



OREGON'S WORKFORCE SYSTEM

BACKGROUND BRIEF

LPRO: LEGISLATIVE POLICY AND RESEARCH OFFICE

WORKFORCE DEVELOPMENT SYSTEM

The purpose of Oregon's workforce system is to ensure that Oregonians have access to employment and training opportunities, and that businesses can find the skilled workers they need. The system serves more than 300,000 job seekers and 11,000 employers annually, and is composed of 37 WorkSource Oregon Centers, 18 publicly funded programs, and numerous service providers.¹⁻³

Populations Served

Individual customers include youth and young adults ages 14-24 who are entering the workforce; adults transitioning from unemployment, dislocation, or public assistance to employment; and current underemployed workers who are actively working with workforce system partners to increase their skills and obtain better paying jobs. Many customers are also seeking job search strategies and skills to present themselves professionally to employers. Customers have individual needs, and belong to diverse populations such as veterans, migrant seasonal farmworkers, and workers with self-identified disabilities.⁴

Business customers are also diverse and include critical industry-sector employers from advanced manufacturing, construction, health care, wood products, food processing,

TABLE OF CONTENTS

WORKFORCE DEVELOPMENT SYSTEM

WORKFORCE SYSTEM FUNDING

HISTORY OF OREGON'S WORKFORCE SYSTEM

RESOURCES

STAFF CONTACT

¹ ["Oregon's Local Workforce Development Boards and the Workforce System,"](#) Oregon Workforce Partnership, 2017.

² [WorkSource Oregon Centers,](#) WorkSource Oregon, 2017.

³ ["Oregon's Workforce Development Strategic Plan 2012-2022,"](#) Oregon Workforce Investment Board, 2012.

⁴ ["Workforce System Unified State Plan, Program Years 2016-2019,"](#) State of Oregon, 2015.

and technology. Employers are seeking to fill openings for entry-level and skilled jobs, and are looking to develop solutions for local economic and workforce challenges.

Services & Service Locations

WorkSource Oregon (WSO) Centers are “One-Stop” locations where customers can access a full range of workforce services under one roof. WSO Centers provide four types of services:⁵

1. Exploratory Services: to determine the customer’s short-term career goals;
2. Career Services: to assess a person’s readiness to work, provide information on how the individual’s skills match the labor market, and assist in job search and placement;
3. Training Services: to provide adult education and literacy, talent development, vocational skill development, and work-based learning to customers in need of training to obtain or retain employment; and
4. Business Services: to connect employers to qualified candidates, provide customized trainings, provide employer incentives, and assist in Rapid Response activities, including layoff aversion.

Each WSO Center offers workers and employers access to a consistent array of services, as prescribed by the WorkSource Operational Standards.⁵ One-Stop Centers are organized and staffed to meet local needs.

Service Providers

Five state agencies provide workforce development services to individuals and businesses: the Higher Education Coordinating Commission (HECC), Oregon Employment Department (OED), Department of Human Services (DHS), Bureau of Labor and Industries (BOLI), and Oregon Commission for the Blind (OCB).⁶ In addition, numerous community partners deliver career and training services under contractual agreements.

⁵ [“WorkSource Oregon Operational Standards,”](#) WorkSource Oregon, 2015.

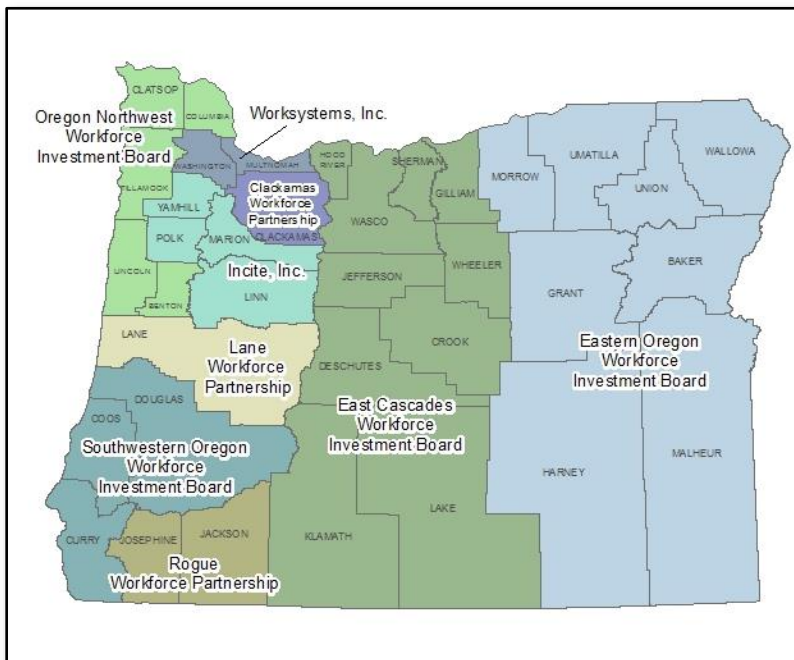
⁶ [“Oregon Workforce Investment Board Strategic Plan 2016-2020,”](#) Oregon Workforce Investment Board, 2015.

System Oversight & Planning

The Oregon Workforce Investment Board (OWIB) is the primary state entity responsible for workforce system oversight and planning.⁷ OWIB develops the state workforce system strategic plan, and reviews and approves local workforce plans. The board also convenes state workforce agencies, local workforce development boards, and other stakeholders to align strategies and resources, and to hold providers accountable for meeting performance goals and system outcomes. OWIB comprises 34 members including leaders of private-sector businesses, labor organizations, community-based organizations, state and local governments, and state agencies.

Local workforce development boards (WDBs) are public-private partnerships responsible for coordinating regional workforce systems, and are required by law to have a majority of business representatives on their boards.⁸ WDBs are responsible for developing, implementing, and

Figure 1: Oregon's Local Workforce Boards, 2017



Source: Legislative Policy and Research Office

Data: Oregon Geospatial Data Clearinghouse

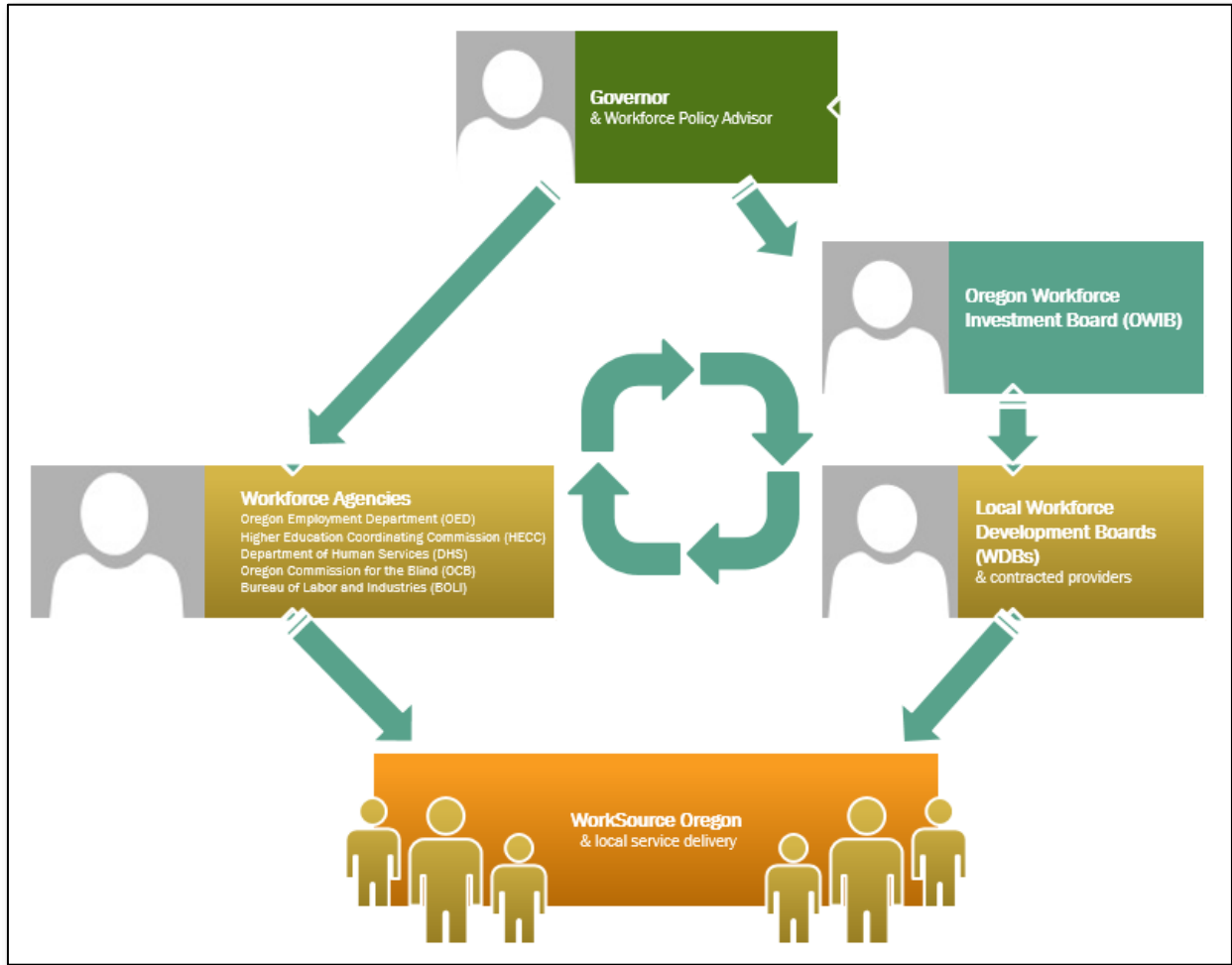
evaluating a local/regional workforce strategic plan. They also work with state partners to develop the WorkSource Oregon Operational Standards framework for service delivery. WDBs are neutral, independent brokers of training and education services for WSO Centers, investing in adults, youth, and businesses. WDBs serve as a local convener of employers, labor groups, government, community colleges, high schools, and community-based and economic development organizations. Together, these groups work to develop a skilled workforce to meet business needs and strengthen the local economy. Oregon has nine WDBs that cover all areas of the state (Figure 1).

⁷ [ORS 660.324](#)

⁸ [ORS 660.327 \(citing federal requirements\)](#)

Figure 2 depicts the governance structure for Oregon’s workforce development system and includes the governor’s office, OWIB, local WDBs, state workforce agencies, and WorkSource Oregon Centers.

Figure 2: Oregon’s Workforce Governance Structure, 2017



Source: Legislative Policy and Research Office

WORKFORCE SYSTEM FUNDING

The workforce system is primarily funded through the federal Workforce Innovation and Opportunity Act (WIOA) of 2014.⁹ WIOA funds are allocated to three federal agencies: the U.S. Department of Labor, the U.S. Department of Education, and the U.S. Department of Health and Human Services. The funds are then distributed to the appropriate state agencies within Oregon. Three state agencies are responsible for allocating federal funds to Oregon's workforce development programs: the Higher Education Coordinating Commission, Oregon Employment Department, and Department of Human Services.

Higher Education Coordinating Commission (HECC)

The HECC Office of Workforce Investments receives WIOA title I funding to serve adults, dislocated workers, and youth.¹⁰ The funding is passed through OWIB to local workforce development boards that contract with community partners to serve the intended populations at WSO Centers. The HECC Office of Community Colleges and Workforce Development (CCWD) administers WIOA title II funding for adult literacy and adult basic education, distributing funds to local providers to assist eligible Oregonians to develop and improve their basic skills, transition to postsecondary education and training, and gain employment. In addition, WIOA title II funding provides support to Oregonians with limited English abilities. The HECC also administers the Oregon Youth Conservation Corps (OYCC) with state funds.

Oregon Employment Department (OED)

OED receives WIOA title III funding for employment activities.¹⁰ As a co-owner of WSO Centers along with local WDBs, the funding provides a large portion of staffing and physical infrastructure for the One-Stop centers. OED administers the state Unemployment Insurance program, providing unemployment benefits to customers.

Department of Human Services (DHS)

DHS administers WIOA title IV Vocational Rehabilitation Services funding.¹⁰ The agency also administers programs that formally partner with the One-Stop system to improve outcomes for shared customers through the alignment of human services and workforce resources. Examples of such programs include the Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) programs. In addition, DHS receives Older Americans Act title V funding to administer the Senior Community Service Employment Program (SCSEP).

⁹ [29 U.S.C. § 32](#)

¹⁰ ["Oregon's Workforce Development Strategic Plan 2012-2022."](#) Oregon Workforce Investment Board, 2012.

HISTORY OF OREGON'S WORKFORCE SYSTEM

A nationwide employment system was created by the Wagner-Peyser Act of 1933 in the years following the onset of the Great Depression.¹¹ The law established public employment offices charged with connecting individuals seeking employment and employers seeking workers. In 1935, the Social Security Act created an unemployment compensation system and funded state Unemployment Insurance programs.¹²

In the decades that followed, several influential federal workforce system laws were passed including the Manpower Development Training Act of 1962,¹³ the Rehabilitation Act of 1973,¹⁴ the Comprehensive Employment and Training Act of 1973,¹⁵ the Job Training and Partnership Act of 1982,¹⁶ the Workforce Investment Act of 1998,¹⁷ and the Workforce Investment and Opportunity Act of 2014.¹⁸ These initiatives created job training opportunities for unemployed, underemployed, and displaced workers; low-income and youth populations; and people with disabilities.

In Oregon, the current era of workforce programs has been defined by increasing alignment and integration in administration, partnerships, planning, and service delivery. Highlights from key years include:

1989: The *Oregon Shines Report* was produced.¹⁹ The statewide 20-year strategic vision included “quality jobs for all Oregonians” as one of three goals, and created 29 quantitative benchmarks to measure Oregon’s progress towards achieving that goal. The Oregon Progress Board, an independent state planning and oversight agency, was established to monitor Oregon Shines efforts.

1991: The Legislative Assembly passed the *Oregon Workforce Quality Act*, which formally established Oregon’s current workforce development system.²⁰ State and regional workforce quality councils were established and charged with developing a comprehensive strategy to improve the quality of Oregon’s workforce.

¹¹ [29 U.S.C. § 4B](#)

¹² [42 U.S.C. § 7](#)

¹³ [“MDTA: The Origins of the Manpower Development and Training Act of 1962.”](#) U.S. Department of Labor, 1974.

¹⁴ [“Rehabilitation Act of 1973.”](#) U.S. Bureau of Reclamation, 1973.

¹⁵ [“The Labor Department in The Carter Administration: A Summary Report.”](#) U.S. Department of Labor, 1981.

¹⁶ [“Job Training Partnership Act: new help for the unemployed.”](#) U.S. Bureau of Labor Statistics Monthly Labor Review, 1983.

¹⁷ [“Workforce Investment Act of 1998.”](#) U.S. Department of Labor Employment and Training Administration, 1998.

¹⁸ [29 U.S.C. § 32](#)

¹⁹ [“Achieving the Oregon Shines Vision: The 1999 Benchmark Performance Report.”](#) Oregon Progress Board, 1999.

²⁰ [“Workforce Investment Act Service Delivery: The Case of Oregon.”](#) Willamette University Public Policy Research Center, 2003.

- 1994:** The Governor signed a memorandum of understanding with the federal government to carry out the *Oregon Option*, an agreement to move to an outcome-based intergovernmental service delivery system and to increase federal, state, and local interagency collaboration.²⁰ Oregon pioneered the model based on Oregon Shines benchmark efforts.
- 1997:** The Governor's Office of Education and Workforce Policy was established and a state Education and Workforce Policy advisor was appointed (Senate Bill 917).²¹ These changes resulted in increased communication between the governor's office, state agencies, and regional workforce councils, and heightened attention to workforce policy strategy for the state.
- 1998:** The federal *Workforce Investment Act* (WIA) was enacted.²² WIA unified and coordinated workforce development efforts through a "One-Stop" approach, providing information and access to job training, education, and employment services to clients at a single location. The law prioritized occupational training, adult basic education, public employment offices, and vocational rehabilitation. WIA also required the creation of state and local Workforce Development Boards (WDBs), the successors to earlier workforce quality councils.
- 1999:** The Oregon Workforce Investment Board (OWIB) was formed and charged with the development of the statewide strategic plan required by WIA. The board consisted of leaders of private businesses, labor, community-based organizations, state agencies, and state and local elected officials.²³
- 2011:** Governor John Kitzhaber directed the OWIB to make recommendations to transform the workforce development system from siloed agencies and programs to a highly aligned and integrated system in the wake of the great recession of 2008.²⁴
- 2012:** OWIB developed "Oregon's Workforce Development Strategic Plan, 2012-2022" in response to the Governor's 2011 charge.²⁴ The Plan laid the groundwork for significant changes to Oregon's workforce system and identified three statewide strategies to achieve its goals: 1) employer-driven partnership development to meet key industry-sector needs, 2) preparation of skilled work-ready communities, and 3) increased system innovation.

²⁰ ["Workforce Investment Act Service Delivery: The Case of Oregon."](#) Willamette University Public Policy Research Center, 2003.

²¹ [ORS 660.312](#)

²² ["Workforce Investment Act of 1998."](#) U.S. Department of Labor Employment and Training Administration, 1998.

²³ [ORS 660.324](#)

²⁴ ["Oregon's Workforce Development Strategic Plan 2012-2022."](#) Oregon Workforce Investment Board, 2012.

2013: Governor John Kitzhaber issued Executive Order 13-08 requiring the re-chartering of the state and local workforce boards.²⁵ The OWIB was re-chartered to serve as an independent advisory board to the Governor, authorized to convene state and local partners, facilitate the provision of resources to local WDBs, and monitor strategic plan implementation. Local WDBs, responsible for the coordination of regional workforce systems, became neutral, independent brokers of workforce services, purchasing services from community partners.

2014: The federal *Workforce Innovation and Opportunity Act (WIOA)* was passed and replaced WIA.²⁶ WIOA retained WIA occupational training, adult basic education, public employment offices, and vocational rehabilitation priorities. The law increased the focus on serving highly vulnerable workers, expanded education and training options, aligned planning and accountability policies, and established performance metrics.

In Oregon, the Legislative Assembly clarified the role of OWIB as an oversight body, responsible for holding local WDBs accountable for meeting performance goals and system outcomes (Senate Bill 1566).²⁷ The law required OWIB and the Governor's Education and Workforce Policy Advisor to include public and private postsecondary institutions as collaborative stakeholders. SB 1566 was the result of an effort to identify and address barriers to achieving the outcomes outlined in the 2012-2022 Strategic Plan. In addition, the Governor, at the request of local county commissioners and in collaboration with OWIB, changed the local workforce development area boundaries and corresponding local WDBs to better reflect the needs of local economies. The process resulted in the establishment of nine local WDBs rather than the former seven.

2016: OWIB published a new strategic plan for 2016-2020 as a roadmap for WIOA implementation.²⁸

2017: The Legislative Assembly re-branded OWIB as the state Workforce and Talent Development Board (WTDB) and expanded its duties to include talent pipeline development. The WTDB was charged with convening industry, workforce, and education leaders to address the state's gap in skilled talent, and to promote economic growth in Oregon (House Bill 3437).²⁹

²⁵ [Or. Exec Order No. 13-08](#), 2013.

²⁶ [29 U.S.C. § 32](#)

²⁷ [Oregon Senate Bill 1566](#), 2014.

²⁸ ["Oregon Workforce Investment Board Strategic Plan 2016-2020,"](#) Oregon Workforce Investment Board, 2016.

²⁹ [Oregon House Bill 3437](#), 2017.

RESOURCES

[WorkSource Oregon](#)

[Oregon Workforce Investment Board](#)

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