

ANALYSIS

Item 31: Employment Department Rogue Workforce Partnership

Analyst: Michelle Deister and Doug Wilson

Request: Increase Federal Funds expenditure limitation by \$5,172,629 and establish seven limited duration positions (5.60 FTE) to expand employment and training services for adult and dislocated workers in Southern Oregon.

Analysis: The Oregon Employment Department (OED) is requesting an increase of \$5,172,629 Federal Funds expenditure limitation and seven limited duration full-time positions (5.60 FTE) to support a contract with the Rogue Workforce Partnership (RWP) for employment and training services for adult and dislocated workers. The agency has provided these services on behalf of RWP since 2020; the 2021-23 legislatively adopted budget for OED includes \$4.4 million and ten positions (9.28 FTE) for this purpose. This new funding represents RWP's share of increased federal funding through the Workforce Investment and Opportunity Act Title IB adult and dislocated workers funding stream awarded to Oregon. These grants are awarded statewide to the Higher Education Coordinating Commission (HECC) who then in turn distributes funds to the various local Workforce Development Boards across the State. These increased funds come from three grants to address the community needs in the area resulting from wildfires (e.g. Almeda), COVID-19 pandemic, and to provide training programs for specific industries (e.g., healthcare, transportation and logistics, advanced manufacturing, early learning/child care and natural resources).

The seven new limited duration positions will be in the Medford and Grants Pass WorkSource centers. Five of the positions will work directly with those seeking employment while the remaining two positions will assist with program administration or management, work with employers, and complete outreach efforts. Position-related costs are estimated at \$1,045,629 with the remaining \$4,127,000 available for training and support services. These services include occupational skills training, on-the-job training, internships or transitional jobs, skill upgrading and retraining, adult education and literacy, and customized training. An additional 546 adults will benefit from this new funding over and above the 600 adults who will be served with the existing funding in the budget.

Recommendation: The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means recommend including an increase of \$5,172,629 in the Federal Funds expenditure limitation and authorizing the establishment of seven limited duration full-time positions (5.60 FTE) for the Employment Department in a budget reconciliation bill during the 2022 legislative session to provide services to adult and dislocated workers under a contract with the Rogue Workforce Partnership.

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Oregon Employment Department
Brickman

Request: Increase Federal Funds expenditure limitation by \$5,172,629 and establish seven limited duration positions (5.60 FTE) to expand employment and training services in Southern Oregon.

Recommendation: Approve the request during the February 2022 Legislative Session.

Discussion: Beginning in 2020, the Rogue Workforce Partnership (RWP) contracted with the Oregon Employment Department (OED) to operate Title 1 adult and dislocated worker programs in Southern Oregon, under the Workforce Innovation and Opportunity Act (WIOA). During the 2021 Legislative Session, OED received \$5.2 million Other Funds expenditure limitation and 10 positions (9.28 FTE) for the contract with the RWP to provide training services in 2021-23, which is expected to serve 600 clients. After entering into the contract and receiving limitation for the 2021-23 biennium, additional disaster grants from the federal government were made available to RWP, with which OED contracts. As a result of the receipt of these grants, the RWP is amending the current contract to expand assistance to individuals impacted by the COVID-19 pandemic, the Almeda and Obenchain wildfires, and employment and training programs to support priority industry sectors.

The amended contract will allow the OED to provide services to approximately 546 more individuals. The additional disaster grants are one-time in nature and, as such, the positions providing the services are limited duration. The request for the additional \$5.2 million Federal Funds expenditure limitation includes \$846,129 in Personal Services for the seven limited duration (5.60 FTE) positions, \$199,500 for Services and Supplies, and the remaining \$4,127,000 is for Special Payments to support work experience training for individuals participating in the program.

Legal Reference: Increase the Federal Funds expenditure limitation established by chapter 426, section 5, Oregon Laws 2021, for the Oregon Employment Department, by \$5,172,629 for the 2021-23 biennium.



Oregon

Kate Brown, Governor

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December 3, 2021

Senator Elizabeth Steiner Hayward, Co-Chair
Representative Dan Rayfield, Co-Chair
Interim Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, Oregon 97301

Dear Co-Chairpersons:

Nature of the Request

The Oregon Employment Department (OED) provides solutions and services to Oregonians to fulfill the department's mission to "Support Business – Promote Employment." This request is for an increase of \$5,172,629 Federal Funds expenditure limitation and the establishment of seven limited duration positions (5.60 FTE) to expand employment and training services in Southern Oregon. Expanded services are provided through the Workforce Investment and Opportunity Act (WIOA) Title IB adult and dislocated workers in coordination with Rogue Workforce Partnership (RWP), the Local Workforce Development Board in Southern Oregon.

Agency Action

As partners in the state's workforce system, RWP has contracted with the Employment Department since 2020 to operate Southern Oregon's adult and dislocated worker programs. The workforce board is amending its current agreement with the agency with the receipt of additional funding through three grants to address community needs in Southern Oregon that cover impacts from the COVID-19 pandemic; the Almeda and Obenchain wildfires; and employment and training programs to support priority industry sectors including Healthcare, Transportation and Logistics, Advanced Manufacturing, Construction, Early Learning/Childcare, and Natural Resources.

OED's contract with RWP includes funding for seven positions to provide employment assistance and an additional \$1,852,000 for training and support services provided to Oregonians by businesses in Southern Oregon. The increased RWP contract will support paid work experience training positions for eligible adults and dislocated workers in the amount of \$2,275,000.



Oregon

Action Requested

The total request increases Employment Department Federal Funds limitation by \$5,172,629. This includes an increase of \$846,129 Personal Services expenditure limitation for the establishment of five Business and Employment Specialist 2 limited duration positions (4.00 FTE); one Program Analyst 1 limited duration position (0.80 FTE); and one Program Analyst 2 limited duration position (0.80 FTE). An additional \$199,500 Federal Funds limitation for Services & Supplies is also needed. Special Payments in the form of support services and work experience training adds \$4,127,000 Federal Funds limitation.

Legislation Affected

Increase Federal Funds expenditure limitation established for the Employment Department by section 5, chapter 426, Oregon Laws 2021 (HB 5007) by \$5,172,629 for the 2021-23 biennium; and establish seven limited duration positions (5.60 FTE).

Sincerely,

David Gerstenfeld
Acting Director, Oregon Employment Department

cc: Laurie Byerly, Legislative Fiscal Office
Michelle Deister, Legislative Fiscal Office
George Naughton, DAS Chief Financial Office
Tamara Brickman, DAS Chief Financial Office