

Legislative Fiscal Office

Ken Rocco
Legislative Fiscal Officer

Daron Hill
Deputy Legislative Fiscal Officer



900 Court Street NE
H-178 State Capitol
Salem, Oregon 97301
503-986-1828

Budget Information Brief / 2009-2

The Oregon Workforce Development System

Workforce Investment Boards (see attached schematic)

Workforce development in Oregon is governed by federal Workforce Investment Act (WIA) regulations and by state statute. Federal regulations require the Governor to establish a statewide Oregon Workforce Investment Board (OWIB). OWIB must include a majority of members from the business community; and requires representatives from organized labor, education entities, local elected officials, and legislators as well as state agencies involved in workforce development. OWIB is required to assist the Governor to establish a state workforce plan, to monitor implementation, and to ensure coordination of employment service delivery. The WIA also requires the establishment of Local Workforce Investment Boards (LWIB). There are seven of these Boards in Oregon. Members of a LWIB are appointed by the "chief elected official(s) in each local area." LWIBs must include representatives of local WorkSource Oregon Center partners and also must have a business majority. LWIBs are responsible for developing local five-year workforce plans based on the state workforce plan, selecting WorkSource Oregon Center operators and local service providers, and developing a budget for the LWIB. One of these LWIBs (the Oregon Workforce Alliance) coordinates the service delivery for the nine Regional Workforce Investment Boards (RWIB) that are located in Eastern Oregon and rural coastal regions.

Federal Funding

Federal Funds for WIA flow through the Department of Community Colleges and Workforce Development (CCWD) to support the operations of the OWIB and the Local and Regional Workforce Investment Boards. The Oregon Employment Department also receives Federal Funds for WIA Title III, Wagner Peyser. These funds support the WorkSource Oregon centers. CCWD distributes the Title IB funds to the LWIBs by formula. This includes partial funding for One Stop services.

Title IB of the Workforce Investment Act provided \$45.8 million in federal funds for Program Year 2008. This was a reduction of 6% from the 2007 budget allocation for the program. The federal requirement for the expenditure of Title IB funds was: \$13 million for youth employment; \$12.2 million for adult employment; and \$20.5 million for dislocated worker employment. These numbers include the \$9.8 million that the Governor retains for discretionary allocation among these program areas. Since Program Year 2005, WIA Title IB has seen a reduction of 21% in federal funding.

Other titles of WIA Federal regulations fund the following additional categories of employment services:

- Title II Adult Education and Family Literacy (\$5.45 million), with services provided through local community colleges.
- Title III Wagner-Peyser Employment Assistance (\$8.9 million), with services provided through the Employment Department and WIA partners in local "WorkSource Oregon One Stop" centers.
- Title IV Vocational Rehabilitation with services provided through the Department of Human Services. This program does not receive federal funds from WIA, but does contribute \$45,000 a biennium to support the WorkSource Oregon One Stop centers.

Older Workers, with services provided through the Department of Human Services, is directed by Title V of the Social Security Act. This program receives separate funding, although these programs are a mandated workforce development partner at the local level.

Workforce Development Policy

The workforce development policy for Oregon is established in the Strategic Plan of OWIB, "Winning in the Global Market," that was adopted by the Governor as his workforce strategic plan in 2006. The OWIB vision is: "By 2010, Oregon businesses have a competitive advantage in the global marketplace due to their highly skilled, innovative workers." That plan establishes three goals, with related objectives and desired results: Goal 1 - "Ensure ALL Oregon employers have a competitive workforce advantage in the global market;" Goal 2 - "Prepare an agile, innovative workforce with the skills needed to succeed in the knowledge-based economy;" and Goal 3 - "Build a flexible, unified workforce education and training system that consistently exceeds customer expectations." The Oregon Legislature also establishes workforce development policy in statute.

Workforce Delivery Governance

The Governor has primary responsibility for the federally funded WIA system. The Governor has established a Workforce Policy Cabinet that consists of representatives from the nine state agencies directly involved in components of workforce development (see attached schematic). The Governor's Office of Education and Workforce Policy works in collaboration with the Cabinet and OWIB to identify statewide policy and oversee coordinated system delivery.

Oregon Workforce Service Delivery System

Workforce development services are delivered through a variety of state agencies and local services providers and are primarily provided through 58 WorkSource Oregon Centers located throughout Oregon.

In 2007, the directors of the Oregon Employment Department and the Department of Community Colleges and Workforce Development began work on the development of an integrated multi-agency and multi-disciplinary workforce development system. This effort includes collaboration among workforce development providers, including state agencies and WIA partners. The intent is to provide seamless delivery of services through the WorkSource Oregon Centers and other service delivery systems by integrating staffing and resources, shared activities, shared referrals, and co-location of programs. The identified goals for the integration of services are: 1) increase the quality of services being provided; 2) focus on the skill and talent development of job seekers and current workers; 3) increase the wages, retention, and advancement of Oregonians; and 4) positively impact the economic well-being of the state.

Due to the increasing unemployment rate in Oregon, the WorkSource Oregon centers are experiencing an unprecedented number of individuals looking for jobs and assistance. The agencies and local partners are working to provide services to all these individuals within the limited resources available.

**For additional information, contact:
Legislative Fiscal Office, Steve Bender, 503-986-1836;
Michelle Deister, 503-986-1817; or Robin LaMonte, 503-986-1845**

The full report is available on the Legislative Fiscal Office website at www.leg.state.or.us/comm/lfo

OREGON'S Workforce Development Structure

