

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2310 - A

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Kim To
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Date: April 4, 2019**Measure Description:**

Establishes Prosperity 1,000 Pilot Program to provide career coaching, occupational training and job placement services for at least 1,000 low-income job seekers residing in areas of concentrated poverty.

Government Unit(s) Affected:

Higher Education Coordinating Commission (HECC), Department of Human Services (DHS)

Summary of Fiscal Impact:

Costs related to the measure will require budgetary action - See analysis.

Summary of Expenditure Impact:

	2019-21 Biennium	2021-23 Biennium
General Fund		
Personal Services	396,134	396,134
Services and Supplies	78,940	78,940
Special Payments	5,000,000	50,000
Total Funds	\$5,475,074	\$525,074
Positions	2	2
FTE	2.00	2.00

Analysis:

HB 2310 appropriates \$5,000,000 to the Department of Human Services to pass through to Worksystems, Inc. which is required to coordinate distribution of the moneys to local workforce development boards to implement the Prosperity 1,000 Pilot Program. The measure creates the Prosperity 1,000 Pilot Program to provide career coaching, occupational training, and job placement services for at least 1,000 low-income job seekers in areas of concentrated poverty. Local workforce development boards are required to administer the pilot program and to distribute available funds to nonprofit community-based organizations and educational institutions that provide services to pilot program participants. This pilot program sunsets on January 2, 2024.

Department of Human Services (DHS)

DHS estimates the fiscal impact of this measure to be \$5,475,000 General Fund and 2 positions (2.00 FTE) per biennium. In addition to the pass through funding to local workforce development boards, DHS will need to establish two Operations Policy Analyst 3 positions to meet the workload associated with: (1) incorporating the pilot program into the statewide plan for the SNAP Employment and Training Program; (2) seeking federal reimbursement for 50% of the pilot program's costs to reinvest into the pilot program; (3) gathering and compiling information from each local workforce development board; and (4) producing and submitting reports to the Legislature by December 31st of each calendar year. In addition, the federal government requires reviews of all new providers in the first year, which would involve staff traveling to the local workforce board areas. Although DHS will seek federal reimbursement, at this time, DHS cannot predict whether the federal government will approve matching funds; which could add \$5 million Federal Funds to the program with the measure's reinvestment provision.

Higher Education Coordinating Commission (HECC)

The fiscal impact of this measure to HECC is anticipated to be minimal. The measure directs the Workforce and Talent Development Board (WTDB) in HECC to establish a joint steering committee to oversee the progress of the pilot program and coordinated necessary support services, including child care, for participants. HECC anticipates using existing staff and resources to assist WTDB with this pilot program, including handling procurement, accounting and monitoring of grants as well as the collection of required data for reporting.

Note that Worksystems, Inc. is a nonprofit organization whose operations, performance, and budget are not subject to Executive Branch review, or approval or modification by the Legislative Assembly.