



Oregon

Kate Brown, Governor

Employment Department

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April 8, 2015

Joint Committee on Ways and Means
The Honorable Senator Richard Devlin, Co-Chair
The Honorable Representative Peter Buckley, Co-Chair
900 Court Street NE, Room H-178
Salem, OR 97301

Dear Co-Chairs Devlin and Buckley:

This letter is to request authority for the Oregon Employment Department (OED) to apply for the U.S. Department of Labor American Apprenticeship Initiative (AAI) grant, which is due April 30, 2015. The Department of Labor has made a total of \$100 million in competitive grants available to develop new apprenticeship programs and expand existing ones. The per grant award level ranges from \$2.5 million to \$5 million over 5 years, and no state match is required. OED is seeking approval to apply for up to \$5 million in Federal Funds authority through this one-time opportunity.

AAI focuses on high-growth occupations or industries and expanding apprenticeship opportunities for underrepresented populations. The grant aims to raise awareness of apprenticeships as a post-secondary education and training pathway, and promote sustainable support that will increase industry demand for these programs.

OED plans to use these funds to create and enhance career pathways for manufacturing occupations. Recent surveys by the Oregon Workforce Partnership and OED's Research Division reveal that manufacturers have difficulty finding skilled workers. Targeting apprenticeships in this industry will help fill the need for manufacturing education and training. Employers and Community Colleges will be key players in apprenticeship development efforts, providing input and oversight on curriculum design.

Since AAI supports public-private partnerships that engage employers as well as workforce and training partners, it aligns with OED's mission to connect businesses and job seekers while ensuring collaboration and integration within the broader workforce system. The grant also supports OED's 2014-2019 Strategic Plan goals, which seek to better serve individuals with barriers to employment and encourage growth in key industry sectors.

In summary, OED is seeking authorization to apply for \$5 million in Federal Funds for the AAI grant. Spending authority and any necessary position authority may be requested at a later date if these funds are successfully awarded.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lisa Nisenfeld', with a long horizontal line extending to the right.

Lisa Nisenfeld
Director

cc: George Naughton, DAS Chief Financial Officer & Interim Chief Operating Officer
Michelle Lisper, DAS, Chief Financial Office Analyst
Ken Rocco, Legislative Fiscal Officer
Michelle Deister, Legislative Fiscal Office Analyst

Federal Grant Application Request

Employment Department

Advanced Manufacturing Apprenticeship Initiative

Analyst: Michelle Deister

Request: Approve a request by the Employment Department to apply for a Federal Grant in the amount of \$5 million from the U.S. Department of Labor to support and augment the Oregon Advanced Manufacturing Apprenticeship Initiative.

Recommendation: Approve the request.

Analysis: The Employment Department has surveyed employers throughout the state and found a common problem: employers struggle to find employees who are trained, and some hesitate to invest in training for fear that trained employees will soon leave for other, higher paying companies. Efforts to address these issues are underway; the Employment Department and its partners – including local workforce investment boards and community colleges – have plans to develop apprenticeship programs for specific skills in hard to fill occupations. These occupations include industrial machinery mechanics, machinists, computer-controlled machine tool operators, electrical and electronics engineering and repair, and sawing machine setters. The endeavor is known as the Oregon Advanced Manufacturing Apprenticeship Initiative.

Serendipitously, the U.S. Department of Labor is making grant funds available under the American Apprenticeship Initiative to support the development and expansion of apprenticeship programs in high growth occupations and industries. Proposed projects must create career pathways that provide an opportunity for continued skill development, reach underrepresented populations, and support innovation in developing training opportunities, particularly for those occupations for which employers are utilizing foreign worker visas. The Employment Department sees the grant opportunity as a complement to state efforts to address the problem of developing a pipeline of skilled labor for hard to fill occupations. The Department seeks to apply for \$5 million to be used over five years to support development of apprenticeship programs in occupations that do not yet have organized curricula and formal on-the-job training opportunities. The grant would allow the Employment Department to invest beyond what the agency and its partners could otherwise provide. This is a competitive grant opportunity, and applications are due April 30. No state matching funds are required. The Employment Department anticipates 3 positions (2.0 FTE) associated with this grant, for project management/coordination and for the purpose of training partners in identifying apprenticeship training opportunities and candidates for the new apprenticeship programs.

The Employment Department will work with a variety of partners to develop new apprenticeship opportunities. For example: local Workforce Investment Boards and education partners will help to identify apprentice-able occupations and the employers willing to participate. WorkSource Oregon centers, Department of Human Services offices, Department of Corrections, Oregon Youth Authority, high schools and secondary education institutions would be sources to identify and recruit candidates for apprenticeships. Education partners, Workforce Investment Boards and participating employers would collaborate to develop classroom curriculum and training requirements, and place

apprentices in on-the-job learning opportunities. The Bureau of Labor and Industries would register and monitor these programs, as it does with other apprenticeship programs. Grant funds would also support outreach efforts, project management, and training local WorkSource partners to make them aware of the new programs as well as which job seekers could be candidates.

The Employment Department could return to the February 2016 legislative session or a subsequent meeting of the Emergency Board for expenditure limitation and position authority if its grant application is successful.

The Legislative Fiscal Office recommends approval of the Employment Department's request to apply for a grant in the amount of \$5 million from the U.S. Department of Labor to support Oregon's Advanced Manufacturing Apprenticeship Initiative.