

OPINION

BUILDING LANE COUNTY'S WORK FORCE

State should invest in better-skilled workers

By **CHUCK FORSTER**

Oregon can invest in the current work force and help businesses that are finding it difficult to fill skilled positions. It can ensure that more people have family wage jobs. It can do it — if the Legislature takes a few steps.

First, let me provide some background.

Gov. Ted Kulongoski proposed an innovative initiative this legislative session called the Skill Up Oregon Fund. Designed to increase the job skills of low wage and low skilled workers, it targeted \$10 million to support training scholarships to more than 3,000 Oregon residents.

In the budget prepared by the co-leaders of the Joint Ways and Means Committee, this initiative was not funded. Yet Oregon has more than 260,000 adults (more than 15 percent of the labor force) between the ages of 16 and 59, no longer in school and without have a high school diploma.

The governor's budget for the Oregon Community and Economic Development Department included \$15 million to establish a Cluster Investment Fund to promote the development of specific industry groupings. All of these funds were targeted to increase the skills of current employees, thus enhancing the competitive advantage of local businesses. The budget prepared by the co-leaders reduced this fund to \$5 million.

This lack of investment is happening at the same time that Oregon's major source of funding for worker training and retraining, the federal Workforce Investment Act, is declining.

On July 1, 2007, Oregon will see its share of this resource reduced by more than 13 percent. The Lane Workforce Partnership will lose nearly \$400,000. These funds help upgrade the skills of low-income adults and laid-off workers, while also serving low-income young people who are at risk of dropping out of school.

The Legislature is likely to provide \$6 billion to Oregon's public schools — a much-needed investment in our struggling school system. But Oregon employers need workers now. A recent survey of 29 Lane County manufacturers found:

◆ 69 percent identified "insufficient number of qualified applicants" as the most difficult challenge in hiring.

◆ 58 percent identified "low access to skilled work force" as the most significant barrier to their company's expansion within the region.

◆ 52 percent listed "lowered overall productivity" as the major economic impact of a skilled worker shortage.

The Legislature can ensure that Oregon workers increase their skills and contribute to a robust economy in Oregon. Here's how:

◆ Fully support the \$10 million Skill Up Oregon Fund, so 3,000 more low-skilled workers can train for high-wage, high-demand occupations. This bill also would support expansion of apprenticeship programs. A part of the \$152 million in additional funds available to the Legislature as a result of an improved revenue forecast should be used to support Skill Up Oregon and help Oregonians who need basic and technical skills prepare for living wage opportunities.

◆ Restore the co-leaders' \$5 million for the Cluster Investment Fund to the proposed \$15 million so that 20,000 current workers can gain advanced skills and Oregon businesses have the workers they need now.

That's the kind of investment in Oregon that will pay dividends today and tomorrow. As workers improve their skills, they contribute by doing jobs that many employers now find difficult to fill because of the lack of a trained work force. The Legislature has the opportunity to make a difference for thousands of Oregonians who can prepare for higher paying jobs.

Oregon is not investing much in its work force. Any business professional will tell you that good employees are critical to success. Many also will tell you that finding qualified applicants is a challenge.

The Legislature can change that. Given that a skilled work force is the foundation for a healthy economy and more tax revenues, investing in work force development seems obvious.

Let's hope the Legislature agrees.

Chuck Forster is executive director of the Lane Workforce Partnership. This is the seventh in a series of biweekly columns about developing Lane County's work force.