

Economic Stimulus and Workforce Development Update

**November 2006
Emergency Board
Report**

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November 2006 Emergency Board Report

I. Overview

In 2003, the Oregon Legislature passed the third phase of the Oregon Transportation Investment Act, or OTIA III, providing \$1.3 billion to repair and replace hundreds of aging state-owned bridges. The Legislature, as part of House Bill 2041, directed the Oregon Department of Transportation (ODOT) to outsource the work, stimulating the state's economy by creating and sustaining jobs for Oregonians. ODOT began by hiring a consortium of private entities to administer the program and establishing an internal unit to provide overall management of the program. These combined efforts are referred to as the OTIA III State Bridge Delivery Program.

ODOT recognized that OTIA III offered more than just an opportunity to improve the state's transportation infrastructure. It also provided an opportunity to approach challenges in a way that reflects Oregon's values and responds to the issues important to Oregonians: economic prosperity and the safety and reliability of the state highway system.

ODOT's strategies for stimulating the state's economy include creating diversity in the workforce and engaging more small businesses in the transportation industry. To implement these strategies, ODOT began by creating a Workforce Development Plan (WDP) to guide statewide efforts in recruiting and training people for careers in transportation. At the same time, ODOT began talking with small businesses, seeking ways to increase opportunities for them to interact and work with the agency and its contractors. Both the WDP and the small business outreach programs are now operational. This report serves as an update on these efforts.

II. Workforce Development Plan: A Focus on Diversity

ODOT's Workforce Development Plan sets forth the agency's program to provide qualified and trained employees — in particular women and minorities — for skilled jobs in transportation-related construction projects. ODOT's goal is to extend the WDP beyond the state bridge program to all federally-funded and federally-assisted transportation projects.

The Oregon Legislature, in a Budget Note to House Bill 2041, recognized that the state bridge program offers a unique opportunity to strengthen Oregon's economy by building diversity in Oregon's construction workforce. The Legislative Budget Note states *"...the use of Oregon firms and employees, emerging small businesses and minorities will result in economic stimulus that will benefit the state overall."*

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

In addition, numerous federal laws and policies require equal employment practices by contractors working on federally-funded projects. The regulations cover a broad range of contractor employment practices and procedures and require a strong "good faith" effort to offer meaningful employment opportunities to women and minority applicants.

ODOT's WDP addresses the agency's policy of building a sustainable, diverse workforce and meeting Oregon's Legislative mandate and federal laws and regulations. It also addresses the fact that a worker shortage is looming in the state, due in part to an aging workforce. A 2003 Oregon Employment Department publication, "Employment Projections by Occupation," covering 2002 – 2012, illustrates the shortage:

2012 Projected "Construction Trade Workers" Job Openings
(*The construction industry is expecting new jobs over the next eight years from growth and retirements.*)

Openings from Growth	5,457
Openings from Replacements	<u>9,165</u>
Total Openings:	14,622

Studies indicate that the total workforce in Oregon (as opposed to the construction industry workforce) is estimated to grow in the range of 1.1 to 2.3 percent per year between 2004 and 2012. During the same period, women and minorities in the total workforce are projected to increase 4 to 6.5 percent per year, twice the rate of the general population. Looking at the construction industry, however, the women and minority growth rate is projected to decline in the range of 3 to 1.3 percent per year between 2004 and 2012.

To address the construction industry's projected workforce labor shortage, diversity has become a key strategy. In studies of general workforce availability during the 2004 to 2012 period, estimates are that women and minorities will generate enough individuals to meet the projected workforce shortages in the construction industry if recruited, trained and supported for success.

The vast majority of skilled labor in heavy highway construction are trained and certified through registered apprenticeship programs. As most apprenticeship programs take two to five years to complete, it is critical that a strategic plan include immediate actions to avoid serious workforce shortages and the inevitably linked increased costs.

To meet the demands of the job opportunities being created by the OTIA III State Bridge Delivery Program, apprenticeship and on-the-job training (OJT) programs are included in the plan as a way to close the gap between employers' need for diverse, skilled workers and the supply of prepared workers.

A. Workforce Development Plan Mission

To create and support a diverse workforce pool of qualified and trained woman and minority job candidates that are ready for

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

skilled jobs in federally funded and federally assisted transportation-related construction projects through the use of apprenticeship and OJT programs.

B. WDP Goals and Principles

Goals: The WDP will create a “*Success Platform*” that will provide long-term, systematic, sustainable and effective strategies, processes and procedures to meet the workforce shortage and increase workforce diversity by involving women and minorities in the transportation-related construction industry. The WDP will coordinate a statewide process by dividing the state into five regions in order to:

- identify the available labor force for construction jobs;
- recruit the available labor force;
- assess the education levels, skills and support service levels of job applicants;
- position the applicant in the proper apprenticeship preparation or apprenticeship/training programs; and
- place them on a career path to a journey-level position.

ODOT is partnering with contractors, unions, community colleges, schools, community-based and non-profit organizations and other agencies, as well as leveraging existing resources, to achieve these goals.

Principles: The workforce approach is based on these nine key principles:

1. Identify the available workforce in Oregon.
2. Create a level playing field.
3. Use the community college system as a “Just Enough, Just-in-Time” backbone.
4. Help remove barriers.
5. Assist and support the development of minority and women construction workers.
6. Create sustainable career paths.
7. Provide accountability.
8. Leverage existing programs.
9. Incorporate best practices and lessons learned from around the country and from ODOT’s Western Regional Summit – Youth of Color and Women in the Highway Construction Trades programs.

C. Five Year Strategy

ODOT has developed a five-year strategy for the WDP, incorporating a consistent, strategic approach that provides a structure commensurate with the long-term needs of individuals. With this structure, participants are able to progress in their career plans from recruitment to journey-level status. Included in this strategy are the following:

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

- a Regional Workforce Alliance approach, which creates regional pools of qualified workers, including women and minorities, for employment on ODOT projects;
- contracts with regional stakeholders to provide a recruitment, pre-training and supportive services program that leverages existing funds;
- coordinating and developing training programs that provide access to women and minorities;
- developing a trained and skilled women and minority workforce to meet construction industry requirements;
- developing stronger networks to link women and minorities already working in the trades;
- developing a process to monitor and ensure that contractors are in compliance with Federal Highway Administration (FHWA) policies and procedures related to OTIA III;
- ensuring a reasonable level of contractor participation in the education of new workers recruited by means of the WDP;
- implementing monitoring tools to measure Joint Apprenticeship Training Committee (JATC) retention and affirmative action recruitment expectations on ODOT projects using non-traditional recruiting and selection procedures;
- stimulating the Oregon economy; and
- ensuring that ODOT's WDP is in accordance with applicable state and federal laws.

D. Elements of the WDP

1. Identification of the Labor Force of Women and Minorities. The labor pool of women and minorities throughout the state of Oregon consists of:

- employed/skilled workers;
- displaced workers;
- those underemployed;
- those unemployed (0-1 year);
- those chronically unemployed (1 year plus); and
- youth (high school and middle school students).

At a minimum, the labor pool of women and minorities for all federal and federally-assisted construction contracts and subcontracts in excess of \$10,000 is determined by the Federal Standards under 41 CFR 60-4.6, *Percentage of Women and Minorities of Hours Applied*. The targets are expressed as a percentage of the hours worked by the contractor's aggregate workforce in each trade on all construction work performed in the geographic area. The targets for women are 6.9 percent of work hours and apply to all of a contractor's construction sites regardless of where the federal or federally-assisted contract is being performed. The current targets for including minorities are formulated in terms of work hours performed in a specific Standard Metropolitan Statistical Area or Economic Area. At a minimum, the contractor must also meet the standard of compliance, which is "good faith" as set forth in the *Standard Federal Equal Employment Opportunity Construction*

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

Contract Specification (Executive Order 11246), requiring the contractor with a construction contract in excess of \$10,000 to take affirmative action measures that include at least 16 affirmative action steps.

Recognizing the need to increase both Oregon's available labor pool and its pool of women and minorities, ODOT is taking a more aggressive approach to achieve project targets. Part of that approach includes ensuring the workforce of women and minorities is reflective of the demographics of each of the five regions. The apprenticeship and on-the-job training programs are effective tools in efforts to reflect the state's demographically diverse population.

2. Recruitment. ODOT's WDP is implementing statewide efforts to recruit a diverse group of participants for apprenticeship preparation and apprenticeship training programs. The recruitment process is making a special effort to target women and minorities, constituencies that are traditionally underrepresented in the highway construction trades.

The WDP has separated the state into five service areas (Regional Workforce Alliances) for the purpose of recruitment, retention and on-going supportive services:

#1 – Portland Metro Area #2 – Mid-Willamette Valley
#3 – Southern Oregon #4 – Central/South Eastern Oregon
#5 – Northern Eastern Oregon

These regions include the following counties:

<u>Region #1</u>	<u>Region #2</u>	<u>Region #3</u>	<u>Region #4</u>	<u>Region #5</u>
Clackamas	Benton	Coos	Crook	Baker
Columbia	Clatsop	Curry	Deschutes	Grant
Hood River	Lane	Douglas	Gilliam	Harney
Multnomah	Lincoln	Josephine	Jefferson	Malheur
Washington	Linn	Jackson	Klamath	Morrow
	Marion		Lake	Umatilla
	Polk		Sherman	Union
	Tillamook		Wasco	Wallowa
	Yamhill		Wheeler	

To achieve the WDP's goals, the Regional Workforce Alliances are partnering with community-based organizations such as agencies with proven records of serving women and minorities, agencies that have direct entry relationships with JATCs or are willing to create those relationships, and agencies that are employment related (One-Stop Career Centers, welfare-to-work agencies, etc.). Other partners include governmental agencies such as the Oregon Employment Department, the Department of Human Services and community colleges. Working together, the efforts for recruitment will be continuous and will leverage resources. Ultimately, the Regional Workforce Alliances will be a strong network linking women and minorities, community-based organizations, supportive services, educational institutions and employers in the respective regions.

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

3. Assessment. The objective of the assessment is to identify the current education levels, skills and support service levels of job applicants so they can be properly prepared for a career path to a journey level position. The Skills Assessment determines what types of training and support services individuals require and assists individuals in developing plans for filling those gaps and achieving employment. Once a person has been assessed, he or she will be placed in the proper apprenticeship preparation or apprenticeship/training program.

Students: ODOT will focus on students in alternative school systems with special attention targeted to women and minorities. These students are finishing their educations through non-traditional methods.

Barrier Reduction Assessment — Job Readiness and Support Services: The assessments also identify and address factors that prevent apprenticeship participants from entering construction trades employment or completing apprenticeship training.

4. Apprenticeship Preparation. ODOT is aligned with agencies and organizations that provide apprenticeship preparation training in order for the job applicant to competently enter into an apprenticeship/training program. Potential training sources include:

- Bureau of Labor and Industries, Apprenticeship and Training Division;
- Oregon State Apprenticeship and Training Council;
- state-approved apprenticeship preparation programs;
- community-based organizations;
- state universities, community colleges and high schools;
- Associated General Contractors;
- Associated Building Contractors;
- One-Stop Workforce Systems;
- community consortia;
- on-the-job training supportive service providers; and
- alternative schools.

5. Apprenticeship/Training Programs. ODOT has identified several targets for the apprenticeship/training portion of the WDP:

- Close the gap between employers' need for diverse skilled workers in demand occupations and the supply of prepared workers through apprenticeship/training.
- Support wage progression for Oregon's workforce through apprenticeship/training.
- Increase employer and worker participation in registered apprenticeship/training.
- Align with existing organizations, agencies and partnerships offering apprenticeship/training programs.
- Support the development of new partnerships and the enhancement of existing partnerships.
- Increase the number of workers with skill certifications or journey level certificates.

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

To reach these targets, ODOT is taking the following steps:

- Promote the demand for new employees by increasing the targets for apprenticeship/OJT.
- Add performance measures to contracts, which will include incentives and disincentives for construction contractors.
- Institute workforce diversity measures in the architectural and engineering component of the State Bridge Delivery Program (ODOT will set performance measures that encourage involving women and minority students as interns in the design phase).
- Cooperate with Tribes and use first source agreements allowed under federal contracting rules for projects near federally-funded projects to increase Native American participation.
- Leverage Tribal funding for worker training.
- Develop and implement contractor training performance standards and specifications.
- Leverage existing education and training funding through the state of Oregon education system and supportive service programs.

Apprenticeship Program/OJT: The number of apprenticeship or OJT positions required under the WDP will be a percentage of all actual measured and tracked craft hours measured to the nearest one-half hour. The ratio of apprentices to journey level workers will be in accordance with the accepted apprenticeship standards for the particular craft.

On-the-Job Training and Apprenticeship Target Table

2004: August - December	5%
2005: January - June	10%
2005: July - December	15%
2006: January and beyond	20%

ODOT is currently maintaining the 15 percent target in agreement with the trades and Associated General Contractors. Upon evaluation of the number of apprenticeships developed through the WDP, moving to 20 percent will be considered.

Training/Apprenticeship Program: Contractors and subcontractors on contracts of \$250,000 and over must use apprenticeship programs approved and registered with the Oregon Bureau of Labor and Industries (BOLI) to fulfill training requirements under this program. However, if a BOLI-approved apprenticeship program does not exist for a craft in which the contractor proposes to provide training, the contractor must develop and submit an in-house training program to ODOT for approval. The appropriate rates approved by BOLI in connection with the apprenticeship program shall apply to all apprentices/trainees being trained for the same classification who are covered by this program.

On-the-Job/In-House Training Programs: ODOT is required to review all federally-assisted highway construction projects and select those

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

suitable for providing training opportunities. ODOT will offer OJT as an alternative to the apprenticeship program. ODOT will assign a specific number of OJT trainees as part of a contractor's affirmative action program with the objective of upgrading members of minority groups and women and providing trained journey-level workers in the trades. Proposals/contracts for the selected project will contain special OJT provisions.

Mentoring Programs: Mentoring programs are being developed for use on contracts as an incentive to contractors and to provide an additional opportunity for those seeking careers on ODOT projects.

6. Tribal Employment. There are two areas of focus regarding Native Americans and the State Bridge Delivery Program.

Indian Preference in Employment on Federal-Aid Highway Projects On and Near Indian Reservations: ODOT has special provisions that outline the "Tribal Employment Rights Office (TERO) Indian Preference in Employment" requirements and procedures to be followed by the Confederated Tribes of the Umatilla Indian Reservation, ODOT and all contractors or subcontractors engaged in highway construction work that is under contract with ODOT on federal-aid highway projects located on and near the Umatilla Indian Reservation.

Preferential Employment of Tribal members: Federal legislation recognizes and permits the preferential employment of Indians living on or near a reservation on projects and contracts funded with federal monies that take place on or near Indian Reservations. It is ODOT policy to encourage employment of minorities and, more specifically, American Indians. It is the policy of ODOT to cooperate with the nine tribal governments to allow for the preferential employment of American Indians on projects on or near Indian Reservations. Tribal governments may request inclusion of Indian Employment Preference on any project. ODOT will review each request on a project-by-project basis.

7. Monitoring and Compliance of WDP. ODOT's WDP will be reviewed by ODOT, industry, and service providers through a collaborative process to examine its performance and recommend possible improvements. ODOT's Office of Civil Rights has implemented a Civil Rights Compliance Tracking computer system which enables the agency to monitor progress and performance relative to workforce and Disadvantaged Business Enterprise targets.

Contractor and Designers Metrics: ODOT will monitor the contractor and consultant actions for compliance with contracts. Provisions to be monitored include:

- employment of apprentices/trainees as required;
- hours worked by all employees;
- maintenance of the records and submission of the reports required by contract specifications;

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

- monthly meetings to review workforce report for compliance;
- monthly reviews of BOLI prevailing wage rate payroll/certified statement form; and
- actual training provided which is consistent with the approved training program(s).

E. Report on Progress

Regional Alliances

The first Regional Alliance, established on July 19, 2005 in ODOT's Region 1, was created to manage the WDP for projects in the Portland metro area including Clackamas and Washington counties. Since then, alliances have been successfully implemented in Regions 2, 3, and 5. Region 4 is scheduled for implementation by year-end 2006. Regional Alliances are established with timelines to support project start dates to ensure there is sufficient workforce available to support construction needs. A summary of progress in each Region follows.

Region 1: Between this Alliance's kickoff in July 2005 and August 2006, the group met seven times. In November 2005, Alliance members, along with ODOT Director Matthew Garrett, Governor Theodore Kulongoski, Senator Margaret Carter and Representative Chip Shields, joined a ceremony where the Governor presented Portland Community College's Cascade Campus with \$150,000 from ODOT's Workforce Development Plan to implement the pre-apprentice training program. Three meetings held in March 2006 included TriMet and the city of Portland to facilitate support and use of the qualified labor pool. The Alliance held its first orientation sessions on July 31, 2006 and August 5, 2006 to prepare 31 potential apprentices for careers in heavy highway construction. As of October 9, 2006, the Region 1 Alliance had 21 participants in the qualified labor pool.

Region 2: The kickoff meeting was held on September 12, 2006 at Chemeketa Community College with 28 attendees representing ODOT stakeholders, local governments including the Salem/Keizer school district and community organizations. Attendees received an overview of the WDP, status of contract bundles for the region and the workforce alliance goal with timelines. Working sessions were scheduled in September and October 2006.

Region 3: Three preparatory meetings were held in April 2006 to introduce the Regional Workforce Alliance as well as the OTIA III funding package and to generate a list of organizations that should be included in the Alliance. The kickoff meeting was held on May 30, 2006 in Grants Pass with 30 attendees from state and local agencies, community-based organizations and other stakeholders. On August 23, 2006, the Region 3 Alliance members reviewed the draft plan of action with final approval expected in October 2006. Orientation sessions for new candidates are planned for November 2006.

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

Region 4: Based on project schedules, the Region 4 Alliance will be implemented in late November-December 2006.

Region 5: The Region 5 kickoff meeting was held on February 21, 2006 in Pendleton. Five preparatory meetings were held November 2005-January 2006 with representatives from local governments, community-based organizations and other stakeholders. Six Alliance meetings were held March-October 2006 to develop the action plan and orientations for new applicants were held on May 31, 2006 and August 2, 2006. Seventeen applicants completed all the OTIA pre-qualifying requirements and seven are OTIA-ready except for drug testing.

F. Next Steps

ODOT is continuing to develop the workforce throughout the state through effective partnerships and proven programs of success. For a more detailed report on the individual regions, see the Appendix.

III. Small Business Programs

ODOT has long valued the contributions small businesses make to the state's transportation infrastructure. The agency has embraced and enhanced federal requirements over the years. However, in response to the 9th Circuit Court decision relating to the federal Disadvantaged Business Enterprise (DBE) program, ODOT modified its DBE goal setting process on construction contracts. Effective April 19, 2006, ODOT implemented a race-neutral, aspirational DBE program.

Aspirational targets as opposed to "hard goals" will identify the participation that can be reasonably expected given the size, location, scope of work and availability of certified DBE firms. Oregon will continue to certify firms and track their use in compliance with U.S. Department of Transportation (U.S. DOT) and ODOT program policy.

The 9th Circuit Court said that state departments of transportation could not have race conscious DBE goals without a disparity study proving that discrimination exists. The court indicated that if a disparity study shows compelling evidence of past discrimination then a narrowly-tailored DBE program may be established with race conscious goals to correct the deficiency.

ODOT has begun the process to study disparity in its contracting. The request for proposal was let on September 22, 2006, and the study may take up to a year to complete. Conducted in accordance with the court's parameters, the study will determine whether actual discrimination has occurred in the highway construction industry in order to identify a course of action to create a level playing field. The 9th Circuit Court decision left other DBE program requirements in place.

Inclusion of DBE firms in transportation contracting is still strongly encouraged and ODOT is working to assist DBE firms — and all small businesses — in participating in public contracts. No matter what the

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

disparity study eventually shows, ODOT is committed to increasing contracting opportunities for small businesses in Oregon. In 2006, ODOT entered into a partnership with construction contractors, Associated General Contractors and the small business community to identify barriers and solutions to increase contracting opportunities for small businesses in Oregon.

A. Disadvantaged Business Enterprise Program

ODOT is committed to a civil rights program that encourages the participation of Disadvantaged Business Enterprises in contracting opportunities. ODOT's policy is to not discriminate on the basis of race, color, sex and/or national origin when awarding and administering contracts. The U.S. DOT regulates the DBE Program and establishes criteria for certification, which applies to DBE-eligible firms seeking contracts funded with federal transportation-related money. A DBE includes small businesses that are at least 51 percent owned by:

- women;
- minorities: Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans and Subcontinent Asian Americans;
- or
- other individuals on a case-by-case basis.

The objectives of the DBE program are to:

- ensure ODOT complies with DBE laws and requirements;
- ensure DBEs can compete fairly for U.S. DOT-funded contracts;
- ensure that only eligible firms participate as DBEs; and
- help develop firms to compete successfully in the marketplace outside the DBE program.

B. Emerging Small Business Program

ODOT is committed to, and strongly encourages the participation of, small businesses in contracting opportunities. The mission of the Emerging Small Business (ESB) program is to create new and innovative contracting opportunities for Oregon's small business community. It is also a goal of the program to assist emerging small businesses in overcoming barriers to participating in the state's extensive public contracting procurement programs.

Beginning in 2006, to be certified to participate as a qualified ESB, a business must:

- have its principal place of business located in Oregon;
- have average annual gross receipts over the last three years in either of two tiers: I) not exceeding \$1.5 million for construction firms and \$600,000 for non-construction firms; or II) not exceeding \$3 million for construction firms and \$1 million for non-construction;
- have fewer than 20 employees for tier I (as defined above) or 30 employees for tier II (as defined above);

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

- be an independent business (not a subsidiary of a larger firm); and
- be properly licensed and legally registered in this state.

The 2005 Oregon Legislature also extended the time a firm may participate in the ESB program to a maximum of 12 years or until its gross receipts average exceeds the size standard for construction or non-construction firms. This allows firms more time to gain work experience.

C. Small Business Initiative

On August 15, 2006, ODOT implemented its Small Business Initiative, a comprehensive plan to increase economic opportunities for Oregon workers and businesses through innovative efforts to boost participation in transportation projects.

These three components make up the agency's Small Business Initiative:

- small business opportunities outreach through the OTIA III State Bridge Delivery Program focusing on design and construction;
- small contracting program focusing on contracting for professional and technical services; and
- small business construction initiative focusing on contracting with subcontractors and primes in construction.

Under ODOT's Small Business Initiative, the agency has developed the Professional and Technical Services Small Contracting Program to increase the number of small businesses that are awarded ODOT contracts. Initially, the program will be implemented through a pilot program in ODOT's Region 1, the Portland metropolitan area.

A simplified procurement process will pre-qualify firms to participate in the pilot program and have the opportunity to be selected as prime contractors for ODOT contracts valued at \$75,000 annually or less. The selection process will give preference to firms that have no existing contracts as a prime contractor with ODOT, while continuing to use the qualification-based selection process.

On October 2, 2006, a request for qualifications (RFQ) to participate in the pilot program was posted on ORPIN, the Oregon Procurement Information Network web site. The RFQ consists of a short pre-qualification registration form that requests basic information about the firm, its employees and its experience.

Firms that pre-qualify by completing the RFQ process during the month of October 2006 will be eligible for selection for the initial contract awarded under the pilot program. The targeted contract award date for the first project is January 2007.

Firms that do not pre-qualify during October may still enroll at any time to be included in the selection pool for future pilot program contract awards. ODOT will continue to select additional projects

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

and award additional contracts under the pilot program. ODOT will review the pilot program results, gather input from participants, make adjustments as needed and roll out the Small Business Contracting Program to a greater audience in 2007.

D. Performance: OTIA III Small Business Contracting

Below is a chart showing ODOT's payments by year to Disadvantaged Businesses, Minority and Women-Owned Businesses and Emerging Small Businesses (MWESB):

Year	DBE	MWESB	Total
2003	\$ 422,342	\$ 3,748	\$ 426,091
2004	\$5,997,915	\$ 263,174	\$6,261,089
2005	\$8,023,612	\$1,172,323	\$9,195,935
2006*	\$4,881,495	\$2,236,871	\$7,118,366

*2006 figures cover the first six months of the year.

MWESB payments are increasing from 2004 through July 2006 at a rate of 250 percent year over year. DBE payments in the same time frame are increasing more than 120 percent year over year.

Contracting by Ethnicity by Year

Year	African American	Asian Pacific	Asian Indian	Caucasian	Hispanic	Native American	Total
2003	\$ -	\$ -	\$ 3,749	\$ 241,991	\$ 40,501	\$ 139,850	\$ 426,091
2004	\$ -	\$357,862	\$ 33,866	\$2,671,242	\$1,350,964	\$ 1,847,157	\$ 6,261,089
2005	\$ 728,316	\$178,578	\$319,889	\$5,824,717	\$1,259,517	\$ 884,918	\$ 9,195,935
2006*	\$ 471,996	\$132,861	\$968,158	\$3,650,940	\$1,622,750	\$ 271,661	\$ 7,118,366

*2006 figures cover the first six months of the year.

Early indicators show that there are increases in DBE participation. It is anticipated that as the Small Business Initiative continues to identify barriers and solutions, more opportunities will become available and the numbers will continue to increase.

E. Next Steps

Moving forward, ODOT will be conducting the disparity study and exploring opportunities for small business. The agency is optimistic with the tools currently in place, the agency can successfully contribute to Oregon's economy while bringing the highest levels of accountability and quality to its highway and bridge construction programs.

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

IV. Summary

With the advent of the OTIA III program, ODOT has entered a new era. The agency has moved from simply building bridges to building bridges that link job-seeking Oregonians to long-term careers in highway construction. ODOT is contributing to a model aimed at stimulating Oregon's economy.

Moving a large organization into a new business approach has been challenging, but with the structure of the Workforce Development Plan and the support of our stakeholders, ODOT has successfully managed to launch a process that is proving beneficial to many. ODOT has made a courageous statement by saying that "it is not enough to merely find someone a job, we need to create careers." ODOT has realized that, based on projected workforce shortages, there is a need to strengthen the workforce through diversity and by making careers available to those who do not traditionally benefit from such opportunities.

Prior to creating the WDP, ODOT interviewed many agencies at federal, state and local levels, as well as community-based organizations, Native American Tribes, unions, Associated General Contractors, and apprenticeship organizations. ODOT also met with those Oregonians who have been seeking career opportunities for many years and with contractors who are in need of workers.

As a result, ODOT responded with the comprehensive Workforce Development Plan, and on July 19, 2005, the plan was successfully launched in Region 1. Since then, ODOT has continually moved forward, establishing Alliances in each of ODOT's regions. There is one remaining Alliance in Region 4 that will be implemented by year-end 2006. Each alliance is launched in support of ambitious project schedules in order to provide apprentices and workers in time for the region's construction startup.

During the Alliance creation, ODOT has brought together a group of organizations that are working together as one unit to provide supportive services, orientation and outreach, training, drug testing and a host of other services, all geared toward developing an applicant into a viable candidate for an apprenticeship program and ultimately into a statewide labor pool. It is from this labor pool that contractors who are seeking workers can draw.

ODOT's contributions to economic stimulus extend beyond the workforce to the small business community. ODOT convened meetings with small business owners and contractors seeking viable small businesses as subcontractors on their contracts. As a result, the Small Business Initiative (SBI) was implemented with the intent of identifying new and innovative approaches to contracting. One such approach is the Small Business Contracting Program that offers increased opportunity for small businesses in the professional services sector. The SBI is ongoing in its goal of identifying and removing barriers for businesses seeking opportunities in the transportation industry.

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

In the final analysis, ODOT was presented a challenge and has met that challenge with enthusiasm and results:

- the agency is successfully placing applicants in the qualified labor pool;
- it has established outreach programs in the communities, including web resources and a toll-free number to expedite enrollment; and
- it is responding to the small business community in many positive, tangible ways.

The Oregon Department of Transportation looks forward to continuing and building upon these successes.

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

APPENDIX

The updates provided below are excerpts from field reports from Civil Rights Specialists assigned to each Oregon Department of Transportation Region (ODOT).

Region 1

The Region I Alliance held meetings in December 2005 and on these dates in 2006: January 17, March 3, April 4, June 6 and August 28. The Regional Alliance typically attracts 40-60 individuals representing a variety of interests and agencies. For example, attendees include representatives from the Governor's Office, Portland Development Commission, City of Portland, Tri-Met, Bureau of Labor and Industries (BOLI), Portland Community College (PCC), Work Systems Inc., Associated General Contractors (AGC), Hoffman Construction, Women in Trades, Job Corps and other community-based organizations.

On November 28, 2005, ODOT and other stakeholders presented PCC Cascade Campus \$150,000 in funds from ODOT's Workforce Development Plan. ODOT contracted \$150,000 of the matching funds to PCC Cascade to implement the pre-apprentice training program.

In March 2006, Regional Alliance members met with Tri-Met and the city of Portland regarding participation in the program and utilization of the qualified labor pool once it is established.

On March 16, 2006, the Regional Alliance presented the Workforce Development Plan Overview to area managers, project managers, contract administrators, local agency liaisons and consultant project managers.

ODOT collaborated with the Oregon Employment Department, BOLI, Northwest College of Construction, Work Systems Inc., and several members of the Joint Apprenticeship Training Committee (JATC) to develop orientation classes designed to help candidates meet apprenticeship requirements to enter into the highway construction labor pool.

The Regional Workforce Alliance held its first orientation sessions on July 31 and August 5 to prepare 31 potential apprentices for entering careers in highway construction on the Oregon Transportation Investment Act (OTIA) III State Bridge Delivery Program. More than 150 letters were sent to potential applicants.

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

The Regional Alliance drug testing program received acceptance in July 2006.

In August 2006, the Regional Alliance made presentations about job opportunities with the OTIA III program at the Timberlake Job Corps Center in Estacada and at the North/Northeast One-Stop Center in Portland.

At its meeting on August 28, 2006, the Regional Alliance learned that the qualified labor pool program was operational with 11 individuals participating. A "Letter of Acceptance" into the qualified labor pool was created in September.

As of October 9, 2006, the Regional Alliance had 21 applicants in the qualified labor pool.

Region 2

On September 12, 2006, the Regional Workforce Alliance Kickoff meeting was held at Chemeketa Community College. The inaugural meeting included discussion of the following:

- Workforce Development Plan Objectives
- Review of Regional Project List with Timelines
- Review of Scope of Workforce Need
- Formation of Region 2 Alliance and Call to Action
- Role of ODOT's Office of Civil Rights

Nearly 30 people attended the kickoff meeting representing a variety of agencies and organizations. In addition to reviewing the Workforce Development Plan and its goals, the group received copies of materials developed by Region 5 and Region 3 alliances to use as guides. Dates for working sessions were scheduled for September 22 and October 19, 2006.

Region 3

On April 12, 2006, ODOT Director Matt Garrett visited Region 3 in Roseburg to introduce the Regional Workforce Alliance program. Attendees included Office of Civil Rights staff and Region 3 Project Delivery members.

On April 18, 2006, ODOT made a presentation to the Roseburg Chamber of Commerce's Workforce Board to introduce the Workforce Development Plan's program and to answer questions. The Roseburg Chamber of Commerce offered its support for the OTIA legislation and ODOT's Workforce Development Alliance.

The Regional Alliance "Pre-Kickoff" meeting was held April 28, 2006 in Roseburg and included 25 attendees from ODOT, state and local agencies and community-based organizations. The purpose of the meeting was to introduce the Workforce Development Alliance as well as the OTIA III funding package and generate a list of individuals that should be included in the Regional Alliance.

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

On May 30, 2006, the Region 3 Workforce Development Alliance Kickoff meeting was held in Grants Pass. Some 30 attendees from a variety of stakeholders learned about the program and the steps required moving forward.

The first Regional Alliance general meeting was held August 23, 2006. Participants reviewed a draft plan for next steps, finalized drug-testing details and discussed training programs. Incorporation of all comments into draft plan has been completed and the plan was distributed in October 2006.

The Regional Alliance's subcommittees are finalizing their budget proposals and orientations for new candidates are scheduled for November 2006.

Region 3 Alliance members include:

- American Business Women's Association
- Bureau of Labor & Industries
- Cardinal Services, Inc.
- Carpenters Union
- Confederated Tribes of Southern Oregon
- Coquille Indian Tribe
- Cow Creek Band of Umpqua Tribe of Indians
- Crater Lake Electricians JATC
- DC Hispanic Network
- Department of Human Services
- Elk Valley Rancheria
- Hanscam Center One Stop
- Ironworkers Union Local 29
- Job Council
- Labors Union Local 1400
- Newmark Center
- Oregon Employment Department – Brookings
- Oregon Employment Department – Medford
- Oregon Employment Department - North Bend
- Oregon Employment Department – Roseburg
- Organization of the Forgotten American
- Office of Vocational Rehabilitation Services
- Rogue Community College
- Rogue Valley Career Center
- Rogue Valley Workforce Development Council
- Roseburg Chamber of Commerce
- Smith River Rancheria
- Southern Oregon Education Service District
- South Coast Business Employment Corporation
- Southwestern Oregon Community College
- Southern Oregon Goodwill
- Umpqua Community College
- Umpqua Training & Employment
- Wolf Creek Job Corps

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

Region 4

This Regional Alliance is currently being organized and will be operational by year-end 2006.

Region 5

The Regional Alliance is progressing and currently has individuals "OTIA ready" (only remaining requirement is drug testing). The team, consisting of CAPECO (Community Action Program of East Central Oregon), Confederated Tribes of the Umatilla Indian Reservation (CTUIR), Oregon Employment Department, and Blue Mountain Community College (BMCC), has found that some individuals are testing below the 9th grade level in reading and math. BMCC is assisting in a plan to bring these skills to the required 9th grade level. The Regional Alliance is now waiting for final approval of its budget for gap services.

The following is a breakdown of individuals going through the process:

Orientation #1: May 31, 2006

- 15 applicants attended.
- Eight completed the Oregon Employment Department's (OED) I-Match program, XT-Profiles, BMCC placement test and Carpenters Union Bridge Building.
- Three were called to work through the Tribal Employment Rights Office (TERO).
- Two did not complete.
- Two went to work in a different field.
- Note: The eight who went through the training were re-tested. The BMCC placement test did not determine a Grade Level. The CASAS (Comprehensive Adult Student Assessment System) was used instead. This test determines the Grade Level the individuals are at in reading and math skills.
- Of the 15, three will be OTIA ready after the drug testing.

Orientation #2: August 2, 2006

- OED mailed out 130 fliers to women interested in construction work.
- CAPECO invited 10.
- CTUIR invited 11.
- A total of 151 were invited.
- 30 responded they wanted to attend.
- Nine attended the orientation and took the CASAS test and XT-Profiles. All have been entered in the I-Match System.
- The nine attended the " OSHA 10" training from the Occupational Safety and Health Administration in August as well as the Carpenters Union Bridge Building. Of the nine, four are complete, except for drug testing; one needs a GED; three need math skills; and one failed to appear for further processing.

In summary, 166 people have been invited to orientations. Seventeen have completed all the OTIA pre-qualifying requirements. Seven are OTIA ready, except for drug testing. Six need math skills. Three went to construction through TERO (not apprentice). One did not want to

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

continue.

Meeting Details

Meeting Date: November 3, 2005

Topics: Confirm OTIA Bundles 205, 206 and 256 in TERO area bidding in 2006; overview of New Special Provisions; Disadvantaged Business Enterprises (DBE), Affirmative Action and On-the-Job Training (OJT)/Apprenticeship and forms; discuss impacts on TERO; develop a timeline for implementation of Region 5 Workforce Alliance; identify other partners.

Meeting Date: December 15, 2005 (morning)

Topics: Confirm TERO workforce commitments on Bundles 205, 206 and 256; review new specifications/special provisions and implications to TERO; workforce discussion on formation of Regional Workforce Alliance; ODOT Office of Civil Rights role.

Meeting Date: December 15, 2005 (mid-day)

Topics: Overview of ODOT's Workforce Development Plan and its objectives; diversity and apprenticeship on bridge contracts; training and education to increase diversity and careers; legislative direction; establishing Regional Workforce Alliances to leverage existing resources; ODOT to provide additional funding to fill gaps; partnership's role in the success of this effort to supply qualified labor pool; implementation timelines for Region 5; project list and timelines; status update on Region 1 Alliance.

Meeting Date: December 15, 2005 (afternoon)

Topics: Region 5 ODOT staff briefing; overview of the Workforce Development Plan and Region 5 Alliance formation, deliverables and timelines for OTIA; new specifications/special provisions; TERO contractual commitments; ODOT Office of Civil Rights role.

Meeting Date: January 25, 2006

Topics: Preparation for Alliance kickoff; update of project list and timelines; review scope of workforce need; formation of Region 5 Workforce Alliance; date of first Alliance meeting and invitees.

Meeting Date: February 21, 2006

Topics: Region 5 Eastern Oregon Workforce Alliance Kick-off Event; overview of ODOT's Workforce Development Plan; discuss diversity, apprenticeships, training and education; legislative direction; discussion on purpose of plan; ODOT Regional Workforce process flow chart; Federal Highway Administration approval for hard contract specifications for increased diversity training and education via Regional Workforce Alliances; role of ODOT's Office of Civil Rights; management structure of the Workforce Development Plan; partnerships critical to success; funding of the Workforce Development Plan; implementation timeline for Region 5; review OTIA projects for Region 5.

Meeting Date: March 15, 2006

schedule; review key tasks; outreach, recruitment, marketing recommendations; screening and assessment recommendations; current and needed services, gaps, realignment and recommendations; assignments.

Meeting Date March 23, 2006 (morning)

Topics: Eastern Oregon Workforce Alliance; Eastern Oregon Workforce Alliance presentation; introduction of new Office of Civil Rights man-

Economic Stimulus and Workforce Development Update

November 2006 Emergency Board Report

ager; review and approve Workforce Alliance Charter; overview of bridge contract specifications; IMatchSkills presentation; update from the 3/15/06 Alliance Subcommittee.

Meeting Date: March 23, 2006 (mid-day)

Topics: Workforce Alliance Workgroup; recruitment strategy; service matrix; screening and assessments strategy; set next Workgroup session and full Alliance meeting.

Meeting Date: May 24, 2006

Topics: Eastern Oregon Workforce Alliance; ODOT update; Region 5 construction schedules; Office of Civil Rights OJT Program; qualified worker; Region 5 update on status of recruitment efforts; recommendations from Workgroup and discussion; outreach, marketing and recruitment strategies; screening and assessment.

Meeting Date: October 4, 2006

Topics: Pre-Alliance Workgroup; Region 5 construction schedules; Region 5 budget proposals and invoice procedures; ODOT drug testing policy and procedures; ODOT applicant orientation video; update on Region 5 recruitment efforts and applicant preparation; successes and challenges.

Meeting Date: October 5, 2006

Topics: Region 5 Alliance; Region 5 construction schedules; Region 5 budget proposals and invoice procedures; ODOT drug testing policy and procedures; ODOT applicant orientation video; update on Region 5 recruitment efforts and applicant preparation; successes and challenges.

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