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Legislative Committee Services State Capitol Building Salem, Oregon 97301 (503) 986-1813 Background Brief on ...

## Oregon's Workforce System

## **Workforce Economics**

The economic health and well-being of the state is inextricably tied to the health and well-being of the state's business and industry and to the corresponding availability of a skilled workforce. Economic and workforce development go hand-in-hand; a viable economic strategy depends upon the dynamic balance of economic and workforce development. To maintain and attract business and industry – the economic development part of the equation – it is critical that the workforce development part provides the education and training necessary to equip competent workers to meet both the market demand and the skill requirement demand.

Oregon's workforce system continues to evolve and be refined, but since the early 1990s it has been consistently grounded in state, local and public/private partnerships and in a commitment to the vision of a world-class workforce – well-educated, skilled, and working - to keep Oregon's economy competitive in a global marketplace.

In 1989, a group of citizens representing business, labor, education, and government identified the condition of the workforce as an indicator of quality of life in the *Oregon Shines Report*. In 1991, the Legislature passed the Workforce Quality Act, in 1994 the Oregon Option, and in 1997, Senate Bill 917 that created the Governor's Office of Education and Workforce Policy. All of these actions built and expanded workforce system partnerships. The partnerships included state agencies, government sectors, and business and citizen groups. By 1998, Oregon had a Comprehensive Workforce Plan and when the federal Workforce Investment Act (WIA) was passed, Oregon was already on the way toward integrating services. In 1999, the Oregon Workforce Investment Board (OWIB), consisting of business, labor, government, and education leaders, was formed to advise the Governor on workforce policy. In 2000, Oregon completed a Unified Plan for Workforce Investment, required by WIA that formalized Oregon's workforce agency partnerships to create an integrated "One-Stop" delivery system. In December 2006, the Governor endorsed the OWIB's strategic plan "Winning in the Global Market." This strategic plan, developed by state, local business, labor, and education and workforce program providers. lays out three major goals to accomplish over the next decade:

- Ensure all Oregon employers have a competitive workforce advantage in the global market
- Prepare an agile, innovative workforce with the skills needed to succeed in the knowledge-based economy
- Build a flexible, unified workforce education and training system that consistently exceeds customer expectations

Operating under the statewide brand "WorkSource Oregon," but true to Oregon's traditional preference for local services, the onestop service centers are organized and staffed to meet local designs—so they look and operate somewhat differently across the state but all provide worker and employer access to services provided by the Oregon Employment Department (**OED**), the Oregon Department of Community Colleges and Workforce Development (**OCCWD**), the Oregon Department of Human Services (**DHS**), the Oregon Business Department (**OBD**), and the local workforce and education agencies.

Oregon is implementing an integrated service delivery model that effectively responds to 21<sup>st</sup> century industry demands. New methods and program design will ensure that services and

training are aligned with current local and regional labor market requirements. The goal is to create a new local workforce system that is skill-based and will move each WorkSource Oregon customer through a common set of value-added services designed to increase their employability and assist them in getting, keeping and advancing in the labor market.

At the state level, the leadership of the economic and workforce development agencies and the Governor's Office of Education and Workforce Policy staff meet regularly in the Workforce Policy Cabinet. The communication and coordination initiated by this group contributes to the efficiency and effectiveness of workforce and economic development efforts that originate from diverse source agencies and/or funding streams. The workforce agencies are also at the table with the OWIB members as they craft advice for the Governor on workforce issues.

Local workforce board representatives, WorkSource Oregon staff groups, and other local partners meet regularly to identify and initiate responses to localized workforce issues.

The federal funding for workforce programs comes to the state primarily through the U.S. Department of Labor in WIA funding. The WIA programs relating to adult, dislocated workers, youth, and Adult Basic Education are administered by the OCCWD. The OED administers employment service, migrant and seasonal farm worker job training, and the veterans programs. The DHS administers through the Office of Vocational Rehabilitation Services and the Temporary Assistance for Needy Families (**TANF**) funds that have been tied to the WIA legislation and one-stop services delivery system.

Integrated service delivery will enhance the use of limited and declining funding through a more efficient use of resources and a reduction of program duplication and requirements; and systematically improve the coordination of Workforce Investment Act and Wagner-Peyser funded services to achieve improved customer outcomes and more efficient and effective customer service. Resources WorkSource Oregon

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