

## **HB 4042 -2 STAFF MEASURE SUMMARY**

### **House Committee On Higher Education and Workforce Development**

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**Prepared By:** Laura Kentnesse, LPRO Analyst

**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 2/8

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#### **WHAT THE MEASURE DOES:**

Establishes Prosperity 1,000 Pilot Program to provide career coaching, occupational training and job placement services for 1,000 low-income job seekers in east Multnomah County. Specifies program goals, administration by the local workforce development board (LWDB) serving Multnomah and Washington Counties, and responsibilities of the Department of Human Services (DHS). Establishes a joint steering committee of LWDB and DHS to oversee the progress of the pilot program and ensure goals are met. Requires LWDB submit an annual report to the interim committees of the Legislative Assembly related to workforce development by December 31. Appropriates \$5,000,000 from the General Fund to the State Workforce and Talent Development Board for the biennium ending June 30, 2019, for distribution to LWDB for pilot program implementation. Sunsets program on January 2, 2021. Declares emergency, effective on passage.

#### **ISSUES DISCUSSED:**

##### **EFFECT OF AMENDMENT:**

-2 Clarifies pilot program would provide services for 1,000 low-income job seekers who reside in areas of concentrated poverty within Multnomah and Washington Counties. Adds educational institutions to entities the local workforce development board will coordinate with, and distribute funds to, to provide occupational services. Changes appropriation recipient from the State Workforce and Talent Development Board to the Higher Education Coordinating Commission in consultation with the State Workforce and Talent Development Board.

##### **BACKGROUND:**

Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T) is a federal program administered by the U.S. Department of Agriculture that supports employment and training activities for individuals and families who are receiving SNAP food benefits. SNAP E&T is one of the few federal workforce development programs with the flexibility to combine education, training, and support services for low-income and low-skilled people. Program funds are typically used to train participants for skilled jobs that are in demand in their local labor markets.

In addition to receiving formula-based SNAP E&T program grants, states may request additional reimbursement grants (SNAP 50/50) for innovative direct program expenses and wrap-around support services. State, local, or philanthropic sources must fund fifty percent of the total cost in order to be eligible for fifty percent federal reimbursement. Oregon currently has approximately 16 SNAP 50/50 grants. A recent example – the Oregon Community College SNAP 50/50 Consortia – was initiated in collaboration with the Oregon Department of Human Services (DHS) in 2016. The consortia comprises six community colleges working to expand SNAP participants' access to community college career pathway programs that offer credit-bearing stackable credentials for in-demand occupations. Existing college resources are used to leverage the SNAP 50/50 federal match. The consortia hopes to eventually expand to include all 17 community colleges as SNAP E&T providers.

The proposed Prosperity 1000 pilot program would be a new effort to expand skills-based SNAP E&T through the SNAP 50/50 program, with a focus on supporting communities with high concentrations of poverty with skill-building for local employment opportunities. Prosperity 1000 would provide education, training, and support services for 1,000 low-income job applicants who reside in areas of concentrated poverty within Washington and Multnomah

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counties. The pilot program would invest \$5 million state General Fund in Oregon's public workforce development system over two years. In year one, \$2.5 million General Fund dollars would be spent, generating a SNAP 50/50 federal match of \$1.25 million. In year two, \$2.5 million General Fund and the \$1.25 million of federal year one match would be invested, totaling \$3.75 million. SNAP 50/50 would again match fifty percent, resulting in \$1.875 in federal funds. In year three, the \$1.875 million of federal funding would be invested.

The pilot program administrator, Worksystems, Inc., is one of Oregon's nine local workforce development boards (ORS 660.327). Worksystems, Inc. is charged with coordinating local activities required by the federal Workforce Investment Opportunity Act, and connecting, brokering and promoting private sector employers' involvement in one-stop employment centers. Local workforce development boards are public/private partnerships that convene employers, labor groups, government, community colleges, high schools, community-based and economic development organizations to design workforce development programs and services, and to pursue and invest resources to improve workforce quality. Worksystems, Inc. serves the City of Portland, and Multnomah and Washington counties.