

**SB 1545 A STAFF MEASURE SUMMARY****Senate Committee On Labor and Business****Action Date:** 02/11/22**Action:** Do pass with amendments. Refer to Ways and Means by prior reference. (Printed A-Eng).**Vote:** 4-0-1-0**Yeas:** 4 - Jama, Knopp, Lieber, Taylor**Exc:** 1 - Hansell**Fiscal:** Fiscal impact issued**Revenue:** No revenue impact**Prepared By:** Wenzel Cummings, LPRO Analyst**Meeting Dates:** 2/3, 2/8, 2/10, 2/11**WHAT THE MEASURE DOES:**

Defines a "**priority population**" 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 disproportionately experience discrimination in employment on the basis of age. Establishes and appropriates \$15 million from the General Fund to the Higher Education Coordinating Commission (HECC) for the **Prosperity 10,000 Program** to: provide career coaching, occupational training, and job placement services; provide wraparound supports and services; provide paid work experiences; and support targeted recruitment and engagement. Establishes the goals of the program: include 10,000 participants; improve capacity and responsiveness of the public workforce system and ensure services and benefits are provided to priority populations; ensure at least 50 percent of participants are women, 80 percent successfully complete the program, and 75 percent successfully obtain employment and that 75 percent of those who obtain employment earn at least \$17 per hour. Provides that the Program must be administered by local workforce development boards and requires the Department of Human Services to incorporate the Program into the statewide plan for the SNAP Employment and Training Program and to seek federal reimbursement for 50 percent of the Program's costs to be distributed to local workforce development boards. Requires the State Workforce and Talent Development Board to oversee the progress of the Program and ensure the program goals are met. Limits the maximum payment of expenses by the HECC from the American Rescue Plan Act Coronavirus State Fiscal Recovery Fund (ARPA) for purposes of the Program to \$20 million. Establishes within the HECC and appropriates \$17 million for a grant program to community colleges for **career pathway training programs** for those in priority populations to secure a job or career advancement in high-wage, high-demand industries and occupations. Establishes the purposes of the grant program and specifies the eligibility requirements for community colleges to receive a grant. Establishes and appropriates \$18,900,000 of the General Fund for a grant program to be administered by the Bureau of Labor and Industries (BOLI) to provide financial support for development, expansion, and implementation of **registered apprenticeship and preapprenticeship training programs** in health care and manufacturing and for preapprenticeship training programs in construction. Provides that the State Apprenticeship and Training Council may award grants to community-based organizations, labor organizations, local workforce development boards, and other entities that develop apprenticeship and preapprenticeship training programs that prioritize participation by those in priority populations. Provides for the priorities for grant recipients and specifies the uses of grant moneys. Establishes biennial expense limit of \$1,100,000 of ARPA funds for purposes of the program. Establishes and appropriates \$3,500,000 of the General Fund for a **youth workforce program** administered by the Youth Development Division that delivers workforce readiness services to specified youth and young adults between the ages of 14 and 24 in priority populations. Establishes biennial expense limit of \$7 million of ARPA funds for purposes of the youth workforce program. Establishes and appropriates \$10 million of the General Fund for a grant program to

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community colleges and universities that work toward increasing opportunities for students from priority populations to receive **academic credit for prior experience or skills** to count toward a certificate or credential. Establishes and appropriates \$10 million of the General Fund for a grant program to workforce service providers and community-based organizations that administer **workforce programs** in health care, manufacturing, and technology industry sectors and prioritize equitable program participation by those in priority populations. Provides for the criteria and process by which grant proposals must be considered and specifies the uses of grant award moneys. Establishes biennial expense limit of \$85 million of ARPA funds for purposes of the grant program. Establishes and appropriates \$1 million of General Fund for the HECC to convene a **statewide industry consortia** that represent health care, manufacturing, and technology industry sectors. Specifies the purpose of the program to include the establishment of strategic partnerships to align workforce development activities to increase participation by those in priority populations. Provides for the operation of the industry consortia by a leadership team and specifies the composition of the leadership team. Establishes a grant program to be administered by the HECC in consultation with the State Workforce and Talent Development Board for pilot projects implemented by local workforce development boards that partner with **one-stop centers or community-based organizations** to employ a workforce benefits navigator to connect those in priority populations to workforce programs increase access to services and benefits of those programs. Establishes biennial expense limit of \$10 million of ARPA funds for purposes of the payment of expenses for the program. Requires the HECC, in collaboration with the State Workforce and Talent Development Board, BOLI, and the Youth Development Council to **review each program** established in the measure to assess the program's performance and expenditure outcomes. Provides for the criteria of the evaluation. Requires the HECC to prepare and submit a report by December 31 of each year to the Governor and Legislative Assembly related to workforce development. Appropriates \$1,500,000 of the General Fund for purposes of the assessment. Declares emergency, effective upon passage.

### ISSUES DISCUSSED:

- Inclusion of LGBTQ+, immigrant, and refugee communities in definition of priority populations
- Intent to add the Prosperity 10,000 Program to existing SNAP Employment and Training Program
- Use of General Funds and American Rescue Plan Act funds
- Increasingly important role of tech literacy across all other sectors
- Removal of construction as a key sector while retaining preapprenticeship training program for construction
- Inclusion of high-wage, high-demand industries and occupations
- Impact on Oregon's economy through investment in career pathways
- Gaps between the number of trained workers and number of available jobs
- Balance between use of existing systems to help those in historically underserved communities

### EFFECT OF AMENDMENT:

Replaces the measure.

### BACKGROUND:

In 2018, the Governor launched the Future Ready Oregon initiative with the goal of closing gaps between the workforce in the state and the workforce needed to fuel the state's economy. The initiative entailed five steps: targeting investments designed to promote equity; creating apprenticeships in technical fields such as information technology, health care, and manufacturing; turning wage earners into job creators in rural areas of the state; addressing the housing shortage for working families; and aligning job training with requirements for entry-level jobs in health care, in-home care, and community-based health. In 2020, the Governor tasked the Racial Justice Council with proposing ways to address racial, social, and economic inequities in the state. The Council's work resulted in the Future Ready Oregon 2022 proposal, which aims to assist with a shortage of trained workers in the construction, health care, and manufacturing sectors.

The Oregon Employment Department (OED) reported 103,000 job vacancies in the private sector in the final quarter of 2021, of which employers report 76 percent are considered hard to fill. For every ten jobs open, the

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OED projects approximately seven workers are potentially available. The construction, health care, and manufacturing sectors each account for over 10,000 job openings.

Senate Bill 1545 A creates a number of grant programs aimed at assisting 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 disproportionately experience discrimination in employment based on their age to obtain jobs in Oregon's construction, health care, and manufacturing sectors..