

HB 2310 -2 STAFF MEASURE SUMMARY

House Committee On Economic Development

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/18, 4/3

WHAT THE MEASURE DOES:

Establishes Prosperity 1,000 Pilot Program to provide career coaching, occupational training, and job placement services for at least 1,000 low-income job seekers who reside in areas of concentrated poverty. Establishes goals for program, including populations served, percent who complete the program, and percent who obtain employment. Identifies local workforce development boards to administer program and Department of Human Services to refer program participants, seek federal reimbursement for 50 percent of program costs, and report annually to Legislative Assembly. Requires Department and local boards to establish steering committee for purpose of program oversight and coordination. Appropriates \$5,000,000 in General Fund moneys to Department to distribute, in consultation with State Workforce and Talent Development Board, to local boards to implement program. Declares emergency, effective July 1, 2019.

ISSUES DISCUSSED:

- Program differences from existing training
- Addressing barriers to accessing workforce system
- Availability to entire state
- Wage goal and career entry point

EFFECT OF AMENDMENT:

-2 Modifies program goals to include focus on serving parents who have exited temporary assistance for needy families program but remain in poverty due to low-wage employment. Clarifies that federal reimbursement of 50 percent of program's costs to be reinvested in the pilot program. Requires Department of Human Services and State Workforce and Talent Development Board to establish joint steering committee for pilot program, and assigns staffing to Board. Modifies appropriation mechanism to have Department distribute \$5,000,000 of General Fund moneys to Worksystems, Inc. for further distribution to local workforce development boards.

BACKGROUND:

The 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 provides 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 such as 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. In Oregon, the SNAP Program is administered by the Department of Human Services (DHS).

The Oregon workforce development system refers to the group of state agencies, local workforce development boards, and community-based organizations in Oregon that provide job placement and training for youth and adults, and employment-related services for veterans, people with disabilities, migrant farm workers, limited English speakers, and other Oregonians in need of special assistance. The system also serves employers by

HB 2310 -2 STAFF MEASURE SUMMARY

providing job listings, applicant testing and screening, and labor market information. The State Workforce and Talent Development Board (WTDB) convenes system agencies and stakeholders, provides oversight to the system, and promotes the alignment and integration of services and resources to provide effective solutions to businesses and individuals for their workforce needs. Oregon has nine business-led local workforce development boards that develop strategic plans, convene and align stakeholders, identify strategies by industry sector, and oversee workforce development services in their area.

The Prosperity 1,000 Pilot Program was submitted in similar form in 2017 (House Bill 2531) and 2018 (House Bill 4042).

House Bill 2310 establishes the Prosperity 1,000 Pilot Program to provide career coaching, occupational training, and job placement services for at least 1,000 low-income job seekers who reside in areas of concentrated poverty. Under the measure's provisions, local workforce development boards will administer the program and DHS will refer program participants, seek federal reimbursement for 50 percent of program costs, and report annually to the Legislative Assembly. DHS and local boards will establish a steering committee to oversee and coordinate the program. The measure appropriates \$5,000,000 in General Fund moneys to DHS to distribute, in consultation with the WTDB, to local boards to implement the program.