

Oregon's Workforce Development Strategic Plan 2012-2022

Vision

*Oregon at Work: Quality Jobs – Skilled Workers
Contributing to a Strong State Economy and Local Prosperity*

Goals

- 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 businesses and job seekers.

Statewide Strategies

Industry Sector Strategies - Work Ready Communities - System Innovation

These three statewide strategies are aligned with the Governor's vision for prosperity, ensure the system is responsive to industry needs, and promote greater alignment and efficiency among programs and systems.

Outcomes

For Employers

- Oregon employers find the skilled workers they need and retain them.
- Oregon's targeted sectors experience job growth.
- Employers are satisfied with workforce development services and results.

For Oregonians

- Oregon's workers possess the skills and abilities required by business.
- Oregon's workers see higher earnings.
- Workforce development participants are satisfied with workforce development services and results.

For the System

- The workforce system operates with increased efficiency and greater coordination.

- Return on investment*

**outcome to be further defined*

What Will Change?

- **Greater accountability** for results through negotiated "compacts" between the Oregon Workforce Investment Board (OWIB) and the Local Workforce Investment Boards (LWIBs) that will specify expected outcomes against which local systems will be measured.
- **Increased budget transparency** so that resources spread across a number of agencies can be targeted more effectively toward achieving statewide goals and local strategies and outcomes.
- **Collaborative implementation** of the plan involving the Governor's Workforce Policy Cabinet, LWIB directors and the OWIB.
- **Robust implementation and communication strategy** that regularly monitors and communicates progress and results to all partners within the workforce development system.
- **Expanded roles for key stakeholders**, including business and labor partners, LWIBs, the Governor's Workforce Policy Cabinet, and local service providers – with the primary focus on improved outcomes for employers and job seekers.
- **Enhanced support for and alignment with education and economic development initiatives**, with workforce development strategies as a critical interface with other critical systems.

Statewide Strategies

The OWIB has identified three statewide strategies to achieve its goals over the next decade. Each strategy was selected because it achieves greater alignment and efficiency among programs and systems, is responsive to industry needs, and is tied to the Governor's vision for prosperity.

- 1. Industry Sector Strategies:** Critical industry sectors fuel the state's economy. The workforce system must prepare workers for the higher wage, higher skill, in-demand occupations these sectors have to offer. This approach will create a mutual benefit for companies and workers.
- 2. Work Ready Communities:** Oregon's communities must have and be able to demonstrate the skilled workforce necessary for companies to locate and grow here. Workers must have the foundational skills to be able to succeed in and grow the companies in their communities.
- 3. System Innovation:** Oregon's workforce system must work to find new ways to operate more efficiently and effectively to meet new challenges and deliver on outcomes in a time of shrinking resources. Partners in the workforce system must work together in new ways, and leave behind the systems and approaches that are less effective at meeting the stated outcomes and goals of this plan.

Strategy #1: Industry Sector Strategies

Industry sector strategies are employer-driven partnerships to meet the needs of key industries within a regional labor market. Partners include business, labor, economic development entities, education and training providers and other stakeholders. Sector partnerships are intended to remove bottlenecks that inhibit recruitment, hiring, training and worker advancement within an industry. These simultaneously address the needs of workers by creating formal career paths to good jobs, reducing barriers to employment, and sustaining or increasing middle-class jobs.

What is New?

The success of sector strategies lies in building better public/private partnerships based on the practical needs of industry for a more highly-skilled workforce. This

"Sector strategies are more responsive to industry demand than traditional job-matching and training services because they are problem-oriented, not program-oriented; address needs interdependently, not independently; and work with employers in an industry collectively, not just as individual firms."

– The National Governor's Association

plan requests that LWIBs and their partners identify key industry sectors based on labor market data and convene or expand partnerships to meet the workforce needs of these sectors. The Workforce Policy Cabinet is asked to identify ways for state agencies to support these efforts.

Specifically, the following sectors will be targeted for priority investments at the state and local levels. This list reflects key industry priorities from the Oregon 10-Year State Plan, plus additional projected high-growth/high-wage sectors as identified by the federal Office of Employment Development. As part of planning for local implementation, LWIBs will determine which sectors to prioritize for workforce investments. Those targets will likely shift over time and others not currently on this list may be added. Also factored into planning will be critical industry “clusters,” such as the wine cluster in the Willamette Valley and the Wind Surfing cluster in Hood River, which cut across traditional industry sectors but are also vital to regional economies.

Strategy #2: Work Ready Communities

While there is a significant body of knowledge related to sector strategies, work ready communities is a relatively new strategy. A work ready community is a community, county or regional partnership certified by a third party as having a skilled and talented workforce. In Oregon, certification as a Work Ready Community indicates that a community is taking steps to ensure its citizens have the talent necessary to staff existing jobs, master new technologies and embrace innovation. Certification signifies that a community wants to transform its economic base and gain a competitive edge in attracting new businesses and jobs.

Work Ready programs have been launched successfully in several states to assess and improve worker skills, reduce employer hiring and training costs, market communities and attract new business. The shared belief among those states is that improving the skills of the current and emerging workforce is a powerful economic development strategy.

Oregon Key Industries from the 10-Year State Plan including Traded Sectors identified by Oregon Business Development, sectors in which Oregon holds global competitive advantage (indicated by *)
*Advanced Manufacturing, including Fabricated Metals (Transportation Equipment, Medical Equipment)
Natural Resources Industries: Agriculture, Fishing, Food Processing, *Forestry and Wood Products and Nursery Products
*Clean Technology: Biomass, Green Building and Development, Electric Vehicles, Sustainable Transportation, Energy Efficiency, Environmental Technology, Environmental Science, Solar Wave Energy, Wind Energy
*High Technology: Bioscience, Semiconductors, Electronic Components, Software, Educational Technology and Services
*Footwear, Outdoor Gear and Apparel
Distribution and Logistics, Tourism, Aviation, Defense and Creative Industries
Additional Projected High-Growth/High-Employment Sectors (Office of Employment Development): Sectors with projected double-digit growth
Health Services; Trade, Transportation and Utilities; Professional and Business Services

What is New?

As one of the three strategies for the strategic workforce plan, the OWIB, with support from the Oregon Business Council and the Oregon Business Alliance, is implementing a Work Ready Communities Program. Currently Oregon has a program through which individuals can be certified as work ready by earning a National Career Readiness Certificate (NCRC). The NCRC is a portable, industry-recognized credential that clearly identifies an individual's skills in reading for information, applied math and locating information. This initiative will raise the concept from individual certification to the community level.

This plan asks LWIBs and their partners to develop plans that will result in Certified Work Ready Communities throughout the state. The plan asks the Workforce Policy Cabinet to support this effort. Community certification will be based on objective criteria, including achievement levels on the NCRC, business engagement, and other measures that signify a community as "work-ready." The Work Ready initiative will also promote coordination among key stakeholders as they work toward a common community goal. Partners include employers, chambers of commerce, labor, economic development, secondary education, community colleges, universities, community organizations, elected officials, school boards, and others.

Strategy #3: System Innovation

While Oregon's publicly-funded workforce agencies and programs have helped hundreds of thousands of Oregonians find jobs and thousands of businesses find workers over the years, the workforce development system in Oregon is fraught with barriers to achieving better outcomes for customers. Multiple funding streams with sometimes contradictory requirements, administrative fragmentation, lack of consistency in coordinated planning and delivery, and a lack of system-wide accountability conspire to reduce the effectiveness of the system.

"The Work Ready initiative will also promote coordination among key stakeholders as they work toward a common community goal."

Faced with reduced resources and new challenges, there is no option but to change the status quo. System innovation is not about the creation of something new. It is about getting better results from the resources we have by creating a more agile system that is highly responsive to business and economic cycles.

System innovation is about the workforce system at both the state and local level working together to achieve common outcomes. System innovation will require the workforce system to review and evaluate current programs and processes in light of how these support the greater system goals, and add value to the experiences of customers – businesses and jobs seekers – and the services provided to them. Achieving this requires an aligned and transparent workforce budget that commits resources to regional interests through a local, unified plan, which is based on the state strategic plan.

What is New?

True system innovation results in a highly-integrated approach to skill development that is based on the needs of industry and starts with determining the skills of job seekers (assessment) and leads to successful job placement. It creates greater transparency in budgeting, which allows for more strategic and targeted investments into a set of shared outcomes and a greater ability to hold all those managing workforce investments accountable for achieving the outcomes. It clarifies the roles and responsibilities of all workforce partners at the state and local levels so there is greater alignment of activities within the service delivery system toward the Governor's vision. It provides the momentum to move the system from the current way of doing business to a new approach:

From	To
Planning based on workforce programs	Planning based on community, business, and job seeker/learning worker needs
Arguments about program silos	Discussions about investments and outcomes
Budgeting on the margins	Budgeting for the use of all workforce resources toward common goals
Debate on what to cut based on level of funding	Debate on how to get better results
Funding agencies and programs	Investing in outcomes for Oregonians

The OWIB recognizes that two aspects of the system that must change in order for system innovation to succeed – (1) governance and accountability, and (2) service delivery.