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Oregon Employment Department
Administrative Overview
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Introduction

The mission of the Oregon Employment Department (OED) is to support business and promote employment. OED supports economic stability during times of unemployment through the payment of unemployment benefits; serves businesses by recruiting and referring the best qualified applicants to jobs; provides resources to job seekers in support of their employment needs; develops and distributes workforce and economic information to promote informed decision making; and provides access to child care that is safe, high quality, and affordable.

History

Throughout Oregon's settlement in the early to mid 19th Century, individuals were generally self-employed, lived close to the land, and engaged in resource extraction and trading that required few formal employment relationships. Oregon's territorial government required counties to relieve, support and maintain its poor – residents of three months or more who were lame, blind, sick or otherwise unable to support themselves due to age or infirmity (O.L. 1849, p. 186). According to custom, healthy individuals were deemed able to fend for themselves; assistance, in the form of subsistence charity, was limited to a small segment of the population.

As in the East, however, things began to change after the Civil War with the rise of the factory system and the introduction of vertically-integrated corporations. Immigration, westward migration and the organization of capital into powerful combinations resulted in a workforce dominated by powerful employers. Laborers worked longer hours, in more dangerous conditions, with less pay and job security; they were increasingly vulnerable, disaffected and proliferating (Friedman, pp. 553-54). There were two major depressions in this period (1873-78 and 1893-97); more than 16 percent of the U.S. labor force was unemployed during these crises (Montgomery).

Workers, especially susceptible to the fits and starts of the business cycle, relocated where employment was rumored to exist, often encountering poverty and hostility upon arrival. The City of Portland, for example, passed a vagrancy law punishing those with no visible means of making a living with jail time (1872 Portland Ordinances, No. 907, p. 209). Individuals obtaining employment faced the additional challenge of securing full pay for the work performed. The Legislative Assembly passed an Act to Protect Laborers in Timber and Logging Camps, which enabled some wage security through the use of liens filed with the County Clerk (O.L. 1882, p. 53); similar pay enforcement legislation for other occupations passed in subsequent sessions.

The Legislative Assembly provided exceptional relief from the economic depression and unemployment of the 1890s in its creation of the Oregon Soldiers' Home in 1893. The Soldier's Home was established in Roseburg for honorably discharged war veterans (and volunteers of the

Indian wars of Oregon, Washington and Idaho) who were unable to earn a living due to wounds, disease, old age or infirmity, and possessed no adequate means of support (O.L. 1893, p. 105).

The state economy thrived at the outset of the 20th Century through exploitation of fish, timber, mineral and agricultural resources (Beckham, pp. 21-22); discontent certainly existed, but unemployment was generally not an issue. Those out of work or newly arrived, however, were frequently preyed upon in their search for employment. Oregon's first Commissioner of Labor and Inspector of Factories and Workshops, O.P. Hoff, repeatedly noted in his biennial reports that legislation was needed to protect job seekers from fraudulent employment agents. The City of Portland addressed the problem by creating the state's first free employment bureau in a reform-themed 1907 election (Lansing, p. 269; Portland Auditor). State legislators eventually assigned Commissioner Hoff (later the Bureau of Labor and Industries) regulation and licensing of employment agencies, and instituted civil and criminal penalties (O.L. 1915, Ch. 128).

As the labor force shifted away from primary production, the fear of unemployment increased. Physically able individuals without visible means of support who failed to seek employment for a period of 10 days, and those not accepting offered employment, were considered vagrants by the Legislative Assembly, and faced the possibility of six months imprisonment in the county jail and/or a fine up to $100 (O.L. 1911, Ch. 95). The state's first vagrancy law (O.L. 1887, p. 55) had been repealed after a brief existence (O.L. 1889, p. 67). The seasonal nature of Oregon's turn of the century economy was memorialized by the Legislative Assembly in its request of the Board of Control to conduct state work projects during times of the year likely to maximize unemployed labor; state agencies and cities were encouraged to follow suit (1915 HJR 14).

President William Howard Taft hesitantly signed the United States Department of Labor (DOL) into existence on his last day in office, March 4, 1913 (P.L. 426-62). President Woodrow Wilson subsequently appointed William B. Wilson (no relation) as the first Secretary of Labor; Secretary Wilson served influentially until 1921 (see departmental history and timeline at DOL website).

The worldwide economic downturn known as the Great Depression, usually dated from the U.S. stock market crash of October 29, 1929, did not present dramatic changes in Oregon due to the depressed economic conditions many of its citizens were already experiencing. While those with savings and mortgages felt real pain from the resulting bank failures (Beckham, p. 25), the economies of Oregon and Washington had floundered since the end of the First World War "because of defunct shipyards, glutted agricultural markets, and weakness in the construction industry" (Robbins, Storied, p. 115). The Legislative Assembly created a commission to study unemployment insurance, old age pensions and insurance, and possibility of creating state funds for their relief (O.L. 1931, Ch. 151). Voters in Portland approved 1931 and 1932 special election measures for works projects and unemployment relief (see election results at Portland Auditor).

Prompted by the nationwide surge in unemployment, Congress passed the Davis-Bacon Act (Mar. 3, 1931, Ch. 411, 46 Stat. 1494), which required the payment of prevailing wages on federal construction projects. Oregon later passed a "Little Davis-Bacon Act" to combat wage abuse at the state and local level (O.L. 1959, Ch. 627). The Bureau of Labor and Industries enforces the state's prevailing wage law, and educates contractors and public agencies about its requirements (ORS 279C.800 et seq.; OAR 829 Division 25; 40 U.S.C. 276a et seq.; 29 CFR 5).

President Herbert Hoover's signing of the Emergency Relief and Construction Act (July 21, 1932, Ch. 520, 47 Stat. 709) provided the first federal dollars for unemployment relief, through public works financing and agricultural assistance. Portland City Council used its funds to hire thousands of workers to improve streets and parks (Lansing, p. 324). The State of Wisconsin became the first in the nation with an unemployment insurance law in 1932 (Tongue, p. 386).

In 1933 a State Relief Committee was created to supervise administration of federal, state and county relief efforts. It was charged with surveying unemployment levels and monitoring available resources and future needs. A State Unemployment Relief Fund was created for its use, and County Relief Committees were created to investigate individual need (O.L. 1933, Chs. 15, 409). The expanding need for public assistance was memorialized by a legislative authorization for the transfer of unexpended state funds to the State Relief Committee (O.L. 1933, Ch. 372).

Nationally, the economy had virtually collapsed by 1933 and local governments were running out of money for relief programs (MacLaury, Ch. 3). With guidance from Secretary of Labor Frances Perkins, President Franklin Roosevelt instituted many employment measures as part of his New Deal. The Civilian Conservation Corps (CCC) was one such creation (Mar. 31, 1933, Ch. 17, 48 Stat. 22); the popular CCC provided millions of unemployed men with significant conservation project work. (see Robbins, pp. 313-314; and Depression Era Public Works exhibit at Blue Book). Passage of the Wagner-Peyser Act established the U.S. Employment Service to maintain a national system of employment offices (June 6, 1933, Ch. 49, 48 Stat. 113). The Social Security Act created a federal-state unemployment compensation system and funded state unemployment insurance programs (Aug. 14, 1935, Ch. 531, 49 Stat. 620) (MacLaury, Ch. 3).

The Legislative Assembly overrode the Governor's veto in 1933 and created a State Commission for Self-Help and Rehabilitation for the Unemployed to operate under the direction of the State Relief Committee. An Unemployment Relief Fund was created and endowed with funds from revenue on the taxing and licensing of liquor. The prohibition law had been repealed in the first special session (1933 SS O.L., Ch. 1), pursuant to a 1932 initiative referendum. Upon exhausting the relief fund, the State Treasurer was directed to borrow from the most advantageous sources to enable the payment of all lawful unemployment benefit claims (O.L. 1933 2nd SS, Ch. 93).

In 1935 the Legislative Assembly instructed the Governor to empower a state agency to act on Oregon's behalf in the promotion and maintenance of a system of public employment offices, as provided by the federal Wagner-Peyser Act (O.L. 1935, Ch. 135). Money was budgeted to the Unemployment Relief Fund (O.L. 1935, Ch. 140), and transferred to the State Relief Committee for distribution to the County Relief Committees (O.L. 1935, Ch. 303). The Oregon Rural Rehabilitation Corporation, created to enable individuals and families to secure subsistence and gainful employment from the soil, was recognized by the Legislative Assembly as a state agency and authorized to receive loans, grants and other assistance (O.L. 1935, Ch. 396).

The Legislative Assembly passed an Unemployment Compensation Act in special session in 1935, and created the Unemployment Compensation Commission to administer it (O.L. 1935 SS, Ch. 70). The commission was composed of the members of the State Industrial Accident Commission, which otherwise administered the Workmen's Compensation Law (O.L. 1913, Ch. 112). It was directed to cooperate with federal agencies (and reciprocal agencies in other states) in the administration of unemployment compensation laws and free employment offices. The Oregon State Employment Service was created under the commission, and constituted as the state's agency for purposes of the Wagner-Peyser Act. Set at 50 percent of full-time wages, weekly unemployment benefits were not to exceed $15 nor be less than $7; availability began on January 2, 1938 (O.L. 1935 SS, Ch. 70). A state sales tax to provide old-age assistance, aid to the blind, aid to dependent children, and aid for the unemployed was referred to the voters (O.L. 1935 SS, Ch. 45), who rejected it the following year (See Oregon election history at Blue Book).

Oregon's unemployment insurance (hereinafter "UI") law was limited by the Legislative Assembly (and Congress) to unemployment occurring within the usual season for each industry; it was created as a form of insurance (not security), utilizing terms of eligibility and benefit to make seasonal industries a sound actuarial risk for the fund. With more than 85 percent of its industrial work occurring in agriculture and forestry, Oregon was especially susceptible to seasonality; its workers were generally unable to "dovetail" occupations (Stewart, pp. 13, 30).

In 1937 making false statements or misrepresentations to obtain benefits or lower contributions, refusing to pay UI contributions, refusing to allow payroll inspections, and deducting contributions from employee's wages were made misdemeanor crimes. An Unemployment Compensation Benefit Fund, with funds from the federal unemployment trust fund, was created for the payment of UI benefits (O.L. 1937, Chs. 364, 398). The Commission for Self-Help and Rehabilitation for the Unemployed, created in 1933, ceased to function upon creation of a similarly-purposed federal agency (Isseks, p. 124). By 1937, 29 states and the District of Columbia were operating UI programs under the federal Social Security Act (Tongue, p. 386).

The State Relief Committee was renamed the State Public Welfare Commission in 1939; it was charged with coordinating federal, state and county direct relief, work relief and medical care, and distributing aid to needy persons in Oregon (O.L. 1939, Ch. 241). The Legislative Assembly created the Experience Rating Council to establish an equitable system of assessing employers and industries by their unemployment hazard level (O.L. 1939, Ch. 515). Judicial review of the decisions of the Oregon Unemployment Commission was also provided (O.L. 1939, Ch. 208).

The Great Depression persisted in Oregon for a full decade. New Deal work relief projects provided many in the state with a modest living through years of stagnant economic growth. The downturn was brought to an end by the demand for labor produced by the Second World War (Robbins, pp. 316-317). An estimated 194,000 people migrated to Oregon to construct and operate shipyards, military bases, aluminum plants and lumber operations for the war effort. By 1945, Oregon was a different place – the economy was thriving, and many possessed disposable income and savings (Beckham, p. 26). Fearing a nationwide return of pre-war unemployment levels, Congress passed the Employment Act of 1946 (Ch. 33, 60 Stat. 23). Originally called the Full Employment Act of 1945, the legislation evolved from one of entitlement, emphasizing the federal responsibility for the assurance of full employment, to one of policy and the promotion of "maximum employment, production, and purchasing power." Nevertheless, it "reaffirmed the nation's commitment to full utilization of its material and human resources" (Kreman).

Through the 1950s and 1960s, the State of Oregon invested substantially in the quality and capacity of its higher education. A system of community colleges was created, the state's largest universities were expanded, and the percentage of people attending higher education increased dramatically. The state's investment in education enabled it to transform from a resource-based economy to one with a more diverse array of knowledge-based industries (Ayre, p. 18).

In 1955 the Legislative Assembly declared that agricultural labor was not employment for UI purposes; it similarly excluded employment with the federal government, and the state and its political subdivisions (except People's Utility Districts) (O.L. 1955, Ch. 655). In the same session the Oregon Senate also requested that the Unemployment Compensation Commission conduct a study of the problems connected with placing state (and political subdivision) employees under the UI law, and to report to the 49th Legislative Assembly with specific bills embodying compulsory and optional UI coverage options for public employees (SJR 26).

In 1959 the Legislative Assembly renamed the Unemployment Compensation Commission as the Department of Employment (OED), and created a governor-appointed commissioner for its administration. A governor-appointed Appeals Board of three members was also created to review OED's UI decisions (O.L. 1959, Ch. 583). The Appeals Board was renamed the Employment Appeals Board (EAB) ten years later (O.L. 1969, Ch. 597 § 180). The Experience Rating Council was abolished, and a governor-appointed State Advisory Council on Unemployment Compensation was created to assist OED in the development of policies and programs with respect to UI compensation and employment services (O.L. 1959, Ch. 376).

In 1961 those discharged from employment for committing a felony, larceny, or embezzlement in connection with work were disqualified from UI benefits (O.L. 1961, Ch. 207). Those leaving work for marriage were also excluded; pregnant individuals were disqualified from UI benefits from the time of departure to six weeks after conclusion of the pregnancy (O.L. 1961, Ch. 209).

Federally, the Manpower Development and Training Act of 1962 (MDTA) aimed to retrain those unemployed due to automation and technological change. The MDTA charged the DOL with identifying labor shortages, training the unemployed and underemployed, and sponsoring a comprehensive program of research (P.L. 87-415); it grew into a large and complex employment and training program. The Office of Manpower, Automation and Training was created to carry out the MDTA and the Area Redevelopment Act of 1961 (P.L. 87-27). The latter provided retraining and allowances for those out of work in areas of high unemployment. (Kreman).

In 1963 the Legislative Assembly authorized OED to cooperate and enter agreements with the federal government, and empowered the commissioner to act as a federal agent in the payment of cash allowances provided in federal programs (O.L. 1963, Ch. 216). The Senate in this session created a committee to study changes in employment arising from usage of automatic equipment to replace or supplement human labor, and the need for training and retraining workers (SJR 16).

In 1965 the Legislative Assembly accepted the provisions of the MDTA, as amended, and ordered OED to conduct research to identify labor shortages. OED was directed to provide counseling on available training to avoid persistent unemployment or underemployment caused by automation or technological progress. OED and the Oregon Department of Education were directed to participate in MDTA, and authorized to adopt rules for its efficient administration (1965 O.L., Ch. 612). The statutory provision that excluded aid to dependent children for those with a parent receiving UI compensation was also repealed in this session (O.L. 1965, Ch. 538).

In 1969 the Legislative Assembly found it in the state's interest to assist recipients of federal aid for dependent children in attaining self-support, and declared that all available resources should be utilized to provide incentives, opportunities and services to place these individuals in the regular economy. OED's work incentive programs were established in coordination with the Secretary of Labor, pursuant to the Social Security Act, and amendments of 1967 (P.L. 90-248). Those refusing to participate were disqualified from receiving assistance (O.L. 1969, Ch. 281).

The Department of Human Resources (DHR) was created 1971, and OED's employment programs and services were transferred to its Employment Division (1971 O.L., Ch. 319).

Statutory language prioritizing the division's vocational and technical referrals was eliminated, and consistency with the MDTA and DOL was adopted as the standard (O.L. 1971, Ch. 430).

In 1971 the Legislative Assembly amended the UI law to comply with the federal Employment Security Amendments of 1970 (P.L. 91-373). The creation of the Extended Unemployment Compensation Program lengthened the duration of benefits in times of economic recession. Other changes included a provision that applicants document earnings equal to six times the weekly benefit amount; the definition of an employer was expanded; and new sections were added to specifically delineate what was and was not covered employment (O.L. 1971, Ch. 463).

Federally, the Emergency Employment Act of 1971 provided $1 billion for the creation of nearly 170,000 temporary public service jobs in areas of high unemployment (P.L. 92-54). In 1973, Congress passed the Comprehensive Employment and Training Act (CETA) (P.L. 93–203, as added P.L. 95-524) to simplify the Manpower Administration bureaucracy, and to locate funds and decision-making closer to local authorities, who planned employment and training in their areas. Employing "sex neutral terminology," the Secretary of Labor renamed the Manpower Administration in 1971 as the Employment and Training Administration (MacLaury, Ch. 7).

In 1973 the Legislative Assembly established the Oregon Youth Corps to function in urban and rural areas throughout the year; particular agencies were requested to prepare plans for youth employment throughout the state, and to communicate their needs to the Employment Division (O.L. 1973, Ch. 629). Oregon's minimum weekly UI benefit amount was set at 15 percent of the state average weekly covered wage for the preceding year, and the maximum benefit amount at 50 percent of the state average weekly covered wage for 1972 (O.L. 1973, Ch. 535).

Upon taking office in 1977, President Jimmy Carter responded to the ongoing recession by declaring a domestic goal of job creation for the unemployed, and setting a course of legislation that emphasized opportunities, training and employment for the most disadvantaged Americans. The Economic Stimulus Appropriations Act of 1977 made over $20 billion in new obligational authority available to the DOL, about half of it for employment programs (P.L. 95-29, 95-44, 95-524). Public service employment programs, authorized by CETA, received the largest share, resulting in 725,000 public service jobs in its peak year of 1978 (Marshall; MacLaury, Ch. 8).

The definition of 'employment' for agricultural laborers under Oregon's UI law was significantly widened after 1978; aliens working under the Immigration and Nationality Act were excepted. Domestic service workers were similarly un-excluded from the UI law (O.L. 1977, Ch. 446). Those employed by educational institutions outside of higher education were made ineligible for UI benefits between successive academic years or terms (O.L. 1977, Ch. 241).

In 1979 the Legislative Assembly mandated that the State Employment Service match UI benefit applicants for available job openings (O.L. 1979, Ch. 149). Individuals exhausting their benefits, and otherwise eligible, were permitted to receive temporary supplemental extended benefits (O.L. 1981, Ch. 44). In 1983 unemployed Oregonians obtained health care coverage through the Medical Assistance Program, administered by the Adult and Family Services Division of DHR; the Employment Division deducted premiums from individual UI benefits (O.L. 1983, Ch. 753).

In 1981 President Ronald Reagan implemented "regulatory relief" from government rules (Exec. Order 12291). DOL aimed to reduce spending without sacrificing capabilities; over the next four years it reduced discretionary spending by 60 percent and its workforce by 21 percent. CETA was replaced in 1983 by the Job Training Partnership Act (JTPA; P.L. 97-300). JTPA partnered business, labor and government; and it emphasized job training for the economically disadvantaged, dislocated workers, and those facing significant barriers to employment. Many DOL responsibilities were transferred to state and local governments (MacLaury, Ch. 9).

Oregon's Legislative Assembly created a Commission for Child Care in 1985 to address the issues, problems and alternative solutions critical to the development of accessible, affordable and quality day care services. Its voluntary members were directed to submit a biennial report to the Governor containing concerns and issues, and outlining its responsive programs, projects and activities (O.L. 1985, Ch. 753). The commission became part of OED in 1993 (see below).

Seeking the coordinated provision of education, employment and job training, the Legislative Assembly created the State Employment and Training Policy Board in 1987. Sunsetted in mid-1989, the board was charged with developing a plan to minimize inefficient use of employment and training resources, facilitating and coordinating the data collection system, and proposing an evaluation plan to determine the cost-effectiveness of programs. The Oregon State Job Training Coordinating Council was established to assist the Governor in implementing the job training programs pursuant to the JTPA; the council and the Economic Development Department (EDD) were named as the State of Oregon's representatives under the JTPA (O.L. 1987, Ch. 77).

In 1989 aiming to reduce public assistance costs, the Legislative Assembly authorized DHR's Adult and Family Services Division (AFS) to operate pilot programs in lieu of the work incentive programs established in 1969. Recipients of Aid for Dependent Children (AFDC) willing and able to work were to receive opportunities, training and support consistent with their particular needs. AFS was directed to coordinate with the Employment Division, community colleges and JTPA agencies (O.L. 1987, Ch. 751). DHR was prohibited in this session from referring workers to job openings resulting from labor disputes (O.L. 1987, Ch. 781).

In 1989 the Legislative Assembly established the State Agency Work Force Advisory Council to assist the Economic Development Department with the coordination of training programs. The Employment Division's assistant administrator for Research and Statistics was made a member; the Occupational Program Planning System (OPPS) was created as the occupational and employment information system within the Research and Statistics section (O.L. 1989, Ch. 961).

In 1990 Oregonians approved a ballot measure instituting a Six-County Work in Lieu of Welfare Benefits Pilot Program (also known as the Full Employment Program). Administered by the Employment Division, the three-year trial program matched individuals with employment in lieu of food stamp coupons, UI benefits or AFDC payments. Local UI taxes were appropriated to the program, as were Federal Unemployment Tax Act, food stamp and AFDC funds. Participants were paid at 90 percent of the Oregon minimum wage. Group health insurance, needed basic work skills, and substance abuse rehabilitation were also provided (O.L. 1991, Ch. 1).

The Legislative Assembly passed the Oregon Workforce Quality Act in 1991, and created the Oregon Workforce Quality Council (WQC) to oversee implementation of workforce development strategies and delivery of employment and training services at the local level; the Employment Division was directed to develop and propose the job placement component. The council, constituting Oregon's Job Training Coordinating Council (under 29 U.S.C. 1532), was directed to set policy for allocation of JTPA funds and services. The WQC also comprised the occupational information coordinating committee (pursuant to EO 90-08 and 20 U.S.C. 2422(b)) and was directed to set policy for funds from the National Occupational Information Committee for forecasting labor market trends and tracking job training participants (O.L. 1991, Ch. 667).

The WQC was also legislatively directed to develop polices, goals and objectives for the use of lottery funds for workforce development (O.L. 1991, Ch. 668). The Employment Division, JTPA, and Office of Community College Services were instructed to promulgate rules on professional training, to report to the WQC with a plan, and to implement the strategies, systems and structures necessary to provide the streamlined delivery of services (O.L. 1991, Ch. 685).

In 1991 the Legislative Assembly attempted to assist the structurally unemployed – Oregonians displaced from employment by the disappearance or significant decline of an industry due to technological progress or the reduced availability of a natural resource. Upon the exhaustion of regular UI benefits, structurally unemployed workers participating in professional technical training were deemed eligible for supplemental benefits. Additional assistance was provided under the Dislocated Worker Training Benefits Fund for those exhausting supplemental benefits (O.L. 1991, Ch. 689); a temporary Dislocated Worker Fund was created for use by displaced timber workers upon the reduction or unavailability of federal funding (O.L. 1991, Ch. 688).

In 1993 OED was re-created by the Legislative Assembly as a stand-alone agency to administer the UI laws of the state; provide employment services through a statewide system of public offices; operate a comprehensive labor market and occupational supply and demand information system; and provide child care advocacy, coordination of child care policy and planning, technical assistance to child care providers, and certification of day care facilities. The Child Care Division was established within OED to administer funds received pursuant to the Child Care and Development Block Grant and other federal expenditures (O.L. 1993, Ch. 344).

The new OED was created with a governor-appointed director, subject to Senate confirmation; the director’s term was four years, though subject to removal at any time by the Governor. DHR’s Employment Division was officially abolished, and OED assumed all of its duties, functions, powers and rules. The EAB, Commission for Child Care, day care unit of the Office of Child Welfare Programs, day care field staff in the Children’s Services Division, and field care programs of the Office of the Director were also transferred to OED (O.L. 1993, Ch 344). Utilizing federal funds, the Legislative Assembly enabled OED to provide extended UI benefits during periods of high unemployment (O.L. 1993, Ch. 200). The limit for supplemental benefits for structurally unemployed workers was raised to the regular benefit level (O.L. 1993, Ch. 624).

In 1993 the Legislative Assembly repealed the trial Full Employment Program, and instituted a three-year, six-county pilot JOBS Plus Program. JOBS (Job Opportunity and Basic Skills) Plus was designed to increase the employability of the unemployed and underemployed through on-the-job training; to invigorate public-private work partnerships through development of jobs with private and public employers; to provide opportunities to improve work skills, education and employability; and to provide child care, workers compensation, and job placement. UI benefit recipients in the six pilot counties were eligible to participate, working in paid employment in lieu of food stamp coupons and AFDC payments. The Legislative Assembly sought comparison of the pilot participants and counties to the rest of state; legislators aimed to reduce AFDC, food stamp and UI benefit caseloads by 50 percent by the end of the program (O.L. 1993, Ch. 739).

In 1993 OED was charged with operating an occupational supply and demand information system for the state. Responsibilities included coordinating state and federal administrative records, preparing employment and occupational forecasts, compiling local labor market packages for the WQC, and facilitating the matching of labor supplies and demands through market information and economic analysis (O.L. 1993, Ch. 38). As part of a lengthy bill targeting economic development, the Legislative Assembly also directed OED to develop and administer an Interagency Shared Information System (SIS) to collect and share statistical and demographic data to improve workforce education, training and quality; the WQC provided implementation oversight; and OPPS was directed to cooperate with SIS (O.L. 1993, Ch. 765).

In 1995 the Legislative Assembly extended the pilot JOBS Plus Program to the entire state; DHR was directed to administer the program, with OED's assistance (O.L. 1995, Chs. 561, 816). Upon exhaustion of regular UI benefits, dislocated workers were eligible for supplemental benefits in the amount needed to continue or complete professional technical training (O.L. 1995, Ch. 495). A First Break Program was created to discourage youth gang involvement and to promote job-skill and educational development; gang-involved, gang-affected and at-risk youth were "certified" by designated community-based organizations; employers received Oregon tax credits for employing and training participants. OED was requested to report to the Legislative Assembly on the program's effectiveness and its tax/revenue implications (O.L. 1995, Ch. 648).

OED's director was authorized to enter agreements with the employment security agencies of other states, and the Interstate Reciprocal Overpayment Recovery Arrangement, for the recovery of overpaid UI benefits. The director was authorized to withhold amounts necessary to recover overpaid benefits on behalf of other states with which the director has entered agreements (O.L. 1995, Ch. 105). Oregon's UI benefit recipients were required to participate in OED's re-employment service programs or risk having their benefits eliminated (O.L. 1995, Ch. 193).

In 1996 the federal Personal Responsibility and Work Opportunity Reconciliation (Welfare Reform) Act replaced AFDC, emergency assistance, and JOBS (Job Opportunities and Basic Skills) with Temporary Assistance for Needy Families (TANF) block grants (P.L. 104-193). The Welfare Reform Act aimed to move recipients of public assistance into employment, and the states were encouraged to utilize TANF grants to develop programs, rules and qualifications.

In 1997 the Legislative Assembly renamed the State Advisory Council on Unemployment Compensation as the Employment Department Advisory Council (O.L. 1997, Ch. 57). OED's director was authorized to use civil actions to collect UI benefits paid under false pretenses, to place liens on debtor property, and to engage in compromise in collections. A Special Fraud Control Fund was created for the interest collected on UI benefit overpayments, and appropriated continuously to OED for collections (O.L. 1997, Ch. 372). Individuals discharged or suspended from employment for absence or tardiness due to unlawful use of a controlled substance, and those repeatedly discharged or suspended for absence or tardiness due to alcohol use, were disqualified from UI benefits, with exceptions for those in rehabilitation (O.L. 1997, Ch. 740).

Oregon's JTPA administration was transferred from EDD to the Office of Community College Services (O.L. 1997, Ch. 61). The federal Workforce Investment Act of 1998 replaced the JTPA (in 2000), and instituted a 'one stop' approach to provide information and access to job training, education and employment services at a single location (P.L. 105–220). Individual Training Accounts were established to allow individuals to purchase the training they determined best, and training providers were required to submit performance evaluations detailing their services. States were required to set up both state and local Workforce Investment Boards (WIBs), with state boards assisting the Governor in creating a five-year strategic plan and monitoring statewide action, and local boards partnering with elected officials to oversee implementation, identify providers and monitor system performance. WIBs were composed of representatives of business, labor, education, community organizations, and economic development (Landini).

In 1999 the Legislative Assembly created a Hearing Officer Panel within OED to conduct contested case proceedings and resolve disputes arising out of state agency business; it was managed by the chief hearing officer, and overseen by the Hearing Officer Panel Oversight Committee (O.L. 1999, Ch. 849). The Hearing Officer Panel was reconstituted in 2003 as the Office of Administrative Hearings (OAH), with administrative law judges (ALJs) as hearing examiners, and a Chief ALJ as manager; the Hearing Officer Panel Oversight Committee was renamed the Office of Administrative Hearings Oversight Committee (O.L. 2003, Ch. 75).

OED was authorized in 2001 to establish a system for collecting, analyzing and sharing statistical and demographic data for the reporting of workforce system performance measures required by the federal Workforce Investment Act; the director was empowered to oversee the system in consultation with the Education and Workforce Policy Advisor (O.L. 2001, Ch. 524). The Legislative Assembly provided OED's director with complete oversight and control of OPPS (O.L. 2001, Ch. 525). OED was directed to inform all UI benefit applicants about the JOBS Plus Program; participating employers were reimbursed for wage payments to workers; individual participation in the JOBS Plus Program was limited to 13 weeks (O.L. 2001, Ch. 657).

Seeking to make child care more affordable for low and moderate income families, and to strengthen Oregon's child care providers, the Legislative Assembly directed OED's Child Care Division to establish a program for the allocation of tax credit certificates for those making qualified contributions to the division or selected community agencies. The division was directed to distribute qualified contributions to child care providers (O.L. 2001, Ch. 674). The Legislative Assembly also established in this session that victims of domestic violence could not be disqualified from receiving UI benefits as 'voluntarily absent, unavailable or unwilling to accept employment' if also experiencing health, safety or welfare endangerment at the workplace, and acting as a reasonable prudent person pursuing all reasonable alternatives (O.L. 2001, Ch. 144).

In 2003 Governor Ted Kulongoski established an Employer Workforce Training Account within the Department of Community Colleges and Workforce Development with funds from the state's allocation under the federal Workforce Investment Act. The Oregon Workforce Investment Board was directed to use the funds to create and retain living wage jobs, build a highly skilled workforce (especially in knowledge-based industries), and enhance global competitiveness. OED was requested to provide project development, a website for training and economic development, labor market data and analysis to guide decision making, and staff participation (EO 03-16).

The Interagency Shared Information System (SIS) was replaced in 2003 by the Performance Reporting Information System (PRISM). OED's director was charged with administering the new system, and furthering its development in consultation with the Education and Workforce Policy advisor (2003 O.L., Ch. 238). Emergency UI benefits were instituted in this legislative session at 50 percent of the regular benefit level (O.L. 2003, Ch. 34). Those exhausting UI benefits during periods of high unemployment, and not otherwise eligible for federal or other unemployment program benefits, were granted temporary additional benefits at 25 percent of the regular level; the funds were made available through state appropriations (O.L. 2003, Ch. 536).

The failure or refusal to take a drug or alcohol test as required by an employer's reasonable written policy, being under the influence or in possession of a controlled substance, testing positive for controlled substances in connection with work, or refusing to enter (or violating) a 'last chance agreement' with an employer were established as grounds for disqualification for UI benefits (O.L. 2003, Ch. 792). OED's director was added to the State Commission on Children and Families, which was charged with promoting wellness, establishing policies for a voluntary early childhood system, and initiating new benchmarks and commissions (O.L. 2003, Ch. 293).

Workers returning to Oregon National Guard or military reserve service following a change in status from Title 32 (state mission) to Title 10 (federal mission) service during a period of combatant activity were designated by the Legislative Assembly as dislocated workers for the purposes of receiving supplemental benefits (O.L. 2005, Ch. 174). Victims of domestic violence, stalking or sexual assault (and parents/guardians of minor victims) made unavailable or absent from employment were deemed eligible for UI benefits if otherwise eligible and pursuing reasonable alternatives (O.L. 2005, Ch. 278). An emergency benefit period was declared from May 1, 2005 to August 13, 2005 for those exhausting regular UI benefits (O.L. 2005, Ch. 23).

In 2005 OED was required to issue final orders specifying an individual's false statement or nondisclosure prior to initiating a recovery for past UI benefits or the deduction of past benefits from ongoing payments (O.L. 2005, Ch. 182). Those receiving unentitled UI benefits were made liable for a penalty payment (in addition to repayment) in the next session; funds collected were deposited in the Special Fraud Control Fund (O.L. 2007, Ch. 87). The OED WorkSource Oregon JOBS Plus Program ended in 2005. DHS assumed full administration of Oregon's JOBS Plus program. JOBS Plus provides on-the-job training, education and employment in lieu of direct public assistance (ORS 411.877 to 411.896; ORS 657.925; OAR 471-020-0030).

Oregon's high unemployment rate at the end of 2008 triggered the availability of extended benefits for individuals exhausting regular and emergency UI benefits. Federal passage of the Unemployment Compensation Extension Act of 2008 (P.L. 110-449) provided additional emergency benefits. The American Recovery and Reinvestment Act of 2009 (P.L. 111-5) extended the filing date for emergency benefits; expanded eligibility for the Trade Act Assistance program; and eliminated the 2009 federal tax liability for the first $2,400 of UI benefits received. State legislators enabled Oregon to receive an additional $85 million in federal stimulus funds for the enhancement of its UI system (O.L. 2009, Ch. 71). Officers, members and partners of corporations, limited liability companies and limited liability partnerships were made jointly/severally liable for delinquent UI employer taxes (O.L. 2009, Ch. 79). The OAH's ALJs were required to explain the issues involved to unrepresented claimants and employers at UI benefit hearings, and to create a record reflecting a full inquiry into the facts presented (O.L. 2009, Ch. 10). And the Child Care Division of OED was directed to compile a schedule of violations and civil penalties relating to certification of child care facilities (O.L. 2009, Ch. 347).

Current Organization

The Oregon Employment Department (OED) is divided into the following divisions: Director's Office, Business and Employment Services, Child Care, Financial Services, Human Resource Services, Unemployment Insurance (UI), and Workforce and Economic Research. OED is also supported by the Communications program, Information and Technology Services (ITS), Office of Administrative Hearings (OAH), and the Employment Appeals Board (EAB).

The Director's Office directs and monitors OED’s programs. It represents the agency, coordinates communications, and works with employers, employer groups, and the Legislative Assembly. Appointed by the Governor for four year terms, the director establishes policy for the delivery of services (ORS 657.608 et seq.), and leads OED from its central offices in Salem. The Employment Department Advisory Council advises the director in developing and revising program policies; its members represent employers, employees and the public (ORS 657.695).

OED’s Internal Auditor program performs an appraisal function within the agency to evaluate the adequacy of OED's internal control system and overall performance. The Communications program is responsible for providing internal communications and communication between OED other agencies and the general public. Communications oversees OED’s internet and intranet websites, and supports WorkSource Oregon’s website. WorkSource Oregon is a network of public and private entities working to stimulate job growth by connecting businesses and workers with needed resources. Communications also manages OED’s Limited English Proficiency program, which ensures that program information is conveyed in a manner easily understood by diverse audiences. The Legislative/Rules program represents the agency in exchanges with the Legislative Assembly, Governor, and federal, state and local agencies.

The Business and Employment Services Division serves Oregon workers and businesses by recruiting and referring the best qualified applicants to jobs, and providing resources to diverse job seekers in support of their employment needs. It maintains field offices throughout the state as OED's primary point-of-contact for those seeking employment information and job placement services, and employers seeking qualified workers. The division coordinates a variety of activities relating to the one-stop system of workforce development prescribed by the federal Workforce Investment Act, which requires coordination among partner agencies to deliver one-stop employment and job training services. The division works with the State Workforce Investment Board, local and regional workforce boards, elected officials, and labor and business representatives (29 U.S.C. 2801 et seq.; 20 CFR 652; ORS 657.345; OAR 471-010-0070). The Business and Employment Services Division manages the iMatchSkills program, which is an automated service that matches information supplied by job seekers with available jobs. The iMatchSkills coordinator provides technical advice and assistance to staff to facilitate matching.

The Monitor Advocate program, within the Business and Employment Services Division, is responsible for monitoring OED’s delivery of employment services and outreach to migrant and seasonal farm workers. Its objective is to ensure the equitable treatment of migrant and seasonal farm workers as required by state and federal law (20 CFR 653). Program staff conduct field reviews, and investigate, resolve and refer complaints to other agencies, including Oregon Bureau of Labor and Industries, and Oregon Occupational Safety and Health Administration. The Oregon Employer Council is a nonprofit corporation dedicated to fostering a partnership between employers and OED. The council is run by employers in partnership with WorkSource Oregon, and advises OED on service delivery, labor market information, and workforce needs.

The Child Care Division (CCD) administers the federal Child Care and Development Block Grant (CCDBG), also known as the Child Care and Development Fund (CCDF), which provides over 90 percent of the child care system’s financial support. CCD licenses child care centers, certified family homes and registered family child care homes. It receives advice from the Childhood Care and Education Coordinating Council, a partnership of agencies, providers and parents, chaired by CCD’s director. The Oregon Commission for Child Care advises the Governor and Legislative Assembly on child care and is staffed by OED (ORS 657A; OAR 414).

The Financial Services Division is OED's primary provider of financial support services, overseeing budget, facilities, accounting, and procurement services. Under the direction of the Chief Financial Officer, the division is responsible for providing leadership in the development and execution of OED's biennial budget, actuarial services, federal financial reporting, facilities management of the facilities, and the development and execution of legal contracts.

The Human Resource Services Division provides all personnel, payroll, and training-related services to the agency. It recruits new employees, presents new employee orientations, and processes personnel transactions. It provides advice and assistance to agency management and staff about personnel functions and issues. The division develops plans for OED staffing and maintains all official employee personnel records. Human Resource Services also coordinates administration of the Family and Medical Leave Act (P.L. 103-3) and Oregon Family Leave Act (29 U.S.C. 2601 et seq.; 29 CFR 825; ORS 659A.150 et seq.; OAR 839 Division 9).

The Unemployment Insurance Division supports economic stability for Oregon communities during times of unemployment through the payment of unemployment insurance (UI) benefits. Benefits replace part of the income lost when a person becomes unemployed. Utilizing UI taxes collected from employers, the division provides UI benefits to qualified workers unemployed through no fault of their own. The weekly benefit is determined by the amount earned by an individual during his or her base year. The denial or reduction of UI benefits is reviewable by the Office of Administrative Hearings. The division collects the wage data and employer contributions used to determine eligibility and pay benefits (ORS 657; OAR 471 Division 30). UI program administrative funds originate from a tax created by the Federal Unemployment Tax Act (Aug. 16, 1954, Ch. 736, sec.1(d)), which is assessed on all for-profit employers and collected by the Internal Revenue Service (26 U.S.C. 3311 et seq.; 26 CFR 31).

The Workforce and Economic Research Division coordinates the collection, analysis and dissemination of labor market information and workforce data. It coordinates with other public agencies and prepares special labor force materials to support activities of the state and regional Workforce Investment Boards. The division represents Oregon in the national employment statistics system created by the Workforce Investment Act (29 U.S.C. 2801 et seq.; 20 CFR 652). It prepares reports for the federal-state cooperative statistical effort coordinated by the federal Bureau of Labor Statistics; and maintains a workforce information website, the Oregon Labor Market Information System. It also manages the Occupational Program Planning System and Performance Reporting Information System to collect, analyze and share data on Oregon's workforce system (ORS 657.730 - 657.736; OAR 471 Divisions 12 and 15).

The Office of Administrative Hearings (OAH) hears the contested cases of approximately 70 state agencies, boards and commissions, handling more than 90 percent of the state's contested administrative orders. OAH hearings are conducted by administrative law judges (ALJs). Most decisions (98 percent) are final orders, appealable to the courts. OAH is the court of first appeal for UI claims denied by OED; its UI decisions are appealed to EAB. OAH is overseen by the OAH Oversight Committee (ORS 183.600 et seq.; OAR 137-003-0501 to 137-003-0700). The Employment Appeals Board (EAB) ensures the consistent interpretation and application of OED policy, and state and federal laws. EAB hears UI appeals from OAH (with non-UI OAH appeals routed to the courts). EAB is a quasi-judicial agency composed of three governor-appointed members with terms of four years. Its decisions are appealable to the Oregon Court of Appeals (ORS 657.685 - 657.690; OAR 471 Divisions 40 and 41).

The Information Technology Services program is responsible for developing and maintaining OED's overall technology infrastructure.

Primary Agency Statutes and Administrative Rules

ORS 657	Unemployment Insurance (and Employment Department Administration)
ORS 657A	Child Care
ORS 659	Miscellaneous Prohibitions Relating to Employment and Discrimination
ORS 660	Apprenticeship and Training; Workforce Development
OAR 137	Office of Administrative Hearings (OAR 137-003-0501 - 137-003-0700)
OAR 414	Employment Department, Child Care Division
OAR 471	Employment Department

Chronology

1913 Congress creates federal Department of Labor (DOL)

1929 Great Depression causes worldwide economic downturn, unprecedented unemployment

1932 **-**President Hoover signs Emergency Relief and Construction Act
-Wisconsin passes nation's first unemployment insurance benefit law

1933 **-**Congress passes Wagner-Peyser Act
-Congress creates U.S. Employment Service and Civilian Conservation Corp (CCC)
-Legislative Assembly creates State Relief Committee

1935 **-**Legislative Assembly passes Unemployment Compensation Act
-Legislative Assembly creates Unemployment Compensation Commission
-Legislative Assembly creates Oregon State Employment Service

1939 **-**Legislative Assembly creates Experience Rating Council

1946 Congress passes Full Employment Act of 1946

1959 Legislative Assembly creates OED, Appeals Board, and State Advisory Council on Unemployment Compensation; and abolishes Experience Rating Council

1962 Congress passes Manpower Development and Training Act of 1962

1971 **-**Legislative Assembly creates Department of Human Resources (DHR)
-Legislative Assembly creates Employment Division within DHR

1983 Congress passes Job Training Partnership Act (JTPA)

1989 Legislative Assembly creates Occupational Program Planning System (OPPS)

1990 Oregonians approve Six-County Work in Lieu of Welfare Benefits Pilot Program

1991 **-**Legislative Assembly passes Oregon Workforce Quality Act
-Legislative Assembly creates Oregon Workforce Quality Council (WQC)

1993 **-**Legislative Assembly recreates stand-alone Employment Department (OED)
-Legislative Assembly institutes three-year, six-county pilot JOBS Plus Program

1995 **-**Legislative Assembly extends JOBS Plus Program statewide
-Legislative Assembly creates First Break Program

1996 Congress passes Welfare Reform Act

1998 Congress passes Workforce Investment Act

1999 Legislative Assembly creates Hearing Officer Panel (HOP) within OED

2003 **-**Legislative Assembly creates Performance Reporting Information System (PRISM)
-Legislative Assembly reconstitute HOP as Office of Administrative Hearings (OAH)

2009 **-**Congress passes American Recovery and Reinvestment Act of 2009
-Number of Oregonians receiving UI benefits doubles over previous year

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Organizational Chart