

**PUBLIC TESTIMONY OF COMMISSIONER LORETTA SMITH,
MULTNOMAH COUNTY - DISTRICT 2**

on the

HIGHER EDUCATION COORDINATING COMMISSION AGENCY BUDGET

before the

**JOINT COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON EDUCATION**

April 6, 2015

Thank you Co-Chairs Monroe and Komp for this opportunity to offer public testimony regarding the Higher Education Coordinating Commission (HECC) Agency Budget, specifically Policy Option Package 201 for Youth Empowerment and Policy Option Package 202 for Incumbent Worker Training.

I am Multnomah County Commissioner Loretta Smith, representing District 2 of North and Northeast Portland. I also sit on the Executive Board of our local Workforce Investment Board (WIB), Worksystems Inc.

The HECC budget requests will expand employment options for youth, and broaden educational opportunities beyond the classroom to offer professional development and meaningful work experience for young people entering into career paths. In addition, this will help employers meet their workforce needs as employees are set to retire, and growing industries demand technical and skilled labor.

Last year Oregon had the 11th highest percentage of unemployed teens in the country with an unemployment rate of 72% among youth ages 16 to 24, and within that demographic, 88% of African-American males were unemployed. What makes those numbers even more concerning is that regional employers increasingly struggle to find qualified applicants for job openings. Projections over the next decade estimate 50,000 replacement positions in critical local industries, and our regional dilemma is not unique. A recent report by McKinsey & Company shows that nationwide 45 percent of U.S. employers struggle to fill entry-level positions because applicants lack the basic skills for the available positions.

This is why for the past five years, Multnomah County has partnered with our local Workforce Investment Board in a program called SummerWorks, a youth employment program that offers low-income and disadvantaged youth ages 16-24, job readiness training and internship opportunities in public and private sector jobs. The program supports key interventions in the lives of at-risk youth and deters student dropout and recidivism rates by connecting youth to meaningful work in career pathways

In addition to the services provided directly to youth, SummerWorks creates multi-sector partnerships among business, labor, and education providers using youth investments to drive economic growth. The National Association of Counties recently profiled SummerWorks in a report on innovative programs for large urban areas, praising Multnomah County's ability to engage youth and place them in public sector jobs focused in health care, education and community services, and effectively developing a new generation of government employees in the process.

At Multnomah County alone, 53.2% of our workforce is poised to retire. SummerWorks allows us and to renew our workforce by utilizing our employees who are transitioning to retirement as mentors for young people considering careers of service.

The SummerWorks program not only addresses the County's workforce needs, but also supports local businesses by subsidizing new labor and increasing spending in the local economy. Many of our youth are placed in emerging industries, and spend the money they earn in their respective communities. A study commissioned by Oregon State University's Extension Services found that \$1.20 was returned to the local economy for \$1 spent in youth wages.

SummerWorks serves as a model for how we can bridge the skills gap, and get young people invested, not only in their education but their career goals as well. Worksystems Inc. has been an ideal partner in this endeavor, and we hope to continue to build on this successful program.

The HECC budget requests in Policy Option Package 201 will do this, and it will help prepare our future workforce to meet industry needs, while synergizing the multi-sector partnerships among business, labor, and education that we have spent the last five years building.

I also want to urge you to support Policy Option Package 202 which provides \$6 million to support Workforce Investment Board projects to provide cost-effective solutions to the issues of employee training, retention and advancement. These funds will be targeted to the sectors that will do the most to build our economy and the projects will be guided by the local Workforce Investment Boards that have the best understanding of the needs in each local community. This investment, and other supports for Workforce Investment Boards are the way that we get more good jobs for Oregonians.

I want to you again for this opportunity to testify, and hope we can continue to build on our successes in youth employment and workforce development.