

HB 3634 -1 STAFF MEASURE SUMMARY

House Committee On Higher Education and Workforce Development

Prepared By: Ellen O'Brien, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/4, 4/3

WHAT THE MEASURE DOES:

The measure establishes the Water Workforce Program in the Higher Education Coordinating Commission (HECC) to make grants to local workforce development boards for initiatives for the water and wastewater utilities sector. It requires HECC and any grant fund recipients to enter into an agreement indicating the purposes of the funds and outlining reporting requirements. It requires HECC to report to the Legislative Assembly every two years on the outcomes of the Water Workforce Program. The measure appropriates \$5.5 million to HECC for distribution to local workforce development boards, requires HECC to distribute funds within 90 days of the measure's effective date, and declares an emergency, effective on passage.

Detailed Summary

- Establishes the Water Workforce Program in the Higher Education Coordinating Commission (HECC) to operate workforce development initiatives for the water and wastewater utilities sector.
- Requires HECC to provide grants to local workforce development boards and those boards to administer the program.
- Specifies purposes of the program, including:
 - Identifying state and regional barriers to and pathways for careers in the water and wastewater utilities workforce.
 - Developing regionally specific strategies for addressing water and wastewater workforce needs.
 - Partnering with nonprofit organizations to conduct outreach to environmental justice communities with connections to water and wastewater utilities.
 - Identifying and implementing strategies to attract, recruit, retain, and replace water and wastewater utility operators.
 - Coordinating with state and regional partners to expand community-based partnerships.
 - Developing education and training pathways.
 - Providing wraparound supports and services, including tuition and fee assistance for industry-recognized certificates.
 - Engaging with federally recognized tribal governments to address water and wastewater utility needs.
 - Funding investments in staff, equipment and technology, and administrative costs.
 - Working with community colleges and nonprofit organizations to develop pilot programs for paid on-the-job training and job placement services.
- Requires HECC and any grant fund recipients to enter into an agreement specifying the purposes of the funds and reporting requirements.
- Permits local workforce development boards to distribute grant funds to nonprofit organizations and community colleges.
- Requires HECC to report to the Legislative Assembly every two years, beginning on September 15, 2026, on the outcomes of the Water Workforce Program
- Permits HECC to adopt rules necessary to carry out the Water Workforce Program.
- Requires HECC to distribute funds to local workforce development boards within 90 days of the effective date of the measure.
- Appropriates \$5.5 million to HECC for distribution to local workforce development boards.
- 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:

- Pathways, recruitment, and retention for water and wastewater workforce
- Need for outreach and promotion
- Proposed amendment
- Challenges for local workforce development boards in rural areas

EFFECT OF AMENDMENT:

-1 The amendment replaces the measure with substantially similar provisions. It expands the program to water science, technology, and engineering industries and expands eligibility for funding to public universities and high schools. It reduces the appropriation from \$5 million to \$3.5 million, removes language requiring HECC to distribute funds within 90 days, and instead requires HECC to establish a process and criteria for distributing funds within six months of the effective date, in consultation with education and industry entities.

Detailed Summary

- Expands the sectors in the Water Workforce Program to include water science, engineering, and technology, in addition to water and wastewater utilities.
- Modifies the factors that local workforce development boards should consider in identifying state and regional barriers.
- Adds high schools, public universities, and other entities to the entities that can receive funding to develop training, education, and apprenticeship programs.
- Requires the Higher Education Coordinating Commission (HECC) to enter into agreements with the local workforce development boards, rather than directly with grantees.
- Allows a local board to distribute funds to subgrantees for all purposes of the program.
- Reduces the appropriation from \$5 million to \$3.5 million.
- Removes language requiring HECC to distribute funds to local workforce development boards within 90 days of the effective date and instead requires HECC to establish a process and criteria for distributing funds within six months.
- Requires HECC and local boards to consult with education and industry entities in developing the process and criteria for distributing funds.

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, which is tasked with advising the Governor on workforce matters and developing a strategic plan for workforce development. The Higher Education Coordinating Commission (HECC) is responsible for administering both state and federal workforce development grant programs in Oregon.

Water systems operators for wastewater and for drinking water are certified by separate agencies in Oregon. The [Oregon Department of Environmental Quality \(DEQ\)](#) administers the Wastewater Operator Certification Program, which certifies domestic wastewater system operators, who manage sewage systems. Oregon Drinking Water Services (DWS) at the [Oregon Health Authority \(OHA\)](#) separately administers the certification program for drinking water system operators.

Each biennium, OHA and DEQ submit a joint report to the Legislative Assembly on [Certification Programs for Water and Wastewater System Operators](#). The most recent report, published January 2025, provides information

and updates on the two certification programs, as well as data on the number of certificates and systems requiring certified operators.

PRELIMINARY