

House Bill 3437

Sponsored by Representative REARDON

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Establishes legislative findings and intent regarding Oregon Talent Council. Directs council to seek funds for workforce development activities. Requires Talent Development Plan, to be created through agency coordination, describing statewide progress in workforce talent development.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to workforce development; creating new provisions; amending ORS 284.297 and 660.321;
3 repealing ORS 284.290, 284.292 and 284.294; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Sections 2 and 3 of this 2017 Act are added to and made a part of ORS 660.300**
6 **to 660.364.**

7 **SECTION 2. (1) The Legislative Assembly finds that:**

8 (a) **Oregon's economy is diverse and constantly changing and its key industries are de-**
9 **pendent on a workforce with industry-specific skills in order to continue to thrive;**

10 (b) **Oregon's key industry employers continue to lack the skilled workers they need to**
11 **stay and grow in this state;**

12 (c) **Oregonians miss opportunities for good jobs in growing industries because they do**
13 **not have access to the right education, training, or adequate hands-on experience at the**
14 **right time to secure employment;**

15 (d) **Providing clear access to industry-driven career pathways for education and employ-**
16 **ment advancement can result in long-term improvements in the economic well-being of**
17 **Oregonians and will provide industries with the talent pipeline needed to thrive now and in**
18 **the future;**

19 (e) **Creating a coordinated system to advance the skills and educational attainment of**
20 **Oregonians across workforce development, education and human services, in alignment with**
21 **economic development goals and in partnership with industry, is the most promising way to**
22 **advance Oregonians and supply industry with the talent it demands;**

23 (f) **Deep, authentic and ongoing employer engagement and input are critical to ensure**
24 **that education and training programs are aligned with the real and current needs of indus-**
25 **try; and**

26 (g) **Sector partnerships are a proven established model of engaging employers and coor-**
27 **minating workforce development economic development and education in response to the**
28 **needs of industry and on behalf of workers seeking good jobs.**

29 (2) **The Legislative Assembly declares that it will be beneficial to consolidate state-level**
30 **coordination, employer engagement and oversight responsibilities with the State Workforce**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 Investment Board and to align state investments in workforce development, economic de-
 2 velopment and education to the needs of key industries. The State Workforce Investment
 3 Board shall convene and engage senior executives of traded sector and high-growth indus-
 4 tries, the Oregon Talent Council, the Oregon Business Development Commission, the Higher
 5 Education Coordinating Commission, the Department of Education, the Bureau of Labor and
 6 Industries, the STEM Investment Council, local workforce investment boards, the Employ-
 7 ment Department, the Department of Human Services, the Commission for the Blind, the
 8 Chief Education Office and the Youth Development Council to:

9 (a) Determine needs across key industries and occupations including challenges and op-
 10 portunities in developing and growing relevant talent pipelines;

11 (b) Ensure that the talent pipeline development infrastructure includes:

12 (A) A listening process to collect workforce needs of key industries' employers;

13 (B) Curriculum alignment for high-demand occupation skill needs;

14 (C) Occupation-aligned education and training options with a clearly articulated
 15 progression;

16 (D) Skills assessments; and

17 (E) Academic career counseling;

18 (c) Utilize sector partnerships to:

19 (A) Advise the development of career pathway programs for critical occupations in key
 20 industries; and

21 (B) Ensure the coordination of education and workforce initiatives to develop a strong
 22 talent pipeline;

23 (d) Utilize existing measures and data systems to improve systems alignment and inter-
 24 agency communication; and

25 (e) Ensure state alignment and coordination with local workforce development board in-
 26 dustry sector initiatives.

27 **SECTION 3.** (1) The Oregon Talent Council shall advise and be a resource for state
 28 agencies and educational institutions on issues of talent development to promote the growth
 29 and competitiveness of Oregon's traded sector and high growth industries.

30 (2) The council shall work in cooperation with the Employment Department to provide
 31 industry-based information and data on talent needs and gaps.

32 (3) The council shall develop criteria and measurements that will be used for determining
 33 investments made from the fund established under ORS 284.297. All investments in public
 34 and private institutions shall be:

35 (a) Contingent upon performance-based contracts with measurable outcomes; and

36 (b) Of limited duration.

37 (4) Each biennium, the council shall develop a Talent Development Plan under this sec-
 38 tion that the council will use to invest moneys from the fund established under ORS 284.297.
 39 The talent plan and investments shall:

40 (a) Identify and prioritize the urgent talent gaps of Oregon's traded sector and high
 41 growth industries.

42 (b) Respond to immediate talent needs by creating additional opportunities for
 43 Oregonians to pursue education and training in disciplines critical to the advancement of
 44 Oregon's traded sector and high growth industries.

45 (c) Strengthen efforts to enhance student work experience and job preparedness in

1 **high-demand and critical occupations.**

2 (d) **Create new means of delivering workforce training and proficiency-based education**
 3 **to enhance program efficiency, upgrade and share resources and facilities, and improve stu-**
 4 **dent outcomes and access to typically underrepresented populations while meeting talent**
 5 **needs of traded sector and high growth industries.**

6 (e) **Increase the skills of the existing professional and technical workforce, including**
 7 **through the issuance of certifications, badges and industry-based credentials.**

8 (5) **The council shall prioritize investments for which other public resources and private**
 9 **financial resources from Oregon companies or individuals are made available to augment**
 10 **council funds.**

11 (6) **The council shall submit an annual report to the Employment Department on in-**
 12 **vestments made by the council and the performance of those investments.**

13 (7) **The Oregon Talent Council, the Oregon Business Development Commission, the**
 14 **Higher Education Coordinating Commission, the Department of Education, the Bureau of**
 15 **Labor and Industries, the STEM Investment Council, state and local workforce boards and**
 16 **the Employment Department shall develop agreements to strategically align the policies and**
 17 **programs of the entities as they relate to the duties of the Oregon Talent Council.**

18 (8)(a) **Senior executives of traded sector and high-growth industries, the Oregon Talent**
 19 **Council, the Oregon Business Development Commission, the Higher Education Coordinating**
 20 **Commission, the Department of Education, the Bureau of Labor and Industries, the STEM**
 21 **Investment Council, local workforce investment boards, the Employment Department, the**
 22 **Department of Human Services, the Commission for the Blind, the Chief Education Office**
 23 **and the Youth Development Council shall coordinate to develop a Talent Development Plan.**

24 (b) **The Talent Development Plan shall include:**

25 (A) **Industry-based information and data from the Employment Department and other**
 26 **agencies and entities listed in this subsection related to talent needs and gaps;**

27 (B) **Analysis of data regarding the skills required for key industry jobs;**

28 (C) **Information regarding the status of career pathway programs targeted at key indus-**
 29 **tries;**

30 (D) **Recommendations related to advancing talent pipeline and career pathways develop-**
 31 **ment based on the identified talent issues and trends;**

32 (E) **Recommendations regarding the alignment and consistency of data nomenclature,**
 33 **collection practices and data sharing;**

34 (F) **Utilization and, as appropriate, expansion of existing data-sharing agreements be-**
 35 **tween agencies and partners; and**

36 (G) **Identification of talent issues and trends related to selected Oregon traded sector and**
 37 **high growth industries that are in strategic alignment with state and local workforce and**
 38 **economic priorities.**

39 (c) **The agencies and entities responsible for developing the Talent Development Plan**
 40 **shall:**

41 (A) **Update the plan every biennium; and**

42 (B) **Submit a report about the plan every year to:**

43 (i) **The Governor; and**

44 (ii) **The Legislative Assembly in the manner provided by ORS 192.245.**

45 (9) **The council shall seek, accept and expend funds received from gifts, grants or other**

1 **sources as necessary to perform activities authorized under this section.**

2 **SECTION 4. ORS 284.297 is added to and made a part of ORS 660.300 to 660.364.**

3 **SECTION 5.** ORS 284.297 is amended to read:

4 284.297. (1) There is created within the State Treasury, separate and distinct from the General
5 Fund, the Oregon Talent Council Fund. Interest earned by the Oregon Talent Council Fund shall
6 be credited to the fund.

7 (2) Moneys in the fund shall consist of:

8 (a) Amounts donated to the fund;

9 (b) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly;

10 (c) Investment earnings received on moneys in the fund; *[and]*

11 **(d) Amounts accepted by the Oregon Talent Council; and**

12 *[(d)]* **(e) Other amounts deposited in the fund from any source.**

13 (3) Moneys in the fund are continuously appropriated to the Employment Department for allo-
14 cation to the Oregon Talent Council for the purpose of making investments using the criteria and
15 measurements set forth in *[ORS 284.292]* **section 3 of this 2017 Act.**

16 (4) The department may establish accounts and subaccounts within the fund when the depart-
17 ment, in consultation with the council, determines that accounts or subaccounts are necessary or
18 desirable and may credit any interest or income derived from moneys in the fund to any account
19 or subaccount in the fund.

20 **SECTION 6.** ORS 660.321 is amended to read:

21 660.321. (1) A State Workforce Investment Board shall be created under section 2821(b) and (c)
22 of the Workforce Investment Act of 1998 to assist in the development of the State Unified Workforce
23 Plan established under ORS 660.324 *[and]*, to carry out the other functions described by the federal
24 Act **and to provide strategic planning and recommendations related to state talent develop-**
25 **ment.**

26 (2) The membership of the board must be in accordance with the requirements of section 2821(b)
27 of the federal Act.

28 (3) Representatives of business described in section 2821(b)(1)(C)(i) of the federal Act who are
29 appointed to the board must be confirmed by the Senate in the manner prescribed under ORS 171.562
30 and 171.565.

31 (4) The Governor shall select a chairperson in accordance with the requirements of section
32 2821(c) of the federal Act.

33 (5) The Governor shall appoint one member who is a representative of a local workforce in-
34 vestment board.

35 (6) A majority of the board must be representatives of business, as described in section
36 2821(b)(1)(C)(i) of the federal Act.

37 (7) Members of the Legislative Assembly appointed to the board are nonvoting members of the
38 board and may act in an advisory capacity only.

39 (8) To transact business at a meeting of the board, a quorum of voting members must participate.
40 A quorum consists of a majority of the voting members. At least 25 percent of the members partic-
41 ipating must be representatives of business, as described in section 2821(b)(1)(C)(i) of the federal Act.

42 (9) Members of the board are not entitled to compensation, but may be reimbursed for actual
43 and necessary travel and other expenses incurred by them in the performance of their official duties
44 in the manner and amount provided for in ORS 292.495.

45 **SECTION 7. ORS 284.290, 284.292 and 284.294 are repealed.**

1 **SECTION 8.** This 2017 Act takes effect on the 91st day after the date on which the 2017
2 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.
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