

**Oregon Workforce Investment Board Minutes
Salem, Chemeketa Community College
November 8, 2013**

Attendees:

Agnes Balassa, Alan Unger, Barbara Byrd, Barbara Rodriguez, Carol Lamon, Claire Spanbock, Dacia Johnson, Dave Baker, Erinn Kelley-Siel, Frank Wall, Gerald Hamilton, Jessica Gomez, Karen Goddin, Ken Madden, Laura McKinney, Lisa Nisenfeld, Lori Luchak, Marvin Revoal, Maureen Fallt, Megan Helzerman, Rep. Michael Dembrow, Rosie Pryor, Rep. Diane Rosenbaum, Stephaine Taylor, Susan Brown

Staff: Tracey O'Brien

Absent:

Art Paz, Cheryl Roberts, Jesse Gamez, Joe Webber, Kate Wilkinson, Rep. John Huffman, Sen. Larry George

Meeting called to order at 12:31 p.m.

Board Chair Pryor opened the meeting and OWIB members introduced themselves. Chair Pryor welcomed new member Frank Wall.

Consent Agenda

Madden made the motion to approve the consent agenda, Unger seconded and it passed unanimously.

Rechartering of the OWIB and LWIBs pursuant to Executive Order

Balassa introduced draft versions of the OWIB and LWIB charters. With new additions in bold, she noted the charters have a greater focus on labor market information, along with a set of operating principles. The LWIB charter provides a bigger focus on LWIBs' convening function and outlines the expectations of that function. There is a focus on labor market expertise, in parallel to OWIB charter, as well as a greater focus on investment and accountability. Balassa said staff is gathering input and drafting up criteria that will indicate when the charter requirements are fulfilled. The criteria are to be completed by December 31, 2013, and OWIB and LWIBs will be rechartered by June 30, 2015. Balassa noted no action is required at this meeting, but she is continuing to request feedback on the documents. The charters will be finalized at December OWIB meeting.

Commissioner Unger asked about the role of business in LWIBs and if that is reflected in the charters. Balassa stated that LWIB provided feedback on the charters to clarify that one of their roles was as investors because they bring the needs of businesses into the system, and then seek additional resources to fulfill these needs.

Chair Pryor inquired to the process of LWIB feedback. Balassa indicated she had received feedback at October 25th Oregon Workforce Partnership (OWP) meeting that included adding investor role, as well as the challenges of coordinating activities across a large system where LWIBs do not always have influence. She is in the process of describing in the charter what LWIBs have direct control over versus their convening role. The charter will be discussed again at November 15 OWP meeting.

Recommendations by Workforce System Redesign Work Group

Work Group Presentation

Tracey O'Brien introduced list of team members involved in the work group. Barry Pack, DAS Senior Policy Advisor, provided an overview of other statewide transformation efforts, such as health care and education, and how the workforce system transformation fits in alongside it. All the transformation efforts start with a broad policy goal set by the state, then delivery occurs at local community level in order to maximize outcomes. In the middle is the appropriate level of governance needed to assure accountability. The Governor is interested in designing flexibility into the system, as well as coordinating efforts regionally and at statewide level.

O'Brien outlined the stakeholder engagement feedback plan and process. OWIB's task is to listen to this feedback, ask questions, then decide at December meeting whether to endorse the recommendations to the Governor. Balassa thanked the interagency work group on behalf of the Governor for all their hard work on delivering the recommendations. She said the team was thoughtful and made sure the recommendations were representative of the Governor's vision, as well as what is able to be accomplished at this time.

Nisenfeld explained the lack of common outcome measures within the workforce system that causes fragmentation. The recommendations for shared vision, system outcomes, and measures begins to address this, and examine outcome measures within the lens of current workforce. The recommendation is to start with a scorecard to measure progress throughout the system, with focus on whole system, including OED, Vocational Rehab, JOBS, etc. The score card will give a citizen eye's view about workforce investments. The next step will be to work with local partners to take the same metrics down to local level, and also look at specific demographic segments of the population. The recommendations are about looking at programs, then reporting results and progress. She emphasized the intent is not to punish when outcomes are not met, but about adding accountability into the system by identifying issues and then fixing them.

Parker discussed recommendation #6 around Integrating Service Delivery. She reminded OWIB that in 2008 they charged the LWIBs and OED to integrate service delivery within WorkSource. This recommendation is meant to address the fact that integration does not occur at the state level, even though it's being asked for at the local level. Combining workforce development into OED will mean local level, both WorkSource and LWIBs, will receive less conflicting information from two separate agencies – CCWD and OED. She noted that every meeting with LWIB Directors deals with difficulty of integrating and aligning WIA and OED programs. A consolidation would allow the local level to better

work together, serve people in more streamlined manner with less friction, and less energy spent in trying to fix a problem where there is a relatively simple fix.

Humelbaugh and Hamilton discussed the recommendations around Defining Governance and Accountability Structure. Hamilton said that state coordination is critical to providing better alignment and authority across the state. Humelbaugh notes this builds off of previous OWIB discussions around enhanced authority and re-chartering process. This recommendation is trying to expand OWIBs role across overall workforce system, not just WIA Title I-B, and covers OWIB responsibilities that need to be better defined. The recommendation about strengthening the roles of LWIBs is to make it clear that LWIBs are conveners of local public/private partnerships, since they understand the local labor market, and are, or will soon be, neutral brokers of workforce services.

Kelley-Siel discussed the recommendations around Enhancing Support for Service Delivery. The intent of these is to spring board off successful best practices around the state, and take successful pilot projects to scale, while also leaving room for innovation. We want to encourage local innovation and the piloting of new models. These recommendations also address the need for better systems that track, report, and streamline the customer experience.

Public Comment

Chair Pryor opened the discussion up for Public Comment, reiterating that OWIB wants to make changes in order to do business differently and create better outcomes for Oregonians.

Jordana Barclay, Executive Director of the Oregon Workforce Partnership, expressed overall support of the recommendations on behalf of the Partnership. She expressed the need for continued clarity from OWIB on the performance compacts, as well as a stronger focus on business customer needs. Barclay expressed concerns on the initial scope of the agency consolidation, but strongly endorsed the need for one lead workforce agency. In order to fulfill OWIB's goal of an aligned, integrated, efficient, and effective system that produces better outcomes, local integration needs to be reflected at the state level.

Kathy Wilkins is HR Manager for Willamette Graystone, as well as president of Oregon Employer Council, and an LWIB member. She said it is not clear where business has been involved during the stakeholder process and wants there to be business input from the Employer Council. She stated the system needs to serve the needs of both businesses and job seekers. She expressed concerns about the disconnect between LMI data and OWIB's direction, as she feels the recommendations do not directly address the lack of qualified applicants that businesses face.

David Rives, President of American Federation of Teachers Oregon, represents over 12,000 teachers in the state. AFT has concerns about transferring the oversight of WIA Title IB to a non-educational agency. He said it is important to maintain the educational integrity of what community colleges oversee, including training, assessment, curriculum development. He noted the critical role that CTE plays in Oregon reaching the "middle 40" of the 40/40/20 goals, and that education needs to be involved in these key decisions.

Mary Spilde, President of Kane Community College, noted the community college presidents support the recommendations that focus on streamlining, efficiency, and accountability. They do have reservations about the recommendation to separate workforce development and community colleges. Community colleges have benefited from strong partnerships with the LWIBs, and the alignment between community colleges and workforce has produced closer coordination between job training and education. They believe a move to OED will create a new silo for WIA programs, and result in a looser connection between workforce and education. She stated that retaining workforce programs with the community colleges provide a vital link that is critical for Oregon to reach its 40/40/20 goals.

Connie Green, President of Tillamook Bay Community College, stated that the recommendations do not acknowledge the role community colleges play in the “middle 40”, and only makes small mention of the OEIB. With the creation of the HECC, it is critical policies are looked at jointly. She also stated that the findings do not provide a cost benefit of the changes recommended, nor mention the need of maintenance of effort for match. The community colleges believe the recommendations are not consistent with the Governor’s approach to tight-loose relationships, and feels that the community colleges were not involved in providing input into the process.

Peter Angstadt, President of Rogue Community College, stated that employers come to them to ask for help and they are able to give them results. He encouraged the OWIB to look at the needs of employers throughout this process.

John Wykoff, Legislative Director for the Oregon Community College Association, stated the Association supports the changes proposed in terms of governance and coordination. They are concerned about the consequences of moving Title IB from CCWD. He noted there are still some unresolved questions remaining from the education system re-organization, and believes this cuts off the conversation before many of these have been determined. He said this move will have a profound effect on the culture of CCWD and HECC, and it is critical that higher education, community colleges, and workforce development stay aligned. He said it is important to have the capacity to make these links, and it will be harder for higher education to focus on elements of workforce development.

OWIB Member Q&A

Chair Pryor ended Public Comment period and asked Board members for their initial feedback. Taylor said her concerns about the inclusion of Vocational Rehabilitation into the workforce agency and about serving special populations are reflected in the recommendations, since she is a member of the Work Group. Johnson echoed Taylor’s comments, and wants to ensure that sufficient resources are protected to serve all those who are able to work.

Rep. Rosenbaum expressed concern about the short February session and wants to be sure there is time to adequately address all the issues in the recommendations. Fallt noted the effort it takes to align supply and demand, and likes the phased approach of the report. She wants OWIB to be mindful of the cultural issues in aligning different departments, and to give time to the education voices. Commissioner

Brown wanted a clearer understanding of the relationships between the colleges and workforce, but understands the change is to move the system beyond just WIA focus.

Baker wanted to see apprenticeship better included in this workforce discussion, as well as focus on employers. Goddin echoed the comments about engaging businesses, but reminded the group this will be a multi-phase process. Businesses want efficiency and alignment, but they do not care about state structures. They want the systems to deliver results.

Wall asked if the recommendations could be implemented without the agency consolidation, or if they all had to be implemented jointly. A discussion followed about the funding mechanisms of the various agencies and programs. Several OWIB members requested additional information about the amount of funding being discussed for consolidation and its impact on CCWD as an agency.

Revoal expressed support for the changes proposed. He is excited for the conversation to be leading to change after many years of discussion, and stated the system needs change. Luchek had questions around agency alignment and how that would affect established relationships with the community colleges. She remarked that addressing the skills gap is most important to businesses. Madden agreed with many of the previous comments about supporting the creation of a system that works. He stated a battle with the community colleges could be a distraction that should not have to occur. Rodriguez wants to ensure business are involved, and that their customer viewpoint is reflected in the outcome scorecard. Nisenfeld responded that the business customer outcomes inclusion in the report is a certainty.

Helzerman discussed how CTE programs overlap between both education and workforce, and wondered if workforce is moved out of CCWD, would CTE lose its workforce focus. She also noted that Perkins funding was not mentioned in the report. Kinney stated there was a missing dialogue with higher education system. She liked how the recommendations were adjusted based on stakeholder feedback. She noted that they will need to balance making significant change without overbalancing the system.

Gomez supports the outcome scorecard and being able to measure progress. She wondered if moving Title IB into OED would stop innovative practices that are currently happening. Rep. Dembrow noted that Oregon is a national leader in moving towards a tighter linkage between workforce and education. He said it is important that workforce be front and center with the HECC. He wants to be practical about getting the changes needed through Legislature in the short session. Commissioner Unger supports having one agency and noted that the Regional Solutions Teams have one lead that moves things forward, and workforce needs the same.

Wall views the recommendations as an environmental scan of the system and says that the closer we can go move resources as close to the customers as possible, the better. He stated these recommendations are a great step towards achieving that. Nisenfeld emphasized that the report is solely about the management of the workforce system, and nothing else. She expressed concerns about misunderstandings about what is and what is not included in the consolidation. She noted the biggest

change under this process is about making delivery of services and products more relevant to customers. She asked if we pursue leaving system the way it is, we should ask how well it has served us.

Hamilton stated there is still work to be done in relation to governance among OEIB, HECC, and OWIB. Kelly-Siel noted the group had general agreement about the “what”, but discussion still needed on the “how”. She said this is a difficult process to have in midst of multiple system transformation efforts, but it is about vertical and horizontal levels of change. Spanbock expressed concern that there is not alignment, and ultimately, in her role she needs to address the health care workforce shortage.

Chair Pryor wondered why the community colleges expressed being cut off from input process, as there were three community college representatives on the work group. She noted that terms like governance do not having meaning for businesses, and that it is really about having the skilled workforce.

Balassa appreciated the conversation and feedback, and tried to fill in knowledge gaps the members expressed. She clarified that OWIB is not charged with overseeing the community college system, but rather the workforce system. Though community colleges are critical partners in the workforce system as training providers, the system encompasses other avenues, such as getting individuals ready for training, as well as getting business input into the system. Workforce staff must have a multitude of tools available to assist customers, which could be training, or certifications, or other options. She emphasized that the recommendations are not taking any money from the colleges, as the money being discussed goes to the State or LWIBs.

Rosie asked for presentation of what is included in the recommendations. Balassa asked members of the work group to provide the details. She started the presentation by confirming that business feedback received at listening sessions she facilitated focused on the fact that state structure does not interest them, they just do not want multiple people knocking on their door. She noted that workforce is in the space between economic development and education. OWIB’s role is to strategically connect the dots, which requires the oversight of resources. She clarified the recommendations are about expanding OWIB responsibility to include oversight of the resources in OED. These resources are integrated at the local level, since WIA Title IB and OED programs are being delivered at co-located, integrated WorkSource center. The recommendations are needed to get the state to line up.

Balassa outlined the various state-level oversight boards, including the Higher Education Coordinating Commission, Oregon Business Development Commission, and the Oregon Education Investment Board. She acknowledged that OWIB’s relationship with these other boards still needs to be discussed. Once the system management conversation is finalized, OWIB will be in a better position to have a conversation about its relationship with other boards. At this point, OWIB is not clear about what resources it oversees.

Humelbaugh outlined the current workforce system structure and resource flow. WIA Title IB funds – approximately \$32 annually statewide – are distributed from federal level to CCWD, then to LWIBs via formula, then to customers. Title II Adult Basic Skills (approximately \$5 million annually) follows same route from federal level to CCWD, then distributed to community colleges via formula. State Legislature

also provides \$465 million biennially to CCWD for the community colleges, which are for local level services. Humelbaugh noted that the consolidation recommendation is strictly focused on moving the Oregon Youth Conservation Corps and WIA Title IB streams into a new lead agency. No other funding streams would be affected.

Hill reviewed current Oregon Employment Department structure. Title III Wagner-Peyser funds – approximately \$25 million – used to operate employment services/labor exchange are distributed from Department of Labor to OED. State SEDAF fund provides additional \$37 million, approximately. The funds OED receives stay within the agency and to deliver customer services. CCWD provides policy and oversight to the system, while OED provides the delivery. The work group recommendation marries the policy and the delivery, enhancing connections. Balassa noted the recommendations change OWIB's focus from WIA Title IB to a much bigger workforce picture, which will also include OED. Nisenfeld said that with this increased partnership, OED gets access to training for its participants, while WIA Title IB gets capacity to do additional activities. Integration's purpose is to combine resources so that customers have a greater menu of options.

Rep. Dembrow asked for specifics on what would change, and if community colleges would lose their role as service providers. Balassa answered that the WIA staff and funds would move to OED, but the community colleges will still be able to bid on WIA service provider contracts as they currently do. OWIB's role would grow from overseeing WIA Title IB by adding OED workforce programs and accompanied resources. She agreed there is a need for a longer term mechanism to be put in place so that the community colleges and OED can speak the same language. She reminded the group that OWIB does not govern the community colleges' investment and mission in workforce training.

McGough provided a system viewpoint from LWIB level. He reminded OWIB that LWIBs are statutorily required to exist. He emphasizes the LWIBs have put in tremendous effort to maintain college as system partners and will continue that. The LWIB role is to coordinate the various system resources at the local level, but also bring in additional resources. He noted that the value of the system does not just come from paying for training, but in many other ways, such as resume development, preparing individuals for work, etc.

Kelly-Siel asked what CCWD would look like physically and fiscally if Title IB is removed. Balassa said that is still being worked out, and some of it falls into the education redesign conversation. Gerald acknowledged there will be some pain in the agency separation, as many positions are funded through multiple funding streams. Gomez said the agency consolidation makes sense, and the other issues can be resolved along the way. She said this needs to happen for the other recommendations to happen, since streamlining resources is where we get efficiencies.

Madden inquired as to which recommendations could move forward independent of agency realignment. Balassa stated the recommendations around outcome measures and focusing on disadvantaged populations could proceed. She cautioned that without the realignment, we would lose capacity to fund the for innovation function, which is what would fund the next phases of system redesign.

Balassa indicated that the work group could provide a more formal graphic representation of the state structure and resource streams just discussed so that there is an understanding of the various scenarios prior to December meeting. Chair Pryor asked that any additional information or questions the Board has to be directed to O'Brien.

Meeting adjourned at 4:40 pm.