

Workforce Investment Act Service Delivery: The Case of Oregon

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This study was based on documents gathered and interviews conducted with state and local workforce system officials during September and October 2002. It does not reflect any changes that have occurred since that time. We provide an overview of the implementation of the Workforce Investment Act both at the state and local level in Oregon. In particular, Local Workforce Regions 3 and 10 and the Oregon Consortium/Oregon Workforce Alliance were selected as case studies; we visited one-stop shops in Salem, Bend and Redmond.

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The views expressed herein are those of the authors and do not reflect the views of Willamette University or the Public Policy Research Center.

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Executive Summary

1. Background Information

Oregon's implementation of WIA, the challenges the state has faced, and the strength it has built in the area of workforce development have been predicated on several key policy developments in the state in the preceding decade:

- In 1988, Oregon embarked on a state strategic planning process that culminated in the Oregon Option – a federal, state, and local effort to increase interagency collaboration and move to an outcomes oriented intergovernmental service delivery system for a range of social and governmental services.
- Oregon's Department of Human Services and its Employment Department both operate regional networks of field offices and both have taken an integrated "One-Stop" approach to service delivery within their own agencies. Early in the 1990s, state legislation around Oregon's welfare reform waiver required that the JOBS program for TANF recipients be contracted throughout the state either to local community colleges or to JTPA providers.
- Early in the 1990s, Oregon began a process of coordinating workforce service delivery among partner agencies. This included the establishment of state and regional workforce quality councils (a precursor to Workforce Investment Boards or WIBs), the establishment and certification of a network of One-Stop career centers, and the development of system wide performance measures. Oregon received federal One-Stop planning and implementation grants in 1995 and 1997, respectively.

2. Leadership and Governance

State agencies provide significant leadership, governance, and guidance to the workforce investment system. Major leadership in Oregon comes from the Governor's Office, the Oregon Department of Community Colleges and Workforce Development, and the Oregon Employment Department. The state economic development agency has not been heavily involved. The Governor is also advised by a Workforce Policy Cabinet, comprised of directors and staff from partner agencies. The cabinet is a key element in interagency cooperation and information dissemination as it relates to workforce policy. Legislators, labor representatives, and the business community have played a relatively smaller role at the state level, although at the local level, the business community is often prominently involved in planning.

In keeping with much of Oregon's political tradition, a significant amount of the control of the workforce development system is retained at the local level. Oregon has a two-level hierarchy of local and regional workforce areas. For federal and state reporting and governance purposes, Oregon's 36 counties are divided into seven *local* workforce areas. Twenty-three of the more rural counties are contained in one *local* area (The Oregon Consortium/Oregon Workforce Alliance area, or TOC/OWA), which is further subdivided into nine *regional*

workforce areas. Each of the nine regional areas has a regional WIB, Title IB contract, and One-Stop system of its own. Staff to the WIB of the TOC/OWA area serve as an umbrella organization providing coordination between the nine *regional* areas and the federal and state agencies. The six *local* workforce areas outside of TOC/OWA are considered to be *regional* workforce areas as well. Thus, for federal as well as for many state purposes, there are seven *local* workforce areas, but much local control is retained within the full complement of 15 *regional* workforce areas as well. This arrangement appears to have been quite successful in providing remote rural areas strong representation and support, while still yielding a significant amount of local control to them.

3. Workforce System Planning

Oregon had extensive experience in coordinated workforce planning prior to WIA. In the 1990s, a state planner's group was put in place to develop a Comprehensive Workforce Plan to guide state efforts to coordinate workforce system planning. The same group developed guidelines for the state and local planning process and oversaw the development of the state unified plan. The initial intent was to develop a state plan that was a strategic document. However, in order to respond to late and conflicting federal directives, the plan ultimately became more of a compliance document.

The state unified plan includes the following programs: WIA Titles I, II and III, Perkins III, Welfare to Work, Trade Act Programs, Veteran's Programs, Vocational Rehabilitation, Senior Community Service Employment Program and Unemployment Insurance. In addition, TANF and Oregon Food Stamps Employment and Training were included in WIA planning by state option. The state agencies that were signatories to the plan were the Governor's Office, the Department of Community Colleges and Workforce Development, the Employment Department, and the Department of Human Services (including Vocational Rehabilitation, Senior and Disabled Services, and Adult and Family Services divisions).

Governor's office staff and staff from other key workforce agencies provided assistance to local areas in developing local plans. Similarly, TOC/OWA staff provided assistance to their nine regional areas.

4. System Administration: Structure and Funding

Oregon's local and regional WIBs have direct administrative control over WIA Title I funds only and are expected to have indirect influence over other programs and services via collaboration. Each of the 15 workforce regions has one or more certified One-Stop centers. Regional variation is the rule rather than the exception; the design of One-Stop systems has intentionally been left to local control. Most One-Stops are characterized by the physical co-location of all mandatory partners as well as any number of other organizations and services. In some cases, however, co-location is more virtual than physical and is achieved via referrals and electronic resources. Success at achieving coordination and integration among partners varies widely across the state.

The One-Stop systems in the 15 workforce regions are each governed by an umbrella Memorandum of Understanding (MOU) that is signed by the One-Stop partners in that region.

The MOUs spell out the level of participation of each partner and the cost-sharing arrangements for operating the One-Stop system. For any number of reasons, the development of the MOUs was the single most contentious issue to surface during the implementation of WIA. Difficulties included:

- The requirement to put many elements of previously informal cost-sharing arrangements in writing was destructive to working relationships that existed prior to WIA.
- In many cases, there was a sense that the transactions costs associated with creating the MOUs were greater than the cost sharing that was being governed by them.
- Because many of the local partners are field office staff from state agencies, the state Attorney General required a level of state involvement and control over MOUs.
- Continued revision of state and federal regulations caused many MOUs to be drafted and approved by their boards any number of times before they were finalized.

A number of major concerns regarding system funding have arisen under WIA:

- The lack of designated funds for One-Stop operations, giving rise to the difficulties associated with cost sharing. Cost sharing also makes the system vulnerable to the shifting budget conditions and priorities of state agencies.
- The lack of designated funds for local and regional WIB activities. The state has allocated some funds directly to local and regional WIBs for activities such as staff support, board development, and special projects. However, there is some sense that all such funds should be increased and allocated directly.
- There is a general perception that the funds currently available for training under WIA are inadequate. This is in part because of the universal service requirement, but in part simply due to low funding levels provided through a formula that does not sufficiently adjust during times of increased demand due to high unemployment.

5. One-Stop Center Organization and Operations

While Oregon's One-Stop systems are intentionally locally designed and controlled, some commonality emerges from the presence of staff and systems from the Employment Department and the Department of Human Services, both centralized state agencies. The state also provides guidance to One-Stop centers in the form of a checklist for core services that should be present in each center, a statewide recertification process, and a statewide workforce system logo. Also important to the development of the One-Stop systems are state provided definitions of "access points" and "value-added referrals."

The influence of the business sector on the system comes primarily through business membership of the local, regional, and state WIBs and through the business sector orientation of the Employment Department. The state and some local WIBs have programs for incumbent worker training grants for businesses and the state has undertaken a health care sector initiative. The Employment Department has business sector liaisons on staff in each region and some Title IB providers have also hired business sector liaison staff. Some One-Stop systems also have a strong connection to local economic development efforts.

Cost-sharing arrangements in One-Stop systems vary widely. Most commonly the staff of each partner agency are paid and supervised by their “home” agency, and receive their computers, software, and technical support from that agency as well. Beyond that, arrangements for sharing other center costs vary widely. There is uniform concern that negotiating cost-sharing arrangements is time-consuming and problematic.

6. Services and Participation

Oregon’s One-Stop centers provide universal service to all adults, whether they are currently employed, never employed, dislocated workers, or TANF clients. Special services are available in many locations to various sub-populations with special needs, but centers do not generally specialize in serving one kind of clientele. A “work-first” philosophy is not espoused at either the state level or in *most* of the local areas or regions, although a *few* have officially adopted a “work-first” stance. Instead, most center staff interviewed referred to the need to provide services that are appropriate for each individual client as well as to provide universal access. However, most also agree that in a world of real budget constraints and a commitment to universal access, access to training is very limited. Many view the system as having effectively become a “work-first” system due to limited funding, regardless of intent and underlying philosophies.

7. Market Mechanisms: Their Use and Effects

The state of Oregon holds local and regional areas to standards of performance excellence in a fashion that is largely parallel to the federal requirements for the state. The state uses 15 percent reserve funds to provide both incentive awards to areas meeting those standards and technical assistance to those areas not meeting the standards.

Oregon state agencies involved in the workforce system have a long history of working together on a system wide performance measurement system. To date, three measures have been implemented while ten others are in progress. There is a strong sentiment that system wide measures are more conducive to collaboration and coordination among agencies than the individual and disparate reporting that each is required to do in response to separate federal legislation. The state is currently considering requesting a waiver from DOL to use these measures for reporting under WIA.

Under WIA, a number of related issues involving performance measures, eligible training provider certification, the definition of training, and Individual Training Account (ITA) use have posed complications in Oregon that have been resolved at the state level by adopting a number of policies. The first of these issues relates to the definitions of training and eligible training providers: Oregon’s stringent consumer protection laws limit the kinds of programs that can be certified as post-secondary education and training to those that provide 400 contact hours or more. Limiting the use of ITAs to these programs would have severely limited the feasibility of training for most clients, as well as putting Oregon’s measured credential rate considerably out

of line with other states. For the purpose of ITA use, Oregon adopted new definitions of intensive services and training consistent with more generally recognized definitions. The state also created a generic new program definition within which community colleges can easily provide programs that meet the revised definitions. These provisions allow the most commonly used training programs, those that are within the time constraints and financial limitations of typical clients, to be pursued with the use of ITAs. In addition, in conjunction with the new definitions of training programs, Oregon has also adopted new consistent definitions for certifying credentials.

A second issue concerns the reporting requirements for providers under WIA that may deter training providers from recertifying and remaining on the Eligible Training Provider (ETP) list. The state workforce agency has taken on the responsibility of collecting the necessary provider performance data. At present, Oregon's ETP list is available on-line but other training provider "consumer report card" information will not be available until the state has completed the development of the provider performance measures data collection system.

Finally, a third set of issues relate to the performance measures mandated by WIA. These include:

- state data confidentiality restrictions regarding the sharing of unemployment insurance data,
- the perceived subjective nature of negotiated performance level standards and the absence of the local regression models that were used under JTPA,
- and the lack of performance evaluation measures that can be used for management improvement on a real-time basis.

8. Information Technologies in the One-Stops

Oregon has an extremely well-developed labor market information system, providing relevant information on industries, occupations, wages, job requirements, and market conditions to employers and job seekers alike. Information is available in both web and traditional formats. Similarly, all state Employment Department job listings are available via a web-based interface. Other web and computer-based resources are prevalent in One-Stops, and staff provide assistance to clients who are not computer literate.

The state will soon be providing One-Stop staff web access to a centralized management information system through which they can analyze and track their performance on a detailed basis. However, staff computer usage and client information systems are not coordinated or centralized for most other purposes. One-stop staff typically use the separate computer systems of their "home" agency. Sharing of client information across agencies occurs systematically only for some staff in some centers. Oregon's One-Stops do not consistently use computer tracking of clients service usage via swipe cards or other mechanism, although some methods are being piloted in some regions.

9. Summary Observations and Reauthorization Issues of Special Concern

Those involved in the workforce investment system in Oregon uniformly agree with the underlying concept embodied in WIA of unifying and coordinating workforce development efforts at both the state and local levels. Many laud the goal of accomplishing universal access and note that WIA has done an excellent job of promoting the use and importance of Labor Market Information Systems (LMIS). However, Oregon has long had a well-developed LMIS and had already embarked on a path towards coordinated workforce efforts. While some believe that WIA helped Oregon move further along that path, others disagree, believing that it has been a hindrance.

The major difficulties that have arisen in implementing WIA include:

- the difficulty of the initial MOU drafting process,
- the lack of funding dedicated solely to One-Stop operations,
- the difficulty of operating an integrated system within the shadow of existing funding silos,
- the tensions inherent in involving centralized state agencies in decentralized local partnerships,
- the concern that “one-size-fits-all” One-Stops do not meet the needs of all clients equally well,
- the lack of performance evaluation measures that can be used for management improvement,
- the unwieldy nature of large WIBs,
- the difficulty in maintaining sustained involvement in the business community,
- inadequate funding, especially for local WIB activities and for training
- concern that universal access mandates as currently implemented inherently detract from the ability to provide more intensive services and training,
- and the lack of integration between the workforce investment system and the state Department of Human Services, including the development of human service multi-service centers that are separate from the workforce One-Stop system.

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Section 1. Background Information and Issues

Several key developments during the last decade contributed significantly to Oregon's current workforce development system. First, in the decade preceding WIA, Oregon had increased its emphasis on service integration and coordination, and collaboration between federal, state, and local agencies and among various state agencies under the auspices of the Oregon Option. Second, Oregon has a tradition of local control that is reinforced by policy decisions and the structure of state and local government. Finally, Oregon passed significant legislation establishing Oregon's workforce development system with the *Workforce Quality Act* in 1991 and Senate Bill 917 in 1997. Additionally, in 1999 House Bill 2989 was passed to bring Oregon's system into alignment with the requirements of WIA. In this legislation, Oregon included TANF and food stamps as mandatory WIA partners at state option.

Oregon Shines and the Oregon Option. Oregon's recent history of service integration, collaboration between levels of government, and an emphasis on local control can be traced to a state lead effort that began in the late 1980s. In 1988, Oregon developed an outcome-oriented strategic plan called Oregon Shines. The planning process acknowledged the need for a long term perspective to help the public and policy makers set priorities and allocate resources appropriately, in order to achieve a goal of improving the delivery of social services by all levels of government. Among other goals, the strategic plan identified the strengthening Oregon's workforce development system.

As a result of the Oregon Shines plan, the 1989 Oregon Legislature created the Oregon Progress Board. One of the board's major objectives was to establish a series of benchmarks that could be used to track progress in areas such as health care, education, jobs, and the environment. The state legislature formally established these benchmarks into law in 1991. As

the outcome-oriented focus became embedded in the business of social service delivery in Oregon, collaboration increased among state agencies, local government, and nonprofit organizations. This effort was reinforced when, in 1994, the federal government joined with Oregon to create The Oregon Option, the purpose of which was spelled out in a memorandum of understanding signed by state and federal officials in December 1994: “to encourage and facilitate cooperation among Federal, State and local entities to redesign and test an outcomes oriented approach to intergovernmental service delivery.”

Local Control and Collaboration. Simultaneously there were efforts to promote collaboration and coordination across programs within state agencies.¹ For example, in the 1990s the state Department Human Services (DHS) attempted to encourage collaboration through locally implemented initiatives designed to integrate the social services provided by DHS. Eventually, the efforts by Jackson and Coos counties in this regard served as a template for statewide implementation. In the 1990s, the state further supported service integration efforts within DHS by adopting significant organizational changes within DHS and by providing increased flexibility in funding across DHS programs. In addition, DHS has a network of regional offices throughout the state. In each of the 16 regions, which are called service delivery areas (SDAs) by DHS, state employees deliver services related to a number of programs including TANF, food stamps, childcare, child welfare programs, the Oregon Health Plan (Medicaid), and vocational rehabilitation. The regions provide a mechanism for the establishment of collaboration at the local level. As part of a recent adjustment of the geographic boundaries of these regions, DHS has aligned the SDAs so that they are nearly identical to the

¹Ragan, Mark, “Service Integration in Oregon – Successful Local Efforts Influence Major State Departmental Reorganization,” draft report by The Rockefeller Institute of Government for the Casey Strategic Consulting Group, January 2002.

workforce regions created under WIA. A key feature of the DHS reorganization is the establishment of a SDA manager in each region, in contrast with the previous system in which state employees in the regions would report to program managers in the state capitol.

The importance of the local area is also evident in a particularly strong network of regional Employment Department field offices throughout the state. A creative funding structure² has helped the Employment Department to support both a highly developed labor market information system and a fairly large and well-staffed network of regional offices.

In 1994, Oregon applied for and received a welfare reform waiver. Under Oregon's waiver, DHS set up multi-service centers for the integrated delivery of their own services related to the JOBS program operating in conjunction with AFDC. These multi-service centers are separate from One-Stop centers that have been set up under workforce initiatives, which sometimes involve partners from DHS as well. Initially, the waiver required that the prime contractor for the JOBS program be either the local community college or the local JTPA provider. This requirement further strengthened the involvement of the community colleges in the workforce system and connections between the welfare system and the other workforce system partners.

Many community colleges in Oregon have a long tradition of involvement with workforce issues in Oregon. In parts of rural Oregon which are remote and sparsely populated, there has been little incentive for private providers to deliver services and local community colleges have traditionally filled the gap. However, in the larger metropolitan regions (e.g. Portland, Salem), community colleges have been very involved in the workforce system as well. Statewide, community college regions and local workforce areas are closely aligned.

² See Section 4.D. for a discussion of the Employment Department's use of the Supplemental Employment Department Administrative Fund (SEDAF).

Workforce Development in Oregon Prior to WIA. Oregon’s vision for workforce development and a human capital investment policy was further refined in the mid-1990s under the second state strategic plan, Oregon Shines II. In July 1996, the Governor’s office developed a framework for Oregon’s human investment policies, which was outlined in a document by the same name. The Governor directed the heads of state agencies to embrace this policy by “using this framework in a collaborative fashion to examine your current programs and policies and determine changes and/or linkages that may be necessary. In addition this framework can be used as you work with your local partners to better coordinate your efforts.”

Many of the features of the Workforce Investment Act of 1998 can be found in earlier legislation enacted in Oregon. In 1991, the Oregon legislature enacted the Oregon Workforce Quality Act, which created state and regional workforce quality councils. These were conceptually quite similar to the WIA Workforce Investment Boards. The act specified that the workforce quality councils were responsible for developing a comprehensive strategy to improve the quality of Oregon’s workforce. Senate Bill 917, passed in 1997, further refined Oregon’s workforce development system. Several key features present in the 1991 Workforce Quality Act were extended, including efforts to coordinate key state agencies, engage the private sector (business and labor), establish regional workforce committees, and emphasize outcomes.³ Senate Bill 917 added several new aspects to the workforce development system, including more direct involvement of the Governor’s office, regular meetings between the leadership of the regional workforce committees and directors from seven key state agencies, a shift in the focus of the regional workforce committees away from operations toward strategic policy, and

³ Regional Workforce Committees were “to advise on regional and local needs for workforce development, to prepare plans for achieving regional goals and to coordinate the provision of services within regions.” The chair and a majority of each committee was required to come from the private sector, including both business and labor representatives.

increased coordination between regional economic development and workforce entities. In 1997, Oregon also received a federal One-Stop planning and implementation grant that helped fund the continued development of an integrated workforce system. The state developed a minimum set of standards for One-Stop operation and certification.⁴ However, the regional boards had no authority to require the implementation of their policies or enforce any planning provisions.

Section 2. Leadership and Governance

A. Leadership

In the first stages of WIA implementation, the Governor and his staff played a major role in coordinating Oregon's implementation. For instance, the Governor's Office took the lead in developing the unified plan and advising local areas on developing Memoranda of Understanding (MOUs) and local plans. The Governor was involved in the development of the 1999 WIA enabling legislation. Per that legislation, the Governor was responsible for designating the local and regional workforce areas and appointing members of the state Workforce Investment Board (WIB). Under the Governor's leadership, 7 local areas were designated based on federal population requirements, in addition to the 15 regional WIBs that used same regional organization that had been established under previous state workforce legislation (see Section 1). At the behest of their local elected officials, the nine most rural workforce regions chose to remain unified as one local workforce area (The Oregon Consortium/Oregon Workforce Alliance area) for state and federal reporting purposes, as they

⁴ See "A Report on the Certification of Oregon's One-Stop Career Centers" (<http://www.workforce.state.or.us/ocnonestop/reports/Report.pdf>)

had under JTPA.⁵ The Governor's Office of Education and Workforce Policy staffs the state WIB and took responsibility for major tasks associated with implementation. The state WIB was actively involved in early policy development and implementation issues but has exercised less of a leadership role in the most recent period.

In addition to the Governor's Office, major leadership on WIA comes from the Oregon Department of Community Colleges and Workforce Development (CCWD) and the Employment Department. These two agencies were jointly designated as the lead WIA agencies. Together they have built a system wide performance indicator system, and each have staff that act as workforce system liaisons both between state agencies and from state agencies to the local level. However, on a day-to-day basis, CCWD plays the more primary role. They receive and administer Title I funds, and provide technical assistance and support to the local workforce areas. In addition, the Governor is advised by a Workforce Policy Cabinet that includes directors and staff from numerous state agencies.⁶ The Policy Cabinet plays a key role in interagency cooperation and information dissemination throughout each member's respective agencies as it relates to workforce policy.

The legislature, business, labor, and nonprofit providers have all been involved in the workforce system via membership in the state and local WIBs. Beyond state WIB membership, legislative involvement in WIA has been limited to development of the 1999 enabling legislation. Maintaining business sector involvement is of concern, particularly at the local level,

⁵ Maps of the regional and local workforce areas are shown in Appendix A.

⁶ These agencies are the Department of Human Services (including Services to Children, Adults and Families, Seniors and People with Disabilities, Vocational Rehabilitation), Economic and Community Development Department, Department of Education, Employment Department, Department of Community Colleges and Workforce Development, Governor's Office of Education and Workforce Policy, Disabilities Commission, Oregon University System Chancellor's Office, and Commission for the Blind.

as business sector members are extremely busy, participate on a volunteer basis, and become increasingly frustrated with the slow pace at which government entities act.

B. Governance and Decentralization

There is a perception among many that WIA has both increased and decreased state authority for developing its workforce system. Fundamentally, responsibility for WIA rests with the Governor's Office. The state is now involved at the local level in developing and approving local MOUs and plans, developing statewide performance indicators, setting policy, and providing technical assistance and support. However, at the same time, the 1999 enabling legislation made explicit a long tradition of local control in Oregon, and local elected officials and WIBs primarily govern the design of the workforce system at the local level. Tension exists, however, between elements of state and local control. Local WIBs are very autonomous, but subject to state overview of performance measures. Furthermore, field employees and field offices of state agencies are major partners of local One-Stop systems (namely the Employment Department and the Department of Human Services). The supervision of these employees and their participation in the One-Stop systems is ultimately controlled at the state level. On the other hand, the two other key One-Stop system partners are community colleges and Title IB providers. In each locale, each of these is an independent entity that functions as part of the workforce system by contractual relationship. Community colleges are funded by local taxes and state general funds in the same fashion as K-12 school districts and governed by local boards. In the case of both community colleges and Title IB providers, the state Department of Community College and Workforce Development (CCWD) writes some overview policies, and provides support and technical assistance. Furthermore, CCWD receives and distributes WIA

Title I funds to the one-stop system. However, CCWD does not govern these independent entities.

The Oregon Workforce Investment Board (OWIB) was newly constituted in response to WIA, with a few members coming from the entity that preceded it, the Oregon Workforce Advisory Committee. The board consists of 37 members as described in Appendix B and includes representatives of business, labor, local and state elected officials, state agency directors, and nonprofit service providers, among others. Level of participation reportedly varies across board members, but there is a general consensus among those interviewed that the board might be too large to be an effective body. In part, too much board diversity can bring too many competing interests to the table. Different members have different amounts at stake in the workforce system and yet all members have an equal vote. This has the potential to create an unbalanced policy process. Some have suggested that the composition of Washington's much smaller (11 member) state board is a more effective model.⁷

Local and Regional Structure. As alluded to above, however, Oregon's structure of local workforce areas in fact involves a two-level hierarchy. For the purposes of compliance with federal requirements under WIA, Oregon has seven *local* workforce areas, which each correspond to a PIC region under JTPA. Six of these areas are comprised of between one and three counties each, and together account for all but one of the metropolitan areas in the state.⁸ The remaining 23 counties are incorporated in one local workforce area known as The Oregon Consortium/Oregon Workforce Alliance area (TOC/OWA). However, within TOC/OWA there also nine separate workforce regions (each typically comprising two or three counties), each of

⁷ This board is small by virtue of having been 'grandfathered' in from its pre-WIA form.

⁸ The exception is Bend, which is part of the seventh local workforce area and has only recently grown to the point of being designated as a metropolitan area.

which has its own WIB, MOU, and One-Stop system (and each of which was defined in state legislation as a workforce region prior to WIA). To distinguish between these two levels of geographic definitions, the seven local workforce areas are referred to as the “local workforce investment areas” and their boards are referred to as the “*local* WIBs” (using the federal language). The 15 areas are referred to as the “workforce regions” and the WIBs within TOC/OWA are referred to as the “*regional* WIBs.”

Oregon’s WIA enabling legislation specifies that the chief elected official in each county is a county commissioner or judge.^{9,10} The state WIB is charged with developing criteria for local WIB membership, which in turn are used by the chief elected officials to designate their local boards. These criteria, which are specified separately for local and regional boards, are detailed in the Oregon Workforce Advisory Committee policy included as Appendix C. Once designated, the local WIBs, in consultation with their county commissioners, may certify local One-Stop providers, determine the necessary level of services for their region, and so on. The Governor must certify local boards every second year (see Appendix C); local WIBs are responsible for certifying any regional WIBs that they might contain (as in the case of TOC/OWA).

Most regional and local boards, are newly created entities, although commonly their membership is in part drawn from previous PIC and regional workforce committee membership. To our knowledge the only preexisting boards to be grandfathered in as local WIBs are those in Region 2 (Multnomah, Tillamook and Washington Counties) and Region 3 (Marion, Polk, and

⁹ In practice, the chief elected official is typically the chair of the three-member county board of commissioners.

¹⁰ Or, in the case of the city of Portland, which receives WIA funds in its own right, the mayor of Portland is designated as the chief elected official.

Yamhill Counties).¹¹ However, substantial numbers of previous PIC members continued to serve on the WIBs.

TOC/OWA. The Oregon Consortium is a voluntary partnership of the 23 member counties, first formed under the CETA, later operating under JTPA, and now designated as a workforce investment area. The Oregon Consortium Board of Directors consists of one local elected official from each of the 23 counties within the workforce investment area. The 48-member Oregon Workforce Alliance was newly constituted to create the WIB for this local workforce investment area, replacing its PIC predecessor. Together, the Oregon Consortium Board of Directors and the Oregon Workforce Alliance administer programs throughout the 23-county area via an administrative office located in Albany and a network of local grant recipients and service providers. The TOC/OWA area covers about 80 percent of the state's land area and a population of about 800,000 (about 23 percent of the state's population).

For the purposes of interacting at the state and federal levels, TOC/OWA bears responsibility for and represents the nine workforce regions that are subsumed within it. This responsibility includes oversight of the certification of One-Stop centers and compliance with state-negotiated performance standards for the entire local area. However, within TOC/OWA the regional WIBs have been given considerable local responsibility and control over their own One-Stop systems.

The TOC structure confers any number of advantages. The central TOC/OWA staff is able to provide technical support and assistance that is consistent across the rural areas of the state. Member regions are able to confer with one another on a regular basis and informally

¹¹ Region Three's Regional Workforce Committee had previously been formed by a merger of the area PIC and the area Workforce Quality Council.

learn from one another's best practices. By design, the structure also provides far-flung and sometimes sparsely populated areas of the state strong and consistent representation in state level discussions. Also by design, the TOC actively involves elected officials on a continuous and regular basis that may not characterize the involvement of elected officials in other areas. One downside of this structure is the cost involved, in terms of both time and money, for board members to attend meetings (the locations of which rotate around the state). Another downside is that the TOC structure is inconsistent with the other major regional service delivery structures within the state (e.g. education and human services), that are based on the 15-region structure. Nevertheless, the TOC structure appears to serve Oregon's rural communities quite well.

Section 3. Workforce System Planning

Upon passage of the WIA, the state's Human Resource Investment Council (the Oregon Workforce Advisory Committee) recommended, and the Governor adopted, a state policy requiring unified planning efforts at both the state and local levels to implement the WIA for multiple workforce programs. The Oregon Governor's office coordinated the development of the state's 5-year unified plan and provided assistance to local and regional areas in the development of their plans. TOC/OWA staff also provided assistance to the workforce regions within their area in developing of those regional plans as well and rolled the nine regional workforce plans into a unified TOC/OWA plan. In May 1998, prior to the passage of the WIA, Oregon had already adopted a Comprehensive Workforce Plan and had long been working toward coordinated workforce planning. Thus, the development of a unified plan under WIA, while incorporating some different elements, did not require a shift in "culture" or the development of a planning process from scratch.

Oregon's planning process was carried out by the state planners group, led by Governor's Office staff. This group was originally formed under the Oregon Option and is composed of the individuals responsible for completing the various plans required at the federal level for the funding of workforce programs. Local level interests are also represented. The state planners group created guidelines for the state and local planning efforts.

The Governor's Workforce Policy Cabinet also continued comprehensive planning efforts and constructed an inventory of workforce services. The inventory identified all services delivered by state agencies, and categorized those services as "core, intensive, and training" under WIA. This inventory was given to local areas to help them design a coordinated workforce system. In addition, the cabinet, with the input of the state Workforce Investment Board and local partners, redefined the state's goals and strategies to reflect the more integrated and customer service-driven approach that the state and local partners need to offer under the WIA. Ten task forces were created to look at all aspects of workforce system issues.

However, given a legislative directive (in the state's WIA enabling legislation) to emphasize local control, the state did *not* adopt many specific directives on how the One-Stop system should be developed at the local level. Notably, the state has not adopted policies requiring the local boards to use certain methods for selecting or certifying One-Stop providers, or for recertification of One-Stops, which is the responsibility of the WIBs. The One-Stop certification and re-certification process has been administered by the WIBs in accordance with the WIA.

The state unified plan encompasses the following services and programs: WIA Titles I, II, and III; Perkins III, Food Stamps Employment and Training, TANF, Welfare to Work, Assistance Act, Veterans Programs, Vocational Rehabilitation, the Senior Community Service

Employment Program, and unemployment insurance. The state agencies that were signatories to the plan included the Governor's Office, the Department of Community Colleges and Workforce Development, the Employment Department, and the Department of Human Services (including the Divisions of Vocational Rehabilitation, Senior and Disabled Services, and Adult and Family Services).

**One-Stops in Region 3:
Marion, Polk, and Yamhill Counties**

In Region 3, the MOU signing One-Stop partners include the Oregon Employment Department, Chemeketa Community College (the Title IB fiscal agent and Title IB provider), TANF, Vocational Rehabilitation, and Experience Works (a national nonprofit organization promoting the employment of senior citizens). Together, these partners collaborate to operate seven One-Stop centers in the three-county area. Each of the One-Stops has (at least part-time) on-site representation from each of these organizations; all provide their services as a partner to the MOU. There are no separate contractual arrangements. The size of the One-Stops vary from a downtown center in the urban core of the area with a staff of 47 to smaller One-Stops in more dispersed areas. Overall, One-Stop staff in the region number 212. Employment Department services at One-Stops typically include Wagner-Peyser Act Employment Services, services to the business community, and veteran's services specialist(s). In addition, various One-Stops have special outreach and assistance for migrant seasonal farm workers, JOBS plus program management, management of TANF clients enrolled in a special pilot project being evaluated by MDRC, and TRA-NAFTA assistance. It should be noted, however, that some representatives from TANF that were partners at One-Stops are currently not present due to agency reorganizations and budget constraints. One-stop staff then makes 'value-added referrals' to a TANF field office as needed (see the discussion of "value-added referrals" in Section 5.A).

Region 3's One-Stop centers are considered to be among the most integrated and mature of all One-Stop efforts in the state. This has roots in a long regional history of cooperation among the major partners -- the Employment Department and the community college -- and in efforts to develop a One-Stop workforce system service delivery mechanism that preceded WIA. Thus, the major partners have agreed to a level of coordination in One-Stops that is not seen elsewhere in the state. Of the seven One-Stop centers, three are located in community college owned buildings and four are located in buildings owned by the Employment Department. At community college sites, community college staff have day-to-day supervisory authority over *all* staff on-site. At the Employment Department sites, department staff provide the supervision. This agreement has been reached even while these employees have separate formal supervisors within their own agencies, receive their paychecks from separate agencies and in many instances are governed by different union contracts. At these centers, all center staff meet together on a regular basis, in some cases daily.

At the state level, there is some sense that the unified plan was first developed with the intent of it being a meaningfully strategic document, but that after multiple iterations responding to varied federal directives it ultimately became more of a compliance document. Nevertheless, the state unified state plan *does* give the informed reader an accurate picture of the major parameters of Oregon's workforce investment system and Oregon's strategies for achieving a coordinated workforce system.

Section 4. System Administration: Structure and Funding

A. System Overview

WIB Administered Programs and Services. Oregon's WIBs have direct administrative control only over WIA Title I funds and programs. Through collaborative processes, they are expected to have indirect influence over programs and services included in other WIA titles (Titles II, III, and IV) as well as the programs and services of other partners.

One-Stop Programs and Services. In addition to the federally required partners, the state of Oregon requires both TANF and food stamps programs to participate in WIA. Each of the seven local areas, and each of the nine regions within the TOC/OWA local area, has one or more certified One-Stop centers (typically more) at which the mandatory partners are co-located, and in many instances other services are provided as well. While co-location generally means physical co-location, at times partner staff are only available on a part-time basis as they rotate among centers and other field offices. At a few centers co-location is more virtual than physical and is achieved through referrals and electronic resources. There is no sense that there is a typical One-Stop configuration in some or all regions of the state. Local variation is the rule rather than the exception in Oregon. The One-Stop centers in Astoria (Region 1, Clatsop and Columbia Counties) and in Region 3 (Marion, Polk, and Yamhill Counties, see text box) are

often noted as exceptional models of One-Stop integration.¹² At the other extreme, until recently in Region 15 (Clackamas), the Title IB provider (the county), the community college, and the Employment Department each maintained separate board-approved One-Stop centers.

One-Stops in Region 10:

Crooks, Deschutes, and Jefferson Counties

Region 10 is one of nine regions within the TOC/OWA local workforce area. MOU signing partners in Region 10 include Central Oregon Community College, the Title IB fiscal agent and service provider (the Central Oregon Intergovernmental Council, formerly the JTPA provider), the Employment Department, the Department of Human Services, and the Oregon Division of Vocational Rehabilitation (a division within DHS). One-stop development in this region began only with the implementation of WIA, and as such is not as developed as in regions that have had a longer history. The Central Oregon Intergovernmental Council (COIC) has a total of 72 staff who work on WIA funded programs.

The region's certified One-Stop, the Redmond Workforce Connection, includes the co-location of the Employment Department, DHS, and the community college in one building, and the Title IB provider in a separate neighboring building. Vocational Rehabilitation staff visit the site on a scheduled basis. Employment Department services at this site include Wagner-Peyser Act Employment Service, veteran's assistance, and universal self-help job search computer facilities. The Title IB provider maintains a resource room and computer lab, and has employment counselors on staff to work with clients. The community college maintains an office where clients can get information on adult basic education and GED completion, as well as a computer lab where workshops are conducted. In addition, COIC is the contractor for the Oregon Food Stamp Employment and Training program and for the state JOBS program, and so clients of these programs come to this site as well.

While employees of each of the partner agencies are co-located in Redmond, their work is not particularly coordinated. Managers from each agency meet monthly; staff share workshop calendars and brochures, and they have just recently reached a cost-sharing agreement for common signage and brochure racks. At present there is no signage directing a client to any particular office for any particular service.

The Bend Workforce Connection functions as more of an integrated One-Stop, but does not have all the required partners in place. A large number of staff at this site are from the Title IB provider (COIC), but they are joined by an out-stationed TANF case manager, a Job Corps representative, and a few other program representatives. In addition, an alternative education program serving 30 to 50 youth shares the premises and coordinates some efforts with COIC employment counselors. The local community college also operates evening ESL classes at this site.

COIC also operates three smaller offices at which co-location arrangements vary: in one case COIC is co-located with the Employment Department, in another case COIC staff are co-located with DHS. Vocation Rehabilitation and Employment Department staff visit sites where they are not co-located.

¹² Interestingly, in the case of Astoria, the Title IB provider is a for-profit corporation.

State policy consistently leaves the details of local arrangements to local authorities. While the federally and state required partners are party to MOUs in each region, the similarities end there. The relative importance of each partner varies from region to region, as does the inclusion of other partners. Recently, the Oregon Department of Human Services has been undergoing a reorganization unrelated to WIA. This has involved the development of its own regional integrated multi-service centers for a variety of social service functions and so the department recently has limited its participation in the workforce system One-Stop centers in some regions.

In addition to the mandated partners, a range of organizations are involved in various locales, including youth programs, Job Corps, internship programs, community colleges, other social service nonprofit organizations, regional quasi-governmental organizations, organizations dealing with drug and alcohol abuse, parole and probation issues, housing services, mental illness issues, tribal issues, and credit counseling. (These configurations are detailed in Appendix D.) In addition, DHS contracts their state welfare-to-work employment and training program (JOBS for Oregon's Future, or JOBS program) and Oregon Food Stamp Employment and Training program (OFSET) services to the Title IB provider in 10 of the 15 regions and to community college One-Stop partners in all the others.

Unemployment insurance resources are available at One-Stops through form availability, drop boxes, and phone hotlines, however, UI staff are not typically present at a One-Stop site. At centers that have an Employment Department presence, many UI clients come to the One-

Stop sites to make contact with the UI system. Nevertheless, the centers emphasize their roles as employment centers and not as unemployment offices.¹³

In most cases, in addition to their presence at the One-Stop centers, the state agencies involved (Department of Human Services, Oregon Vocational Rehabilitation Division, and the Employment Department) have one or more field offices within a region that provide the same services as the One-Stop center and operate as affiliated sites. Generally, One-Stop staff from each of these agencies has been relocated from their local field office.

B. Memorandum of Understanding and Partnership Building

The One-Stop operations in each of Oregon's 15 workforce investment regions are governed by an umbrella MOU that is signed by the One-Stop partners for that region. MOUs vary in length across regions from one to five years. The MOUs are developed separately by regional WIB and staff together with the regional partners, and in consultation with the local elected officials in that region (one county commissioner from each county in the region). Guidance was provided by governor's office staff in the form of a statewide template and instructions, but these materials were advisory only and not mandatory. Each region works with state WIB staff (the governor's policy advisor for workforce policy) to ensure that the regional MOU complies with state and DOL guidelines for MOU development. TOC/OWA staff offer support and guidance to the member areas as they develop their MOUs, but as with the other independent regions, final approval of the MOUs rests with the regional WIBs. Once enacted,

¹³ Oregon does not have a UI call center system, but plans to implement one by 2005. At present, UI applications can be obtained online, in Employment Department offices or in One-Stop centers and can be mailed in or turned in at an Employment Department office or One-Stop Center. Once a UI claim is awarded, weekly reporting can be accomplished online.

the MOUs become part of the approved plans for each region (and by extension, in TOC/OWA they become part of the TOC/OWA Local Area unified plan).

In each region, one or more state agency field managers from the state Employment Department and the state Department of Human Services, together with other local actors are party to the MOUs. Early in the process of implementing WIA, the Oregon Attorney General ruled that MOUs represented contracts that state agencies were entering into. As such, they must be reviewed at the state level. There is a strong sense among stakeholders in Oregon that federal WIA did not anticipate this complication of both state agencies and local partners being party to local MOUs which would be interpreted by the state as contracts.

The process of MOU development at the local level and the corresponding process of review and approval at the state level is the most frequently mentioned contentious issue relating to the implementation of WIA in Oregon. This point was made by virtually every individual that we had contact with during this study, and it had two components. First, in many regions it was felt that the development of MOUs was destructive of preexisting, less formal partnerships and relationships. The requirement that previously informal cost-sharing agreements be formalized created tensions in working relationships at the local and the state levels. Many actors described the process as having pushed their partnerships several steps backwards or said that previously strong partnerships barely survived the MOU development process. The current cost-allocation methodologies do not necessarily reflect the kind of rational accounting basis that perhaps was envisioned by the authors of WIA. In some cases, the formal cost-sharing basis documented in the MOU has been backed into from previously agreed upon arrangements. Furthermore, the transactions costs of negotiating the MOUs may well have exceeded the dollars at stake in the process.

The second contentious point was the role of the state in reviewing and approving MOUs, a process which was hampered by frequent changes in guidelines passed down from DOL. Here, local actors complained that large amounts of initial work done at the local level were tossed out after review. The inefficiency of the process in turn was said to alienate private sector business partners. Virtually all players thought the MOU development process was an unnecessarily destructive component of WIA implementation. There is some sentiment that the process of recertifying individual One-Stop centers define partner relationships in lieu of using MOUs. It should be noted, however, that for all the turmoil over MOUs, they did bring about cost-sharing in regions where previously none was taking place.

At present, many MOUs have either expired or will soon. Because of uncertainty surrounding state funding levels and the state current budget crisis, renegotiation of some MOUs has been delayed until there is more certainty about the budgeting levels of the state agencies involved.

The only partner that might be considered somewhat reluctant to participate in WIA has been the TANF program from the state Department of Human Services. TANF was required by the state to be a mandatory partner of WIA and as such TANF staff have been involved at all the levels required. Nevertheless, their reluctance to be more fully integrated in WIA activities has three sources: (1) a belief that the workforce needs of their clientele, many of whom face multiple barriers to effective workforce participation, are not well met by a system designed for universal service, (2) state level budget constraints that make it difficult to spread resources to both the One-Stop system as well as to their own DHS-specific service delivery system, and (3) a recent complete reorganization of DHS (implemented in summer 2001) in which DHS is developing a system of its own local and regional multi-service “One-Stop” centers to deliver its

multitude of social services in a unified manner. This effort raises the valid question of what *type* of One-Stop center can best serve TANF clients and how should those services be divided between workforce system One-Stops and social service system One-Stops. Whatever form it takes, coordination of efforts across the two systems is expected to improve due to a recent move by the Department of Human Services to align the composition of its service regions with that of the workforce investment regions.

C. Education and Youth

Oregon's community colleges are well-integrated into the workforce system. The Department of Community Colleges and Workforce Development is the lead WIA agency. Thus, key agency personnel are responsible to both systems. However, while CCWD provides guidance and support to the individual community colleges, the colleges themselves are locally chartered and governed and are not part of the state system governing the four-year universities, the Oregon University System. As such, the community colleges are able to operate in a more independent manner and have generally had more of a workforce focus. In its first welfare reform waiver, Oregon required that the principal contractor for the JOBS program in each region be either the JTPA contractor or the community college. In six of these regions, the community college is still the principal contractor for that program. While the chancellor of the state higher education system sits on the Oregon Workforce Investment Board, the four-year universities have less formal involvement with or connection to the workforce investment system.

Local community colleges are workforce system partners in 13 of the 15 workforce regions.¹⁴ While this involvement may stem from the historical use of community colleges as JOBS program providers, it is not otherwise a result of direct state policy directive. Instead, as with many other aspects of WIA implementation in Oregon, local arrangements grow out of local history, desires, and partnerships. The involvement of the community colleges in these systems varies from acting as the Title IB fiscal agent, to contracting as the Title IB provider, to providing computer and job seekers workshops, to locating registration desks for adult education and GED classes at One-Stop centers. In addition, 50 percent of the 1,000+ programs approved on the eligible training provider list are offered by the community colleges. As discussed above, for a variety of reasons, Oregon's community colleges have always served as a major training provider in many communities. Approved programs include a wide range of degree, certificate, and diploma programs.

D. State and Local WIB Funding Issues

There are three major points of concern regarding funding issues around Oregon's implementation of WIA. First, throughout the system, the lack of a designated source of funding for One-Stop operations is lamented. A provision covering the most typically shared expenses (e.g., building space, utilities, copying and fax facilities, signage, and brochures) would have saved the significant effort and staff time that went into reaching cost-sharing agreements.

A second financial pitfall has been the lack of designated federal funds in support of WIB activities. In Oregon this has been partly rectified by state level funding that is provided to the local and regional WIBs. A total of \$1.4 million in funds contributed by the Employment

¹⁴ The exceptions are Regions 11 (Klamath and Lake counties) and 13 (Baker, Union, and Wallowa Counties), both rural areas in southern and eastern Oregon.

Department, the Department of Community Colleges and Workforce Development, and from the Governor's WIA reserve funds was designated for board support over a two-year period. This was distributed as \$50,000 per year to each of the six local boards, \$40,000 to TOC/OWA, and \$40,000 to each of TOC/OWA's nine constituent regional Workforce Investment Boards. Boards use these funds for staff support, board development and capacity building, and special programs.

A third financial concern is that Title IB funds fall far short of what Title IB providers perceive as being needed to adequately meet client's needs for support services and training, particularly in comparison to the perception of the funding available under JTPA. The perception varies some across regions – some feeling more hard hit and more constrained during current economic conditions than others. There are no contingencies at any level for meeting heightened demand resulting from economic stagnation. Oregon has been hard hit in the current economic recession, recording the highest state unemployment in the U.S. through much of the recession.

One innovative funding practice in Oregon involves funding to the Employment Department from the Supplemental Employment Department Administrative Fund (SEDAF). In the face of declining federal revenues, the 1991 Oregon Legislature established the Benefit Reserve Fund through an offset of unemployment payroll taxes over a three-year period. Interest earned on the Benefit Reserve Fund is deposited in the Supplemental Employment Department Administrative Fund (SEDAF) and is dedicated to agency administrative expenditures.¹⁵ This extra source of revenue has allowed the Employment Department to maintain a much more in-

¹⁵ Payments of unemployment benefits to claimants are nonlimited and are paid from employer unemployment taxes collected by the Employment Department, held in the U.S. Treasury, and continuously appropriated by Congress for benefit payments.

depth set of research and information dissemination activities than is the case in many states. Oregon has a well-supported labor market information system (LMIS) and a deeply rooted network of field offices and regional economic reporting. This solid base in each region has allowed the Employment Department to play a strong role in each local and regional workforce investment system partnership.

Section 5. One-Stop Center Organization & Operations

State and Local Overview

As was made clear in the previous section, Oregon does not have a statewide model for One-Stop center organization or operation. However, early in the implementation process the Oregon WIB did adopt a set of guidelines for One-Stop operations, the One-Stop Center Access to Core Services Checklist. These guidelines are explicitly not a compliance document, but were presented as a resource and continuous improvement tool for One-Stops. The checklist addresses expectations for access to core services at One-Stop centers, including the management of language and disability barrier issues, on-site, on the Internet, and by telephone. It also provides a definition of core services.

The Oregon Workforce Investment Board has also recently adopted a common logo depicting the slogan “Worksource Oregon” to be used throughout the workforce system by state agencies, and can be adopted by other workforce partners who agree to some general terms for use. The logo is now appearing on the web pages of related state agencies and is expected to be adopted throughout the system. The new logo replaces a wagon-wheel logo that was established for the previously (state) legislated Oregon Career Network. It is hoped that the graphics and the message of the new logo will have more appeal to the business community and



that the systematic use of the logo around the state will help individuals and business immediately recognize the services available from a workforce system partner. Beyond this overall guidance, however, and the use of a statewide “brand,” there is little statewide conformity to Oregon’s One-Stop arrangements. All One-Stop plans are developed and implemented locally. Within the TOC/OWA region, information sharing at regional meetings allows local staff to learn informally from one another’s approaches. In addition, this past June for the first time, the state WIB hosted a “Partnerships and Opportunities Conference” for all regional partners to connect and share information. TOC/OWA has sponsored a series of annual ‘Share the Wealth’ conferences for its nine regions for the same purpose, and an annual, multi-state rural conference for workforce and economic development entities. However, there have been no other systematic efforts to identify and share best practices across regions.

Despite the decentralization in this system, *some* implicit commonality does emerge when local partners are the regional staff of state agencies. For instance, whenever Employment Department staff are co-located with a One-Stop center, their presence comes with a certain uniformity – their signage and floor organization, computer resources, and service presentation are consistent from place to place. In particular, the Employment Department is currently working on an effort to ensure that certain key departmental publications are also available with certainty in all locations.

Prior to the implementation of WIA, a 1997 federal One-Stop implementation grant had allowed for either the creation or further development of 21 career centers in Oregon’s 15 workforce regions. As part of this effort, these centers were initially certified by the regions from April 1999 through January 2000, prior to the implementation of WIA. The certification review process was designed to serve both local and state level interests, allowing local

flexibility, but accommodating the need for a minimum statewide quality standard. Thus the certification process was conducted using a state developed tool that provided input to local boards (then the Regional Workforce Boards created under Oregon state law) as they made their certification decisions. The review criteria for these certifications included identification of the site as part of the statewide network, availability of a staffed resource room, provision of a point of entry to all core services and community resources for all populations, ADA accessibility compliance, provision and explanation of eligibility requirements for training and employment programs, ability to collect system performance data, and meeting or exceeding performance criteria. Oregon's WIA enabling legislation (House Bill 2989, 1999) specified that the existing Oregon Career Network should provide the foundation for the workforce delivery system required under WIA. Thus, the previously certified One-Stop centers became the first One-Stops chartered under WIA. A certification process under WIA is currently underway.

In addition to the certified One-Stops that exist throughout the state, regions also have

Special Projects in One-Stops

At present, a number of One-Stops in the state are recipients of various grants (federal and other) involving welfare-to-work services for TANF clients, programs for low-wage workers or other special populations. The Employment Department is presently the recipient of a \$450,000 grant from U.S. DOL for demonstration projects to enhance the retention and advancement of low-wage workers. The Employment Department in turn is passing these funds on to One-Stop partners in the Beaverton area of Region 2 and in the Corvallis area of Region 4. In the Beaverton area, the funds are being used by the community college to enhance case management of JOBS program clients. In the Corvallis area the funds are being used for a health care sector initiative. A number of One-Stop system partners and health care sector employers are involved in providing retention services and career guidance to low-wage workers in that sector.

One One-Stop center in Region 3 (Salem) currently has a staff person working on a demonstration project funded by the Oregon Health Sciences University to assist the severely disabled population. In addition, four One-Stop centers in the state are part of a national JOBS demonstration project that is being evaluated by MDRC (the VISION project). TANF clients assigned for the experimental intervention under this project receive their case management through one of the four One-Stop centers involved with an intensive focus on employment retention through pre- and post-employment workshops and individual interventions and support.

designated other affiliated One-Stop sites as defined by Oregon WIB policy.¹⁶ These are typically regional field offices of One-Stop partners in a region. Sometimes these are the only resources available from that partner if the partner does not also have co-located services at a One-Stop center in the area. The state also adopted the concept of “value-added referral” as a supplement to services provided in One-Stop centers. These are referrals that go beyond simply handing a client another address to go to, but should include explanations, introductions, and in many cases phone calls to set appointments for the client at another agency.¹⁷ The Employment Department also operates more than 140 computer touch screen kiosks around the state that offer many of the same resources available from their web site (see Section 8).

Partnering state agencies --Department of Health and Human Services, Employment Department, and Community Colleges and Workforce Development -- frequently identify federal grant opportunities that would be useful to particular regions or particular partners in the One-Stop system and facilitate grant applications. State agency personnel will either write grants or offer technical assistance to local areas writing grants.

B. Employer and Business Engagement

Oregon’s business sector has been connected to the workforce system under WIA in five ways: through WIB membership, through the business sector orientation of the state

¹⁶ Oregon WIB policy specifies: “Definition of Access for One Stop System Sites (other than Centers) 1. a) Customers in all population groups can get all core services on-site; OR b) Customers in all population groups can get information on-site about all core services and get a value added referral. AND 2. All staff on-site know that the site is an access point for their regional or local system.” (Oregon Workforce Investment Board Policy “One-Stop Definitions”, January 8, 2000; <http://www.workforce.state.or.us/wfpolicies/owib/One-StopDefinitions.pdf>)

¹⁷ A “value added referral” is defined by Oregon WIB policy as meaning: “1. Providing the customer with a listing of core services that includes a description of each one; AND 2. a) either setting an appointment to receive core services with the appropriate partner for those customers who cannot do it themselves; OR b) providing appropriate on-site assistance for customers who are able to set their own appointment to receive core services.” (Oregon Workforce Investment Board Policy, “One-Stop Definitions,” January 8, 2000; <http://www.workforce.state.or.us/wfpolicies/owib/One-StopDefinitions.pdf>).

Employment Department, through business sector liaison staff of local Title IB providers, through connections to local economic development efforts, and as direct consumers. The local One-Stop networks studied present themselves to the business community as an instant connection to a readily available workforce and a source of workforce training and support activities.

First, because the WIB chair and the majority of WIB members (state, local, and regional) are from the private business sector, these boards set a tone consistent with the outlook and interests of local business:

- Among the WIBs, there is a strong interest in developing incumbent worker training resources. Using Governor’s Reserve funds available under WIA, the state WIB established a program to provide \$2 million annually in grants to individual businesses for “...projects addressing industry-led and small enterprise needs that target current workforce development, i.e., the design or adaptation of training curricula, models for building or maintaining skills of workers, or reduction of barriers to employment. The projects must lead to skills development through direct service and/or building capacity that enables workers to retain family wage jobs in the Oregon economy.”¹⁸ Individual grants can range up to \$150,000, but must be equally matched by non-federal grant resources. Applicants must partner with one or more education and/or workforce training providers located in their area for their grant funded activities. In the past two years, the state WIB has issued 75 such grants. A variety of project models from previous grant periods are now described on the web site <http://www.workforcepartners.org> . Regional board staff in both the regions studied here are working with local businesses to apply for these grants.
- In response to an ongoing shortage of appropriately trained personnel in the health care sector, in 2001, the Oregon WIB created the Health Care Sector Employment Initiative. The overall goal of the initiative is to increase the number of health care workers in targeted occupations, while providing better training and career opportunities to workers in these jobs, benefiting both workers and employers, and also promoting safe and affordable health care. OWIB formed a state steering committee to oversee research to identify the most important factors in health care employment for eleven key

¹⁸ “Current Workforce Skill Development, Request For Proposal, Program Year 2002 – October 2002” (Oregon Workforce Investment Board, 2002).

occupations.¹⁹ The next phase of the initiative will be the development of a broad-reaching statewide strategic plan.

- In Region 3, the board has grappled with the issue of competition between the publicly funded workforce system and the work of private personnel placement firms and temporary agencies. Region 3 has a strong and well-organized personnel placement sector that is represented on the WIB. The board agreed, and the regional One-Stops centers have followed, that the public sector and the private sector should cooperate and not compete, and that the public sector should fill those niches not well-served in a private sector context. As such, the One-Stop centers and temporary and personnel placement agencies refer clients to one another as appropriate. There is no hesitation to accept temporary job listings as appropriate listings for One-Stop center clients. Center staff indicated that a temporary job can often provide entrance to a permanent job with the same employer or can establish a work record for a client who then can transition in to permanent work later.

Second, the state Employment Department has recently reaffirmed that supporting the business community is its primary method of supporting employment in Oregon. Regional staff, who are frequently located in One-Stop centers, have strong relationships with the local business communities. This service to the business community includes on-line posting of all job listings received in the Employment Department job search databases that are available to One-Stop clients. Regional staff also provide businesses with a whole array of regional economic information products as described in Section 7. The Employment Department measures employer satisfaction with its services in an employer survey conducted every other year.

Third, the One-Stop centers studied here have recently developed business liaison staff positions. In Region 3 this is a full-time staff position in the larger centers (in the core urban area) and a rotating staff person shared among several smaller centers. In Region 10, there is one full-time staff person for the Bend area, the core business community in Region 10. These staff members are employees of the Title IB provider. They meet with local businesses, attend local

¹⁹ These occupations are: medical records clerk, certified medical assistant, certified nursing assistant, certified medication aide, licensed practical nurse, registered nurse, certified registered nurse anesthetist, radiologic technician/technologist, pharmacist, dentist, dental hygienist, and dental assistant.

business group meetings, and work to bring information on individual businesses back to the One-Stop centers as well as to advertise One-Stop services to the business community. In Region 10, the staff person has been successful in establishing a weekly mini-job fair at the Bend Workforce Connection and in working with employers to leave their job applications at the Workforce Connection.

The required measures of employer and participant satisfaction with One-Stop services are measured within each region through a phone survey conducted by a private institute on behalf of the Oregon Employment Department and Department of Community Colleges and Workforce Development. Phone calls are made to parties who have received substantial services from a One-Stop system.

C. One-Stop Contracting and Cost Sharing

Contracts between WIBs and Title IB fiscal agents are typically for a duration of one year. Some WIBs initially used a competitive bidding process to identify prospective Title IB providers, while others simply contracted with the previous JTPA providers. In all cases,

Region 3: Coordination with Economic Development Efforts

The Region 3 workforce system is part of an ongoing partnership with the local lead economic development agency (Salem Economic Development Corporation, or SEDCOR, a private, nonprofit, membership-based organization), the state Employment Department, Chemeketa Community College, Chemeketa's Training and Economic Development Center, and the Mid-Willamette Staffing Association (a local association of temporary and personnel placement agencies). These organizations jointly participate in attracting new businesses to the local area. Partners participate in efforts to educate businesses considering relocation to the area regarding the area's workforce training system. Recent successful recruitments include a Fairfield Resorts call center with expected employment of 300. Recruitment efforts in this case included the presentation of the One-Stop centers as a ready portal for Fairfield Resorts to use as a pipeline to an available workforce, and use of Chemeketa facilities for management training and orientation activities while Fairfield's own facilities were still under construction. Once Fairfield had made the decision to locate here, the network immediately hosted an all-day job fair at the community college, allowing the firm to begin recruiting and hiring.

however, the former JTPA provider has ultimately been the provider selected. To date, there has been no turnover among Title IB providers. However, in Region 10 the contract for the current provider expires in mid-2003 and a request for proposals will be issued requesting new bids.

Fourteen Title IB providers serve Oregon's 15 workforce regions.²⁰ Of these, one provider is a community college (Chemeketa Community College in Region 3), two are "councils of governments,"²¹ one is a division of a county government (Region 15, Clackamas County), one is a for-profit corporation (the Management Training Corporation in Region 1, Clatsop and Columbia Counties), and the remaining nine are nonprofit organizations or public nonprofit community action agencies. Only one Title IB provider subcontracts service provision to other providers (Region 2, Multnomah, Tillamook, and Washington Counties). In no case has a regional WIB been designated as direct service provider. Only four regions have One-Stop coordinator agencies that are separate entities from the Title IB provider or other partners (and this is not the case in either of the regions studied here).

Cost sharing among system partners is established in the MOUs. The cost-sharing arrangements are as varied, or more so, than the One-Stop arrangements themselves. The most common arrangement is that the staff of each partner agency are paid (and, with the exception of Region 3, supervised) by their "home" agency, and frequently their computers, software, and technical support come from that agency as well. MOUs reflect a variety of arrangements for paying for space, utilities, office supplies, marketing, signage, brochure racks, lobby space, and the like. Different agencies may contribute different components to the partnership, all agencies

²⁰ Regions 13 and 14 comprising sparsely populated areas of Eastern Oregon (Baker, Union, Wallowa and Grant, Harney and Malheur Counties) are served by one Title IB provider.

²¹ A "council of governments" is a quasi-governmental nonprofit agency recognized in Oregon whose board consists of representative elected officials from all local governments in a region.

may pay a portion of certain costs on the basis of square footage used or number of staff on-site. As for services to clients, wherever appropriate, staff work across agencies on a case-by-case basis to find the most appropriate funding for services for a particular clients. Uniformly, staff from different agencies reported a certain disappointment that other agencies were unable to pick up more of the cost of client services, as they had expected would materialize under WIA.

Section 6. Services and Participation

Oregon's One-Stops provide universal service to all adults, whether they are currently employed, never employed, dislocated workers, or TANF clients. Whether special services are available for a particular sub-population with special needs depends on the particular configuration of a One-Stop center and the resources available. In many cases, these special services are offered in response to particular local conditions. However, services for persons with disabilities are uniformly available throughout the system via the participation of the Vocational Rehabilitation division. Services to TANF clients are available either on-site or by referral to a TANF field office. Special services to in- or out-of-school youth are available in some locations hosting special programs, but are not uniformly available at One-Stops. To our knowledge, there are no special services for professional or managerial employees available in any of the One-Stops, nor are there state or local directives to target one population group over another for assistance (except in instances where special grant funding has been procured for demonstration projects that involve special services for particular populations).

Oregon’s basic services are defined as in the text of the federal legislation, with the addition of two other elements: resource room usage,²² and information on other One-Stop partner services.^{23,24} Intensive services follow the federal definition, with the addition that: “Intensive services offered by the One-Stop delivery system may include drug and alcohol rehabilitative services.” (Oregon House Bill 2989, 1999, Section 5(3))

Local Areas: Integration on the Shop Floor

One-stops throughout the state vary markedly in their degree of integration in day-to-day operations. By all accounts, those in Region 3 are among the most highly integrated in the state. In Salem, for instance, a client entering a One-Stop center is either met by a “greeter” or will clearly see a front desk that advertises itself as “information and reception.” These personnel answer basic inquiries, give individuals an introduction to the resources available to them, and refer clients to any appropriate services. The staff from partner agencies work in the same space and routinely work together on client cases.

The Region 10 One-Stop centers lack this level of coordination among partner staff. In Redmond there is no common space where a “greeter” can refer a client to appropriate services. Staff from partner agencies work in physical proximity but distinctly separate offices. At the Bend Workforce Connection this central space and initial reception *is* available, but fewer workforce system partners are present on site. In other sites in Region 10, even fewer workforce system partners are present and more services are provided by “value added” referral to other agencies’ offices that are not co-located.

As noted previously, Oregon does not have a statewide model for One-Stop configuration, but some features and services seem to be common throughout the state. Note,

²² “Participants’ access and use of materials that are provided and designed to assist the job seeker in finding work, i.e., videos, access to computers for resumes, newspapers, electronic job listings, telephones, etc. Can be self-accessed with clear, understandable directions for use, or staff-assisted in nature.” (Oregon Workforce Investment Board Customer Services Committee, *Access to Core Services Checklist*, December 15, 2000).

²³ “Information about partner programs, eligibility criteria and access. It may include the formal or informal scheduling and referral for customers with other partners.” (op. cit).

²⁴ In addition, Oregon’s WIA implementing legislation (House Bill 2989, 1999) also specifies an addition to Sec 134(d)(2)(E)(i) of the federal legislation: “As a part of the core services required by section 134(d)(2)(E)(i) of the federal Act, the One-Stop delivery system, as described in section 134(c) of the federal Act, shall provide timely listings of all job opportunities, consistent with statute or rule, to a participant immediately upon application by the participant for services offered by the One-Stop delivery system.”

however, that levels of integration and cooperation among One-Stop partners vary extremely from one part of the state to another. In many One-Stops a client entering the center is either met by a “greeter” or clearly sees a front desk marked as “information and reception.” Front desk personnel answer basic inquiries, give individuals an introduction to the basic resources available, and refer clients to appropriate services. Where the Employment Department is an on-site partner, basic or universal services include a large bank of Employment Department job search computers that access any number of job search resources and Oregon’s Labor Market Information System, which provides background on different occupations and their skill requirements. More generally, resource rooms are available that include directories, and access to phones, copiers, faxes, and computers for Internet searches and for working on resumes. Clients with questions about unemployment insurance are directed to a phone for calling UI personnel, forms, and a form drop box. Clients in need of welfare or income support information, veteran’s services, or with disability issues are referred accordingly to One-Stop staff specializing in those issues. In some cases, these staff are on-site; in some cases staff rotate sites and are available on a part-time basis. In some cases (most recently in the case of clients needing access to TANF personnel), clients are referred to another facility. In Region 3, where a significant share of the clientele are Spanish speaking and there is a growing Russian community, many resources are available in Spanish and/or Russian, and bi- or trilingual staff are available.

In centers with an Employment Department presence, clients using the universally available job search resources made available by the Employment Department are typically registered as recipients of Employment Department services.²⁵ The Employment Department

²⁵ Those registering for unemployment insurance (UI) receive an enrollment form for Employment Department services as well.

utilizes a tiered provision of service strategy that includes self-service, facilitated self-service and staff-assisted services. Staff assisted services include one-on-one assistance to customers who require more direct services, including screened job referrals when the employer has asked for skill and/or ability screening; one-on-one assistance for direct job referral and placement; resume writing assistance and job finding tips; referral to other service providers and vocational guidance and reemployment orientations. In centers without an Employment Department presence the Title IB provider typically offers similar “universal access” resources and services. Title IB providers often provide regularly scheduled “introduction to services” workshops. At the point that universal or self-service activities are not working for a client, center staff might shift the client to some resource room activities (e.g., resume development) or offer staff-assisted Employment Department job referrals.

Clients are shifted from universal and core services to intensive services on a highly individualized, as needed basis. Center staff assess the client (if they haven’t previously) for Title IB eligibility and offer intensive services. A client who is not referred to specialized personnel (veteran’s, vocational rehabilitation, TANF, etc.) meets with an employment counselor, who is a member of the Title IB staff, to help the client determine the best course of action, including self-assessments, job search or computer skill workshops, and more focused job search activity. More integrated centers have a high degree of flexibility in dealing with individual cases and the variety of coordinated services clients might need.

Clients who have not “soft-exited” the system (simply disappeared), or ended their enrollment for some other reason, receive post employment follow-up for one year (although in some categories of enrollment the follow-up requirement is limited to 90 days) to inquire about their employment success, retention, and advancement.

Limited funds are available for support services for registered clients on an individualized basis, including aid for child care, transportation, clothing, or other small and short-term expenses. Typically an average of \$200 per client can be spent on such services. A supervisor must approve such expenditures with an eye to the status of the overall budget. In all cases, decisions to provide support funds are dictated by budget constraints and by the extent to which the expenditure would enable a client to overcome an otherwise insurmountable barrier to employment.

Access to training is limited, and by all accounts is the exception rather than the rule. In some centers, the provision of training is extremely unusual due to lack of funds and the demands to spread available funds over many clients for less expensive support services. The decision to undertake training, and what kind of training, is made jointly by an employment counselor and a client, and must be approved by a supervisor (or in the case of large expenditures, by the regional director). Choice of a training provider is also a guided choice. Clients may be required to do extensive research into training options, training providers and labor market demand to support their choice. Typically, training is only provided when it is seen as having a relatively low cost and high pay-off, when it is the only viable option for getting an individual back into the labor market, and when the individual can demonstrate realistic financial plans for being able to complete the entire program. One-stop center staff perceive a trade-off between funds spent on expensive training for one client versus a range of support services that might be provided for a number of clients. Coupled with the nature of the performance measures, the cost/benefit calculations regarding training may discourage the provision of training for the clients who are most in need of it.

While a few regions reportedly have taken an explicitly “work-first” policy stance, most of those interviewed for this study felt that “work-first” was not an approach particularly espoused by most regions or by state-level players in Oregon. The state WIB has not officially adopted a “work-first” policy. Instead, most WIBs work to adapt multiple kinds of workforce supports to the varied needs of the clientele. Nevertheless, there is a sense that providing universal and support services for all who walk through the door often comes at the expense of providing training to anyone, and that in a world of real budget constraints, the commitment to universal service functionally implies a “work-first” bias. There is also a perception that the performance measures reinforce a “work-first” approach.

Client satisfaction among those who have exited One-Stop programs is measured in a phone survey conducted by a private organization under contract with the state agencies involved (see discussion at the end of Section 5.B).

Responsibility for marketing One-Stop services resides primarily at the regional level. Decisions to undertake marketing could be made by the regional WIBs, the Title IB provider, or any of the One-Stop partners. The amount of marketing undertaken varies from one region to another.

The economic slowdown in the past two years has clearly increased the caseloads handled by the One-Stop systems, without a concomitant increase in funding. Actors uniformly refer to the increasing inadequacy of available funds for handling rising caseloads and the lack of training funds for those needing new skills in order to find and retain employment. There are no mechanisms to compensate for the shifting burdens associated with business cycles.

Oregon’s Department of Human Services Division for Seniors and People with Disabilities has received four grants focused on the employment of people with disabilities.

These grants enabled them to create the Oregon Employment Initiative Advisory Consortium, which includes partners from the workforce system (as well as disability advocates and clients with disabilities). This Consortium provides guidance regarding coordination of grant activities with services to the disabled through the workforce system and also has directed technical and financial resources to the One-Stop centers to improve services to the disabled. This assistance has included disability awareness training for One-Stop and partner staff, accessibility reviews of One-Stop centers, and funding for technology and innovations to reduce barriers for people with disabilities. The role of the Oregon Employment Initiative Advisory Consortium as the interagency coalition for addressing disability issues is noted in Oregon's Methods of Administration document for WIA.

Section 7. Market Mechanisms: Their Use and Effects

A. Labor Market Information

The Oregon Labor Market Information System (OLMIS) is extremely well-developed and has won numerous national awards. The web-based system provides both workers and employers with a wealth of regional, occupational, and industry-based economic and labor market information. In addition to the materials offered on the Internet, the Employment Department also publishes a host of newsletters and reports, and responds to calls for information of all types. Businesses use this resource to understand their labor markets and to get information on wages and salaries. Job seekers can collect information on the nature of particular occupations, the skills, education, and training required, and their employment prospects. In addition, the Employment Department maintains a web accessible database of job openings that are submitted by employers (some of these are for open referral and others are staff-assisted referrals). This database is one of the core job search databases that all One-Stop

center clients access during their job search. Employment Department staff provide training on OLMIS to One-Stop staff throughout the state. Access to all OLMIS resources is provided through Employment Department computer banks at all sites where they have a physical presence and at kiosks they have located throughout the state. In addition, many of these resources are generally accessible through the Internet and in any One-Stop center with Internet access.

The Employment Department also provides the technical staff support for the statewide performance measurement system that spans the workforce development efforts of all the state agency partners. At present, the Employment Department's information system operations have the capacity, funding, and ability to make the necessary information available to the workforce development system. The necessary funding derives in part from the SEDAF (see the discussion in Section 4). This is a stable funding source and thus the maintenance of these efforts is not currently at risk.

B. ITAs & Provider Certification

The use of the Eligible Training Provider (ETP) list under WIA presented Oregon with some unique challenges for which the state administration found creative solutions. The root cause of these challenges is Oregon's stringent state consumer protection laws that limit the number of post-secondary training programs available. In Oregon, public post-secondary programs must be approved by the state Board of Education or the state Board of Higher Education, and private post-secondary programs must be licensed by the Oregon Department of Education. Approved programs are only those that lead to degrees or certificates; a one-year certificate requires 400 contact hours. This system guarantees the quality of available programs, but conflicts somewhat with the federal act. For the state's purposes, programs eligible for the

ETP list must be approved at this level. Applying these standards, however, would have restricted the kinds of programs that could be considered training for WIA purposes and funded via Individual Training Accounts (ITAs). Research by Oregon's ETP Work Group found that workforce system clients most frequently enroll in a full program at private career schools or in a number of related courses at a community college that fall short of a full program or a degree. Full community college programs are often too long term and time consuming to be viable training options for WIA clients.

Oregon's Department of Community College and Workforce Development (CCWD) has adopted a policy that allows an individualized sequence of community college courses to be specified in the individual's Individual Employment Plan and defined as training for WIA purposes, as long as those courses are drawn from state-approved full programs (see Appendix E). To further streamline the administration of this policy, the agency also instituted the Employment Skills Training (EST) program, defined as any approved 12 credit hours of collegiate level, community college work. Many of Oregon's community colleges now have gone through the process of having the EST approved at the state level as a program and have had this program added to the ETP list for their college. Together, these actions give clients the flexibility to use ITAs for the kinds of course enrollments that are most readily used, and that meet their needs for educational and vocational development in a time and resource constrained world. The community college data system has the capacity to track student participation and success by individual course within programs. Thus, CCWD is able to develop and track the appropriate performance measures for community college students even if they are not enrolled in a full, degree, or certificate-granting program.

Oregon's policy defining ITA use also goes on to specify that any program of less than 40 hours of contact time *may* be considered intensive services. This brings Oregon in line with most other states. The policy also allows for some other exceptions that increase the responsiveness and flexibility of the system. A training program offered by an employer, equipment manufacturer, or bona fide industry association that leads to a certificate and is a valid requirement for and gateway to employment may be considered intensive services. Such programs will never be state approved as post-secondary education and thus will not appear on the ETP list.

At present, Oregon's ETP list consists of 1,007 programs provided by several hundred different providers. Initial eligibility is determined by the local WIB and requires that a program be a state approved program of post-secondary education and meet some basic standards, including that there is market demand for graduates of the program.²⁶ Continuing eligibility is subject to meeting performance measures standards. However, for the time being, subsequent eligibility criteria have been waived while the state completes the performance measure data collection. When this data is collected, it will also be released to consumers in the form of a consumer report card that provides for an evaluation of training providers. Oregon has a policy of expediting ETP list approval when a particular program has been requested by a client (for any program that is a state-approved post-secondary program). These requests can be accomplished in as little as a week.

While employers increasingly seek job-ready workers with "soft-skills," as a general rule there is no verifiable way to certify this via test or observation during training. However, the state is allowing a number of regions to embark on innovative programs to certify job-readiness

²⁶ Local WIBs may use their own criteria for determining provider eligibility.

for youth when these programs involve third parties in the certification process. Region 3 has been innovative in involving the Chambers of Commerce in its region in developing job-readiness certification. The state considers this third party validation to be key in making sure that this certification is meaningful to employers.

C. Performance Standards & Incentives

The development and use of Title IB performance measures for training providers in Oregon has involved numerous complications and creative solutions. These include the following issues, each of which will be discussed in turn below:

- the perceived difficulty among training providers of complying with reporting requirements,
- state data confidentiality restrictions regarding the sharing of unemployment insurance data,
- the subjective nature of the negotiated level and the absence of the local regression models that were used under JTPA,
- the lack of performance evaluation measures that can be used for management improvement on a real-time basis,
- the increasingly strategic behavior of local managers regarding caseload management in order to meet the performance standards,
- the conflict between DOL requirements for credential rates and Oregon's stringent state level requirements for certificates.

Early in the process of implementing WIA, it became apparent that community colleges and other training providers were reluctant to participate in WIA Title IB training provision, given the performance measurement requirements they would face. In order to prevent training providers from leaving the ETP list, CCWD took on the responsibility of gathering and calculating performance measurement data for all providers. For the community colleges, they use the community college data system (OCCURS) that tracks individual course enrollments and outcomes. Combining information collected under WIA with that collected in OCCURS,

CCWD defines program completion as either the completion of the courses listed on the Individual Employment Plan, or as completion of 50 percent of the specified courses and the attainment of employment (CCWD's policy outlining these standards is included in Appendix E).

A second hurdle that Oregon faced in complying with WIA's Title IB performance measurement requirements relates to the state requirements for confidentiality of data relating to individuals. Oregon's Employment Department operates under strict statutes regarding the use and release of social security numbers associated with unemployment insurance (UI) system data. For the purposes of developing WIA performance measurements, the agencies involved (Employment Department, Community Colleges and Workforce Development, and the Department of Human Services) had to embark on a time-consuming process to develop interagency data sharing agreements that were ultimately approved by the state Attorney General.

While many states had similar data confidentiality issues around the use of individual student records from the community college system because of FERPA, FERPA itself did not pose any particular barriers in Oregon. Because Oregon's community college and workforce systems are contained within one state agency (CCWD), this data could be used internally for the purposes of developing provider and system performance measurement and was covered by the data-sharing agreements across agencies for the purposes of merging with the UI system data. However, while these data-sharing agreements pertain to the state-level staff of the agencies involved, they do not technically cover any data sharing between local level employees of different state agencies who work side by side in One-Stop centers. At the local level, staff now

request that clients sign a release form allowing staff from different agencies to discuss and consult on their case.

On the third issue, current state-level negotiated performance standards are perceived as being quite subjective as compared with the regression model adjustments that were made for local area economic conditions under JTPA. The process was opened for Oregon and other western states to renegotiate 2001 and 2002 standards. In response, Oregon proposed adjustments based on a statistical model developed in-state. DOL rejected those proposed levels however, on the basis that the model was not statistically sound. The state of Washington's regression model was accepted by DOL, and Oregon is now planning to adopt a similar methodology for setting standards for 2003.

The measures themselves also cause difficulty for administrators and providers. The lags that are inherent in the construction of measures based on unemployment insurance system data mean that the measures are evaluative, but can not be used as program improvement measures on a real-time basis (as were the performance measures under JTPA). Furthermore, slow reporting means that measures covering the same historical time period change from one quarter to the next. Typically, successful outcome rates improve with time as more program completion data enters the system. This exacerbates the lags already inherent in the measures. At present, Oregon does not track measures beyond the 12-month time frame specified in federal law.

Finally, because the performance measures rely on state unemployment insurance system data, data is not captured for those individuals who take jobs in uncovered employment or out of state. Oregon is beginning to participate in a multi-state effort to share UI data across state lines for WIA performance measurement purposes. However, the issue of uncovered employment remains a large one for Oregon's rural areas, where many clients are likely to become employed

either in agriculture or by federal employers (e.g., fire-fighting, U.S. Forest Service, Bureau of Land Management, Army Corps of Engineers).

Increasingly, local providers are beginning to understand the nature of the data collection and reporting for the Title IB performance measures. Some are becoming increasingly strategic about caseload management as it relates to the measures. They now understand that strategic decisions can be made to maximize performance measurement, including how services are sequenced, what point in the quarter clients are exited, and under what conditions they are exited.

Finally, Oregon's stringent system of approving post-secondary education programs (discussed above) also complicates the calculation of credential rates for performance measurement purposes. Based on the kinds of formal degrees, certificates, and diplomas allowed in the Oregon system, Oregon's credential rate would lie in the 7 to 9 percent range, leaving it well out of sync with the standard of 60 percent originally set for the state by DOL. Upon initial implementation of WIA, Oregon reluctantly agreed to adopt the definition used in Washington, defining a credential as the combination of having received some training and becoming employed. Oregon has been unhappy with this definition, in part because it is not consistent with any notion of a true *credential* as defined under state requirements for post-secondary education programs. CCWD is now working with local boards to develop a more appropriate standard for "other certifications." A new policy was implemented October 1, 2002, that allows regional WIBs to provide a certification of WIA skill attainment to clients who successfully complete an Individual Employment Plan, drawing on programs and training providers on the ETP list (thereby including an accreditation/quality component), and then become employed (see Appendix F).

At present no comparable credentialing system exists at the state level, although there is a desire to develop one if state budget conditions allow. However, there is a distinct tension at the state level between the stringent accreditation standards that standard post-secondary credentials are held to (e.g., community college certificates and degrees) as compared with this much lower standard for “other certifications” being introduced in the WIA system.

For the 2000 program year, the state did not meet its statewide performance standards in both programs required in that year (performance standards were met in Title IB but not in Title II) and thus has not applied for or received incentive grants to date. There is a sense that under WIA the local areas are aligned in wanting to pull together to help the state meet the standards. This is a somewhat different than under JTPA, when local areas reportedly were more competitive with one another.

Local Area Performance Standards. State legislation was passed specifying that local areas must demonstrate performance excellence in much the same fashion that the state is required to under federal law. The standards are largely modeled after the federal standards in the sub-areas of adult, youth, dislocated workers, and customer satisfaction, although are somewhat less stringent. To meet standards, each local area or region must make at least 80 percent of the set standard for each indicator and must average over 100 percent within each sub-area. These criteria are evaluated separately for each sub-area and a separate incentive award is made for each sub-area in which the standards are met. Incentive awards can be spent on any allowable Title IB activity. In the 2000 program year, \$500,000 was set aside by the state from the 15 percent reserve funds for incentive awards. Any funds not used are retained and made available for performance improvement funds for local areas that did not receive incentive awards. This system, however, has given rise to the perception of some at the local level that it

doesn't matter whether or not local areas meet the performance standards, since they can be eligible to receive either "incentive" or "improvement" awards in either case.

State staff work with the seven local areas on understanding and improving their performance. Similarly, within TOC/OWA, TOC/OWA staff perform the same liaison and advising functions to their nine regional members. In the 2000 program year, all local areas met their performance standards in at least one sub-area, one local area met the standards in all four, while others made their performance standards in some areas, but not all.

As with the setting of the state performance standards, the setting of the local and regional standards is controversial. Although the WIA references performance negotiations, many felt the process was more prescriptive than negotiated, and lacks mechanisms for appropriate adjustments. Furthermore, local actors feel that the standards are necessarily more arbitrary now than when they were adjusted by statistical models that accounted for local economic conditions. Future efforts at the state level to develop statistical models may address this concern.

System Wide Performance Measures. Oregon's system wide performance measures pre-date WIA. Performance measures first arose out of the Oregon Option, an effort to develop integrated systems approaches to policy development.²⁷ The Performance Accountability Policy Group has worked to define system wide performance measures for workforce related programs and to develop procedures for collecting the data and reporting it. The work group consists of staff from the six key workforce program partners – Wagner-Peyser Act and Unemployment Insurance (Employment Department), Title I and II (Community Colleges and Workforce Development), Perkins (Education Department), and TANF (Department of Human Services).

²⁷ Oregon has also historically used the Oregon Benchmarks performance measures for education and workforce efforts to ensure accountability and gauge the success.

Over time this group has developed an organizational culture of cross-agency understanding and together has worked through a myriad of problems to successfully develop 13 system wide measures. The group is now reporting on three of them, employment, wage gain, and job retention measures, and is in the process of implementing the others.²⁸ The group checks the measures quarterly, but at present there is no funding or authority for incentives or sanctions. The agencies involved provide technical assistance to those regions that do not meet their established levels on the measures, and regions that meet and exceed those levels are commended.

State agency staff see this effort at system wide measurement as a key underpinning to collaboration across agencies. As one staffer said to us: “If measures drive programs, then the same measures drive partnerships. Separate measures drive programs apart.” There is concern that U.S. DOL will soon be requiring separate employment measures for Wagner-Peyser Act Employment Service activities that require the measurement of employment with *new* employers only, and only after two quarters out. Staff also expressed concern that in the context of coordinating One-Stop services, this performance measure will dampen unified One-Stop efforts to work with incumbent employees (because the measure requires employment with a new employer) and will limit referrals from Employment Service staff to Title IB staff (because Title IB activities often take longer than two quarters to produce results).

While the Performance Accountability Policy Group has investigated efficiency measures of performance, to date they have not agreed upon any single approach to that question. It is problematic to try to measure uniformly cost per service provided across programs in which costs range from \$37 per client (Wagner-Peyser) to \$30,000 per client (Job Corps).

²⁸ These measures are listed in Appendix F (the “return on investment” measure has been dropped since the construction of this list). Data on the implemented measures can be found at <http://www.prism.state.or.us>.

The state has recently purchased and soon will be installing performance management system software centrally that will be accessible to all stakeholders: workforce system partners, workforce investment boards, local elected officials and clients. This system will allow the consideration of performance data in any number of cross-tabulations – by One-Stop, by demographics, by program, and so on.

Section 8. Information Technologies in the One-Stops

Information Technology Use by Clients. Computers serve as a primary conduit of resources to clients in One-Stop centers. Employment Service operations typically include banks of computers that provide access to the Employment Department's own job seeker pages as well as the Oregon Labor Market Information System (see <http://www.emp.state.or.us>). In addition to databases on occupational characteristics, job listings and general labor market information, these sites also provide links to America's Job Bank, JOBS Plus jobs, governmental job listings (all cities, counties, state, and school districts within Oregon, as well as general federal job links), apprenticeships, information on local job fairs, and links to America's CareerInfoNet for job search tips. In addition, Title IB resource room operations typically provide Internet access to other job search databases and software, including those for self-assessment, occupational searches, and resume writing. Center staff look out for and provide assistance to clients who are not computer literate, and centers also frequently have accommodations for those with physical disabilities that hamper computer use, such as visual impairments.

As noted, the Employment Department's services are heavily web based and available from any location with Internet access and at 140 kiosk locations around the state. Similarly, many One-Stop centers also host web sites that either provide significant amounts of information

to clients or make services (such as job searches) web accessible. No systems are in place to track usage or clients over the Internet, although the Employment Department job listings do make a voluntary request for an individual's social security number to allow the department to track outcomes of users. Employment Service and unemployment insurance enrollment forms are available on the Internet to be downloaded and turned in. The regions that we visited were not making use of any kind of "swipe card" technology in their centers to track client activities, although this is being tested in at least one Oregon county.

Information Technology Use by Staff. As discussed in Section 7, the state will soon be installing a statewide management performance data system that will be accessible by all One-Stop partners to view their performance and outcome data. However, within individual One-Stops there is relatively little other integration of information technology. Typically One-Stop center staff use computer systems set up by their "home" agency, including email accounts and software packages. Staff from different partner agencies typically do not have access to the same client information databases or the same eligibility determination software. There are some exceptions to this: where agreements have been put in place to share client information among particular center staff, and in some centers where there is a common LAN on which staff share documents on network drives. Nevertheless, in many cases, even small tasks like sharing scheduling or calendar programs or constructing email groups is hampered by the variety of systems and software that different staff are using.

Section 9. Summary Observations and Reauthorization Issues of Special Concern

There was a surprising uniformity in the discussions we had with many actors in Oregon regarding WIA. All agreed with the underlying concept embodied in WIA, of unifying and

coordinating workforce development efforts at both the state and local levels. Many lauded the goal of accomplishing universal access. It was also noted that WIA has done an excellent job of promoting the use and importance of the Oregon Labor Market Information Systems (OLMIS). Some lauded the creation of national Workforce Policy Councils that involve state LMIS directors collaboratively in policy making.

However, Oregon has long had a well-developed LMIS system and had already embarked on a path towards coordinated workforce efforts (see discussion in Section 1). While some feel that WIA helped Oregon move further along that path, others disagree, feeling that it has been a hindrance. Several concerns about the implementation of WIA surfaced during the course of this study with surprising consistency. These include:

- the difficulty of the initial MOU drafting process,
- the need for funding dedicated solely to One-Stop operations,
- the difficulty of operating an integrated system within the shadow of existing funding and regulatory silos,
- the tensions inherent in involving centralized state agencies in decentralized local partnerships,
- the concern that “one-size-fits-all” One-Stops do not meet the needs of all clients equally well,
- the lack of performance evaluation measures that can be used for management improvement on a real-time basis,
- the unwieldy nature of large WIBs,
- the difficulty in maintaining sustained involvement from the business community, and
- the lack of funding for training.

The single most difficult thing about the implementation of WIA that Oregonians point to was the process of developing the initial MOUs among local One-Stop partners. In some cases, the difficulties emerged between the partners as they attempted to settle what their partnership

would look like. In other cases, the problems emerged between the local actors and the state level staff who were attempting to enforce compliance with both federal and state guidelines, represent state agencies, and represent the Governor. In many instances, both state and local actors refer to the entire process as having set all the relationships back considerably from where they were prior to the implementation of WIA. Some players feel that WIA is fundamentally destructive of those relationships. Many noted that the requirement for “mandatory partnerships” was something of an oxymoron.

The issue of the development of MOUs is closely tied to other major issues as well. Some of the difficulties in the development of MOUs could be avoided by dedicating certain funds to pay joint One-Stop costs. These costs might include space, marketing, signage, brochure racks, joint reception staff or greeters, and even technical support, office supplies, and copying and fax facilities. That these costs are separately allocated to partner budgets, encourages segregation of activities instead of seamless integration. Coming to agreements about how to share costs and resources is complex and time-consuming.

Furthermore, the funding and regulatory “silos” within which all the programs operate lead to coordination difficulties as well. One-stop partners must all respond to different federal regulations, guidelines, OMB circulars, and the like. One-stop staff must search for the best “silo” in which to situate a client, and must register and track clients in separate performance measure systems. As one staffer put it, “It’s as if they put us all in a van to travel together, but we are all trying to use different maps.”

More fundamentally, tension arises from the fact that local One-Stop partners also may be state agency staff. Inherently, these staff are being used to meet the needs of two systems at once. How well this works depends on how well-aligned the mission of the local partnership and

the central state agency are. This tension introduces an inherent fragility to the system as it is currently structured. The local partnerships are subject to changes in the budget status, mission, or operations of multiple state agencies. The best example of this is the tension within the state Department of Human Services and its multiple divisions that interface with WIA. The state Department of Human Services serves a huge array of clients with all manner of needs, barriers, and issues, and the department focuses on serving clients in ways that are sensitive to the context of their barriers. Staff feel that frequently TANF clients, many of whom have either substance abuse or domestic violence issues in their households, are not well served by a One-Stop workforce system designed for serving a broader population. As such, they have been a somewhat reluctant partner to the WIA One-Stop system. On the other hand, the Vocational Rehabilitation division does enthusiastically participate in the WIA One-Stop system. Staff believe that many of their clients are well served by a generalist approach to workforce issues. Nevertheless, some vocational rehabilitation clients have physical or mental disabilities that make them still better served in a specialized environment, thus in many areas Vocational Rehabilitation representatives feel the need to divide their resources between the WIA One-Stop and their own offices.

Oregon has developed and is in the process of implementing a set of uniform system-wide performance measures for the workforce development system.²⁹ These 13 measures cover all the state agencies that partner in the workforce system. The state is currently in the process of requesting a waiver from DOL to use these measures for reporting under WIA as well. The state views the system wide measures as more conducive to building an integrated system. Whichever set of measures is adopted, however, all share the feature that they are longer-term performance measures that are available after a client has left the system. As such, they do not give local

²⁹ This effort began under the auspices of the Oregon Option in the mid-1990s.

One-Stop partners any short-term feedback to use for management and performance evaluation. This feature of the previous reporting system under JTPA is missed.

Most actors involved have found the size of the state and/or the local WIBs to be unwieldy. The state WIB has 37 members. The size makes active participation and decision-making slow and inefficient. The involvement of actors with very different amounts at stake in the system can lead to unbalanced policy making. Several interviewees noted that Washington State's (grandfathered) WIB, with only 11 members, is a more workable size. Many locals report difficulty in keeping private sector business members actively engaged. The difficulties seem to have three sources: time constraints on very busy individuals who are attending WIB meetings on a volunteer basis (as compared with government or nonprofit representatives for whom it is part of their regular work duties), private sector frustration with the slow pace and bureaucracy associated with government programs, and a lack of items of direct interest to current employers. The latter point has been partially addressed at both the state and local levels with grant programs for incumbent worker training.

Governance issues go beyond the size of WIBs as well. Most actors in Oregon have found the process of establishing the locus of control under WIA problematic. Many feel that the WIA legislation itself was enigmatic, with inherent conflicts and gaps. The implementation of WIA in Oregon has been a process of inventing what works and filling the gaps, a very slow and time-consuming process. While many of the details have been worked out, some gaps clearly remain to be filled. These include establishing formal lines of communication and participation between the state and the local levels, and mechanisms for more formally sharing insights and best practices from one locale to another.

Finally, respondents expressed concern that the structure and the funding of WIA are not at present leading to what many feel are sufficient amounts of training. It is impossible to establish whether this is due to the current economic recession, leading to higher universal access caseloads, or whether it is a result of the structure of WIA itself. In any case, most local providers reported that very little funding is available for training, particularly in comparison with previous JTPA programs. If the neediest clients are those who need significant human capital investment in order to reach self-sufficiency, then it is not clear that the workforce development system under WIA is meeting the needs of those individuals. Instead most of the resources in the system are going towards meeting the universal service requirements. This fact makes the “consumer choice” and “market mechanism” elements of WIA (inherent in the ETP list and the use of ITA accounts) somewhat moot, as few individuals have the opportunity to use these features. The fears of those who worried that universal service would come at the expense of meeting the needs of the needier segments of the population may in fact have been realized.

Glossary

(Agencies are Oregon state agencies unless specified otherwise)

ED	Employment Department
CCWD	Department of Community Colleges and Workforce Development
COIC	Central Oregon Intergovernmental Council
COCC	Central Oregon Community College
DHS	Department of Human Services
OWA	Oregon Workforce Alliance
OWIB	Oregon Workforce Investment Board
OLMIS	Oregon Labor Market Information System
SEDAF	Supplemental Employment Department Administrative Fund
TOC	The Oregon Consortium
TOC/OWA	The Oregon Consortium/Oregon Workforce Alliance