

Oregon Solutions

National Policy Consensus Center | Hatfield School of Government

720 Urban Center
506 SW Mill Street
Post Office Box 751
Portland, Oregon 97207-0751503-725-9092 tel
503-725-9099 fax
www.ORSolutions.org

TO: Governor John Kitzhaber

FROM: Greg Wolf, NPCC Director, and Beverly Stein, Oregon Solutions Director

RE: Assessment in support of Governor's designation of Malheur County's Poverty to Prosperity Pilot Project as an Oregon Solutions Project

Overview of the Pilot Project

The Oregon Prosperity Initiative, led by First Lady Cylvia Hayes, is a commitment to create a robust, thriving economy by removing barriers to overcoming poverty and empowering citizens to maximize their potential. The initiative is working on two fronts: ensuring that people and families who are currently living in poverty have access to critical resources, and addressing the root causes of poverty and clearing away systemic barriers to increasing prosperity.

Oregon Solutions (with the support of ECONorthwest) is working with the Oregon Prosperity Initiative to implement two pilot projects in the state using a collaborative implementation model. The outcomes of the pilot projects will be concrete commitments memorialized in Declarations of Cooperation. One of the two pilot sites is Malheur County, where a grassroots initiative called "Poverty to Prosperity: Malheur County Recovery Plan" has been launched by a cross sector of committed citizens and organizations. One of the five action committees is focused on implementing a Career Technical Education (CTE) program to enable 18-year-old men and women to find good, local jobs if they do not go to college.

Among Oregon counties, Malheur County has the second highest poverty rate in Oregon (22%) and ranks near the bottom in per capita income, high school completion, young/unwedded pregnancies, juvenile arrest rates, and recidivism. Almost 30% of county residents are Hispanic. Relative to other Oregon counties, Malheur County has a high unemployment rate, a low high school graduation rate, and a large youth population. See attached slides prepared by ECONorthwest as part of this assessment.

Project Description

The project is focused on assisting the Poverty to Prosperity CTE Action Committee with expanding the county's current career technical education services for high school juniors and seniors. Key partners include the three county school districts (Ontario, Vale, Nyssa), the local ESD, Treasure Valley Community College (TVCC), industry leaders, and other stakeholders. A successful welding program for students from the three school districts

was started this fall using facilities at TVCC. The project will learn from and build on the relationships and operational aspects of that program.

Alignment

The pilot project is working closely with the CTE Action Committee to ensure that the project adds value to important work already underway. TVCC and the ESD received a pilot collaboration grant from the OEIB and this work is aligned with the outcomes expected from this grant. Tim Nesbitt, the OEIB coach for the pilot, is very supportive of the direction of this project.

Assessment Process and Results

The Oregon Solutions assessment included 1) interviews with key community and business stakeholders; 2) an economic analysis by ECONorthwest to assess the need for a CTE program in Malheur County; 3) focus groups for health care, ag/food processing, and welding/fabrication; and 4) an on-line survey sent to over 350 local businesses.

The stakeholder interviews confirmed the commitment of the community to pursuing a career technical schooling strategy.

The economic analysis indicated a projected total of 12,970 job openings per year in Malheur County and southwestern Idaho. Moreover, there are indications that additional new jobs will be coming to the region. See attached slides prepared by ECONorthwest for this project.

The major themes from the focus groups are described below. Full reports from focus groups are available.

Health Care

- The future of health care will involve more certificate-level job types, such as mental health counselors, medical assistants, medical coders, phlebotomists, X-ray technicians, lab technicians, pharmacy technicians, medical aides, and CNAs
- It is critical to have leadership, customer service, and computer skills for all health care jobs
- To get training, prospective workers have to leave the area and many don't return
- Challenges include the impact of child care on ability to take shifts, competition from Idaho employers, the lack of bilingual applicants, and background check requirements

Welding and Fabrication

- Employers need welders skilled in specialties such as aluminum, pipe, food grade, fabrication, overhead, underwater, and stainless steel
- There is a shortage of applicants for open jobs; hard to attract trained people from Malheur County

- A welding CTE program should go beyond the basics and include technical drawing, fabrication, measurements, and specialized welding

Ag and Food Processing

- Jobs are available in sales, parts staff, service technicians, CDL licensed drivers, commercial chemical applicators (herbicides, fungicides, fumigation, etc.), welders, mechanics, etc.
- Challenges include lack of basic literacy skills, inability to pass test for commercial applicator licenses, technical skills for precision agriculture (GPS mapping, moisture management and computer aided pivot lines), inability to read blueprints and schematics, young people being unaware of the jobs in agriculture and food processing beyond “digging ditches”, and age requirements for jobs
- It is difficult to find skilled people in the local area; future jobs will be more specialized and require skills with technology

Over 350 members of the Ontario Chamber of Commerce and the Snake River Economic Development Alliance received an on-line survey to determine job needs and views on a CTE program. A total of 69 individuals completed the survey, with an additional 23 providing partial responses. Highlights from the survey include:

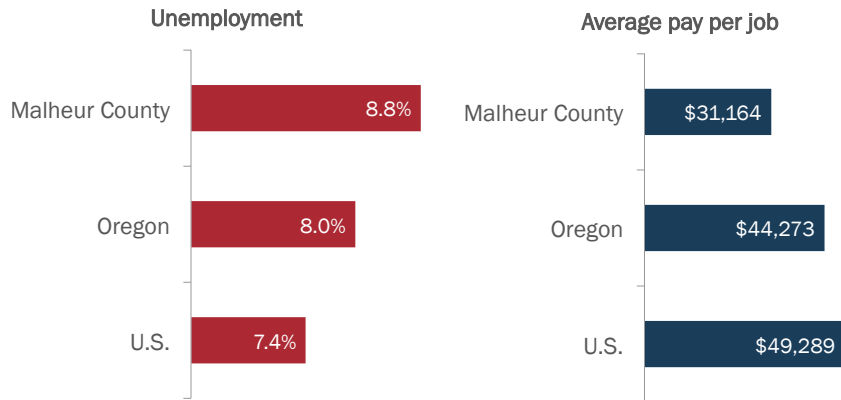
- 59% of respondents indicated that their firm / organization has had difficulty finding qualified applicants for open positions in the last 5 years
- 87% of respondents reported that, in the next 5 years, their firm / organization will try to recruit or hire new or replacement employees who have at least a high school diploma or GED
- 96% of respondents believe that the community / region needs a CTE Center

Full survey results are available.

Conclusion

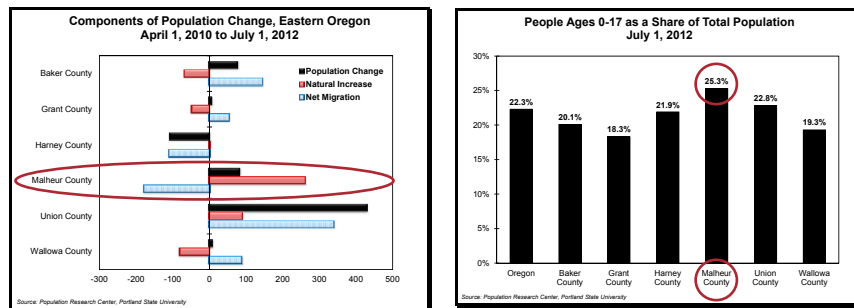
A Malheur County CTE program is an important way to provide encouragement and opportunities for young people to get jobs with good wages in their community. The project will also contribute to the state’s 40-40-20 goal for education. The community has indicated strong support for creating a CTE program in Malheur County.

Unemployment is relatively high; average pay is relatively low

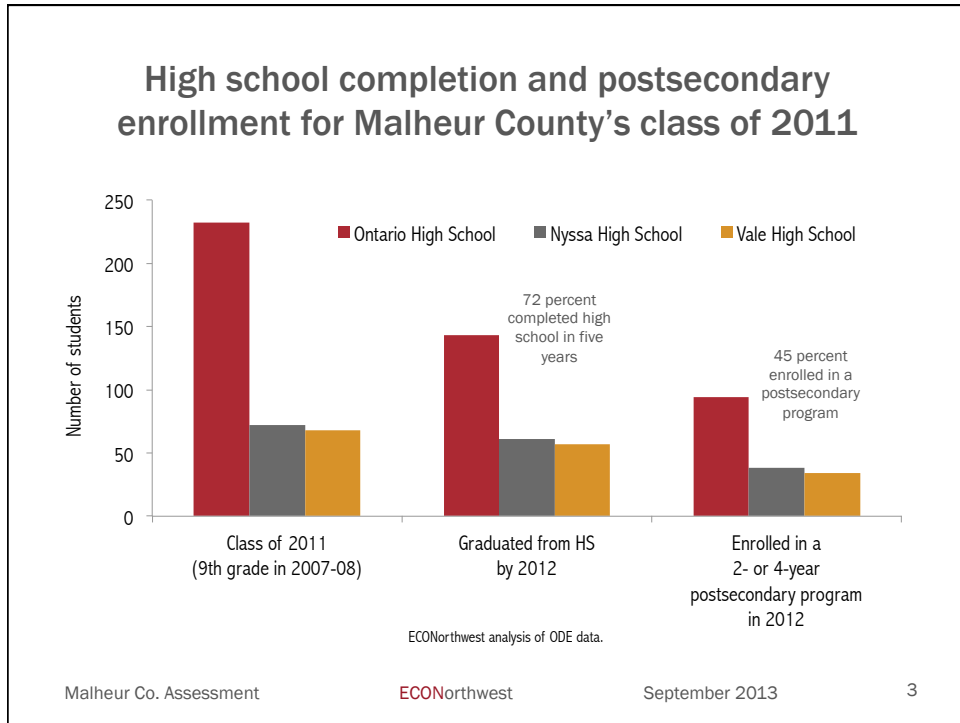


Average unemployment rates for Jun-Aug 2013 (seasonally adjusted). Source: State of Oregon Employment Department.

But the county has a relatively young population that lends itself to “home-grown talent”



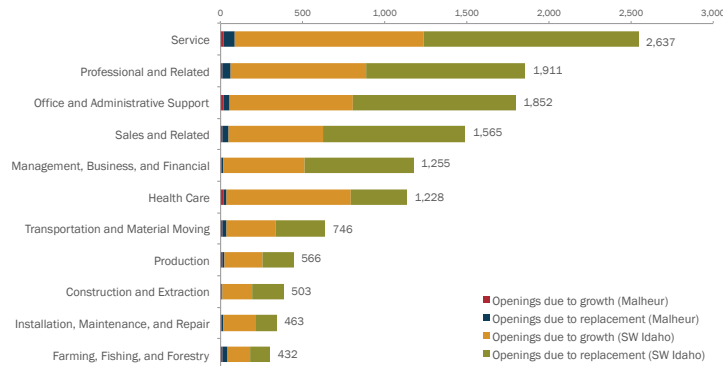
From Oregon Employment Department's Eastern Oregon Labor Trends, July 2013



Projected job openings per year in Malheur County and southwestern Idaho

Includes Malheur County, OR, and Ada, Adams, Boise, Canyon, Elmore, Gem, Owyhee, Payette, Valley and Washington counties in ID

	Malheur Co.	SW Idaho	Total
Projected job openings per year due to growth	118	5,517	5,635
Projected job openings per year due to replacement	321	7,014	7,335
Total projected job openings per year	439	12,531	12,970



Source: ECONorthwest analysis of Oregon Employment Department and Idaho Department of Labor data.
Numbers in charts do not sum to total annual job openings because of rounding differences and occupation suppression methodologies.

Other potential new jobs in the region

- Additional health care jobs stemming from Affordable Care Act
- Up to several hundred new jobs from three value-added agriculture-related prospects and one manufacturing prospect (Source: Snake River Economic Development Association)
- Up to 150-200 new jobs from the Grassy Mountain mining prospect near Vale (plus 100-150 jobs during construction)
- Dozens of potential new jobs in Idaho from natural gas drilling in Payette County, ID, and the new assisted living center in Fruitland, ID
- In addition, there are several land parcels at various states of preparation for employers:
 - ConAgra site: permits for a septic system and water line are in place (site could employ up to 300-400)
 - A 200 acre plot that could attract a data center or a manufacturer
 - A 77-acre state-certified plot that was once scoped for a regional distribution center that could employ up to 400
 - A 70-acre plot that is in the process of being certified
 - 250 acres of rail-dependent land that could serve potential coal-transportation activities