

## Region 2 Workforce Investment Board

### Meeting Summary

April 9, 2010

7:30 - 9:30 a.m.

Mercy Corps Headquarters

45 SW Ankeny

Portland, OR

#### In attendance:

**Board Members:** Kimberly Schneider, Sharon Birge, Lila Leathers, Diana Kimbrough, Carl Moyer, Steven Morris, Glenn Shuck, John Mohlis, Bob Tackett, deDrae Cottrell, Jerry Burns, Mary Shivell, Steve Rudman, Asha Swem, Ron Hauge, Marc Levy

**Staff:** Andrew McGough, Jenny Weller, Sharon McFarland

**Guests:** Amy Vandervliet

#### Handouts:

- Workforce System Update
- ARRA Resources Managed by Worksystems, Inc.
- WSI Quarterly Snapshot - Spring 2010

#### Call to Order

The meeting was called to order by Kimberly Schneider at 7:38 a.m. Quorum was not attained. Andrew McGough welcomed Mary Shivell, Voc Rehab, to the Board.

#### CONSENT AGENDA

Due to lack of quorum the consent agenda was not reviewed or approved.

#### COMMITTEE REPORTS

Regional One-Stop Committee: Marc Levy, Co-hair, provided a committee update for the Regional One-Stop Committee. Part of the charge of the committee is to assist in setting up the criteria for evaluation and certification of regional WorkSource centers. They are working with staff on creating an evaluation tool which will be tested between now and June, gearing towards the actual certification process to commence next program year. They hope to have a WIB meeting at a WorkSource center so the board can get a better understanding of the activities at the centers.

Regional Competitiveness Committee: Sharon Birge, Chair, provided a committee update for the Regional Competitiveness Committee. The committee started out with the task of understanding and researching what the various entities in our region were doing with respect to economic development and the necessary skills to support that development. They had intended to analyze the current plans, identify gaps, and make recommendations on how to address any gaps, but learned that Regional Partners for Economic Development were taking on that work. The committee decided that their study would have been repetitive and not value added. As a result they have been looking at refocusing on more contemporary issues that could add value. They will be taking a look at skills and talents in our region and trying to understand how those would map to expanding or new businesses in the region.

Youth Education & Training Committee: Sharon McFarland, WSI Director of Community Investments, provided an update for the Youth Education & Training Committee. The focus of the committee is on “work-based learning” for at-risk, low income young people ages 16 - 24. Summer jobs for youth is one of their primary areas of focus. In addition, they are focusing on BizConnect, a school-to-work system that connects young people to businesses. Last year they had about \$3.2 million for the SummerWorks program which served over 1,300 young people. There is same carry-over, private sector and DHS funding to run a summer jobs program this year but only for about 300 young people. The committee is looking at how other cities are sustaining summer job programs for youth. Many cities and states have developed and paid to sustain very robust summer jobs programs. The BizConnect program was funded by the WIRED grant which expires 6/30/2010. They are confident that the State of Oregon is interested in scaling the program to the whole state since it’s connected to the CIS program.

## **REGIONAL ECONOMIC UPDATE**

Amy Vandervleit, State of Oregon Economist, provided an economic update for the region. The nation officially entered a recession in December 2007. The number of people unemployed more than doubled in less than 2 years with our region’s rate being slightly higher than the national rate. We are currently at about a 10.3% unemployment rate. This does not take into account those who are now employed part-time, under-employed or have dropped out of the labor force. Taking those factors into account, at the peak we were closer to a 23% unemployment rate. Currently, it would be closer to 17%. We are down from our peak unemployment not due to job growth, but because people are leaving the labor force.

Over the last 2 years, we have lost 88,700 jobs. In the winter of 08/09 we were losing 8,000 to 9,000 jobs a month. We are still losing jobs but it has tapered off. Manufacturing and construction have led Portland’s job losses accounting for almost half of the total job losses. Portland’s declines are slightly steeper than the rest of the nation. The decline in exports and business spending contributed to our faster rate of decline. One out of every 3 construction jobs were lost between 2008 and 2010. We had about 14% of our employment base in manufacturing. The loss of jobs in this sector has a strong multiplier effect thus the ripple is stronger than when you create or lose a job in other sectors such as retail.

The good news is that stabilization is happening in most industries. Manufacturing job losses appear to be leveling off but construction jobs are still declining. Education and health services are continuing to grow on a fairly consistent basis.

Nationally, the recession economically ended in August 2009 but not in terms of jobs. There has been job growth nationally over the last couple of months. Exports and business spending have picked up which should help Oregon. Temporary help has also increased which is one of the first indicators that the economy is picking up. Historically, temporary help growth has preceded job growth by about 4 - 6 months. According to the latest forecast by the Office of Economic Analysis the loss of jobs will continue through the first quarter of 2010 and we won’t regain pre-recession employment levels until the 3<sup>rd</sup> quarter of 2013.

## **WORKFORCE SYSTEM UPDATE**

Andrew McGough updated the Board on what is being done as a system in response to the recession and how we are preparing for opportunities that might exist in the future.

We have to be very thoughtful about where we invest our increasingly limited resources. Since 2005 we have seen a 48% decline in Workforce Investment Act (WIA) formula dollars (money we receive from the Federal government to serve dislocated workers, adults and youth). However, during the same period

of time, unemployment insurance claims and demand for service has increased 82.5%. This percentage doesn't include the underemployed and people who dropped out of the labor force. It is important that we think about resources collectively since WIA resources won't solve the issues alone.

During the same period of time, WSI staff has raised \$23,376,867 in competitive grants. There is a shift at the federal level from formula programs to competitive programs. We have demonstrated our ability to compete on a national level and recently received a Pathways out of Poverty grant and a couple of grants to serve the energy industry. Our regional and community partner approach has proven to be very helpful in raising our competitiveness nationally. The challenge is that grants tend to be focused on specific targets or industries which limits our flexibility locally.

ARRA stimulus funding will expire at the end of June 2010 but there are some hopeful signs at the federal level. There are bills in the system that will benefit our region but we have to continually educate our delegation as to the value of the programs and investments. McGough updated the board on pending bills and advocacy opportunities:

- Disaster Relief and Summer Jobs Act of 2010 (HR 4899)
- The Local Jobs for America Act (HR 4812)
- Reauthorization of the Workforce Investment Act (WIA)
- American Graduation Initiative

Sharon McFarland reviewed the work done with the \$8.8 million in ARRA funds that we received for the region. ARRA funds have been used to create support within our youth system to help transition participants into post-secondary education. On the adult side we created some creative partnerships. HAP put in some funding to help us open an Express Center at New Columbia. ARRA funds enabled us to more than double the number of scholarships to help participants get post-secondary training. Adult internships were subsidized using ARRA funds. A large portion of the ARRA funds were used to support Business Services in this region where we are offering in on-the-job training to private employers.

Through March, we have successfully competed for 3 Department of Labor stimulus "Green Jobs" grants:

- Pathways out of Poverty - \$4 million over 2 years targeting employment and training services to people in the Cully and Rockwood neighborhood in East Multnomah County.
- Local Energy Partnership which is a partnership between Worksystems, Inc. and Oregon Mfg Extension Project (OMEP). \$1.7 million over 2 years. The idea is that OMEP will do lean assessments of companies and identify training needs to assist in determining where the workforce system will be investing the funds to meet those needs.
- Partner in a state-wide green jobs stimulus grant - \$700,000 for our region. Help individuals who started college but either dropped out or want to continue the education to get higher skills so they are more competitive in the job market. The project is called "Finish Up" and will provide scholarships for those individuals to go back to school. OIT is a partner in the grant. We are working with them and some of their bachelor degree students to pay for internships in the renewable energy industry.

## Other

McGough announced the retirement of WIB Director Glenn Shuck.

**MEETING ADJOURNED AT 9:08a.m.**