HB 3826 -1 STAFF MEASURE SUMMARY

House Committee On Higher Education and Workforce Development

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WHAT THE MEASURE DOES:

The measure establishes a program in the Higher Education Coordinating Commission (HECC) to promote workforce development initiatives in the trucking industry. It requires HECC to award grants to local workforce development boards and establish criteria for local boards to apply. It also establishes requirements for local boards administering the program, including reporting requirements. The measure requires HECC to report to the Legislative Assembly on outcomes of the program by September 15, 2026. It appropriates \$5 million from the General Fund to the program, requires HECC to distribute funds within 60 days of the effective date, and declares an emergency, effective on passage.

Fiscal impact: May have fiscal impact, but no statement yet issued. Revenue impact: May have revenue impact, but no statement yet issued.

ISSUES DISCUSSED:

- Additional shortage of diesel mechanics
- Role of truck driving in Oregon economy
- Aging of trucking workforce
- Increased regulation related to commercial driver licenses
- Existing workforce development efforts by local workforce development boards
- Cost of CDL training and cost to individuals switching careers
- Outreach efforts to recruit younger drivers

EFFECT OF AMENDMENT:

-1 The amendment reduces the appropriation from \$5 million to \$2 million.

BACKGROUND:

Local workforce development boards are a system of business-led boards in all fifty states that are funded by the federal Workforce Innovation and Opportunity Act (WIOA). In Oregon, there are nine local workforce development boards, as well as a statewide Workforce & Talent Development Board (WTDB), which is tasked with advising the Governor on workforce matters and developing a strategic plan for workforce development. On <u>March 13, 2025</u>, the House Committee on Higher Education and Workforce Development heard a presentation from the Higher Education Coordinating Commission (HECC) on Oregon's workforce system, including the role of WTDB and the local workforce development boards.

The <u>Oregon 2024 Talent Assessment</u>, prepared by SRI on behalf of WTDB, identified a shortage in the heavy and tractor-trailer truck driver workforce and included analysis of the trends, challenges, and career pathways in the sector.

In August 2022, the U.S. Economic Development Administration awarded the Southwestern Oregon Workforce Investment Board a \$3.4 million Good Jobs Challenge grant to develop and launch Driving Prosperity, a career training and placement program for the trucking industry.