

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: Education Subcommittee

From: Kim To, Legislative Fiscal Office

Date: February 23, 2022

Subject: SB 1545 – Relating to workforce development
Work Session Recommendations

SB 1545 expands existing programs and establishes new programs to develop Oregon's workforce to meet the needs of Oregon's employers. These programs will be administered by the Higher Education Coordinating Commission (HECC), the Bureau of Labor and Industry (BOLI), and the Oregon Department of Education (ODE). Focusing on three key sectors (technology, health care, and manufacturing), these programs aim to remove barriers and improve access to education and training opportunities for jobs and career advancement for Oregonians, with an emphasis on reaching priority populations. The bill defines priority populations to mean communities of color, women, low-income communities, rural and frontier communities, veterans, persons with disabilities, incarcerated and formerly incarcerated individuals, members of Oregon's nine federally recognized Indian tribes, and individuals who face age discrimination in employment. More specifically, the bill:

1. Establishes the Prosperity 10,000 program with a \$35 million total funds investment (\$15M General Fund and \$20 ARPA funds). HECC will distribute funds to local workforce development boards using the federal Workforce Innovation and Opportunity Act (WIOA) formula. Local workforce development boards will administer the Prosperity 10,000 program. The program is intended to provide targeted recruitment and engagement, career coaching, occupational training, job placement services, paid work experiences, and wraparound supports and services for workers and job seekers. The bill requires the Department of Human Services (DHS) to incorporate the Prosperity 10,000 program into the statewide plan for the federal Supplemental Nutrition Assistance Program (SNAP) Employment and Training Program; seek federal reimbursement for 50% of the program's eligible costs; refer SNAP enrollees to the Prosperity 10,000 program. DHS is also required to distribute funds to local workforce development boards, compile data from the workforce development boards, and submit an annual report to the Legislative Assembly.
2. Expands the post-secondary career pathways program with \$14.9 million General Fund investment. HECC will distribute funds to community colleges for the development of post-secondary career pathway training programs that provide

students with opportunities to obtain the necessary skills for securing a job or career advancement in high-wage, high-demand industries and occupations.

3. Expands the Registered Apprenticeship and Pre-Apprenticeship Programs with a \$20 million total funds investment (\$18.9 million General Fund and \$1.1 million ARPA funds). BOLI will recruit new apprenticeship and pre-apprenticeship programs and award grants, through a competitive process based on evaluation of proposals, to eligible service providers, including community-based organizations, culturally specific organizations, labor organizations, education and training providers, including Joint Apprenticeship Training Centers.
4. Expands youth workforce and reengagement initiatives with a \$10.5 million total funds investment (\$3.5 million General Fund and \$7 million). Funds will be administered by the Oregon Department of Education through a competitive process to entities that provide youth and young adults with increased access to workforce programs.
5. Expands capacity for prior learning credit with a \$10 million General Fund investment. HECC's Office of Community Colleges and Workforce Development will distribute funds to community colleges and universities to work toward increasing opportunities for students to receive academic credit for prior experience or skills gained outside of traditional higher education institutions, with credit counting towards a certificate or credential that provides a pathway to employment or career advancement.
6. Establishes a new Workforce Readiness Grants program with a \$95 million total funds investment (\$10 million General Fund and \$85 million ARPA funds). HECC's Office of Workforce Investments will distribute funds through a competitive process to workforce service providers and community-based organizations that administer workforce programs in healthcare, manufacturing and technology industry sectors.
7. Establishes new Industry Consortia program with a \$1 million General Fund investment. HECC will establish a program to convene statewide industry consortia to identify and address industry-specific workforce needs.
8. Establishes a new Benefits Navigators program with a \$10 million ARPA funds investment. Funds will be administered by HECC's Office of Workforce Investments and distributed to local workforce development boards, through a competitive proposal process, to workforce benefits navigators to advise and assist workers and job seekers in accessing and applying for benefits and services available under workforce programs.
9. Ensures assessment, accountability, and continuous improvement with a \$1.5 million General Fund investment for HECC, in collaboration with the State Workforce and Talent Board, BOLI, and ODE to compile qualitative and quantitative data to evaluate the effectiveness of these investments.

The measure previously had hearings in the Senate Committee on Labor and Business on 2/3/2022, 2/8/2022, 2/10/2022, and 2/11/2022 and was reported out with a do pass recommendation.

Recommended Changes

The -A8 add individuals who identify as members of the LGBTQ+ community to the definition of priority populations; changes the reporting date for local workforce development boards from December to October 31 of each year; directs HECC to prioritize

opportunities to leverage the use of other funding sources including federal funds and private sector contributions; adds a representative of a labor organization to industry consortium team; and expands data elements that must be included in the report that HECC is required to submit by December 31st of each year. LFO recommends adoption of the -A8 amendment.

The investment totals \$200 million total funds (\$76.9 million General Fund and \$123.1 million ARP funds). The -A12 amendment includes General Fund appropriations as well as matching Federal Funds, Other Funds, and ARPA fund limitations for the Higher Education Coordinating Commission (HECC), Bureau of Labor and Industry (BOLI), the Oregon Department of Education (ODE), the Oregon Department of Human Services (DHS), and the Oregon Health Authority (OHA). LFO recommends adoption of the -A12 amendment.

Final Subcommittee Action

LFO recommends that SB 1545, as amended by the -A8 and A12 amendments, to be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____