

A-Engrossed
House Bill 2206

Ordered by the House April 19
Including House Amendments dated April 19

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Governor Theodore R. Kulongoski for Department of Community Colleges and Workforce Development)

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.

Establishes Skill Up Oregon Fund. Continuously appropriates moneys in fund to Department of Community Colleges and Workforce Development.

Establishes program to award grants to local and regional workforce investment boards to provide workforce training to individuals to become employed in high-demand occupations.

Establishes Apprenticeship Support Account in Skill Up Oregon Fund. Directs Department of Community Colleges and Workforce Development to biennially transfer specified amount from fund to account. Continuously appropriates moneys in account to State Apprenticeship and Training Council.

Establishes program to award grants for programs that enhance development of apprenticeship and training system that supplies skilled labor to meet occupational demands of construction and manufacturing industries.

Declares emergency, effective July 1, 2007.

A BILL FOR AN ACT

1
2 Relating to Skill Up Oregon Fund; appropriating money; and declaring an emergency.

3 Whereas Oregon is in a competitive race with the rest of the world; and

4 Whereas China, India and many European countries are restructuring from industrial to
5 information-based economies and are investing to build the skills of their workers; and

6 Whereas key trends are creating a "quiet crisis" to which Oregon must respond, including
7 globalization, demographic shifts with an aging and more diverse workforce and advancing technol-
8 ogy that requires high levels of skills and more capacity of our education and workforce systems to
9 respond so Oregon workers can keep pace with the rest of the world; and

10 Whereas Oregon has more than 250,000 adults who are no longer in school and do not have a
11 high school diploma; and

12 Whereas approximately 26 percent of adults with low literacy speak English as a second lan-
13 guage and represent about four percent of the labor force; and

14 Whereas Skill Up Oregon will help Oregonians who need basic and technical skills prepare for
15 living wage opportunities; and

16 Whereas to be competitive, Oregon must prepare all of its citizens for tomorrow's jobs; now,
17 therefore,

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

19 **SECTION 1.** **Sections 2 and 3 of this 2007 Act are added to and made a part of ORS 660.300**
20 **to 660.339.**

21 **SECTION 2.** **(1) The Skill Up Oregon Fund is established in the State Treasury, separate**
22 **and distinct from the General Fund. Interest earned by the Skill Up Oregon Fund shall be**

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 credited to the fund. Except as provided in subsection (2) of this section, moneys in the fund
2 are continuously appropriated to the Department of Community Colleges and Workforce
3 Development for the purposes of section 3 of this 2007 Act.

4 (2)(a) The Apprenticeship Support Account is established in the Skill Up Oregon Fund.
5 Interest earned by the account shall be credited to the account. Separate records shall be
6 maintained for moneys in the account.

7 (b) Each biennium, the department shall transfer 10 percent of the total amount of
8 moneys distributed from the Skill Up Oregon Fund, but not more than \$4 million, to the ac-
9 count. In addition, the account may consist of other federal and local government funds
10 made available or donated to the State Apprenticeship and Training Council for the purposes
11 of section 5 of this 2007 Act.

12 (c) Moneys in the account are continuously appropriated to the State Apprenticeship and
13 Training Council for the purposes of section 5 of this 2007 Act.

14 (3) The department may use a portion of the moneys in the fund, and the council may
15 use a portion of the moneys in the account, for administrative costs. The amount of moneys
16 used by the department or council for administrative costs may not exceed the limitation
17 on administrative costs established in the federal Workforce Investment Act.

18 (4) Based on the limitations on administrative costs specified in subsection (3) of this
19 section, the department and the council shall limit the percentage of grant funds that may
20 be used for administrative costs by grant recipients.

21 **SECTION 3.** (1) The Department of Community Colleges and Workforce Development
22 shall award grants to local and regional workforce investment boards based on guidelines
23 developed by the State Workforce Investment Board for the WorkSource Oregon system in
24 cooperation with local and regional workforce investment boards.

25 (2) The department shall determine the allocation of the grants among local and regional
26 boards based on the following local and regional factors:

- 27 (a) The size of the labor force;
- 28 (b) The unemployment rate; and
- 29 (c) The number of employers.

30 (3) The State Workforce Investment Board shall identify for each biennium a list of
31 high-demand occupations for which an individual may receive training using grant funds
32 awarded under this section. The board shall base the list on research, data and analysis
33 provided by the Employment Department and the Economic and Community Development
34 Department in reports and on projections for both new and replacement jobs.

35 (4) In determining the occupations to target within its region with grant funds for a
36 biennium, each local or regional board that receives a grant shall:

- 37 (a) Review the list of high-demand occupations created by the State Workforce Invest-
38 ment Board and compare the list with regional data and the regional investment plan;
- 39 (b) Consider employer needs, regional investment plans and targeted industry clusters;
40 and
- 41 (c) Give preference to occupations for which employers in the region have expressed
42 willingness to provide internships, paid employment or other work experience.

43 (5) Grant funds shall be used to address the needs of the following categories of transi-
44 tional workers:

- 45 (a) Unemployed workers, including both individuals receiving unemployment insurance

1 **and individuals not receiving unemployment insurance;**

2 **(b) Dislocated workers; and**

3 **(c) Low-skilled workers, including individuals who have received or are currently receiv-**
4 **ing public assistance.**

5 **(6) The purpose of the grants is to address work readiness, literacy and technical skills**
6 **of individuals. Local and regional boards may use the grants to:**

7 **(a) Assess individuals for gaps in work readiness, literacy and technical skills;**

8 **(b) Contract with regionally accredited education providers, or with providers that are**
9 **on the list of eligible training providers maintained by the Department of Community Col-**
10 **leges and Workforce Development under ORS 660.318, to train individuals in work readiness,**
11 **literacy and technical skills required to overcome barriers to employment;**

12 **(c) Contract with regionally accredited education providers, or with providers that are**
13 **on the list described in paragraph (b) of this subsection, to train individuals in technical**
14 **skills that focus on occupations identified by local and regional boards in the target industry**
15 **clusters identified in regional investment plans; and**

16 **(d) Contract with regionally accredited education providers, or with providers that are**
17 **on the list described in paragraph (b) of this subsection, to train individuals to provide the**
18 **individuals with certificates, degrees or industry-recognized credentials that will document**
19 **the industry-related competencies, knowledge, skills and abilities that have application in the**
20 **high-demand occupations identified by the State Workforce Investment Board.**

21 **(7) Regionally accredited education providers, or providers that are on the list described**
22 **in subsection (6)(b) of this section, contracted by local and regional boards shall provide**
23 **training that prepares individuals to qualify for skilled jobs or pathways to skilled jobs that**
24 **pay a median or higher wage for the region in one of the high-demand occupations.**

25 **(8) Regionally accredited education providers, or providers that are on the list described**
26 **in subsection (6)(b) of this section, contracted by local and regional boards shall provide**
27 **training to individuals on a first-come, first-served basis, with priority going to those indi-**
28 **viduals who would no longer need public assistance after training.**

29 **(9) A regionally accredited education provider, or a provider that is on the list described**
30 **in subsection (6)(b) of this section, contracted by a local or regional board may provide**
31 **training to an individual for up to one year. Each individual who receives training should,**
32 **whenever possible, take one class that has an internship or offers work experience with an**
33 **employer.**

34 **(10) An individual may use training funds for:**

35 **(a) Tuition;**

36 **(b) Books;**

37 **(c) Fees;**

38 **(d) Support services; and**

39 **(e) Additional training after the individual becomes employed if the training will advance**
40 **the individual to the next level in the individual's career or prepare the individual for ad-**
41 **vancement and the training prepares the individual for a job that meets retention require-**
42 **ments established by the State Workforce Investment Board.**

43 **(11) Individuals who receive training in anticipation of acquiring a new job may receive**
44 **training only for jobs that meet the wage level requirements established in subsection (7) of**
45 **this section.**

1 (12) An individual may receive no more than \$3,000 each biennium under this section.

2 (13) Local and regional boards may use grant funds for the administrative costs of the
3 program. The Department of Community Colleges and Workforce Development shall limit the
4 amount of grant funds that may be used for administrative costs by a local or regional board
5 so that the amount of grant funds used for those administrative costs does not exceed the
6 limitation on administrative costs established in the federal Workforce Investment Act.

7 (14) Local and regional boards shall report to the department on the use of grant funds
8 and any performance measures required by the State Workforce Investment Board.

9 **SECTION 4.** Section 5 of this 2007 Act is added to and made a part of ORS 660.002 to
10 660.210.

11 **SECTION 5.** (1) Based on guidelines developed by the State Apprenticeship and Training
12 Council, in consultation with the State Workforce Investment Board, the council shall award
13 grants for programs that enhance the development of an apprenticeship and training system
14 that supplies skilled labor to meet the occupational demands of the construction and manu-
15 facturing industries. The council shall give a preference to grant applicants that agree to
16 match the moneys received from the grant with private funds or in-kind services or mate-
17 rials having a value that is equal to or greater than the amount of the grant.

18 (2) To better integrate local apprenticeship and training programs with the state's
19 workforce system for the purpose of recruitment, retention, assessment or preparation of
20 applicants for entry into those programs, grant applicants shall demonstrate that integration
21 or a high level of coordination exists between local joint committees with which the grant
22 applicant has a relationship and other strategic partners, where applicable, or that the grant
23 applicant has the capacity to quickly establish such integration or coordination.

24 (3) The council may award grants on a competitive basis to any of the following:

25 (a) Apprenticeship and training programs that are registered with the council;

26 (b) School districts and education service districts;

27 (c) Post-secondary educational institutions;

28 (d) Not-for-profit organizations; and

29 (e) Local or regional workforce investment boards.

30 (4) The council shall seek information on supply and demand for apprenticeable occupa-
31 tions from the Employment Department and from other sources of reliable data and analysis.

32 (5) Prior to awarding grant funds for other programs, the council shall award grant funds
33 for programs that provide training for apprenticeable occupations that pay at or above the
34 median income for the county in which the program is located and that are included on the
35 regional list of high demand occupations.

36 (6) In developing guidelines for awarding grant funds, the council shall consider employer
37 needs, local and state workforce strategic plans and information on supply and demand ob-
38 tained by the council under subsection (4) of this section.

39 (7) The grants may be used to:

40 (a) Provide technical assistance to promote, expand or improve apprenticeship and
41 training programs;

42 (b) Educate middle and high school students about apprenticeable occupations;

43 (c) Provide individuals with practical experience in apprenticeable occupations to increase
44 their skills as necessary to enter an apprenticeship program;

45 (d) Provide financial assistance or supportive services to apprentices to complete a pro-

1 **gram;**

2 (e) **Develop a curriculum for programs in rural areas;**

3 (f) **Increase diversity in apprenticeship and training programs and in apprenticeable oc-**
4 **cupations;**

5 (g) **Develop and provide an educational outreach program coordinated by the council to**
6 **increase awareness of apprenticeship and training programs;**

7 (h) **Address systemic barriers that deter the efficient transition of high school students**
8 **into apprenticeship and training programs; and**

9 (i) **Build connections between individuals in the workforce and the apprenticeship train-**
10 **ing system.**

11 (8) **Grant recipients may use grant funds for the administrative costs of the program.**
12 **The council shall limit the amount of grant funds that may be used for administrative costs**
13 **by a grant recipient so that the amount of grant funds used for those administrative costs**
14 **does not exceed the limitation on administrative costs established in the federal Workforce**
15 **Investment Act.**

16 (9) **The council, in consultation with the State Workforce Investment Board, shall adopt**
17 **performance measures for programs that receive grant funds.**

18 (10) **Each biennium, the council shall report to the Governor on the use of grant funds**
19 **and the performance measures established by the council.**

20 **SECTION 6. This 2007 Act being necessary for the immediate preservation of the public**
21 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**
22 **July 1, 2007.**

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