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ABSTRACT

This document evaluates the present needs and future shape of the Oregon workforce and recommends strategies for both public and private sectors and for communication. The first section provides a background to the issues of the state's changing economy by describing global and national economic changes and recent state legislative responses, and giving an analysis of the beneficiaries of change. The report goes on to describe the work of the Oregon Workforce Quality Council and its three-part (public, private, and communication) strategy. Three final sections address each of these areas. The goals of the public sector strategy are: Oregon schools with world class academic standards, smooth transition from school to work, training and placement aimed at high-wage jobs, and employers accessing a full range of business services. The vision for the private sector includes high-skill jobs in all areas of the state, high-performance firms, high level investment, cooperation between labor, business, and education, and expansion of the apprenticeship model in new industries and jobs. The communication vision entails taking a long-range view of expectations, engaging citizens in an effort to change the way business is done, and demonstrating that bottom-up solutions work best. An appendix gives bench mark priorities in tabular form, a list of regional workforce committees, and an annotated list of public sector partners. (Contains 16 references.) (JB)

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QUALITY COUNCIL

JANUARY 1993

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THE
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THE CALL TO COMPETE



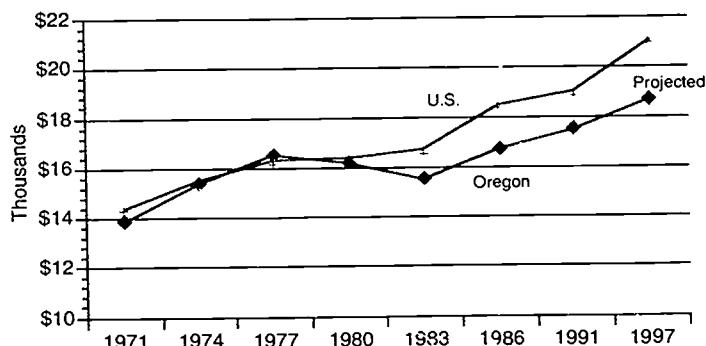
THE CHANGING OREGON ECONOMY

Most Oregonians have come face-to-face with the reality of our state's changing economy, and they are not comfortable with what they see.

Oregonians still remember the painful experience of the long and deep recession in the early 1980s. Nearly 100,000 jobs, many of them in the high wage forest products industry, were lost.

The purchasing power of many Oregon families declined as per capita income fell sharply below the national average in 1979. Despite the creation of 300,000 new jobs during the late 1980s, the income gap has not closed. The job growth has been greatest in the trade and service sectors where wages and benefits have not kept pace with the manufacturing sector.

REAL PER CAPITA PERSONAL INCOME
1971-1997

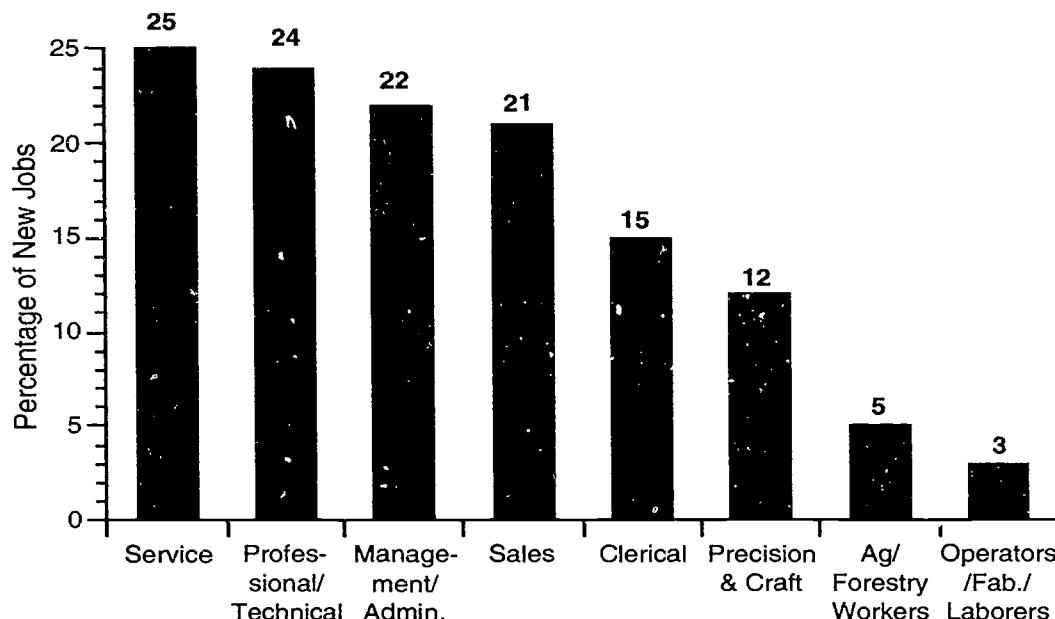


Source: State of Oregon Employment Division

The very foundation of Oregon's economy is being shaken by the globalization of economic competition, the increasing importance of computer technology and communications and the shift from high-wage blue-collar jobs to professional, technical and managerial jobs.

During the decade of the 1990s, 92 percent of all new jobs will be in sales, management, professional, technical and service occupations.

OREGON PERCENT JOB GROWTH 1990-2000



Source: State of Oregon Employment Division

While only 76 percent of Oregon high school students graduate, the jobs of the future will demand significant education beyond high school. Most professional, technical and managerial jobs will require a two-year or four-year college degree. Even sales jobs will require at least one year of additional training. For those jobs where a high school diploma may be all that is required, it must be more than a certificate of attendance.

Oregon's efforts to reform our educational system must be accompanied by a revolution in the way we attract our young people to learning and ensure that what they learn in

school is connected to what work they will do when they complete their formal education.

However, focusing on schools is only part of the equation. Eighty-five percent of the workforce in the year 2000 and 45 percent of the workforce in 2010 are already employed today. The existing skills of those workers will not be enough to ensure their success in the jobs of the future.

The mix of who gets the jobs in the year 2000 may change. New entrants, if they possess the skills needed, will have a competitive advantage and may grab a larger share of the

available jobs, displacing existing workers whose skills have not been upgraded.

There is a growing realization that these economic shifts will require a dramatic change in Oregon's workforce and the way companies organize work and use the skills of front-line workers.

In a recent survey conducted by the Oregon Business Council, Oregonians confirmed their grasp of the changing economy and its implications for them and their families. Sixty-five percent of Oregonians believe that to produce higher quality products, workers will need more skills in the next decade

than they have today, and an equal number believe that front-line workers will have more responsibility in ensuring that quality. After concern for their families, Oregonians said that job opportunities and economic security was their highest priority, followed by education and skill development. Forty-five percent think that Oregon is doing a bad or somewhat bad job in ensuring these values for our citizens.

GETTING THE COMPETITIVE EDGE

To take our place in today's highly competitive global marketplace, Oregon must create a healthier business climate, encourage economic diversification, and reinvent the way our schools teach, the way our companies organize work and the way our employment and training programs serve our economic objectives. Oregon stands on the threshold of the 21st century facing a crucial economic choice.

We can choose to respond to global economic competition and technological changes by adopting a low-skills, low-wages approach that keeps production costs down by

moving jobs overseas, substituting technology for workers, contracting out or using part-time, temporary workers.

Or, we can choose a strategy that increases productivity and assures quality through a highly-skilled, flexible workforce using competitive technology. This high-skills, high-wages approach puts a premium on quality craftsmanship, continuous improvement and worker involvement.

Oregon can ignore global economic competition at our peril. Inaction will mean a workforce plagued with low skills and under use of high skills that exist; a lack of worker confidence in Oregon as a place to work; and a continuing necessity for workers to convert family hours into work hours to meet family income needs and avoid dependency on government programs.

Oregon has chosen the high-skills, high-wages strategy.

THE LEGISLATIVE RESPONSE

The 1991 Legislature, in passing the Oregon Workforce Quality Act, confirmed the importance of a better educated and prepared workforce as a critical economic development strategy. Building on the work of Governor Neil Goldschmidt and the Oregon Progress Board, the Legislature and newly-elected Governor Barbara Roberts embraced this vision: Oregon will have the best educated and prepared workforce in the nation by the year 2000 and a workforce equal to any in the world by 2010.

The Legislature identified the need to use taxpayers' dollars wisely in providing education and training for Oregonians, while recognizing that government can not and should not do it alone. Although the public sector provides most of the formal education for our youth and many job training and retraining programs for unemployed Oregonians, most adult workers must depend upon their employers to upgrade their skills. Very few employers provide such opportunities.

The Legislature created the Oregon Workforce Quality Council to bring government, business and labor leaders together to:

- Raise business and labor awareness of and commitment to restructuring our schools, improving existing worker skills and changing business management practices to keep Oregon economically competitive;
- Support restructuring of the public school system to raise the level of student achievement;
- Promote professional technical education and training programs that lead to high-wage jobs;
- Provide cost-effective coordination and accountability of existing employment and training programs; and
- Develop strategies for improving the level of business investment in worker training.

Recognizing that state-level goals and policies must be implemented in local communities to be successful, the Legislature called for the creation of regional workforce quality committees (regional committees) throughout the state. Led by the private sector, the regional committees will help ensure that

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TION, WE ARE
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WHERE WE ARE
HEADING.

strategies to improve each region's workforce are customer driven, cost effective, and responsive to unique regional needs.

The 1991 Legislature also passed Oregon's Educational Act for the 21st Century, advocating a fundamental restructuring of Oregon's elementary and secondary schools. Based on the belief that all students can learn when offered appropriate opportunities, the Legislature called on schools to hold themselves and their students to world class standards. Students will be expected to earn a certificate of initial mastery at the end of 10th grade and a certificate of advanced mastery in one of six broad occupational categories within the next two or three years. A variety of work-place learning experiences will allow students to apply what they learn.

Students leaving Oregon's high schools of the future will be well prepared for an entry-level job, an apprenticeship program, community college training, or a college or university education. Because the average worker may change careers four to six times, all options must provide students with the skills to apply what they learn

in dynamic and changing work environments.

The foundation is now in place to pursue the goal of having a nationally and internationally competitive workforce in Oregon. Much remains to be done. A major effort must be made to increase the commitment of employers to upgrade the skills of those already at work.

In addition, there is considerable evidence that the way work is organized is just as important to worker productivity and satisfaction as the workers' skill levels. Work must be reorganized to empower front-line workers and use leading-edge technology to increase productivity and keep Oregon businesses competitive.

workers, and a large pool of skilled workers from which to choose.

FOR WORKERS, personal and family self-sufficiency, increased self-esteem, increased wages and benefits, and increased job mobility.

FOR OREGON, a competitive workforce, increased per capita income, less dependency on government, a reputation for quality, and a greater return on taxpayers' investments in education and training programs.

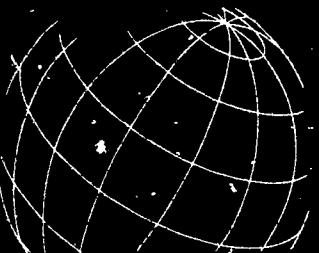
Unparalleled collaboration is needed among educators, employers, business investors, workers and government leaders to achieve the full benefits available to us. The most successful workforce development strategies will fall short of our goals if better jobs are unavailable or if betters jobs come at the expense of the quality of life Oregonians have chosen for themselves.

WHO BENEFITS

If the initial spirit of collaboration and broad ownership of the vision by both the private and public sectors continues and grows, Oregon could approach and achieve:

FOR BUSINESS, reduced initial and retraining costs, increased productivity through more highly trained

Your action is needed now. Everyone has a role in changing Oregon's bottom line.



**OREGON
WORKFORCE
QUALITY
COUNCIL**

BUILDING
THE
FOUNDATION

The Workforce Quality Council's membership is purposeful. The majority of the members are from the private sector because business and labor must be in a position to take the lead in achieving Oregon's vision for a high quality workforce. Top level state officials who oversee workforce agencies are represented to ensure they have an ownership of and commitment to the strategies the Council develops.

The Council is made up of 21 members. The governor appoints 14 members who represent:

Business (5)

Labor and community-based organizations (5)

State Legislature (1)

Local elected official (1)

Local education (1)

General public (1)

The remaining seven serve because of the positions they hold:

Governor or designee
ex officio

Chancellor
State System of Higher Education

Director
Department of Human Resources

Commissioner
Office of Community College Services

Superintendent of Public Instruction
Department of Education

Director
Economic Development Department

Commissioner
Bureau of Labor and Industries

HOW WE APPROACHED OUR WORK

In developing a work plan for the first 18 months of operations, the Council reviewed the Oregon Progress Board's benchmarks and the legislative directives included in three related pieces of workforce legislation passed by the 1991 Legislature - The Oregon Workforce Quality Act (HB 3133), The Educational Act for the 21st Century (HB 3565) and The Workforce 2000 Act (HB 3474). The Council selected 10 benchmarks related to education and training to focus our efforts. These benchmarks are listed in the appendix of this report.

Our workplan unfolded around three strategies:

- A public sector strategy
- A private sector strategy
- A communication strategy

THE KEY TO
PRODUCTIVITY AND
COMPETITIVENESS
FOR OREGON
BUSINESSES IS
INCREASING THE
SKILL LEVELS OF
OUR WORKFORCE
AND, THEN USING
THOSE SKILLS
TO MAXIMUM
ADVANTAGE IN
THE WORKPLACE.

The Oregon Workforce Quality Act which created the Council charged it with achieving these six goals:

- To provide comprehensive education and training programs, especially professional and technical programs, for students and workers that equal the highest international standards of achievement;
- To promote continuous public and private investment in improved management practices, competitive production processes and worker training;
- To develop the capacity of and provide significant opportunity for business and labor to direct the development and delivery of state education and training policy, programs and standards;
- To coordinate the delivery of all education, training, employment, apprenticeship and related programs to eliminate needless duplication and assure the efficient and effective provision of these services;
- To ensure the equitable distribution of quality education, training and employment services statewide, especially to distressed and rural areas, and areas serving the economically disadvantaged citizens of this state; and
- To achieve the benchmarks established by the Oregon Progress Board that relate to education and training.

It was clear that most of the legislative directives, particularly those that had a short-term deadline, called for a focus on state and federal education and training programs. Legislative concern over the quality of public education and frustration over a seemingly disconnected jumble of programs without adequate evaluative data required the Council to direct our primary attention to our public sector strategy.

Although legislative directives were fewer and more long-term, the need for a private sector strategy that involves business and labor is compelling. First, Oregon will not achieve significant education reform, especially the creation of structured work experience sites for students, without the active participation and support of business and labor. Education and training in all publicly funded programs must be linked closely to the private sector if the programs are to be effective. But the more important reason for private sector involvement is that

most of the workforce of the future is now at work. We cannot have a world-class workforce without significantly upgrading the skills of the current workforce.

There were no legislative directives that specifically addressed the need for a communication strategy. Yet, without ownership from everyone around the state, the public and private sector strategies will be impossible to achieve.

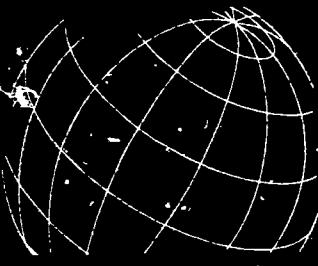
The level of change required to move Oregon's workforce to the best educated and prepared in the nation by the year 2000 and one equal to any in the world by 2010 is so big it will require a communication strategy that touches parents, schools, businesses, government agencies, workers and community leaders. This job cannot be done by the Workforce Quality Council alone. It will require renewed gubernatorial support, continued legislative commitment and a dynamic partnership of government, education, business and labor.

The charges to the Council created big shoes to fill over our anticipated six-year life. We have walked in those shoes for 15 months - since our first meeting in October 1991. We have often felt daunted by the tasks we have before us. We have made a respectable start. We have no illusions that our goals can be achieved quickly. The strategies discussed in this report are the foundation of a long-range plan that is still being developed by the Council, working with regional committees. There is still much to be done.

For each strategy, we describe our vision for the year 2010, identify legislative directives, share what we have accomplished, and explain where we are going in the next two years.

THE WORKFORCE
QUALITY COUNCILS
OBJECTIVE IS
NOT SIMPLY
ANOTHER STUDY
OR ANOTHER
REPORT:
IT IS ANOTHER
DIRECTION.

Governor Barbara Roberts



PUBLIC SECTOR STRATEGY

VISION FOR 2010

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ur vision for the public sector includes:

- Students leaving Oregon schools having achieved academic standards benchmarked to the highest in the world;
- Young people transitioning smoothly from school into adult life roles of citizenship, work and continuing education;
- Students and workers easily accessing an integrated, customer-driven system and receiving education, training and job placement services that lead to high-wage jobs; and
- Employers easily accessing a full range of business services, including job placement, economic development assistance and customized training for their employees.

LEGISLATIVE DIRECTIVES

Legislation enacted in 1991 included 12 specific assignments for the Council related to the public sector. The following list captures the essence of these directives:

- Maintain close ties with agencies implementing Oregon's Educational Act for the 21st Century (HB 3133, Sec. 6 (1), (2), HB 3474, Sec. 3 (1) and HB 3565, Sec. 22, 23, 24, 28, 38 and 39);
- Create regional committees to pull delivery of training and employment services into a set of coordinated local strategies (HB 3133, Sec. 6 (5), Sec. 7);
- Recommend a more effective organization of state workforce programs (HB 3133, Sec. 16);
- Approve operating plans and review budgets of state workforce programs (HB 3133, Sec. 9 (1), (2));
- Establish state accountability for workforce programs (HB 3133, Sec. 9 (3), (4), Sec. 13);
- Pull state workforce programs, including those funded with lottery dollars, into a single investment strategy (HB 3133, Sec. 10, HB 3474, Sec. 4 (3)); and
- Merge separate Councils required by federal law into the Workforce Quality Council (HB 3133, Sec. 12, Sec. 13).

WHAT WE HAVE ACCOMPLISHED

Here's what we have accomplished with our public sector strategy during our first year.

GETTING ORGANIZED

The Council's learning curve, though steep, was helped by the efforts of staff from twelve different workforce agencies who spent several months prior to the appointment and confirmation of Council members developing orientation materials and participating in Total Quality Management training. Because of its small staff, the Council must rely heavily on the work of cross-functional teams made up of staff from all workforce agencies.

Within its first few months, the Council had:

- Elected a business representative as its chair, a labor representative as its vice-chair, and created an executive committee made up of private sector representatives;
- Assigned state responsibility for federal Job Training Partnership Act programs for disadvantaged youth and adults and dislocated workers to a standing committee of the Council;

■ Assigned oversight of labor market, occupational supply and demand, and career information and evaluation of workforce programs to a standing committee of the Council; and

- Developed an 18-month work plan to accomplish as much of the legislative directives as possible by the 1993 Legislative Session.

At the Council's request, the Governor has introduced a bill in the 1993 Legislature to modify the Council's membership in accordance with changes in federal law (SB 120).

Here's what we learned about the challenges facing us:

- The challenge of global competition is real and investing in Oregon's workforce is a good strategy for states in our circumstances.
- Oregon is small and so are most of our businesses, so we must choose our investment targets carefully and hit most of them to succeed.
- Investing in workforce is not enough; other economic development strategies focused on creating and keeping high-wage jobs and creating a business-friendly environment are also critical.
- Oregon is ahead of many states because we have approached our walk into the 21st Century systemically — establishing Oregon Benchmarks to measure the state's progress, creating the Workforce Quality Council and its regional committee structure to improve workforce quality and embracing fundamental restructuring of our schools.
- Meet specific membership requirements including at least 25 percent private sector representation and private sector leadership;
- Advise the Council on workforce policy issues; and

- Develop regional strategic plans and service delivery agreements.

All regional committees are operating and moving forward with the regional planning process. There has been a growing realization of the importance of the regional committees as the mechanism for local involvement in designing locally-driven workforce systems. The Council has provided \$10,000 to each committee to help with start-up costs. The Council does not have sufficient staff to provide extensive assistance, and staff support is being donated by different agencies in different regions.

REORGANIZATION PLAN

The Council spent much of its first year surveying the myriad of federal and state workforce programs and identifying turf issues. Here's what we learned about the current system:

- State and federal workforce programs are too fragmented to be managed effectively in terms of policy, accountability and customer service;

- There is duplication in service delivery which adds to administrative overhead and confuses Oregonians trying to gain access to training and employment programs;

- Turf issues still exist among federal, state and local agencies and institutions, but so does unprecedented collaboration in the effort to manage programs across agency lines and funding categories.

The Council developed a state-level reorganization plan based on the belief that the design and delivery of workforce programs should be made as close to the customer as possible.

Oregon's workforce development system has two primary customers: the businesses that employ individuals and the individual students, job-seekers or workers. Both of these customer groups need to access the system; however, their needs are quite different and suggest that the organizational structure designed to serve one might differ from the structure designed to serve the other. The model proposed in the Council's reorganization plan includes:

- Two customer-driven clusters – an education and training network and a business services network to serve business and workers as customers;

- Regional committee involvement in designing systems to reduce unnecessary duplication and integrate service delivery;

- Consolidation of 11 programs now housed in five state agencies into a single Oregon Department of Workforce Development and Community Colleges administered by the State Board of Education;

- Transferring the Workforce Quality Council staff to the Oregon Economic Development Department; and

- Separating the Employment Division from the Department of Human Resources.

The Governor has submitted legislation to the 1993 Legislature to implement these proposals (SB 119, SB 121, and SB 181). See [Oregon Workforce Development System: A State-Level Reorganization Plan](#), December 1992.

MANAGEMENT REFORMS

In an effort to introduce tools and techniques to manage public sector resources and programs more efficiently and effectively, the Council:

- Adopted five interim performance measures to hold programs accountable for outcomes: wage at placement; job retention up to eight quarters; cost per placement; increased skill level; and customer satisfaction. No program currently collects adequate data for all of these measures; so they must be phased-in over the next two years. More sophisticated measures are also being explored.

- Developed a long-term plan for a shared information system which, when fully implemented, will allow the exchange of data across agency lines to measure performance and to evaluate program effectiveness. The Council has identified three major areas for future work: confidentiality issues, common data definitions and data collection policies, and data analysis. Five state agencies have been identified (Employment, Vocational Rehabilitation, Adult and Family Services, Worker's Compensation, and Job Training Partnership Act) for a pilot project to test this system for information sharing.

■ Initiated a state and regional planning process that satisfies federal expectations and promotes an integrated approach to utilizing local, state and federal resources. During the past year, five state agencies administering five major federal programs (Adult Literacy, Carl Perkins, Family Support Act, Job Training Partnership Act, Wagner-Peyser) have supplemented their separate plans submitted to each of their funding sources with a common cover letter, overview statement and list of assurances. Three regional committees helped develop methodologies to integrate the five state-level programs at the local level.

STATE BUDGET REVIEW

The Council reviewed the federal and state investments in workforce education, training and job placement programs and submitted recommendations for use by the Governor in preparing the 1993-95 state budget. Most of the Council's funding proposals were included in the Governor's mandated budget. There were two major components of the budget review process:

■ Analysis of 37 program budgets from 15 workforce agencies, resulting in recommendations for program funding priorities. See State Agency Budget Recommendations for 1993-95, October 1992.

■ Identification of 11 current or new programs which warrant state lottery investment to make significant progress on two priority benchmarks: Job Skill Preparation (percentage of high school students with significant involvement in professional technical programs) and Workforce Adaptability (percentage of displaced workers reemployed within 24 months and earning at least 90 percent of their previous income). See Benchmark Proposal Recommendations for 1993-95, September 1992.

Here's what we found during our budget review:

■ Very few federal or state resources are targeted for upgrading and retraining the current workforce.

■ Dollars being spent are not tied to benchmarks and measurable outcomes for participants.

■ Funding, especially from the federal government, creates programs with a life of their own that do not always make policy sense for Oregon.

■ Information about where the jobs of the future will be is used to develop new programs, but rarely to modify or eliminate programs once they are established.

■ Federal, state and local agencies use a maze of different computer systems to accumulate data about training and employment programs, and there is no system to integrate information so we can get a handle on where the money is going and what results are achieved for the individuals completing the programs.

WHERE WE ARE GOING

Here is where we are going with our public sector strategy during the next two years.

REGIONAL WORKFORCE QUALITY COMMITTEES

The Council wants to strengthen the regional committees during the next two years. The ultimate success of Oregon's workforce development system goes far beyond state involvement. It provides for and challenges local community leaders to take ownership and change the workforce development system from the point of delivery. If adequate resources are provided by the 1993 Legislature, the Council will:

■ Provide two staff to assist regional committees in developing their strategic plans and service agreements;

■ Review and approve regional committee strategic plans and service agreements;

■ Invest lottery funds with regional committees in support of their strategic plans, recognizing that not all regions will be ready to use these resources at the same time; and

- Evaluate and hold regional committees accountable for results as their plans are implemented.

REORGANIZATION PLAN

The Council will actively work with the Legislature to secure support for the three bills introduced by the Governor. If the proposed reorganization plan is enacted by the 1993 Legislature, the Council will:

- Work with the State Board of Education to ensure the Department of Workforce Development and Community Colleges is a model for high-performance in the public sector; and
- Involve regional committees in designing the local service delivery components of the reorganization plan.

MANAGEMENT REFORMS

The Council recognizes that there is still much to be done to ensure progress on efforts begun in 1992. During the next two years, the Council will:

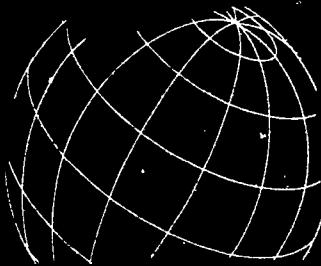
- Evaluate programs using adopted interim performance measures and develop more sophisticated measures to evaluate the impact of dollars invested.
- Resolve three major barriers to the integration of a state data system that would allow electronic sharing of information among workforce agencies. These barriers include state and federal confidentiality laws, inconsistent data definitions and collection policies in agencies, and lack of consistent data analysis. Complete the data system pilot project involving five state agencies that are sharing information and analyze the results; and
- Submit a single state plan and necessary waivers to appropriate federal agencies and encourage regional committees to integrate these federal programs into their strategic plans.

STATE BUDGET REVIEW

The Council's review of state agency programs and their budgets was broad rather than deep. The Council believes that spending its time doing detailed budget reviews which are also done by the Executive Department, the Governor and the Legislature, is not where it can add the most value. During the next two years, the Council will:

- Encourage the 1993 Legislature to focus the state and federal dollars for workforce on priority benchmarks and school reform;
- Use interim performance measures to evaluate workforce programs and develop funding recommendations for the 1995-97 budget; and
- Develop an investment portfolio by region to support local planning and state level budgeting.

PRIVATE
SECTOR
STRATEGY



VISION FOR
2010

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ur vision for the private sector includes:

- Creation and retention of high-skill jobs and continuing investment in the skills of the workforce in all regions of the state;
- A majority of firms identified as high-performance organizations in which front-line workers have the ability and power to make decisions, improve quality, and enhance productivity;
- A network of business and labor organizations which determine industry skill standards, set the curriculum for training workers, and certify workers who complete appropriate training;
- Continual high level of investment by firms in the education and training of workers, particularly front-line workers, and a sophisticated system of continuing education for professional and technical workers;
- A high degree of cooperation and partnership among business, labor, and education, and the creation of appropriate work experiences for high school students; and
- Expansion of the use of the apprenticeship model in new industries and jobs.

LEGISLATIVE
DIRECTIVES

Legislation enacted in 1991 gave the Council its marching orders. The following directives are being addressed through our private sector strategy:

- Increase the use of the apprenticeship model and industry skill standards (HB 3133, Sec. 6 (2) and HB 3474, Sec. 3 (2));
- Develop strategies to increase the level of investment in worker training (HB 3133, Sec. 6 (3));
- Promote business, labor and education partnerships and involvement in state programs (HB 3133, Sec. 6 (4)); and
- Assist businesses in becoming high performance organizations (HB 3474, Sec. 3 (3)).

WHAT WE HAVE ACCOMPLISHED

Here is what we have accomplished with our private sector strategy during our first year.

BUSINESS-LABOR PARTNERSHIPS

Members of the Council worked with the AFL-CIO to establish a committee to deal with worker education and training issues. The report of this committee, Worker Education and Training in Oregon: The Challenge for Labor, was adopted by the Oregon AFL-CIO. The report is the first of its kind by a state labor federation and is viewed as a model for other states and unions. It calls for unions to participate in workforce education and training at the worksite and at the policy level.

The AFL-CIO, in partnership with the Oregon Department of Economic Development and the University of Oregon Labor Education and Research Center, sponsored a major conference in February 1992 on "High Skills or Low Wages: Setting a Union Agenda for Worker Education." The keynoter was former U.S. Secretary of Labor Ray Marshall, and over 200 union leaders and dignitaries discussed the critical workforce issues facing Oregon and the nation.

Members of the Council encouraged the National Federation of Independent Business (NFIB) to focus on and become involved in Oregon's workforce agenda. NFIB cooperated with the Oregon Employer Survey, printed several articles in its newsletters, and promoted workforce as one of a few key legislative issues.

Members of the Council have worked with the Associated Oregon Industries (AOI) in support of education and workforce reform. AOI supported the Oregon Employer Survey and published several articles, pamphlets and videos on education and workforce issues.

In cooperation with the Bureau of Labor and Industries and the State Apprenticeship and Training Council, the Council has worked to expand the use of the apprenticeship model to new industries and to streamline the approval process for new apprenticeship programs.

REGIONAL WORKFORCE QUALITY COMMITTEES

The Council facilitated the organization of the regional committees. Efforts were made to recruit private sector

representatives through established business and labor organizations and to ensure they had a lead role.

The Council intends to work closely with the regional committees to strengthen private sector involvement and develop new initiatives to increase the level of investment in the training of the current workforce.

THE OREGON EMPLOYER SURVEY

The Council worked closely with the Oregon Economic Development Department and the Employment Division to conduct a survey to obtain baseline information about current employer practices in training, education, and the organization of work.

The findings of this survey include the following:

- Most workers receive little training other than safety-related training, and the training that exists goes mostly to more highly educated managerial and professional employees.

- Training is viewed as an expense rather than as an investment.

- Most training is informal, on-the-job training provided by non-professional trainers.

■ Employers believe that they provide more training than their employees think they do.

■ Employers believe they involve their employees in decisions about their work, but employees don't necessarily agree.

■ Few employers really understand what it means to be a high performance organization.

■ Employers are clearly interested in education reform, particularly cooperative work experience projects.

HIGH PERFORMANCE WORKPLACES

The Council worked closely with the Oregon Economic Development Department on the Oregon Quality Initiative, a partnership among 75 government, education and industry leaders intent on improving and promoting quality practices in business. The Quality Initiative will lead to an annual awards program and a high performance curriculum offered by community colleges.

WHERE WE ARE GOING

Here is where we are going with our private sector strategy during the next two years.

REGIONAL SUMMITS

The Workforce Quality Council realizes that the private sector must be engaged in the workforce agenda in all regions of the state. To this end, we intend to organize a series of business/labor regional summits to develop and link employers and schools and to develop new worker education and training initiatives. The purpose of the summits will be to solidify connections between the workplace and education systems as well as to develop regional plans to increase investments in training the current workforce. The Council is applying to foundations to support these summit meetings and the necessary follow-up activities.

The Council will work closely with the regional committees to develop regional plans to enhance workforce skills and to invest lottery dollars that may be directed to regions by the Legislature.

FUNDING MECHANISM

The current level of investment in upgrading the skills of the workforce is inadequate. Most state and federal dollars go to training or retraining of workers in transition – from school to work, from one job to another, from welfare to self-sufficiency. Few resources are devoted to upgrading the skills of the current workforce to avoid displacement and protect workers and businesses. The Council believes a new funding source will be necessary to provide adequate resources to firms who want to upgrade the skills of their employees and introduce high performance work practices or new technology.

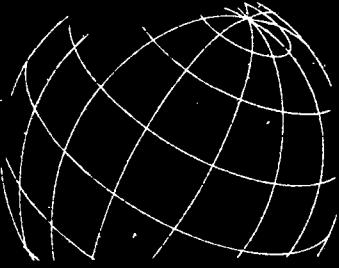
The Council has no one funding mechanism to recommend. Rather, we are studying a variety of funding sources, including the following:

- Dedication of lottery funds to workforce development;
- Income tax credits for training programs; and
- Holding unemployment insurance tax rates constant and dedicating a portion to a new worker education training fund.

RESEARCH

The Council will continue to develop valuable information about current business practices as well as "best-practice" information. Future research topics will include the nature and amount of investment by employers in skill training and the returns from such training and new forms of work organization.

We plan to disseminate the results of the Oregon Employer Survey and the Oregon Business Council's Values and Beliefs Survey.



VISION FOR 2010

COMMUNICATION STRATEGY

LEGISLATIVE DIRECTIVES

Oregon's vision is to have the best educated and prepared workforce in the nation by the year 2000 and one equal to any in the world by 2010. Because our vision for a high quality workforce is dynamic and challenging, and it will not be achieved unless we:

- Take a long-range view of expectations and accomplishments;
- Engage Oregonians, especially local private and public sector leaders, in the effort to change the way we do business; and
- Demonstrate that bottom-up, community-based solutions will work best.

An effective communication strategy will ensure the following:

- Oregonians can identify Oregon benchmarks and are engaged in meeting them;
- Business, labor and education constituencies understand Oregon's workforce strategies and are actively involved in implementing them; and
- The media integrates Oregon's vision, workforce strategies and the Oregon benchmarks into its news, features and editorials.

There are no specific legislative directives related to communications. However, the Council has established these three objectives:

- Create internal and external communication networks;
- Develop a common language and framework that tells the workforce story to the Legislature and Oregonians;
- Assist regional committees and their members to be change agents in their communities.

WHAT WE HAVE ACCOMPLISHED

INTERNAL COMMUNICATIONS	<p>Here is what we have accomplished with our communication strategy during our first year.</p> <p>The Council developed public involvement policies that assure communication with and access to the Council for over 500 interested constituents.</p> <p>The Council developed common formats for preparing information on policy issues before the Council for discussion and action.</p>	<p>The Council received a \$25,000 grant from the U.S. Department of Labor to link regional committees to the Council staff through Ed-Net III, an electronic network that includes conferencing, bulletin board and E-mail.</p> <p>The Council endorsed the concept of combining separate state agency annual reports into one report. The first combined report, involving at least five different workforce agencies, will focus on regional success stories and program outcomes.</p>	<p>The Council supported a W.K. Kellogg \$1.8 million grant application from Portland State University and the Oregon Progress Board to establish Partners for Human Investment, an effort to build constituencies for putting benchmarks into action through Leadership for Change workshops and Adopt-a-Benchmark efforts.</p>
EXTERNAL COMMUNICATIONS	<p>The Council utilized Ed-Net teleconferencing to encourage two-way dialogue and feedback between the Council and the regional committees.</p> <p>The first session invited regional committee representatives to share their ideas and suggestions for the current and future work of the Council. The second session provided feedback from regional committees regarding the Council's proposal to reorganize state responsibility for most workforce programs into one agency.</p> <p>The third session provided an opportunity for the chairs of the regional committees to exchange information about the regional planning process.</p>	<p>Council members participated in the Human Investment Conference sponsored by the Oregon Progress Board to discuss and review progress in reaching Oregon Benchmarks.</p> <p>The Council supported a \$75,000 grant to the Oregon Department of Education for research and development of a pilot project – Leadership for Change – to assist two regional workforce quality committees to become change agents in their communities.</p>	<p>The Council will pilot and evaluate the use of Ed-Net III as a regional committee communications tool, expanding it to all regions as quickly as possible.</p> <p>If funding is secured, the Council will expand Leadership for Change pilots to all regional committees.</p> <p>The Council will work with the Oregon Progress Board to develop a communications plan that significantly expands the circle of Oregonians committed to achieving Oregon Benchmarks.</p>

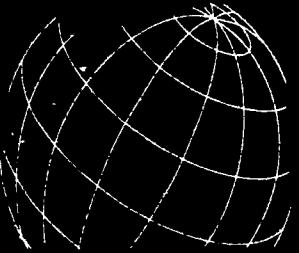
WHERE WE ARE GOING

Here is where we are going with our communication strategy over the next two years.

The Council will pilot and evaluate the use of Ed-Net III as a regional committee communications tool, expanding it to all regions as quickly as possible.

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APPENDIX

**OREGON BENCHMARK
PRIORITIES**

		1990	1992	1995	2000	2010
1.	Percentage of high school students with significant involvement in professional technical programs	9%	9%	18%	35%	55%
2.	Percentage of employer payroll dedicated to training and education	1.5%	2%	2.5%	3%	
3.	Percentage of workforce that has received at least 20 hours of education related to work skills and knowledge within the past 12 months					
4.	Percentage of displaced workers reemployed within 24 months and earning at least 90% of previous income			33%		
5.	Completion of at least one year of postsecondary education or training	56%	63%	65%	70%	75%
6.	Percentage of 25-year-olds with a certificate granted in non-baccalaureate education and training programs	10%	15%	25%	40%	
7.	Prose Literacy (understands text information)					
a.	Basic 21-25 years:	77.7%				95%
b.	Intermediate 21-25 years:	38.0%				95%
	All adults:	41.1%				55%
c.	Advanced 21-25 years:	5.5%				95%
	All adults:	8.7%				50%
8.	Document Literacy (can understand and use graphs, text, maps, etc.)					
a.	Basic 21-25 years:	78.2%				95%
	All adults:	76.1%				85-90%
b.	Intermediate 21-25 years:	37.1%				95%
	All adults:	35.5%				55%
c.	Advanced 21-25 years:	6.2%				95%
	All adults:	6.3%				50%
9.	Quantitative Literacy (can understand math and apply it)					
a.	Basic 21-25 years:	76.9%				95%
	All adults:	80.0%				85-90%
b.	Intermediate 21-25 years:	27.5%				95%
	All adults:	39.0%				55%
c.	Advanced 21-25 years:	3.6%				95%
	All adults:	7.6%				50%
10.	Completions in certified apprenticeship program	5,385	5,249			

REGIONAL WORKFORCE QUALITY COMMITTEES

Region	Counties	Chair
1	Clatsop, Columbia, Tillamook	Jan Fletcher
2	Multnomah, Washington	Jim Harper
3	Marion, Polk, Yamhill	Ted Molinari
4	Linn, Benton, Lincoln	Glenn Koehrsen
5	Lane	Gary Pierpoint
6	Douglas	Michael Christian
7	Coos and Curry	Doug Fletcher
8	Jackson and Josephine	Harvey Holtz
9	Gilliam, Hood River, Sherman, Wasco, Wheeler	Tom Hirons
10	Crook, Deschutes, Jefferson	Jerry Miller
11	Klamath, Lake	Monte Mendenhall
12	Morrow, Umatilla	Brent Corson
13	Baker, Grant, Union, Wallowa	Michelle Sherman
14	Malheur, Harney	Fran McLean
15	Clackamas	Gregory Wallwork

PUBLIC SECTOR PARTNERS

**ADULT AND FAMILY SERVICES DIVISION,
DEPARTMENT OF HUMAN RESOURCES**

Contact: Jerry Burns, Manager, JOBS,
(503) 945-6115

This agency's JOBS program (Job Opportunities and Basic Skills) helps clients on public assistance (ADC/Aid to Dependent Children) become self-supporting. Targeted for JOBS services are teen parents, long-term recipients, clients whose youngest child is over three years of age and those who volunteer. The program operates in 15 service districts and focuses on local needs under a broad framework of state/federal mandates.

**APPRENTICESHIP AND TRAINING DIVISION,
BUREAU OF LABOR AND INDUSTRIES**

Contact: Quint Rahberger, Administrator,
Apprenticeship and Training Division,
(503) 731-4072, Ext. 275

This agency helps industry develop, expand and improve the state's apprenticeship and training programs. In addition, it administers several Job Corp contracts and a certification program to educate and train Veterans.

OFFICE OF COMMUNITY COLLEGE SERVICES

Contact: Debbie Lincoln,
Deputy Commissioner,
(503) 378-8639

This agency oversees 16 community colleges that provide comprehensive training programs, professional technical education, lower division college programs, developmental education and adult enrichment. The colleges also provide custom-designed training programs, industry-specific training and development, and management development. These colleges also provide programs for correctional institutions and welfare recipients, serve displaced homemakers and dislocated workers and assist small business owners through Small Business Development Centers.

OREGON DEPARTMENT OF CORRECTIONS

Contact: Shannon DeLateur,
Corrections Education Program,
(503) 378-3463

This agency provides adult basic education and GED programs in most correctional institutions. Included in this package are English as a second language, adult high school diploma and social skills. Professional technical programs are offered at the larger institutions. For those on parole and post-prison supervision, help is provided to reintegrate inmates into their communities.

**WORKFORCE DEVELOPMENT SECTION,
OREGON ECONOMIC
DEVELOPMENT DEPARTMENT**

Contact: Bob Baugh, Manager,
Partnership Division,
(503) 378-2285

This agency maintains and promotes the vitality of Oregon business and assists in the creation of jobs. The Workforce Development Section administers two grants programs, Key Industry Training Program and Targeted Training Program, which provide customized training. This section also administers community college and secondary vocational education grant programs for advanced technology, skills centers, curriculum revision, America's Choice Sites, and business/labor activation for partnerships.

**OFFICE OF PROFESSIONAL TECHNICAL
EDUCATION, OREGON DEPARTMENT
OF EDUCATION**

Contact: J. D. Hoye, Associate
Superintendent for Professional Technical Education,
(503) 378-3584

This office of the Department of Education provides technical assistance and grant management needed to create quality, integrated learning environments for all students engaged in K-14 educational programs. Strong business and labor connections are a prerequisite for professional technical programs. Federal resources are targeted to assist special populations in succeeding in these programs.

**EMPLOYMENT DIVISION,
DEPARTMENT OF HUMAN RESOURCES**

Contact: Virlena Crosley,
Assistant Administrator for Research and Statistics,
(503) 378-5490

This agency runs a labor exchange to provide employers with qualified applicants and applicants with suitable jobs. Special programs help clients with specific needs – homeless individuals, migrant farm workers, youth and adult ex-offenders and recovering drug and alcohol clients. Employers receive special technical services as well as labor market and occupational information.

**JOB TRAINING PARTNERSHIP ACT (JTPA)
OREGON ECONOMIC
DEVELOPMENT DEPARTMENT**

Contact: Ron Stewart and Jana Hofer, Supervisors,
(503) 373-1995

This agency administers three federally funded job training programs for economically disadvantaged youth and adults, as well as dislocated workers affected by plant closures and layoffs. Funds are funneled through service delivery areas throughout the state based on specific federal criteria.

**OFFICE OF THE CHANCELLOR,
STATE SYSTEM OF HIGHER EDUCATION**

Contact: Larry Large, Vice Chancellor
for Public Affairs,
(503) 373-7494

This agency provides broad baccalaureate education and skills, training and education for professionals and managers, continuing education for today's workforce and extensive research to support an economy built on highly-skilled workers. Education is provided both on campuses and in communities in response to economic and business needs.

**VOCATIONAL REHABILITATION DIVISION,
DEPARTMENT OF HUMAN RESOURCES**

Contact: Lynnae Ruttledge, Asst.
Administrator,
(503) 945-6204

This agency provides services to help individuals with physical, mental or emotional disabilities so they can become economically independent.

**WORKER'S COMPENSATION DIVISION,
DEPARTMENT OF INSURANCE AND FINANCE**

Contact: Geoff Guilfoy, Deputy
Director, Department of Insurance and Finance,
(503) 378-6596

This agency administers Oregon's Workers' Compensation Law which regulates insurance carriers and self-insured employers to make sure that workers injured on the job receive benefits and employment assistance to help them regain economic self-sufficiency. Two programs also are administered: Reemployment Assistance Reserve and Preferred Worker Program.

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