



Winning in the Global Market

Oregon Workforce Investment Board
Strategic Plan

*Competitive Companies,
Productive People,
Innovative Ideas*

**A plan to transform Oregon's
Workforce Education and Training System**



The following individuals are responsible for the development of this Oregon Workforce Investment Board strategic plan, Winning in the Global Market. Their efforts have been endorsed by the Governor and will result in a more competitive and prosperous Oregon.

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Oregon Workforce Investment Board Strategic Plan



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Turning Plans Into Action: *We All Must Help*



This plan, *Winning in the Global Market*, is a high-level strategic document, meant to describe the preferred future of workforce development in the state. What will it look like? How will we know we've achieved it? It also carries an urgent message about the challenges Oregon faces, and is a call to action. It is not meant to detail how we will get there – that is left to local and state agencies and partners to carry out. In order to describe the “how,” the Workforce Policy Cabinet agencies, local and state partners, and business and labor are crafting an Action Plan as a companion document to the strategic plan.

The plan itself captures a moment in time, but the Action Plan will be a living document that will guide the Workforce Policy Cabinet, OWIB and all the state and local workforce, education, and economic development partners as they build the preferred future over the next five years. The Action Plan will undergo continuous change and improvement. It will show the strategies to achieve the goals and objectives of the plan, the responsible agency or partner, the results to be achieved and measured, and the timelines for achievement. Through periodic updates and reports, the OWIB and its committees will be able to help guide the work.

This strategic plan focuses the actions we will take – as state agencies, business and labor partners, teachers and counselors, students and parents, local economic development and workforce professionals. Over the next five years, we will focus our activities and resources to achieve the outcome described in this plan. Here are our next steps:

- **Adopt** an Action Plan in the next six months that shows how we all can help to reach our desired results.
- **Advocate** for new initiatives and policies to achieve the plan's desired results during the next legislative session beginning in January 2007.
- **Focus** our current efforts and continuously improve our workforce education and training system – K12, community colleges, Oregon universities, workforce programs and private sector training – to achieve the desired results outlined in this plan.
- **Measure** outcomes at least annually and adjust program models to achieve goals.

All Oregon businesses and citizens can help Oregon become more globally competitive and Oregonians more prosperous. When we each engage in activities in the plan – at a state or local level – we all will help raise skills so Oregon is the best place to live, work, and run a business.

If you are a student or worker, business or labor partner, teacher or college counselor, go to www.worksourceoregon.org to see how you can help.

Winning the Global Race: A Plan for Rapid Change

2010 Goals and Objectives

VISION: By 2010, Oregon businesses have a competitive advantage in the global marketplace due to their highly skilled, innovative workers.	
GOAL 1: Ensure ALL Oregon employers have a competitive workforce advantage in the global market.	
Objective:	Increase the number of employers with high-performance practices
Desired Results:	<ul style="list-style-type: none"> Expanded participation in cluster/consortia programs related to workforce education and training Increased level of upgraded training and skill acquisition for current workers
Objective:	Increase the percent of Oregon workers employed in living wage jobs
Desired Results:	<ul style="list-style-type: none"> Increased worker placement, retention & advancement Expanded size and quality of labor pool Increased wages and tax base to support high quality of life
GOAL 2: Prepare an agile, innovative workforce with the skills needed to succeed in the knowledge-based economy.	
Objective:	Guarantee every Oregonian has the core academic and workplace skills employers need and value
Desired Results:	<ul style="list-style-type: none"> Business as a key partner in and driver of education and training is institutionalized Work readiness is an integral part of the K-14 curriculum and workforce system Reduced number of dropouts
Objective:	Ensure every worker has the cross-cutting skills and innovative thinking needed to be productive in the workplace
Desired Results:	<ul style="list-style-type: none"> Career technical education and apprenticeship are expanded Improved access and affordability to post-secondary education and training for Oregonians, including underserved populations Increased numbers of Oregonians completing post-secondary education and training, or acquiring industry credentials
Objective:	Close the skills gap by providing every worker access to affordable life-long learning opportunities
Desired Results:	<ul style="list-style-type: none"> Increased workforce training in high-demand and critical occupations Private-public partnerships build career ladders and entrepreneurial opportunity Responsive alternative and technology-based education and training programs
GOAL 3: Build a flexible, unified workforce education and training system that consistently exceeds customer expectations.	
Objective:	Acquire stable and adequate funding for all aspects of the system
Desired Results:	<ul style="list-style-type: none"> Efficient, leveraged use of existing funds Increased investments for all system components Funding tied to outcomes
Objective:	Enhance strategic planning and coordination across public agencies and with local partners
Desired Results:	<ul style="list-style-type: none"> Integrated, seamless, unified system of education and training services Increased strategic alignment of education, job training and economic development in support of industry clusters Locally/regionally delivered system within a statewide framework
<i>Note: A Management Plan to implement the goals and strategies included in this plan will be developed by all partners in the workforce education and training system.</i>	

The Urgent Need: *The Case for Change*

What's the problem? Why the urgency? Oregon has dealt with education and employment challenges in the past. How is this different? Several key trends provide some insight into the "quiet crisis" that has already begun to arrive.

■ **Globalization:** India, China and Eastern European countries have been strategically restructuring from industrial to information-based societies and investing significant resources in building the skills of their workforce.

■ **Demographic Shifts:** The U.S. workforce is aging and becoming more diverse. Significant numbers of skilled workers will retire in the next decade with no pipeline of replacements, particularly in the skilled trades. The same demographic shifts assure that fewer younger workers are available to fill the gaps. Immigration will likely continue its exponential growth, yet projections show the U.S. will experience a shortage of workers.

■ **Advancing Technology:** Advances in technology are outpacing the capacity of our traditional teaching and learning systems to respond. Workers already on the job are increasingly challenged to maintain productivity and learn new skills at the same time.

■ **Shifting Attitudes:** Increasingly, more and more workers do not want typical jobs. They are interested in ownership, entrepreneurship and freedom from fixed schedules, wages and career ladders. They have changing values about engagement in work and want more flexible work place environments.

■ **Fewer Family Wage Jobs:** The nation has experienced significant loss of family wage jobs that support independence, career advancement, the ability to purchase homes, and invest in one's community.

“The keys to effective competition now are agility, fast response to market shifts, continuous innovation, and focus on customers.”

These trends have created an economic environment characterized by change, variety, higher standards, and uncertainty. The keys to effective competition now are agility, fast response to market shifts,

continuous innovation, and focus on customers. These dynamic shifts have transformed the workplace, requiring higher-level skills at all levels of work performance, changing what workers need to know and how they use what they know, and limiting the long-term value of any knowledge or skill. Successful participation now requires that workers have broader and different sets of skills – and the bar keeps rising!

According to Thomas Friedman, author of the World is Flat, these and other technological, political, and socio-economic forces have converged, “producing a global, Web-enabled playing field that allows for multiple forms of collaboration without regard to geography or distance – or soon, even language.” What we are experiencing now is a difference in degree that is so enormous it becomes a difference in kind. Such a “quiet crisis” calls for a visionary plan of action.

A Strong Foundation

Oregon can take great pride in its rich history of hard-working people, innovation and

entrepreneurial spirit in business and industry, pioneering and progressive public policy, and magnificent natural beauty. This reputation has made Oregon a place where more and more people want to come to live, work, and grow. While the state enjoyed a robust economy in the 90's, and now again in the past few years, the world – and Oregon – is changing. Fast.

In the face of a dynamic, national and global economy, the competitive edge for nations, states, institutions, and companies is rooted in the ability of individuals to learn quickly and respond flexibly to unpredictable circumstances.

Like other states, Oregon's economic vitality is derived in large part from the productivity of well educated people and the innovations they and businesses produce. To build on and sustain

this vitality will require the creation of more jobs at a family wage, increased performance in our businesses and industries, and workers with the higher skills needed for the knowledge-based jobs of today and tomorrow.

All of the participants in Oregon's workforce system, at the state and local levels and in both public and private sectors, have worked hard to lay a foundation for reinvesting and focusing on a clear path to the future.

Oregon has a long history of innovation in the area of workforce and education, and over the past several years the state and local workforce partners in both the public and private sectors have made some smart decisions about how to leverage limited resources.

Competitive Strengths	Competitive Challenges
<ul style="list-style-type: none"> • Significant private sector investment in workforce training • Location advantage based on geographic presence in the Pacific Rim economy • Promising core industry clusters in high technology; forest products; metals; transportation equipment; agriculture and food products, and others • Measurable job gains for most of Oregon's traded sector industries in 2003-2005; fifth fastest growing economy in the nation • Successful public-private initiatives in key industry clusters at state/regional levels • Increased diversity of partners involved in the workforce system • Renewed commitment and leadership on improving education and training outcomes for Oregonians • Strong community college support of business associations, industry sectors, and labor with workforce and customized training programs • Labor exchange system that is capable of tracking Oregonian's workforce skills and connections to business • Valued statewide research and data on labor wages, skills and occupational trends 	<ul style="list-style-type: none"> • Lack of integrated, statewide strategy for education, economic development, and workforce development • Lack of adequate diversification in the state's economic base • Low educational attainment: One in six adult Oregonians lack a high school diploma or equivalent⁵; 45th in the nation in college credential attainment¹; 27th for bachelor's degree completion in six years¹; only one-quarter of Oregonians 25-years and older have a bachelor's degree¹ • Low educational investments: Ranked 27th in the nation for 2002-03 per pupil spending on K-12 education¹ and number of students per on-line computer¹ • Low research and development investments: ranks well below the national average in per capita R&D expenditures at colleges and universities¹ • Low training investments: 32 states have a combination of workforce training funds and training tax credits, ranging in size from \$10 – 35 million¹¹, compared to Oregon's \$6 million fund which is entirely made up of federal, non-flexible resources • High unemployment, with a ranking of 7th highest unemployment in 2005, partly due to in-migration³ • Declining income, ranking 32nd in the nation for number of people below the poverty level¹ and 30th in the nation for per capita income¹

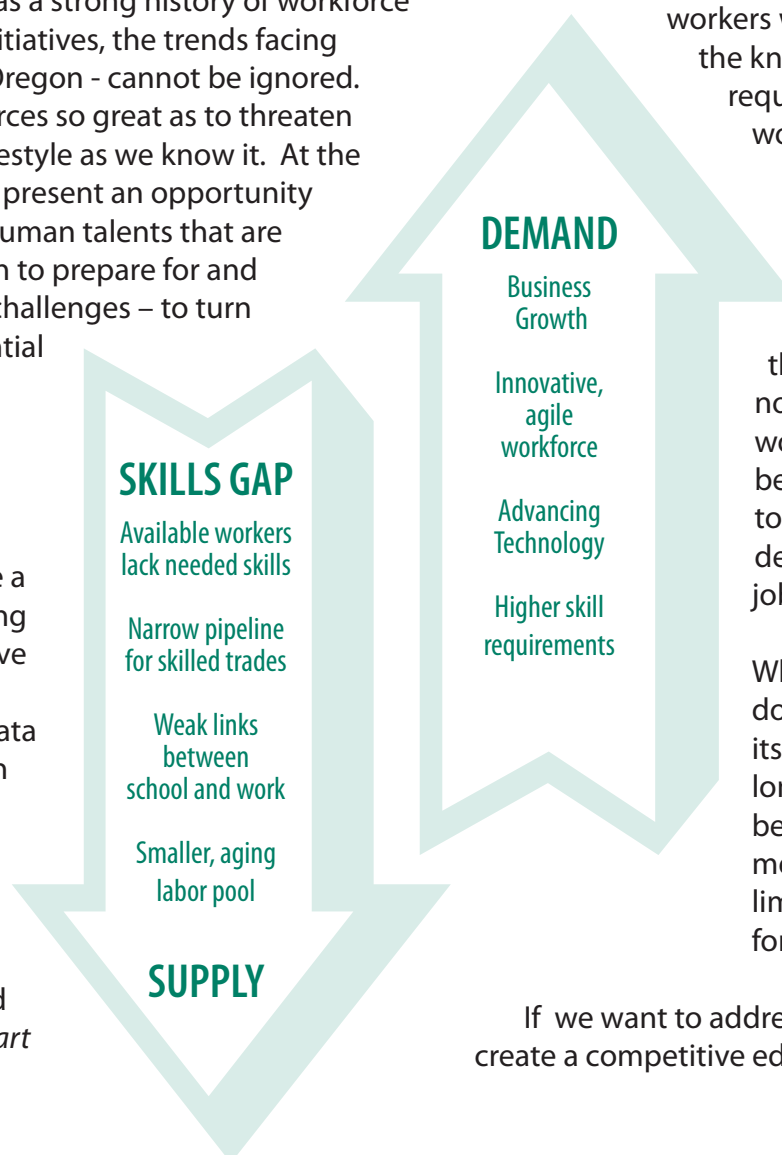
Despite the economic downturn and reduced resources, **Oregon has been building capacity to assist both workers and businesses** in key industry clusters. These investments and activities provide a solid foundation for building a preferred future.

At the same time, the hard truth is that over the past decade Oregon has not invested in the education and training of its human resources as aggressively as have many other states and industrialized nations. This lack of investment may be compromising Oregon's position in the national and global marketplace.

Oregon's Competitive Position

While Oregon has a strong history of workforce development initiatives, the trends facing America – and Oregon - cannot be ignored. They point to forces so great as to threaten the American lifestyle as we know it. At the same time, they present an opportunity to harness the human talents that are uniquely Oregon to prepare for and respond to the challenges – to turn economic potential into economic productivity.

Does Oregon's competitive position provide a foundation strong enough to survive the impending crisis? Current data from the Oregon Business Plan, 2006 Competitiveness Index and other sources serve as a call for rapid change. (See chart page 5.)



A Call for Rapid Change

Oregon faces these and other long-standing challenges in creating its preferred future.

While the goals and objectives in this plan are designed to help address some of these competitive challenges, it will take rapid, transformational change, bold action and new approaches in the entire workforce system – public and private education, job training, labor exchange, support services, as well as business and labor - to bring comprehensive revitalization to Oregon's economy.

As the arrows show, the demand for skilled workers is outpacing the supply. This presents an opportunity for students and workers who can demonstrate the knowledge and skills required for the 21st century workplace.

However, if one in six Oregon adults does not have a high school diploma and some of those who graduate are not ready for college or the workplace, how should we be changing our approach to education and workforce development to improve job readiness?

What happens if Oregon does not act to increase its competitiveness? The longer we wait, the further behind we become, which means fewer and more limited choices going forward.

If we want to address the challenges and create a competitive edge, **Oregon must act**

now. Leadership must come from all who have a stake in ensuring a skilled workforce:

- Business, industry and labor by active involvement in shaping the priorities, programs and activities of the workforce training and education system and through continued investment in worker training and in high-performance practices.
- Elected officials/policymakers by supporting adequate and stable funding for education and training programs and passing legislation that transforms the system.

- Workforce education and training providers by taking quick and direct action to streamline and restructure the system to become demand-driven and by leading the rapid changes called for in this plan.

The leaders and citizens of Oregon have a choice – they can either embrace the force of change and reassert their pioneering spirit to create Oregon as a world center for innovation and high-performance, or they can resist and see the standard of living erode and crucial talent leave the state. The answer is clear: Oregon must choose to compete.

Opportunities if Oregon Acts Now	Likely Implications if Oregon Does Not Respond
<ul style="list-style-type: none">• Growth of businesses and industry clusters that have high multiplier effects, pay family wage jobs and offer benefits• Increase in the number of highly skilled workers who meet Oregon business needs and can compete in the national and global economy• Realization of a seamless workforce system that emerging, transitional and current workers can easily access to keep their skills up to date and stay marketable in the job world	<ul style="list-style-type: none">• Closure, relocation and/or downsizing of Oregon companies• Higher unemployment• Decrease in the state's tax base, resulting in inability to pay for needed infrastructure and adequate funding for education, workforce training, and human services• Out-migration of Oregon's young and talented to other states and nations• Increased poverty

A Plan for Rapid Change: *Goals, Objectives and Desired Results*

This plan is intended to serve as the blueprint for how Oregon's workforce system – a partnership of business, labor, education, government and communities – can create an environment that is the best in the nation in supporting business innovation, job creation and job retention.

It is not intended to tell state and local providers "how" to accomplish the goals, but rather to provide a common framework within which all partners can be accountable for achieving desired results. An Action Plan will outline the specific strategies to accomplish system goals, as well as

the performance indicators that will be used to track progress.

This plan complements other initiatives underway in Oregon. These include the State Board of Education policy paper and diploma requirements, the Board of Higher Education's developing plan, the Oregon Business Plan initiatives and others. The proposed action plan strategies are supported by Oregon InC (Oregon Innovation Council), the cross-sector leadership team created by Oregon's governor and state legislature to drive the state's innovation strategy.

GOAL 1: Ensure ALL Oregon employers have a skilled workforce for competitive success in the global market.

Objective 1A: Increase the number of employers using high-performance practices and actively training their employees. This objective addresses aspects of workforce development that are largely private sector driven. The focus is to carefully target and strategically invest public resources where they will provide a competitive advantage for Oregon businesses and develop entrepreneurial and workforce talent required for companies competing in highly innovative and global markets.

Current Status: Oregon is working hard to assist businesses and labor in creating high performance workplaces and to increase private sector training through a number of initiatives. One example is Oregon's Manufacturing Workforce Strategy, a set of statewide workforce objectives developed by representatives of food processing, forest products, high technology, transportation equipment and metals industries to help the manufacturing sector close its skills gap. Another is the Northwest High Performance Enterprise Consortium, which supports high performance manufacturing practices of businesses in the Pacific Northwest. Oregon's Employer Workforce Training Fund provides

grants to companies and groups of companies as an incentive to increase workplace-based training.

Opportunity: Businesses can locate anywhere, so they must perceive value in maintaining their location or expanding. Part of the value equation is taxation, part is the overall business and regulatory climate, and part is a ready pipeline of skilled and job ready workers who can be immediately productive in the workplace. With an adequate supply of skilled workers Oregon will be able to retain existing companies and help them grow.

Desired Results

- Expanded participation in cluster and consortia programs related to workforce education and training
- Employers decide to stay/expand in Oregon based on a qualified workforce
- Increased level of upgraded training, education and skill acquisition for current workers

Objective 1B: Employees have the necessary skills to be competitive. This strategy acknowledges Oregon's persistently high unemployment rate and the role the skills of the workforce plays in keeping the state's unemployment rate high. It is critical that Oregon's workforce and economic development systems work in partnership with industry and labor to identify skills in demand to assure the competitiveness of business and employees alike, and to attract and maintain family wage jobs.

Current Status: As its primary focus for job growth, Oregon has been strategically investing resources in bringing firms together in industry clusters. Often linked through buyer-seller relationships, clusters have the potential to accelerate innovation and growth, ensure a global competitive advantage and strengthen local and state economies. The workforce system is using the cluster approach to aggregate business demand and guide workforce training investments.

In response to this emerging cluster approach, the Oregon Business Plan launched the Oregon Cluster Network in 2005. This network is helping industry leaders connect with available resources in the public and private sectors, generating new prospects for business recruitment, and sharing best practices for increased efficiency and productivity.

Opportunity: Invigorating and diversifying Oregon’s economy is one of the tallest orders before the state. This Strategic Plan presents the opportunity for a coherent approach to addressing challenges by aligning the education and training system with business needs.

A system that consistently produces a reliable pipeline of workers with the competitive skills employers need will in turn increase the competitiveness of Oregon companies in the global market.

Desired Results

- Increased percentage of Oregon workers employed in family wage jobs
- Increased worker placement, retention and advancement
- Expanded size and quality of labor pool
- Increased wages and tax base to support high quality of life

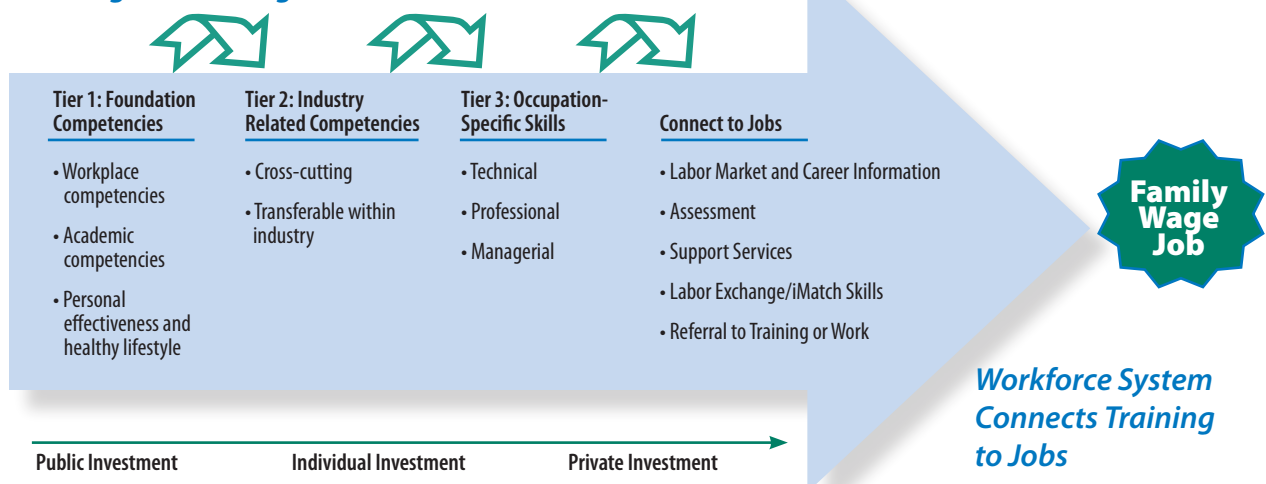
GOAL 2: Prepare an agile, innovative workforce with the skills to succeed in the knowledge-based economy.

To realize this goal, Oregon needs a new framework for investing in its people that promotes economic competitiveness. In Tier 1 of the Skill Continuum model below, foundational competencies, are the “basics” – those competencies fundamental to success in the workplace. Tier 2 contains cross-cutting industry-sector competencies, those that every worker in an industry should have as a baseline of skills to be a productive worker. In Tier 3, are occupationally specific areas, reflective of “occupational families” in a particular industry sector. At the beginning of the continuum, public investments are the largest. As students and workers progress in education and skill development, public sector funding is leveraged with individual and private sector investments.

Such a framework is not hierarchical or age dependent. It is a framework that suggests multiple partners in the workforce education and training system will be engaged in building high-demand skills for individuals at all ages: the 17 year old during an internship experience, the 27 year old single mother in work experience, the 37 year old immigrant worker, the 47 year

Workforce Education & Training System

Adding Value Along the Skill Continuum



old dislocated worker, the 57 year old retiree searching for a new career and the 67 year old part-time volunteer. The workforce system is actively engaged in assuring workers have foundational skills and assisting individuals to continually acquire higher-tier skills, and to find and maintain family-wage employment.

Objective 2A: Every Oregonian has the core academic and workplace skills employers need and value. This strategy addresses the base tier, or **Foundational Skills** level, of the Skill Continuum and most predominately **the emerging workforce**. It calls for change and integration of the education and workforce training systems to ensure that **all** Oregonians, whether they are coming directly out of high school, a trade or technical school, an apprenticeship program, a Workforce Investment Act training program, a public assistance program, a community college, or four-year university - and those already on the job - are ready to work and can meet basic workplace skill requirements. Such requirements include positive behaviors and a healthy lifestyle, drug free and ready to be productive at work.

Current Status: For several years, Oregon employers have been raising concerns about lack of basic work readiness in job applicants and many of their new hires. They point to the public education and training system as not consistently and adequately preparing workers for the new economy. As a result, Oregon's pre-K through 12 education system has focused on improving student achievement. For example, career-related learning standards and assessments, the career plan and profile which comes on line this year, and efforts underway to give the high school diploma renewed value in the workplace will all help prepare students for the world of work.

An integrated data transfer system is being developed that will allow electronic access to student transcripts K-20. Many high school juniors and seniors are in dual credit or dual

enrollment programs that allow students to enroll in a community college while completing high school graduation requirements.

Opportunity: Progress is being made through these positive reforms, yet the education and workforce training system in Oregon must be closely linked to demands in the 21st century economy. An innovative education and training system that assures all Oregonians have basic academic and workplace skills will address fundamental challenges in the areas of basic education, career preparation and life-long learning. Such a system will support workers to acquire skills like reading, writing and math to solve real world problems; communicate effectively, make decisions; work as part of a team; and use higher level thinking and problem solving skills.

Desired Results

- Work readiness is an integral part of the education and workforce system.
- High school diploma is valued by employers and considered an indication of core academic achievement and work readiness.
- Industry needs-related skill gaps are continually updated and used to revise curriculum for education and training programs.
- Increased graduation rates in programs that produce work-ready graduates.

Objective 2B: Every worker has the cross-cutting skills and innovative thinking needed to be productive in the workplace. This strategy addresses the second tier or **Industry-Related Competencies** portion of the Skill Continuum and primarily the **transitional workforce**. The objective is for Oregonians coming out of any part of the education and workforce training system to demonstrate the cross-cutting technical skills (benchmarked to industry-sector standards) that support transferability within a given sector as well as across industry sectors.

Current Status: Many Oregonians have experienced dislocation and unemployment because of narrow skills sets outdated by today's industry standards. To address this issue, regions are implementing consortia-based training designed to organize, target and deliver workforce training to groups of workers across companies who share common skill gaps. Training has been targeted at industry-related technical skills that transfer not only across companies but also across segments within the industry.

For example, an innovative cross-industry skill standards project was recently completed that identifies the shared skill sets across several manufacturers in metals, transportation equipment, and plastics – the very intent of this goal.

Opportunity: Workers in the 21st century need broad-based transferable technical skill sets that allow for agility in the rapidly changing economy and provide a platform for advancing within and across industry sectors. Existing efforts within Oregon provide a strong foundation from which to address this challenge, but the consortia model needs to be adopted, to the degree possible, system-wide. The cross-cutting skill standard initiative in manufacturing needs to be replicated in other industry sectors. Both transitional and current workers will benefit from these expanded skill training and job opportunities.

Desired Results

- Increased numbers of Oregonians completing post-secondary education and training, or acquiring industry credentials
- Workers exhibit attitudes, skills and knowledge in their workplaces, including an understanding of how businesses compete in the global market.

Objective 2C: Close the skills gap by linking occupational skills training to demand in the global market. This strategy addresses the upper-tier or **Occupational-Specific Skills** portion of the Skill Continuum and primarily **the current workforce**. The objective is to ensure that workforce education and training resources are targeted to those occupations where opportunities and demand are the greatest and to link Oregonians with those opportunities.

Current Status: All 17 of Oregon's community colleges are now developing or improving pathways linking them to high schools, job training, apprenticeships, human services, adult basic education programs and the Oregon university system. Through alternative education models, Oregonians have improved opportunities to attain post-secondary skills and credentials for high demand occupations tied to the needs of industry. In addition, the state's community colleges and universities are beginning to design modularized curricula and

use alternative, multi-disciplinary, technology-based delivery systems to become more responsive to industry demands.

Opportunity: With limited resources, Oregon will need to leverage and strategically invest workforce education and training dollars into coordinated approaches that will assure a range of industry sectors can be addressed statewide and within different regions. Such "clustering" or concentration of resources and efforts will allow better leveraging of public and private training investments. In addition, it will offer better economic support to a region by increasing flexibility in adjusting program offerings and curricula (agility) and by focusing business involvement in education and training.

“With limited resources, Oregon will need to leverage and strategically invest workforce education and training dollars into coordinated approaches ...”

Desired Results

- Increased workforce training in high-demand and critical occupations.
- Increased numbers of private-public partnerships that build career ladders and support entrepreneurial activity.
- Increased levels of responsive, alternative and technology-based education and training programs.

GOAL 3: Build a flexible, unified workforce education and training system that consistently meets or exceeds the needs of Oregon's workers and businesses.

Objective 3A: Acquire stable and adequate funding for all aspects of the system. It is urgent to address Oregon's competitive disadvantage in comparison to other states and countries with regard to public investment in workforce education and training.

Current Status:

There is a sizeable federal investment in assisting transitional workers, yet only about 17 percent of resources are spent on direct customer training. Many of the funded services help people find work or assess their skills, rather than provide them with new or updated skills. For current workers, the public investment provides incentives to train only about 4.4 percent of the labor force.

Oregon also ranks near the bottom in percent of family income needed to pay for public two-year and four-year college and is 30th in the nation in state grant aid to low-income families. This points to the need for increased investment in post-secondary education and increased financial aid to Oregonians so they can pay for the education they need to work.

Oregon has relied heavily on private sector investment and the leveraging of public funds. In a competitive skills environment, Oregon cannot rely only on the funding employers provide. Other states provide significantly

more resources to assist with current worker training to ensure that businesses maintain their competitiveness and that jobs remain within their states or localities.

Opportunity: Stable and adequate funding of pre-K through 20 education and workforce training, such as the Governor's Education Enterprise, will help solidify Oregon's current economic gains and improve competitiveness. Targeted investments are needed to raise core academic and workplace skills, and to further upgrade the skills of transitional and current workers. This will give Oregon an edge not only in retaining and expanding existing businesses and industries but also in recruiting new businesses that will add diversity to the economy and strengthen the tax base. It will also ensure that workers in all three segments of the workforce – emerging, transitional, and current – receive the education and training they need to succeed.

Desired Results

- Increased investment of existing funds in strategies that have proven to be effective.
- Resources invested at a level that meets or exceeds that of global and national competitors.
- Workforce education and training system funding is tied to desired results.

Objective 3B: Enhance strategic planning and coordination across public agencies and boards, and with local partners. This strategy addresses the need for greater integration and collaboration in pursuing shared goals for economic competitiveness and human investment.

Current Status: State and local workforce programs and agencies have become more integrated and performance oriented. For example, in the past two years, Oregon received \$1.6 million in incentive funds from the federal government, which is being used to build

career pathways infrastructure across the state. While efforts such as these demonstrate higher awareness of the need for an integrated approach to education, workforce, and economic development, Oregon still does not have a single coherent and integrated strategy that ties these three important components together. This lack of clear direction causes a number of systemic problems, including:

- wide variation in both the type and focus of local, regional, and statewide programs;
- an inability to consistently make investments that ensure economic benefits; and
- a disconnect between the engines of job creation and business growth and those who are connecting and preparing Oregonians for the jobs and occupations that will be part of the state's present and future economy.

The three system components must be operating efficiently, without duplication, and aligned toward a common vision, set of objectives and desired results in order to enhance opportunities for Oregon workers and develop greater economic competitiveness.

Opportunity: State and local agencies and boards have the opportunity to continue to shift from a compliance-orientation to a performance-orientation and providing value-added assistance in meeting the needs of the local business community and workers. The resulting integrated approach will ensure that education, economic development, and workforce training resources are strategically targeted at increasing the competitiveness of Oregon's businesses, the education and productivity of our workers, and the quality of our jobs. With clear direction from the state, it is possible to link and coordinate state and local workforce training and economic development plans, activities and investments to strategic statewide goals and objectives.

Desired Results

- All parts of the system can clearly define their roles and add value to the development of a skilled workforce
- An integrated workforce education system that responds quickly to changing customer needs.

What is the Oregon's Workforce Education and Training System?

The Oregon workforce system consists of a broad array of organizations that help citizens gain the knowledge and skills they need for success in life and work. It encompasses hundred of institutions, both public and private, that provide education and job training, labor exchange, and support services to the **emerging workforce** (pre-Kindergarten to adult) of 700,000 learners³, and the **transitional workforce** (those currently not employed or who need additional skills) providing services to approximately 300,000 adults⁴ annually.

It also includes thousands of businesses, labor organizations and trade associations that provide training to **current workers**, those **workers currently on the job**, to keep their skills competitive, with a potential pool of 1.8 million workers³. For the most part, these various entities function independently, although many work hard to coordinate and link their activities. Oregon's workforce system includes:

- Public sector education and training (K-adult)
- Nonprofit providers
- Oregon Workforce Investment Board
- Local Workforce Investment Boards
- Private, for-profit education and training providers
- Private sector training (which includes public investments in skills upgrade training, helping to change the culture within firms regarding the need for upgrade training, linking training within firms to bottom line outputs, etc.)
- Labor associations that provide training, including apprenticeship programs
- Economic development and industry associations and partnerships
- Public-private partnerships

Education and Workforce Investments

These strategic activities provide the foundation for future action.

- Reoriented economic development toward a strategic focus on **traded sector clusters** and increased investments to support their development.
- Convened **industry-specific employer consortia** focused on labor force needs: healthcare, agriculture, manufacturing, food processing, high tech, biosciences, metals, recreational vehicle manufacturing, secondary wood products, and high performance.
- Built a strong state and local system of **Workforce Investment Boards**, private-public partnerships vested with coordinating public response to business workforce needs.
- Created an awareness that diverse partners and funding streams, while having differing purposes and serving different populations, need to align more closely to form a workforce system that meets the needs of business and workers.
- Implemented unified **education reforms**, targeted toward a common vision, data system, budget and alignment of all levels of education, with the following results:
 - Increased high school graduation requirements
 - Increased student financial aid and access to aid for part-time students
 - Established dual enrollment framework between Oregon University System and Community Colleges
 - Developed a common first-year transfer module for all Oregon two- and four-year colleges and universities
 - Increased dual credit programs among high schools, colleges and universities
- Created Employer Workforce Training Fund and Workforce Response Teams to respond to business and **current worker training** needs.
- Developed and adopted nationally-recognized **skill-based job matching tool, iMatchSkills**, making it easier to connect employers with the workers they need.
- Funded **Oregon Business Leadership Council** – supporting employers to accommodate and advance people with disabilities in the workplace
- Increased access to workforce services by branding the network of service centers and websites as **WorkSourceOregon**.
- Launched **Pathways to Advancement** – modularized, short-term education and training stepping stones or “career pathways” resulting in industry-recognized certificates and degrees

21st Century Workplace Competencies

What are the workplace competencies that employers want? Given technological advancement, the answer is a moving target, particularly at the level of occupationally-specific skill requirements. The good news is – there is widespread agreement across all industry segments about the “core” or foundational skills and growing consensus regarding cross-cutting industry skills.

Personal Effectiveness: These foundation competencies are generally taught through the home and community learning, but can be reinforced by the education and training system.

- Interpersonal Skills
- Integrity
- Professionalism
- Initiative
- Dependability and Reliability
- Willingness to Learn
- Healthy lifestyle

Academic Competencies: The critical competencies primarily learned through some type of academic instruction that cut across all industry requirements. They serve as the foundation for Industry-Related and Occupationally-Specific Competencies.

- Reading
- Writing
- Mathematics
- Science and Technology
- Communication
- Critical/Analytical Thinking

Workplace Competencies: The skills and abilities that enable workers to function effectively in a work setting; generally common across all industry sectors.

- Teamwork
- Adaptability/Flexibility
- Customer Focus
- Planning and Organizing
- Creative Thinking
- Problem Solving and Decision Making
- Working with Tools/Technology
- Using Computers

Industry-Related Competencies: These cross-cutting/disciplinary competencies outline what every worker in the industry should know and be able to do. They are the “core” technical skills transferable from occupation to occupation within the industry, and often transferable across industry sectors (e.g. health and safety, quality assurance, design thinking etc.)

Occupationally-Specific Competencies: These competencies identify skills, knowledge and abilities identified with individual occupations. Although the occupational framework is still prevalent, traditional occupational lines have begun to blur due to advancing technology. A growing trend is moving towards a “skills bundling” approach, which matches jobs and workers on skills needed for major projects or tasks.

Workplace Requirements of the Emerging Workforce

Besides the competencies required by employers of their workers, workers also have requirements of their employers and workplaces. Workplace retention is crucial to competing in a global economy. Employee turnover is costly,

unproductive and can lead to failure no matter what investment is given to training needs.

The needs of the future workforce must be addressed if we are to reap the benefits of a high-performance Education and Workforce Training System. In a global economy, we are competing with countries that offer or guarantee their workers benefits in order to keep their workforce stable. Some of these are:

- Affordable Housing
- Quality Healthcare
- A secure retirement system
- Daycare provisions
- Transportation options such as Mass

Transit, Fuel Subsidies, Home Office incentives, etc. The cost of commuting to the workplace has become an issue to the workers we are preparing in Oregon.

- Flexible work schedules
- Labor/Management Cooperation
- Health and Fitness Awareness
- Drug-Free environment
- Equal Opportunity for advancement

The application of Lean principles or continuous improvement including the concept of Employer/Employee relations is a great example of how Oregon can contend with some if not all of these issues.

Overview of Statewide Strategic Planning Process

In 2005, the Oregon Workforce Investment Board (OWIB) initiated a statewide strategic planning process with the goal of creating a Preferred Future Vision for Oregon's workforce system. The work began in a series of half-day retreats in which Board members shared their visions for improving Oregon's workforce system and their ideas about where the state should be focusing its efforts to create a high-quality workforce that meets the needs of business and industry. In preparation for completing the plan, the Board created a Strategic Planning Committee and developed a strategic planning process including a preferred future approach and broad input from the entire workforce system.

With the help of world-renowned futurist, Glen Heimstra, the planning process was launched in November 2005 with nearly 100 state, regional, and local leaders of Oregon's workforce development system participating in a Preferred Future Vision Think Tank. Attendees included business leaders, state and local agency directors, economic development officials, education and training providers, labor representatives, local and state Workforce Investment Board representatives and staff, and other key partners. The purpose of the one-day event was to think broadly, beyond the boundaries of borders, agencies and individual business interests in shaping a compelling vision for Oregon's workforce system. Participants were asked to:

- Explore how workforce issues and training have changed over the decades.
- Identify possible future scenarios and implications for Oregon's workforce system, based on key workforce trends.

- Identify the most critical elements of a preferred future for Oregon's workforce system.
- Identify issues that must be addressed to move from present reality to the future vision.

Local Workforce Investment Boards with the help of the consulting team of Kennedy, Consulting, Inc., and Key Links, Inc., convened five regional forums to build on the work completed in the statewide forum and gain broad local and regional input into defining a shared, preferred vision and possible statewide objectives for achieving the vision. The team synthesized the work of all six forums to identify common elements of a preferred future that were most widely supported. That work served as a basis for leading the OWIB Strategic Planning Committee through a process of affirming the vision, creating statewide goals for the workforce system and selecting objectives that will move Oregon toward its preferred future.

A draft plan was distributed throughout the partnership, to local Workforce Investment Boards, all forum participants, the OWIB, and the Governor's Workforce Policy Cabinet for review and comment. After revisions to reflect public comment, a final draft of the plan was circulated broadly once again, and a special meeting of the OWIB was convened to refine the goals and objectives. The final plan reflects the collective input, ideas and perspectives of this broad audience.

Attachment E

Summary of Oregon Occupational Employment by Competitive Education level

Competitive Education Level	2004 Employment	2014 Employment	Percent Growth	Growth Openings	Replacement Openings	Total Openings	2006 Weighted Median Wage ¹	Percent of Total 2004- 2014 openings
Summary of employment data for occupations with a median wage equal to 100% of statewide median wage² or greater								
Professional degree	19,854	23,494	18.3%	3,640	3,716	7,356	\$27.02	
Four-year degree / four-year degree and related work experience:								
Doctorate	24,342	27,261	12.0%	2,919	6,030	8,949	\$28.86	
Master's	110,946	126,490	14.0%	15,544	26,215	41,759	\$25.75	
Bachelor's	260,790	300,652	15.3%	39,862	53,647	93,509	\$27.66	
Postsecondary or community college training / Postsecondary or community college training and related work experience:								
Related work experience	294,899	336,653	14.2%	41,754	68,962	110,716	\$19.28	
Related work experience	174,275	194,610	11.7%	20,335	39,681	60,016	\$15.96	
Total	885,106	1,009,160	14.0%	124,054	198,251	322,305	\$22.37	49%
Summary of employment data for occupations with a median wage equal to 90% to 99.9% of the statewide median wage²								
Professional degree	-	-	-	-	-	-	-	
Four-year degree / four-year degree and related work experience:								
Doctorate	-	-	-	-	-	-	-	
Master's	-	-	-	-	-	-	-	
Bachelor's	4,746	5,459	15.0%	713	1,139	1,852	\$13.43	
Postsecondary or community college training / Postsecondary or community college training and related work experience:								
Related work experience	47,480	54,944	15.7%	7,464	10,979	18,443	\$13.36	
Related work experience	88,454	101,822	15.1%	13,368	18,908	32,276	\$13.01	
Total	140,680	162,225	15.3%	21,545	31,026	52,571	\$13.15	8%
Summary of employment data for occupations with a median wage below 90% of statewide median wage²								
Professional degree	-	-	-	-	-	-	-	
Four-year degree / four-year degree and related work experience:								
Doctorate	-	-	-	-	-	-	-	
Master's	2,055	2,487	21.0%	432	537	969	\$11.68	
Bachelor's	9,475	11,301	19.3%	1,826	1,836	3,662	\$10.52	
Postsecondary or community college training / Postsecondary or community college training and related work experience:								
Related work experience	93,441	109,661	17.4%	16,220	21,021	37,241	\$11.10	
Related work experience	505,639	586,467	16.0%	80,828	165,848	246,676	\$9.36	
Total	610,610	709,916	16.3%	99,306	189,242	288,548	\$9.61	43%
Grand Totals	1,636,396	1,881,301	15.0%	244,905	418,519	663,424		100%

¹ U.S. median wage by occupation were used when Oregon wage data was not available

² 2006 statewide median wage is \$13.82

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