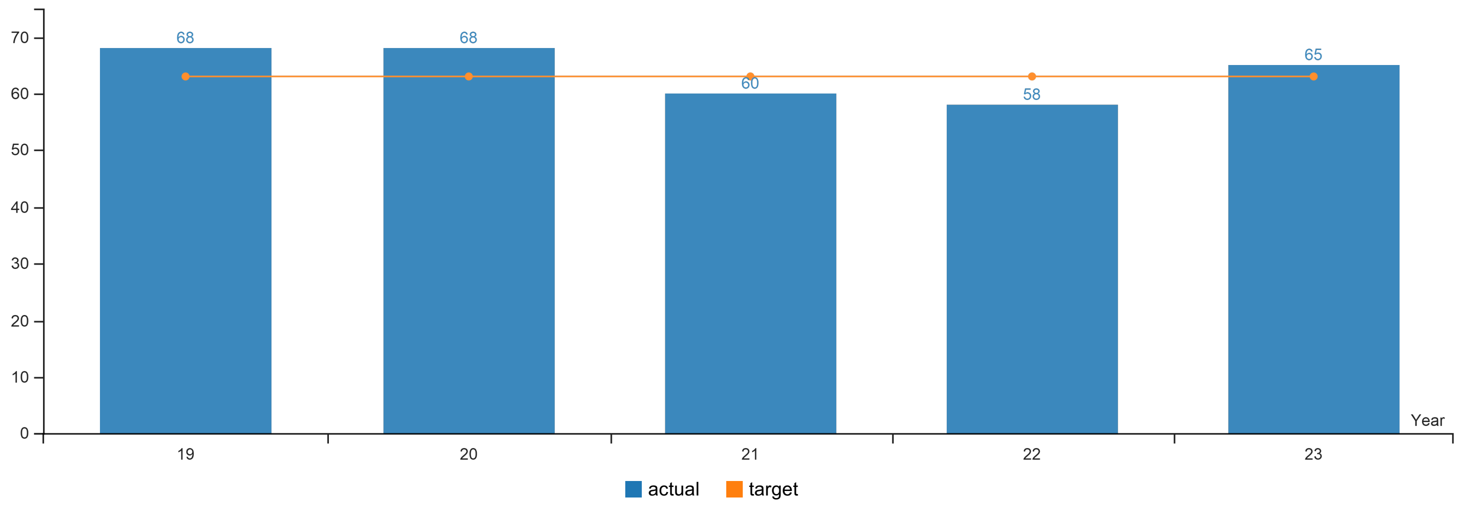
KPM #	Approved Key Performance Measures (KPMs)
1	ENTERED EMPLOYMENT - Percentage of job seekers who receive service from Workforce Operations that are still employed after six months.
2	EMPLOYMENT RETENTION - Percent of job seekers who receive service from Workforce Operations that are still employed 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:	57.14%	0%	42.86%

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	2019	2020	2021	2022	2023
Entered Employment - Percent of Job Seekers who got a Job with New Employer					
Actual	68%	68%	60%	58%	65%
Target	63%	63%	63%	63%	63%

How Are We Doing

PERFORMANCE: The 6-month Entered Employment Rate (EER) for State Fiscal Year (SFY) 2023 is 65%. This is two 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 2023 was 65% compared to 58% in 2022 and 60% in 2021. The national average for SFY 2022 was 63% (national data for SFY 2023 is not yet available). Of note, SFY 2022 regional performance varied across states with Alaska reporting 65%, Arizona 57%, California 57%, Hawaii 60%, Idaho 62%, and Washington 61%.

Factors Affecting Results

This measure is directly affected by labor market conditions. Oregon’s COVID restrictions began to ease in early 2021, with the majority of restrictions lifted by June. This paved the way for continued economic recovery and by mid-2022, Oregon’s unemployment rate stopped falling and jobs had recovered to pre-pandemic numbers. This economic rebound is primarily responsible for the significantly improved EER of 65%.

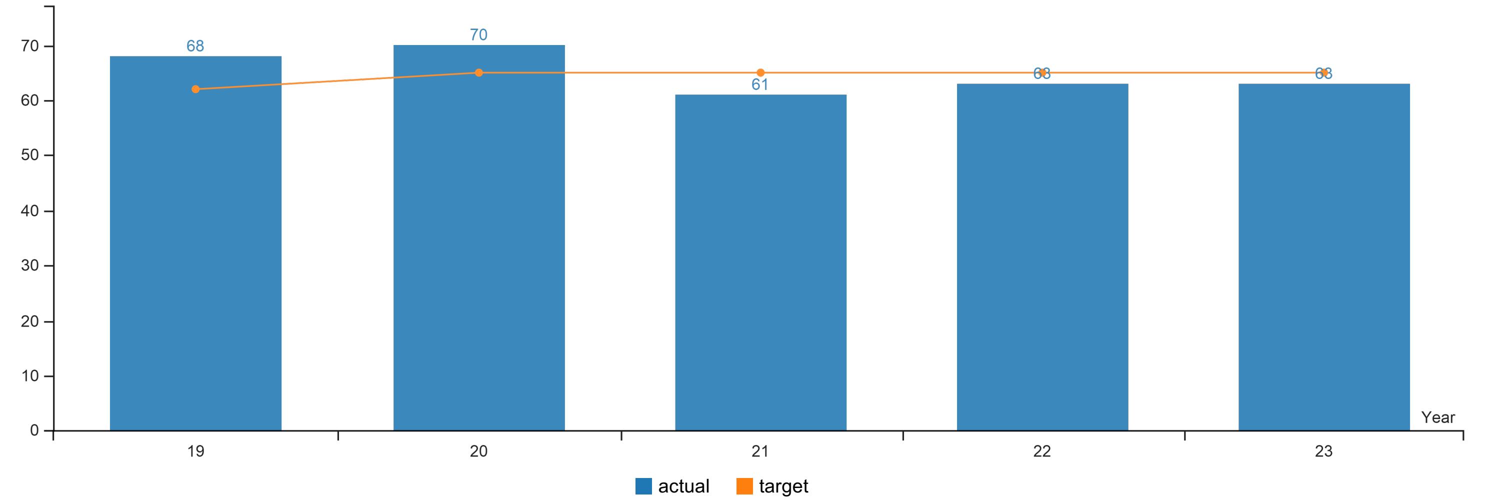
Despite the remarkable turnaround of the state’s labor market, the EER in SFY 2023 for those facing barriers to employment (long-term unemployed, low-income, displaced homemakers, individuals with disabilities, single parents and those experiencing re-entry) was 55%, well below the overall statewide average of 65%. Challenges in returning to work include lack of current and transferable skills, employment gaps, transportation, child care, and other factors disproportionally affecting underserved and underrepresented communities. Some of these individuals may have also delayed returning to work to look for more favorable working conditions given the abundance of job openings.

The Department continues 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, etc.) through the SNAP Training and Employment Program and other grants. As part of the Department's integrated service delivery approach, staff also work to connect job seekers with workforce partners that provide targeted populations such as dislocated workers and youth with general career development and skills and training opportunities at community colleges and other sites statewide.

Finally, the Department continues to invest in business services, using a regional business services model to support workforce investment activities and meet the needs of local businesses in finding and buildings its workforce. This model has proven successful in building high-functioning business services teams which serve as a single point of contact for businesses across the state in rural and metro communities. 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	2019	2020	2021	2022	2023
Employment Retention					
Actual	68%	70%	61%	63%	63%
Target	62%	65%	65%	65%	65%

How Are We Doing

PERFORMANCE: The 12-month Employment Retention Rate (ERR) for SFY 2023 is 63%. This is two percentage points below 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 63% in SFY 2023, matching the 2022 rate and two percentage points higher than 2021. The national average for SFY 2022 was 62% (national data for SFY 2023 is not yet available). Of note, SFY 2022 regional performance varied across states with Alaska reporting 56%, Arizona 54%, California 50%, Hawaii 58%, Idaho 64%, and Washington 58%.

Factors Affecting Results

Like KPM #1, this measure is also largely affected by labor market conditions. The SFY 2023 ERR of 63% remains unchanged from 2022, an indication that economic recovery is holding steady.

Despite an ERR of 63%, the ERR for those facing barriers to employment (low-income, long-term unemployed, displaced homemakers, individuals with disabilities, single parents, and those experiencing re-entry) was 54%, 9 points below the overall rate. Many of the challenges in returning to work faced by those with barriers to employment as descried in KPM #1 also apply to this measure.

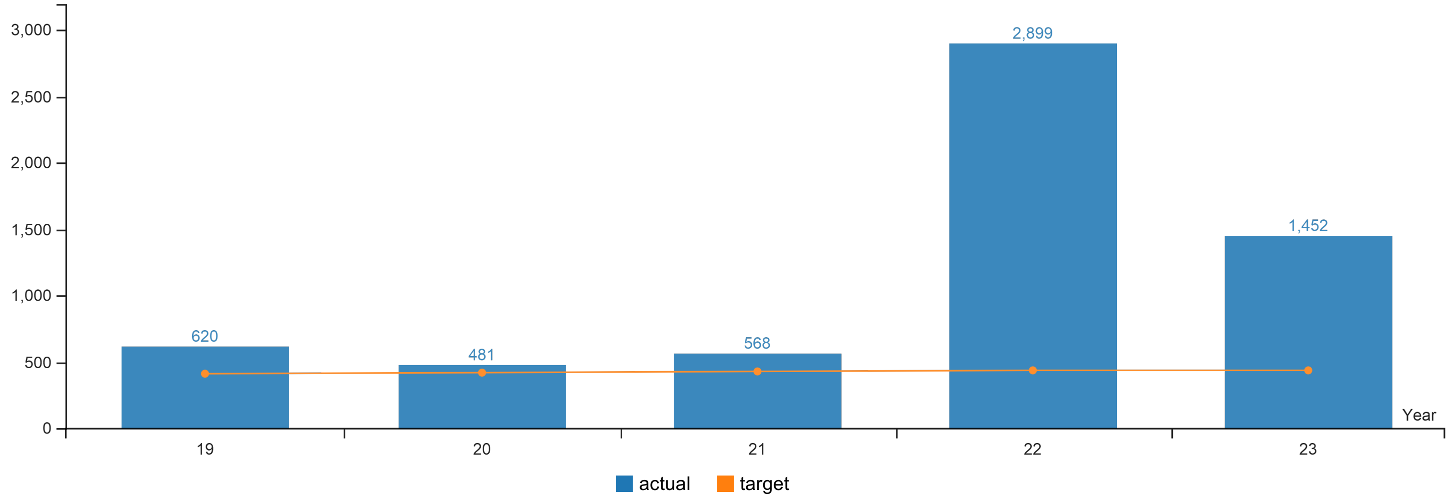
To address the needs of those facing barriers to employment, the Department continues to focus on a braided service delivery strategy to co-enroll job seekers with workforce programs such as SNAP Training and Employment and Workforce Innovation and Opportunity Act Title 1 Adult and Dislocated Worker. These programs complement the Department's core labor-exchange and job-matching services through case management, re-training, and financial assistance both pre- and post-employment with transportation, tools, clothing and other job-related expenses.

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

To build on that success, the Department has launched several innovative programs in the past few years that continue to expand and evolve. These include a partnership with LinkedIn for employers to match to and network with WorkSource Oregon candidates through an online recruiter platform; hiring job developers to help connect job seekers facing barriers to employment with businesses; and a 'work ready' initiative to help job seekers identify and track their job readiness skills to increase their chances of being a successful candidate and succeeding on the job.

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	2019	2020	2021	2022	2023
Cost per Placement					
Actual	$620.00	$481.00	$568.00	$2,899.00	$1,452.00
Target	$416.00	$424.00	$433.00	$441.00	$441.00

How Are We Doing

PERFORMANCE: The number of placements was 39,731 in SFY 2023 and expenditures in Workforce Operations were $57,695,259. The cost per placement was $1,452, which is 229% higher (worse) than the target.

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 50% between SFY 2023 and SFY 2022, when it was $2,899. There is not a national measure compiled for comparison.

Factors Affecting Results

Placements increased from 18,529 in SFY 2022 to 39,731 in SFY 2023. This increase is the direct result of WSO Centers being fully operational and able to serve substantially more individuals through a variety of workforce programs following significant business disruptions from the pandemic. Overall operating costs increased about 7.5% over SFY 2022, largely due to inflation (the national average was over 6% in SFY 2023, according to the Bureau of Labor and Statistics) and several capital improvement projects. While costs nudged a bit higher, the significant increase in placements was the main driver in lowering the cost per placement.

To help contain costs, the Department in March 2023 implemented the statewide service delivery model. This model allows staff across the state to serve job seekers by video conference regardless of customer location, thus increasing operational efficiency and containing costs by leveraging staff resources. The department is continuing to look for ways to enhance this model through phone system upgrades and refinements to its online scheduling software for video conference appointments.

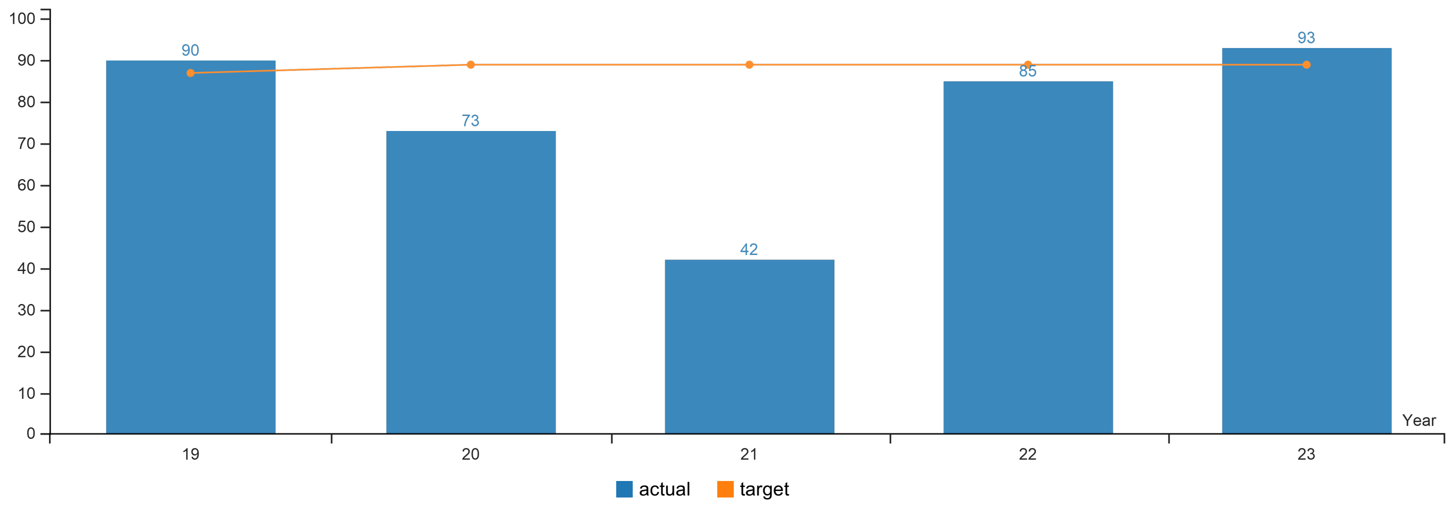
As in the past, our business processes have and will continue to adapt to provide the necessary assistance to help job seekers find work, particularly underrepresented and vulnerable populations such as Unemployment Insurance claimants, long-term unemployed, SNAP recipients, migrant and seasonal farmworkers, and Veterans. This service strategy aligns with our federal funders' expectations that workforce programs provide a higher level of intensive, customized service to individuals facing barriers. This work often requires more time and resources, thus increasing service delivery costs.

The Department will continue working with state and local WorkSource Oregon partners to effectively address Oregon businesses' labor needs and to connect job seekers to available employment opportunities. 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 and employment specialists 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; and using a standardized set of criteria to assess an individual's work readiness skills to increase their chances of being a successful candidate and succeeding on the job.

And finally, placements are based on staff providing services to job seekers, and then recording those services in the state labor-exchange system. To ensure staff are recording services accurately, the Department recently provided in-depth services training to all staff. This training focused on service definitions and the importance of recording services for tracking outcomes such as placements. This training was well received by staff and has resulted in an uptick in services being recorded. Elements of this training will be incorporated into future staff training.

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	2019	2020	2021	2022	2023
First Pay Timeliness					
Actual	90%	73%	42%	85%	93%
Target	87%	89%	89%	89%	89%

How Are We Doing

PERFORMANCE: The timeliness of first payments was 93% in SFY 2023, which is higher (better) 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 2023. The performance in SFY 2022 of 85% was above the average national performance of 57%. The performance in SFY 2023 of 93% was above the average national performance of 68%.

Factors Affecting Results

The Department continues to prioritize timely benefit payments. Until May 2020, when the COVID-19 pandemic significantly affected the timeliness of first payments, the measure was above the target of 89%.

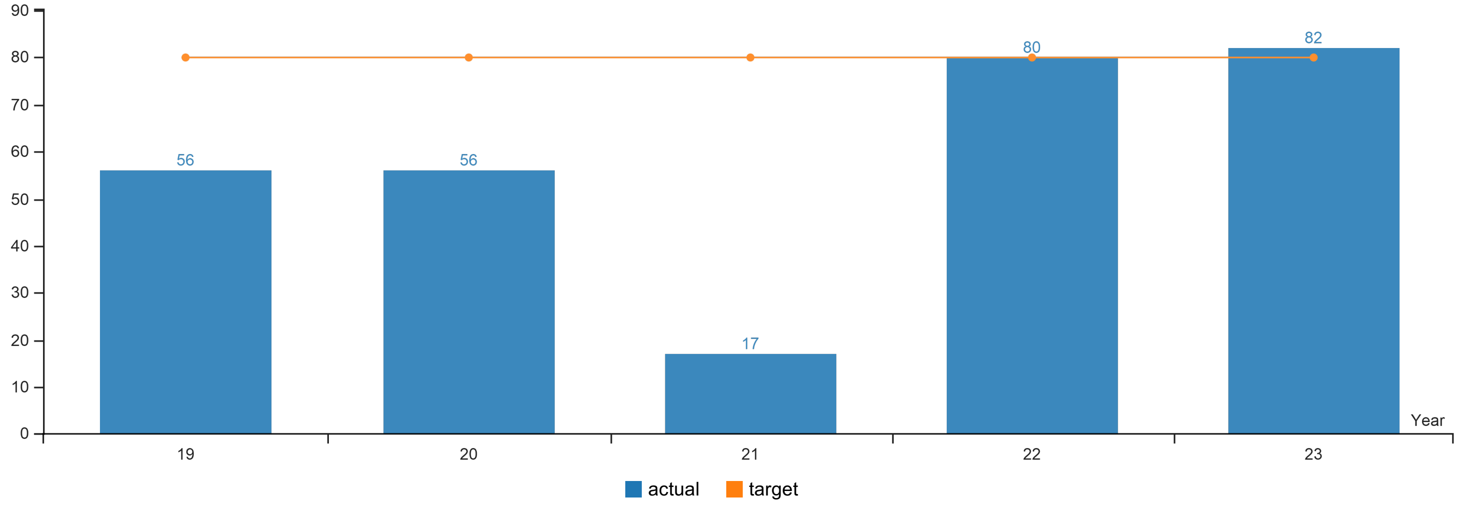
This measure was challenged throughout SFY 2020 and 2021 due primarily to the unprecedented number of initial claims the Department received. Oregon went from record low unemployment to seeing the most severe recession, and the quickest onset of a recession, in the state's history, following a period of many years of chronic federal underfunding of UI administration. Although the Department has improved performance in this area for SFY 2022 and SFY 2023, performance will continue to be challenged by chronic federal underfunding due to a number of additional factors that affect first pay timeliness.

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 the Department's decisions negatively affects first pay timeliness. Pandemic-caused backlogs still affecting investigations can also negatively impact first payment timeliness in claims where an initial determination of ineligibility is reversed and later determined to be payable.

The Department has developed comprehensive reporting dashboards to measure and monitor how quickly we process initial claims, call volume, non-monetary determinations, suspended claims, and investigation workloads. The Department has also developed reporting dashboards specific to first pay timeliness to measure and monitor the workloads which significantly affect the metric and ensure we are correctly prioritizing those workloads. The Department is in the process of modernizing our technology systems for UI benefit programs. While modernization is a multi-year endeavor, process changes and efficiencies gained through Modernization will improve visibility into the workload and are anticipated to mitigate some of the negative impacts on this metric.

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	2019	2020	2021	2022	2023
Percent of Claims that are Adjudicated with 21 days (Non-Monetary Determinations Timeliness)					
Actual	56%	56%	17%	80%	82%
Target	80%	80%	80%	80%	80%

How Are We Doing

PERFORMANCE: The percent of timely non-monetary determinations was 82%, surpassing the target of 80%.

OUR STRATEGY: To seek new efficiencies through process improvements that will result in improved timeliness without adversely impacting other customer service standards, including developing new tools and reviewing and revising production standards. New telephone system capabilities are being leveraged to provide better data, allowing us to have adjudicators, who issue non-monetary decisions, spend more time focused on that work. The Department is prioritizing on getting all adjudicator positions filled and building the skills and experience needed for employees to be able to resolve claim issues quickly. Additionally, the adjudicator training program is being restructured to better help new employees quickly become more proficient and better prepared to handle high volumes of work.

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 2022. The performance of 80% in SFY 2022 is above the average national performance of 48%. The performance of 82% in SFY 2023 is above the average national performance of 58%.

Factors Affecting Results

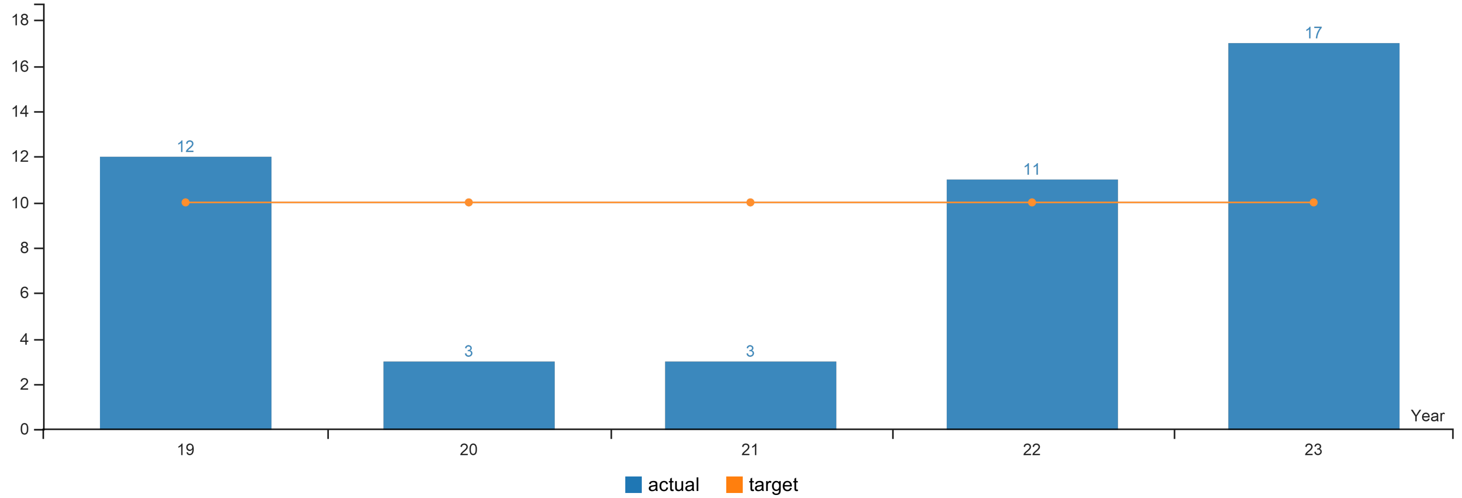
Prior to the pandemic, declining federal revenue led the Department to reduce costs that resulted in lower staffing levels, which ultimately had a negative impact on performance. The Department had proportionally higher staffing during the Great Recession. As staffing returned to non-recessionary levels and the complexity of laws added over several years increased, it has been more difficult to make timely determinations. This complexity has resulted in additional processes, which take additional staff time that could otherwise be focused on timelier claims processing. With the strong economic conditions seen during the early part of SFY 2020, it also became more difficult to hire and retain employees for this work. It has and continues to be a challenge to balance the need to quickly make determinations and to have as complete information as possible to minimize fraud, potential overpayments, and improper denials of benefits.

Pandemic conditions resulted in historically low performance in the area of non-monetary timeliness. The high volume of claims and associated claim issues required surge-hiring large numbers of adjudicators to address the workloads. The Department more than doubled the number of adjudicators working claims by mid-2020, and by the end of December 2020 the Department developed workload and performance monitoring tools to provide greater insight into origins and age of the adjudication workload. The large influx of new employees, comprehensive training initiatives, and enhanced suite of performance management tools has had positive long-term results, and since January 2022, the Department exceeded the 80%.

The Department will continue to be challenged to meet this measure due to long-term pressures from added program requirements, inadequate federal funding, and outdated technology. By late-June 2023, the size of the Department’s UI staff had returned to less than pre-pandemic levels, and historic conditions present ongoing challenges in the area of non-monetary timeliness. Aging technology continues as a very significant contributing factor and something that constrains the Department's ability to fully make process improvements. The Department is in the process of modernizing both our business processes and our technology systems for UI programs. While modernization is a multi-year endeavor, modernized systems and processes will allow for more system automation and gathering of important fact-finding information upfront, which will ultimately lead to sustained improved 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	2019	2020	2021	2022	2023
UNEMPLOYMENT INSURANCE ADMINISTRATIVE COSTS AS A PERCENT OF BENEFITS PAID					
Actual	12%	3%	3%	11%	17%
Target	10%	10%	10%	10%	10%

How Are We Doing

PERFORMANCE: Controllable administrative costs were $100,710,421 and benefit payments were $600,834,832 in SFY 2023 resulting in cost relative to benefits paid of 17%. 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 includes a focus on expanding ways in which the public can more easily gain self-service access and obtain information that traditionally required staff involvement.

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

HOW WE COMPARE: The 17% measure in SFY 2023 was the highest value over the last 6 years. The measure was 12% in 2018 and 2019, and 3% in 2020 and 2021, and 11% in 2022. There is not a national measure compiled for comparison.

Factors Affecting Results

The Department's experience is that administrative costs, as a percent of benefits paid, tends to be lower (better) during recessionary periods and higher (worse) with a strong economy. During a recession, benefits paid increase at a faster rate than administrative costs because while some administrative costs are fixed, more people claim more benefits for a longer period of time.

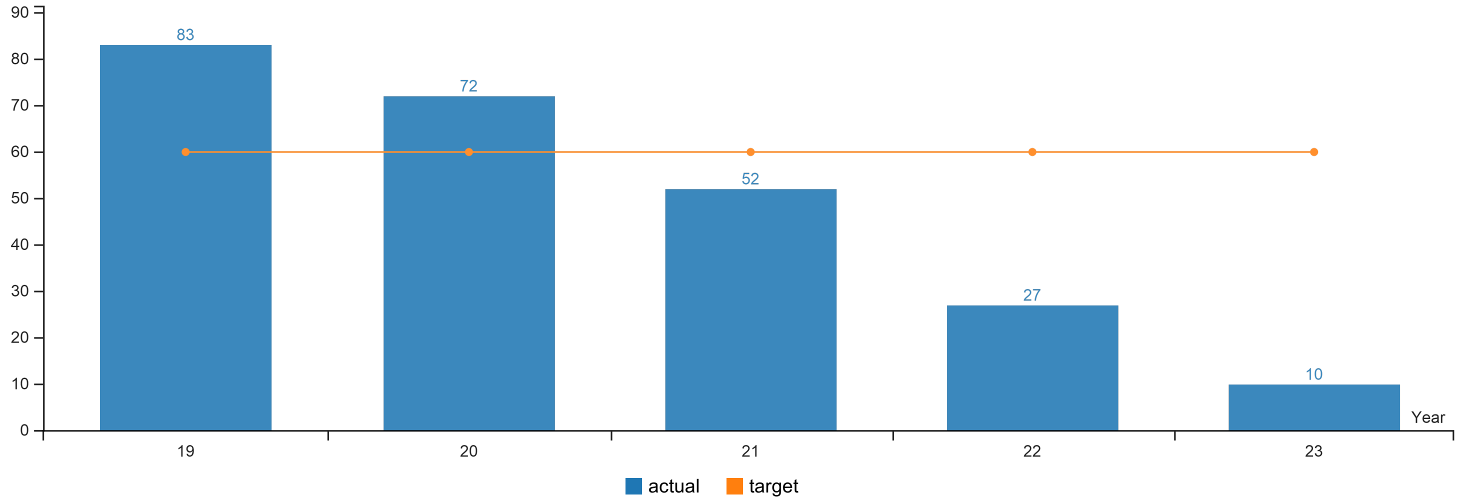
The low ratios in 2020 and 2021 were due to the CARES Act, Continued Assistance Act (CAA), and American Rescue Plan Act (ARPA). These created new federal benefit programs that increased benefit payments: Federal Pandemic Unemployment Compensation (FPUC) and Pandemic Emergency Unemployment Compensation (PEUC). However, as the economy improved and less benefits were paid out, this measure has moved towards 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 individual 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 mangers can assign and team member can access individually.

The Department is in the middle of modernizing our UI system. The modernized UI contributions systems went live in September 2022 and the modernized UI benefits systems will go live in March 2024. The modernized system will offer many self-service options and automate many manual processes. The Department anticipates an initial small decrease in productivity as team members learn the new system before productivity gains are recognized. However, until the modernized system is fully implemented, the Department’s existing aging technology for the processing and paying of UI benefits continues to require many manual processes.

Automating claims processes and modernizing the technical and business environments will improve staff efficiency. The Department remains focused on increasing self-service options for the public as a way to improve customer service and further decrease Department costs.

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	2019	2020	2021	2022	2023
Unemployment Insurance Appeals Timeliness					
Actual	83%	72%	52%	27%	10%
Target	60%	60%	60%	60%	60%

How Are We Doing

PERFORMANCE: The percent of timely UI appeals was 10% in SFY 2023, 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 2022 performance was 27%. The measure varied from 52% to 83% during SFY 2018-2021.

Factors Affecting Results

For many years the OAH has exceeded the targets set by the DOL. As recently as fiscal year ending June 30, 2020, the OAH issued decisions in 72% of all UI appeals within 30 days from the hearing request; a number that exceeded federal standards. The COVID-19 pandemic resulted in unprecedented demand on 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 the number of requests for a UI hearing, beginning in December of 2020. At the time these hearing requests were received by OAH, many were already past the 30 day timeliness standard. During previous economic downturns, associated workload increases occurred over a more protracted timeframe. However, as a result of the pandemic, OAH experienced a sharp spike in workload increase during a short 2-3 week period.

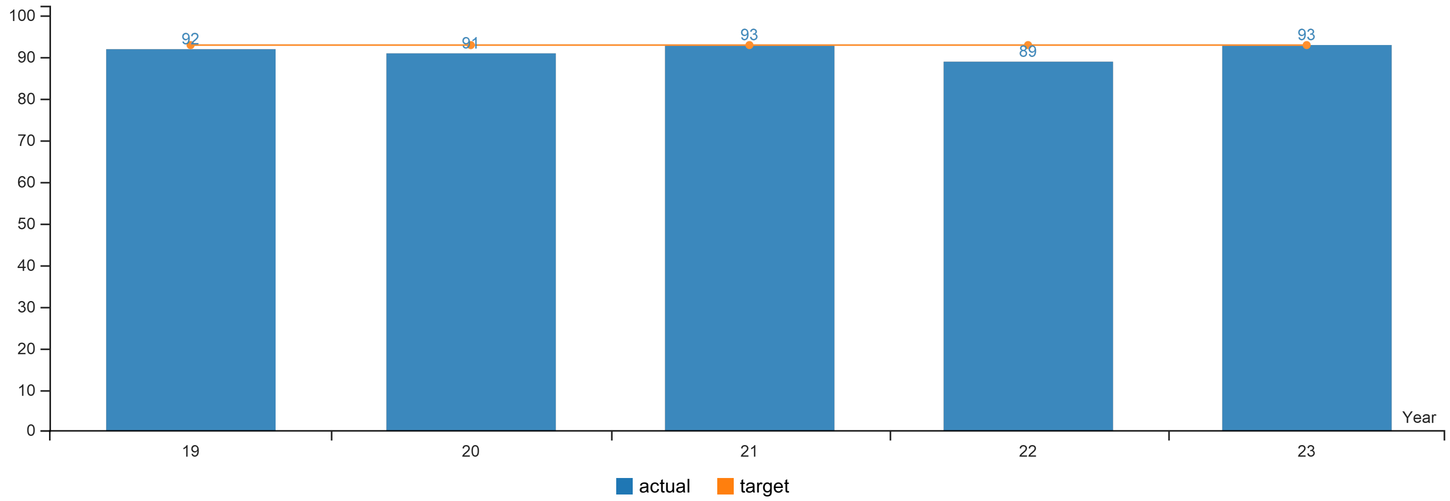
Hearing requests have continued at near record levels with the period of January 1, 2019 to July 1, 2019, receiving 6,121 UI referrals; yet, for the same period in 2022, OAH received 9,544 UI referrals (roughly 56% increase). The majority of these cases continue to be related to the COVID-19 pandemic, included CARES Act cases and work separations. OAH responded by bringing a record number of staff into the UI program. Recruitment began in May 2022 and resulted in hiring 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 allows. This has resulted in significant progress toward clearing the UI backlog.

While OAH was able to make significant progress during the second half of the reporting period, this was only achievable after significant increase to staffing levels. Unfortunately, just as staffing was ramping up at OAH, OED experienced a tandem negative impact to 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, the vast majority of lower appeals referrals are well within achievable time standards. In addition, OED and OAH have worked together to sign a service level agreement that bolsters our commitment to working together on this issue.

Naturally, as OAH works though 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 will be further increasing capacity by hiring additional ALJ 1s in fall 2023. These new positions will be cross trained on both UI appeals and Paid Leave Oregon. A new management position is also being hired in order to properly supervise what will now be a much 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	2019	2020	2021	2022	2023
Non-UI Appeals Timeliness					
Actual	92%	91%	93%	89%	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 2023 was 93%, which is equal to the target of 93%.

OUR STRATEGY: The timeliness standards for non-UI appeals are mostly established by the user agencies. The OAH monitors decision deadlines to ensure that orders are issued within established timeframes.

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

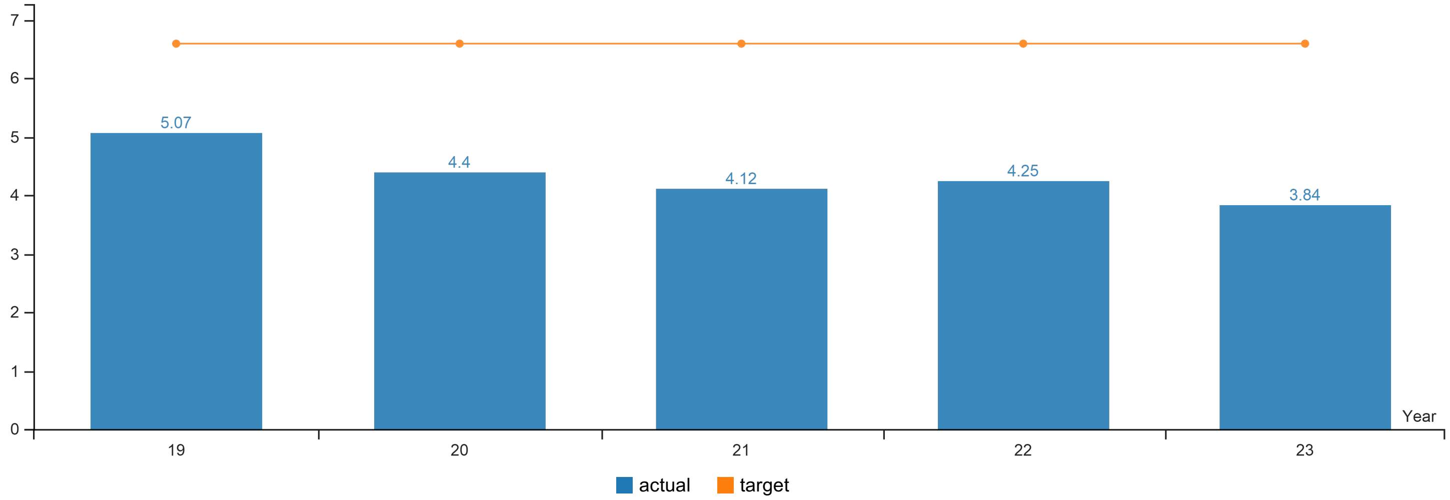
HOW WE COMPARE: The OAH was equivalent to the standard of 93% during SFY 2023. The OAH achieved this standard in SFY2021 yet ranged between 91% to 89% from SFY 2018-2022.

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 to 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. In order to prevent further negative impacts, OAH is adding capacity by 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	2019	2020	2021	2022	2023
Average Days to Issue Order					
Actual	5.07	4.40	4.12	4.25	3.84
Target	6.60	6.60	6.60	6.60	6.60

How Are We Doing

PERFORMANCE: During SFY 2023 performance was 3.84 days, which is lower (better) than the target of 6.60 days.

OUR STRATEGY: The OAH monitors the number of days to produce legally sufficient decisions. The OAH goal is to be as prompt as possible.

ABOUT THE TARGETS: An important aspect of timeliness is the average number of days it takes 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. With quality maintained, the public is better served by orders that are issued promptly.

HOW WE COMPARE: The average days to issue an order was 3.84 days in SFY 2023. The measure varied from 4.1 to 5.07 days during SFY 2015-2022.

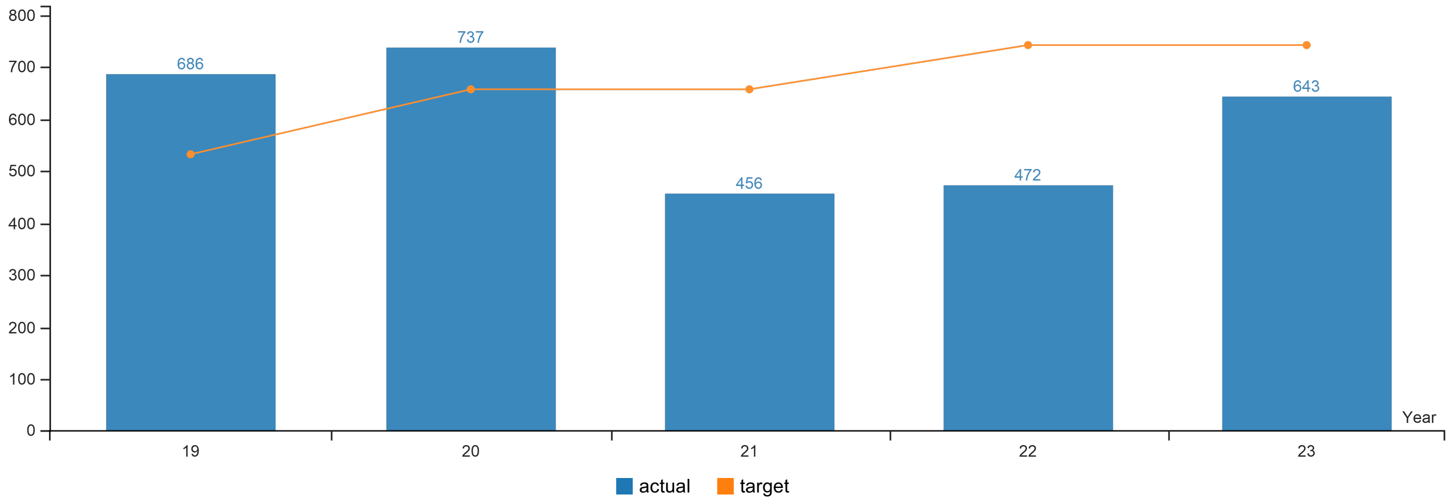
Factors Affecting Results

The average number of days in which cases were resolved in SFY 2023 improved upon past years' 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	2019	2020	2021	2022	2023
Cost Per Referral to OAH					
Actual	$686.00	$737.00	$456.00	$472.00	$643.00
Target	$532.00	$657.00	$657.00	$742.00	$742.00

How Are We Doing

PERFORMANCE: The cost per referral was $643 in SFY 2023, which is below (better) than the target of $742.

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 $742 was assigned for SFY 2022 and 2023 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 $643 in SFY 2023, which is an increase of 36% compared to SFY 2022, a 41% increase compared to SFY 2021, and a 13% decrease compared to SFY 2020.

Factors Affecting Results

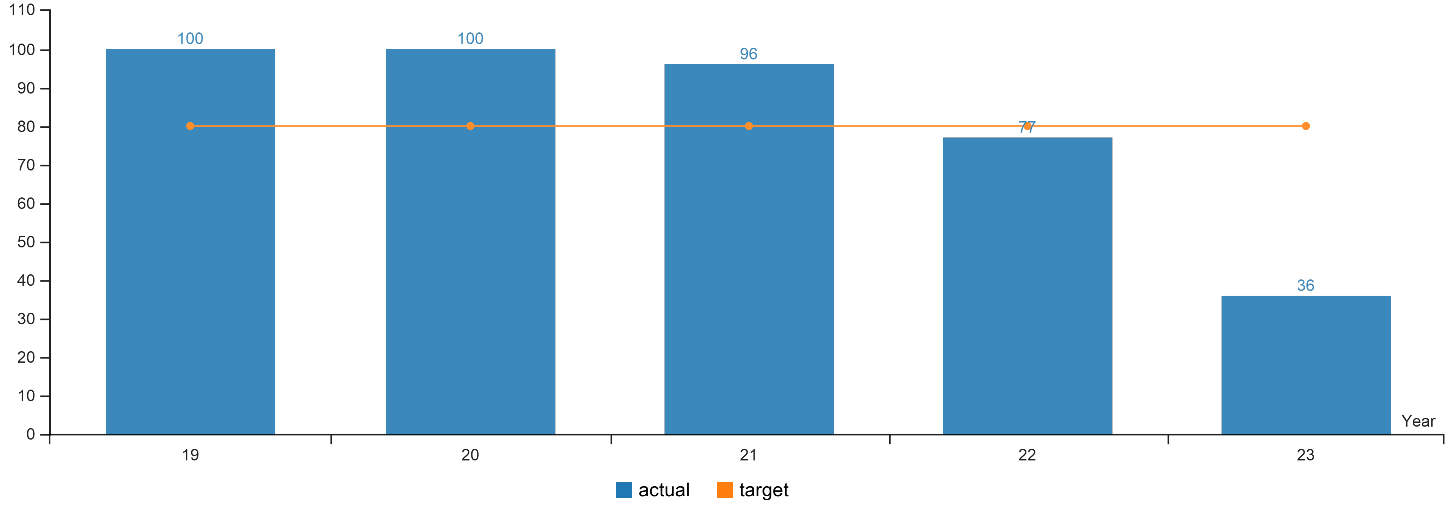
While the cost per referrals has increased since SFY 2022, OAH continues to exceed targets for KPM #10. Increased costs are due to a number of factors, including but not limited to: 1) rate increases for the cost of ALJs and support staff; 2) increased referrals of complex cases requiring Senior ALJs, such as water disputes; and 3) costs related to 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 the Department 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 hearing are typically fairly brief, they are the least expensive hearings held 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	2019	2020	2021	2022	2023
Higher Authority Appeals Timeliness					
Actual	100%	100%	96%	77%	36%
Target	80%	80%	80%	80%	80%

How Are We Doing

PERFORMANCE: During FY 2023, the percentage of cases requesting an appeal that received a decision within 45 days of the date of request was 36%.

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.

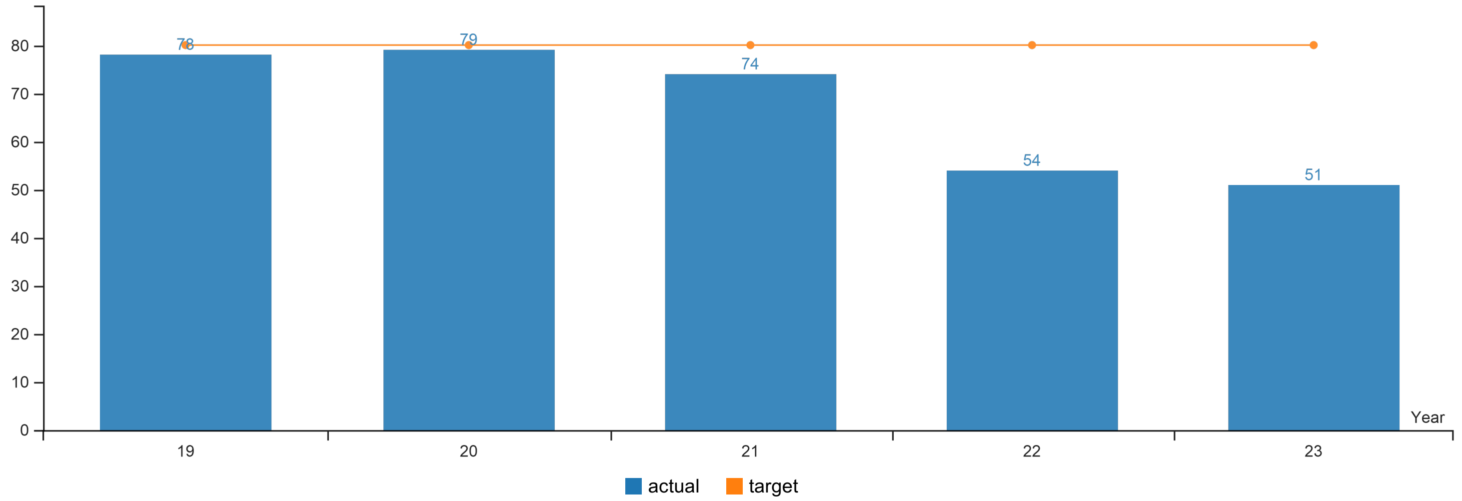
HOW WE COMPARE: EAB performance in SFY 2023 was 36%. Oregon ranks 33rd in performance among the 48 states with higher authority appeals. However, EAB has improved performance every month of calendar year 2023, and exceeded its target in May and June 2023.

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	2019	2020	2021	2022	2023
Timeliness of New Status Determination					
Actual	78%	79%	74%	54%	51%
Target	80%	80%	80%	80%	80%

How Are We Doing

PERFORMANCE: 51% of registrations were completed within 90 days in SFY 2023.

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 the Department 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 target of the timeliness for new status determinations at 70%. The Department set a higher target based on the importance of this measurement to the Department's business and the long-term goal of the DOL to reach 89%. Determining employer status in a timely manner influences the timeliness of getting wage data that is needed to quickly and accurately process claims and influences the timeliness of UI tax payments.

HOW WE COMPARE: Performance in SFY 2023 was 51%. The measure ranged from 54% to 79% during SFY 2018-2022. The SFY 2023 performance is lower (worse) than the target of 80% and lower than the target of 70% established by the DOL.

Factors Affecting Results

There were two key elements that affected the overall performance of this specific measure.

Staffing continued to be a struggle into FY 2023. As new employees were hired, many of the remaining experienced examiners were assigned to facilitate 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 corporate anemia. While positions were filled with new employees, there was a significant loss of experienced reviewers. While new staff grew into their jobs, the immediate impact on work in existing queues was delayed.

Movement from legacy system to a new system. The move to the new system from the legacy system also impacted the amount of staff time processing new employer subjectivity. Preparation for the new system including ensuring that data form the legacy system would be as accurate as possible in the new system, system training and testing, required staff resources that affected the processing of new employer subjectivity.

As the newer staff were trained, and as people became familiar with the new system, registration timeliness improved. On 06/16/2023:

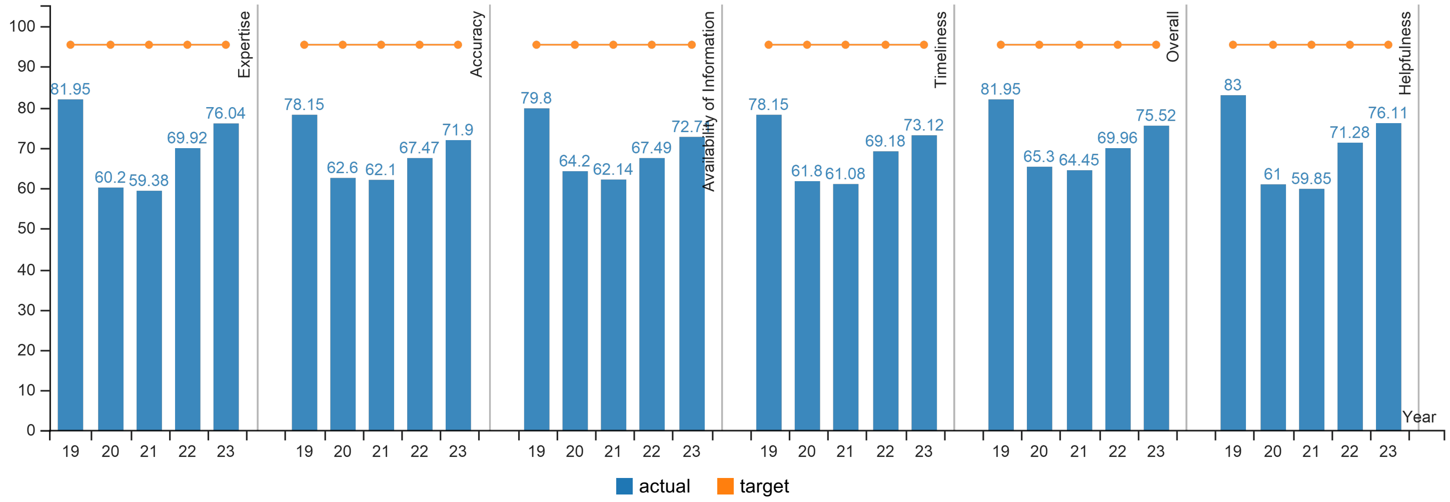
- 86% of all new employer registrations were less than 30 days old
- 11% were 30-60 days old
- 1% were 60-90 days old; and
- 2% were older than 90 days old.

Over the course of 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 continues to make progress in improving new registration timeliness. The Department 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, 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. The Department continues to outreach 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 the Department 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.

The Department is 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	2019	2020	2021	2022	2023
Expertise					
Actual	81.95%	60.20%	59.38%	69.92%	76.04%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
Accuracy					
Actual	78.15%	62.60%	62.10%	67.47%	71.90%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
Availability of Information					
Actual	79.80%	64.20%	62.14%	67.49%	72.71%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
Timeliness					
Actual	78.15%	61.80%	61.08%	69.18%	73.12%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
Overall					
Actual	81.95%	65.30%	64.45%	69.96%	75.52%
Target	95.50%	95.50%	95.50%	95.50%	95.50%
Helpfulness					
Actual	83%	61%	59.85%	71.28%	76.11%
Target	95.50%	95.50%	95.50%	95.50%	95.50%

How Are We Doing

PERFORMANCE: Data for SFY 2023 represents survey responses from job seekers, including UI claimants and non-claimants, as well as employers who listed job openings with the Department. Performance in overall service quality during SFY 2023 was 75.5% 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. The Department monitors the information received from monthly customer satisfaction surveys, seeking to identify ways to improve.

ABOUT THE TARGET: The Department set the target for 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, the Department continues to pursue the high standard to support business and promote employment.

HOW WE COMPARE: The performance in overall service quality in SFY 2023 was 75.5%. The measure has varied between 64.45% and 83.30% during SFY 2018-2023.

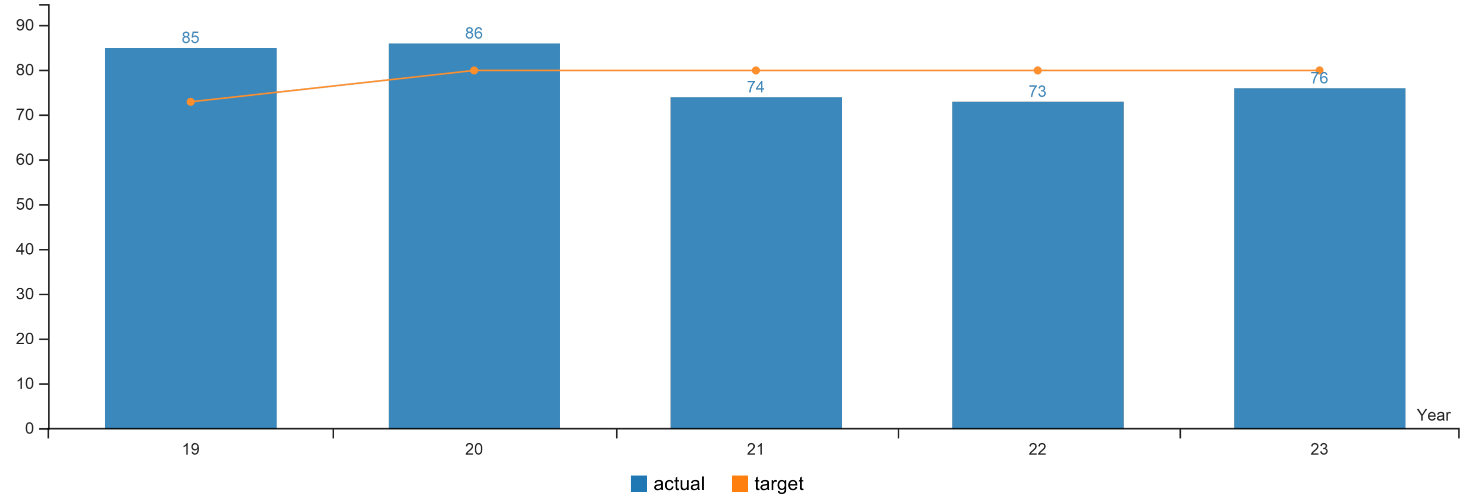
Note: UI claimants were excluded from the survey universe during SFY 2021 as a result of the COVID-19 pandemic. UI claimants were added again beginning with SFY 2022.

Factors Affecting Results

Beginning in January 2022, the Department began full emergence from the COVID-19 Pandemic support of UI services. With WorkSource Oregon centers fully open, the Department initiated a statewide standard, providing a uniformed level of UI support by Workforce Operations staff in the WSO centers. UI support in the WSO centers is now provided above that which was provided pre-pandemic, yet below the full extent of that which was provided during the Pandemic. For job seekers and businesses: The Department has continued to actively focus on its evolving service delivery model. Correlating gains in Customer Service Satisfaction can be seen from SFY 2022 to SFY 2023. In November 2022, phone systems in the Portland Metro Area WSO centers were connected to manage call volume and reduce wait times more efficiently. The process for verifying identity through a third party was replaced by in-house staff verification in April 2023. This has simplified and streamlined the process for UI claimants. A statewide virtual customer service delivery model was initiated in March 2023. This allows customers to schedule virtual meetings with staff in any WSO center statewide, thereby removing geographic restrictions to receiving WSO services.

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	2019	2020	2021	2022	2023
FOUNDATIONAL SURVEY RESPONSE RATE					
Actual	85%	86%	74%	73%	76%
Target	73%	80%	80%	80%	80%

How Are We Doing

PERFORMANCE: Data reported reflect response rates for the calendar year. The 2023 measure (based on 2022 calendar year data) shows a 76% 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 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 both the BLS and the Department. The target response rate is 80%, higher than the federal contracted target rate.

HOW WE COMPARE: The actual response rate of 76% for reporting year 2023 is below the target of 80% but up from last year’s measure of 73%. The measure has varied between 73% and 86% during reporting years 2018-2023.

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: 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 while at the same time the Department was training staff and transitioning to the FRANCES system internally. Despite these challenges, the Research team continued to meet federal program deliverables. The Department anticipates continued challenges as new staff are onboarding, training, and settling into their new roles; and, the Department expects to increase performance in the 2023 calendar year.