

## Testimony of David Childers

RE: HB2728

February 27, 2015

Chairman Read, members of the committee it is my pleasure to address you today. For the record, my name is David Childers. I am a resident of Lake Oswego, Oregon and I am here representing the Technology Association of Oregon, where I serve as Chair Emeritus. I also serve as an ETIC Council member. During my career I have served as a CEO for 22 years, founding two successful Oregon start-ups, and mentoring dozens of CEOs and emerging companies around the State. I am also an angel investor in the Oregon Seed Fund and several Oregon companies.

I am here before you today in support of HB2728, the establishment of the Oregon Talent Council (OTC). As a member of the Oregon business community and ETIC councilor I constantly hear the calls for better qualified and skilled talent. In a recent national survey by the Technology Councils of North America, the extracted results reflected that **74% of Oregon executives surveyed said they were experiencing a shortage of talent**. We define qualified talent as a combination of education, skills and experience. Unfortunately, this same survey noted that **50% of the current millennial graduates lacked the ability to apply their education in reading and math as workplace skills**. These calls for talent are not just from the pure technology sector but every growing industry group around the State. Trained and educated talent is an essential resource for business development, inspiring strategic investment and ongoing business success.

As a matter of reference in Q4 2014 there were 45K Oregon job vacancies. During the same period of time there were 132K unemployed Oregonians. Hypothetically if we could fill one-half of the vacancies with Oregon talent, the unemployment rate would fall from 6.7% to 5.6%. The State's economists report the reason for Oregon's high unemployment to job opening ratio is due to **our need to hire talent from out of state**.

The establishment of the OTC offers a unique opportunity to establish a seed-funding vehicle where industry, education and the workforce can intersect effectively. Our education system is based in a historic view that graduates fall into a balanced bell curve of graduates moving to industry. Unfortunately the traditional bell curve has been replaced with a long-tail curve. This curve is not balanced, and reflects a smaller number of "lower" achievers, a significantly expanded group of "average" performers and **a large number of specialized hyper performers**.

I believe that HB2728 creates an environment and attitude that can dramatically elevate Oregon's talent development and business growth. Although HB2728 sunsets ETIC, the OTC will be able to utilize ETIC's best know-how and benefit from lessons learned during the past decade and a half of its operation. For example, although the original charter of ETIC included the inclusion of private colleges and community colleges, the nesting of ETIC within the OUS precluded this from being effected. With the establishment of the OTC within the Oregon

Employment Department and with coordinating agreement with the HECC, OWIB, STEM Investment Council and OBDD, all avenues of public and private higher education within the State will be included.

The **increase in funding HB2728 seeks is both necessary and responsible**. At the current funding level it is impossible to make the appropriate impact and extend the investment reach. Funding HB2728 at the requested level will support the talent development needs of the primary industries Oregon is embracing – Technology, Healthcare, Energy and Food Science. These industries create living wage jobs all across our state and provide a base of growth that can inspire more out of state investment.

I encourage you to support HB2728.

Thank you for the opportunity to testify before you today. I would be happy to answer any questions.

David Childers

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