



Oregon Workforce Investment Board

**July 10, 2015
1:00 – 4:00 pm**

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

OREGON WORKFORCE INVESTMENT BOARD

Agenda

Friday, July 10, 2015

1:00 pm – 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 | | Acting Chair Lori Luchak-Olund |
| 2. Consent Agenda – 1:05 | Pg. 5 | Acting Chair Lori Luchak-Olund |
| a. May 8, 2015 Board Meeting Minutes | Pg. 7-9 | |
| b. May 20, 2015 Executive Committee Meeting Notes | Pg. 11-12 | |
| c. June 17, 2015 Executive Committee Meeting Notes | Pg. 13-14 | |
| d. WorkSource Center Certification Postponement | Pg. 15 | |
| 3. Workforce System Performance Dashboard - 1:10 | Pg. 17-19 | Graham Slater |
| 4. Legislative Update – 1:30 | Pg. 21-23 | Karen Humelbaugh
Andrea Fogue |
| 5. Workforce Investment Recommendations – 1:45 | Pg. 25-26 | |
| a. Action Item: Wagner-Peyser 7B Funds | Pg. 27-28 | Lisa Nisenfeld |
| b. Action Item: WIOA Governor’s Reserve | Pg. 29-31 | Karen Humelbaugh |
| 6. Break – 2:20 | | |
| 7. OWIB Strategic Planning – 2:30 | Pg. 33-41 | |
| a. Action Item: Mission and Vision Statements | | Melissa Leoni |
| b. Strategic Planning Subcommittee Reports | | Subcommittee Chairs |
| c. Discussion Item: guiding principles, goals and strategies | | Melissa Leoni |
| 8. Open Public Comment – 3:45 | | Acting Chair Lori Luchak-Olund |
| <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> | | |
| 9. Announcements – 3:55 | | All |
| 10. 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 Katelyn Roberts at 503-947-1365. 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 – Meeting Minutes

Minutes from March Board Meeting

The minutes from the May 8th Board meeting are included on pages 7 through 9 of this packet.

Notes from the May and June Executive Committee Meetings

The notes from the past three committee meetings are listed below.

- May 20, 2015 page 11 through 12
- June 17, 2015 page 13 through 14

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

Oregon Workforce Investment Board

Chemeketa Eola Viticulture Center, 215 Doaks Ferry Road NW, Salem 97304

May 8, 2015

Members Present: Chair Ken Madden, Vice Chair Jessica Gomez, Barbara Rodriguez, Carrie Chaffee, Charles Hopewell, Joe Weber, Joni George, Kevin Dull, Lori Luchak-Olund, Maureen Fallt, Susan Brown, Elana Pirtle-Guiney, Alan Unger, Dacia Johnson, Jessica Howard, Krissa Caldwell, Lisa Nisenfeld, Jeffrey Krolick, Andrew McGough, Kathy Oliver, Dave Baker, Barbara Byrd, Matt Millard, Karen Goddin

Members Absent: Frank Wall, Robert Halligan, Trygve Bolken, Erinn Kelley-Siel, Megan Helzerman, Trina Lee, Sen. Michael Dembrow, Rep. John Huffman, Rep. Paul Holvey, Laura McKinney

Staff: Melissa Leoni, Karen Humelbaugh, Katelyn Roberts

Guests: Jaime Clarke, Julie Sobel, Jim Pfarrer, Todd Nell, Jordana Barclay, Kurt Tackman, Kim Fredlund, Belit Burke, Cynthia Stewart, Bridget Dazey, Dan Parker, Julie Hugo, Jarrod Hogue, Marc Goldberg, Wally Corwin, Jim Fong, Liz Casey, Connie Green, Dan Haun, Dave Allen, Greg Ivers, Linda Sozzi, Tom West, Kristen Barry

Meeting called to order at 11:42 PM

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

Working Lunch & Oregon's Key Workforce Trends Part II

During the working lunch, Nick Beleiciks from the Oregon Employment Department's Workforce and Economic Research Division continued the presentation from March's board meeting on the key workforce trends in Oregon. The presentation provided a brief update on the state of the economy then focused on current and future needs of employers. Members provided comments, asked questions, and discussed the answers throughout the presentation. No follow-up items were identified.

Consent Agenda

Chair Madden asked for a motion to approve the consent agenda, which included March board meeting minutes and Executive Committee notes from March and April. Howard moved, Nisenfeld seconded, and the motion passed unanimously.

Strategic Planning Session

Chair Madden informed the board that a letter was sent to the Governor, introducing the OWIB and inviting her to participate. Pirtle-Guiney informed the board that the Governor will try to attend an upcoming meeting. She provided a message from Governor Brown on her priorities for the OWIB to keep in mind for workforce. She noted four areas of importance:

- Collaboration, among agencies at state level, through sector strategies, and at the regional level.
- Advance equity for families in poverty, communities of color, and rural communities.
- Build in accountability - Where there is more freedom to meet goals, there must be accountability.
- Results driven, not a program-driven, system – long-term results for clients served and the return on investment.

Tom West and Kristen Barry, consultants with Thomas P. Miller & Associates, began the strategic planning session by explaining the reason for developing a strategic plan. It required under the Workforce Innovation and Opportunity Act, the current plan was developed at a time when the economy was recovering from the recession, and many current board members were not a part of developing the 2012 plan.

West provided an overview of the strategic planning process. Along with today's session to develop a mission for OWIB and vision for the systems, the process will include focus groups and interviews with stakeholders. Subcommittees will be convened to further articulate goals and strategies in the plan. Finally, there will be a follow up strategic session during the July board meeting.

West facilitated a discussion with the board around developing a mission for the OWIB. He asked what the board wanted to accomplish and what customers (job seekers and businesses) expect of the system. West then facilitated a discussion on vision for the workforce system by asking the members to consider what the values of the OWIB and what long term success looks like.

Small groups were formed with OWIB members and guests. The groups were directed to identify focus areas by discussing what issues should be addressed in the plan and how to align the system to promote the common vision and mission. Each of the small groups reported out what they had discussed.

The board members then labeled the strategies and concepts identified by the small groups as strategic or tactical. The strategic concepts were consolidated into 12 focus areas. Board members were given four dots to prioritize the possible focus areas. The following were identified as the top five:

- Alignment of education, business, workforce, and economic development
- Simplifying the workforce system
- Connecting workers to jobs and businesses to workers
- Local/State relationships and collaboration
- Addressing needs of special populations

West made it clear that all of the concepts and ideas gathered during the meeting would not be lost. Staff and subcommittees will use what has been expressed to see if and how it could be incorporated in the plan. Subcommittees will be short term work groups made up of OWIB members, local board representatives, and subject matter experts. Members of the subcommittees are expected to represent their stakeholder group, not their individual perspective. Board members should respond to the email that Leoni will send out about their interest in leading and serving on the subcommittees.

Public Comment

Connie Green, President of Tillamook Bay Community College, asked the board be patient, especially with the areas where there will be new local boards, and to give the locals space to figure out all of the changes that are occurring. She encouraged the OWIB to test policies that it will be establishing and get input from all partners in order to move to the desired outcomes collaboratively.

WIOA Statewide Reserve Funds

Chair Madden introduced the discussion on Workforce Innovation and Opportunity Act (WIOA) Governor's Reserve funds, encouraging the board to come to a decision today. He expressed the importance of getting the full board's input on this item. Karen Humelbaugh provided and reviewed a handout on WIOA Basic Funding, which provided background information on the funds for the Adult, Dislocated Worker and Youth services along with the parameters for reserving funds at the state level. The following three options were provided for the board to consider in its recommendation to the Governor:

- Recommend the Governor reserve the maximum amount allowable by federal law for use in initiatives and programs that align with the state strategic plan.
- Recommend the Governor maintain the previous year's allocation of formula dollars to the LWIB's, reducing significantly the Governor's Reserve.
- Recommend the Governor reserve the maximum amount allowable by federal law for preliminary budgeting purposes at both the state and local level. Require a re-evaluation of state and federal reserves in August 2015.

Board members had an in-depth discussion and raised additional questions on to the benefits and drawbacks of each option. Humelbaugh then explained the conflict of interest policy in the board's bylaws. As they are more restrictive than Oregon's ethics laws, staff will be looking to propose changes to align with state law.

The board members agreed that a vote could be taken today. Madden asked for a motion to recommend that the Governor maintain the previous year's allocation of formula dollars to the LWIB's. Hopewell moved, Brown seconded, and the motion passed unanimously.

The following members declared a potential conflict of interest: Pirtle-Guiney, Gomez, Madden, McGough, Caldwell, Howard, Dull, and Byrd. These members abstained from voting of the recommendation.

Meeting adjourned at 4:07 PM.

DRAFT

**OWIB Executive Committee Meeting Notes
May 20, 2015**

Members: Ken Madden, Jessica Gomez, Elana Pirtle-Guiney, Alan Unger, Lisa Nisenfeld, Jessica Howard, and Megan Helzerman

Staff/Technical Advisors: Karen Humelbaugh, Andrea Fogue, Melissa Leoni, and Katelyn Roberts

Call to Order and Introductions

Chair Madden called the meeting to order at 1:35 PM. Leoni did a roll call of members, technical advisors, and staff.

Legislative Update

Humelbaugh and Fogue reviewed the purpose of the workforce investments that are before the legislature. A handout sent to the committee prior to the meeting explained the current service level and policy option packages for youth and incumbent worker training. Staff asked for the committee members' assistance in reaching out to the key legislators over the next ten days.

Each committee member was assigned to contact one or more legislator. At the Chair's request, staff will be following up with a script for starting the conversation and talking points used by Worksystems. Staff asked the committee to call legislators, if possible, or send an email. In any communications, include personal experiences as to why the funding is important. After making contact, let Leoni know how it went and if there are any items that need follow up.

The committee discussed distribution of the funds. Nisenfeld added that the OWIB will be asked to weigh in on the principles for allocating the funds.

Fogue also reported that the Oregon Talent Council will likely be established. This council will take the place of the Engineering and Technology Industry Council. Its purpose would be to invest in startup projects in higher education, including at community colleges and other entities. It will likely be housed at the Employment Department and would become complimentary to sector strategies.

Workforce Innovation and Opportunity Act (WIOA)

Roberts provided an update on the implementation of WIOA. The U.S. Department of Labor provided guidance to the states of three items that must be completed by July 1, 2015:

- Governor must appoint a WIOA-compliant state workforce development board.
- Governor, in consultation with the state board, must develop a policy and procedure for designation of local workforce development areas.
- Governor and state board must establish criteria that the chief elected official for each local area must use in appointing a WIOA-compliant local board.

Staff is working with the Governor's Office and Executive Appointments to ensure that the OWIB is in compliance with WIOA. In June, staff will be bringing a policy on local area designation before the committee. This is not changing the boundaries of the local area that were put in place last year; it is putting a policy and procedure in place that is compliant with WIOA.

The packet contains an update of other WIOA related activities for the committee's reference. As a follow up to the May committee meeting, Roberts informed the committee that DOL has directed the

states to continue to use the current formulas for allocating Adult, Youth, and Dislocated Worker funding to the local boards. In late fall, staff will engage the committee and stakeholders in a conversation about next year's funding formulas.

OWIB Strategic Planning

Leoni updated the committee on the strategic planning process. Staff are reviewing the priorities that the OWIB discussed during the March board meeting along with past discussions on investment outcomes. Subcommittees will be convened around four themes in June.

Staff are proposing the addition of local area meetings in late June through July to ensure that the planning process is as inclusive as possible. A meeting will be held in each of the nine local areas in a similar format as the WorkSource Forums and Focus Groups that OED and the local boards sponsored last year. The meetings will be a town hall setting where business, education, service providers, and other stakeholders can provide input on the direction of the system's vision and goals. It will also provide an opportunity for the local boards to jump start local planning.

Staff will discuss and inform the board whether this will affect the schedule of upcoming meetings.

OWIB Executive Committee Meeting

The next OWIB Executive Committee meeting is June 17 from 1:30 to 3:00 PM.

Chair Madden adjourned the meeting at 2:37 PM.

OWIB Executive Committee Meeting Notes
June 17, 2015

Members: Barbara Byrd, Matt Millard, Elana Pirtle-Guiney, Lisa Nisenfeld, and Alan Unger

Staff/Technical Advisors: Karen Litvin, Karen Humelbaugh, Andrea Fogue, Melissa Leoni, and Katelyn Roberts

Guests: Tom West and Owen McNeil, Consultants with Thomas P. Miller and Associates

Call to Order and Introductions

Leoni called the meeting to order at 1:35 PM because Chair Madden and Gomez could not join the meeting. Leoni did a roll call of members, technical advisors, and staff.

Legislative and Budget Update

Humelbaugh and Fogue provided the following legislative update to the committee. The Oregon Employment Department's (OED) budget passed out full Ways and Means with no issues or surprises. The Higher Education Coordinating Commission (HECC) budget bill passed out of the Ways and Means Education Sub-committee. Its next stop is the Full Ways and Means Committee, but it has not been scheduled. Within the \$2.2 billion HECC budget, CCWD's Current Service Level was fully funded at \$10.9 million. However, the \$15 million in Policy Option Package (POP) 201 for youth workforce programs and \$6 million in POP 202 for incumbent worker and sector strategies were not funded.

Although this is disappointing, agency staff are currently working to pull together a proposal to specifically fund youth workforce investments through the final reconciliation (aka the Christmas Tree) bill that comes at the very end of the legislative session. Staff will be asking for the committee's help when more details become available.

The Oregon Talent Council legislation, HB 2728A, passed out of the Ways and Means Education Subcommittee today with a base Current Service Level funding of \$6.1 million. Its next stop is the Full Ways and Means Committee; it has not been scheduled yet. This falls significantly short of the proposed \$15 million in funding, but is the bare minimum that the OED needs to establish the Council. Since the OTC presentation to the Executive Committee in December, much has changed with the OTC. Staff will schedule an information item for the OWIB at an upcoming meeting.

Wagner-Peyser Section 7B Funds

Nisenfeld provided an overview on the Wagner-Peyser Section 7B Funds. OED has received about \$8 million from the U.S. Department of Labor to fund the one-stop centers (WorkSource) in the new program year. The Wagner-Peyser law allows the Governor to reserve 10 percent of the total allocation, referred to as the Wagner-Peyser Section 7B Funds. OED would like to get the OWIB's approval for how to spend these funds. With the beginning of the program year nearing, this is more of formality for this program year. Next year, staff will bring a spending recommendation to the OWIB earlier for a more substantive discussion.

A majority of these funds have gone to OED's research division, which has taken on the system performance management work. Some of the funds have also been used for the Career Information System (CIS) and marketing. In the packet for the July board meeting, more detail will be provided on how these funds can be used and what the department is planning to spend it on this program year.

Workforce Innovation and Opportunity Act (WIOA)

Leoni informed the committee that the Governor, in consultation with the OWIB, needs to have a policy on the local area designation by July 1. There is a need to have broader discussion amongst the state agencies on policy development under WIOA. In the meantime, staff are asking the committee to provide feedback on the elements of the local area designation policy which are on page 3 and 4 of the packet. If there is a desire to change boundaries in the future, this will establish a policy and procedures for the state and local areas to abide by. It will be very similar to the process used in 2014.

After discussion, there was overall agreement on the proposed elements of the policy. Leoni will get feedback from the business representatives who are not on the call. Staff will then forward a draft policy on to Pirtle-Guiney. Humelbaugh provided that the new areas are on track to be operational by July 1.

OWIB Strategic Planning

West and McNeil, staff with Thomas P. Miller and Associates (TPMA), provided an update on the progress of the strategic planning. Staff with TPMA conducted interviews and facilitated focus groups. Three of the four planning subcommittees have had their initial meeting. The chairs of each committee will be sharing results with the OWIB at the July meeting. Overall, the input has been positive.

Leoni reviewed the input given by the subcommittees on the proposed guiding principles. The committee had further discussion on proposed edits to the guiding principles as well as on the vision for the system and mission of the board. A revised draft of the principles, vision, and mission will be provided at the OWIB meeting for further discussion and possible approval.

July OWIB Agenda

Leoni reviewed the July 10 OWIB meeting agenda. Pirtle-Guiney informed the committee that the Governor will likely attend the September board meeting instead of the July meeting.

Other Business/Wrap Up

Leoni asked if the committee supports not having a July committee meeting since it would be challenging timing with the subcommittees and the community forums in progress. To allow staff enough time to vet the strategic plan, Leoni proposed to move the September board meeting back one week to September 18, instead of the 11th. The committee members agreed with both of these changes.

OWIB Executive Committee Meeting

The next OWIB Executive Committee meeting is August 19th from 1:30 to 3:00 PM.

Leoni adjourned the meeting at 2:45 PM.

Action Item

Consent Agenda – Postponement of WorkSource Oregon Center Certification

Purpose

The purpose of this agenda item is for the Oregon Workforce Investment Board to take a formal action to postpone the WorkSource Oregon (WSO) Center certification process until it can be revised to meet the requirements of the Workforce Innovation and Opportunity Act (WIOA).

Background

On May 15, 2015, the Oregon Department of Community Colleges and Workforce Development (CCWD) and the Oregon Employment Department (OED) received a request from the Oregon Workforce Partnership (OWP) to suspend the existing processes and timelines for the certification of the WorkSource Oregon Centers, as described in OWIB Policy 11-01. OWP is a statewide association representing the local workforce boards (LWBs).

OED, CCWD, and the LWBs are named in the policy to have jointly developed the WSO certification processes, which local boards conduct on a regular basis.

There have been ongoing significant changes in the federal and state workforce system, including:

- The authorization of the WIOA in 2014
- The publication of proposed rules that support WIOA implementation, which are not expected to be finalized for several months
- Considerable changes to the boundaries of Oregon's local workforce investment areas – including the designation of four new local areas
- A substantial revision of state-level workforce system standards

Until Oregon adopts a new certification policy and process that meets the requirements of WIOA and state-level standards, OED and CCWD ask that no new/re-certifications be required and that the current status of certified centers remain unchanged. Staff expect to bring a recommendation on federally-compliant one-stop certification criteria to the OWIB by January 2016.

Staff Recommendation

Staff recommend the OWIB:

- Suspend the existing processes and timelines for the certification of WorkSource Oregon centers, and
- Recognize and extend the current status of certified centers until new, federally-compliant criteria is established.

Agenda Item 3

Workforce System Performance Dashboard

Purpose

The purpose of this item is to update the Oregon Workforce Investment Board (OWIB) on the status of performance measures and a dashboard for the workforce system.

Background – Oregon’s Workforce System Performance Measures

The Employment Department (OED) convened a work group of state and local workforce leaders and partners in late 2013 to identify and define performance measures that would complement the overall workforce system redesign efforts and be used to continuously improve the system. Work groups met in 2014 to develop the definitions and details for eight of the proposed measures:

- Entered employment
- Employment retention
- Earnings from employment
- Wage gain
- Skill gain
- Business satisfaction
- Job seeker satisfaction
- Targeted sectors

The OWIB adopted the first seven measures in August of 2014.

After Oregon began its effort to redefine system performance measures, Congress passed the Workforce Innovation and Opportunity Act (WIOA). Under WIOA, the core programs will share a common state plan and a common set of performance measures focused on workforce outcomes for the benefit of workers, job seekers, and employers (attached). These measures are similar to those adopted by OWIB, but may require slight changes to definitions.

Workforce Performance Measures Summary Dashboard

Also attached to this cover sheet is a draft dashboard containing employment, retention, and wage gain data from the current system, and one month of data for the new customer satisfaction measures. The draft also contains annotations to help readers understand where we are heading and the progress that has been made. The dashboard is shared as an example of what will ultimately be provided.

The Performance and Accountability Committee reviewed a draft of a dashboard for the new system performance measures in February and will continue to work on the final format of the dashboard that will be regularly shared with the OWIB.

Discussion

Graham Slater will brief the OWIB on the performance measure project and provide updates on the progress towards the new measures at the July 10 OWIB meeting.

Workforce Innovation and Opportunity Act Measures

The core programs under the Workforce Innovation and Opportunity Act (WIOA) share a common state plan and a common set of performance measures focused on workforce outcomes for the benefit of workers, job seekers, and employers.

Core WIOA Programs	Agency
Title I – Adult, Youth, and Dislocated Workers Title II – Adult Education and Literacy	Office of Community Colleges and Workforce Development within Higher Education Coordinating Commission
Title III – Wagner Peyser Employment Services	Oregon Employment Department
Title IV – Vocational Rehabilitation Services	Office of Vocational Rehabilitation within Department of Human Services

Measures for Individuals

- Percentage of participants in unsubsidized employment during the second quarter after exit from the program
- Percentage of program participants in unsubsidized employment during the fourth quarter after exit from the program
- Median earnings of participants unsubsidized employment during the second quarter after exit from the program
- Percentage of program participants who obtain a recognized postsecondary credential or a secondary school diploma during participation in or within 1 year after exit from the program
- Percentage of participants who are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains toward such a credential or employment

Measures for Employers – Indicators for measuring effectiveness in serving employers will be developed by July 2015 (national process).

Additional Measures – State may identify additional performance accountability indicators, which must be included in the State Plan.



Workforce Performance Measures Summary DRAFT

Measure	Most Recent Value	Change from Prior Year	Trend <i>(lines show series start, year ago, and end)</i>
Entered Employment 4Q 2012 - 3Q 2014	76%	↑ 2	
Employment Retention 1Q 2012 - 4Q 2013	55%	↓ -7	
Wage Gain 4Q 2011 - 3Q 2013	\$0.60	→ -\$0.11	
Average Earnings			
Participated in Skill Gain			
Completed Skill Gain <i>Completers % of participants</i>			
Completed Formal Skill Gain			
Quality of Individual Service 2Q 2015 <i>% excellent or good</i>	71%	N/A	
Quality of Business Service 2Q 2015 <i>% excellent or good</i>	82%	N/A	
Individual Likely Recommendation 2Q 2015 <i>% excellent or good</i>	78%	N/A	
Business Likely Recommendation 2Q 2015 <i>% excellent or good</i>	85%	N/A	

We will have information on skill gain once PRISM 2.0 is fully functioning.

When we move to WIOA reporting under PRISM 2.0, the wage measure will be defined as the median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program.

These are the measures under the current version of PRISM. They will be redefined, partly based on WIOA, when PRISM 2.0 is introduced.

We will use line graphs to display customer satisfaction measures when we have four months of data.

Agenda Item 4

Legislative Update

Purpose

The purpose of this agenda item is to update the Oregon Workforce Investment Board on the workforce bills and investments from the 2015 Oregon Legislative Session

Background

The Higher Education Coordinating Commission (HECC) budget bill passed out of the Senate on June 30 and is currently (as of July 2, 2015) awaiting action in the House. Within the \$2.2 billion HECC budget, the Office of Community Colleges and Workforce Development (CCWD) Current Service Level was fully funded at \$10.9 million. However, the \$15 million in Policy Option Package (POP) 201 for youth workforce programs and \$6 million in POP 202 for incumbent worker and sector strategies were not funded.

Workforce staff and stakeholders have been working together on a proposal to fund youth workforce investments through the final reconciliation bill at the end of the legislative session. Attached to this cover letter is a letter from the legislative members of the OWIB in support of \$3 million in youth workforce investments.

Discussion

Karen Humelbaugh, Office of CCWD at the HECC, and Andrea Fogue, Oregon Employment Department, will update the board at the meeting.



Oregon Legislative Assembly

June 26, 2015

Senator Richard Devlin
Representative Peter Buckley
Co-Chairs
Joint Committee on Ways and Means

RE: POLICY OPTION PACKAGE 201

Dear Co-Chairs Devlin and Buckley:

Within the Higher Education Coordinating Commission (HECC) budget, there was a proposal for \$15 million to fund youth workforce investments (Policy Option Package 201). POP 201 received \$0. This is critical funding for youth age 14-24 who are in school. As of July 1, 2015, the bulk of federal funding for youth programming must be spent on out-of-school youth. Whether in or out of school, youth need a first job experience; this keeps youth in school and contributes to Oregon's economy.

With a minimal \$3 million investment, youth statewide, in all 36 counties can have access to summer job and internship programs. The Local Workforce Investment Boards and Oregon Youth Conservation Corps **will match this state investment 1:1 at the local level.**

This small state investment would be leveraged into helping thousands of youth across the state get summer jobs, essential work experience to prepare them for college and careers. Although the investment in youth will continue to be made at the local level, if the state does not contribute, it will lose the opportunity to leverage millions of dollars to support employing our youth.

As legislative members of the State Workforce Investment Board, we urge you to support \$3 million to fund a critical investment in employing Oregon's youth that will be matched 1:1 at the local level.

Respectfully,

Paul Holvey
Oregon State Representative
District 8

John Huffman
Oregon State Representative
District 59

Michael Dembrow
Oregon State Senator
District 23

Agenda Item 5

Workforce Investment Recommendations

Purpose

The purpose of this agenda item is to make a recommendation to Governor Brown on the use of:

1. Wagner-Peyser 7B funding for programs and functions at the Oregon Employment Department (OED) and
2. Workforce Investment and Opportunity Act (WIOA) Governor's Reserve funds.

Background

Additional background on the Wagner-Peyser 7B and WIOA Governor's Reserve is included in the Agenda Items 5a and 5b cover sheets.

Conflict of Interest Provisions in OWIB Bylaws

During the May 8 meeting discussion about the WIOA Governor's Reserve, the board wrestled with the OWIB's conflict of interest policy, as contained in its bylaws, and agreed that it should be better aligned with Oregon's ethics laws. In advance of those changes, staff is providing additional explanation of the existing policy before any discussion or action at the July 10 OWIB meeting.

The bylaws currently state that a member of the OWIB who has a "potential conflict of interest" must announce publicly the nature of the potential conflict prior to taking any action thereon and refrain from voting on the matter under any circumstance.

A member of the OWIB who has an "actual conflict of interest" must refrain from participating in any discussion or debate on the issue out of which the actual conflict arises and refrain from voting on the matter under any circumstances.

Oregon Conflict of Interest Law

Since the bylaws and OWIB policy do not define potential and actual conflict of interest, the state law definitions apply.

"Actual conflict of interest" means any action or any decision or recommendation by a person acting as a public official, which would be to the private financial benefit or detriment of the person, the person's relative, or any business with which the person or relative is associated, unless the benefit or detriment arises out of certain circumstances.

"Potential conflict of interest" means any action or any decision or recommendation by a person acting as a public official, which could be to the private financial benefit or detriment of the person, the person's relative, or a business with which the person or relative is associated, unless the benefit or detriment arises out of certain circumstances.

The circumstances that create exceptions are:

1. An interest or membership in a particular business, industry, occupation or other class required by law as a prerequisite to the person holding the public office or position.
2. Any action in the person's official capacity that would affect to the same degree a class consisting of all inhabitants of the state, or a smaller class consisting of an industry, occupation or other group in which the person, relative or associated business is a member or engaged.
3. Membership on the board of directors of a nonprofit corporation that is tax-exempt under section 501(c) of the Internal Revenue Code.

Recommendation

The following scenarios are described to assist the OWIB in understanding how the conflict of interest provisions apply to the proposed decisions under this agenda item:

- If a member of the OWIB (or a relative or associated business) will personally benefit or be negatively affected by one of the spending plan recommendations, that member should declare a conflict of interest and refrain from participating in the discussion and voting.
- If the member (or relative/associated business) could receive a benefit/detriment from the recommendation, that member should declare a potential conflict of interest and refrain from voting. The member may participate in the discussion.
- If a member of the OWIB (or a relative/associated business) has an actual or potential conflict because of their membership on a local workforce or community college board, that member does not have a conflict of interest and may participate in both the discussion and vote.

Agenda Item 5a

Wagner-Peyser Funding Allocation

Purpose

The purpose of this agenda item is to consider a recommendation to Governor Brown on the use of Wagner-Peyser 7B funding for programs and functions at the Oregon Employment Department (OED).

Background

Funding under the Wagner-Peyser Act provides funding for the national employment system and national employment statistics system. The U.S. Department of Labor manages these grants. This year the total Wagner-Peyser allotment to Oregon is \$8,093,850.

Under Section 7(b) of the Wagner-Peyser Act, ten percent of the sums allotted to each State shall be reserved for use by the Governor of each such State to provide:

- Performance incentives for public employment service offices and programs
- Services for groups with special needs
- The extra costs of exemplary models for delivering employment services, and models for enhancing professional development and career advancement opportunities of State agency staff.

The 2015 Governor's Reserve for 2015 is \$809,385.

Over the past 15 years, Section 7(b) funds have been used to:

- Provide services to OWIB and LWIBs, for occupational and career information for job seekers and others, special reports, special surveys (e.g. the quarterly vacancy survey), and customized data at the regional/area levels.
- Provide the Oregon Career Information System (CIS) and other materials for job seeker use in the career resource areas.
- Provide Community Development Grants / Contracts to each local area to support regional:
 - Customer service improvements
 - Employment and re-employment of Oregonians
 - Vocational, technical and/or professional training
 - To leveraging funds for projects that might not otherwise be available
- Improve facilities of a comprehensive One Stop Center.
- Develop and deliver marketing-related activities for WorkSource Oregon.

Staff Recommendation

Staff recommend the OWIB approve the proposed allocation of Wagner-Peyser 7B to support the activities listed below:

Wagner Peyser 7b PY 2015	FTE	Dollars
Workforce System Analysis and Special Projects	5	739,888
Career Information System (CIS) and Mobile Technology		69,495
Total	5	809,383

- Continuing to fund the Employment Department’s portion of the Career Information System (CIS).
- Funding mobile technology within the WorkSource Oregon Centers to ease both customer experience and staff use of time.
- Developing one or more special reports, on topics mutually agreed on between the Governor’s Office and OWIB, in consultation with local boards and the agency.
- Designing and publishing a new product to help Oregon’s low-wage workers better understand the types of jobs, training, and education that can help them move into higher-wage occupations, with a particular focus on helping them get off public assistance.
- Continuing the quarterly vacancy surveys; publishing results and analyses for Oregon statewide and for each of the local workforce areas.
- Updating the *Occupational Prioritization for Training* model to incorporate new employment projections and new wage information; providing analysis and technical support to Oregon’s local workforce boards and other customers as they interpret and use this information in their planning.
- Developing a new online tool -- *Local Industry Profiles* – designed to meet the workforce and economic information needs of businesses in each of Oregon’s local workforce areas.
- Continuing analysis of employment and wage records.

Agenda Item 5b

Spending Plan for WIOA Governor's Reserve

Purpose

The purpose of this agenda item is to consider a recommendation to Governor Brown on the use of the Workforce Investment and Opportunity Act (WIOA) Governor's Reserve funds.

Background

In May, Oregon received its annual allotment from the U.S. Department of Labor for Adult, Dislocated Worker, and Youth programs. The total allotment for the 2015 program year (July 1, 2015 to June 30, 2016) increased by 0.9%. The Dislocated Worker funds increased while the Adult and Youth funds decreased. The total state allotment is \$34,098,693.

The majority of the funding is required to go to Local Workforce Boards (LWBs) via formula. This formula is based on employment and economic data at the county level. Prior to the local formula being applied, the state is allowed to reserve:

- 5% of the total funding for Administration (\$1,704,933 this year)
- 10% of the total funding for a Governor's Reserve (\$3,409,867 this year)
- 25% of the Dislocated Worker funding for Rapid Response/Pre-Layoff services (\$3,418,100 this year)
- Total *allowed* Governor's Reserve - \$8,532,900

During the May board meeting, there was discussion and a recommendation made by the board that the Governor use the Reserve funds to maintain the same total dollar amount of funding to the Local Workforce Boards as last program year's local allotments. The Governor accepted this recommendation. Therefore, the 2015 Governor's Reserve will be reduced by 22% (\$1,888,798). The break down for the 2015 Governor's Reserve is:

- 5% of the total funding for Administration (\$1,704,933)
- 10% of the total funding for a Governor's Reserve (\$2,888,309)
- 15% of the Dislocated Worker funding for Rapid Response/Pre-Layoff services (\$2,050,860)
- Total 2015 Governor's Reserve - \$6,644,102

The Governor's Reserve is used for both required (by federal law, state legislation, and budget notes) and allowable activities. Last year, required activities utilized 76.5% of the total Governor's Reserve. The remaining funds were used on strategic initiatives endorsed by the Governor and OWIB including:

- Governor's Office Staffing
- Career Information/Labor Market information at WorkSource Oregon Centers
- Support and leadership to LWBs, including assistance moving to the board versus service provider role
- New LWB chartering, planning, and technical assistance
- Certified Work Ready Communities
- Initial Sector Strategies convening

Staff Recommendation

Staff recommend that the board accept and recommend that the Governor approve the attached budget that provides for the maintenance of the local board distribution of \$27,454,587. It also provides for the personnel services, services and supplies, and adequate completion of all associated required activities, totaling \$4,767,295. This includes:

- Evaluation of Activities
- High Concentrations of Eligible Youth
- Performance Incentives
- Rapid Response
- Governor's Office Policy Advisor
- EEO Coordinator
- OWIB
- WIA Auditor
- Career Information System (CIS) Connections for Centers

Allowable activities would be funded at \$1,864,000 and include:

- Initial Skills Review
- ACT-NCRC
- AFL-CIO Labor Liaison
- Administration for Projects
- Oregon Workforce Partnership Support and Leadership
- Dues for the National Governors' Association
- Local Board Support (non-state)
- Strategic Planning for Local Boards

The following items will continue to remain unfunded as they were in last year's approved budget:

- Youth Projects
- Incumbent Worker Projects
- Strategic Initiatives

All above costs total \$6,644,106.

2015 WIA TIB Draft Budget

30-Jun-15

TEGL 29-14, April 27, 2015
Through June 30, 2018

WIA FORMULA	GRANT YEAR 2015 ALLOTMENT	STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES				TOTAL RESERVE	Local Distribution
		WIA Administration	WIA Program	TOTAL	Rapid Response		
		5.00%	10.00%	13.47%	15.00%		
WIA Title IB Youth	10,431,168	521,558	521,558	1,043,117		1,043,117	
WIA Title IB Adult	9,995,124	499,756	999,512	1,499,269		1,499,269	
WIA Title IB Dislocated Worker	13,672,401	683,620	1,367,240	2,050,860	2,050,860	4,101,720	
RESERVE + LOCAL DISTRIBUTION	34,098,693	1,704,935	2,888,311	4,593,246	2,050,860	6,644,106	27,454,587

	Amount	5% funds	10% funds		25% funds	State Admin and Program
CCWD OFFICE OPERATIONS	44.57%					3,730,106 10.94%
Personal Services	2,436,295	1,131,896	800,254		504,145	Local Formula and Reserve
Services and Supplies	525,000	160,000	-		365,000	
CCWD OFFICE OPERATIONS TOTAL	2,961,295	1,291,896	800,254		869,145	2,914,000 Reserve
						27,454,587 Formula
						30,368,587 89.06%
REQUIRED ACTIVITIES	27.18%					
Evaluation of Activities/Annual Report	56,000	19,000	19,000		18,000	
High Concentrations of Eligible Youth	200,000	-	200,000		-	
Performance Incentives	-	-	-		-	
Rapid Response	1,000,000				1,000,000	
Governor's Office Policy Advisor	100,000	20,000	80,000		-	
EEO Coordinator (50% CCWD/50% OED)	55,000	55,000			-	
OWIB (staffing, meetings, projects, planning)	200,000	20,000	160,000		20,000	
WIA Auditor	50,000	50,000			-	
CIS Connections for WSO Centers	145,000		145,000		-	
REQUIRED ACTIVITIES TOTAL	1,806,000	164,000	604,000		1,038,000	
ALLOWABLE ACTIVITIES	28.05%					
Initial Skills Review	280,000	200,000	80,000	-	-	
ACT-NCRC	200,000	25,000	175,000	-	-	
RR Labor Liaison	135,000	-			135,000	
Admin for Projects	20,000	20,000		-	-	
OWP Support and Leadership	14,000	3,000	11,000	-	-	
NGA Dues	15,000	-	15,000	-	-	
Local Board Support (non-state)	1,000,000		1,000,000		-	
Strategic Planning for Local Boards	200,000		200,000		-	
Youth Projects	-	-		-	-	
Incumbent Worker Projects	-	-		-	-	
Strategic Initiatives	-	-		-	-	
ALLOWABLE ACTIVITIES TOTAL	1,864,000	248,000	1,481,000		135,000	
OFFICE OPERATIONS, REQUIRED, AND ALLOWABLE ACTIVITIES TOTAL	99.81%					
	6,631,295	1,703,896	2,885,254	-	2,042,145	
TOTAL RESERVE	6,644,106	1,704,935	2,888,311		2,050,860	
REMAINING BALANCE	12,811	1,039	3,057		8,715	

Agenda Item 7

OWIB Strategic Planning

Purpose

The purpose of this agenda item is to refine and adopt the proposed mission and vision statements and to review the proposed goals and strategies developed by the strategic planning subcommittees.

Background

Staff have engaged Thomas P. Miller and Associates (TPMA) as consultants to assist the board in developing a strategic vision and plan to serve as a framework to inform the state agencies and local boards of the overall direction of the workforce system. The strategic planning process has been developed to maximize input from workforce system stakeholders, create alignment with local plans, and build buy-in and support for the final plan.

The following is a summary of activities to date:

- At the May 8 OWIB meeting, the board discussed what it wanted to accomplish and its values to assist in the development of a mission and vision statement. Small group discussions then identified what issues should be addressed in the plan and how to align the system to promote the common vision and mission.
- TPMA and staff conducted focus groups and interviews to gather additional input from key workforce system stakeholders, business representatives and partners.
- TPMA drafted mission and vision statement options based on the May 8 planning session. The options were reviewed and revised by OWIB leadership and the Executive Committee, resulting in recommended language. (OWIB Strategic Planning Progress Report)
- Staff developed a list of guiding principles, a set of core or foundational values for the workforce system that will be used as a lens for evaluating the plan's goals, strategies and actions. The guiding principles were reviewed and edited by the planning subcommittees and Executive Committee. (OWIB Strategic Planning Progress Report)
- Four planning subcommittees were organized around talent development, business needs and solutions, alignment of workforce, education and economic development, and system connection and simplification. The subcommittees met on June 16-18, 2015 and each developed a proposed goal and list of potential strategies. (OWIB Strategic Planning Subcommittee Report)
- Nine local workforce development community forums have been scheduled around the state by local area to gather additional input on the goals and strategies and begin the local plan conversation. The forums will be held between July 8 and August 4.

Next Steps

The planning subcommittees will meet the week of July 20, 2015 to consider the comments of the OWIB members, input received through the community forums, and the potential strategy best practice research. The subcommittees will further refine the goals and strategies and begin developing action items. A final set of subcommittee meeting may be planned for the week of

August 17-21 to further refine the goals, strategies and action items and consider all input from the community forums.

Drafts of the complete strategic plan will be reviewed by the Executive Committee in August and early September, in preparation for review and adoption by the full board on September 18, 2015.

Discussion

Staff will facilitate a discussion about the mission, vision and guiding principle language. Then each subcommittee chair will present the results of the June meetings to inform a board discussion to identify further work and provide direction to the subcommittees.

Recommendation

Staff recommend the board adopt the following mission and vision statements:

Recommended OWIB Mission Statement

The Oregon Workforce Investment Board advises the Governor on workforce policy and plans, and contributes to the economic success of Oregon by:

- Aligning state workforce policy and resources with education and economic development;
- Promoting a proactive, flexible and innovative talent development system; and,
- Holding the workforce system accountable for results to ensure Oregonians develop the skills they need to sustain rewarding careers and businesses have the talent they need to be competitive.

Recommended Strategic Plan Vision Statement

A strong state economy and prosperous communities are fueled by skilled workers with quality jobs and partnerships with business to create the talent they need to compete.

OWIB Strategic Planning Progress Report

Recommended OWIB Mission Statement

The Oregon Workforce Investment Board advises the Governor on workforce policy and plans, and contributes to the economic success of Oregon by:

- Aligning state workforce policy and resources with education and economic development;
- Promoting a proactive, flexible and innovative talent development system; and,
- Holding the workforce system accountable for results to ensure Oregonians develop the skills they need to sustain rewarding careers and businesses have the talent they need to be competitive.

Recommended Strategic Plan Vision Statement

A strong state economy and prosperous communities are fueled by skilled workers with quality jobs and partnerships with business to create the talent they need to compete.

Guiding Principles:

The purpose of the operating principles is to identify core or foundational values for the workforce development system and will be used as a lens for evaluating the goals, strategies and actions.

- The workforce system customers are both businesses and job seekers.
- Data, including customer input, drives continuous improvement and accountability of the system.
- The state will support local decision-making to achieve the statewide vision and goals.
- Strategies are business-led, demand-driven and benefit all customers.
- Customers need a simple, flexible and streamlined system.
- System agencies and organizations must be agile and nimble to respond to customer needs.
- Promote equity, including but not limited to addressing the unique needs of families in poverty, communities of color and rural communities.
- Collaboration within the workforce system and with other policy areas occurs between state agencies, through sector strategies, and at the local and regional level.
- Investments and decisions are results driven, not program-driven, to optimize long-term results for clients served, build a strong economy and achieve the state's goals.
- The system will adopt tools and promising practices from other states or communities rather than creating new ones, whenever appropriate.

OWIB Strategic Planning Subcommittee Report

Subcommittee:

Talent Development

Chair:

Jeff Krolick

Members Present:

Dacia Johnson, Elana Pirtle-Guiney, Lisa Nisenfeld, Matt Millard, Trina Lee, Jamie Clarke, Kim Fredlund, Julie Sobel, Dan Friess, Liz Casey, Jen Senner, Lindsey Moussa, Karen Humelbaugh

Recommended Goal:

Create a simple, easy to access, demand-driven workforce system that inspires and empowers all Oregonians to build skills and accelerate career momentum.

Draft Strategies:

1. Rethink and restructure training and skill development to include best-in-class work-based learning.
2. Use data, sector strategies, community resources and local workforce intelligence to validate a demand-driven system.
3. Promote a culture of expectation and empowerment for career momentum among the system, business and industry, and jobseekers.
4. Develop a system roadmap with “trailheads” to simplify access to services.

**Note: Thomas P. Miller and Associates will begin Best and Promising Practice research based on these draft strategies. A report on these findings will be provided to each subcommittee as they work to refine and finalize their recommended strategies and develop action steps during their upcoming meetings.*

OWIB Strategic Planning Subcommittee Report

Subcommittee:

Business Needs and Solutions

Chair:

Frank Wall

Members Present:

Barbara Rodriguez, Elana Pirtle-Guiney, Laura McKinney, Lisa Nisenfeld, Susan Brown, Trina Lee, Jamie Clarke, Chris Scherer, Greg Ivers, Kendall Lenhares, Karen Humelbaugh

Recommended Goal:

Business and industry looks to the Oregon workforce system to deliver relevant, qualified and viable candidates.

Draft Strategies:

1. Create a sustainable framework to understand and respond to the needs of business and industry.
2. Prioritize resources to optimize skill development.
3. Change business and industry's perceptions of the workforce system (use business language, develop relationships, streamline and simplify the process).

**Note: Thomas P. Miller and Associates will begin Best and Promising Practice research based on these draft strategies. A report on these findings will be provided to each subcommittee as they work to refine and finalize their recommended strategies and develop action steps during their upcoming meetings.*

OWIB Strategic Planning Subcommittee Report

Subcommittee:

Workforce, Economic Development, and Education Alignment

Chair:

Charlie Hopewell

Members Present:

Bob Halligan, Elana Pirtle-Guiney, Lisa Nisenfeld, Megan Helzerman, Karen Humelbaugh, Jamie Clarke, Kim Fredlund, Samantha Julian, Bridget Dazey, Kendall Lenhares, Donna Lewelling, Connie Green, Lindsay Moussa, Debbie Derr

Recommended Goal:

To unite workforce, economic development and education to drive a thriving economy in Oregon.

Draft Strategies:

1. Develop a disciplined statewide process for communication and information sharing to support unity.
2. Align resources (data, funding, capacity, etc.) to collectively impact common outcomes.
3. Execute a common front for the ease of access and use by customers.**
4. Connect the talent needs of businesses and career aspirations of all Oregonians.

**Note: Thomas P. Miller and Associates will begin Best and Promising Practice research based on these draft strategies. A report on these findings will be provided to each subcommittee as they work to refine and finalize their recommended strategies and develop action steps during their upcoming meetings.*

***Customer refers to both business and industry customers as well as individual jobseekers.*

OWIB Strategic Planning Subcommittee Report

Subcommittee:

System Connections and Simplification

Chair:

Joe Weber

Members Present:

Al Unger, Barbara Byrd, Jamie Clarke, Katie Stubblefield, Jim Fong, Jordana Barclay, Jim Pfarrer, Dan Haun, John Radich, Lindsay Moussa

Recommended Goal:

To create a workforce system that is customer-centric, easy to access, highly effective, and simple to understand.

Draft Strategies:

1. Create a Framework for effective partnering, including models focused on leveraging resources and being adaptive and flexible.
2. Employ unified, simple messaging to visualize the system in business and industry process terms.
3. Provide leadership for driving accountability for outcomes, partnerships and response to customer feedback.**
4. Inspire ownership within all levels of the system of a solution-driven (vs. program-driven) culture.
5. Enhance the customer experience based on customer feedback.**

**Note: Thomas P. Miller and Associates will begin Best and Promising Practice research based on these draft strategies. A report on these findings will be provided to each subcommittee as they work to refine and finalize their recommended strategies and develop action steps during their upcoming meetings.*

***Customer refers to both business and industry customers as well as individual jobseekers.*

OWIB Strategic Planning Subcommittee Report

Subcommittee Recommended Goals:

1. Create a simple, easy to access, demand-driven workforce system that inspires and empowers all Oregonians to build skills and accelerate career momentum.
2. Business and industry looks to the Oregon workforce system to deliver relevant, qualified and viable candidates.
3. To unite workforce, economic development and education to contribute to a thriving business economy in Oregon.
4. To create a workforce system that is customer-centric, easy to access, highly effective, and simple to understand.

Consultant Recommendations:

In order to create a parallel and consistent goal structure, and to remove the duplication of simplification, Thomas P. Miller and Associates recommends the following edits to the goals as proposed by the subcommittees:

1. To create a ~~simple, easy to access,~~ demand-driven workforce system that inspires and empowers all Oregonians to build skills and accelerate career momentum.
2. ~~Business and industry looks to the Oregon workforce system to~~ To deliver relevant, qualified and viable candidates ~~for Oregon's businesses and industries.~~
3. To unite workforce, economic development and education to contribute to a thriving business economy in Oregon.
4. To create a workforce system that is customer-centric, easy to access, highly effective, and simple to understand.