

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 175 - A

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Creates Oregon Employer Workforce Training Program and Oregon Youth Employment Program in Department of Community Colleges and Workforce Development.

Government Unit(s) Affected:

Department of Community Colleges and Workforce Development

Summary of Expenditure Impact: See Analysis

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:

The measure creates the Oregon Employer Workforce Training Program within the Department of Community Colleges and Workforce Development (CCWD). CCWD is directed to create and operate the program that will be managed by local workforce investment boards for the purpose of assisting businesses in implementing projects related to employee training, retention and advancement. The measure directs local workforce investment boards to identify eligible businesses, implement an application process for participation, and track and report on specific outcomes to CCWD. CCWD will provide moneys to local workforce investment boards to support projects identified by the local workforce investment boards. Participating businesses are required to provide matching funds equal to the amount of state funding provided.

The measure creates the Oregon Youth Employment Program within CCWD. CCWD is directed to create and operate the program that will be managed by local workforce investment boards for the purpose of providing meaningful work experience and training for persons between the ages of 14 and 24. The program will provide individual development plans, instruction, and 12 weeks of paid internships or other work experience as well as academic support. CCWD is directed to collaborate with local workforce investment boards to collect specific data on the program and to establish eligibility requirements for participation in the program.

The measure establishes the Oregon Employer Workforce Training Fund and the Oregon Youth Employment Fund. Both of these funds are separate and distinct from the General Fund, continuously appropriate the moneys in the fund to CCWD and credits interest earned back to the funds.

The fiscal impact is indeterminate. The programs are subject to the availability of funding. The availability and amount of funds for the two programs are unknown. Administration of the program will vary depending on the level of funds available and the demand for the programs.

CCWD has operated similar programs in the 2009-2011 biennium using grant fund provided by the federal government. CCWD states that federal Workforce Initiative Act moneys have funded a similar Employer Workforce Training Program from 2003 to 2010. During that time, 810 projects to assist employers were funded at an average cost of \$17,585. CCWD states that utilizing around \$15,000,000 in funds from American Recovery and Reinvestment Act (ARRA) moneys in 2009-11 allowed the

Department to serve 4,593 youths over a two-year period through a similar Oregon Youth Employment Fund. CCWD assumes that no federal funding will be available this biennium.