



May 4<sup>th</sup>, 2023

Joint Committee on Ways and Means  
Subcommittee on Capital Construction  
Oregon State Capitol  
900 Court Street NE, Room H-178, Salem, Oregon 97301

Dear Senator Girod, Representative Holvey, and Committee Members:

***Campus may be an everyday word for young adults on the academic track. On the workforce pathway, however, it is rare. For Central Oregon that is about to change.***

Thank you for the opportunity to present written testimony in support of the “Heart of Oregon Corps” capital project under consideration in SB5030. This project will create vibrant, centralized hub campus in Redmond, Oregon, connected to more rural satellite sites.

Operating for 23 years, HOC engages 16-24-year-old “Opportunity Youth” who are disconnected from school and work, in addition to minority youth (33% of participants), youth who experience disabilities (20% of participants), youth from rural and smaller communities (72% of participants live outside of Bend, OR), and other youth experiencing barriers to employment such as low incomes, foster care, court-involvement, high rural youth unemployment rates and housing instability. Our six programs currently provide training in four areas—conservation, construction, childcare, and customer service. Participants earn wages or stipends, scholarships, workforce certifications, diplomas/GEDs, and in one program, even Oregon BOLI pre-apprenticeship certification.

Heart of Oregon Corps trains tomorrow’s workforce today, and invests in youth’s well-being and community-connectedness.

For this once-in-a-generation new hub location HOC is executing a 75-year lease with partner organization The Opportunity Foundation at below market rate. The architect and contractor are engaged and producing construction documents for a Dec. 2023 groundbreaking. The 4-acre campus renovates an existing manufacturing building and covered bays and constructs a new adjacent facility and courtyard to connect the campus. HOC’s unique and urgent needs for classroom and industrial training spaces, comprehensive parking and equipment infrastructure, and vibrant community spaces are met at this site.

In 2022, HOC was fortunate to be awarded a \$2M capital project grant from the Oregon State Legislature and has since raised \$1.6M more. As the project developed over the past year, HOC is seeking additional support for this project for two specific reasons (1) the increase in costs from the original budget due to

unprecedented and unanticipated inflation (2) to expedite the timeline for completion and deliver the quickest impacts on youth workforce development in Central Oregon, while turning our fundraising focus from infrastructure to capacity and maximizing the impacts of the new campus.

Our initial budget for this project was \$5.3M and increased to \$8M based on \$2.3M of increases to the estimates due to inflation, SDC increases, labor and materials increases, and additional pre-development costs.

This request for the 2023 Oregon State Legislature is for \$4.5M which closes the current funding gap when added to the \$3,586,772 currently secured by HOC (State of Oregon, eight private foundations, local corporate gifts, private donors, Deschutes County). While we do have fundraising plans for \$950k in potential foundation requests and a \$2M FY2024 federal CDS request, these strategies come with high uncertainty and could significantly delay the project. This is especially true of the federal request which is highly competitive, the request process is politicized, and the decision date is uncomfortably late in our timeline and dependent on Congress passing a budget.

A full award of \$4.5M from the State Legislature would ensure funds to expedite this project to begin construction 4th Quarter 2023. This would allow HOC to more quickly enhance their youth workforce development services throughout Central Oregon and would prevent costly fundraising delays in the construction timeline. Failing that, a partial state award of \$4M would mitigate the risks related to a federal request, while an award of \$2M would solely mitigate the inflationary and cost increase factors.

Please see additional letters of support submitted with our full application, and view our Campus Campaign video: <https://youtu.be/SQ-lrKngAF8>

Thank you for your consideration of our request. Comprehensive youth-centered workforce training, delivered in trauma-informed spaces, are needed more than ever during this post-pandemic labor-shortage era. HOC's new Central Campus responds to those needs. Moreover, this campus concept comes at a perfect time to provide a dramatic inflection point in stemming the decline in young adult workforce interest and engagement, and carries the potential to be a model for other organizations enjoined in this mission field.

Sincerely,



Laura M Handy  
Executive Director