

**Priority:** Accountability  
**Program Offer Type:** Existing Operating  
**Related Programs:**

**Lead Agency:** County Management  
**Program Contact:** Travis Graves

**Program Characteristics:**

**Executive Summary**

The Unemployment Insurance Program provides unemployment benefits to eligible workers who are unemployed through no fault of their own. Unemployment insurance replaces part of the income employees lose when they become unemployed.

**Program Description**

The Unemployment Insurance Program ensures eligible workers secure financial assistance. A benefits claim decision will typically favor the applicant if reports are late, data inaccurate or an employer fails to respond to requested clarification. The program provides accurate and timely monitoring and reporting and participates in all hearings to decrease costs and liability due to fraudulent claims.

**Program Justification**

The Unemployment Insurance Program supports the Accountability strategies of managing assets and service delivery costs effectively, and decreasing County risk. Administration of Unemployment Insurance was outsourced in previous years. County administration resumed at the start of calendar year 2004. Since then, expenses have been significantly reduced, even through benefit extension periods allowed by the Oregon Unemployment Office.

Unemployment Insurance Program data below are reported by calendar year to show performance difference between outsourced external administration in 2003 and County performance in subsequent years.

External administration - 2003: 1481 employees applied, 1119 claims allowed, annual expense \$2,028,665  
 County administration - 2004: 1135 employees applied, 594 claims allowed, annual expense \$1,026,721  
 County administration - 2005: 701 employees applied, 551 claims allowed, annual expense \$759,912

(Performance data reported below is calculated for fiscal year.)

**Performance Measures**

Measure Type	Primary Measure	Previous Year Actual (FY04-05)	Current Year Purchased (FY05-06)	Current Year Estimate (FY05-06)	Next Year Offer (FY06-07)
Output	Number of employee claims.	734	0	725	725
Outcome	Percentage of claims appeals found in County's favor	100%	0%	100%	100%

**Performance Measure - Description**

Percentage of claims appeals found in County's favor indicates accurate and timely documentation and administration. A higher percentage means a lower expense and lower risk to the County.

Cost per claim for External Administration \$2045 vs. County administration \$1429 shows the benefit of resuming internal control. It is the County's goal to support maximum benefit claims for eligible applicants. The program's vigilance to weed out fraudulent claims up front limits this as an ongoing measure.

## Legal/Contractual Obligation

Unemployment Insurance benefits are mandated by Federal and State laws.

Oregon Employment Law, statutes 657.005 and 657.010

Federal Unemployment Act

Social Security Act

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2006	2006	2007	2007
Personnel	\$0	\$0	\$0	\$15,174
Contracts	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$2,027,513	\$0	\$2,170,543
Internal Services	\$0	\$0	\$0	\$14,283
Subtotal: Direct Exps:	\$0	\$2,027,513	\$0	\$2,200,000
Administration	\$0	\$0	\$5,095	\$14
Program Support	\$0	\$0	\$231	\$0
Subtotal: Other Exps:	\$0	\$0	\$5,326	\$14
Total GF/non-GF:	\$0	\$2,027,513	\$5,326	\$2,200,014
Program Total:	\$2,027,513		\$2,205,340	
Program FTE	0.00	0.00	0.00	0.15
<b>Program Revenues</b>				
Indirect for dep't Admin	\$0	\$0	\$0	\$0
Fees, Permits & Charges	\$0	\$2,027,513	\$0	\$2,200,000
Program Revenue for Admin	\$0	\$0	\$17	\$0
<b>Total Revenue:</b>	\$0	\$2,027,513	\$17	\$2,200,000

## Explanation of Revenues

Unemployment claims are funded by assessing a rate based on .9% of monthly payroll for each department.

## Significant Program Changes

**Last year this program was:** #71012, Human Resources - Unemployment Insurance

FTE is reduced by .35 from last year, previous year budgeted at .5 FTE

Analysis indicates .15 FTE is sufficient to provide accurate and timely monitoring.

This offer includes the Unemployment Insurance fund reflected in FY06 program offer #71012 and staff costs included in FY 06 program offer #71008.