

**HOUSE COMMITTEE ON**

**• TRADE AND ECONOMIC DEVELOPMENT**

**February 23, 2005 Hearing Room 343**

**8:30 A.M.am Tapes 30 - 32**

**MEMBERS PRESENT:           Rep. John Lim, Chair**

**Rep. Scott Bruun, Vice-Chair**

**Rep. Jeff Merkley, Vice-Chair**

**Rep. Peter Buckley**

**Rep. John Dallum**

**Rep. Donna Nelson**

**Rep. Chuck Riley**

**MEMBER EXCUSED:**

**STAFF PRESENT:           Jim Stembridge, Committee Administrator**

**Erin Seiler, Committee Assistant**

**MEASURES/ISSUES HEARD:**

**HB 2161 – Work Session**

**HB 2173 – Public Hearing and Work Session**

**Workforce Issues – Informational Meeting**

**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.**

<b>TAPE</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 30</b>	<b>Tape, A</b>	
001	Chair Lim	Opens the meeting at 8:33 a.m. OOpens a work session on HB 2161.
<b><u>HB 2161- WORK SESSION</u></b>		
003	Jim Stembridge	Committee Administrator. Explains HB 2161, which abolishes the Oregon Capital Corporation.
015	Rep. Nelson	States concerns about the effect of HB 2161 on the traded-sector economy, economic forecast, and job production in Oregon.
054	Floyd Lanter	Administrator for the Division of Finance and Corporate Securities, Department of Consumer and Business Services. Explains that the statute that implemented the program expired in 1989, even though the issue has merit, it would require a new implementing statute.
061	Chair Lim	Verifies that the statute authorizing the creation of the Oregon Capital Corporation has expired and HB 2161 "cleans up the statute."
063	Rep. Nelson	Asks who in the public-sector is currently filling the role of the Oregon Capital Corporation.
066	Lanter	States that private businesses and state agencies are filling the void.
088	Rep. Dallum	Asks for confirmation that there is a provision making capital funds available using lottery funds with designated percentage for high risk ventures.
095	Chair Lim	Confirms that there are funds available through several investment programs.
100	Chair Lim	

States that the provision creating the Oregon Capital Corporation is obsolete, thus HB 2161 is just cleaning up the statutes and has nothing to do with the current funding situation.

- 105 Rep. Nelson Speaks to how programs with sunsets are often just extended and an extension should be considered for HB 2161, rather than just deleting it.
- 110 Chair Lim Asks if a new measure is necessary to extend the program deadline.
- 112 Stembridge Explains that HB 2161 could be amended to extend it and still be within the relating clause.
- 120 Rep. Buckley Expresses opposition to an extension because if the program is not working it should not be kept going and should be spending time working on programs that have a record of success.
- 127 Rep. Merkley Explains that it is important to undertake experiments, which is currently being done with the one hundred million dollars being directed towards Oregon venture activities. Stating that “it would be appropriate to collaborate and establish a new form of this Capital Corporation, but currently the existing form is not working and needs to be cleaned off the books.”
- 142 Rep. Nelson **MOTION: Moves to AMEND HB 2161, by extending the deadline for the implementation of the Oregon Capital Corporation**
- 144 Rep. Riley States objection to an amendment that would extend the deadline because it has been tried for sometime and was not successful.

**VOTE: 1-6-0**

**AYE: 1 - Nelson**

**NAY: 6 - Bruun, Buckley, Dallum, Merkley, Riley, Lim**

**Chair Lim The motion FAILS.**

- 167 Rep. Bruun **MOTION: Moves HB 2161 to the floor with a DO PASS recommendation.**

**VOTE: 6-1-0**

**AYE: 6 - Bruun, Buckley, Dallum, Merkley, Riley, Lim**

**NAY: 1 - Nelson**

**Chair Lim The motion CARRIES.**

**REP. RILEY will lead discussion on the floor.**

198 Chair Lim Closes the work session on HB 2161. Opens a public hearing on HB 2173.

**HB 2173 - PUBLIC HEARING**

200 Jim Stembridge Committee Administrator. Explains HB 2173, which repeals Digital Signature Act.

228 Floyd Lanter Administrator for the Division of Finance and Corporate Securities, Department of Consumer and Business Services. Submits and summarizes written testimony in support of HB 2173 (**EXHIBIT A**).

317 Rep. Nelson Asks who was the sponsor of the Digital Signature Act bill during the 1997 Legislative session.

322 Lanter Replies that he does not know who sponsored the original bill.

334 Rep. Nelson Asks who the sponsor was of the bill amending the Digital Signature Act during the 2001 Legislative session.

336 Lanter States that the bill amending the Digital Signature Act was sponsored by Senator MaeYih.

342 Chair Lim Closes the public hearing on HB 2173. Opens a work session on HB 2173.

**HB 2173 – WORK SESSSION**

348 Rep. Bruun **MOTION: Moves HB 2173 to the floor with a DO PASS recommendation**

**VOTE: 7-0-0**

**AYE: In a roll call vote, all members present vote Aye.**

**Chair Lim The motion CARRIES.**

367 Rep. Nelson Speaks to her conditional support for HB 2173.

**391 Rep. Bruun MOTION: Moves HB 2173 be placed on the CONSENT CALENDAR.**

**VOTE: 7-0-0**

**AYE: In a roll call vote, all members present vote Aye.**

**Chair Lim The motion CARRIES.**

**TAPE 31, A**

005 Chair Lim Closes the work session on HB 2173. Opens an informational meeting on workforce issues.

**WORKFORCE ISSUES – INFORMATIONAL MEETING**

024 Cam Preus-Braly Commissioner, Department of Community Colleges and Workforce Development. Submits copies of the WorkSource Oregon Annual Report (**EXHIBIT B**). Submits copies of the Workforce Investment Act Annual Report (**EXHIBIT C**). Submits copies of WorkSource Oregon PowerPoint presentation (**EXHIBIT D**).

027 Preus-Braly Explains the purpose of WorkSource Oregon and where the One-Stop Centers are located throughout the states.

056 Preus-Braly Explains how WorkSource Oregon is funded (**EXHIBIT D, Pages 4 – 6**).

093 Chair Lim Asks how much WorkSource Oregon receives in state and federal funds.

095 Preus-Braly States WorkSource Oregon receives about \$400 million dollars bi-annually in state and federal dollars.

- 124 Rep. Nelson Asks if WorkSource Oregon has designated veterans' funds.
- 129 Deborah Lincoln Director, Oregon Employment Department (OED). Explains that OED does administer a veteran's education fund in conjunction with WorkSource Oregon.
- 142 Rep. Bruun Asks how WorkSource Oregon assists displaced workers.
- 147 Preus-Braly States that there is \$50 million dollars allocated within the WorkSource Oregon budget to provide education, training, and job assistance to displaced workers.
- 170 Preus-Braly Explains who manages WorkSource Oregon **(EXHIBIT D, Page 7)**.
- 197 Lincoln Addresses the services, funding, and training programs provided to businesses by the WorkSource For Business program **(EXHIBIT D, Pages 8 – 9)**.
- 251 Lincoln Explains WorkSource for Workers and "iMatchSkills" programs **(EXHIBIT D, Pages 11 – 14)**.
- 291 Preus-Braly Speaks to the scope and amount of services delivered by WorkSource Oregon during 2003-2004 **(EXHIBIT D, Pages 15 - 16)**.
- 344 Rep. Nelson Asks in what industries are new jobs being created.
- 352 Preus-Braly States that that information will be provided to the committee at a later date.
- 380 Lita Colligan Workforce Policy Advisor, Office of the Governor. Addresses the Governor's Direction for WorkSource Oregon and the recommendations made by the Governor's Transition Task Force **(EXHIBIT D, Pages 17 - 19)**.

**TAPE 30, B**

- 039 Rep. Dallum Emphasizes the important role of community colleges in economic development and workforce training.
- 056 Colligan

Explains the Governor's directive to expand services to businesses and incumbent workers (**EXHIBIT D, Pages 20 – 22**).

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| 091 | Rep. Buckley  | Comments on the importance of community colleges and how it is counter-productive to cut their budgets.  |
| 106 | Chair Lim     | Agrees that community colleges are a vital part of the economy and affirms his support of community colleges.  |
| 123 | Chair Lim     | Asks how much the administrative costs are for WorkSource Oregon.  |
| 126 | Preus-Braly   | Explains the administrative costs are capped by the Department of Labor and Department of Administrative Services at \$5 million dollars.  |
| 143 | Kim Wilmes    | Owner, Metal Innovations Inc. Testifies how employee training grants from WorkSource Oregon have allowed the company to diversity its production and manufacturing sectors.                        |
| 193 | Craig Wilmes  | Owner, Metal Innovations. Explains why it was necessary for the company to train or retrain their employees.   |
| 221 | K. Wilmes     | Points out that WorkSource Oregon grants have an economic impact beyond just the recipient, producing growth and development for the surrounding community because of a multiplier effect.         |
| 275 | Rep. Dallum   | Asks what the average turnaround time for a grant application is.  |
| 277 | K. Wilmes     | Explains how working with the WorkSource Oregon program has been a positive experience.  |
| 293 | Rep. Dallum   | Asks how Metal Innovations funded the specialized training courses at the community college.   |
| 301 | K. Wilmes     | Explains how the company was able to fund the training courses with the WorkSource Oregon grants, but otherwise the company would have absorbed the entire cost.                                   |
| 357 | Nolan Johnson | Representative, Synetics Solutions. Testifies how the grants that Synetics Solutions received from WorkSource Oregon program have led to the growth and success of the company by giving employees |

the opportunity to earn Graduate Equivalence Degrees (GED) or English as a Second Language (ESL) certificates.

**TAPE 31, B**

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| 015 | Johnson     | Remarks that WorkSource Oregon grants are changing the lives of many Oregonians.  |
| 027 | Rep. Dallum | Asks what percent of Synetics Solutions grant money and company matching funds are used for ESL and GED programs.   |
| 031 | Johnson     | States that most of the grant money is used for education purposes, which is “about \$85,000 dollars.”  |
| 036 | Rep. Dallum | Asks who is paying tuition for the classes at Mt. Hood Community College.   |
| 037 | Johnson     | Explains that Mt. Hood Community College is doing the administration, but Synetics Solutions is contracting directly with an on-site instructor at a fixed cost.  |
| 060 | Colligan    | Clarifies that the work being delivered to companies is through the Customized Training Departments at the community colleges, which allows it to be a contracted service, as opposed to a tuition-based service. |
| 074 | Colligan    | Explains WorkSource Oregon Strategic Investments Program and the Oregon Training Network ( <b>EXHIBIT D, Pages 24 - 25</b> ).   |
| 087 | Molly Moore | Healthcare Workforce Initiative Coordinator, Office of the Governor. Explains the background, purpose, and goals of the Governor’s Healthcare Workforce Initiative.   |
| 112 | Moore       | Explains the Healthcare Workforce Initiatives Oregon Simulation Alliance and how it is expanding healthcare education.  |
| 139 | Moore       | States that the Governor’s Healthcare Workforce Initiative supports the Oregon Consortium for Nursing Education efforts to provide seamless course curriculum for nursing education.                              |
| 168 | Jo Bell     |   |



Director of Legislative Support Services, Oregon Association of Hospitals and Health Systems (OAHHS). Speaks to the passage, purpose, and implementation of HB 2577 (2003).

- 195 Bell Explains how to expand nursing educations and instruction through the Oregon Telecommunications Coordinating Council (ORTCC).
- 219 Bell Explains the additional benefits and services that the telecommunications links established by ORTCC will provide Oregon.
- 232 Bell Addresses the reason that healthcare “needs” assessments should be done on a statewide and regional basis.
- 250 Chair Lim Asks if the nurse shortage is a national trend or unique to Oregon.
- 255 Bell Explains that the nurse shortage is a local, national, and international trend.
- 280 Greg Thomas Director of Oregon Training Network, Software Association of Oregon. Speaks to why there is a need to have more locally-based software training services.
- 315 Thomas Explains innovations in Information Technology Training Services (ITTS), in particular aggregating training service demands and bringing training services to Oregon.
- 360 Thomas Explains why the primary recipients of training have been incumbent workers.
- 402 Colligan Identifies the range of industries and companies that have applied for and been awarded WorkSource Oregon grants.
- 418 Ron Fox Manager of Business Development Division, Oregon Economic and Community Development Department (OECDD). Explains the work of OECDD with traded-sector businesses and industry clusters.

**TAPE 32, A**

- 007 Fox

Addresses the need to identify and adapt to the economic shift in Oregon, as it has moved from a supply side orientation to demand side orientation.

020	Fox	Explains the efforts to bring the statewide and regional economic development efforts in partnership with the available workforce and WorkSource Oregon development opportunities.
046	Fox	Explains the work and efforts of the OECDD to identify businesses, retain financial resources, and work with broader industries and clusters to meet workforce requirements.
064	Chair Lim	Asks about the average size of a company utilizing WorkSource Oregon grants.
066	Colligan	Replies that there is a broad range in the size of the companies who accessed resources.
081	Colligan	Explains how and why the WorkSource Oregon program is structured for local control.
114	Chair Lim	Closes the informational meeting. Adjourns the meeting at 10:35 a.m.

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#### **EXHIBIT SUMMARY**

- **A. HB 2173, written testimony, Floyd Lanter, 4 pp**
- B. Workforce Issues, WorkSource Oregon Annual Report, Cam Preus-Braly, 36 pp**
- C. Workforce Issues, Workforce Investment Act Annual Report, Cam Preus-Braly, 24 pp**
- D. Workforce Issues, WorkSource Oregon PowerPoint Presentation, Cam Preus-Braly, 27 pp**