

Oregon Talent Council

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*MAKING OREGONIANS THE FIRST AND BEST
CHOICE OF EMPLOYERS*

TESTIMONY TO HOUSE COMMITTEE ON HIGHER
EDUCATION, INNOVATION AND WORKFORCE DEVELOPMENT
HOUSE BILL 2728

FEBRUARY 27, 2015

Agenda

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- **Introduction / History**
 - Eric Meslow, President of Timbercon, Chair of ETIC, STEM Investment Council
- **Strategic Opportunity**
 - David Childers, Vice Chair of ETIC, Chair Emeritus of TAO
 - Pat Scruggs, President of Scruggs & Associates
- **Statewide Industry Panel**
 - Eileen Boerger, CEO of CorSource Technology
 - Mary McCord, General Manager of Cayuse Technologies
- **Technology Panel**
 - Skip Newberry, President of TAO
 - Serge Leef, Vice President of New Ventures, Mentor Graphics
- **Critical Sectors Panel**
 - Joel Fischer, Oregon Business Association
 - Jane Renken-Gunderson, VP of Talent & Development, PeaceHealth
 - Maureen Fallt, Talent Management, Portland General Electric
 - Dennis McNannay, Executive Director, Oregon Bioscience Association
- **State Partners**
 - Lisa Nisenfeld, Director, Oregon Employment Department
 - Jim Piro, President of PGE, Chair of STEM Investment Council
 - Chris Maples, President of Oregon Tech
 - Karen Goddin, Managing Director, Business Oregon
 - Brent Wilder, Vice President of Oregon Alliance of Independent Colleges and Universities
- **Q and A**
 - Eric Meslow, Pat Scruggs, David Childers
 - Laura McKinney, Executive Director, ETIC

February 27, 2015

How did we get here?

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- Engineering and Technology Industry Council was founded in 1997 (SB504)
- Directed investments to increase capabilities and capacity within critical technology fields
- High degree of private and federal matching dollars
- Three year retooling process.
Reconfirmed, Rebalanced, Increased
- New strategic opportunity emerged

Jobs Critical for Oregon Industry Competitiveness

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“Oregon Talent...Oregon Jobs!”

OTC is focused on JOBS

- *Connect talent to regional and state economic growth opportunities*
- *Target the most critical talent needs of traded sector and high growth industries in a strategic and focused fashion. (Primarily professional/technical jobs)*
- *Foster statewide access to Oregon’s diverse population*

HB 2728

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- Establishes the Oregon Talent Council
- Requires the development of a statewide talent plan and industry verified and prioritized data
- Appropriates moneys for specific investments
- Abolishes ETIC (Tech becomes a subcommittee)
- Resides within Oregon Employment Department with coordination agreements and policy alignment with HECC, OWIB, STEM Investment Council and OBDD

No matter how you slice it.... Talent is key to economic prosperity

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Statewide: In workforce and economic forums held throughout the state, the availability and skill level of talent was the #1 issue.

- 74 percent of executives surveyed¹ say there's a shortage of talent
 - ✦ 50% of millennial graduates lack applied skills in reading and math
- In Q4 2014 there were 45K Oregon job vacancies with 132K unemployed
 - ✦ If we filled ½ of the vacancies with Oregon talent, unemployment would fall from 6.7% to 5.6%
 - State reports that Oregon's higher unemployed to job opening ratio is due to recent growth in out-of-state hiring

Why We Are Here...

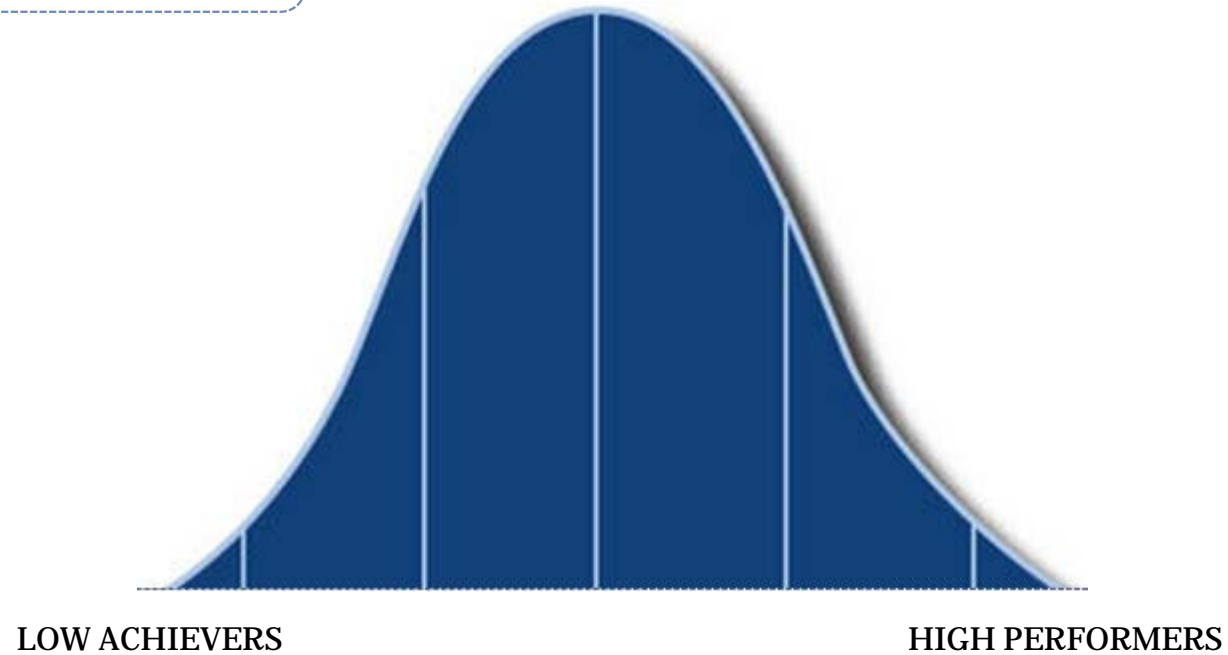
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- We know the leading companies and clusters that will emerge over the next 20 years will locate themselves wherever they have access to a top-quality workforce.
 - We define qualified talent as a combination of education, skills and experience.
- We believe Oregon should create an environment and attitude that places the state at the forefront of talent development and business growth.
- We trust the Oregon business community is prepared to become more participative to ensure that our education is competitive and meets the workforce needs of our State.

Historic Preparation of Talent

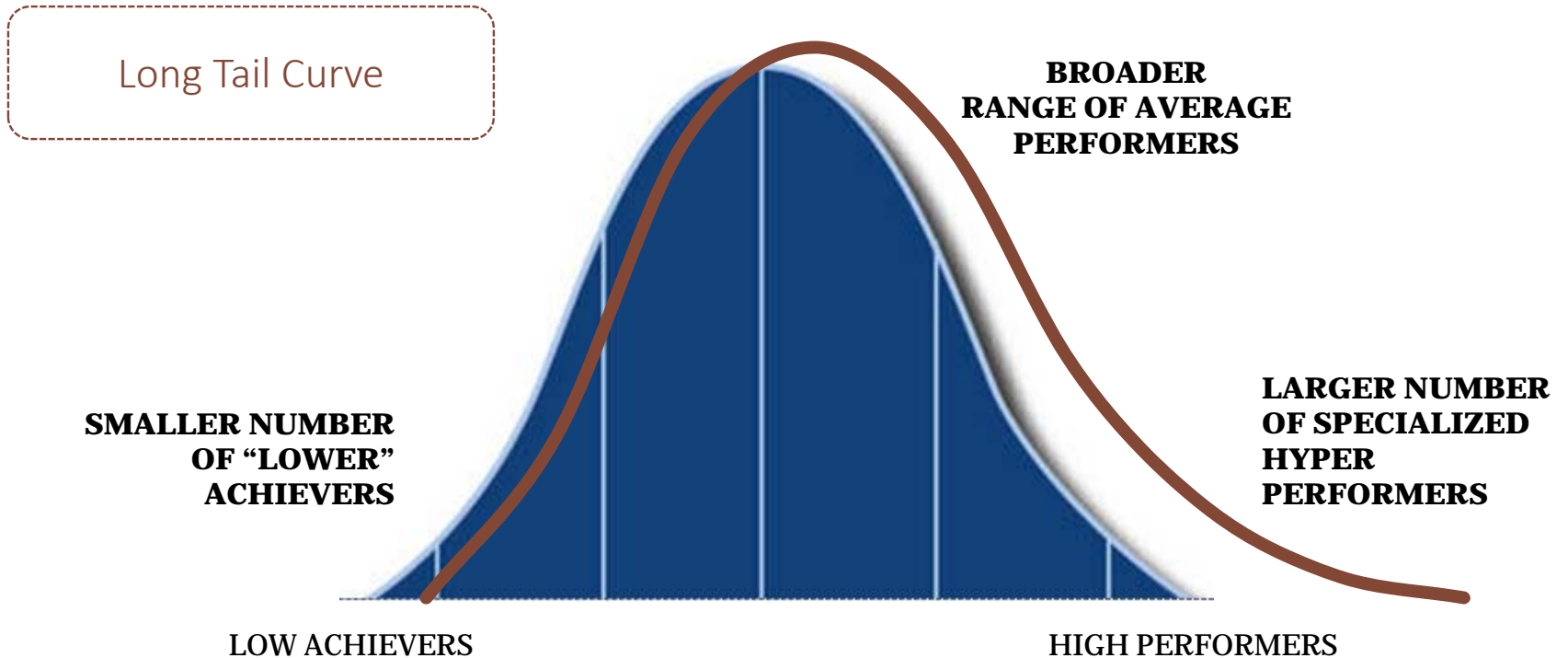
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Traditional Bell Curve



Today's Workforce Reality

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FORBES 2/19/2014 @ 10:43PM
The Myth Of The Bell Curve: Look For The Hyper-Performers

Oregon's Industries are Asking for Help

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- Cohesive talent goals and strategies to guide investment and industry engagement
- A coordinated approach to higher education and workforce partnerships to reduce duplication of effort and promote innovative and collaborative solutions
- Just in time, small packet training and continuing education for incumbent workers
- Coordinated expertise and resources to address bubbles in talent needs

OTC Membership & Governance

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- Majority of council will be industry executives from key sectors.
- Ex-officio members from agencies and boards playing key role in implementing solutions:
 - ✦ Higher Education Coordinating Commission
 - ✦ Oregon Employment Department
 - ✦ Oregon Workforce Investment Board
 - ✦ Oregon Business Development Department
 - ✦ Oregon Education Investment Board/STEM Investment Council
- Sector subcommittees will identify needs and make recommendations for investments; there will be a cross-sector committee for shared needs.

OTC's Key Duties

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- **Inform:** Provides cohesive and comprehensive industry verified data on immediate and forecasted skill and occupation gaps
 - ✦ *Better Anticipate employment demands*
- **Advise:** Develops a statewide talent plan and makes strategically aligned recommendations to guide workforce, education and STEM investments
 - ✦ *Facilitate discussions with industry, academia and key agencies*
- **Catalyze:** Establishes the Oregon Talent Council Fund to co-invest in targeted efforts that address critical talent gaps for Oregon's traded sector and high growth industries
 - ✦ *Competitive RFP process and seed investment strategy*
- **Coordinate:** Establishes sector subcommittees within the Council to promote coordination with workforce and education partners around identified needs
 - ✦ *Maximize state, local, private and federal dollars*

OTC Investment Focus

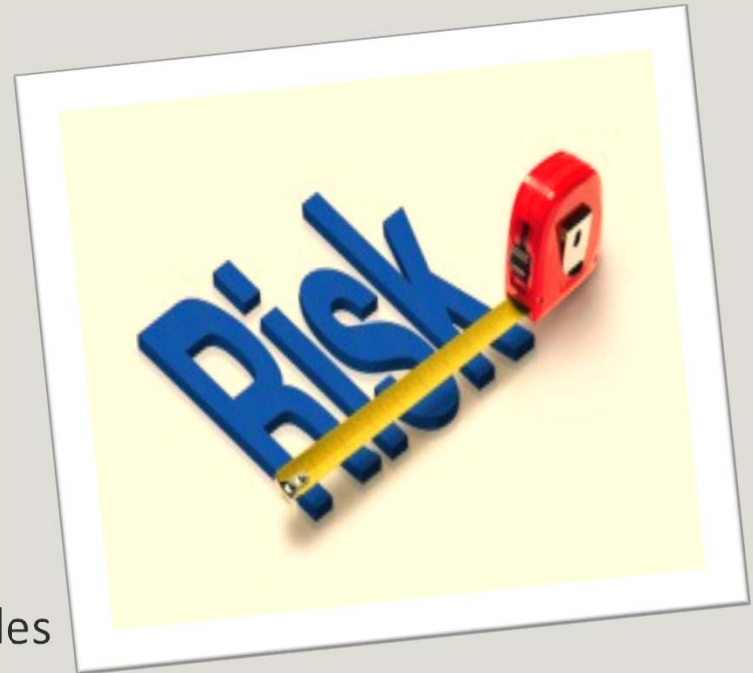
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- ✓ Pinpoint urgent education and training needs of industry
- ✓ Foster new ways to deliver incumbent workforce training and proficiency based education tied to industry needs
- ✓ Develop professional and technical, industry-led badges and certifications to support ongoing skill development
- ✓ Enhance student work experience and job preparedness

OTC Investment Criteria

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- Competitive RFP Process
- Expectation of leverage from private and public funds toward sustainability
- Risk Tolerant Growth:
 - Designed for Responsiveness
 - Requires a maximum 3-year cycle
 - Experimental thinking is encouraged
 - Goal to mitigate market skill hiring bubbles



Key Amendments

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- Preamble stating the critical need for talent and the importance of statewide resources to support diverse talent development
- OTC will be housed and staffed at Employment Department
- Clean-up of duties and investment criteria for readability
- Alignment with key state agencies and councils
- Additional language on working with partners to reach diverse populations/across the state
- Cap on monies used for staff and operations; aligned with other caps

