



Oregon Workforce Investment Board

Legislative Priorities To Prepare Oregonians for High-Demand Jobs

Skill Up Oregon – from low skills to high-skill jobs

Concept:

HB2206 will establish the Skill Up Oregon Fund, a tool to help prepare Oregonians for high-demand jobs and help Oregon businesses and workers compete globally. Skill Up addresses work readiness, literacy and technical skills of individual Oregonians through:

1. Assessing individual gaps in the above skills.
2. Training in these skills to prepare people with current barriers to employment.
3. Training in technical skills that will focus on occupations and/or industries identified by local workforce boards and regional workforce response teams in the target clusters identified in their regional investment plans.
4. Training that will result in an industry-recognized certificate or credential in the identified target occupations.

Funds will be targeted to address the needs of transitional workers defined as:

- unemployed individuals (both individuals receiving unemployment insurance and individuals not receiving unemployment insurance)
- dislocated workers
- low-skilled workers.

The transitional workers eligible for training will be identified through an assessment of basic skills and/or workplace readiness skills approved by local workforce investment boards (LWIBs) (through standards set by the Department of Community Colleges & Workforce Development) with delivery of services through WorkSource Oregon Centers, partners and/or affiliates to promote coordination and to build a more efficient, effective, responsive, demand-driven workforce system.

Individuals who do not demonstrate basic occupational and workplace readiness skill levels will be eligible for assistance. Skill Up is intended to help transitional workers gain skills to avoid unemployment or return to employment in higher paying jobs that will deter them from returning unemployment or needing public assistance.

The Skill Up Fund is a major policy that demonstrates the state's commitment to training its workforce. It would become incorporated into Title 30; ORS 326.370 Department of Community Colleges & Workforce Development under the State Board of Education. Guidelines for the fund will be developed and approved by the Oregon Workforce Investment Board for the WorkSource Oregon system in cooperation with local workforce boards.

Why It's Needed:

Oregon is in a competitive race with the rest of the world. Nations such as China, India and many countries in Europe are restructuring from industrial to information-based economies and investing to build the skills of their workers. Key trends are creating a "quiet crisis" to which Oregon must respond, including: **globalization, demographic shifts** with an aging and more diverse workforce, **advancing technology that** requires higher levels of skills and more capacity of our education and workforce systems to respond so Oregon workers can keep pace.

Oregon has 261,227 adults, over 15% of the labor force, between 16 and 59, who are no longer in school and do not have a high school diploma. Approximately 26% of adults with low literacy speak English as a second language and represent about 4% of the labor force. **Skill Up will help Oregonians who need basic and technical skills prepare for living wage opportunities.** To be competitive, Oregon must prepare all of its citizens for tomorrow's jobs.

What's the Benefit:

Investments in 2007-09 will serve approximately 3,000 Oregonians to prepare for high demand occupations. The requested investment would enable the system to address an additional 1% of the need and would serve as the initial phase of long-term investment by the state in skills training. The workforce system current utilizes 17% of its federal dollars to deliver about 4% of its services for direct training. An allocation of state funds will complement federal investments. **Measures of success will include increased job placement, retention, pay per worker, labor force skills training, licenses and certificates due to higher levels of skills in demand in the labor market.**

The OWIB is developing a list of high demand occupations for which participants will be trained.

How Much Does It Cost:

\$10 million in the Governor's Recommended Budget, funded with an increase in the corporate minimum tax, dedicated to education and skills training.

Who Supports It:

This proposal is supported by the Oregon Workforce Investment Board, Oregon Manufacturing Extension Partnership, Oregon Economic Development Association, Community Development Forum, Oregon Workforce Partnership and other business, labor, education and workforce development organizations and advocates.

Why We Need Your Support:

It is in the state's interest to invest in skills training and education. Training leads to higher wage jobs which results in more revenue to the state to support other community services. Federal workforce resources are limited to other services and only 17% are used for direct training. This means that many Oregonians will not have the chance to move from low skills to high-skill, high-wage jobs.

There is a direct correlation between education/training and unemployment; more education = less unemployment. For Oregonians without a high school diploma, the unemployment rate is 11.8%. For those with some post-secondary college or training = 5.3%; for those with a four-year degree or higher = 2.9%.¹ This proposal is a positive step for the state to address the skills gap and raise the skills of low-skill Oregonians.

¹ 2004 Bureau of Labor Statistics