

ANALYSIS

Item 4: Higher Education Coordinating Commission Industry-Driven Skills Training

Analyst: Kim To

Request: Approve, retroactively, the submission of a federal grant application to the U.S. Department of Labor in the amount of \$8,000,000 to support employers in developing and expanding training programs to equip workers with skills necessary to fill high-demand positions in key sectors including healthcare, technology, construction, and manufacturing.

Analysis: The U.S. Department of Labor, Employment and Training Administration announced the availability of Industry-Driven Skills Training funds to provide reimbursements to employers providing training to address critical workforce needs in key industries, including artificial intelligence infrastructure and advanced manufacturing with an emphasis on commercial shipbuilding.

The application deadline was September 5, 2025. The Higher Education Coordinating Commission (HECC) submitted a notice of intent to apply on August 21, 2025. If successful, HECC will use grant funds to collaborate with Local Workforce Development Boards to implement an employer reimbursement program for apprenticeship pathways and other training programs, including enhancing connections between the education systems and Registered Apprenticeships.

There is no match requirement. The grant allows for up to 10% to be charged for direct administration expenses. HECC anticipates allocating 5% for Local Workforce Development Boards administrative costs and 5% for agency administrative costs. HECC will leverage existing federal Workforce Innovation and Opportunity (WIOA) funding to provide necessary staffing and oversight.

Should the grants be awarded, HECC may need to return to the Legislature to request additional Federal Funds expenditure limitation.

Recommendation: The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means approve the request.

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Higher Education Coordinating Commission
Chase

Request: Retroactive authorization for the Higher Education Coordinating Commission (HECC) to apply for an \$8,000,000 grant for programs that equip workers with industry-specific skills needed to fill high-demand positions from the U.S. Department of Labor.

Recommendation: Approve the request.

Discussion: HECC requests retroactive authorization to apply for an \$8,000,000 Industry-Driven Skills Training Fund grant opportunity through the U.S. Department of Labor to support employers in developing and expanding training programs that equip workers with the industry-relevant skills necessary to fill high-demand positions. This grant will provide resources to help address critical skill gaps in key sectors including construction, healthcare, technology, and manufacturing with a particular emphasis on shipbuilding.

If awarded, HECC will collaborate with Local Workforce Development Boards to leverage existing partnerships, expertise, and infrastructure to identify employers and implement an employer reimbursement program that ensures training is responsive to industry needs. Additionally, HECC will leverage federal Workforce Innovation and Opportunity funds to provide some of the necessary staffing, leadership, and program oversight.

The grant was announced on August 7, 2025, the agency provided a 10-day notice on August 14, 2025, and applications were due on September 5, 2025. There is no match or cost-sharing requirement associated with the grant. If awarded, HECC may request an increase in Federal Funds expenditure limitation at a future meeting of the legislature.



Oregon

Tina Kotek, Governor

Higher Education Coordinating Commission

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Salem, Oregon 97302

www.oregon.gov/HigherEd

8/25/2025

The Honorable Senator Kate Lieber, Co-Chair

The Honorable Representative Tawna Sanchez, Co-Chair

Interim Joint Committee on Ways and Means

900 Court Street NE, H-178

Salem, OR 97301

Dear Senator Lieber and Representative Sanchez:

Nature of the Request

The Higher Education Coordinating Commission (HECC) requests approval to submit an application for the Industry-Driven Skills Training Fund grant opportunity through the U.S. Department of Labor, in the amount of \$8,000,000. This grant will support employers in developing and expanding training programs that equip workers with the industry-relevant skills necessary to fill high-demand positions. By providing targeted workforce development resources, the grant will help address critical skill gaps and strengthen the talent pipeline in key sectors, including construction, healthcare, technology, and manufacturing, with a particular emphasis on shipbuilding.

Agency Action

The HECC is intending to apply for a federal grant that is due September 5, 2025 from the U.S. Department of Labor, Employment and Training Administration. This project aligns directly with Oregon's workforce and economic development priorities, including the state Workforce and Talent Development Board (WTDB) Strategic Plan and the Future Ready Oregon initiative. HECC will collaborate with Local Workforce Development Boards (LWDBs) to leverage existing partnerships, expertise, and infrastructure to identify employers and implement an employer reimbursement program that ensures training is responsive to industry needs. The initiative will also integrate innovative approaches, including open-source curriculum, apprenticeship pathways,

employers and AI-supported training tools, to maximize workforce outcomes and accessibility. Eligible employers may receive reimbursement for up to 80% of costs associated with a participant's training. Allowable activities include classroom and virtual instruction, customized training, and employer-provided work-based learning, including on-the-job training.

Action Requested

HECC is requesting the Interim Joint Committee on Ways and Means to provide retroactive approval for the federal grant submission. The program does not have any cost sharing requirements. However, HECC will leverage federal Workforce Innovation and Opportunity (WIOA) funds to provide some of the necessary staffing, leadership, and oversight of the program. The grant allows for up to 10% to be charged for direct admin and the agency plans to allocate 5% of direct admin for use by the LWDBs. The HECC plans to use 5% direct admin, or approximately \$400,000 to fund 0.75 FTE of a PA3 position and other administrative costs.

Legislation Affected

None

Sincerely,



Deputy Executive Director

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