



## Oregon Workforce Investment Board

### Legislative Priorities To Prepare Oregonians for High-Demand Jobs

## Cluster Investment – Training current workers for tomorrow's jobs

#### Concept:

**The Cluster Investment Fund is a tool to help Oregon's current workers and businesses respond to changing technology, high performance processes, higher skill demands and needs of existing and emerging clusters.** Cluster Investments will:

1. Target training in high-demand occupations and provide skills upgrades for current workers through direct training assistance to businesses or groups of businesses.
2. Build capacity of Oregon's workforce education and training system to address the critical needs of industry clusters in both traditional and emerging sectors.

The Cluster Investment Fund expands on the current Employer Workforce Training Fund (EWTF) program, administered by the Department of Community Colleges & Workforce Development, guided by the Oregon Workforce Investment Board and locally overseen by local workforce investment boards (LWIBs).

The Cluster Investment Fund would leverage state lottery dollars with the successful federally-funded EWTF program to increase flexibility and overcome federal fund constraints. This Fund would focus on traded-sector clusters and increase opportunities for training assistance in recruitments as well as retention of companies.

#### Why It's Needed:

Oregon's economic future is tied to the ability of Oregon businesses to fulfill their workforce needs to meet the ever increasing competitiveness of the global economy. As Oregon cluster businesses innovate to remain competitive against foreign or domestic competition, **the State of Oregon must invest along with the private businesses in advancing the skills and availability of the existing Oregon workforce.** Oregon also must invest in developing the emerging workforce necessary to meet the ongoing skilled worker needs of Oregon's traded-sector cluster businesses. To expand on the Employer Workforce Training program, an Industry Cluster Investment Fund would permit Oregon businesses to be able to meet their current and ongoing workforce demands. **The funds allocated to the Cluster Investment program would provide match and leverage to federal and private sector funds available to meet the workforce training needs of Oregon industry cluster businesses.**

Lottery funds would support investments in the following areas:

1. **Resources to expand the successful Employer Workforce Training program to match federal and private sector investments;**

2. **Resources for strategic cluster workforce needs in manufacturing, biofuels, wave energy, open source, food processing, and other existing and emerging clusters.**

These resources will support development or expediting of training curricula tied to cluster needs and regional economic demand for skills. Among the investments are the next phase for:

- Oregon's Manufacturing Workforce Strategy with Manufacturing 21, NWHPEC and other regional manufacturing coalitions
- Alternative Energy skills: biofuels, solar, wave, wind
- Nanotechnology technical training
- Open Source
- Agriculture and Food Processing
- Bioscience and biomanufacturing

What's the Benefit:

The Employer Workforce Training Program has a successful record of positive outcomes. This request expands on a proven, successful program by providing state funds to match federal funds.

Results for July 2003 – April 2006

- 404 projects in all 15 regions
- Jobs created: 1,689
- Workers to be trained: 19,745
- Average wage gain: \$1,587
- Leverage: \$10 million public/\$15 million private investment
- Industry-recognized certificates: 8,436

**The infusion of state lottery funds will double the number of jobs created and workers trained.**

**It will also support development of training courses for new and emerging clusters and technological skill needs.** For example, strategic investments of federal funds catalyzed training for the RV Consortium in Lane County, the NW Agriculture Consortium in the Willamette Valley, Wind Turbine Mechanic training in the Columbia Gorge, and FDA/bioscience training in the Portland region.

How Much Does It Cost:

\$15 million in Lottery Fund in the Governor's Recommended Budget.

Who Supports It:

This proposal is supported by the Oregon Workforce Investment Board, Oregon Economic Development Association, Community Development Forum, Oregon Manufacturing Extension Partnership, Oregon Workforce Partnership, AFL-CIO, (all remaining are pending) AOI, NW High Performance Enterprise Consortium, Oregon Business Council, Community College President's Council, and other major business, labor, education and workforce development organizations and advocates.

Why We Need Your Support:

**Businesses urgently need skilled workers** and are making decisions now about keeping and growing jobs in Oregon or in other parts of the world. Workers urgently need skills to compete for jobs. If we don't invest, we cannot Oregon workers will lose their jobs to other states and nations.

**Oregon has the opportunity to become a magnet for jobs as employers locate and expand where they find needed skills.** Employers will be the direct beneficiaries of education and training services so they can hire more Oregonians for jobs. Economic prosperity produces more revenue for healthcare, schools, public safety, and other community priorities.