

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3139**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Michael Graham
 Reviewed by: Kim To, Julie Neburka
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Measure Description:

Establishes program within Higher Education Coordinating Commission for supporting strategic investments in maritime workforce development programs and activities.

Government Unit(s) Affected:

Higher Education Coordinating Commission, Community Colleges, School Districts

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Higher Education Coordinating Commission		
General Fund		
Personal Services	\$166,977	\$222,638
Services and Supplies	\$76,926	\$26,926
Special Payments	\$1,756,097	\$1,756,097
Total General Fund	\$2,000,000	\$2,005,661
Total Fiscal Impact	\$2,000,000	\$2,005,661
<i>Total Positions</i>	1	1
<i>Total FTE</i>	0.75	1.00

Analysis:

House Bill 3139 appropriates \$2,000,000 General Fund to the Higher Education Coordinating Commission (HECC) in the 2023-25 biennium to implement and administer a new maritime workforce development program. The measure establishes a program within HECC for supporting strategic investments in workforce development programs and activities in Oregon’s maritime sector, in coordination with local workforce development boards, community colleges, and other workforce partners that support maritime workforce development, including school districts and regional networks. HECC must make targeted investments in workforce development programs designed to advance the growth, qualifications, and availability of Oregon’s maritime workforce. The measure also requires HECC to foster industry involvement in apprenticeship, mentorship, and other programs to provide training for entry into the maritime workforce, to support activities that prepare individuals for careers in the maritime sector, and to conduct outreach and promote awareness about opportunities to receive maritime training and education. The measure takes effect on January 1, 2024.

Higher Education Coordinating Commission

The measure is anticipated to have a fiscal impact on HECC, as HECC would need to establish a new maritime workforce development grant program. To administer the program, HECC would need one permanent, full-time Program Analyst 3 position (0.75 FTE) to manage and monitor the grant process to the local workforce development boards, community colleges, school districts, and other community organizations; work with any program consultant contracted for data collection and analysis; and oversee other program activities to promote growth and development of the maritime workforce sector. The estimated cost of this position, including related

services and supplies, is \$193,903 General Fund in the 2023-25 biennium and \$249,564 General Fund in the 2025-27 biennium.

HECC would need to contract with a consultant to study maritime sector workforce issues. Because the measure requires HECC to make targeted investments in the workforce development programs designed to advance the growth, qualifications, and availability of Oregon's maritime workforce, and identify and develop specific sectors within the maritime workforce to initiate new workforce education and job skills programs and to increase participation in existing maritime programs, this would require some technical, specialized knowledge from a consultant with subject matter expertise. The estimated cost to contract with a consultant is \$50,000 General Fund in the 2023-25 biennium. This fiscal impact statement assumes that the contract would not continue past the 2023-25 biennium.

After accounting for personal services and services and supplies costs, HECC would distribute the remaining \$1.7 million as special payments through a single combined grant process to eligible grant recipients, including community colleges and public schools. The total fiscal impact to HECC is \$2,000,000 General Fund in 2023-25 and \$2,005,661 in 2025-27, assuming the program remains funded as part of HECC's 2025-27 current service level.

The measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its impact to the State's General Fund and HECC's biennial budget.

Community Colleges and Public Schools

The measure is not anticipated to have a fiscal impact on community colleges and public schools, since it does not require them to participate in the maritime workforce development program. However, community colleges and public schools would be eligible to receive workforce development grants through the single combined grant process.