

Offices of Representative Dacia Grayber & Senator Kathleen Taylor

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Legislature begins accountability hearings for Employment Department delays

SALEM, Ore. - In the past several months, legislators have heard from constituents experiencing benefit delays and slow phone times from the Oregon Employment Department, and took action during May legislative days to examine issues more closely and hold the agency accountable.

These hearings were organized as a joint effort between the Chair of the House Committee on Labor & Workplace Standards, **Representative Dacia Grayber (D - SW Portland & E Beaverton)**, and the Chair of the Senate Committee on Labor and Business, **Senator Kathleen Taylor (D - SE Portland & Milwaukee)**. OED leadership was called upon to provide details on its plan to get caught up on backlog volume, in order to improve customer service and claim resolution times. OED will be returning to the legislature to testify again in September, and report on their progress.

"Losing employment can throw a person's life into uncertainty, and most people do not have enough savings to afford rent or a mortgage for several months while they find a new job," said **Representative Grayber**. "OED must do everything in its power to get Oregonians the clarity and help they need to get back on their feet, and I appreciate OED's communication and willingness to urgently tackle the work ahead of them."

Funding administrative staff for unemployment programs falls to the Federal Department of Labor, which is currently only providing ~70% of what is needed to fully staff the program. This has led to demand for benefits far exceeding the level of staff available to process claims in a timely manner. OED employees have been working significant overtime to compensate, and a major technology migration to manage claims has improved processing efficiency once early bugs were fixed. Despite these efforts, Oregonians in urgent need of their benefits are waiting

hours to receive information on the phone, and the most complex claims can take up to 12 weeks to be adjudicated.

"Our fellow Oregonians facing unemployment deserve timely and efficient assistance during these challenging times," said **Senator Taylor**. "It is crucial we work together to ensure that the Oregon Employment Department fulfills its duty to provide the necessary support for those in need."

In the recent 2024 legislative session, the State Legislature passed HB 4035, introduced by the House Revenue committee chaired by **Representative Nancy Nathanson (D - Eugene)**, which increased available state funds to the OED in order to offset needed Federal funding. That hiring push has already gotten underway, but OED says it will take time to see the impact. In the meantime, it has reduced available phone hours to provide staff more time to process claims, which has shown promising early results.

When OED returns in September, they are expected to provide an update on how new staffing levels have impacted their backlog and resolution times. If the agency is not making enough progress on its own, both the House and Senate committees are prepared to coordinate on additional legislative support in the 2025 session.

Oregon Employment Department's presentation materials <u>can be viewed at this link</u>. Recordings of the <u>House Committee hearing (timestamp: 54:40)</u> and the <u>Senate Committee hearing (timestamp: 1:23:50)</u> can be viewed on OLIS.

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