HB 3669 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: 3/6, 4/3, 4/8

WHAT THE MEASURE DOES:

The measure modifies the purposes and goals of the Prosperity 10,000 Program to include career advancement for incumbent workers in certain industries. The measure allows funds to be distributed directly to employers. It extends the Prosperity 10,000 Program by permitting the Higher Education Coordinating Commission to distribute any additional funds appropriated to the program by the Legislative Assembly.

Detailed Summary

- Modifies the purposes of the Prosperity 10,000 Program to include career advancement for incumbent workers in high-growth industries, as determined by state and local workforce development boards.
- Sets a goal of increasing earnings for participating incumbent workers to \$23 per hour or an unspecified percent increase in earnings, whichever is greater.
- Allows local workforce development boards to distribute available funds to employers, in addition to nonprofit community-based organizations, educational institutions, labor organizations, and other workforce service providers.
- Extends the Prosperity 10,000 Program by permitting the Higher Education Coordinating Commission to
 distribute any additional funds appropriated to the program by the Legislative Assembly beyond the initial
 appropriation in <u>Senate Bill 1545 (2022)</u>.

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

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

ISSUES DISCUSSED:

- Funding request
- Outcomes of Prosperity 10,000
- \$35 million in initial funding in 2022
- Minimum wage goal

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 2022, the Legislative Assembly enacted a \$200 million package of workforce development investments known as Future Ready Oregon in <u>Senate Bill 1545 (2022)</u>. Of that investment, \$35 million was directed toward local workforce development boards under a program known as Prosperity 10,000.

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 areas, 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 the primary agency responsible for administering both Future Ready Oregon and WIOA programs in Oregon, and provides staff support to the Workforce and Talent Development Board.

HB 3669 STAFF MEASURE SUMMARY

During the 2023-2024 biennium, the House Committee on Higher Education received updates on Future Ready Oregon, including Prosperity 10,000, on <u>January 31, 2023</u>, and on Prosperity 10,000 on <u>January 11, 2024</u>. On <u>December 12, 2024</u>, the House Interim Committee on Higher Education heard a presentation about Prosperity 10,000 in preparation for the proposed investments in House Bill 3669.

