

**2009 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** HB 2398

**STATUS:** A Engrossed

**SUBJECT:** Creating the Oregon Career Readiness Certification Program; developing an integrated workforce delivery system; creating a program to make grants to pilot projects; and establishing the Youth Employment Enhancement Fund within the Department of Community Colleges and Workforce Development

**GOVERNMENT UNIT AFFECTED:** Department of Community Colleges and Workforce Development

**PREPARED BY:** Erica Kleiner

**REVIEWED BY:** Steve Bender

**DATE:** April 28, 2009

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<b>EXPENDITURES:</b>	<u><b>2009-2011</b></u>	<u><b>2011-2013</b></u>
Personal Services – Federal Funds	\$ 297,023	\$ 297,023
Services and Supplies – Federal Funds	\$ 3,052,977	\$ 3,052,977
Special Payments – Federal Funds	\$ 12,000,000	\$ 0
	<u>\$ 15,350,000</u>	<u>\$ 3,350,000</u>

**POSITIONS / FTE:**

Operations and Policy Analyst 3	1/1.00	1/1.00
Program Analyst 3	1/1.00	1/1.00

**EFFECTIVE DATE:** On passage

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**ANALYSIS:** House Bill 2398 creates the Oregon Career Readiness Certification Program within the Department of Community Colleges and Workforce Development (CCWD) and charges the program with certifying the workplace and college readiness skills of Oregonians to better prepare them for continued education and workforce training, successful employment and career advancement in a demand-driven, skills based economy. CCWD may offer the program services through any institution. The services that are provided by the program must include: an assessment process, targeted instruction and remedial skills training, issuance of a career readiness certificate, and an online database. CCWD, after consulting with the State Workforce Investment Board, the Department of Education and the State Board of Education, is charged with adopting rules to implement and administer the program. CCWD is required to report on the program outcomes and recommendations to the Legislative Assembly and to the Governor by December 1 of each year. CCWD reports that it will require one full-time Operation and Policy Analyst 3 position and one full-time Program Analyst 3 position for the 2009-11 biennium and the 2011-13 biennium to administer this program. The cost of the two positions is \$297,023 per biennium. CCWD reports that it will require \$3,052,977 for both the 2009-11 biennium and the 2011-13 biennium for costs associated with travel expenses, employee training, office expenses, publicity and publications, core assessments, professional services, IT expenses, dues and subscriptions, facility expenses, Attorney General fees, meeting expenses, and expendable property. CCWD reports that it has received federal funding from the U.S. Department of Labor that it can use for the purpose of administering this program.

Devoting the U.S. Department of Labor funds specifically for the purpose of the administration of the Oregon Career Readiness Certification Program would come at the expense of other potential uses of federal Workforce Investment Act (WIA) Title IB dollars to support adults, youth, and dislocated workers workforce programs.

The measure requires CCWD to work with the Employment Department and the State Workforce Investment Board to develop and implement a demand-driven, skills-based integrated workforce delivery system focused on skills and talent development. CCWD is required to maintain a workforce training inventory of prioritized occupations. CCWD is charged with prioritizing the recommendations for the allocation of workforce training resources by the integrated workforce delivery system. CCWD is directed to adopt the rules to implement and administer this system. CCWD reports that the workload associated with developing and implementing this integrated workforce delivery system aligns with its existing staff responsibilities and there is no additional fiscal impact to the department.

The measure creates a program to make grants to pilot projects to promote hands-on experience and education in the fundamentals and core competencies in architecture, construction trades and engineering for high school students. The measure allows for CCWD to apply for and receive grants and gifts from public and private courses to fund the grants to the pilot projects. The measure directs CCWD to develop a process for the certification of instructors for the program to provide education and practical experience in architecture, construction trades and engineering; CCWD shall adopt the rule requirements for the certification of instructors. CCWD reports that a portion of the staff associated with the Career Readiness Certification Program will devote time to this program. CCWD reports that it will request Other Funds expenditure limitation from the Emergency Board when the level of public or private revenue that it will receive from the grants and gifts is known.

The measure establishes the Youth Employment Enhancement Fund; moneys in the fund are continuously appropriated to CCWD to make grants to the pilot projects. The measure requires CCWD to create and operate a summer youth employment program subject to the availability of funding from the federal Workforce Investment Act and to collect data on summer work experience programs. CCWD reports that it could receive \$12,000,000 in federal stimulus moneys for the 2009-11 biennium to devote to the summer youth employment program. A funding source for the 2011-13 biennium is not known. CCWD would be required to collect data on the summer work experience programs as a requirement for receiving the federal stimulus funding. The use of WIA funds for this purpose would come at the expense of other programs that could potentially be funded in support of youth employment.