

Department of Administrative Services

Ongoing Workforce Crises and Disruption Demand Strategic Workforce Planning

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Secretary of State
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Audit Highlights

Department of Administrative Services

Ongoing Crises and Disruption Demand Strategic Workforce Planning

The State of Oregon manages over 45,000 committed workers who perform a wide variety of roles delivering important public services such as public safety, education, healthcare, transportation, and more. As the largest single employer in Oregon, state government must actively and comprehensively manage its workforce to meet current and future needs of the people of Oregon.

Why this audit is important

- A quarter of current workers are already retirement eligible and many have already retired in recent years.
- Reports of staffing shortages, increased workloads, and employee burnout are frequent.
- The state struggles to maintain a workforce sufficient for public needs — over a decade of audits across agencies echo workforce planning deficiencies.
- The COVID-19 pandemic had lasting impacts on hybrid work, labor market competitiveness, and employee well-being.
- Technology changes may alter the duties and skills that state roles require, accelerating risks associated with a lack of strategic workforce planning.

What we found

1. Unlike several other states, Oregon does not have a statewide strategic workforce planning process. The Department of Administrative Services (DAS) provides agencies guidance and structure for workforce planning but this role varies depending on how and when agencies chose to engage. A documented statewide strategy should be developed that details the role and responsibilities of DAS and other agencies. ([pg. 8](#))
2. Workday, the state enterprise resource planning system, does not include meaningful employee competency data. Without this data, understanding the gaps between availability of workforce supply, and the specific competencies needed in the workforce, will continue to be a challenge. Skills and competency data should be collected as the state moves forward with a strategic approach. ([pg. 17](#))
3. Oregon's statutory framework for personnel administration does not clearly articulate agency vs. statewide roles and responsibilities and complicates integration of workforce management with financial management. The Legislature can help clarify this ambiguity by addressing these statutes. ([pg. 9](#))
4. Work to optimize workforce planning and service delivery has begun through actions such as the Governor's expectations to agencies and work to meet those expectations. This work includes improving workforce planning practices and additional resources being legislatively approved to help increase staff responsible for statewide human resources management. ([pg. 6](#))

What we recommend

We made six recommendations to DAS. DAS agreed with all of our recommendations. The response can be found at the end of the report.



Introduction

Oregon's state workforce comprises over 45,000 employees across nearly 80 agencies and boards. Managing a government workforce of this size is complex and includes defining job duties, setting competitive compensation, recruiting talent, developing employees, managing performance, investigating harassment, negotiating labor agreements, and advancing the principles of diversity, equity, and inclusion (DEI). In addition to these existing challenges, Oregon's workforce is facing a growing number of eligible retirees, widely reported staffing shortages, difficulty recruiting for new positions, lingering impacts of the COVID-19 pandemic, and other challenges.

Workforce management refers to the day-to-day practices that ensure smooth operation of hiring, growing, and retaining employees. Effective workforce management depends on effective, strategic workforce planning. Workforce planning is a continuous process of identifying and closing gaps between the skills an organization requires and the available supply. Workforce planning outlines the day-to-day practices carried out through workforce management to ensure organizations have well-supported employees with the skills needed to fulfill broader mission, vision, and priorities. Oregon's current workforce crises reflect the consequences of limited workforce planning and place public services and monies at risk.

Workforce management refers to the day-to-day operations of maintaining a functioning workforce.

Workforce planning defines what workforce management does, ensuring that operations close workforce gaps and achieve the mission and goals of the organization.

Oregon's state workforce faces multiple ongoing crises

Oregon state government struggles to maintain a workforce sufficient to efficiently and effectively meet objectives. It faces simultaneous crises of actual and looming retirements, chronic staffing shortages, increased workloads, and employee burnout. The COVID-19 pandemic exacerbated these existing crises, bringing an abrupt and lasting transition to a hybrid-remote work environment, economic change in a competitive labor market, and lingering impacts on employee and workplace well-being. To add further complication, rapid technology changes could soon disrupt the fundamental duties and skills that state roles require.



1 in 4
current state
workers are already
retirement eligible

Oregon's state personnel system diffuses authority between the Department of Administrative Services and state agencies who directly manage personnel

The Chief Human Resources Office (CHRO) in the Department of Administrative Services (DAS) and human resources (HR) professionals within agencies oversee the state workforce. The CHRO is charged with maintaining the state's personnel system. It establishes statewide policies, conducts collective bargaining on behalf of the state, maintains shared resources, and aligns professional guidance. It also maintains the state's class and compensation plan for the entire state workforce. The CHRO operates with a staff of 83.88 full-time equivalent positions and a budget of \$43.6 million for the 2023-25 biennium, representing 3% of the \$1.5 billion budgeted for DAS.

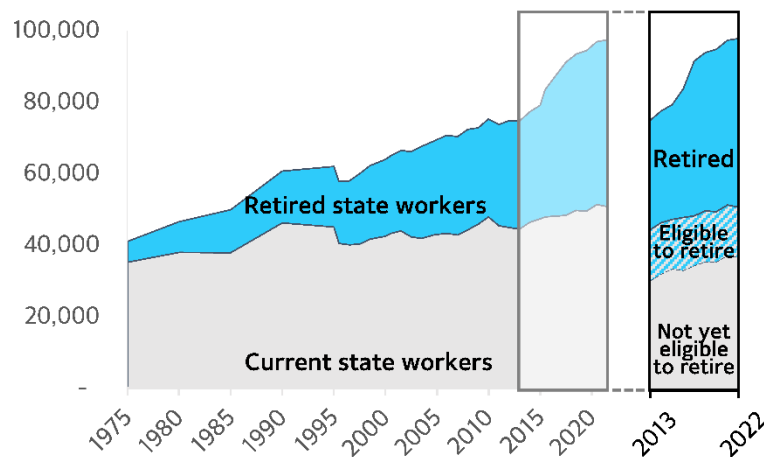
Both the CHRO and agencies ensure the state complies with applicable employment law and labor agreements. While agency HR professionals administer employee services and align HR operations to agency priorities and programs.

The system for managing the workforce is rooted in Oregon Revised Statute 240, also known as the State Personnel Relations Law, and has largely remained unchanged since taking effect over a half century ago. Oregon's state budget process and financial management practices, outlined in Oregon Revised Statute 291, also shape the system and assign some position oversight functions to the Legislative Fiscal Office. Oregon Revised Statute 171.575 obligates the Legislature to "provide continuing oversight" of the quality and equity of Oregon's classification and compensation systems for state employees.

With more than a quarter of Oregon's workers already retirement eligible, the state risks losing critical knowledge

A recent Public Employees Retirement System (PERS) update showed 26% of PERS-qualified state employees are eligible to retire with benefits as of June 2023. These looming retirements elevate the risk of losing historical knowledge possessed by experienced employees. Loss of this knowledge can hinder remaining employees in their work and undercut agency effectiveness.

Figure 1: Oregon already faces a wave of retirements while 27% of current workers are eligible to retire



Source: State of Oregon PERS data.

Organizations typically use succession planning to mitigate the risks associated with staff retirement.¹ A 2017 Oregon Audits Division report found succession planning was limited in state government.² The CHRO has since developed a centralized webpage with a range of succession planning tools for agency leaders. However, the state lacks central documentation identifying its mission-critical positions and the actual practice of succession planning among state agencies remains inconsistent. Without

¹ Succession planning is a sub-discipline of workforce planning that specifically focuses on sustaining positions deemed mission-critical.

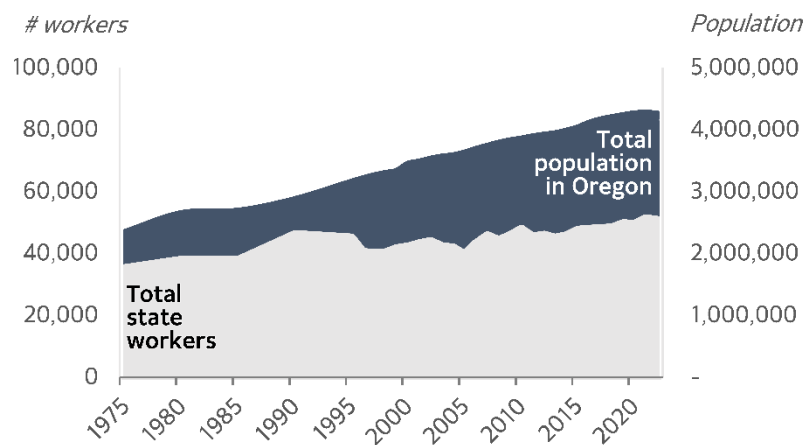
² Oregon Audits Division Report #2017-21 "Department of Administrative Services Should Enhance Succession Planning to Address Workforce Risks and Challenges".

adequate succession planning, large-scale retirements continue to pose a fundamental risk to public services.

Staffing shortages, burnout, high workloads, and threats of violence are stressors of public workers and jeopardize public service delivery

Retirements can exacerbate staffing shortages, which are already a pressing concern. Media reports from 2023 detail staffing constraints at multiple levels, especially at staffing-intensive facilities like corrections that must operate 24/7.³ These shortages impact government services across the board, from the staffing of the states' child abuse hotline to workers who work to help residents at Driver and Motor Vehicle Services offices. One report notes that nearly one in five budgeted state positions are currently vacant. These shortages can contribute to workforce burnout, a state of physical or emotional exhaustion involving a sense of hopelessness or reduced accomplishment.

Figure 2: Oregon's population has grown at nearly double the rate of the state workforce



Source: State of Oregon PERS data; U.S. Census

Despite staff shortages, agencies are still obligated to sustain operations, which often means increased workloads for remaining staff. Increased workloads, along with other stressors like the COVID-19 pandemic, strain the workforce and can result in burnout, turnover, and increased staffing shortages. One study from the National Council of State Boards of Nursing highlighted that 62% of nurses reported an increased workload and about half felt burn out effects which contributed to a 3.3% decline in the nursing workforce over 2 years.⁴ In the public sector, these struggles overlap with a reported rise in threats of violence against state workers, which further compounds the problem. For example, a June 2023 study from Reed College found that the compounding stress of feeling unsafe has led election workers to consider leaving the profession altogether.

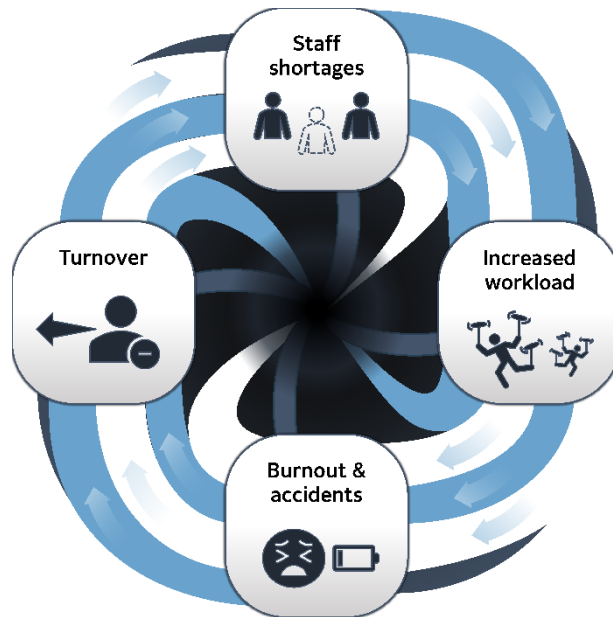
Burnout and turnover can further undermine the already challenging task of recruiting and filling vacant positions. Amid historically low unemployment, a highly competitive labor market makes filling vacant positions more difficult. New hire referrals from existing employees are one of the most important avenues for state agencies to find applicants, especially in rural areas with very limited numbers of

³ [Oregon Capital Chronicle "State employee union warns of staffing 'crisis' as contract nears end".](#)

⁴ [COVID-19 pandemic related workloads and burnout stressed the U.S. nursing workforce.](#)

potential employees. When workloads and burnout increase, current and former employees are less likely to refer applicants or recommend state employment.

Figure 3: Staff shortages and burnout threaten public services



Global trends expose public workers to additional risks

Since 2020, worldwide events have demonstrated the profound impact of risks beyond the state's control. The COVID-19 pandemic unleashed an unprecedented global crisis and fundamentally changed the nature of working. Meanwhile, technological advancements such as large language models and robotic processes automation could significantly shift how work is done and the commensurate required skills. The state must carefully navigate the challenges and opportunities of these external forces to effectively serve the people of Oregon for years to come.

Large language models, a type of artificial intelligence, are deep learning algorithms that can recognize, summarize, predict, translate, and generate text.

Robotic process automation refers to software technologies that can emulate human actions to perform repetitive tasks such as filing forms and data extraction.

The COVID-19 pandemic fundamentally changed the nature of working for the state

The COVID-19 pandemic placed immense strain on HR professionals in Oregon by adding new challenges to their responsibilities. Ensuring the safety and well-being of employees and the public required a rapid pivot to remote work while maintaining critical state functions. This transition placed particular pressure on state HR professionals who worked to ensure remote employees were adequately equipped, monitored public health protocols, and enforced any required health mandates.

HR professionals also had to rapidly implement policies, guidance, and training to address the associated impacts on cybersecurity, time and pay, and the availability of resources while supporting employees amid the unique stressors associated with social isolation and the broader impacts of the pandemic. To carry out the duties necessary to meet the strategic workforce planning principles, DAS

would need more resources than it currently has in the CHRO and more clearly defined authority vs. agencies. While this shift presented several HR challenges, the transition to hybrid- and fully-remote work has helped increase the desirability of some jobs, proved beneficial in improving work-life balance, and helped counteract burnout in some cases. The work of the HR professionals to navigate this shift highlights the ongoing importance of HR leadership and innovation and made it possible for the state to adopt an ongoing policy of enabling remote work where possible and desired.

The COVID-19 pandemic proved the adaptability, resourcefulness, commitment to mission, and professionalism of Oregon’s state HR professionals, despite the state lacking many formalized planning structures that could facilitate crisis readiness and response. It is critical that Oregon leverages lessons learned from the pandemic to develop policies and processes that ready the state for the future.

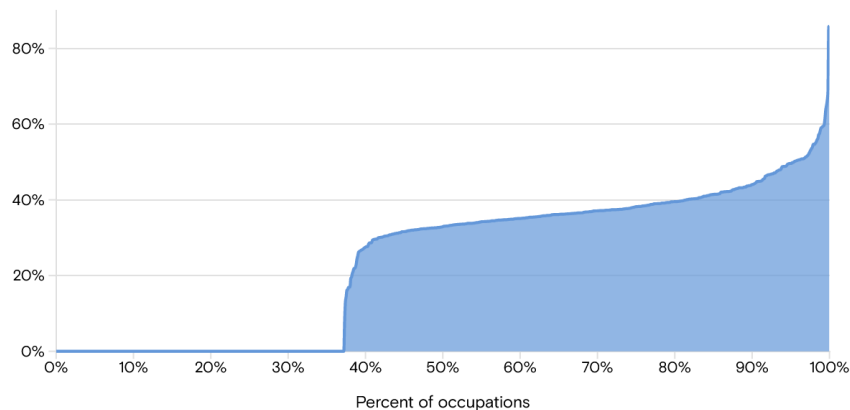
Remote work, also called work from home or telecommuting, is a working arrangement that allows an employee to work from location outside of their normal office, such as their home.

Rapid technological advancement could soon drastically reshape workforce needs

As the state adapts to the modern workforce landscape, technological advances may bring additional changes. Technology such as large language models and robotic process automation have the potential to reshape Oregon’s workforce beyond the impacts of the COVID-19 pandemic. As a result, it is essential the state be proactive in preparing for these emerging tools.

Large language models are powerful machine learning systems that can understand and generate human-like text. These models have already demonstrated capabilities in natural language processing and content generation. According to one study, 80% of the workforce may be impacted by generative pre-trained transformers, or GPTs, to some degree.⁵ Figure 4 below highlights that the majority of occupations will have some percentage of their tasks exposed to AI, with some jobs seeing over 80% of their tasks at least partially automated. As technology advances it could impact the state’s workforce needs by demanding a skilled workforce that can better collaborate with intelligent systems.

Figure 4: Reports consistently project a large portion of the workforce to be exposed to AI



Source: Goldman Sachs

⁵ [A study in March 2023 found about 80 percent of the US workforce could have at least 10 percent of work tasks affected.](#)

The rise in robotic process automation, a technology distinct from artificial intelligence, has the potential to further revolutionize administrative processes at the state level. Robotic process automation is the use of software to automate repetitive, rule-based tasks, which can free up employees to focus on higher-priority work. Robotic process automation is already seeing widespread use across the private sector and is seen as a tool that can help streamline processes, reduce errors, and increase efficiency. Tasks such as data entry, document processing, and metrics reporting, can be automated with this technology, changing the job requirements and needs of the workforce.

It is essential Oregon leadership stay informed of these and other technological advancements to adopt effective practices and plan for the future. Such tools should be included in workforce skills gap analyses and investments in professional development training can ensure employees are equipped with the necessary skills to navigate the dynamic landscape. As technology evolves, so too may workforce needs. Given the timing and impacts of these technologies is only beginning to be understood, Oregon must work to ensure the statewide processes and structures that define its workforce system are sufficiently flexible and agile to adapt to these and other changes.

Work has already begun to move Oregon toward strategic workforce management

In August 2023, promising strides were made by the state in pursuit of more efficient and effective workforce management. Notable advancements, such as the legislative approval of a CHRO policy option package to increase staffing resources and the implementation of a modernized enterprise management system, reflect a renewed commitment on behalf of executive leadership to optimize workforce planning and service delivery. These initial steps can help align workforce needs with strategic goals.

Additional resources and guidance from the Governor may prove pivotal in the effort to create a sustainable strategic workforce management process

To carry out the duties necessary to meet the strategic workforce planning principles, DAS would need more resources than it currently has in the CHRO. The office only had 81 positions as of early 2023 which impeded its ability to effectively carry out many tasks at once. In June 2023, the Legislature approved a policy option package that increased the number of CHRO budgeted staff positions. These new positions should allow CHRO to better distribute work responsibilities and lay the foundation for a strategic workforce process.

On January 11, 2023, Oregon's Governor issued her expectations to agency leaders. This communication outlined a number of practices, detailed in Figure 5, for executive agencies to follow. Several expectations describe workforce planning practices, and adherence to them could shift the state toward a more strategic approach. As strategic workforce plans are developed, they should align to the Governor's expectations to address workforce gaps statewide.

However, for agencies to meet these expectations, some legislative action, such as the clarification of agency roles and authority for workforce planning, may be necessary. DAS has already shown some initiative by creating accountability measures that align with the Governor's expectations and

communicating them in progress reports and on a public website.⁶ By enacting further measures, such as providing a pathway toward an integrated approach and clarifying agency roles and priorities, the state can demonstrate commitment to the Governor’s expectations for agencies and ensuring continuity in an ever-changing landscape.

Figure 5: Governor’s expectations for agencies established January 2023, progress as of 12/31/23 report



Source: Memo from Governor’s Office; Quarterly progress reports from DAS.

⁶ [DAS strategic initiatives and enterprise accountability website.](#)

Audit Results

We found that Oregon does not have a clear, consistent, or comprehensive approach to identify what state government needs to do to support its workforce and ensure it has the skills required to meet present and future obligations. Decades of staffing shortages (especially acute in health and public safety), an imminent wave of retirements, and significant societal disruptions highlight a workforce in crisis, and the lack of a coherent approach to workforce planning undercuts state efforts to address the current situation. Across state government, ambiguous roles and responsibilities, fragmented management authority, and data limitations hinder Oregon's ability to identify needs, gaps, and risks in its state workforce and to plan efforts to close them. Core planning disciplines — strategic planning; budgeting; diversity, equity, and inclusion planning; and workforce planning — take place largely independent from one another to the extent they occur. This fragmented approach inhibits the holistic flow of information necessary for complete planning required in each area.

To manage these challenges, Oregon can look to practices in other states and guidance from entities such as the U.S. Government Accountability Office to implement a more effective strategic workforce planning approach. The ongoing workforce crisis necessitates action so that strategic workforce planning can be integrated with other processes to sustain Oregon's public services for the future.

Oregon has made progress, but does not have a formal strategic plan for workforce needs and trends

While DAS has demonstrated progress made toward the Governor's 2023 workforce planning expectations, there remains more work to be done. The state still lacks a statewide strategic workforce plan. Oregon does not clearly differentiate between statewide and agency planning, despite distinct types of planning being needed at both levels. Some processes are duplicated between agencies and the CHRO, and the system lacks a clear definition of which roles and responsibilities fall to which entity. Workforce planning—to the extent it occurs—takes place almost exclusively at the agency level. It is inconsistent among agencies, and the need to respond to urgent workforce management matters can make it difficult to prioritize planning. Auditors surveyed the largest state agencies and determined only one had an active workforce plan in place, which state law requires specifically for that agency.

Secretary of State audits have highlighted agency struggles to meet workforce needs for over a decade

For more than ten years a wide range of audit reports across multiple agencies have detailed systemic workforce management challenges. Widespread barriers hinder agencies from identifying workforce skill gaps and attracting and retaining qualified candidates for vacant positions. Our prior audit work also found limited stakeholder involvement and a lack of proactive strategies impede agencies from accessing diverse pools of applicants and building a workforce representative of the people of Oregon.

Figure 6: Over 10 years of audit reports detail systemic workforce management challenges



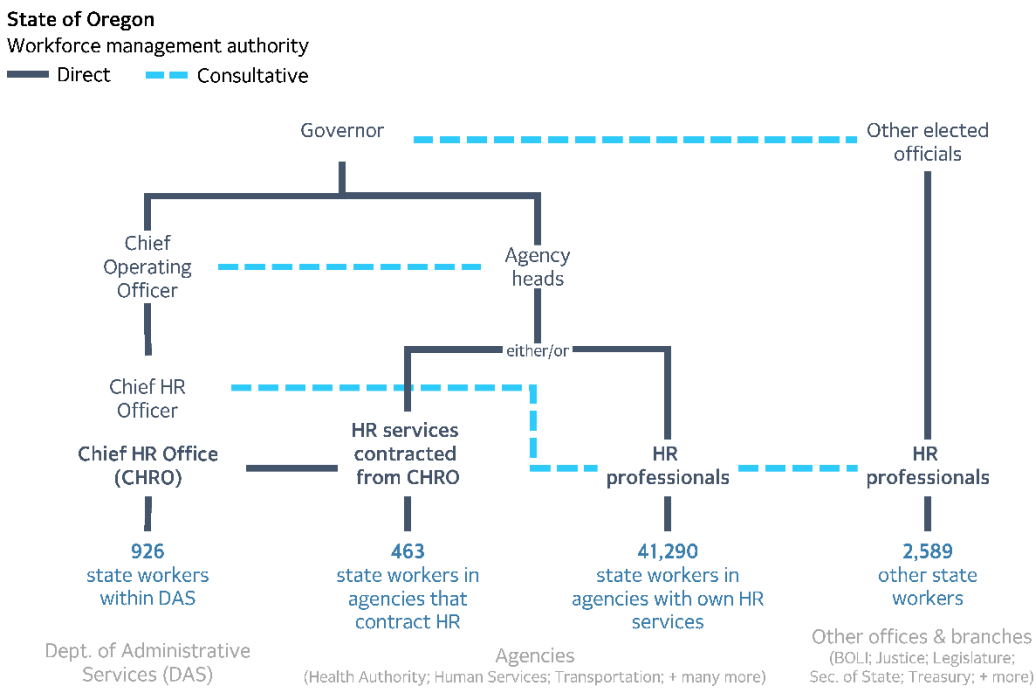
Source: Auditor-generated based on past Oregon Secretary of State Audits Division reports

Audit findings have also consistently highlighted deficiencies in training initiatives, including inadequate training resources, outdated content, and insufficient professional opportunities. The consistency and duration of these audit findings suggest pervasive systemic challenges fueled by the absence of a proactive statewide approach for managing workforce challenges. For example, the 2014 ODOT, 2018 DHS, and 2021 DPSST audits found that each agency struggled to achieve objectives due to staff shortages. These deficiencies in workforce planning, in addition to specific impacts described in these audits, have resulted in missed opportunities for cost savings, increased strain on HR staff, and diminished agency effectiveness.

The roles and responsibilities for workforce planning in statute are unclear and do not define a system for managing the state workforce

The CHRO and agencies both have distributed roles and authority over workforce planning and management, depicted in Figure 7. The CHRO is part of DAS, and the authority of DAS to direct agencies is limited. While statute gives DAS specific roles and areas of authority (centralized aspects of the system), statute often delegates to state agencies the authority to define how to best deliver services (decentralized aspects of the system).

Figure 7: Oregon's system of state workforce management distributes authority and responsibility



Source: Auditor-prepared based on information from DAS

Current statute (see Figure 8 for examples) leaves ambiguity in the directive authority of DAS over agencies, limiting its role in managing practices that are not legally required. DAS typically coordinates and provides guidance to agencies while exercising limited oversight. While the CHRO crafts statewide policies and guidance, agencies ultimately have authority for most workforce decisions.

Figure 8: Some Oregon Revised Statutes (ORS) establish clear authority between DAS and agencies while others establish more ambiguous authority when viewed alongside related statutes

Clear authority between DAS and agencies

-
- 291.100 (2) [DAS] shall devise and supervise statewide financial management systems for all state agencies... every agency and unit of state government shall: ... (b) Comply fully with policies and procedures prepared by [DAS] for... the financial management system.
-
- 240.215 (1) [DAS CHRO] shall adopt a classification plan which shall group all positions in the classified service in classifications based on their duties, authority and responsibilities.
-
- 291.371 (2) Prior to making any changes in a compensation plan, [DAS] shall submit the proposed changes to the legislative [Joint Committee on Ways and Means].
-
- 240.321 (1) All collective bargaining... shall be under the direction and supervision of [DAS].
-

Less clear authority between DAS and agencies – examples in ORS

-
- 184.340 [DAS], with the approval of the Governor, may: (1) Adopt reasonable rules and regulations that are necessary or proper for the administration of the laws that the department is charged with administering; and (2) Adopt by rule uniform policies or procedures applicable to multiple state agencies.
-
- 291.032 [DAS] may provide technical services to state agencies for management improvement.
-
- 291.110 [DAS] shall ensure that state agency activities... are directed toward achieving performance outcomes.
-
- 291.258 A new personnel position or classification, not provided in the budget... may not be established without prior approval of [DAS]. [DAS] shall notify the Legislative Fiscal Office of establishment.
-
- 240.215 (2) The allocation of positions within the various operating agencies to the... classification plan shall be performed by the agency appointing authority with post-audit review by [CHRO].
-
- 240.311 (1) Delegations of authority and responsibility to operating agencies shall be subject to appropriate post-audit review by the [CHRO].
-

Source: Oregon Revised Statutes (emphasis added by auditors)

The distribution of authority for managing Oregon’s state workforce represents a hybrid approach to administration — it is both centralized and decentralized. Figure 9 depicts a hypothetical spectrum where, on one end, administration is entirely centralized in a statewide body, and where, on the other end, such functions are entirely executed by each agency. A hybrid approach to government administration falls in between these extremes.

While a hybrid approach can leverage advantages of both centralized and of decentralized administration, it also risks magnifying challenges characteristic of each. A well-defined hybrid approach will seek to maximize the advantages of both approaches while minimizing the disadvantages of each. A hybrid approach that does not clearly distinguish the roles of agencies and centralized bodies risks being rigid, bureaucratic, inefficient, and inequitable. Clear definitions of authority, roles, and processes are all the more important in hybrid administration, because hybrid administration, by definition, involves multiple entities in any given process and is therefore more complex.

Figure 9: Organizational approaches to government administration range from centralized to decentralized, each with unique advantages and disadvantages

		Administration		
		Centralized	Hybrid	Decentralized
Advantages		Consistency Economies of scale Efficiency	potentially both	Adaptability Responsiveness Proximity
Disadvantages		Rigidity Slowness Bureaucracy	potentially both	Inequity Unrealized savings Redundancy

Interviews with HR leaders from across the state highlight improvements that can be made to the state’s recruitment and training processes

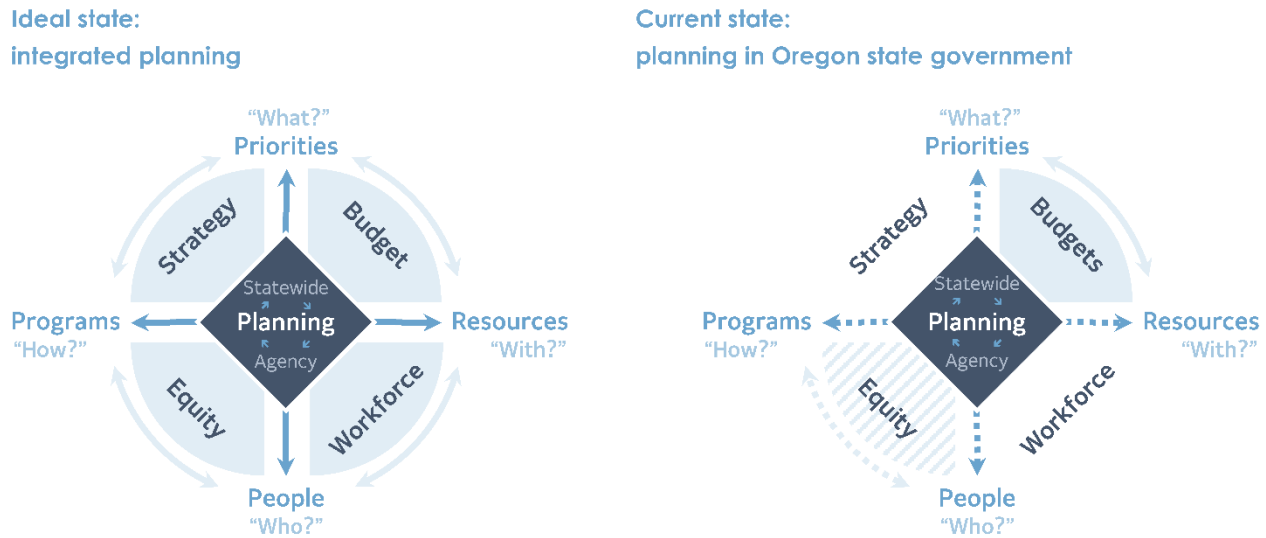
Two specific areas — recruitment and workforce development — indicate that Oregon’s model of hybrid administration may indeed magnify disadvantages of both centralization and decentralization. In the area of recruitment, opportunities exist to increase coordination, to streamline Oregon’s employee classification system, and to procure shared resources for reaching potential job candidates. Agencies are reported to hire talent away from other agencies, often do not coordinate competition for the same applicants, and have few ways to refer promising candidates to other recruitments.

Oregon has had only one position to coordinate statewide training and development for over 45,000 workers since budget cuts disbanded a larger central training team nearly fifteen years ago. The lack of investment in additional statewide training professionals restricts the CHRO’s capacity to strategically plan the development of the state workforce as a whole. Agency HR staff, who typically have other workforce management responsibilities, must address any remaining training shortfalls that result from the CHRO’s limited capacity. According to HR leaders, an agency’s ability to have sufficient training offerings may depend on the size of the agency and the ability to justify workforce development positions and resources. To reconcile this, resources should be allocated to support additional CHRO capacity for statewide delivery.

Siloed or nonexistent planning cycles constrain potential workforce planning progress

Effective workforce planning is reciprocal — it shapes, and is in turn shaped by, a government’s strategic, equity, and budget priorities. Organizations need to understand their mission, goals, budgets, and priorities to develop any meaningful approach to advance the workforce. For this reason, workforce planning cannot be siloed; while managing a government workforce is complex, planning helps to ensure effective management by integrating information. At its most basic, planning thinks ahead and considers the results of potential actions. Organizations must plan priorities, programs, people, and resources in a coordinated and complete manner to effectively fulfill their missions.

Figure 10: Effective planning integrates different cycles and levels of state government. Planning in Oregon is sporadic and incomplete, with only budgeting following a defined and recurring process



Source: Auditor-prepared model based on strategic management research. Oregon comparison based on State of Oregon website and materials provided by the Department of Administrative Services.

Figure 10 models an ideal government planning state that integrates cycles of strategic planning (what to do), budgeting (what to spend), workforce planning (who will do the work), and equity planning (how to work justly). These cycles distinguish between statewide and agency planning responsibilities according to the distinct focus of each, and each planning cycle informs the others. The integration of these planning cycles operationalizes priorities, programs, people, and resources toward the achievement of mission. The figure also depicts how the current state lacks these integrated statewide cycles. While agencies may engage in ad hoc strategic planning or workforce planning, efforts in these areas often lack consistent structure or oversight.

Oregon has a comprehensive budget process that integrates both agency and statewide plans for spending. However, the budget process relies on agencies to incorporate strategies, workforce considerations, and equity priorities into budget requests without establishing oversight processes to ensure their inclusion. While the final budget informs planning activities, the state lacks a clear process to incorporate other planning areas in the budget, in part because strategic workforce processes do not formally exist.

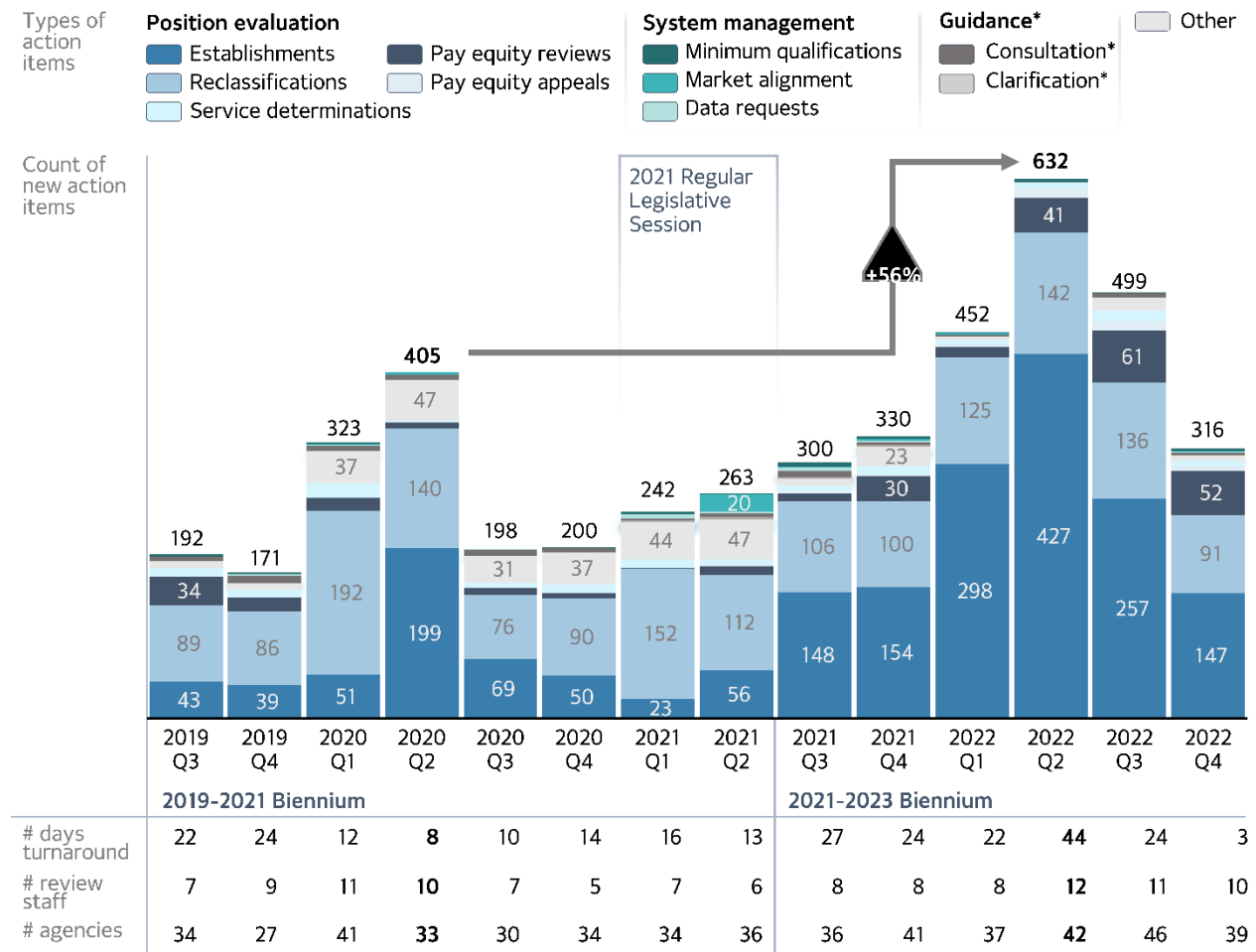
Without effectively integrating these planning disciplines, Oregon risks not achieving objectives such as goal two in its 2023–25 Affirmative Action Plan — diversifying the state workforce. A 2023 Secretary of State audit found that while the state’s workforce has grown more diverse, some people of color are still underrepresented. A more integrated approach may help continue to improve this. In a decentralized state government with few formal processes to coordinate activities, agencies may lack the ability to consider broader workforce needs, goals, or opportunities. An intentional comprehensive process is needed to support workforce planning, administer the state workforce effectively, and ensure future state services for the people of Oregon.

Fragmented planning delayed components of the 2021-23 biennium budget

During the 2021-23 biennium, agencies requested, and the Legislature approved, over three thousand new positions. Due to the time it takes for positions to be evaluated by CHRO, these positions could not be quickly established.

Statutes obligate the CHRO to manage the state’s classification system and ensure it treats work of the same type comparably. Though not by formal policy, the CHRO requires its classification team to evaluate every newly established position to ensure proper system alignment. The CHRO has only an informal role in the budget process. Agencies involve their HR staff and may consult with the CHRO upon request, but unless an agency involves the CHRO early on, the office only assesses new positions after budget approval by the Legislature. Because of the large number of positions approved in the 2021-23 biennium, the CHRO classification team’s workload spiked 56% above the previous biennium, as detailed in Figure 11. The average time needed to complete CHRO review stretched to 6 weeks, more than double most other quarters.

Figure 11: The classification and compensation team workload increased significantly from 2019 to 2022



Source: New requests of DAS-CHRO Classification & Compensation Team s tracked on team tracker, FY20 – FY23 *Note: Much of the classification and compensation team workload that would be considered “guidance” takes place informally and therefore is likely not represented in the data.

The requirement that the CHRO evaluate new positions without CHRO having a formal role in the budget process led to lengthy recruitment delays for positions already approved by the Legislature.

These delays frayed relationships with agencies and diverted classification team capacity from more strategic responsibilities, such as ensuring statewide market competitiveness and modernizing job profiles. While statute charges the CHRO classification and compensation function with establishing and maintaining a system through these types of responsibilities, the vast majority of the CHRO classification resources are committed to position evaluation.

Oregon can learn from consistent professional guidance and from other states on the necessity of workforce planning

Professional guidance details the consistent features of effective workforce planning, and several other states provide promising examples that can inform a planning approach for Oregon.

“Strategic workforce planning is an essential element of the institutional infrastructure that each agency needs.”

– GAO

“Strategic workforce planning...is a core [human resource management] process...not necessarily the same as central or top-down planning. Adequate workforce planning can be developed in any organisation, centralised or decentralized.”

– OECD

“Leaders need to understand how their workplaces will be affected by impending changes and plan for their human resources needs.”

– HRM in Public & Nonprofit Organizations

Guidance is consistent on the features and importance of effective workforce planning






Research and publications from professional organizations, including the Government Accountability Office (GAO), International Organization for Standardization (ISO), Organization for Economic Cooperation and Development (OECD), International Personnel Management Association, and Society for Human Resource Management (SHRM), stress the importance of strategic workforce planning and provide guidance for its effective practice that is highly consistent. In general, the principles of strategic workforce planning revolve around four components:

- Establishing and communicating of the strategy;
- Understanding current and future needs;
- Implementing the plan to mitigate gaps; and
- Monitoring progress to adapt as needed.⁷

Figure 12 summarizes how Oregon compares to the GAO key principles of strategic workforce planning. We found the state fails to meet the criteria in all but one category. The remaining category is partially met by ongoing effort to build capability to support workforce strategy in the state; however, for this work to be fruitful, effort will be necessary across other principles as well.

⁷ A series of more detailed steps within these components can be found in Appendix C.

Figure 12: Oregon has not met the leading strategic workforce planning practices identified by the U.S. Government Accountability Office

GAO key principles	Practices in Oregon	Criteria met?
Involve top management, employees, and other stakeholders in developing, communicating, and implementing the strategic workforce plan.	Each agency responsible for own plan. Stakeholder engagement in strategy setting varies. No statewide plan.	No 
Determine the critical skills and competencies that will be needed to achieve current and future programmatic results.	No statewide needs analysis. Collected employee data and state classification system do not include competencies.	No 
Develop workforce strategies that are tailored to address gaps in number, deployment, and alignment of human capital approaches for enabling and sustaining the contributions of all critical skills and competencies.	No statewide plan. Each agency responsible for own plan. Collected employee data and state classification system do not include competencies.	No 
Build the capability needed to address the administrative, educational, and other requirements important to support workforce strategies.	New statewide expectations guiding resource planning, each agency responsible for own strategies. No statewide plan.	Partially 
Monitor and evaluate the progress toward human capital goals and the contribution that workforce strategy results have made toward achieving programmatic goals.	Agencies monitor workforce needs in relation to budget and are responsible for own strategy. No statewide goals. Limited statewide monitoring to date.	No 

Source: Government Accountability Office

Other states' strategies can help Oregon tailor its planning approach

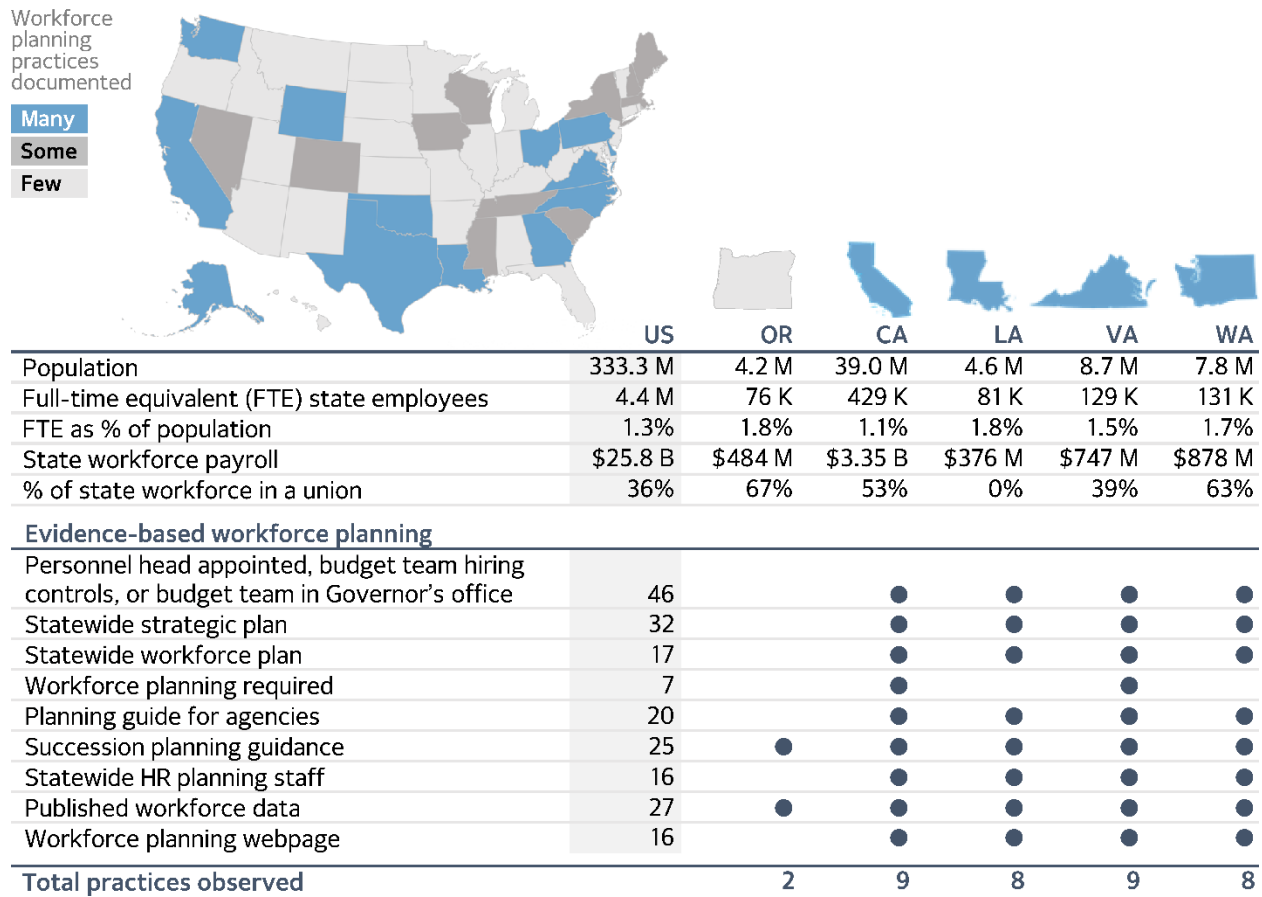
The management structure of government workforces varies significantly across states, but several states demonstrate that strong strategic workforce planning practices can be implemented regardless of structure. While every state has unique legal and operational frameworks, Oregon can look to the implementation of strategic workforce planning in other states to develop an approach tailored to the state's unique needs and goals.

To identify states as relevant examples, auditors compiled a list of practices described in independent research as observable indicators of widespread workforce planning. Auditors then surveyed publicly available evidence of these practices across the government websites of all 50 U.S. states and analyzed state-level data to focus on states with workforces or geographies similar to Oregon. Figure 13 compares Oregon to national totals and four states: California, Louisiana, Virginia, and Washington.⁸

These four states all have a current statewide strategic plan that details statewide priorities and aligns them to programs. Oregon has a document labeled as a statewide strategic plan but it is not detailed, setting forth an aspirational vision and set of values but not clearly translating those statements into clear priorities or aligned programs.

⁸ See Appendix B for a complete summary across all states.

Figure 13: Oregon can learn from workforce planning in other states, particularly in California, Louisiana, Virginia, and Washington



Source: Auditor-prepared based on data from the U.S. Census Bureau, the National Association of State Budget Officers, the Council on State Governments, and government websites of each state as of early 2023

Auditors only identified seven states where workforce planning is required by either policy, rule, or statute, including California (by policy) and Virginia (by statute). A larger group of states provides agencies with workforce planning resources and staff to support. Oregon provides such resources specific to succession planning but has not had centralized staff or specific resources focused on statewide workforce planning. California, Louisiana, Virginia, and Washington also have current statewide workforce plans, which Oregon and 32 other states do not, as well as clear and detailed webpages that focus on workforce planning in their states and make workforce data public in some form.

While Oregon does publish some workforce data through the state's open data portal, as well as a succession planning webpage with links to several related resources, the state lacks a centralized hub for workforce planning as a whole. In Louisiana, the central personnel office is empowered to facilitate agency planning, publishes weekly workforce reports, and clearly communicates a concrete mission and role within the state's workforce management system. Virginia provides an example of widespread integration of workforce planning in statute and across its website, with many well-organized resources for agencies. Meanwhile, Washington provides expansive public tools to access, analyze, and visualize data on its workforce, and it aligns statewide management around a robust model for strategic and operational workforce planning.

Workforce planning strategies in other states make clear it is possible for Oregon to implement significant elements lacking in its current practices. For example, the Legislature can look to states like Virginia to inform future legislation requiring agency and statewide workforce plans. DAS can look to examples in other states to streamline a planning web portal and develop policy option package proposals for additional resources. Regardless which workforce planning element, state leadership can look to other states to build a roadmap for putting a robust planning process in place.

Access to actionable workforce data must be improved for the state and agencies to be better positioned to plan for the future

An important factor in strategic workforce planning is the availability of data and the ability to use it to understand, and meet, workforce needs. Historically, Oregon's systems had limited capacity to provide such data, mainly offering storage with limited options to summarize and report. In 2022, DAS completed a migration to Workday, a more sophisticated system, that may provide increased visibility into workforce needs.

Workday improves the ability to summarize workforce data from across the state. However, those improvements may be limited by the data quality and the training available to HR professionals. Staff must be trained to understand how to use the new capabilities of Workday to realize its potential. During the audit, HR professionals and state analysts expressed concerns about the quality of the data entered in the system. Should data quality issues persist, any reporting capabilities, however improved, will be limited in use.

One key strategic workforce planning principal centers around understanding workforce supply and demand and the competencies needed to fulfill current and future needs. To achieve this would require robust data and the resources to analyze it. Current state systems offer some functionality in this regard — for example, the Workday system allows HR professionals insights into workforce supply. However, even if all ideal data is available, dedicated staff are necessary to turn it into useful information for decision making.

While Workday increases the ability of agencies to better understand their workforce, a significant element is still missing from the data: competencies. Despite capability improvements, and a general understanding among management that more in-depth data analysis is necessary, the state does not capture data relating to the skills and competencies of the current workforce, nor does the state's classification system align job profiles to specific competencies. Without a holistic understanding of the competencies present in the workforce, identifying any gaps that exist and addressing them will remain difficult. In order to address these challenges, Oregon can look to best practices from other states to integrate workforce competency data ran with other core planning processes to better prepare for the future.

DAS has taken significant steps to implement recommendations from report 2020-34

In 2020, our office issued an audit examining the state's efforts to oversee workplace discrimination and harassment investigations.⁹ The report highlighted the need for DAS to provide sufficient oversight of agency investigations given the agency's role in overseeing the state workforce. The report also noted delays in individual state agency investigations and lack of proper documentation, which had led to over \$18 million in administrative paid leave in the prior decade. More timely investigations would have reduced these payroll expenses.

The audit recommended that DAS take action by enhancing its oversight of state government workplace discrimination and harassment investigations. This included developing a tracking system of all allegations and investigations and analyzing investigation data to identify risks. The audit also recommended developing guidelines and training for investigators.

In 2023, DAS CHRO completed its effort to improving state workforce investigations. It established a set of CHRO Investigation Standards that document 10 policy actions taken, including establishing a central investigation tracking database, required agency reporting, personnel investigation training and certification, and implementing leave without pay for employees facing criminal investigations. DAS CHRO notes that these efforts have strengthened the agency's ability to meet statewide obligations of consistent application of workplace policy standards and the recommendations from report 2020-34 served as the basis for these improvements.

⁹ Report 2020-34 [DAS Administrative Services DAS Needs to Provide Oversight to Improve Investigations of Workplace Discrimination and Harassment at State Agencies](#)

Recommendations

The Oregon Legislature DAS should adopt an integrated, statewide approach to workforce planning. Oregon should continue progress toward achieving the Governor's detailed agency expectations to address the urgency of workforce crises. To achieve this, DAS may need to take a more formalized central role in the process, while empowering other state agencies to implement strategic workforce planning process. The following recommendations can support the statewide effort to meet these goals.

To effectively plan for state workforce needs and ensure the continuity of public services, DAS should:

1. Develop a current statewide strategic workforce plan:
 - a. The plan should align to the Governor's agency expectations and addresses workforce gaps that cut across agencies;
 - b. Oversight and enforcement mechanisms should be elements of the plan; and,
 - c. Workforce planning should be included as a key component of DAS service-level agreements with agencies for whom it is contracted as HR provider.
2. Implement a process to capture and incorporate workforce competency data in the strategic workforce planning process.
3. Implement a recurring integrated process to ensure ongoing cycles of workforce planning both statewide and within agencies.
 - a. The integrated process should direct agencies to have documented strategic plans for current and future workforce needs.
4. Implement an oversight process to monitor agency workforce strategic planning progress.
5. Document current CHRO workforce planning processes and identify steps to integrate that process with statewide budget and equity processes; and,

To effectively plan for state workforce needs and ensure the continuity of public services, the Legislature should:

6. Evaluate and update ORS 184, ORS 240, and ORS 291 to clarify the role of DAS and state agencies in personnel management, position management, and in all forms of strategic, budget, workforce, and equity planning.

Objective, Scope, and Methodology

Objective

The objective of this audit was to determine to what extent the state has policies in place to ensure it has the right people at the right time to deliver government services to the people of Oregon.

Scope

The audit focused on efforts made by the state and DAS and to implement or communicate strategic workforce planning processes.

Methodology

To address our objective, we used a methodology that included conducting interviews, reviewing documentation, and performing data analysis. We interviewed executives, managers, and staff from across seven state agencies. We also interviewed legislative budget staff and state union representatives to obtain additional stakeholder perspective.

We examined DAS planning documents, performance measures, annual reports, and budgets. We reviewed additional laws, administrative rules, studies, reports, and data. We observed the statewide enterprise resource planning migration and considered the capabilities of the new system in our approach.

Internal control review

We determined that the following internal controls were relevant to our audit objective.¹⁰

- Control Environment
 - We reviewed organizational charts, and agency budget and staffing data.
- Risk Assessment
 - We interviewed staff from a cross-section of seven state agencies.
- Control activities
 - We evaluated policies and procedures related to budgeting and human resources management.
- Information and communication
 - We reviewed policies and procedures for communicating workforce information.
- Monitoring activities
 - We interviewed staff responsible for monitoring workforce needs.
 - We evaluated whether regular updates take place of workforce planning policies, procedures, statutes, and administrative rules.

Deficiencies with these internal controls were documented in the results section of this report.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate

¹⁰ Auditors relied on standards for internal controls from the U.S. Government Accountability Office, report [GAO-14-704G](#).

evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We sincerely appreciate the courtesies and cooperation extended by officials and employees of DAS and of the CHRO, as well as numerous state agencies, during the course of this audit.

Audit team

Ian Green, M.Econ, CGAP, CFE, CISA, CIA, Audit Manager

Casey Kopcho, CIA, Principal Auditor

Amelia Eveland, Senior Auditor

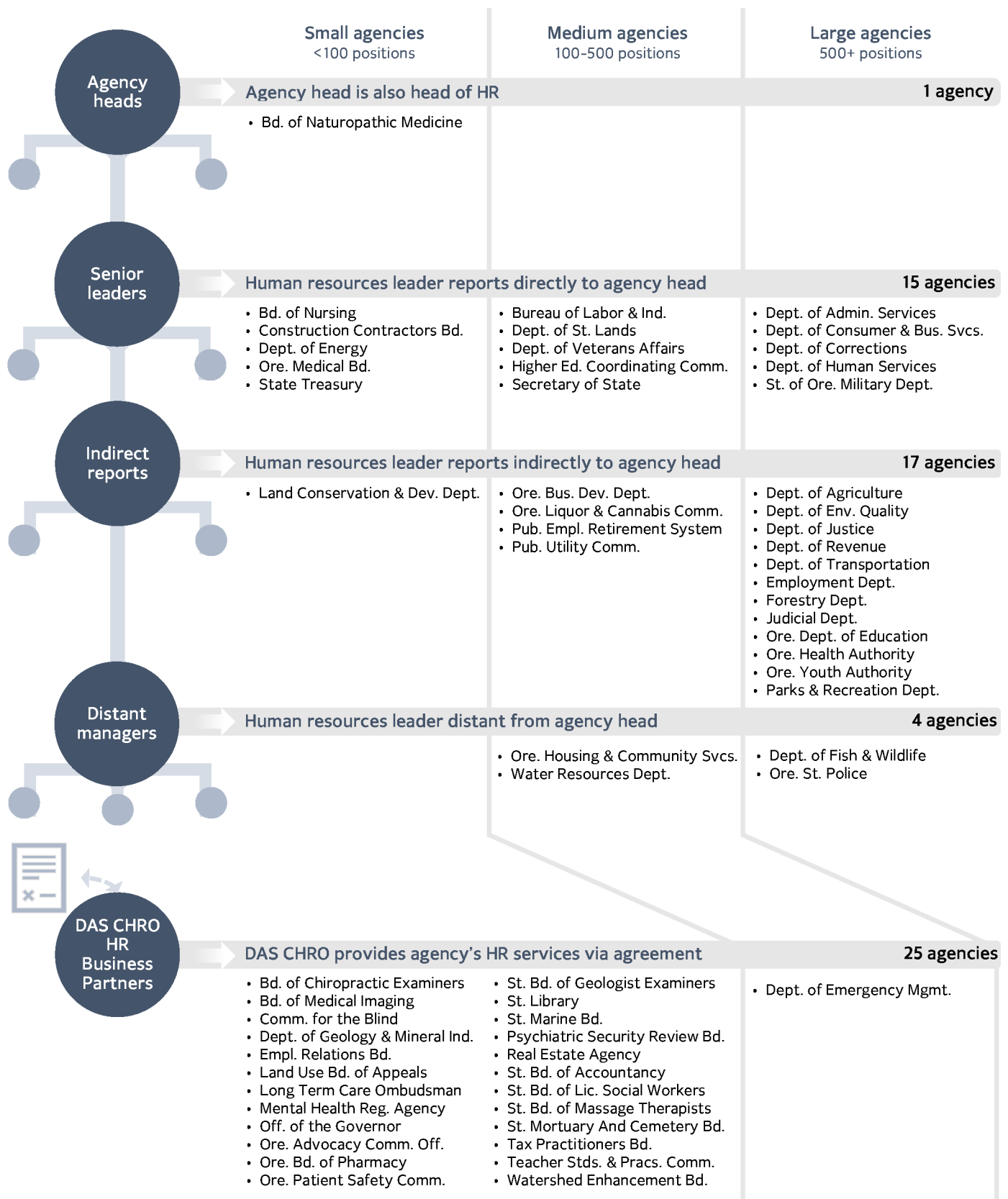
Zak Ostertag, MPP, Staff Auditor

Karl Smith, CPA, Staff Auditor

About the Secretary of State Audits Division

The Oregon Constitution provides that the Secretary of State shall be, by virtue of the office, Auditor of Public Accounts. The Audits Division performs this duty. The division reports to the Secretary of State and is independent of other agencies within the Executive, Legislative, and Judicial branches of Oregon government. The division has constitutional authority to audit all state officers, agencies, boards and commissions as well as administer municipal audit law.

Appendix A: Proximity of HR leaders to agency leaders



Appendix B: Workforce planning across U.S. states

State similarity measures							Evidence-based workforce planning practices ^b													
State	U.S. Census region	Pop.	State FTE	% of pop.	State payroll	% in union	Budget team in Governor's office	Budget team has hiring controls	Personnel head is appointed	At least 1 structural attribute	Statewide strategic plan	Statewide workforce plan	Workforce planning required*	Planning guide for agencies	Succession planning guidance	Statewide HR planning staff	Published workforce data	Workforce planning webpage	Total practices observed	Potential example for Oregon
Alabama	East South Central	5.1 M	95 K	1.9%	\$476 M	0%			●	●	●								2	
Alaska	Pacific	0.7 M	24 K	3.3%	\$147 M	42%	●	●	●	●		●		●	●	●	●	●	7	
Arizona	Mountain	7.4 M	74 K	1.0%	\$388 M	0%	●			●	●								2	
Arkansas	West South Central	3.0 M	61 K	2.0%	\$284 M	14%													0	
California	Pacific	39.0 M	429 K	1.1%	\$3.35 B	53%	●		●	●	●	●	P*	●	●	●	●	●	9	●
Colorado	Mountain	5.8 M	94 K	1.6%	\$554 M	0%	●			●	●	●					●		4	
Connecticut	New England	3.6 M	59 K	1.6%	\$397 M	0%	●		●						●				2	
Delaware	South Atlantic	1.0 M	26 K	2.5%	\$136 M	34%	●	●	●	●	●			●	●	●	●	●	7	
Florida	South Atlantic	22.2 M	180 K	0.8%	\$871 M	23%	●			●	●						●	●	3	
Georgia	South Atlantic	10.9 M	122 K	1.1%	\$627 M	16%	●			●	●	●	S*	●	●	●	●	●	9	●
Hawaii	Pacific	1.4 M	56 K	3.9%	\$299 M	88%		●	●	●	●						●	●	3	
Idaho	Mountain	1.9 M	25 K	1.3%	\$137 M	13%	●	●	●	●	●						●		3	
Illinois	East North Central	12.6 M	122 K	1.0%	\$806 M	48%	●	●		●									1	
Indiana	East North Central	6.8 M	88 K	1.3%	\$439 M	0%		●	●	●									1	
Iowa	West North Central	3.2 M	50 K	1.6%	\$316 M	13%	●			●	●				●	●	●		5	
Kansas	West North Central	2.9 M	55 K	1.9%	\$286 M	16%		●		●							●		2	
Kentucky	East South Central	4.5 M	79 K	1.8%	\$377 M	35%	●	●	●	●	●								2	
Louisiana	West South Central	4.6 M	81 K	1.8%	\$376 M	0%			●	●	●	●		●	●	●	●	●	8	●
Maine	New England	1.4 M	21 K	1.5%	\$105 M	55%		●		●	●	●		●					4	
Maryland	South Atlantic	6.2 M	94 K	1.5%	\$525 M	17%		●		●	●								2	
Massachusetts	New England	7.0 M	102 K	1.5%	\$689 M	77%	●	●	●	●	●			●					4	
Michigan	East North Central	10.0 M	142 K	1.4%	\$913 M	60%	●		●	●							●		3	
Minnesota	West North Central	5.7 M	85 K	1.5%	\$545 M	100%		●		●					●		●		3	
Mississippi	East South Central	2.9 M	53 K	1.8%	\$237 M	18%			●	●	●			●	●				4	
Missouri	West North Central	6.2 M	80 K	1.3%	\$348 M	17%			●	●	●				●				3	
Montana	Mountain	1.1 M	23 K	2.1%	\$108 M	47%	●		●	●							●		2	
Nebraska	West North Central	2.0 M	35 K	1.8%	\$169 M	27%		●		●					●		●		3	
Nevada	Mountain	3.2 M	29 K	0.9%	\$170 M	12%	●	●		●	●			●	●				4	
New Hampshire	New England	1.4 M	18 K	1.3%	\$102 M	85%		●	●	●	●			●	●			●	5	
New Jersey	Middle Atlantic	9.3 M	130 K	1.4%	\$860 M	49%		●	●	●							●		2	
New Mexico	Mountain	2.1 M	46 K	2.2%	\$238 M	8%		●	●	●						●			2	
New York	Middle Atlantic	19.7 M	245 K	1.2%	\$1.65 B	93%	●	●	●	●	●			●	●		●		5	

State similarity measures							Evidence-based workforce planning practices ^b													
State	U.S. Census region	Pop.	State FTE	% of pop.	State payroll	% in union	Budget team in Governor's office	Budget team has hiring controls	Personnel head is appointed	At least 1 structural attribute	Statewide strategic plan	Statewide workforce plan	Workforce planning required*	Planning guide for agencies	Succession planning guidance	Statewide HR planning staff	Published workforce data	Workforce planning webpage	Total practices observed	Potential example for Oregon
North Carolina	South Atlantic	10.7 M	147 K	1.4%	\$802 M	7%	●		●	●	●		P*	●	●	●	●	●	8	●
North Dakota	West North Central	0.8 M	18 K	2.4%	\$98 M	0%					●								1	
Ohio	East North Central	11.8 M	129 K	1.1%	\$736 M	32%	●	●		●			R*	●	●	●		●	7	
Oklahoma	West South Central	4.0 M	63 K	1.6%	\$298 M	23%		●	●	●		●		●	●	●	●	●	7	
Oregon	Pacific	4.2 M	76 K	1.8%	\$484 M	67%									●		●		2	
Pennsylvania	Middle Atlantic	13.0 M	152 K	1.2%	\$963 M	60%		●	●	●		●	P*		●	●	●	●	7	●
Rhode Island	New England	1.1 M	20 K	1.9%	\$133 M	33%		●		●	●								2	
South Carolina	South Atlantic	5.3 M	82 K	1.6%	\$385 M	12%				●				●				●	4	
South Dakota	West North Central	0.9 M	14 K	1.6%	\$70 M	0%			●	●					●				2	
Tennessee	East South Central	7.1 M	77 K	1.1%	\$385 M	27%			●	●	●			●	●	●			6	
Texas	West South Central	30.0 M	319 K	1.1%	\$1.8 B	34%	●			●	●		S*	●	●	●	●	●	9	●
Utah	Mountain	3.4 M	66 K	1.9%	\$379 M	17%	●		●	●	●								2	
Vermont	New England	0.6 M	13 K	2.1%	\$87 M	51%			●	●					●				3	
Virginia	South Atlantic	8.7 M	129 K	1.5%	\$747 M	39%	●	●	●	●	●	●	S*	●	●	●	●	●	9	●
Washington	Pacific	7.8 M	131 K	1.7%	\$878 M	63%	●	●	●	●	●	●		●	●	●	●	●	8	●
West Virginia	South Atlantic	1.8 M	39 K	2.2%	\$182 M	12%		●		●									1	
Wisconsin	East North Central	5.9 M	68 K	1.2%	\$414 M	29%		●		●	●							●	4	
Wyoming	Mountain	0.6 M	13 K	2.2%	\$64 M	10%	●		●	●	●			●		●	●	●	7	
United States	N/A	333.3M M	4.4 M	1.3%	\$25.8 B	36%	24	25	29	46	32	17	7	20	25	16	27	16		

Appendix C: Workforce planning guidance is consistent

Common recommendations

	Establish program & comm.	Understand current & future conditions	Set plan in action				Monitor & adapt					
	Establish strategic workforce team	Involve stakeholders	Analyze workforce	Identify critical skills	Project future needs	Budget & program integration	Recruiting	Set strategy	Succession planning	Training & development	Establish metrics	Oversight – Monitor & iterate
Workforce Planning Guidance												
U.S. Government Accountability Office – GAO-04-39 Strategic Workforce Planning												
Principle 1: involve top management, employees, and stakeholders in developing, communicating, and implementing the strategic workforce plan		●										
Principle 2: determine the critical skills and competencies that will be needed to achieve the future programmatic results			●									
Principle 3: develop strategies tailored to address gaps and human capital conditions in critical skills and competencies that need attention						●						
Principle 4: build the capability needed to address administrative, educational, and other requirements important to supporting workforce strategies								●		●		
Principle 5: monitor and evaluate agency’s progress toward its human capital goals and the contribution of human capital results toward programmatic goals							●					●
Strategic Human Resource Management and Workforce Planning in Government												
Build a planning project team	●	●										●
Review relevant inputs (analyze workforce, strategic plans, HR projections, etc)			●	●	●			●	●	●		
Engage managers (Cross-section of sr. managers across range of major functions)	●		●									
Assess challenges and devise solutions			●	●	●			●	●	●		
Draft the plan						●		●	●	●	●	●
U.S. Office of Personnel Management – Workforce Planning Best Practices												
Workforce analysis - analyze mission, vision, strategic plans, budgets and resources	●						●					
Workforce analysis - analyze demand, supply, & gap			●	●	●							
Workforce analysis - create workforce strategy & plans	●					●	●	●	●	●		
Workforce analysis - implement plans						●		●	●	●		
Workforce analysis - evaluate plans											●	●
Workforce analysis - maintain stakeholder engagement	●											
Workforce analysis - develop methodology for analyzing and interpreting data			●	●							●	
Workforce transition - establish detailed plan (objectives, processes, timeline, etc.)	●					●						
Workforce transition - employee training & development								●	●			
Workforce transition - communication (info helpdesk, website, workplace comms)	●											
Workforce transition - earned value management analysis				●								●
U.S. Office of Personnel Management – Workforce Planning Guide – November 2022												
Set strategic direction - link mission, vision, strategic plans, budgets, resources	●						●					
Set strategic direction - conduct environmental scanning (SWOT)			●	●	●							
Conduct workforce analysis - analyze/forecast demand			●	●	●							
Conduct workforce analysis - analyze supply				●								
Conduct workforce analysis - develop workforce action plan (WAP)	●					●	●	●	●	●		
Conduct workforce analysis - implement & monitor WAP											●	●
Conduct workforce analysis - evaluate and revise WAP				●		●					●	●
International Organization for Standardization (ISO) 30409 – Workforce Planning												
<i>Auditors consulted ISO 30409, which is not publicly shareable. The standards contain guidance that supports each of the above four themes.</i>												

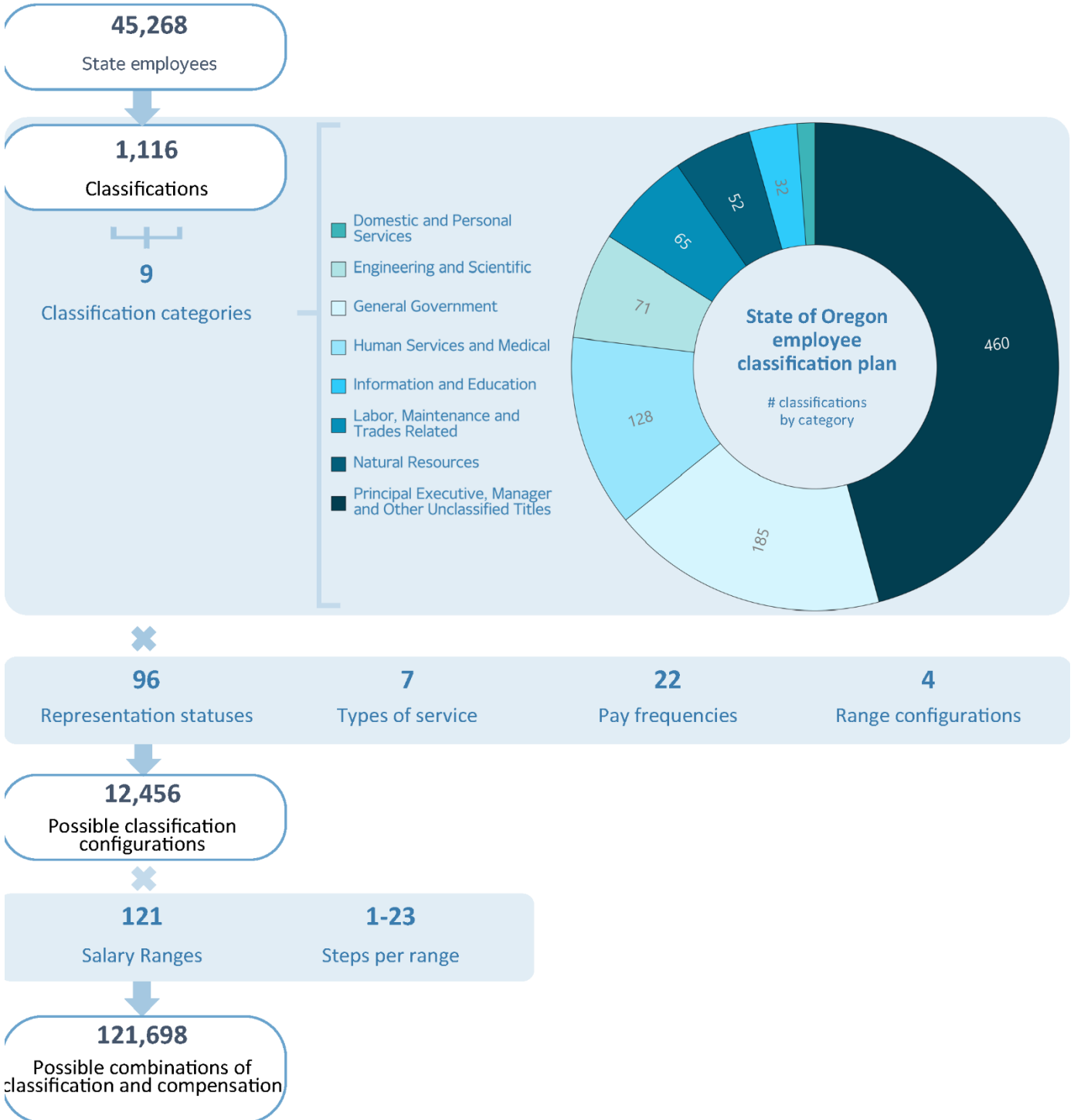
Appendix D: 10 years of audit recommendations

Yr.	Agency	Audit Report	Common recommendations											
			Establish program & comm.	Understand current & future conditions			Set plan in action				Monitor & adapt			
			Establish strategic workforce team	Involve stakeholders	Analyze workforce	Identify critical skills	Project future needs	Budget & program integration	Recruiting	Set strategy	Succession planning	Training & development	Establish metrics	Oversight - Monitor & iterate
2012	DOC	Managing Security Personnel Costs			●	●							●	●
2014	DHS	TANF: High Expectations Stronger Partnerships and Better Data Could Help More Parents Find Work		●	●	●		●					●	●
	ODOT	Better Workforce Planning Needed to Maintain Staff Expertise for Quality Construction			●	●	●	●		●	●	●	●	●
2016	ODFW	Fish & Wildlife Needs a Comprehensive Management Strategy		●	●	●	●	●	●	●	●	●	●	●
	ODF	Actions Needed to Address Strain on Workforce and Programs from Wildfires		●	●	●	●	●	●	●	●	●	●	●
2017	DAS	DAS Should Enhance Succession Planning to Address Workforce Risks and Challenges	●	●	●	●	●		●	●		●	●	
2018	DEQ	DEQ Should Improve the Air Quality Permitting Process to Reduce Its Backlog		●	●				●	●	●		●	
	DHS	Child Welfare System: Chronic Management Failures and High Caseloads Jeopardize		●	●	●	●	●	●	●	●	●	●	●
2019	OHA	Integrated Eligibility Project Has Generally Followed Industry Standards			●		●		●	●				
	DAS	While Further Action Is Needed, Several Statewide Internal Audit Improvements Have Been Made	●	●	●	●	●	●	●	●		●	●	●
2021	DPSST	Additional Resources Needed to Strengthen Police Training and Accountability		●	●	●	●	●	●	●	●	●	●	●
2022	OSP	Additional Data Analytics Could Better Determine Trooper Staffing Levels and Resource Needs		●	●	●	●	●	●	●		●	●	●

Appendix E: An extensive classification system structures Oregon's state workforce

"[CHRO] shall group jobs into broad, statewide classes, whenever possible, consistent with good management practices .. In this process, [CHRO] shall work to reduce the total number of classes, in conjunction with developing career ladders."

Oregon Revised Statute 240.215(4)



Appendix F: State of Oregon Collective Bargaining Agreements

11 labor orgs. 36 agreements (covering 30K+ state & 23K+ non state workers)

AEE	Association of Engineering Employees
AFSCME	Construction Contractors Board
	Department of Consumer & Business Services - Building Codes
	Department of Corrections - Dentists
	Department of Corrections - Security
	Department of Corrections - Security Plus
	Department of Environmental Quality
	Department of Human Services - Stabilization and Crisis Unit
	Department of Justice - Oregon Association of Justice Attorneys
	Department of Land Conservation and Development
	Department of State Lands
	Non State - Childcare Providers Together
	Ore. Health Authority - Office of the Long Term Care Ombudsman
	Ore. Department of Emergency Management
	Ore. Employment Department - Office of Administrative Hearings
	Ore. Health Authority - Physicians
	Ore. Liquor and Cannabis Commission
	Ore. Military Department
	Ore. State Fire Marshal
	Ore. State Hospital - Registered Nurses
	Ore. State Police - Support Unit
Ore. Youth Authority	
Real Estate Agency	
AOCE	Association of Corrections Employees
CIA	Criminal Investigators Association
FOPPO	Federation of Parole and Probation Officers
IAFF	Kingsley Firefighters Association
	Portland Air National Guard
ONA	Ore. Nurses Association
OPSA	Ore. Public Safety Association
OSPOA	Ore. State Police Officers Association
SEIU	Full Master Collective Bargaining Agreement
	Human Services Coalition
	Institutions Coalition
	Non State - Adult Foster Home Providers
	Non State - Child Care Providers
	Non State - Oregon Home Care Commission
	Ore. Department of Transportation Coalition
Special Agencies Coalition	
STEA	State Teachers Education Association



Oregon

Governor Tina Kotek

Department of Administrative Services

Office of the Chief Human Resources Officer

155 Cottage Street NE

Salem, OR 97301

FAX: 503-378-6879

February 26, 2024

Kip Memmott, Director
Secretary of State, Audits Division
255 Capitol St. NE, Suite 180
Salem, OR 97310

Dear Mr. Memmott,

This letter provides a written response to the Audits Division's final draft audit report titled Ongoing Workforce Crises and Disruption Demand Strategic Workforce Planning.

This audit is timely and aligns with the areas of programmatic focus we have identified for the Workforce Development Team. We appreciate the information and additional resources included within the report. The Workforce Development Team has a new Administrator that will use this report to inform the team's strategic planning efforts this year in alignment with Governor Kotek's Agency Accountability Expectations.

Below is our detailed response to each recommendation in the audit.

RECOMMENDATION 1		
Develop a current statewide strategic workforce plan		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree with Recommendation	Dec. 31, 2024	Krista Campbell (971) 375-1863

Narrative for Recommendation 1

The Workforce Development Unit within the Chief Human Resource Office will begin developing an Enterprise Strategic Workforce Plan that aligns with Governor Kotek's Agency Accountability Expectations. Included within her expectations are several key initiatives that directly tie to workforce strategic planning including agency head performance reviews, quarterly check-ins, employee engagement and feedback surveys, Diversity, Equity and Inclusion, succession planning and new manager and employee development training. These initiatives as well as the highlighted states within the audit report will inform DAS' strategic workforce plan development and implementation. Initial plan development is anticipated to be completed by Dec. 31, 2024 with a potential launch of the enterprise plan by June 30, 2025.

RECOMMENDATION 2 Implement a process to capture and incorporate workforce competency data in the strategic workforce planning process		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree with Recommendation	Dec. 31, 2025	Krista Campbell (971) 375-1863

Narrative for Recommendation 2

The Enterprise Values and Competencies continue to play a foundational role to the DAS Enterprise Strategic Workforce planning efforts. The Chief Human Resource Office has recently reviewed its organizational structure and realigned staffing to meet the operational needs of the division and state enterprise. A coordinated staffing model around data collection and analysis is currently being developed and will require collaboration and coordination with the Workday Team to develop robust data collection and reporting functionality.

RECOMMENDATION 3 Implement a recurring integrated process to ensure ongoing cycles of workforce planning both statewide and within agencies		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree with Recommendation	Dec. 31, 2024	Krista Campbell (971) 375-1863

Narrative for Recommendation 3

Governor Kotek’s Agency Accountability Expectations issued January 2023 has required agencies to think critically about their overall operations including strategic planning, succession planning, new employee and manager development, employee feedback and employee engagement. Workforce Development Enterprise Strategic Workforce Plan will establish a schedule for review and planning for the DAS Workforce Development Team and establish standardized best practices for review and planning at the agency level.

RECOMMENDATION 4		
Implement an oversight process to monitor agency workforce strategic planning progress		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree with Recommendation	Dec. 31, 2024	Krista Campbell (971) 375-1863

Narrative for Recommendation 4

Governor Kotek’s Agency Accountability Expectations issued January 2023 required agencies to begin planning, documenting, and submitting information to the DAS Chief Human Resources Office and the Office of Strategic Initiatives and Enterprise Accountability in 2023. Agencies have actively been working in the following areas and have developed tracking and reporting mechanisms in coordination with DAS:

- Agencies were required to complete the first Employee Satisfaction Survey by Dec. 31, 2023, and submit their scores to DAS by Feb. 1, 2024.
- Agencies were required to increase engagement between managers and employees during quarterly performance feedback. The enterprise has met the requirement at a rate of 90% completion or higher by June 1, 2023.
- Agencies were required to have a succession plan in place and submit their plan by Dec. 31, 2023, to the DAS Chief Human Resources Office Workforce Development Team.
- Agencies were required to have a Diversity, Equity, and Inclusion Plan (DEI Plan), updated every two years. Agencies submit their completed or initial plan by June 1, 2023.
- Agencies are required to monitor hiring practices to ensure that the average time to fill positions does not exceed more than 50 days. Quarterly reports have been developed and are provide to Office of Strategic Initiatives and Enterprise Accountability. The DAS Chief Human Resources Office Recruitment Team is also working on efforts to modernize our recruitment practices in support of agencies meeting the 50-day goal, ultimately improving hiring outcomes.
- Agencies are required to develop a New Employee Orientation program and demonstrate that 100% of their employees participate in their onboarding programs within 60 days of hire. Agencies were required to comply by Dec. 31, 2023. DAS Workforce Development Team in collaboration with the Workday Team has developed tracking systems to allow for reporting of agency compliance with this requirement to the DAS Office of Strategic Initiatives and Enterprise Accountability.

- Agencies are required to ensure all new state employees will participate in DAS' customer service training within 60 days of hire. Agencies were expected to be in compliance by Dec. 31, 2023.
- Agencies were required to ensure that every new employee participates in Uplift Oregon's benefits workshop within 30 days of hire, so that the education supports employees to make fully informed decisions when choosing their benefits. Agencies were expected to be in compliance with this expectation by June 1, 2023. Compliance is monitored and reported quarterly.
- Agencies are required to ensure that managers new to managing in state government complete the introductory manager training program within three months of starting their new management position. Agencies were expected to be in compliance by June 1, 2023. DAS Chief Human Resources Office has developed and is providing quarterly reports to the Governor's Office through the DAS Office of Strategic Initiatives and Enterprise Accountability.

The Classification and Compensation Team is currently working on a review of the Equal Pay Methodology enterprise-wide to determine salary upon hire and promotion. This evaluation process included listening sessions with Executive Branch leaders, human resources professionals and labor organizations to identify and address opportunities to narrow the wage gap consistent with Oregon law. This project is anticipated to be completed by summer 2024 and is anticipated to have a direct impact on agencies abilities to recruit and retain skilled employees across the enterprise.

Additionally, DAS in partnership with Uplift Oregon has developed and launched a pilot Career Mobility Program. The program offers state employees a no-cost year of education and guided support. The goal of the program is for employees to develop the skills and credentials required to promote into classifications proven difficult for agencies to recruit and fill. The current pilot program launched October 2023, is focused on the accounting series and gained significant employee interest. We will assess the program at the conclusion of this year for possible continuation and expansion into other classifications or disciplines.

The Workforce Development Enterprise Strategic Workforce Plan will establish ongoing standardized schedules and best practices for review and planning in alignment with the Governor's established Agency Accountability Expectations. The planning efforts will review baseline information provided by agencies to determine appropriate next steps to continue advancing the workforce. Additional resources, tools and supports for agency workforce efforts will be available through the DAS Chief Human Resources Office Workforce Development Team.

<p>RECOMMENDATION 5 Document current DAS Chief Human Resources Office workforce planning processes and identify steps to integrate that process with statewide budget and equity processes</p>		
<p>Agree or Disagree with Recommendation</p>	<p>Target date to complete implementation activities</p>	<p>Name and phone number of specific point of contact for implementation</p>
<p>Agree with Recommendation</p>	<p>Dec. 31, 2024</p>	<p>Krista Campbell (971) 375-1863</p>

Narrative for Recommendation 5

Included in the Workforce Development Enterprise Strategic Workforce planning efforts will be an assessment of existing resources and additional resources needed to meet the plan goals and objectives. Workforce Development will make recommendations in collaboration with DAS’s Office of Cultural Change and Chief Financial Officer’s office.

RECOMMENDATION 6 The Legislature should evaluate and update ORS 184, ORS 240, and ORS 291 to clarify the role of DAS and state agencies in personnel management, position management, and in all forms of strategic, budget, workforce, and equity planning		
Agree or Disagree with Recommendation	Target date to complete implementation activities	Name and phone number of specific point of contact for implementation
Agree	As determined by the Legislature	N/A

Narrative for Recommendation 6

This recommendation is not a recommendation for Department of Administrative Service action. DAS is willing, ready and able to assist the legislative branch as requested.

Please contact Krista Campbell at (971) 375-1863 with any questions.

Sincerely,

Berri Leslie
Director, Department of Administrative Services
State Chief Operating Officer

cc:
Debbie Dennis, Deputy Director
Jessica Knieling, Chief Human Resource Officer
Jen Coney, Classification and Compensation Administrator
Krista Campbell, Workforce Development Administrator



Secretary of State
LaVonne Griffin-Valade



Audits Director
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This report is intended to promote the best possible management of public resources.

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