

TESTIMONY

ANDREW MCGOUGH TO JOINT COMMITTEE ON WAYS AND MEANS

In SUPPORT For Additional Workforce Resources in the HECC BUDGET – SB5528

Dear Committee Members:

I AM WRITING ON BEHALF OF MY BOARD OF DIRECTORS AND MY LOCAL WORKFORCE partners TO ENCOURAGE INCREASED SUPPORT FOR THE LOCAL WORKFORCE DEVELOPMENT RESOURCES CONTAINED IN THE HECC BUDGET.

THESE RESOURCES ARE A VITAL COMPONENT OF OREGON'S PUBLIC WORKFORCE DEVELOPMENT SYSTEM AND ARE ESSENTIAL TO ENSURING THE SYSTEM IS RESPONSIVE TO THE NEEDS OF REGIONAL EMPLOYERS, WORKERS AND JOB SEEKERS.

THESE RESOURCES ARE PARTICULARLY CRITICAL GIVEN THE ECONOMIC DOWNTURN CREATED BY COVID-19. DESPITE NEARLY DOUBLE THE UNEMPLOYMENT RATE OF A YEAR AGO, INCREASING NUMBERS OF PEOPLE CONSIDERED LONG-TERM UNEMPLOYED (>52 WEEKS), AND DECLINING LABOR MARKET PARTICIPATION, THERE HAVE BEEN NO DESIGNATED INVESTMENTS IN THE PUBLIC WORKFORCE SYSTEM THROUGH THE CARES ACT OR THE AMERICAN RESCUE PLAN. AS A MATTER OF FACT, THE GOVERNORS BUDGET CALLS FOR A 10% REDUCTION IN GENERAL FUND INVESTMENTS IN WORKFORCE FUNDING. A RECOMMENDATION WE WOULD STRONGLY ENCOURAGE YOU TO RECONSIDER.

THERE ARE CURRENTLY MORE THAN 65,000 WASHINGTON AND MULTNOMAH COUNTY RESIDENTS RECEIVING SOME FORM OF EXTENDED UNEMPLOYMENT COMPENSATION AND THOUSANDS MORE IDLED BY THE PANDEMIC. WHEN THOSE BENEFITS EXPIRE IN EARLY SEPTEMBER, AND COVID FEARS AND RESTRICTIONS EASE, THESE RESIDENTS WILL SEEK ASSISTANCE FROM THE PUBLIC WORKFORCE SYSTEM AND OUR COMMUNITY PARTNERS.

AT THE SAME TIME, MANY EMPLOYERS ARE HAVING A DIFFICULT TIME FINDING QUALIFIED TALENT. THIS IS IMPEDING THEIR ABILITY TO GROW AND MAY ULTIMATELY SLOW THE STATE'S ECONOMIC RECOVERY.

THESE RESOURCES ALLOW LOCAL WORKFORCE AREAS TO BUILD DEEP RELATIONS WITH VITAL LOCAL INDUSTRIES TO BETTER UNDERSTAND THEIR NEEDS AND BUILD THE PARTNERSHIPS NECESSARY TO SOLVE COMPLEX WORKFORCE AND RELATED CHALLENGES.

FOR EXAMPLE, IN MY REGION, FUNDED IN PART BY STATE RESOURCES, WE ARE WORKING WITH A CONSORTIUM OF LOCAL WASTE HAULING AND RECYCLING BUSINESSES TO TRAIN LOW-INCOME, DIVERSE WORKERS FOR CAREERS IN THE INDUSTRY. ONE OF OUR PRIMARY PARTNERS, INTERSTATE TRUCKING, IS THE ONLY AFRICAN AMERICAN OWNED TRUCKING SCHOOL IN THE PACIFIC NORTHWEST. JOBS IN THE INDUSTRY ARE LOW BARRIER TO ENTRY

WHICH IS ESSENTIAL FOR INDIVIDUALS WITH A CRIMINAL BACKGROUND, SPORADIC WORK HISTORIES, OR A HIGH SCHOOL EDUCATION OR BELOW. INDIVIDUALS CAN EARN FROM \$50,000 TO \$80,000 PER YEAR WITH MANY OPPORTUNITIES FOR ADVANCEMENT AND GROWTH.

DESPITE THE Covid related ECONOMIC DOWNTURN, MANY EMPLOYERS OFFERING QUALITY JOBS IN HIGH GROWTH INDUSTRIES ARE GRAPPLING WITH A SHORTAGE OF SKILLED LABOR.

STATE INVESTMENTS HELP ELIMINATE THIS DIVIDE THROUGH WORK EXPERIENCE AND ON-THE-JOB TRAINING. THESE ACTIVITIES ARE ESPECIALLY EFFECTIVE IN HELPING LOW-WAGE, UNDER-SKILLED, OREGONIANS EARN WHILE THEY LEARN AND ARE A PROVEN WAY TO RAPIDLY FILL CRITICAL SKILL GAPS IN SOME OF THE STATE'S MOST IMPORTANT INDUSTRIES.

A COUPLE OF YEARS AGO, WE WORKED WITH HECC AND DHS STAFF TO PILOT AN INITIATIVE TO TARGET SOME OF THESE RESOURCES TO SNAP RECIPIENTS. AS NON-FEDERAL RESOURCES, THESE STATE INVESTMENTS ARE ELIGIBLE FOR 50% REIMBURSEMENT FROM THE FEDERAL SNAP 50/50 PROGRAM. THROUGH THIS PILOT, WE GENERATED MORE THAN \$200,000 WHICH WAS REINVESTED IN THE LOCAL WORKFORCE SYSTEM TO EXPAND PROGRAMS AND SERVICES. WE PLAN TO CONTINUE TO INVEST A SIGNIFICANT PERCENTAGE OF THE GENERAL FUND RESOURCES TO SUPPORT SNAP RECIPIENTS AND GENERATE ADDITIONAL federal resources to GROW AND SUSTAIN THE PROGRAM.

THE WORKFORCE RESOURCES CONTAINED IN THE HECC BUDGET ARE MORE CRITICAL THAN EVER AND WILL BE ESSENTIAL AS WE SEEK TO RECOVER FROM THE COVID ECONOMIC DOWNTURN. CUTTING THEM NOW MAKES NO SENSE.

WE URGE YOU TO ELIMINATE ANY CUTS TO THE WORKFORCE COMPONENTS OF THE HECC BUDGET AND ENSURE SUFFICIENT SUPPORT TO RESPOND TO THE WORKFORCE AND EDUCATION CHALLENGES ASSOCIATED WITH THE COVID CRISIS.

Best Regards,

Andrew McGough