

HOUSE COMMITTEE ON
TRADE AND ECONOMIC DEVELOPMENT

February 2, 2005 Hearing Room 343

8:30 A.M.am Tapes 17 - 18

Corrected 10/14/05

MEMBERS PRESENT: Rep. John Lim, Chair

Rep. Jeff Merkley, Vice-Chair

Rep. Scott Bruun, Vice-Chair

Rep. Donna Nelson

Rep. Chuck Riley

Rep. Peter Buckley

Rep. John Dallum

MEMBER EXCUSED:

STAFF PRESENT: Jim Stembridge, Committee Administrator

Erin Seiler, Committee Assistant

MEASURES/ISSUES HEARD:

JOBS Plus - Informational Meeting

HB 2161 - Public Hearing and Work Session

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE	Speaker	Comments
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TAPE 17Tape, A

001	Chair Lim	Calls the meeting to order at 8:30 a.m. and oOpens the informational meeting on JOBS Plus.
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JOBS PLUS - INFORMATIONAL MEETING

015	Dave Lyda	Temporary Assistance for Needy Families (TANF) Manager, Department of Human Services (DHS). Submits JOBS Plus Program Year 2003 Legislative report (EXHIBIT A). Summarizes the creation and background of the JOBS Plus program (EXHIBIT A, Page 2).
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052	Lyda	Explains when DHS and Oregon Employment Department (OED) began administrating separate JOBS Plus programs and the subsequent changes OED made to employer reimbursement and placement duration guidelines.
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064	Lyda	Explains the various programs that DHS administrators within its larger Welfare-to-Work program.
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087	Lyda	Addresses how employment reimbursements are funded and amount of a typical employer reimbursement (EXHIBIT A, Page 3).
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094	Lyda	Points out how participation in the JOBS Plus program benefits clients and local community.
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105	Rep. Nelson	Asks if JOBS Plus program serves veterans.
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110	Lyda	States that DHS does administer TANF and unemployment benefits to veterans, but there is no specific program for them.
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150	Chair Lim	
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Asks if it is possible to combine the administrative costs of the JOBS Plus programs administered by DHS and OED.

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| 161 | Lyda | States that the administrative costs can be combined “if that is the will of the legislature.” Explains how the administrative guidelines and funding sources are different for the JOB Plus program administered by OED and the one administered by DHS. |
| 186 | Chair Lim | Asks how many people are currently enrolled in the JOB Plus program administered by DHS. |
| 188 | Lyda | States the DHS JOBS Plus program currently has one hundred and twenty people participating and there is a total of three hundred and eight participants in both of the JOBS Plus programs. |
| 202 | Lyda | Explains why there have been dramatic drops in the number of participants in either JOB Plus program. |
| 208 | Chair Lim | Asks how many people are currently receiving state and federal welfare benefits. |
| 211 | Lyda | States that there are about 18,500 families receiving TANF benefits, which is increase of about five percent from 2004. |
| 223 | Chair Lim | Comments on the decrease of the “welfare rolls” during the 1990’s and steady increase through out the 2000’s. Asks what can be done to reduce the “welfare rolls” in Oregon. |
| 231 | Lyda | Confirms assessment of changing welfare participation, stating the “primary tool to help reduce caseload is the general JOBS Program.” |
| 253 | Phil Laymon | JOBS Field Representative, DHS. Explains the responsibilities of a JOBS Field Representative. |
| 267 | Rep. Nelson | Asks if the Welfare-to-Work program requires that if neither spouse is employed that they must participate in JOBS Plus program. |
| 276 | Lyda | States that TANF Program does require mandatory clients to participate in a JOBS activity, not necessarily the JOBS Plus program, and if the requirement is not met the client does face sanctions. |

308	Lyda	Explains the two different types of TANF programs.
339	Rep. Merkley	Asks for clarification about the number of participants in the JOB Plus program.
346	Lyda	Points out that the JOB Plus program is a component of the larger JOBS Program, therefore of the nine thousand participants in the JOBS Program, one hundred and twenty participate in the JOBS Plus component.
352	Rep. Merkley	Asks whether the dramatic decrease in participation in the DHS JOB Plus program after June 2000 was a federal or state funding issue.
362	Lyda	Believes that the decrease was a result of state funding. Explains the various funding sources for the JOBS Program and the state match requirements.
386	Chair Lim	Asks what the maximum amount of benefits a family of four would receive in TANF benefits.

TAPE 18, A

001	Lyda	Estimates that a family of four would receive \$850 per month and at full-time employment they would receive \$1200 per month.
021	Rep. Bruun	Asks how much assistance, beyond JOBS Plus program, does the state provide an individual required to meet the TANF employment mandate.
030	Lyda	Confirms that there is a job for an individual required to be employed under TANF guidelines.
045	Rep. Dallum	Asks if the “precipitous drop” in welfare numbers is an indication of the success of the Welfare-to-Work program.
053	Lyda	States that DHS does have fewer people receiving assistance since the mid 1990’s, but the major reason is related to funding and having to shut down the program.
072	Rep. Nelson	Confirms that an individual receiving unemployment benefits is ineligible for TANF benefits.

095	Chair Lim	In reference to JOBS Plus Placement Results data, asks what percentage of those employed maintain continuous full-time employment and what percentage remain on welfare (EXHIBIT A, Page 3).
104	Laymon	Explains that, historical evidence indicates that eighty-five percent of DHS JOBS Plus participants remain off welfare after eighteen months.
126	Deborah Lincoln	Director, OED. Submits written testimony about the OED JOBS Plus program (EXHIBIT B). Describes the Unemployment Insurance JOBS Plus program and how it is different from DHS public assistance programs. (EXHIBIT A, Page 8).
148	Lincoln	Explains the funding and budget structure of the JOBS Plus Unemployment Insurance program (EXHIBIT A, Page 8).
179	Lincoln	Describes the lower benefit levels associated with the OED JOBS Plus program (EXHIBIT B, Page 1).
205	Lincoln	States that OED is recommending that the legislature not authorize a new funding diversion to support OED JOBS Plus program.
211	Lincoln	Addresses the reasons why OED is not recommending a new diversion for OED JOBS Plus program (EXHIBIT B, Page 1).
234	Rep. Buckley	Confirms that OED is recommending that their JOBS Plus program be discontinued and “maybe” a single JOBS Plus program is best.
269	Rep. Nelson	Comments on the problem with the OED JOBS Plus program being the clause prohibiting an employer from hiring a JOBS Plus participant for an existing “unfilled position.”
279	Lincoln	Explains that the ability to subsidize an employers pay roll by other employers or state government “is very limited” and to allow an “employer to fill its unfilled jobs with publicly subsidized pay roll is not a fair way to run the jobs market.”
310	Rep. Nelson	Restates why “clauses that restrict our people from getting good jobs” need to be eliminated.

322	Rep. Riley	Commends OED for acknowledging that the program does not work and not trying to continue it. Asks how many people have dropped off the welfare rolls, but remain unemployed.
333	Lincoln	Explains how unemployment rate is calculated and that as of December 2004 there were 62,700 people who have exhausted all benefits and not currently drawing unemployment and that 121,000 continue to receive unemployment benefits.
371	Lincoln	Submits and summarizes Taxes, Benefits, and Unemployment Rates by County – 2003 chart (EXHIBIT C).
389	Chair Lim	Asks why is OED is recommending the discontinuation of JOBS Plus program instead of attempting to improve it.
393	Lincoln	Identifies OED programs where funding should be concentrated because the programs are more effective and without the high administrative costs.

TAPE 17, B

017	Rep. Nelson	Restates objection to the discontinuation of the OED JOBS Plus program.
042	John Courtney	Lobbyist, Hire Calling Public Affairs. Submits and summarizes website article titled “Why Piddle Around? Jobs and Economic Development” (EXHIBIT D).
054	Courtney	Submits and summarizes written testimony in support of retaining the OED JOBS Plus program (EXHIBIT E).
177	Courtney	Speaks to how the JOBS Plus program has decreased welfare dependency (EXHIBIT E, Page 1). Submits and summarizes JOBS/JOBS Plus - Effect of Proposed Cuts graph (EXHIBIT F).
272	Riley	Asks for clarification about discrepancies in unemployment and welfare statistics of those of the OED and those of Mr. Courtney.
278	Courtney	Identifies that in 2004 there were 160,000 total welfare claimants and 80,000 or half have exhausted benefits.

284	Lincoln	Identifies that in 2004, OED had 493,000 initial claims filed and 62,600 exhaust benefits, which is “no where near half.”
321	Courtney	Characterizes his understanding of what constitutes an initial welfare claim.
331	Lincoln	Disagrees with Mr. Courtney’s’ characterization of initial claims. Clarifies how OED does treat initial claims and that there is “a high percentage that claim for a week and get back to work right away.”
357	Courtney	Asks to see the OED data on the total welfare claims that have been paid in 2004 and addresses contention that the JOBS Plus program should be discontinued because it is not serving enough people to be worthwhile.
381	Courtney	Challenges the OED data that indicates that the administrative costs of the JOBS Plus program are too high.

TAPE 18, B

001	Courtney	Addresses the OED position that employer participation and wages in JOBS Plus program are too low.
060	Buckley	Asks whether it is most advantageous to have one JOBS Plus program administered by DHS.
070	Courtney	Affirms that having one program would make sense.
082	Chair Lim	Closes the informational meeting on JOBS Plus. Opens the public hearing on HB 2161.

HB 2161- PUBLIC HEARING

091	Jim Stembridge	Explains HB 2161, which abolishes Oregon Capital Corporation.
102	Floyd Lanter	Administer of Division of Finance and Corporate Securities, Department of Consumer and Business Services. Submits and summarizes written testimony in support of HB 2161 (EXHIBIT G).

149	Rep. Nelson	States that there is a critical need for the money the Oregon Capital Corporation provides for and without it where would people receive comparable benefits.
157	Lanter	Confirm that there is a need for venture capital funds, but the need is being met through the private sector.
192	Chair Lim	Closes the public hearing on HB 2161. Opens the work session on HB 2176.

HB 2161 -WORK SESSION

200	Rep. Buckley	MOTION: Moves HB 2161 to the floor with a DO PASS recommendation.
204	Rep. Nelson	States it is “difficult to make this decision until we hear that there are other avenues to support individuals” pursuing economic development.
219	Rep. Nelson	MOTION: Moves to TABLE HB 2161.
223	Rep. Merkley	Expresses support for HB 2161 because there was action last session that took the State Investment Fund and created a venture capitol component and it is “pretty much a housekeeping relicbest to get it off the books for the sake of not diverting the attention of the Department to this piece.”
245	Chair Lim	States that HB 2161 will be held in committee and asks that the motions be withdrawn.
261	Rep. Buckley	Withdraws motion to move HB 2161 to the floor.
264	Rep. Nelson	Withdraws motion to table HB 2161.
284	Chair Lim	Closes the work session on HB 2161. Adjourns the meeting at 10:12 a.m.
284	Chair Lim	Calls the meeting back to order at 10:15 a.m. Reopens the public hearing on HB 2161.

HB 2161 – PUBLIC HEARING

285	Dan Lidstrom	Citizen, Prineville, Oregon. Asks what the intent of a public hearing is.
290	Jim Stembridge	Committee Administrator. Explains the procedural process for public hearings.
294	Lidstrom	Asks if the intent of HB 2161 is to delete the program and whether it could be brought back.
300	Rep. Riley	Clarifies that the question is whether or not the Oregon Capital Commission could be restored if it was needed in the future.
305	Lidstrom	Asks that since HB 2161 is fee-neutral “would the all work that represented in it have to be redone.”
312	Stembridge	Explains the background, purpose, and certification procedures that would create the Oregon Capital Corporation.
353	Lidstrom	Asks if it would be a laborious process to reconstitute the Oregon Capital Commission if, at a later date, it was deemed economically valuable.
364	Rep. Nelson	Confirms that that question and other issues surrounding HB 2161 will be considered at a public hearing on February 7, 2005.
381	Chair Lim	Closes the public hearing on HB 2161. Adjourns the committee meeting at 10:17 a.m.

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EXHIBIT SUMMARY

- A. **JOBS Plus, JOBS Plus Program Year 2003 Legislative Report, Dave Lyda, 11 pp**
- B. **JOBS Plus, written testimony, Deborah Lincoln, 1 p**

- C. **JOBS Plus, Taxes, Benefits, and Unemployment Rates by County – 2003 Chart, Deborah Lincoln, 1 p**
- D. **JOBS Plus, “Why Piddle Around? Jobs and Economic Development” Article, John Courtney, 1 p**
- E. **JOBS Plus, written testimony, John Courtney, 4 pp**
- F. **JOBS Plus, JOBS/JOBS Plus - Effect of Proposed Cuts Graph, John Courtney, 1 p**
- G. **HB 2161, written testimony, Floyd Lanter, 2 pp**