



Oregon Workforce Investment Board

October 10, 2014

1:00 – 4:00 pm

**Chemeketa Center for Business and Industry
626 High Street NE, Salem 97301**

**Oregon at Work
Quality Jobs – Skilled Workers
Contributing to a strong state economy and local prosperity**

OREGON WORKFORCE INVESTMENT BOARD
OREGON AT WORK
QUALITY JOBS – SKILLED WORKERS
CONTRIBUTING TO A STRONG STATE ECONOMY AND LOCAL PROSPERITY

Agenda
Friday, October 10, 2014
1:00 – 4:00 pm
Chemeketa Center for Business and Industry
626 High Street NE, Salem 97301

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|--|--|------------------|
| 1. Welcome and Introductions – 1:00 | | Chair Ken Madden |
| 2. Open Public Comment – 1:05 | | Chair Ken Madden |
| | <i>The Oregon Workforce Investment Board is a public body. The public is welcomed to submit written or verbal comments during this portion of the meeting.</i> | |
| 3. Consent Agenda – 1:15 | Pg. 5 | Chair Ken Madden |
| a. September 12 Board Meeting Minutes | Pg. 7-12 | |
| b. October 2 Executive Committee Meeting Notes | Pg. 13-14 | |
| 4. HECC/OWIB Taskforce Recommendations – 1:20 | Pg. 15-17 | Chair Ken Madden |
| a. Action Item: Adopt Recommendations | | |
| 5. Oregon Employment Department Strategic Plan – 2:00 | Pg. 19-41 | Lisa Nisenfeld |
| a. Action Item: Accept OED Strategic Plan | | |
| 6. 2015 Workforce Budget Priorities – 2:30 | Pg. 43-48 | Chair Ken Madden |
| 7. Work-Based Learning – 3:00 | Pg. 49-50 | Melissa Leoni |
| 8. Update on Redesignation of Local Workforce Investment Areas – 3:30 | Pg. 51-53 | Katelyn Roberts |
| 9. Pay for Performance – 3:40 | Pg. 55 | Agnes Balassa |
| 10. Announcements – 3:55 | | All |
| 11. Adjourn – 4:00 | | |

Oregon Workforce Investment Board meetings are held in accordance with open meeting laws and with accessibility requirements. If there is a person with a disability who may need assistance in order to attend or participate in a meeting or if a person wishes to offer comments on any item on the agenda, please notify Brittany Dean at 503-947-1733. TTY is also available: 1-800-735-2900. A sign-up sheet for those who wish to offer comments or testimony on any item will be available at the meeting.

Action Item
Consent Agenda

Minutes from September Board Meeting

The minutes from the September 12th Board meeting are included on pages 7 through 12 of this packet.

Notes from the October Executive Committee Meeting

The notes from the October 2th Executive Committee are included on pages 13 through 15 of this packet.

Recommended Action: Board should accept the above minutes and notes.

Oregon Workforce Investment Board Minutes

Chemeketa Center for Business and Industry, 626 High Street NE, Salem

September 12, 2014

Members Present: Ken Madden, Agnes Balassa, Susan Brown, Frank Wall, Maureen Fallt, Carrie Chaffee, Charles Hopewell, Jeffrey Krolick, Barbara Byrd, Andrew McGough, Megan Helzerman, Kathy Oliver, Krissa Caldwell, Lisa Nisenfeld, Dacia Johnson, Erinn Kelley-Siel, Paul Holvey, Rep. John Huffman, Sen. Michael Dembrow, Laura McKinney

Members Absent: Claire Spanbock, Jessica Gomez, Joe Weber, Joni George, Trygve Bolken, Bob Halligan, Dave Baker, Matt Millard, Al Unger, Jessica Howard, Stephaine Parrish Taylor, Sen. Larry George, Karen Goddin

Staff: Melissa Leoni, Katelyn Roberts, Mei Yong

Guests: Tom West, Kristin Barry, Brent Parton, Bridget Dazey, John Chamberlin, Bob Vidos, Jim Fong, Connie Ashbrook, Kristina Payne, Colleen Winkler, Karen Humelbaugh

Meeting called to order at 1:12pm

Board Chair Madden called the meeting to order. There was a round of introductions.

Public Comment

There were no public comments.

Consent agenda

Chair Madden put to motion to approve the consent agenda to the August 6 and September 4 Executive Committee notes and the August 8 Board Meeting minutes. Wall moved, Balassa seconded, motion passed unanimously.

Local Workforce Investment Areas Update

Humelbaugh provided an update on the redesignation of local workforce investment areas. Action was not taken by the OWIB Executive Committee on the local area boundaries. There are still conversations at the local level on boundaries for the north coast and mid-valley counties. It is expected that the OWIB Executive Committee will take action at the beginning of October. Staff will provide the board an update at the October meeting.

State Plan Modification

Humelbaugh also provided an overview of the modification to the state plan. A state plan contains both a strategic section and a compliance section. When a change is made like the boundaries of the local areas, a modification must be submitted to the Department of Labor (DOL) requesting a change to the State Plan. The draft modification included in the meeting packet includes changes to the compliance section of the plan and does not include changes to the strategic section. Also included are minor changes such as updating staff sections with the current contacts for state agency leadership.

Staff anticipate that DOL will approve the modification as there has been a lot of conversation with DOL staff about the changes happening to Oregon's workforce system. Humelbaugh concluded by asking the board for any questions or comments on the state plan modification.

Byrd asked Humelbaugh to clarify timing on how this modification and the changes of local area boundaries relate to the implementation of requirements in the Workforce Innovation and Opportunity Act (WIOA).

Humelbaugh responded that the boundaries that are being established now will be grandfathered in under WIOA. State staff and a team of contractors are working to help the new areas establish local boards. This work also includes planning for transitioning all local boards to meet WIOA requirements. The implementation of WIOA starts on July 1, 2015 and will be fully implemented July 1, 2016. Staff have begun to review the impact of WIOA on the state board and state plan, which will have to be established by July 2016.

There were no other comments from the public.

HECC-OWIB Taskforce

Chair Madden informed the board that there has been a lot of progress made throughout the four meetings convened for the HECC/OWIB taskforce. The final meeting will take place at the end of September. The following OWIB members participated as members of the taskforce: Chair Madden, Agnes Balassa, Barbara Byrd, Maureen Fallt, Jessica Howard, Lisa Nisenfeld, and Krissa Caldwell.

Chair Madden added that overall, taskforce members were skeptical early on that the taskforce would conclude with something meaningful related to the group's charter. During the August meeting, members seemed to become more enlightened on how it all was coming together when they saw a draft of the final report. It has been a good learning experience for all involved with representatives from the HECC and the OWIB learning each other's perspectives. Balassa provided that she believes that the Governor will be pleased with the recommendations. It is a good start on how work can be done across systems to achieve the middle 40 goal.

Leoni provided a brief overview of the taskforce's charge from the Governor and membership. She reported the taskforce came to agreement on a shared mission and definition for "shared space:

- **Mission Statement:** To share responsibility for achievement of the middle 40 goal.
- **Definition of Shared Space:** Joint ownership at the state level for the development of aligned policies, outcome measures, guidance, resources, communications, data and evaluation necessary to achieve Oregon's middle 40 education and workforce goals.

Staff for the taskforce are working to refine the recommendations based on the feedback that was received at the August taskforce meeting. Leoni walked the board through the nine recommendations as they currently stand. Board members provided comments as she went through each recommendation.

Recommendation 1: Cast a wide net when considering what counts for the middle 40.

Recommendation 2: Count the number of Oregonians with credentials, but track all middle 40 credentials earned.

Sen. Dembrow expressed that it is important that what counts should be of high value to individual and business. He asked if the “net” was so wide that it included not high-value trainings such as a two hour seminars. Chair Madden assured the board that the quality factor was thoroughly discussed and taskforce agreed that casting a broad net to meet a number goal is not the intent. Balassa provided that in the full text of recommendation 1 includes wording to describe that there is a quality control factor that must be in place in order for the credential to count, such as third party validation.

Sen. Dembrow asked how it would be determined what certificates and credentials would count moving forward. Madden and Balassa provided that this would be part of the conversation in the future. It might be a joint decision between the HECC and the OWIB. The first challenge will be collecting data on what certifications are out there now.

Recommendation 3: Make strategic investments to align middle 40 goal with economic success for Oregonians.

Balassa commented that return on investment is difficult to determine. For some individuals, a credential might be the difference between getting a job or not, and even a low wage job may be better than no job. The taskforce agreed that, as a starting point, there may be some funding that the boards could have a joint conversation about how to strategically invest into both systems.

Sen. Dembrow asked if it is a goal to align the budgets of the boards. This is included as a mechanism in recommendation nine.

Erinn Kelly-Siel commented that it is important to create agility when investing so the system is able to respond to changes in the economy and needs of employers. It would force the conversation about how agency budgets are created, how much flexibility agencies are given and how much flexibility can be given to the locals.

Recommendation 4: Collect/share student level data in order to track/count degrees, certificates and credentials.

Recommendation 5: Use data developed by the HECC, Oregon Employment Department and ECONorthwest as a first step to identify middle 40 goal for those not currently in the education pipeline (e.g. adults not currently in school).

Balassa reported that this is a placeholder as there is additional work being done by the subgroup listed in the recommendation. It was harder than expected to gather this information and set a goal for those currently not in the pipeline. However, this will be important for the OWIB to discuss in the future once more data is available. These are individuals likely coming through the door of WorkSource that may not be viewing themselves as students but may need to become students to move along on their career path.

Rep. Holvey asked if the education pipeline is broad to include certificates, training, and apprenticeship. Balassa confirmed that it does; it is meant to define the population that could benefit from some type of training and is not currently engaged.

Recommendation 6: Adopt common outcomes for the education and workforce systems.

- Skill gain/credential rate

- Entered Employment
- Employment Retention
- Earnings from Employment
- Wage gain

Recommendation 7: Use Oregon’s Performance Reporting Information System (PRISM) as the foundation for reporting on outcome measures and ensure that PRISM links seamlessly to the education system’s State Longitudinal Database.

Recommendation 8: Co-enroll postsecondary and WorkSource participants for common ownership and outcomes.

Krolick asked for clarification on what co-enrollment meant and what individuals enroll in. Humelbaugh provided that now customers coming into WorkSource are registered for both Wagner-Peyser and Workforce Investment Act services. This ensures that customer don’t have to provide information twice. This recommendation is suggesting that students from post-secondary institutions would also be registered in the WorkSource data system.

Balassa provided that it starts the systems thinking about all those served as the common customer and they become the talent pool for Oregon. It also begins to make all partners responsible for the customers’ success.

Helzerman asked if the goal would be just public post-secondary or other institutions as well. Though it may be aspirational, Balassa confirmed that this means all post-secondary.

Recommendation 9: Adopt mechanism to support the achievement of the OWIB and HECC common goal – achieving the middle 40.

- Annual OWIB/HECC Talent Summit
- Biennial policy summit to focus on joint strategies
- Joint development of investment priorities once a biennium

Leoni reported that there was conversation at the last taskforce meeting about how strategic planning was not included in this recommendation but should be since state and local boards have plans in place. This will be reflected in the next version of the recommendations.

Leoni opened it up to the board for additional questions or concerns. Members provided initial overall feedback that the recommendations are on the right track. Kelly-Siel recommended that the “ah hah” moments be captured as a way to help tell the story to the legislature and other stakeholders, and clearly explain the learning that occurred between the two boards, and opportunities for alignment.

Rep. Holvey wanted to be sure that there is an ongoing review body that will determine education equivalencies for the training model. Chair Madden responded that this is a good question and will be something to be worked out in the future. McGough commented that it will be important for the work and systems to stay fluid since the marketplace will continue to change.

Chair Madden explained that staff will be asking for formal approval at the next Board meeting. Leoni said that staff will be available in the hour before the meeting to answer questions.

Work-Based Learning

Chair Madden introduced Brent Parton, Economic and Workforce Development Policy Analyst with the National Governors Association (NGA) Center for Best Practices. Parton provided an overview of four models where states are taking a more active role in and more state funds are being invested in work-based learning models. These models are apprenticeships, on-the-job training, youth work experiences, and internships. He also shared the NGA framework that has been developed through work with states over the past few months. There are four common core elements along with enhancements to each element that that make the models successful.

Parton also shared that approximately \$100 million in federal funding will available for states to apply for in the fall through the American Apprenticeship Initiative. It will seek provide funding to states who can show strategies for establishing quality models in new, high growth fields, building partnerships, and/or scaling models up to work.

Leoni introduced three panelists who discussed current work-based learning models in Oregon:

- Connie Ashbrook, Executive Director, Oregon Tradeswomen, Inc.
- Kristina Payne, Executive Director, Lane Workforce Partnership
- Colleen Winkler, Talent Scout, CLIMAX Portable Machining and Welding Systems

Ashbrook provided an overview of the pre-apprenticeship program that helps women be ready for work in the trades. The program is focused on helping women learn about skills in mechanical, technical, manufacturing, and utilities industries. These paths lead to solid living wage and middle class jobs. Most of the students served are low or no income. The program does partner with Worksystems Inc. to help students better understand how to utilize the services at WorkSource. The program has shown positive results with about 75% of the graduates are working in the trades with an average wage of \$15.55.

Chair Madden commented that as employer, he sees that the lack of driver license is a large barrier for many applicants. Sen. Dembrow mentioned legislation that passed in 2013 that allows individuals who have lost their license can get it back if they are part of a training program. Nisenfeld commented that pre-apprenticeship has not been successful in the past unless it is a rigorous program like Oregon Tradeswomen. There should be a focus on what standards make programs successful as efforts on work-based learning moves forward. Parton included that DOL has released guidance on quality elements of pre-apprenticeship as part of a pilot project.

Payne provided an overview of the Back to Work Oregon Program. The program combines on-the-job training with the National Career Readiness Certificate. The program is funded with state funds and matched with funds by the Local Workforce Investment Boards. She shared a NCRC marketing video that highlighted an employer in Lane County that hired a participant of the program. Participants take the NCRC prior to being placed in the on-the-training. The results have been very positive; staff in Lane County have seen about a 90% retention rate with participants. Because of the success on the program in Lane County, Payne was able to get an additional \$100,000 in local lottery dollars to provide more opportunities.

Winkler presented on the internship program established at CLIMAX Portable Machining and Welding Systems on behalf of Joni George. After giving an overview of the company, Winkler explained how CLIMAX developed an internship program for young people as a one way for the company to stay innovative and make an impact. Started in 2008, the program consists of a meaningful work component,

life skills classes, and community service for youth 17 or older. The life skills classes range from learning how to buy and maintain a car to First Aid/CPR. This is set up to make the student succeed wherever they go and benefits the company and community. CLIMAX relies on community partners and other businesses to help teach the classes at no cost. Since the program began, CLIMAX has had 118 interns. The company estimates that it costs about \$4,000 per intern for a six week internship and has tracked a return on investment of more than 150% for the past four years.

Leoni thanked the panelists and informed the board that the discussion on work-based learning would happen during the October meeting since time ran short.

Announcements

Chair Madden reminded the group that the next meeting will be held on October 10 in the same location.

Meeting adjourned at 4:07 PM.

DRAFT

**OWIB Executive Committee Meeting Notes
October 2, 2014**

Members participating by phone: Ken Madden, Agnes Balassa, Barbara Byrd, Megan Helzerman, Jessica Howard, Alan Unger

Staff: Karen Humelbaugh, Melissa Leoni, Katelyn Roberts, Brittany Dean

Call to Order

Chair Madden called the meeting to order. Leoni did a roll call.

Re-designation of Local Workforce Investment Areas

Humelbaugh provided an update on the re-designation of the Local Workforce Investment Areas. The OWIB has approved three workforce investment areas to date. The Northwest and the Mid-Valley areas are the last two areas that need action. Linn County will be joining Marion, Polk and Yamhill counties to make up the Mid-Valley area. The Northwest area (Benton, Lincoln, Tillamook, Clatsop and Columbia counties) will be a new area where a local workforce board will be to needed established. These areas are ready for the OWIB to make a recommendation to the Governor. Once these two areas have been approved, the final recommendation of all five areas will be forwarded to the Governor for approval.

Chair Madden asked for a motion to recommend both the Northwest and Mid-Valley areas to the Governor. Unger motioned and Byrd seconded the motion. The committee approved the motion unanimously.

OED Strategic Plan

Humelbaugh reported on the status of the Oregon Employment Department's (OED) Strategic Plan. She stated that it focuses on innovation and being customer centered while serving Oregonians. In Goal three, there is language related to the OWIB's Strategic Plan and making sure that OED is meeting the OWIB's expectations and priorities.

Humelbaugh shared that staff will be receiving a final copy of the plan to send out in the OWIB packet on Friday, October 3. At this time, Nisenfeld is comfortable if the board wants to have more time to review the strategic plan and delay taking action until November. Unger asked about the OWIB's role and whether it will be reviewed regularly. Humelbaugh responded that because the OWIB now is an advisory council to OED, they should review the plan. She also added that the strategic plan is living document and will be updated as needed.

Workforce Innovation and Opportunity Act (WIOA) and OWIB Membership

Leoni reviewed the WIOA requirements for state board membership and described how the OWIB may be impacted. Unger asked how voting and non-voting membership would work. Roberts explained that under WIOA the Governor and members from the legislative chambers are not considered voting members. All other members appear to be voting members, but this may change once regulations from the Department of Labor have been released. Byrd asked about the local board membership and Balassa informed the committee that they are being set up under the new regulations for WIOA. Chair Madden stated that it is very important to have very active members on the board that will be reliably attending. Because there appear to be minimal changes at this time, the committee agreed that it is too early to take to the full board for any action.

OWIB Meeting Calendar

Leoni outlined the OWIB Meeting Calendar spreadsheet, which gives an overview of what the OWIB will be discussing in upcoming meetings. The calendar goes through June 2015. Unger expressed how helpful the calendar is, and that it helps to prepare members in the coming months. Leoni promised to share this version with the full board.

HECC-OWIB Taskforce Recommendations

Leoni reported that the HECC-OWIB Taskforce had a final meeting on September 22. During the meeting the taskforce finalized the report. Leoni gave a brief explanation of each of the recommendations and modifications made at the last meeting. The final report and recommendations were sent to the full board yesterday and will be brought to the board at the October 10 meeting for adoption. The report will also go to HECC and the Oregon Education Investment Board (OEIB) for their adoption. Staff will find out the results of the HECC's meeting on October 9 to share with the board on October 10. Staff will also share the next steps table with the full board so it knows which recommendations it has the lead in implementing.

2015 Workforce Budget Priorities

Balassa updated the committee on the state budget process. Agencies have submitted their budget requests to the Governor's Office. These requests are currently being reviewed for the Governor to decide what will be included in the Governor's Recommended Budget. Once adopted, staff will have a discussion with the OWIB around how it can help support the recommendations that support workforce.

Work-Based Learning Discussion

Leoni reported that since the board did not have time for the work-based learning conversation at the September meeting, time has been scheduled on the October agenda. Leoni described possible roles for the OWIB and asked the committee for its recommendations for how to proceed. There was general agreement that the board should talk about ways to support the work, how to promote work-based learning, and what could be done in Oregon. Chair Madden suggested that we could make success stories known to employers, like the CLIMAX internship program, and that it's important to him that participants have some sort of certification or "stamp of approval" when they complete programs. Byrd asked for the board to discuss the NGA framework, what is not known and need to know, and some conversation around the apprenticeship grant and how to move it forward. The committee agreed to structure conversation around what it would take to expand work-based learning, what is unknown, and the grant opportunity. Leoni will invite Brent Parton to participate via Collaborate. Staff will remind the board that the September presentations are available online and make additional background materials also available.

Pay for Performance

Balassa reported that if the state modifies the current state plan under WIA it provides more flexibility as the state move forward to begin using pay for performance models. Balassa provided an example: if the priority was to increase the number of certifications then there could be additional funding provided for every certificate issued so the local board would have the ability to build its program. This item is preparing for future action as the OWIB would need to discuss and support these approaches before they are implemented.

Chair Madden adjourned the meeting at 2:30pm.

Action Item

HECC - OWIB Taskforce Recommendations

Background

Recognizing that achievement of Oregon's "middle 40" goal necessitates a strong connection between educational achievement and labor market success, Governor Kitzhaber chartered a joint taskforce consisting of members of the Higher Education Coordinating Commission (HECC) and the Oregon Workforce Investment Board (OWIB).

Before starting on this work, the taskforce developed a mission statement to guide its work. Members agreed that the mission of the task force was to "share responsibility for achievement of the middle 40 goal." For the past six months, the taskforce has met five times to develop and refine recommendations for how the OWIB and the HECC can achieve this shared vision.

During the September OWIB meeting, staff reviewed the draft recommendations. Overall, members were comfortable with the direction of the recommendations and did not raise any substantial concerns.

The HECC/OWIB taskforce convened for its final meeting on September 22nd where a recommendation around the role of the Oregon Education Investment Board was added. Other recommendations have been rearranged and renumbered, but no significant changes were made. The final report was sent to the OWIB on October 1, 2014. The full report is posted at: http://www.oregon.gov/gov/skilled_workforce/Pages/HECC-OWIB-Joint-Task-Force.aspx

Final Recommendations

1. Forward the following recommendations to OEIB for endorsement and incorporation into its efforts to achieve the middle 40 goal. OEIB is asked to:
 - o Endorse these goals and recommendations;
 - o Incorporate the current and future shared learning of the OWIB and the HECC into its work; and
 - o Continue to hold the OWIB, the HECC, and the programs, services and systems to which they offer guidance accountable for improving outcomes.
2. Cast a wide net when considering what counts for the middle 40.
3. Count the number of Oregonians with credentials, but track all middle 40 credentials earned.
4. Collect/share student level data in order to count Oregonians with middle 40 credentials and track degrees, certificates, and credentials in the labor market.
5. Co-Enroll postsecondary participants into the WorkSource database for common ownership of outcomes.
6. Adopt common outcomes for the Education and Workforce Systems.
 - o Skill gain/credential rate (to show progress toward middle 40 goals across systems)
 - o Entered employment
 - o Employment Retention

- Earnings from Employment
 - Wage gain
7. Use Oregon's Performance Reporting Information System (PRISM) to report outcome measures.
 8. Use data developed by the HECC, Oregon Employment Department and ECONorthwest as a starting point to identify middle 40 goals for those not currently in the education pipeline (e.g., working adults not currently in school).
 9. Adopt mechanisms to develop and align policy related to achievement of the middle 40 goal.
 - *Host an annual Talent Summit*
 - *Host a biennial policy summit to focus on the implementation strategies to support the achievement of middle 40 goals.*
 - *Utilize state and local workforce investment plan development and revision as an opportunity to expand support for shared goals.*
 10. Make strategic investments to align middle 40 goals with economic success for Oregonians.

The table on page 17 of the packet describes the next steps following approval from the OWIB and HECC. It shows what board and/or organizations are lead on moving each recommendation forward to implementation. Staff have highlighted the recommendations where the OWIB has a role in implementation.

Recommended Action: Staff are asking for the OWIB to adopt the above recommendations.

RECOMMENDATION	LEAD ON IMPLEMENTATION
1. Forward the following recommendations to OEIB for endorsement and incorporation into its efforts to achieve the middle 40 goal.	OEIB
2. Cast a wide net	HECC/OEIB
3. Count the number of Oregonians with credentials, but track all credentials earned	HECC with assistance from OED
4. Collect student level data in order to count Oregonians with middle 40 credentials and track degrees, certificates and credentials in the labor market.	HECC
5. Co-enroll postsecondary participants into the WorkSource database (WOMIS) for common ownership of outcomes.	HECC and OED
6. Adopt common outcomes for the education and workforce systems.	HECC, OWIB, and OED
7. Use Oregon’s Performance Reporting Information System (PRISM) to report outcome measures.	OED (manages PRISM)
8. Use data developed by the HECC, Oregon Employment Department and EcoNorthwest as a starting point to identify middle 40 goals for those not currently in the education pipeline (e.g. adults not currently in school).	HECC, OWIB, OED
9. Adopt mechanisms to develop and align policy related to achievement of the middle 40 goal.	OWIB lead
10. Make strategic investments to align middle 40 goals with economic success for Oregonians.	HECC and OWIB

Action Item

Oregon Employment Department Strategic Plan 2014-2019

Introduction

This is an action item. The Oregon Employment Department (OED) is a key partner in Oregon's workforce system. Together with other state agencies and local workforce investment boards, OED provides services to job seekers, employers and a range of other customers.

Background

During the recession and early stages of the recovery, OED's primary focus was on promoting economic stability through timely and accurate payment of unemployment benefits. As the recovery proceeds and the new shape of the labor market continues to emerge, OED has developed a renewed emphasis on helping Oregonians with reemployment activity, in order to improve opportunities for economic prosperity while supporting the needs of businesses.

The Five-Year Strategic Plan (2014-2019) is a framework to guide the investments, operations and outcomes of the Oregon Employment Department (OED). Going forward, OED will shift away from operating primarily within program silos and transaction-based activities to a solutions and service focus for all customers, job seekers and employers.

The Plan identifies five guiding principles: openness, trust and integrity; quality with agility; delighting the customer; teamwork with responsibility; and humor, fulfillment and inclusion. The Plan supports five primary goals and corresponds to the department's guiding principles. Each goal has a set of discrete objectives. Activities, timelines and measurable results can be found in the action plan section of the Plan.

- GOAL 1: Provide an effective unemployment insurance system for workers, businesses, and communities.
- GOAL 2: Connect businesses and job seekers, through WorkSource Oregon, to foster a vibrant economy in Oregon.
- GOAL 3: Collaborate with the Department of Community Colleges and Workforce Development to transform Oregon's talent development system.
- GOAL 4: Collect labor market data and provide analysis that informs the decisions of the workforce system, including OED businesses, educators, job seekers, and families.
- GOAL 5: Strengthen OED's performance through adopting efficient and innovative business practices and inspiring staff to strive for exceptional customer service.

Recommended Action

Staff recommend the OWIB accept the OED Strategic Plan as it is built upon and supports two key workforce initiatives, the 2012 OWIB Strategic Plan and Governor's Executive Order 13-08.

OREGON EMPLOYMENT DEPARTMENT

Oregon Employment Department Strategic Plan

2014-2019

September 2014

Lisa Nisenfeld, Director

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What is in this document?

The following pages contain the mission, guiding principles, goals, and objectives for the Oregon Employment Department over the next five years: 2014 to 2019. An action plan containing activities, timelines, and results is also included.

Introduction

The Oregon Employment Department (OED) is focused on helping Oregonians find meaningful employment that meets the needs of businesses in today's economy.

Whether providing support during periods of unemployment, assisting job seekers with skill development and job searches, providing customized recruiting services for employers, or developing quality labor market information for workforce and economic decision making, OED is committed to delivering solutions.

OED is a key partner in Oregon's workforce system. Together with other state agencies and Local Workforce Investment Boards, OED provides services to job seekers, employers, and a range of other customers.

Oregon's Workforce Today

Oregon's economic situation improved in 2013 as employers began adding jobs at the fastest rate since the housing boom fueled job growth in 2006. Oregon's job growth is now faster than the nation and most other states. Continued job growth has helped lower the unemployment rate below the state's historical average.

The recovery has not been even across the state with much of the job growth concentrated in the Portland area, the Willamette Valley, and along the Columbia Gorge. Many rural areas of the state continue to have high unemployment and little job growth. Unemployment rates are higher than the statewide average in the southern, central and eastern regions of the state, while job growth continues to be slow along the coast and in Eastern Oregon.

Many Oregonians struggle to find meaningful employment even as the job situation improves. This is particularly true among targeted job seeker populations. Unemployment rates are higher for some of Oregon's communities of color. For example, racial minorities face unemployment rates that are much higher than the overall rate.

The large number of long-term unemployed Oregonians is another example of the uneven recovery. Although the number of short-term unemployed is back down to levels seen prior to the recession, the number who have been unemployed for longer than six months remains high. As of early 2014, more than 44,000 Oregonians were long-term unemployed. People unemployed for a long period have an especially difficult time finding work.

The number of people who are under-employed increased during the recession and continues to remain high, even as the unemployment rate falls. Nearly 100,000 Oregonians have part-time jobs but would rather be working full time. Their hours have been cut or they settled for a part-time schedule. Although they are working, their job situations are less than ideal.

Despite the apparent surplus of workers, some businesses report difficulty filling their open positions. Oregon employers recently reported that about half of their vacancies were difficult to fill. The most common reasons given were the lack of qualified candidates, lack of applicants, unfavorable working conditions, low wages, and lack of work experience.

Among the changes in today's labor market, two of the biggest demographic trends shaping Oregon's future labor force are the aging of the workforce and the falling participation of younger workers. The aging Baby Boom generation has shifted one-third of the population into the 55 years and older age group. Some older workers will

stay in the labor force longer than previous generations, but many will retire as soon as their household budgets allow, taking their valuable knowledge and skills with them. Employers will need to find suitable workers with the right combination of experience and skills to replace these retirees. That may be a challenge for employers.

Fewer young people are participating in the labor force as they focus more on educational attainment as well as extra-curricular activities, and face increased competition for the jobs traditionally held by young people. The result is low labor force participation and high unemployment among youth, which means fewer are gaining the valuable work experience and developing the key workforce skills valued by employers.

Responding to Oregon's Workforce Challenges

During the recession and early stages of the recovery, OED's primary focus was on promoting economic stability through timely and accurate payment of unemployment benefits. As the recovery continues and the new shape of the labor market continues to emerge, OED has developed a renewed emphasis on helping Oregonians with reemployment activity, in order to improve opportunities for economic prosperity while supporting the needs of businesses in today's economy.

In this dynamic context, the state of Oregon has taken the challenge to improve the workforce system through redefining how services are provided to Oregonians. Three major Oregon initiatives provide a foundation for this redesign of Oregon's workforce system (see appendix for details):

- Oregon's 10-Year Plan: Rebuilding Oregon's House is a strategic plan for state government services with defined outcomes for delivering programs and services efficiently with available resources. The strategic priorities OED has a part in are:
 - Jobs and Innovation: Oregon has a diverse and dynamic economy that provides jobs and prosperity for all Oregonians.
 - Education: Every Oregonian has the knowledge, skills, and credentials to succeed in life, with the result of achieving the state's education goal of "40-40-20" by the year 2025.
- In June 2012, the Oregon Workforce Investment Board released Oregon's Workforce Development Strategic Plan 2012-2022. Goals of the plan are to ensure:
 - Oregonians have the skills they need to fill current and emerging high-wage, high-demand jobs.
 - Employers have the skilled workforce they need to remain competitive and contribute to local prosperity.
 - The workforce system is aligned, provides integrated services and makes efficient and effective use of resources to achieve better outcomes for business and job seekers.
- In June 2013, Governor John Kitzhaber issued Executive Order 13-08, Chartering Partnerships for Job Growth and Talent Development. The executive order directs the re-chartering of state and Local Workforce Investment Boards. In addition, it directs state agencies with workforce development programs to work together and develop a plan to better align state services in support of the re-chartered boards.

Together with these Oregon initiatives, the guidance of OED stakeholders will help determine priorities for how OED conducts business and delivers services (Figure 1, next page). OED and Oregon's workforce system partners must provide quality, equitable treatment to Oregonians while assisting targeted populations that face additional

challenges in pursuing opportunities in the workforce. OED and the workforce system will also encourage job and economic growth by supporting locally defined targeted industries and sectors.

OED now has an opportunity to strengthen its support of the state workforce system and deliver increased long-term value to stakeholders. OED’s program areas of Unemployment Insurance (UI), Business and Employment Services (B&ES), Workforce and Economic Research, and Policy, Innovation, and Evaluation, along with essential department support services, need to provide coordinated solutions and services to Oregonians to deliver on OED’s mission to “Support Business – Promote Employment.”

Figure 1

Oregon Employment Department Stakeholders	
<p>Customers</p> <ul style="list-style-type: none"> • Employers/Business <ul style="list-style-type: none"> ○ Targeted Industries/Sectors • Job Seekers <ul style="list-style-type: none"> ○ Examples of Targeted Job Seeker Populations <ul style="list-style-type: none"> ▪ Individuals living at or below the poverty line ▪ Long-term unemployed ▪ Chronically unemployed ▪ Chronically under-employed ▪ Individuals experiencing disabilities ▪ Individuals with intellectual and developmental disabilities ▪ Individuals with a history of criminal convictions ▪ Communities of color ▪ Immigrants ▪ Older workers ▪ Youth ▪ Veterans ▪ Migrant & seasonal farm workers ▪ Locally-identified key populations 	<p>Partners</p> <ul style="list-style-type: none"> • Local Workforce Investment Boards (LWIBs) and their contractors • Local Elected Officials • Oregon Workforce Partnership (OWP) • Education Providers <ul style="list-style-type: none"> ○ K-12 ○ Community Colleges • State Agencies <ul style="list-style-type: none"> ○ Department of Human Services (DHS) ○ Oregon Commission for the Blind • Interagency Compliance Network (ICN) <ul style="list-style-type: none"> ○ Department of Revenue (DOR) ○ Department of Consumer and Business Services (DCBS) ○ Department of Justice (DOJ) ○ Construction Contractors Board (CCB) ○ Landscape Contractors Board (LCB) ○ Bureau of Labor and Industries (BOLI)
<p>Policy Makers</p> <ul style="list-style-type: none"> • Legislature • Governor’s Office • Oregon Workforce Investment Board (OWIB) • Federal Government 	<p>Advisors</p> <ul style="list-style-type: none"> • Employment Department Advisory Council • Oregon Workforce Investment Board (OWIB) <i>as a workforce advisor to OED, Community Colleges & Workforce Development (CCWD), and Department of Human Services (DHS)</i>

Strategic Plan

The Five-Year Strategic Plan (2014-2019) is a framework to guide the investments, operations, and outcomes of the Oregon Employment Department (OED).

OED has tended to operate on a programmatic approach with each division treating customers separately. This creates frustration for the customer while delaying and degrading service delivery. Going forward, OED will shift away from operating primarily within program silos and transaction-based activities to a solutions and service focus for all customers, job seekers, and employers.

Guiding Principles

How OED behaves and conducts business is crucial to the success of the department and of the entire workforce system. Working with customers, partners, stakeholders, and advisors, OED commits to the following guiding principles:

Openness, trust, and integrity – Set high ethical and professional standards at all times. Build and maintain relationships based on honesty, respect, fairness, and a commitment to open dialogue and transparency.

Quality with agility – Be passionate about delivering quality information and service. Strive to replicate success, learn from mistakes, and actively pursue creative approaches that lead to continuous improvement and innovation. Be flexible and nimble, responding quickly to changing economic needs.

Delighting the customer – Identify the needs of Oregonians and provide uncompromising service with efficiency, accountability, and a helpful attitude. Find what we can do to overcome barriers and help our customers, rather than focusing on what cannot be done. Remember that coworkers are customers too.

Teamwork with responsibility – Encourage individual ownership and effort, but work as a team, valuing the expertise, insights, individuality, and contribution of all colleagues. Understand that we are funded by taxpayers and have a relentless responsibility to provide value to Oregonians every day.

Humor, fulfillment, and inclusion – Cultivate a safe, healthy, family-friendly work environment that encourages personal growth and provides opportunities for everyone to succeed. Embrace humor as a vital part of workplace culture, and honor the desire to do meaningful and satisfying work. Allow the diversity of our staff, customers, and stakeholders to enhance the service we provide to the people of Oregon.

Five-Year Goals and Objectives

OED's strategic plan supports five primary goals and corresponds to the department's guiding principles. Each goal has a set of discrete objectives. Activities, timelines, and measurable results can be found in the action plan following this section.

GOAL 1: Provide an effective unemployment insurance (UI) system for workers, businesses, and communities.

OBJECTIVES:

- 1.1 Improve customer service to people seeking UI benefits, and to employers.
- 1.2 Increase the integrity of benefit payments and tax collection.
- 1.3 Improve communications with the public.
- 1.4 Improve return to work efforts by guiding UI claimants to resources across the workforce system and WorkSource Oregon, a collaborative effort of Oregon's Local Workforce Investment Boards (LWIBs) and OED.
- 1.5 Modernize UI division business services and technology infrastructure.

GOAL 2: Connect businesses and job seekers, through WorkSource Oregon, to foster a vibrant economy in Oregon.

OBJECTIVES:

- 2.1. Connect employers with skilled workers on a timely basis.
- 2.2. Provide job seekers with access to a variety of tools to help increase their skill sets.
- 2.3. Provide targeted populations of job seekers with enhanced services to become more employable.
- 2.4. Support key industry sectors so they can grow and thrive.
- 2.5. Optimize services for all customers across WorkSource Oregon by aligning state and local efforts and adhering to WorkSource Oregon operational standards.

GOAL 3: Collaborate with the Department of Community Colleges and Workforce Development to transform Oregon's talent development system.

OBJECTIVES:

- 3.1 Implement the federal Workforce Innovation and Opportunity Act (WIOA).
- 3.2 Redefine, repurpose, and strengthen the Oregon Workforce Investment Board (OWIB).
- 3.3 Research, develop, and implement innovative and best practices.
- 3.4 Implement and manage Oregon's workforce performance management system.

GOAL 4: Collect labor market data and provide analysis that informs the decisions of the workforce system, including OED, businesses, educators, job seekers, and families.

OBJECTIVES:

- 4.1 Support the identification, implementation, and operation of Oregon's future workforce areas and Local Workforce Investment Boards (LWIBs).
- 4.2 Develop, analyze, and publish the workforce system performance measures and related information needed by Oregon policy makers.
- 4.3 Give OED, OWIB, and LWIBs the information, analysis, and support they need to make good, data-based decisions.
- 4.4 Help young people and their parents, teachers, and counselors better understand workforce trends and the needs of businesses.

GOAL 5: Strengthen OED's performance through adopting efficient and innovative business practices and inspiring staff to strive for exceptional customer service.

OBJECTIVES:

- 5.1 Improve performance and continuity among OED employees through skill development and succession planning.
- 5.2 Assist in achieving strategic goals through communication and outreach, both internally and externally.
- 5.3 Improve support services and create transparency in business operations for all program areas.
- 5.4 Rejuvenate the department through streamlining business operations, transforming customer service, and maximizing technology infrastructure.

Action Plan

Goal 1: Provide an effective unemployment insurance (UI) system for workers, businesses, and communities.

Objectives	Timeline	Measures/Results
1.1 Improve customer service to people seeking UI benefits, and to employers.		
1.1.1 Process more initial claims automatically without manual staff intervention.	<i>Begin:</i> March 2015 <i>Complete:</i> December 2016	Move from 0% to 40% of initial claims processed automatically, without staff intervention.
1.1.2 Revise staffing models to account for seasonal, weekly, and daily workload fluctuations to reduce how long UI claimants and employers have to wait for work to be processed.	<i>Begin:</i> August 2015 <i>Complete:</i> December 2016	<ol style="list-style-type: none"> 90% of inbound calls to UI call center are on hold for five minutes or less. Move from 75% to 85% of new employer registrations processed within 90 days.
1.1.3 Streamline the processes for addressing UI benefit eligibility issues to increase efficiency and resolve issues more quickly.	<i>Begin:</i> March 2015 <i>Complete:</i> October 2016	Meet the federal standard for timeliness (85%) for all types of decisions.
1.1.4 Implement standardized, regular process that provides more consistent, timely notice to employers of potential tax account credits.	<i>Begin:</i> August 2014 <i>Complete:</i> March 2015	95% of employers are notified of potential tax account credits within six months of OED identifying potential tax credits.
1.2 Increase the integrity of benefit payments and tax collection.		
1.2.1 Expand Treasury Offset Program (TOP) to include additional types of UI debts (<i>debts are some delinquent UI taxes and overpayments caused by people not accurately reporting their earnings</i>) that can be recouped by offsetting against federal income tax refunds (<i>pending legislative approval in 2015</i>).	<i>Begin:</i> August 2014 <i>Complete:</i> June 2016	Add two types of UI debts to Treasury Offset Program.
1.2.2 Issue administrative decisions that include multiple topics, rather than issuing multiple separate decisions, so people are less confused about which decision to appeal.	<i>Begin:</i> August 2014 <i>Complete:</i> December 2016	<ol style="list-style-type: none"> Reduce the rate of late hearing requests from 14% to 8%. Reduce the appeal rate of administrative decisions from 17% to 14%.
1.2.3 Design and begin implementing pilot project to improve information provided to seasonal and part-time workers regarding benefit eligibility, and help workers understand how eligibility rules apply.	<i>Begin:</i> March 2015 <i>Complete:</i> June 2016	Reduce overpayments to seasonal and part-time workers by 25%.

1.2.4 Promptly contact employers who are late with payroll reports or UI tax payments.	<i>Begin:</i> September 2014 <i>Complete:</i> December 2015	95% of employers are contacted within 30 days of delinquency regarding tax payments or reports.
1.3 Improve communications with the public.		
1.3.1 Update and simplify letters, forms, and other standard documents to improve clarity and reduce technical language.	<i>Begin:</i> September 2014 <i>Complete:</i> December 2015	Every document that is distributed to over 10% of the customer base is revised.
1.3.2 Establish and use secure email communications with UI claimants and employers. Reduce paper communication responses by using secure email.	<i>Begin:</i> August 2014 <i>Complete:</i> December 2015	1. Reduce paper communications to employers regarding UI tax by 50%. 2. Reduce paper communications with UI claimants by 75%.
1.3.3 Update UI claimant handbook and publish electronically with web-based tool that allows easy and quick search. Provide electronic version of handbook to 95% of UI claimants.	<i>Begin:</i> August 2014 <i>Complete:</i> September 2015	Reduce inquiry calls regarding UI claimant handbook and related information by 50%.
1.3.4 Create videos to explain parts of the UI process to the public. Publish videos online and in multiple languages.	<i>Begin:</i> August 2014 <i>Complete:</i> September 2015	Produce and publish 10 videos.
1.3.5 Update Interagency Compliance Network (ICN, a multi-agency group focused on consistent employment relationship laws and practices) web site. 1.3.5.1 Publish information to help employers understand worker classification standards. 1.3.5.2 Publish redacted versions of UI Tax related hearing decisions.	<i>Begin:</i> November 2014 <i>Complete:</i> December 2015	Increase web traffic to ICN website by 100%.
1.3.6 Deliver formal presentations of UI information to business groups and organizations including issues faced by businesses.	<i>Begin:</i> January 2015 <i>Complete:</i> December 2016	1. Deliver presentations to 25 business groups or organizations annually. 2. At least 85% of attendees rate the presentations as being helpful or very helpful.
1.4 Improve return to work efforts by guiding UI claimants to resources across the workforce system and WorkSource Oregon, a collaborative effort of Oregon's Local Workforce Investment Boards (LWIBs) and OED.		
1.4.1 Expand UI claimant participation with WorkSource Oregon services including reemployment activities and work-readiness preparation.	<i>Begin:</i> October 2014 <i>Complete:</i> Ongoing	Using WorkSource Oregon services, UI claimants return to work sooner and reduce amount of benefits paid due to claiming benefits for shorter periods of time. Establish baseline and measure quarterly.

1.4.2	Expand participation in the Self Employment Assistance Program (SEAP).	<i>Begin:</i> September 2014 <i>Complete:</i> December 2018	Move from 0.41% to 1.25% of people filing claims participating in the SEAP.
1.4.3	Expand participation in the Work Share program to help employers avoid layoffs.	<i>Begin:</i> September 2014 <i>Complete:</i> December 2018	Move from 1.8% to 2% of people filing claims participating in the Work Share program.
1.4.4	Expand cross-training of UI and Business and Employment Specialist (B&ES) staff to better target reemployment services to UI claimants.	<i>Begin:</i> September 2014 <i>Complete:</i> December 2015	All Business and Employment Specialist (B&ES) staff, in the UI division and WorkSource Oregon, are cross-trained.
1.4.5	Promote the National Career Readiness Certificate (NCRC) with UI claimants.	<i>Begin:</i> August 2014 <i>Complete:</i> December 2016	Increase percentage of UI claimants receiving NCRC from 1.3% to 10%.
1.5 Modernize UI division business services and technology infrastructure.			
1.5.1	Use Lean (practices focused on value creation for the end customer by achieving process improvements) to make UI work processes more efficient and effective.	<i>Begin:</i> August 2014 <i>Complete:</i> Ongoing	90% of UI division employees understand Lean principles and participate in Lean process improvement.
1.5.2	Establish review of UI policy by working with OWIB and Employment Department Advisory Council to develop framework for reviewing UI policy with appropriate stakeholders.	<i>Begin:</i> July 2015 <i>Complete:</i> June 2016	Convene first meeting of UI policy review group.
1.5.3	Develop long-term modernization plan to update business practices and technology used to deliver UI services.	<i>Begin:</i> September 2014 <i>Complete:</i> Ongoing	<i>To be determined based on OED Information Technology Services strategic objective regarding enterprise architecture.</i>
1.5.4	Enhance internal analysis, coordination, and oversight of the operations of the UI division.	<i>Begin:</i> August 2014 <i>Complete:</i> Ongoing	<ol style="list-style-type: none"> 1. UI policies, legislation, rules, and practices that have impact throughout the UI system are handled by single UI policy work unit. 2. Documented procedures and functions are developed and implemented for single UI policy work unit.



WorkSource Oregon is a collaborative effort of Oregon’s Local Workforce Investment Boards (LWIBs) and OED to provide one-stop career services in local areas. Its functions are guided by WorkSource Oregon operators (named by LWIBs) under operating agreements between LWIBs and OED. These goals represent the shared aspirations of the partners.

It is the intention of the partners that this section of OED’s strategic plan should interlock seamlessly with each Local Workforce Investment Board’s strategic plan. The local strategic plans may expand upon various components and strategies of WorkSource Oregon unique to the various regions.

Goal 2: Connect businesses and job seekers, through WorkSource Oregon, to foster a vibrant economy in Oregon.

Objectives	Timeline	Measure/Result
2.1 Connect employers with skilled workers on a timely basis.		
2.1.1 Prioritize services to address locally defined target sectors and target populations.	<i>Begin:</i> January 2015 <i>Complete:</i> July 2017	1. Establish baseline of services and resources by June 2015. 2. Increase services and/or resources designated to targeted sectors by 10% annually. 3. Increase services and/or resources designated to target job seeker populations by 10% annually.
2.1.2 Provide employers customized WorkSource Oregon business services to access screened and qualified candidates with verified skills.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2017	Annually fill 8,500 positions using customized WorkSource Oregon business services.
2.1.3 Increase number of employers who endorse the National Career Readiness Certificate (NCRC) with letters of support.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2017	Move from 1,800 to 5,000 employers who provide letters of support for the NCRC.
2.1.4 Link employers to work-ready job candidates.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2017	Fill 20,000 jobs with work-ready job candidates.
2.1.5 Increase satisfaction among businesses using WorkSource Oregon.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2017	90% of surveyed employers are satisfied with WorkSource Oregon services.
2.2 Provide job seekers with access to a variety of tools to help increase their skill sets.		
2.2.1 Expose job seekers to multiple online job search systems.	<i>Begin:</i> September 2014 <i>Complete:</i> July 2015	95% of job seekers receive personalized services to support job search.

2.2.2	Assist job seekers by identifying and providing access to talent development and skill training opportunities.	<i>Begin:</i> September 2014 <i>Complete:</i> July 2017	100% of job seekers who register with WorkSource Oregon receive information about talent development and skill training opportunities.
2.2.3	Verify job seeker workplace skills through award of NCRCs and other locally recommended tools.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2017	20,000 job seekers earn NCRC and other work-ready certification.
2.3 Provide targeted populations of job seekers with enhanced services to become more employable.			
2.3.1	Increase use of federal Work Opportunity Tax Credit (WOTC), including timely processing of applications.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2016	1. Process each application within 10 days of receipt. 2. Annually increase WOTC applications by 5%.
2.3.2	Develop job seeker talent through skills review practice and remediation, to support high achievement on NCRC certification and assist individuals to attain their career goals.	<i>Begin:</i> August 2014 <i>Complete:</i> Ongoing	Annually, 2,000 job seekers in targeted populations (see Figure 1, page 5) receive silver or higher level NCRC certification.
2.3.3	Educate unemployment insurance (UI) claimants about labor market and WorkSource Oregon resources and how they relate to UI requirements.	<i>Begin:</i> August 2014 <i>Complete:</i> Ongoing	100% of UI claimants who register with WorkSource Oregon receive information on their labor market and WorkSource Oregon resources.
2.4 Support key industry sectors so they can grow and thrive.			
2.4.1	Promote work-based training, including apprenticeship and on the job training to key industry sector employers.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2017	Coach staff on how to integrate work-based training options for employers and job seekers.
2.4.2	Assist employers to increase the skills of their existing workers.	<i>Begin:</i> January 2016 <i>Complete:</i> July 2016	Increase employer access to skill training resources through WorkSource Oregon business services.
2.4.3	Help targeted sector employers access larger pools of job seekers with necessary skills.	<i>Begin:</i> July 2015 <i>Complete:</i> July 2017	1,500 job candidates with validated skills hired by targeted sector employers.
2.5 Optimize services for all customers across WorkSource Oregon by aligning state and local efforts and adhering to WorkSource Oregon operational standards.			
2.5.1	Develop and implement consistent branding of WorkSource Oregon throughout the state.	<i>Begin:</i> August 2014 <i>Complete:</i> June 2017	100% of WorkSource Oregon one-stop centers use standardized WorkSource Oregon branding.

2.5.2 Co-locate and integrate WorkSource Oregon centers with LWIB contractors, DHS, and other partners.	<i>Begin:</i> August 2014 <i>Complete:</i> June 2017	100% of WorkSource Oregon centers are integrated with OED and LWIB contractors.
2.5.3 Improve customer flow, provide welcoming environment, connection to technology infrastructure, and better service access in all WorkSource Oregon offices.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2017	85% of WorkSource Oregon one-stop centers' facilities are upgraded to provide better service access.
2.5.4 OED and LWIB contractor staff (as well as other partners) are educated in the workforce system and performance measures to embrace the unique nature of the WorkSource Oregon partnership.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2016	All WorkSource Oregon staff understand OWIB and LWIB priorities.

Goal 3: Collaborate with the Department of Community Colleges and Workforce Development to transform Oregon’s talent development system.

Objectives	Timeline	Measures/Results
3.1 Implement the federal Workforce Innovation and Opportunity Act (WIOA) (see appendix for details).		
3.1.1 Convene all partners including employers, OED, CCWD, DHS, Commission for the Blind, LWIBs, Community Colleges, Vocational Rehabilitation, Adult Basic Skills programs, economic development organizations, and related partners to create a common understanding of the Strategic Unified Plan and joint system measures. Lead the formation of a statewide workforce development plan that meets the WIOA requirements as a Strategic Unified Plan.	<i>Begin:</i> January 2015 <i>Complete:</i> June 2016	Completed statewide workforce development plan that provides foundation for partner strategic plans.
3.1.2 Write, distribute, and train on new state policy guidance reflecting WIOA (<i>following Federal guidance issued in January 2015</i>) by working with required partners to develop policies that support system changes.	<i>Begin:</i> January 2015 <i>Complete:</i> December 2015	Implement state WIOA policies including training for all staff on new state policies that support system changes.
3.1.3 Provide technical assistance to LWIBs regarding new roles and responsibilities for boards, including role of the one-stop operator and service provision changes.	<i>Begin:</i> June 2014 <i>Complete:</i> June 2015	WIOA implementation operational across the state in local areas.
3.2 Redefine, repurpose, and strengthen the Oregon Workforce Investment Board (OWIB).		
3.2.1 Support and lead board development and transformation by providing member education, clarifying sphere of influence, and implementing governance and accountability mechanisms including committee structure and functions.	<i>Begin:</i> July 2014 <i>Complete:</i> Ongoing	Provide training of all OWIB members to help members critically review workforce proposals, budgets, and performance and make recommendations to the system and to the governor about improvements.
3.2.2 Support industry sector strategies by establishing a state sector strategies framework and supporting LWIBs that develop local strategies meeting business needs in target industries.	<i>Begin:</i> July 2014 <i>Complete:</i> Ongoing	All LWIB WIOA strategic plans identify at least two Industry sector strategies.
3.2.3 Create and improve work ready communities throughout Oregon.	<i>Begin:</i> January 2014 <i>Complete:</i> June 2019	Certify all counties as Certified Work Ready Communities by ACT and the Governor.
3.2.4 Implement system innovations for targeted populations, specifically persons with disabilities, persons living at or below the poverty line, and the chronically un/underemployed to receive improved services.	<i>Begin:</i> January 2014 <i>Complete:</i> June 2019	Establish, in partnership with LWIBs, a process and scorecard to prioritize strategies and innovations to maximize results.

3.2.5 Explore additional training delivery models including non-traditional apprenticeships.	<i>Begin:</i> July 2015 <i>Complete:</i> July 2017	Convene LWIBS, Bureau of Labor & Industries (BOLI), and other partners to assess local needs and develop plans of action.
3.2.6 Expand work-based learning models including the Back to Work Oregon (BTWO) program.	<i>Begin:</i> July 2015 <i>Complete:</i> June 2017	1. Annually, increase BTWO by 650 new participants. 2. Add a new work-based learning model and make available for LWIBs to pilot.
3.2.7 Research pay for success/performance based training models for usefulness.	<i>Begin:</i> January 2015 <i>Complete:</i> July 2015	Complete research for training models. Conduct a pilot project with one LWIB (<i>if deemed appropriate</i>).
3.2.8 Support the creation of new workforce investment boards in addition to chartering and certification of all workforce investment boards.	<i>Begin:</i> March 2013 <i>Complete:</i> July 2015	Local Workforce Investment Board strategic plans and charters approved by OWIB and the Governor.
3.3 Research, develop, and implement innovative and best practices.		
3.3.1 Create and implement a process to identify, analyze, and test innovative service delivery models including using qualitative and quantitative information.	<i>Begin:</i> January 2014 <i>Complete:</i> December 2015	Use process to improve service delivery within the Oregon workforce system.
3.3.2 Create Local Strategic Investment Fund to support locally driven industry sector strategies and connectivity to serving special populations.	<i>Begin:</i> June 2014 <i>Complete:</i> September 2015	1. Obtain one-time funds limitation from Legislature. 2. Demonstrate increased training and overall benefit for special populations and locally defined industries. 3. Secure long-term support and investment.
3.3.3 Create a robust monitoring system to reflect the needs of Oregon's redesigned workforce system.	<i>Begin:</i> December 2014 <i>Complete:</i> July 2017	Joint department monitoring teams and policies in place that focus on interdisciplinary fiscal and program compliance.
3.3.4 Explore with partners ways to minimize infrastructure costs at WorkSource Oregon one-stop centers.	<i>Begin:</i> July 2015 <i>Complete:</i> July 2016	Increase training investments to maximize existing federal resources with other funds.
3.3.5 Increase training programs across the state by sharing training models across the system, and encouraging LWIBs to increase investments in training by setting training targets in plan updates.	<i>Begin:</i> January 2015 <i>Complete:</i> July 2017	Number of individuals enrolled in training increases by 10% annually.

<p>3.3.6 Institute long-term financial planning for the workforce system that includes policy and evaluation capacities.</p>	<p><i>Begin:</i> January 2015 <i>Complete:</i> July 2017</p>	<ol style="list-style-type: none"> 1. Develop plan that includes sustainability, new funding, and grants to supplement federal and state investments. 2. Develop and implement plans for staffing and operations based on projected changes in the economy.
<p>3.4 Implement and manage Oregon’s workforce performance management system.</p>		
<p>3.4.1 Work collaboratively with the Workforce and Economic Research division to develop a continuous improvement/program management system that takes full advantage of the new performance measures.</p>	<p><i>Begin:</i> January 2014 <i>Complete:</i> July 2017</p>	<p>Implement a performance –based program management system.</p>
<p>3.4.2 Develop and deploy a performance management system for OWIB and LWIBs including program improvement, policy making, and accountability.</p>	<p><i>Begin:</i> September 2014 <i>Complete:</i> Ongoing</p>	<p>Operationalize and utilize the performance management system to make OWIB and department level program and policy decisions.</p>

Goal 4: Collect labor market data and provide analysis that informs the decisions of the workforce system, including OED, businesses, educators, job seekers, and families.

Objectives	Timeline	Measure/Result
4.1 Support the identification, implementation, and operation of Oregon’s future workforce areas and Local Workforce Investment Boards (LWIBs).		
4.1.1 Continue providing data and expertise as Oregon’s new workforce areas are considered and finalized.	<i>Begin:</i> June 2013 <i>Complete:</i> October 2014	Finalize the identification and implementation of Oregon’s new workforce areas.
4.1.2 Develop and implement a Workforce and Economic Research division staffing plan that best serves the new LWIB designations.	<i>Begin:</i> July 2014 <i>Complete:</i> December 2016	1. Identify and assign staff to LWIBs and locate staff in LWIB offices at least three days per week. 2. Modify staff’s work station locations to reflect LWIB locations.
4.1.3 Develop, adjust, and adapt data for the new LWIB areas.	<i>Begin:</i> October 2014 <i>Complete:</i> July 2015	Revise and adapt all existing regional workforce data to the new LWIB geographic areas.
4.1.4 Modify the Research division’s QualityInfo.org web site and all other products/publications to mirror the geographic definitions of the new LWIB areas.	<i>Begin:</i> October 2014 <i>Complete:</i> July 2015	Replicate the new LWIB definitions on QualityInfo.org and all products/publications.
4.2 Develop, analyze, and publish the workforce system performance measures and related information needed by Oregon policy makers.		
4.2.1 Identify and define the workforce system performance measures.	<i>Begin:</i> July 2013 <i>Complete:</i> December 2014	Workforce system performance measures have been finalized by work groups and approved by OWIB.
4.2.2 Develop the IT data sharing and analysis systems, including the connections to education data, needed to support the new performance measures.	<i>Begin:</i> July 2014 <i>Complete:</i> October 2014	IT staff from all workforce partner agencies have agreed on data structure and data sharing protocols.
4.2.3 Develop a performance measures dashboard for use by the Oregon Workforce Investment Board (OWIB) and by LWIBs, state agencies, the Governor’s Office, and others.	<i>Begin:</i> July 2014 <i>Complete:</i> July 2015	Present live, real data workforce system performance measures dashboard at OWIB meetings.
4.2.4 Develop a web-based tool to allow customers to conduct customized, ad hoc queries of performance measures data by program, geography, demographics, and for various time periods.	<i>Begin:</i> January 2015 <i>Complete:</i> July 2016	Deploy fully functional performance measures section of QualityInfo.org .
4.2.5 Work collaboratively with OED, workforce system, OWIB, and LWIB leadership to develop a continuous improvement/program management system that takes full advantage of the new performance measures.	<i>Begin:</i> April 2014 <i>Complete:</i> July 2016	Implement fully functional continuous improvement/program management system.

4.3 Give OED, OWIB, and LWIBs the information, analysis, and support they need to make good, data-based decisions.		
4.3.1 Integrate Research staff and information more fully into OED planning, decision-making, and program operation.	<i>Begin:</i> July 2014 <i>Complete:</i> July 2015	Start all OED policy discussions with a specific and focused discussion of available and needed data and analysis.
4.3.2 Locate OED out-stationed Research staff (regional economists and workforce analysts) in LWIB, Regional Solutions Team, or other appropriate office locations.	<i>Begin:</i> March 2014 <i>Complete:</i> December 2016	Review location of all out-stationed Research staff. Place these staff in the best possible, most customer-focused workforce system or economic development offices.
4.3.3 Increase the role of out-stationed Research staff in LWIB activities, not just by providing more information and analysis, but by being integrated into LWIB projects, activities, priorities, and decision-making.	<i>Begin:</i> July 2014 <i>Complete:</i> December 2016	Fully involve all out-stationed Research staff in LWIB projects, activities, etc. <i>Measure based on conversations with or surveys of LWIB directors and relevant Research staff.</i>
4.3.4 Engage in existing and new sector strategies efforts, providing information and analysis to improve the selection of targeted sectors, subsequent analyses of and service to those sectors, and templates to help LWIBs better use and understand available data.	<i>Begin:</i> July 2014 <i>Complete:</i> July 2016	Fully involve Research staff expertise and analysis in the selection and implementation of all sector strategies. <i>Measure based on conversation with or surveys of LWIB directors and relevant Research staff.</i>
4.3.5 Seek opportunities for further collaboration with state and LWIBs, including, but not limited to, serving on task forces and developing joint reports.	<i>Begin:</i> July 2014 <i>Complete:</i> Ongoing	Increase Research staff involvement in OWIB and LWIB activities.
4.4 Help young people and their parents, teachers, and counselors better understand workforce trends and the needs of businesses.		
4.4.1 Form a joint state workforce-local workforce-education work group to identify and define ways in which Research staff might help bridge the information gap between businesses and education, particularly high schools.	<i>Begin:</i> July 2014 <i>Complete:</i> October 2014	Produce a report outlining options and recommendations for different approaches to accomplishing this objective.
4.4.2 Work with LWIBs and out-stationed Research staff to experiment and analyze the success of various approaches recommended by the work group.	<i>Begin:</i> January 2015 <i>Complete:</i> June 2016	1. Research staff makes a specific number of contacts with high school customers during the period January 2015-June 2015 and July 2015-June 2016. <i>Actual levels will be determined once 4.4.1 is complete.</i> 2. Lead staff produce a report outlining different approaches tried; strengths and weaknesses of each; notable successes to date; and recommendations for future implementation and improvement.
4.4.3 Identify and implement the approaches that most successfully meet the stated objective. Allow for variances across different geographic areas, different school types and sizes.	<i>Begin:</i> July 2016 <i>Complete:</i> June 2019	Research staff make a specific number of contacts with high school customers each year. <i>The actual level will be determined once activities 4.4.1 and 4.4.2 are complete.</i>

Goal 5: Strengthen OED’s performance through adopting efficient and innovative business practices and inspiring staff to strive for exceptional customer service.

Objectives	Timeline	Measure/Result
5.1 Improve performance and continuity among OED employees through skill development and succession planning.		
5.1.1 Improve employee performance by providing competency-based training programs.	<i>Begin:</i> August 2014 <i>Complete:</i> June 2019	Develop a baseline for staff competency. Increase number of competencies successfully demonstrated by staff by 5% each year.
5.1.2 Develop and implement employee-focused learning opportunities to improve job performance.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2015	Deliver employee training as part of a learning system and tie to skill certifications/credentials.
5.1.3 Support mid-level managers with leadership skill development and team management skills to help bridge the gap between staff and executives.	<i>Begin:</i> August 2014 <i>Complete:</i> July 2015	Develop and deliver full-spectrum leadership and management training program including introduction to management, advanced leadership, and executive development.
5.1.4 Create succession planning through leadership development, including leadership training.	<i>Begin:</i> January 2015 <i>Complete:</i> July 2016	Increase the pool of qualified internal candidates for department positions.
5.1.5 Design and manage an effective employee performance appraisal system.	<i>Begin:</i> January 2014 <i>Complete:</i> July 2016	Identify high performing employees for future opportunities.
5.2 Assist in achieving strategic goals through communication and outreach, both internally and externally.		
5.2.1 Develop OED communications plan for internal and external customers.	<i>Begin:</i> October 2014 <i>Complete:</i> December 2014	Implement and manage OED communications plan.
5.2.2 Work with state and local partners to develop key workforce system messages and communication strategies for external audiences.	<i>Begin:</i> October, 2014 <i>Complete:</i> January 2015	State and local partners agree and implement unified communications approach for the workforce system.
5.2.3 Develop WorkSource Oregon (WSO) brand attributes in conjunction with OWP and LWIBs.	<i>Begin:</i> October 2014 <i>Complete:</i> July 2016	Common look and feel for WSO identification and communication that promotes brand recognition

5.3 Improve support services and create transparency in business operations for all program areas.		
5.3.1 Develop division strategic plans that recognize how to support OED operations. 5.3.1.1 Finance 5.3.1.2 Information Technology Services 5.3.1.3 Human Resources 5.3.1.4 Customer Access and Program Effectiveness (CAPE)	<i>Begin:</i> October 2014 <i>Complete:</i> Ongoing	<ol style="list-style-type: none"> 1. Implement and manage to service level agreements with business divisions. 2. Integrate support services with business divisions to provide greater collaboration on business operations. 3. Use Lean principles (practices focused on value creation for the end customer by achieving process improvements) for continuous improvement.
5.3.2 Ensure facilities management aligns to strategic department business initiatives by implementing timely operational changes.	<i>Begin:</i> October 2014 <i>Complete:</i> Ongoing	Business operations and facilities are operational and accessible to staff, partners, and the public during normal business hours.
5.4 Rejuvenate the department through streamlining business operations, transforming customer service, and maximizing technology infrastructure.		
5.4.1 Review OED policies, best practices, and resources for operational alignment and accessibility.	<i>Begin:</i> January 2015 <i>Complete:</i> December 2017	Staff can efficiently execute standard business operational processes.
5.4.2 Apply Lean analysis (practices focused on value creation for the end customer by achieving process improvements) throughout OED to support modernization efforts over the next 5 years.	<i>Begin:</i> November 2014 <i>Complete:</i> June 2019	Provide direct or brokered support for at least three Lean projects annually.

Appendix

Resources referenced for this plan development:

10-year Plan for Oregon: Rebuilding Oregon's House
<http://www.oregon.gov/COO/Ten/Pages/index.aspx>

Oregon's Workforce Development Strategic Plan 2012-2022, Oregon Workforce Investment Board (OWIB)
http://www.oregon.gov/COO/Documents/WS025_0812.pdf

Executive Order 13-08 – Chartering Partnerships for Job Growth and Talent Development
http://www.oregon.gov/gov/docs/executive_orders/eo_13-08.pdf

Workforce Innovation and Opportunity Act
<http://www.doleta.gov/wioa/>

Workforce and Economic Research Articles consulted:

Key Workforce Challenges: Younger Workers Damaged by Recession, September 2013
<http://www.qualityinfo.org/olmisi/ArticleReader?itemid=00008140>

Oregon's Minimum Wage will Rise to \$9.10 Per Hour, January 2014
<http://www.qualityinfo.org/olmisi/ArticleReader?itemid=00007830>

Population Growth Rate Increases in Oregon for Second Straight Year, January 2014
<http://www.qualityinfo.org/olmisi/ArticleReader?itemid=00009020>

Population Growth Faster Among Minority Groups, March 2014
<http://www.qualityinfo.org/olmisi/ArticleReader?itemid=00009093>

Key Workforce Challenges: Business Struggle to Find Skilled Workers, March 2014
<http://www.qualityinfo.org/olmisi/ArticleReader?itemid=00008285>

Key Workforce Challenges: More Severe in Oregon's Rural Areas, May 2014
<http://www.qualityinfo.org/olmisi/ArticleReader?itemid=00008442>

Oregon's Labor Force Participation Rate Continued to Fall in 2013, May 2014
<http://www.qualityinfo.org/olmisi/ArticleReader?itemid=00009150#seg0005>

Key Workforce Challenges: Aging Workforce and Looming Retirements, June 2014
<http://www.qualityinfo.org/olmisi/ArticleReader?itemid=00008236>

Endangered: Youth in the Labor Force, June 2014
<http://www.qualityinfo.org/olmisi/ArticleReader?itemid=00009233>

Almost Half of Oregon's Job Vacancies are Difficult to Fill, July 2014
<http://www.qualityinfo.org/olmisi/ArticleReader?itemid=00008850>

Information and Discussion Item

2015-17 Workforce Agency Budget Requests

Introduction

One of the Oregon Workforce Investment Board's (OWIB) roles is to review the workforce system budget requests to the Governor. Also, the OWIB recommends state and local investments in support of locally developed workforce solutions.

Background

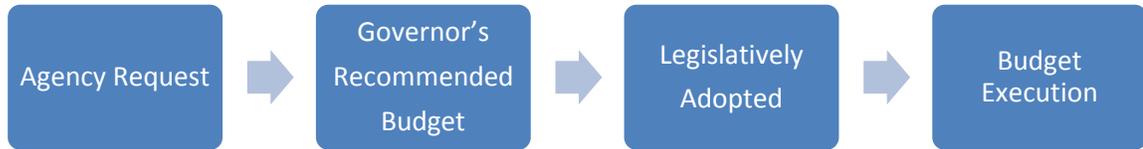
At the April 2014 meeting, the board was asked to review and confirm its priorities, as reflected in the OWIB Strategic Plan, to guide agencies in developing their 2015-17 budget requests. State agencies have developed budget requests for consideration by the Governor and Oregon Legislature for the 2015-17 biennium. Attached is an overview of the state budget process and key terms. Also attached are the workforce system budget requests that have been submitted by the Oregon Employment Department, Department of Human Services, and Higher Education Coordinating Commission/Department of Community Colleges and Workforce Development.

These budget requests are current undergoing a vetting and review process for the Governor to decide which of the agency requests to include in his budget recommendations, which will be released on December 1, 2014. Following the release of the Governor's Recommended Budget, staff and the OWIB will have additional conversation about how to support the workforce system items included in the Governor's budget.

This is an information and discussion item. An update will be provided at the meeting.

State of Oregon Budget Process Overview

The budget process has four major cycles:



Agency Request Budget (ARB) is made up of three parts; (1) Current Service Level; (2) Policy packages; and (3) Mandatory Reduction Options. Agencies submit their ARB by September 1.

Current Service Level is an estimate of the cost to continue existing operations and programs into the next biennium. It is calculated by adjusting agency “base” budgets by defined inflation and other standard factors. The “base” budget is the prior biennium’s Legislatively Adopted Budget.

Policy Packages or Program Option Packages (POP): POP’s are budget requests for any items that are in addition to Current Service Level such as:

- Increased funding for existing programs
- New or expanded programs
- Funding to support legislative concepts

Mandatory Reduction Options: Agencies are required by law to submit 10% reduction options for General Fund, Lottery Funds, Other Funds, and Federal Funds. The Governor may choose to request additional options as part of the ARB process.

Governor’s Recommended Budget (GRB): Budget analysts at the Department of Administrative Services provide their recommendations to the Governor based on the ARB. Final decisions are made by the Governor for inclusion in the GRB, which is released by December 1.

Legislatively Adopted Budget (LAB): The LAB is the final, legislatively-approved budget. Agencies give presentations to the appropriate Ways and Means subcommittee during the legislative session. These hearings generally occur in March and April. The subcommittee makes recommendations to the full Ways & Means Committee; they make the final decisions and decide what to include in the agency budget bills that are passed by the legislative assembly.

Budget Execution: Agencies allocate the LAB amounts into specific sections and programs, considering any other legislative or contract changes. Any budget increases/decreases that need to occur during the biennium may be addressed by the legislative Emergency Board (E-Board.)

Budget Concepts & Terms

Basic Budget Concepts

- Oregon's budget process is a statutorily required tool to carry out the state's law and policy decisions.
- The process allocates the state's funds (General Fund and lottery revenues) to various programs and sets limits on types of revenues (Other Funds & Federal Funds) and positions.

What a Budget is and is not

- A budget is the agency's spending plan to accomplish its mission, goals, and objectives.
- A budget is driven by laws and policies established by the Legislature and executed by the Executive Branch agency.
- A budget allows an agency to spend up-to a specified amount based on revenue assumptions.
- A budget does not provide authority to spend outside of constitutional or statutory authority.

Basic Budget Terminology

- A Limitation is a cap on an agency's expenditure authority.
- Limitation vs. Revenue – The term "limitation" is often incorrectly used interchangeably to describe both expenditure authority and revenue that supports it. Limitation is not equivalent to having revenue. Limitation is strictly a cap on how much an agency can expend.

2015-2017 Workforce Agency Policy Option Packages

Higher Education Coordinating Commission/Community Colleges and Workforce Development: The HECC budget proposal includes funding for the following OWIB priorities:

- A Youth Empowerment Fund (title to be changed to Youth Employment Fund)
- An Incumbent Worker Training Fund

Support for OWIB’s priorities regarding Certified Work Ready Communities, Back to Work Oregon, Local Workforce Investment Board capacity, and middle 40 goals are included in the base budget.

Oregon Employment Department: In addition to packages that begin to modernize the agency’s information technology systems, packages to manage administrative issues related to the unemployment insurance system, and the Trade Act program, the Employment Department has developed Policy Option Packages to:

- Invest into local capacity to support sector strategy implementation, and approaches that support better outcomes for targeted populations
- Provide technical assistance to Local Workforce Investment Boards
- Redesign WorkSource Centers to align with changing customer service expectations.

Department of Human Resources: The Department of Human Resources has Policy Option Packages to:

- Investment in employment outcomes for people with intellectual and developmental disabilities (I/DD).
- Temporary Assistance for Needy Families (TANF) Re-design – targeted investments that will build the capacity of families to increase earnings and transition from TANF through an accountable, flexible and person-centered approach.

These Policy Option Packages are state agency proposals to the Governor. The Governor will release his recommended budget by December 1, 2014.

POP Name	Agency	Description
Local Strategic Workforce Fund	OED	A request for \$11.0 million in Other Funds Expenditure Limitation for Strategic Planning at the Local Level. Funding is divided into three initiatives: Industry Sector Strategies, Strategies Targeted at Special Populations and the Closing the Employment Gap Initiative.
Customer Flow and Service Access	OED	A request for \$5.6 million in Other Funds Expenditure Limitation to facilitate remodeling of facilities to encourage physical integration of services.
Contracted Employment Services	OED	A request for \$4.13 million in Other Funds Expenditure Limitation for contracts between OED and DHS for employment services for individuals receiving services from DHS and OED. FTE hired based on workload needs.
Trade Act - Trade Adjustment Assistance	OED	A request for \$2.83 million in Federal Funds Expenditure Limitation for additional case management staff for Trade Act clients. FTE will be hired in based on workload needs.

POP Name	Agency	Description
Technical Assistance	OED	A request for \$1.0 million in Other Funds Expenditure Limitation for LWIBs to provide training for employees for the new designed LWIBS.
CCWD Youth Empowerment	HECC	Requests \$12 million for CCWD to collaborate with the local workforce investment boards to create and operate the program to provide meaningful work experience and workforce training for persons between the ages of 14 and 24. Program participants will be provided with case management and support services, and local boards will identify and disseminate the most promising practices.
CCWD Incumbent Worker Training	HECC	A request of \$6 million for CCWD to collaborate with the local workforce investment boards to create a strategy for grants to link economic development efforts and workforce. This investment will facilitate economic recovery and keep Oregon’s industries productive and competitive for Oregonians by ensuring that a skilled workforce is available to existing businesses.
Temporary Assistance for Needy Families (TANF) Re-design	DHS	This policy option would: (1) establish a caseload to staff ratio that is closer to best practice; (2) expand contracts with community-based organizations with a focus on family stabilization, prevention and retention; (3) add resources and increase flexibility in providing support services to stabilize families, prevent entry or re-entry into TANF, maintain engagement in activities, and retain employment; (4) raise the income limits for TANF exit to create a glide path off of TANF for working parents to reduce the “fiscal cliff” effect; (5) make policy changes that simplify the eligibility process; (6) conduct formal research to learn from former TANF beneficiaries which services and supports were most effective, and to identify gaps; (7) develop strategies and tools to improve customer engagement and accountability; (8) enter into a planning phase for a technology solution to allow DHS and partners to share mutual customer information; (9) provide strength-based training to staff and partners on the re-designed TANF program; and, (10) fully implement performance-based contracts. This option would also potentially adjust current JOBS contract processes to leverage other workforce systems. This package assumes that the caseload savings projected in the forecast over the current biennium will be reinvested into the TANF and JOBS programs. With this assumption, this package nets to a zero cost.
Employment Outcomes for People with I/DD	DHS	The state is seeking to increase competitive employment of youth and adults with intellectual and developmental disabilities (I/DD) in integrated workplaces and requests \$5.2 million for: (1) Positions to serve increasing numbers of youth with intellectual and developmental disabilities and increase engagement with school districts participating in Youth Transition Program (YTP) and with state I/DD system; (2) Contract Benefits Counselors to provide benefits counseling services to persons with disabilities, including those with I/DD; and positions train, oversee and support the counselors; and to plan future delivery of these services; and (3) An Employment First Transformation Fund and a position to identify, research and promote utilization of best and evidence-based practices that facilitate competitive employment of I/DD persons and promote continues improvement of related services.

Discussion Item

Work-Based Learning

Introduction

Earn and learn, or work-based learning opportunities with employers, includes on-the-job training, internships, pre-apprenticeships and Registered Apprenticeships. Work-based learning is a training path to employment combining classroom learning with hands-on experience in a work environment.

This agenda item continues the panel discussion from the September meeting and begins to identify board priorities for promoting work-based learning in Oregon.

Background

There is growing interest in work-based learning. The White House report, *Ready to Work: Job-Driven Training and American Opportunity*, provides framing of the national conversation around expanding apprenticeships and on-the-job training. The report can be found online at http://www.whitehouse.gov/sites/default/files/docs/skills_report.pdf

At the September OWIB Meeting, Brent Parton, Policy Analyst with the National Governors Association (NGA) presented a work-based learning framework designed to help states think about work-based learning through core elements that make these models successful.

Connie Ashbrook, Executive Director of Oregon Tradeswomen, Inc., provided an overview of the pre-apprenticeship program that helps women be ready for work in the trades. The program is focused on helping women learn about skills in mechanical, technical, manufacturing, and utilities industries. Additional information about Oregon Tradeswomen, Inc is available online at <http://www.tradeswomen.net/>.

Kristina Payne, Executive Director of Lane Workforce Partnership provided an overview of the Back to Work Oregon Program. The program combines on-the-job training with the National Career Readiness Certificate. In Lane County, they have seen about a 90% retention rate with participants. An example of the program's success is shown in the video "Concentric Sky and the National Career Readiness Certificate" at <http://www.youtube.com/watch?v=pEIOV4ffaas>.

Colleen Winkler, Talent Scout with CLIMAX Portable Machining and Welding Systems, presented on the company's internship program. CLIMAX developed the internship program as one way for the company to stay innovative and make an impact. Started in 2008, the program consists of a meaningful work component, life skills classes, and community service for youth 17 or older. CLIMAX relies on community partners and other businesses to help teach the classes at no cost. Since the program began, CLIMAX has had 118 interns. It costs about \$4,000 per intern and they have tracked a return on investment of more than 150% for the past four years. A video of their 2014 Summer Internship Program is available at <http://www.youtube.com/watch?v=sVtrwUYivQA&list=UUEKZmIS5fUahsHgNyAbXT3A>.

DOL Grant

The U.S. Department of Labor (DOL) is making \$100 million available for American Apprenticeship Initiative Grants this fall. While the solicitation has yet to be released, this proposed investment in apprenticeship is expected to support strategies that seek to:

- Establish quality models in new, high growth fields
- Build partnerships for sustainability
- Scale models that work

State Board Role in Work-Based Learning

From staff's research, the following are work-based learning activities of state workforce boards:

1. Promoting the creation or expansion of work-based learning models and programs.
2. Supporting strategic planning between the "supply" (program) and "demand" (employer) sides.
3. Identifying resources available to support work-based learning.
4. Developing policies or identifying standards to support work-based learning and make programs successful.
5. Disseminating best practices.
6. Improving work-based learning infrastructure to support employers and/or increase access and opportunities for working learners

Next Steps

The Governor's Office has requested that the OWIB convene a grant planning group, involving the Governor's Office, key workforce agencies, Bureau of Labor and Industries, labor, business, and a contracted grant writer. This group will focus on developing ideas and a proposal for the American Apprenticeship Initiative and will engage additional stakeholders to review the proposal.

There is also significant interest from the OWIB members in taking action beyond development of a grant proposal. At the October meeting, staff will engage the board in a discussion around the steps Oregon can take to promote and expand work-based learning.

Information Item

Redesignation of Local Workforce Investment Areas

Update

During the August 8th meeting, the board voted and gave the OWIB Executive Committee the authority to approve recommendations of boundaries of two local workforce investment areas. On Thursday, October 2, the Committee passed a motion to recommend the following groups of counties as local workforce areas:

- Linn, Marion, Polk and Yamhill counties
- Benton, Clatsop, Columbia, Lincoln and Tillamook counties

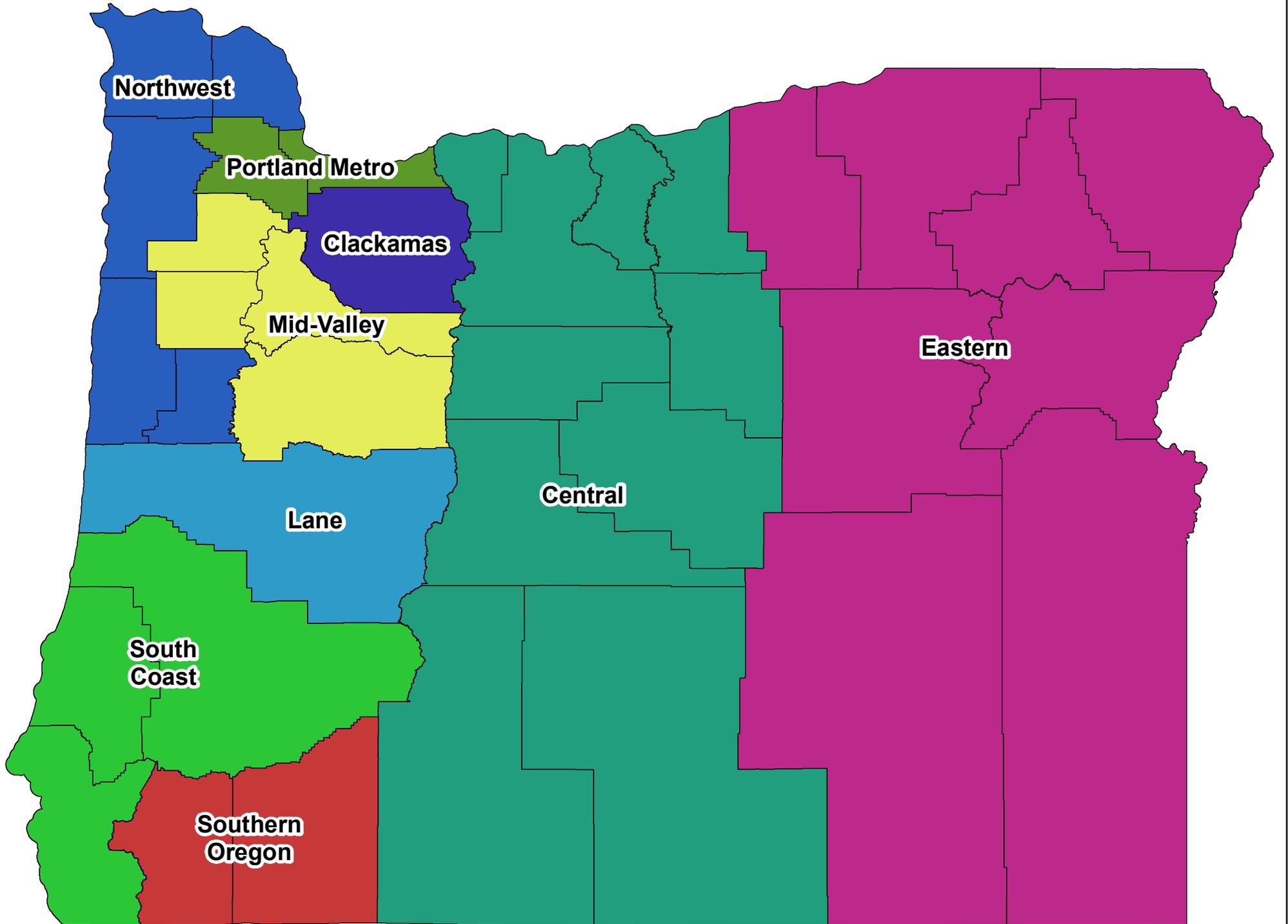
On Friday, October 3rd, the Chair of the OWIB submitted a letter to the Governor recommending the designation of the following five new local areas in Oregon:

- Northwest area comprising Benton, Clatsop, Columbia, Lincoln, and Tillamook counties
- Mid-valley area comprising Linn, Marion, Polk, and Yamhill counties
- South Coast area comprising Curry, Coos, and Douglas counties
- Central area comprising Crook, Deschutes, Gilliam, Hood River, Jefferson, Klamath, Lake, Sherman, Wasco, and Wheeler counties
- Eastern area comprising Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union, and Wallowa counties

The remaining Local Workforce Investment Areas remain unchanged. The map on page 53 shows the recommended configuration of the local areas.

The recommended local areas consist of contiguous counties and align better with economic development and regional solution areas. Overall, this is one step along the path of redesigning Oregon's workforce system in order to achieve a more skilled and prosperous Oregon. It is anticipated that the Governor will provide approval of the boundaries soon.

Proposed Local Workforce Investment Area (LWIA) Boundaries (9)



Discussion Item

Pay for Performance under the Workforce Innovation and Opportunity Act

Introduction

The Workforce Innovation and Opportunity Act (WIOA) provides the opportunity for states to implement pay for performance strategies. Performance based funding was not allowed under the previous law, so this is a significant change.

The National Governors Association supports a group called the National Association of State Liaisons for Workforce Development Partnerships. The state liaisons have developed the following summary of Pay for Performance under WIOA.

WIOA creates a permanent authority within all three WIA formula funding streams (Adult, Youth, and Dislocated Workers) for Pay for Performance as an eligible use of WIA funds. Local workforce boards may devote up to 10% across all three of WIA formula funding streams for Pay for Performance programming. Pay for Performance contracts authorized under WIOA can be awarded to innovators including intermediaries, community based organizations, and others.

States can use non-federal resources to encourage the use of Pay for Performance by local workforce investment areas. States can use their own WIOA funds to provide technical assistance to help local workforce areas implement Pay for Performance strategies. In states where local areas are implementing pay for performance contracting, states can establish straightforward and simplified outcome goals to facilitate performance/outcome measurement.

Governor Kitzhaber is interested in exploring the “Pay for Performance” option for Oregon’s workforce system. Utilizing the “Pay for Performance” model creates the opportunity to identify and incentivizes local area strategies that make the biggest difference for job seekers and businesses. This topic was brought before the board in August for initial discussion. Members supported the use of this strategy, but expressed caution about how it’s developed so the state does not end up encouraging unintended consequences.

Discussion Questions

The Governor’s Office and staff would like the OWIB to consider the following questions:

1. Is the board supportive of staff continuing to explore this strategy?
2. What might be areas of the system where the board would support implementing this approach?
 - a. A new core combined “career services” approach allows greater creativity in local areas to design services based on the need of job seekers.
 - b. New opportunities to utilize prior learning assessments.
 - c. Requirements for implementation of industry or sector partnerships and career pathway strategies.
 - d. Requirements for 75 percent of youth funding to support out-of-school youth, of which 20 percent is prioritized for work-based activities such as internships.
 - e. Incorporating more effective statistical techniques, such as regression analyses, that can help minimize disincentives for delivering services to populations with significant barriers.