

FY 2027 Budget Performance Review 290 - Employment Security Commission

Version Original
Lead Administrator: Trae Rahill

Date submitted
Lead Financial Officer: Michelle Britten

10/2/2025

Agency Mission

Connecting Oklahomans to the workforce through reliable and innovative services for a more prosperous Oklahoma.

Division and Program Descriptions

Note: Please define any acronyms used in program descriptions.

0100001- Administrative Services

The Oklahoma Employment Security Commission (OESC) is a state agency funded by the U.S Department of Labor to assist Oklahoma employers and workers with job placement services, unemployment insurance eligibility, skills assessment and labor market data and analyses. Administrative Services include finance, human resources, training, quality control/compliance, board of review, legal division, and the research division.

0400001 - UI Administration

UI Administration Division is focused on administering Oklahoma's unemployment benefits for qualified individuals based on DOL requirements and Oklahoma statutes. UI Administration includes Benefits Administration, Benefit Payment Control, Benefit Integrity, Adjudication and Appeals.

0500001 - Field Operations

Field Operations Division provides direct assistance to the unemployed, underemployed, and those skills gaps in our workforce. This division also provides direct services to employers seeking qualified job applicants and related labor market data analyses.

1000001 - Workforce Services

Workforce Services is focused on serving Oklahoma's employer community and includes Workforce Innovation and Opportunity Act (WIOA) programs, UI Tax and Communications. WIOA is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. UI Tax administers Oklahoma's State Unemployment Tax Act (SUTA) to fund unemployment benefits administered by the agency. Communications is included under Workforce Services to support the agency's focus on the important employer community, but also supports the communication needs of the entire agency.

8800001 - Information Technology

Information Technology includes both Technical and Project Management resources. The work of this division addresses maintenance and upkeep of all agency technology, including the agency's legacy mainframe system, and supporting efforts to modernize agency technology platforms.

FY'26 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
0100001	Administration		\$9,435,383	\$318,753			\$9,754,136
0400001	Unemployment Insurance		\$8,892,860	\$189,313			\$9,082,173
0500001	Employment Services		\$18,448,991	\$560,220			\$19,009,211
1000001	Workforce Services		\$25,936,089	\$122,789			\$26,058,878
8800001	Information Technology		\$12,981,073	\$171,573		\$16,773,056	\$29,925,702
Total		\$0	\$75,694,396	\$1,362,648	\$0	\$16,773,056	\$93,830,100

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable for each department:

OESC Technology Fund - Fund 28000

What changes did the agency make between FY'25 and FY'26?

1.) Are there any services no longer provided because of budget cuts?

No.

2.) What services are provided at a higher cost to the user?

Not applicable. Customers are not charged for our services.

3.) What services are still provided but with a slower response rate?

None.

4.) Did the agency provide any pay raises that were not legislatively/statutorily required?

No.

FY'27 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
0100001	Administration	\$0	\$9,435,383	\$318,753	\$0	\$9,754,136	0.00%
0400001	Unemployment Insurance	\$0	\$8,892,860	\$189,313	\$0	\$9,082,173	0.00%
0500001	Employment Services	\$0	\$18,448,991	\$560,220	\$0	\$19,009,211	0.00%
1000001	Workforce Services	\$0	\$25,936,089	\$122,789	\$0	\$26,058,878	0.00%

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Total		\$0	\$75,694,396	\$1,362,648	\$16,773,056	\$93,830,100	0.00%

1. Please describe source(s) and % of total of "Other" funding for each department:
OESC Technology Fund - Fund 28000

Does the agency has any costs associated with the Pathfinder retirement system and federal employees? If so, please describe the impact.

Pathfinder Retirement System - non allowable cost per USDOL are paid by Penalty & Interest. There are 256 participants in Pathfinders.

* Include the total number of federally funded FTE in the Pathfinder system.

Is the agency seeking any fee increases for FY '27?

Description of requested increase in order of priority	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1 No		

Federal Funds

CFDA	Federal Program Name	Agency Dept. #	FY 26 budget (\$)	FY 25 actuals (\$)	FY 24 actuals (\$)	FY 23 actuals (\$)	FY 25 budgeted FTE (#)
17.225	Unemployment Insurance	0400001	38,937,138	33,079,888	32,294,117	42,910,411	261.05
17.225	Disaster Unemployment Assistance	0400001	180,000	42,154	731,254	74,328	0.43
17.225	Reemployment Service Eligibility and Assessment	0500001	2,515,970	3,648,460	3,582,535	2,608,122	42.79
17.207	Employment Services	0500001	7,218,576	7,562,112	7,085,931	7,933,515	85.24
17.207	One Stop Workforce Information	0100001	469,461	463,247	460,596	339,851	6.14
17.271	Work Opportunity Tax Credit	1000001	371,509	547,091	274,022	445,956	8.02
17.273	Foreign Labor Certification	0500001	189,682	185,922	184,214	105,259	0.75
17.002	Bureau of Labor Statistics	0100001	921,248	917,187	872,255	923,384	11.35
17.245	Trade Adjustment Assistance	0500001	128,095	220,917	1,106,356	1,455,632	1.83
17.801	Veterans - Disabled Veterans' Outreach Program	0500001	1,462,390	1,397,804	1,656,582	1,545,015	14.17
17.804	Veterans - Local Veteran's Employment Represent	0500001	692,836	645,076	409,598	355,624	5.74
na	New Hire Directory	1000001	202,439	182,466	230,000	219,961	1.93
	Workforce Innovation Opportunity Act Dislocated Worker						2.45
17.278	Dislocated Worker Activities	1000001	6,311,165	5,228,946	802,798		3.62
17.258	Adult Activities	1000001	7,708,786	6,228,651	1,636,827		3.47
17.259	Youth Activities	1000001	8,385,101	7,956,949	1,090,019		3.90

Federal Government Impact

1.) How much federal money received by the agency is tied to a mandate by the Federal Government?
None
2.) Are any of those funds inadequate to pay for the federal mandate?
N/A
3.) What would the consequences be of ending all of the federal funded programs for your agency?
Historically, OESC has been fully funded by federal grants. If all of the federal programs ended, there would likely be an alternative model developed to support the important unemployment and workforce services offered by the agency. We are already working with other partners in the workforce space to contemplate changes to the workforce delivery system to drive better outcomes, so we are participating in proposing changes rather than wait for direction from the federal level.
4.) How will your agency be affected by federal budget cuts in the coming fiscal year?
Significant federal budget cuts could result in office consolidations, hiring freezes, and possible layoffs/voluntary buyouts. Current activity at the federal level has proposed significant changes to the funding levels and structure for the workforce area. That activity prompted OESC to lead effort to bring all workforce partners together to work together to propose changes to drive better outcomes. Funding impact is still unknown as of October 2025, but the agency is working to offer alternative solutions for the future.
5.) Has the agency requested any additional federal earmarks or increases?

Historically, the agency has only applied for federal funds made available by DOL. Adding more Workforce responsibilities to OESC in FY24 led the agency to look at opportunities with fresh perspective. Working with other workforce partners, OESC was recently awarded almost \$6M that will go almost exclusively to employers for training in fast-growing occupations, and we intend to seek out more opportunities to benefit the Workforce Delivery System in Oklahoma and those served by those efforts. Historically, additional federal funds are received by OESC in conjunction with increased activity during high periods of unemployment.

FY 2026 Budgeted FTE

Division #	Division Name	Supervisors	Non-Supervisors	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$100K	\$100K+
0100001	Administration	33.0	55.3	6.3	66.0	10.0	6.0
0400001	UI Administration	14.0	87.6	0.6	92.0	8.0	1.0
0500001	Field Operations	35.0	167.4	1.4	190.0	9.0	2.0

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1000001	Workforce Services	11.0	43.0	0.0	47.0	6.0	1.0
8800001	Information Technology	10.0	30.4	1.6	15.8	20.0	3.0
Total		103.0	383.7	9.9	410.8	53.0	13.0

FTE History by Fiscal Year							
Division #	Division Name	FY 2026 Budgeted	FY 2026 YTD	FY 2025	FY 2024	FY 2023	FY 2017
0100001	Administration	88.3	78.1	81.6	66.0	69.7	78.0
0200001	Project Management				7.1	5.8	
0300001	Employer Tax				39.7	27.3	
0400001	UI Administration (UI Compliance)	101.6	119.6	98.4	26.8	38.3	129.3
0500001	Field Operations	202.4	159.4	189.9	159.6	153.3	285.7
0600001	Call Center/Adjudication				76.1	82.0	
0700001	Research				17.0	15.8	18.0
1000001	Workforce Services	54.0	40.0	54.4			
1200001	Training and Targeted Populations				15.9	12.4	15.8
1800001	Operations Support Division				34.3	33.8	
8800001	Information Technology	40.4	31.4	29.8	23.8	25.2	29.7
Total		486.7	428.5	454.1	466.1	463.6	556.5

Revolving Funds (200 Series Funds)			
	FY'23-25 Avg. Revenues	FY'23-25 Avg. Expenditures	June 2025 Balance
Fund: 20000 OK Emp Sec Comm Rev Fund			
This fund collects the Penalty & Interest from employer contributions. Revenues in this fund can only be spent on the Unemployment Insurance Program.	\$21,629,108	\$990,867	\$42,848,352
Fund: 28000 OESC Technology Fund			
This fund Collects Assessments from employer contributions for the sole purpose of modernizing the Unemployment computerized system. Fund 280 Technology Fund began May, 2018	\$11,952,815	\$426,270,296	\$23,893,997