



Testimony on House Bill 2092

House Education Committee

March 4, 2021

Chair Alonso Leon, Vice-Chairs Neron and Weber, and members of the Committee. My name is Kyle Thomas and I am the Director of Legislative and Policy Affairs for the Higher Education Coordinating Commission (HECC). Thank you for the opportunity submit testimony on HB 2092. This bill proposes to make equity focused modifications to the Oregon Youth Employment Program, and fund employment opportunities for up to 1,500 youth. It is supported by a proposed \$11.7m investment in the Governor's Recommended Budget, and the Commission hopes you will vote yes on this bill.

Youth Unemployment and its Effects

Youth, particularly Black/African American and American Indian/Alaska Native youth, suffer unemployment rates far in excess of the general population. While general youth unemployment typically tracks 2 to 2.5 times higher than the general unemployment rate, the unemployment rates for Black/African American and American Indian/Alaska Native youth track 3 to 4 times higher than the unemployment rate. Even during periods of robust, near-full employment, underrepresented populations come far from reaching parity with their peers.

In the five year period from 2015-2019, while Oregon's general unemployment rate averaged 5.4%, unemployment for 16-24 year olds averaged 12.3%. Unemployment for Black/African American youth averaged 16.1%, and unemployment for American Indian/Alaska Native youth averaged 20.9%. While other ethnicity categories tracked closer to the overall youth unemployment rate, and white and Asian youth tracked lower, there are simply not enough jobs available for youth in search of one, and that problem is far more pronounced for certain youth.

There are individual and societal consequences to high youth unemployment. The unavailability of employment opportunities for individual youth creates wage penalties that can last into the peak earnings years of workers, perpetuating generations of the inequitable distribution of economic prosperity. Long-term youth unemployment not only impacts future wages but impacts the peak level of individual occupational attainment. Getting on the lower rungs of the work ladder is important, even if those rungs are not directly in one's future field of work.

High youth unemployment also leads to feelings of social exclusion and lack of hope for the future. This in turn can impact societal engagement, mental health, and criminality.

In short, the case for investing in opportunities to put youth to work, pay them reasonable wages, teach them workplace skills, and expose them to growing industries is strong.

Current State Investment in Youth Employment

Though the case is strong, Oregon's recent history in investing in employment opportunities has been uneven.

In 2011, the legislature passed, but did not fund, the Oregon Youth Employment Program, a program designed to provide youth with case management and support services wrapped into a 12 week paid work experience program. This program has never been operationalized, and no youth have received services.

Oregon also has the Oregon Youth Corps (OYC), a program within HECC that grants to local partners who provide youth participants with stewardship focused work experience, and is working to expand its portfolio of opportunities focused on emergency response. OYC seeks to offer programming in all 36 counties and within the 9 federally recognized tribes, but has recently curtailed programs due to funding challenges.

OYC is not funded with general funds, but rather the proceeds of a tax that is placed on video lottery terminals most often placed in bars and restaurants. With the number of machines remaining steady, and the dollar amount of tax per machine not having been increased in over 20 years, OYC is revenue capped, and the size of its footprint is shrinking as wages and costs increase. OYC operates on approximately \$1.15 million in funding per year, with the marked exception of 2020, due to COVID-19.

Proposing New Funding and a New Focus

Governor Brown has proposed in her budget an \$11.7m investment in youth employment, and this investment was endorsed by the Education Recovery Committee of the Racial Justice Council. This investment would represent over a 500% increase in funding for youth employment initiatives operated by the HECC.

This is a tremendous investment in the future of Oregon youth, and HB 2092 seeks to ensure that these benefits are distributed where they are most needed.

HB 2092 builds on the Oregon Youth Employment Program structure established in 2011, but makes some key changes. First, it requires that 75% of available work opportunities go to individuals from communities of color, rural communities, and communities that have faced generational poverty, targeting communities where long-term youth unemployment is a pressing and persistent issue.

Second, it requires program participants receive minimum wage for their experience. This opens the door to individuals that need work experience, but also need the wages to support themselves and their families.

Finally, it requires program participants be exposed to in-demand occupations, so that this work experience can serve as a starting point for youth to explore jobs that have a bright future, and as the first rung on the career ladder in that field.

The bill ensures that program services are tailored to specific communities by requiring providers develop a community engagement plan, and only awarding funds to programs that show the best evidence that there is community partnership to meet community needs. It also requires robust reporting on program participants so HECC can rigorously evaluate providers and the overall program.

The Commission believes these investments and these programmatic changes will provide meaningful work experiences to 1,500 additional youth in the state, and do so in a way that targets communities and regions with critical needs.

On behalf of HECC, I want to thank Governor Brown and the Governor's Racial Justice Council for supporting this significant investment in the lives and work experiences of young people across the state, and I hope you will support HB 2092.

Thank you for your time today.