SENATE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT February 28, 1995 Hearing Room 137 Tapes 32-35 8:30 a.m. MEMBERS PRESENT: Sen. John Lim, Chair Sen. Bill Kennemer, Vice-Chair Sen. Bill Bradbury Sen. Gene Derfler Sen. Joan Dukes STAFF PRESENT: Joseph Cortright, Executive Officer Jeri Chase, Office Manager Bobby Sullinger, Committee Assistant MEASURES HEARD: SB 357 -- Allocates lottery funds to Department of Services, Economic Development Department, Employment Administrative Department and Housing and Community Services Department for biennium beginning July 1, 1995, for specified purposes -- Public Hearing These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. TAPE 32, SIDE A 001 CHAIR LIM: Brings the committee to order at 8:35 a.m. SB 357 -- Allocates lottery funds to Department of Administrative Services, Economic Development Department, Employment Department and Housing and Community Services Department for biennium beginning July 1, 1995, for specified purposes -- Public Hearing CHAIR LIM: Opens PUBLIC HEARING on SB 357. 002 Witnesses: Lynn Schoessler, Deputy Director, Housing Department Juni Schloester, Borker Birley Brieder, Halysis Research, Employment Department Jon Jaqua, Deputy Director, Oregon Economic Development Departr Claire Berger, Lead Workforce Development Coordinator, Oregon Economic Department Development Department Jeff Mullitor, Oregon Advanced Technology Center 018 LYNN SCHOESSLER, Deputy Director, Housing Department: Presents testimony in favor of SB 357. 100 -Regional housing activities 109 SEN. KENNEMER: Out of these units how many are going to be on the tax roles? 110 SCHOESSLER: About 40 % of the housing is off the tax roles. 130 SEN. DERFLER: Can you give me a definition of a unit? 131 SCHOESSLER: A self-contained living unit; bed, bath, and living areas. 136 SEN. DERFLER: All free standing units? SCHOESSLER: Single family housing and apartment complexes. Physical 137 accommodations for one family. 140 SEN. DERFLER: Rentals? 141 SCHOESSLER: Yes. 144 SEN. KENNEMER: Comments on tax abatement as it relates to affordable housing. SCHOESSLER: Responds to committee discussion. 155 157 CHAIR LIM: How many units do we have in this current program? 158 SCHOESSLER: The Housing Trust Fund has contributed to approximately 4,000 units being created. 162 CHAIR LIM: What are the qualification to get into a project? 163 SCHOESSLER: Responds to committee discussion. CHAIR LIM: Are the recipients 190 SCHOESSLER: Responds to committee discussion. 191 196 CHAIR LIM: Do we know if they are US citizens? 197 SCHOESSLER: Responds to committee discussion. 204 CHAIR LIM: Are you going to investigate this in the future? 205 SCHOESSLER: Responds to committee discussion.

211 SEN. DERFLER: Would like to see more home ownership programs rather than subsidizing rents. SCHOESSLER: Responds to committee discussion. 219 231 CHAIR LIM: What are the qualifications for the tenants. 232 SCHOESSLER: Responds to committee discussion. 239 SCHOESSLER: Presents overview: Housing and Community Services Department [EXHIBIT A]. 253 CHAIR LIM: Do they pay rents or is the housing free? 254 SCHOESSLER: Responds to committee discussion. 275 CHAIR LIM: If the tenants income increases in a couple of years, does their rent increase? 276 SCHOESSLER: Responds to committee discussion. 289 CHAIR LIM: So it is beneficial to them to keep their income level at the lower rate? 290 SCHOESSLER: Responds to committee discussion. 311 SCHOESSLER: Continues testimony relating to community development corporations. 341 SCHOESSLER: Presents overview: Building Community Beyond Bricks and Mortar [EXHIBIT B]. 352 SEN. BRADBURY: Comments on the logistics of getting a low income housing project in an area. SCHOESSLER: Presents The Housing Trust Fund [EXHIBIT C], Oregon Housing 354 Trust Fund [EXHIBIT D], Oregon Community Development News [EXHIBIT E]. 379 TOM LYNCH, Manager, Workforce Analysis Research, Employment Department: Presents testimony in favor of SB 357. 382 LYNCH: Presents overview: Budget [EXHIBIT F]. 444 -Primary Objectives of SIS TAPE 33, SIDE A 020 LYNCH: Continues to overview [EXHIBIT F] -Data Collection Efforts -Confidentiality -Evaluating Lottery Funded Programs SEN. BRADBURY: What waivers relating to confidentiality would we need 117 in order to move forward? LYNCH: Responds to committee discussion. 119 JOSEPH CORTRIGHT, Executive Officer, Trade & Economic Development 141 Committee: Asks for clarification regarding waivers. 150 LYNCH: Responds to committee discussion relating to data older than 6 months. 157 SEN. KENNEMER: Are you exclusively using the INTERNET system to transmit you data and network? 159 LYNCH: Responds to committee discussion relating to Internet System and transferring data. SEN. DUKES: Are very many people refusing to sign a individual waivers 178 and what happens if they do? 182 LYNCH: Responds to committee discussion relating to the signing of waivers by students 202 SEN. DUKES: Do you know the percentage of compliance with releasing data for K through 12? 203 LYNCH: Responds to committee discussion relating to K through 12 data. 215 SEN. DUKES: Do you verify the accurate of a social security numbers? 219 LYNCH: Responds to committee discussion relating to integrity of the data 229 SEN. DUKES: 60% of K-12 are giving the data. SEN. BRADBURY: Comments on the goal for getting this data and 233 collecting this information. 2.42 LYNCH: Responds to committee discussion relating to expected dates before data would be useful for generating reports as to agency activities?

263 $\,$ JON JAQUA, Deputy Director, Oregon Economic Development Department: Presents testimony explaining the Workforce programs at OEDD and why they are important in the strategic efforts of the department and why they

should stay a part OEDD.

321 CLAIRE BERGER, Lead Workforce Development Coordinator, Oregon Economic Development Department: Presents overview: Oregon Economic Development Department -- Industry Development Division -- Workforce Development Project [EXHIBIT G].

- 344 -Workforce Targeted Training
- 392 -Key Industry Training

398 SEN. DERFLER: How many people were hired from out-of-state for the employment needs of the Sony Corporation in Lane County?

399 JAQUA: Responds to committee discussion relating to out-of-state hiring

by the Sony Corporation.

429 SEN. DERFLER: Comments that most high tech companies, according to hearing held during the last interim, do not hire local people.

431 JAQUA: Responds to committee discussion relating to hiring practices of

high tech companies.

TAPE 32, SIDE B

020 SEN. DUKES: Do we ever go back and review the hiring practices of companies that we have helped in the past to see if they actually are creating local jobs or if they are importing most of their new employees?

032 JAQUA: Responds to committee discussion relating to jobs created.

066 $\,$ SEN. DUKES: We are not actually going back to review hiring practices afterwards?

067 JAQUA: Responds to committee discussion.

081 SEN. DUKES: Requests a dollar figure on what follow-up would cost.

090~ JAQUA: Responds to committee discussion relating to cost of program follow-up reporting.

102 Committee discussion relating to funds that were previously allocated to

do follow-up reporting.

- 132 BERGER: Continues with overview [EXHIBIT G]. -Key Industry Training
- 157 -Workforce Industry Training Food Processing

185 -The semi-conductor companies

210 SEN. DUKES: Could you explain how the process of community college tailoring curriculum for training a companies employees works and how that relates to OEDD and WF programs and Targeted Training Programs?

219 JAQUA: Responds to committee discussion.

260~ JAQUA: Continues to respond to committee discussion relating to targeted training by community colleges.

295 SEN. DUKES: Where do the funds go?

298 JAQUA: Responds to committee discussion.

308 SEN. KENNEMER: Is food processing seasonal temporary jobs?

310 BERGER: Responds to committee discussion relating to seasonal jobs.

324 SEN. KENNEMER: Comments that the fundamental skill building programs seem like "back-fill" training rather than helping a person perform a job.

338 JAQUA: Responds to committee discussion.

357 CHAIR LIM: What percentage of target training is paid by the recipient company and what part is paid by OEDD?

359 BERGER: Responds to committee discussion.

382 CHAIR LIM: Relating to the fundamental skill training program, do these

workers have high school diplomas?

387 BERGER: Responds to committee discussion.

419 CHAIR LIM: Is this not training job skills?

421 BERGER: Responds to committee discussion.

426 $\,$ SEN. BRADBURY: Is some of the basic skill training being done in the workplace?

429 BERGER: Yes. Most of the training is on sight.

432 $\,$ SEN. BRADBURY: It is not a community college program, but specific training done for that workforce?

434 BERGER: Yes.

448 Committee discussion relating to fundamental skills in the work force in general and the problem nationwide. TAPE 33, SIDE B 009 CHAIR LIM: Relating to the Sony project in the Springfield; Are 50% of their new employees coming from out of state? 011 JAQUA: Responds to committee discussion relating to out-of state hiring by the Sony Corporation in Springfield. 047 BERGER: Presents overview: Education Summit Update [EXHIBIT H]. 082 BERGER: Responds to committee discussion. 093 BERGER: Presents overview: Improving Oregon's Competitiveness [EXHIBIT I]. 111 BERGER: Presents overview: The Oregon Quality Initiative Presents --The Winners' Conference [EXHIBIT J]. SEN. DERFLER: Have you developed any programs where industry presents 124 directly to the schools and talk about occupations available in the industry? 126 BERGER: Yes. 136 SEN. DERFLER: Have the schools been open to this type of presentation? 137 BERGER: Yes. 147 SEN. DERFLER: Thinks the program should be put into the regular school schedule. 151 BERGER: Presents a letter from Claire M. Berger [EXHIBIT K], Oregon Works II -- 1994 Survey of Oregon Employers and Focus Group Study of Oregon Employers [EXHIBIT L], and Oregon Works II -- 1994 Survey of Oregon Employers [EXHIBIT M]. 179 BERGER: Continues with overview [EXHIBIT M] -Higher Performance Workforce 190 CHAIR LIM: Could you define high performance workers? 191 BERGER: Responds to committee discussion. 214 SEN. DERFLER: How are you going use this information? 215 BERGER: Responds to committee discussion. 218 SEN. DERFLER: How are you going to work with your customers? 219 BERGER: Responds to committee discussion. 224 JAQUA: Responds to committee discussion relating to companies training internally. 240 CHAIR LIM: How does internal training combine with the key industries training programs? 2.42 BERGER: Responds to committee discussion. 260 JAQUA: Responds to committee discussion relating to targeted training and key industries. 274 SEN. DUKES: Do you do these survey studies in-house? 275 BERGER: They are contracted out. JAQUA: Overviews Strategic Reserve Fund [EXHIBIT N]. 280 362 JAQUA: Continues to overview [EXHIBIT L] -Providing Strategic Reserve to companies 379 -Negotiating repayment criteria 408 -Special projects with economic impacts 419 CHAIR LIM: Who makes the final decision regarding the grant? 421 JAQUA: The Governor. 422 CHAIR LIM: With the recommendation by the Director of OEDD. 423 JAOUA: Yes. 439 CHAIR LIM: Is it the Governor's prerogative as to the criteria for the use of the funds? 457 JAQUA: Responds to committee discussion. TAPE 34, SIDE A CHAIR LIM: Is the company who operates the ski area still viable? 039

040 JAQUA: Responds to committee discussion.

048 CHAIR LIM: Why is this authority given to the Governor rather than the Director of OEDD?

049 $\,$ JAQUA: Believes in the new statute, that the Director of OEDD has the authority to give grants.

072 -Presents testimony relating to the industrial moderation programs.

109 $\,$ -Continues to present testimony relating to the industrial moderation program.

142 JEFF MULLITOR, Oregon Advanced Technology Center: Presents overviews Oregon Economic Development Department -- Industry Development Division --Industrial Modernization Projects Summary [EXHIBIT 0].

196 SEN. KENNEMER: Where is your budget in the lottery bill?

197 JAQUA: Responds to committee discussion.

207 SEN. DERFLER: Is there carryover from the last project?

209 JAQUA: Responds to committee discussion.

228 SEN. DERFLER: What are the administrative costs associated with distributing 1 million dollars?

230 JAQUA: Responds to committee discussion.

239 SEN. DERFLER: They wouldn't be able to get this type of loan at a bank?

240 JAQUA: Responds to committee discussion.

259 SEN. DERFLER: Comments that spending \$300,000.00 in administrative cost

is large.

260 \qquad JAQUA Responds to committee discussion relating to administrative cost.

296 JAQUA: Presents overview: Oregon Regions and Selected Key Industries [EXHIBIT P].

298~ JAQUA Presents testimony relating to Business Development Officers and how they relate to the recent OEDD reorganization.

387 $\,$ Committee discussion relating to officers salaries and job grades or levels.

398 SEN. DUKES: What is the lowest salary at which you can hire someone?

401 JAQUA: Responds to committee discussion.

403 Committee discussion relating to salaries and overhead.

444 $\,$ JAQUA: Responds to committee discussion relating to overhead and salaries.

TAPE 35, SIDE A

014 $\,$ SEN. DUKES: What is the overall budget for items not including salaries.

016 JAQUA: Responds to committee discussion.

047 JAQUA: Continues to outline expenses associated with overhead.

058 CHAIR LIM: Instead of traveling are we looking into using the Internet?

059 JAQUA: Responds to committee discussion.

072 CHAIR LIM: Closed PUBLIC HEARING on SB 357.

073 CHAIR LIM: Adjourns committee meeting at 11:05 a.m.

Submitted by

Bobby Sullinger

EXHIBIT LOG:

EXHIBIT A- Schoessler,	Housing and Community Services Department, Presented by Lynn 4 pages
EXHIBIT B- Schoessler,	Building Community Beyond Bricks and Mortar, Presented by Lynn 2 pages
EXHIBIT C-	The Housing Trust Fund, Presented by Lynn Schoessler, 2 pages
EXHIBIT D-	Oregon Housing Trust Fund, Lynn Schoessler, 1 page
EXHIBIT E- 8 pages	Oregon Community Development News, Presented by Lynn Schoessler,
EXHIBIT F-	Budget, Presented by Tom Lynch, 12 pages
EXHIBIT G-	Oregon Economic Development Department Industry Development

Division -- Workforce Development Project, Presented by Claire Berger, 10 pages

EXHIBIT H- Education Summit Update, Presented by Claire Berger, 5 pages

EXHIBIT I- Improving Oregon's Competitiveness, Presented by Claire Berger, 8 pages

EXHIBIT J- The Oregon Quality initiative Presents -- The Winners' Conference, Presented by Claire Berger, 2 pages

EXHIBIT K- $$\mbox{A}$$ letter from Claire M. Berger, Presented by Claire Berger, 1 page

EXHIBIT L- Oregon Works II -- 1994 Survey of Oregon Employers and Focus Group Study of Oregon Employers, Presented by Claire Berger, 25 pages

EXHIBIT M- Oregon Works II -- 1994 Survey of Oregon Employers, Presented by Claire Berger, 102 pages

EXHIBIT N- Strategic Reserve Fund, Presented by Jon Jaqua, 19 pages

EXHIBIT O- Oregon Economic Development Department -- Industry Development Division -- Industrial Modernization Projects Summary, Presented by Jeff Mullitor, 9 pages

EXHIBIT P- $$\ensuremath{\mathsf{Oregon}}\xspace$ Regions and Selected Key Industries, Presented by Jeff Mullitor, 1 page

EXHIBIT Q- $$\ensuremath{\mathsf{Additional}}$$ dditional testimony on SB 357, Presented by B.J. Smith and Joni Low, 4 pages