



**COMMUNITY
COLLEGES AND
WORKFORCE
DEVELOPMENT**
WORKSOURCE OREGON

Public Service Building

255 Capitol Street NE

Salem, Oregon 97310

Phone (503) 378-8648

Fax (503) 378-3365

www.odccwd.state.or.us

May 12, 2004

Ms. Emily DeRocco
Assistant Secretary
Employment and Training Administration
United States Department of Labor
200 Constitution Avenue N.W., Room S2307
Washington, D.C. 20210

Dear Ms. DeRocco:

Enclosed is Oregon's request for a waiver to allow the state to transfer a percentage of the state set-aside Rapid Response funds to the state set-aside Governor's reserve funds. This transfer will have the result of enabling Oregon to use one funding stream for the Employer Workforce Training Fund, Oregon's incumbent worker training program.

To date Oregon has distributed both funding streams to Workforce Response Teams in local regions to carry out projects, and the state has had to instruct the regional fiscal agents to keep the funds and their allowable uses separate. This is a cumbersome process, which is incomprehensible to business, and it limits the creativity of local program operators and the numbers of incumbent workers who can receive training.

Please be assured that Oregon will continue to carry out all required state level activities; the transfer would be for allowable activities only. The transfer will not diminish the ability of the state or local areas to neither respond to worker dislocations, nor will it affect local formula allocations for carrying out WIA Title IB adult, youth, and dislocated worker activities.

If you have any questions about the request, please feel free to contact me or Greg White, Executive Staff, Oregon Workforce Investment Board, at 503-378-8648, ext. 465, or greg.white@state.or.us.

Thank you for your consideration of this waiver request.

Sincerely,

Signature is on the hard-copy document

Cam Preus-Braly
Commissioner

C: John Humphrey
Betty Lock



STATE OF OREGON

WIA WAIVER REQUEST

TO ALLOW THE STATE TO TRANSFER UP TO 50 PERCENT OF THE STATE SET-ASIDE RAPID RESPONSE FUNDS TO THE GOVERNOR'S RESERVE FUNDS FOR ALLOWABLE STATEWIDE ACTIVITIES

(1) statutory or regulatory requirements for which a waiver is requested, and goals that the state intends to achieve as a result of the waiver and how those goals relate to the strategic plan goals.

Introduction

Oregon's incumbent worker training program, a Governor's initiative called the Employer Workforce Training Fund, is made up of Governor's reserve (known as 15%) funds and state set-aside Rapid Response (known as 25%) funds. The Rapid Response funds are more restrictive; they cannot be used for the training of incumbent workers, only for devising and overseeing strategies for the program or projects. To date Oregon has distributed both funding streams to Workforce Response Teams in Oregon's 15 workforce regions to carry out incumbent worker training projects, tied to demand in their regional economies. The state has had to instruct the teams' regional fiscal agents to keep the funds and their allowable uses separate. This is a cumbersome process that is incomprehensible to business, and it limits the creativity of local program operators and diminishes the numbers of incumbent workers who can receive training.

Statutory and regulatory requirements for which a waiver is requested

Oregon requests a waiver of CFR 665.320(d)(2), for funds reserved for allowable state activities under WIA Sec. 133 (a)(2), to allow the transfer of up to 50 percent of the state set-aside Rapid Response funds to the Governor's Reserve funds. This transfer ability would be analogous, at the state level, to the ability of local areas to transfer among adult and dislocated worker funds. The transfer would, in effect, create a single fund for the Employer Workforce Training Fund incumbent worker training program under the rules established for funds reserved under WIA Sec. 128 (a)(2).

Oregon will continue to carry out all required state level activities; the transfer would be for allowable activities only. The transfer will not diminish the ability of the state or local areas to respond to worker dislocations, nor will it affect local formula allocations for carrying out WIA Title IB adult, youth, and dislocated worker activities.

Goals that the state intends to achieve as a result of the waiver and how those goals relate to the strategic plan goals.

The overall goal of the Employer Workforce Training Fund is:

“To support the retention and growth of living wage jobs, a skilled workforce, and competitive business in Oregon.”

This goal is accomplished through coordination of economic development, workforce development and training entities at the local level in Workforce Response Teams to develop training projects to address the training needs of existing businesses. The waiver will increase the effectiveness and outcomes of this training fund.

The above goal of the Employer Workforce Training Fund is very well aligned with the goals of the Oregon Workforce Investment Board’s strategic plan. Goal #4 of this plan, which is the goal that deals with current workers, states: “Individuals can access life long learning that enhances their skills, wages and career opportunities.” Goal #1 of this plan is: “Business, industry and labor drive the workforce system to develop and maintain a skilled workforce.” One of the strategies under this goal is: “To make strategic investments in the gap or shortage areas to assure workers can receive needed education and training.” The Employer Workforce Training Fund is one such strategic investment.

Oregon’s Unified State Plan describes the vision for Oregon’s workforce system:

Oregon will have a world-class workforce
—well-educated, skilled and working—
to keep Oregon’s economy competitive in the global marketplace

This vision is very much aligned with the purposes of the waiver. In addition, the following goals of the plan are also aligned with the waiver:

- Enhance employment, reemployment, and job retention for job seekers and workers by providing education, training and other services necessary to assist them to move them along the wage and skill continuum.
- Contribute to maintaining and increasing the availability of a quality mix of jobs in all Oregon communities.
- Assure Oregonians have the knowledge and skills to become successful entrepreneurs and outstanding employees to allow Oregon business and industry to be highly competitive in the global economy.
- Recognizing the changing nature of Oregon's workforce, ensure equitable access to training and employment services that meet all Oregonians' needs.
- Develop an integrated, efficient and effective workforce system.

The waiver specifically addresses one of the core strategies of the Unified State Plan:

“Address the skills gap by making the education, employment and training systems responsive to skill needs identified by business and employers.”

Waiver period

Oregon requests that the requested waiver be effective for Program Year 2003 through the period of the State Unified Plan. PY 2003 is included in the request because while the funds are obligated to regional Workforce Response Teams for this program year, not all projects are developed and the dollars in most cases have not yet been expended. A factor in the slow development of projects is due to the complicated nature of working with businesses to develop training programs using the two separate funds.

(2) Actions the state has undertaken to remove state or local statutory or regulatory barriers.

There are no state or local statutory or regulatory barriers to the transfer of state set-aside funds. The state follows the federal rules. The state has done what it can in budgeting the Employer Workforce Training Fund to minimize rapid response in the fund and maximize the governor’s reserve in the fund.

(3) The goals of the waiver and expected programmatic outcomes if the request is granted.

The waiver will eliminate the barriers created when using two types of funding with different allowable uses to develop projects with business. These barriers include limitations on the numbers to be trained, the difficulty of tying the rapid response funding to training projects, the administrative difficulties of separately tracking the two funding sources and their allowable uses, and the difficulties of making the complexities of the funding transparent to business.

Specify how success and or progress on outcomes will be measured or determined, including how the baseline will be established and what data sources will be used.

The most immediate outcome of the requested transfer authority will be to increase the numbers of incumbent workers who can be trained, since training will be an allowable use of the entire fund. Initial project descriptions indicate that for projects underway or in the pipeline currently, 5-7,000 workers will be trained in projects initiated in PY03. It is expected that the transfer would increase this number by at least 20 percent, to as many as 8,400.

This is a conservative estimate and does not take into account the very real possibility of the Workforce Response Teams being able to create more projects as a result of the easing of the administrative burden and the need to use the two types of funding together. This estimate also does not include the intangible but very real improvement in the program of making the process easier for business to understand and participate.

Fiscal agents for the Employer Workforce Training Fund are required to report quarterly and annually in order for the state to track progress on various outcome measures for the program. Although trainees are not required to be registered in Title IB, the existing MIS systems will be used for reporting. Please see Attachment A for the full list of outcome measures for the program, which also may be found at <http://www.workforce.state.or.us/ewtf/word/PerformanceReportingRequirements.doc>.

(4) Description of the individuals affected by the waiver

The Employer Workforce Training Fund supports a program to train incumbent (current) workers. For the purposes of this program, “current worker” is defined as “an individual currently employed in an existing non-public business in Oregon.”

(5) Processes used to:

(i) Monitor the progress in implementing the waiver

Implementing the waiver itself will be an administrative procedure of simply transferring the funds.

Because the Employer Workforce Training Fund has specific, quantifiable program outcome measures, it will be possible to measure the effectiveness of the program before and after the waiver is implemented. In the outcome measures for the program, we expect the numbers trained to increase. The transfer may also result in shorter cycle time (time from the receipt of a completed application to approval), a reflection of the savings of administrative time due to developing projects using a single fund.

(ii) Provide notice to any local board affected by the waiver, and

Please see the answer to (iii), below.

(iii) Provide any local board affected by the waiver an opportunity to comment on the request

This waiver was developed at the request of local boards. The boards were concerned because of the difficulty of developing effective training programs using the two types of

funding. State staff developed the concept for the waiver and presented it to local board staff at the regular meeting of the Oregon Workforce Partnership (OWP – the local board association in Oregon) on April 9, 2004. Local board staff enthusiastically supported proceeding with requesting the waiver. The OWP appointed two members to review the draft waiver request document before it was submitted.

In addition to joint local/state development of the waiver, the state is carrying out a 30-day public notice and review process. The process began on April 26, 2004 with the publication of a public notice in newspapers statewide, and the comment period ends on May 27. Besides publishing the notice in newspapers statewide, the public notice document was mailed to over 400 individuals and organizations, including local board staff and chairs, labor and business organizations, state agencies, the Oregon Workforce Investment Board, other boards and commissions, local elected officials, and other interested stakeholders. After the public review and comment period, the waiver request will be presented to the Oregon Workforce Investment Board for approval. After the end of the comment period, all comments received and a description of their resolution will be forwarded to DOL.



Attachment A

Department of Community Colleges and Workforce Development Employer Workforce Training Fund Reporting Forms Performance Reporting Requirements

| Performance Measures | Quarterly Regional Reports | Tracked by State | Final Project Report |
|---|---|--|---|
| Number of jobs created | | Met or exceeded median private sector hourly wage by county; | Final cumulative totals for items reported in quarterly reports |
| Number of jobs retained | | Wage increase | Increase in productivity |
| Certification rate for those in training resulting in certification | | Job retention | Percent of reduction in the amount of rework or production waste gained as a result of the training or capacity-building activity |
| Amount and percentage of private sector match (leverage) | | Reduction of turnover rate in company | Saved operating cost as result of QA or technology-related training |
| Cycle time: from receipt of completed application to approval (goal of 30 days) | | Return on training investment: Cost per training completion | Decrease in product cycle time |
| Number trained, number completing training | | Return on training investment: ROI measure to be developed | Curriculum shared or training replicated |
| | | Percent of workforce trained in region/industry | Increase in competitiveness of company |
| | | | Increase in capital investment (new investment in equipment or facilities) |
| Reporting | Quarterly reports are due 15 days after the end of each calendar quarter. Reports are required for each project as well as a cumulative report for the region as a whole: 9/30 3/31 6/30 12/31 | No reports due from Regions on these measures | Final reports are due 60 days after the end of each project. |