

House T&E Committee March 04, 1991 Page

HOUSE LEGISLATIVE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

March 04, 1991Hearing Room 343 8:00 A.M.State Capitol Salem, OR

Tapes 76- 78 Workforce Job Training Programs

MEMBERS PRESENT: REP. RAY BAUM, CHAIR REP. JERRY BARNES REP.
MARGARET CARTER REP. CEDRIC HAYDEN REP. VERA KATZ REP. DAVE MC TEAGUE
REP. BOB PICKARD

MEMBERS EXCUSED:

STAFF PRESENT: JOSEPH CORTRIGHT, EXECUTIVE OFFICER TAMIRA MILLER,
POLICY ANALYST JERI CHASE, OFFICE MANAGER HOLLY BROWN, COMMITTEE
ASSISTANT

WITNESSES:QUINT RAHB ERGER, DIRECTOR, APPRENTICESHIP AND TRAINING
DIVISION PAM MATTSON, ADMINISTRATOR, EMPLOYMENT DIVISION TOM LYNCH,
MANAGER, LABOR MARKET INFORMATION PROGRAM

NOTE: These minutes contain materials which paraphrases and/or
summarizes statements made during this meeting. Only text enclosed in
quotation marks reports a speaker's exact words. For complete contents
of the proceedings, please refer to the tapes.

TAPE 76, SIDE A

000 CHAIR BAUM convenes the meeting at 8:07 a.m.

Job Training

012 QUINT RAHB ERGER: Oregon Apprenticeship and Training is a voluntary
system that is part of a national system stemming from the Fitzgerald
Act of 1957. It is an industry program designed by, with and for
industries throughout the state of Oregon to create journey level
practitioners based on industry defined standards. That training is
delivered as a combination of on the job training where individuals
perform in work processes deemed by industry to be necessary to train a
skilled individual concurrent with related classroom instruction.
Instruction is delivered either through the community college, employers
work site or specified training centers throughout the state of Oregon.
These programs are for the health and welfare of the apprentice. The
Apprenticeship and Training law allows for the Bureau of Labor and
Industry Apprenticeship and Training Division to act as a facilitator
with industry and employees to develop apprenticeship standards for the
training in specific high skilled occupation. We track the apprentice.
Presents Survey Response (EXHIBIT A).

139 RAHB ERGER: Continues presentation of EXHIBIT A.

199 RAHB ERGER: Concludes presentation of EXHIBIT A.

203 CHAIR BAUM: What role does performance base contract play in the existing apprenticeship division? How is your performance measured?

208 RAHB ERGER: The only performance based contract within the division is with the U.S. Department of Labor Job Corps. We respond to a request for a proposal from the U.S. Department of Labor. In that we have a limit of 400 individuals for which we are responsible to recruit and place in job core centers and once they have completed their job core training to place them in employment. The department of labor only pays us for people who have been placed.

231 CHAIR BAUM: How much money do you receive from federal funds?

243 RAHB ERGER: Federal job core funds for this biennium totaled \$269,547.

247 CHAIR BAUM: So when you have a performance based contract with the fed's it is because the performance says that you have got these people to where they can now participate in the normal apprenticeship program or other gainful employment in Oregon's economy.

246 REP. BARNES: Are any of these based on any state matching funds?

250 RAHB ERGER: No.

257 REP. HAYDEN: What are these minimum qualifications how do they affect their ability to be involved in the job area in which they have interest?

269 RAHB ERGER: The minimum qualifications are set by industry. It will generally cover age, academic and background required. All applicants that can meet those qualifications are set to be selected for the apprenticeship program on the basis of one of four programs. Required is an interview process in which each applicant is asked the same questions and they are rated upon response to those questions.

300 REP. HAYDEN: Is this done by a formal committee?

311 RAHB ERGER: Yes.

318 REP. HAYDEN: The apprenticeship is open to anyone who can pass the minimum qualifications. Who sets how many are needed in the trade or craft and is it done objectively?

330 RAHB ERGER: For the most part I would say they are objective but to say that no subjective reasoning is used would be incorrect.

335 CHAIR BAUM: Is there a way to fill the open spaces in the construction industry with dislocated workers from the timber industry?

350 RAHB ERGER: The Bureau of Labor and Industries has already been working with the Economic Development Department on a timber response plan, and in its current budget request it has included package which gets toward developing a workforce transition program to take dislocated workers and transition them to where they best fit, where their interests lie, and what occupations are available. The biggest problem is that apprenticeship can only expand to the extent that industries choose to become involved in apprenticeship and create apprenticeship

slots.

390 REP. BARNES: I have heard the unions play a pretty heavy hand in terms of dictating the number of apprenticeships in certain skills, so they can create a shortage of skills which drives the wages up.

400 RAHB ERGER: No, we have both union and non union apprenticeships in Oregon.

420 TAMI MILLER: Can you describe the apprenticeship committee?

425 RAHB ERGER: Apprenticeship committees are comprised of equal representation of employers and employees. A joint apprenticeship committee is comprised of 2 employer representatives and employee representatives. They come together with the division staff and develop appropriate curriculum and apprenticeship standards and then they present their program to the Oregon State Apprenticeship and Training Council for approval. Committee representatives are approved by the Apprenticeship and Training Council also. The council reviews the membership on the 175 committees throughout the state as replacement and new committees are created. At least twice a year the committee must establish how the apprentice is doing.

TAPE 77, SIDE A

024 MILLER: The committees have responsibility for developing curriculum and setting standards and over seeing the contractual relationships between apprentices and their employers. How many standing committees do we have statewide?

027 RAHB ERGER: There are 105 apprenticeship committees in Oregon.

032 REP. KATZ: How many trades are represented?

035 RAHB ERGER: There are 200 occupations which train with apprenticeship standards in the state of Oregon.

042 REP. KATZ: Who sets up the curriculum for these apprenticeship?

043 RAHB ERGER: The industry identified the needs with the assistance of the division and in some cases national training trusts have developed the curriculum and they are delivered at training centers throughout the state, often the industry will work with the community colleges to develop the curriculum.

045 REP. KATZ: When were the curriculum standards established for most of these trades?

046 RAHB ERGER: It is reviewed almost on a continuous basis. The curriculum would be established when the committee was first approved by the Oregon Council. It does under go revision to keep pace with technology and demands.

048 REP. HAYDEN: Is the curriculum impacted by the consumer?

055 RAHB ERGER: No, market place dynamics would dictate changes in curriculum.

084 CHAIR BAUM: Have you had some sense of a shortfall in workers for the construction industry?

087 RAHB ERGER: Increasingly, committees are reporting to us their dissatisfaction with individuals who meet minimum qualifications don't seem to have what the early applicants had. The average age of an apprentice is 26 or 27 years old. Many of the industries that are involved with the apprenticeship model like the more seasoned individual. A lot of the younger people don't understand work ethic.

095 CHAIR BAUM: How long does it take for a person to be qualified as trained?

100 RAHB ERGER: 2 to 5 years.

109 CHAIR BAUM: The root of the problem is the lack of purpose in the youngsters lives between the ages of 18 and 25. We are trying to provide technical training in junior high and high school to give students the skills that industry might be willing to pay for. Would that change anything?

119 RAHB ERGER: The Bureau of Labor and Industries has supported and is involved in a program that does that.

133 REP. HAYDEN: Is there a place in trades, crafts and apprenticeships for dislocated, seasoned timber workers?

157 RAHB ERGER: The committee doesn't drive the number of apprenticeships industry does. If industry creates these positions or not is dependent on educating the industries on the availability of this new work force.

176 REP. HAYDEN: I would be pleased if industry would note the crisis and try to help but I doubt that will happen. The solution may be a political solution in which the legislature would mandate that industry make more room. Do you see that as a possibility?

185 RAHB ERGER: If the legislature were to make it a requirement that industry create opportunities for displaced timber workers through apprenticeship we would certainly abide by the legislatures direction.

190 REP. BARNES: Do current statutes allow you enough flexibility to adapt to these quick changing economic conditions?

200 RAHB ERGER: Apprenticeship is an industry driven program, if you are going to get industry to create more apprenticeship openings you have to convince more of the players that they are going to train and that they need to use the apprenticeship model which would most easily transition displaced wood workers into those opportunities.

216 REP. BARNES: Have you attempted to discuss incentives to get industry to accept more displaced workers?

220 RAHB ERGER: No.

235 REP. KATZ: Is the Senate doing something in that area?

241 MILLER: There is a group of bills in the Senate side but finding jobs for dislocated workers would be in the Labor Committee.

329 CHAIR BAUM: Would you be willing to work creatively to brainstorm on some ideas to create more apprenticeships?

335 RAHB ERGER: Yes.

363 MILLER: What restrictions do unions have?

378 RAHB ERGER: Many use a benchmark age of 18 because of labor laws. However, there are some occupations that disallow that as long as they are in an apprenticeship. There may be some physical requirements.

405 MILLER: There is a proposal to establish the state Workforce Council. In order to make this work the council would have to have the authority, is that possible with your group.

TAPE 76, SIDE B

022 RAHB ERGER: I would have to have the commissioner address that herself.

030 CHAIR BAUM recesses the meeting at 9:07 am.

032 CHAIR BAUM reconvenes the meeting at 9:26 am.

040 PAM MATTSON: Present survey response (EXHIBIT B).

108 CHAIR BAUM: Do you have anything to do with the funds for dislocated timber workers?

110 MATTSON: Those funds were discretionary dollars through the JTPA program.

116 REP. PICKARD: Do you have any influence on that money?

118 MATTSON: In the implementation of those dollars at the local level our managers do have good relationships with the JTPA providers. To the extent that we can facilitate the use of those dollars that is helpful. Currently, the Employment Division has no responsibilities legal or otherwise for the implementation of those dollars.

134 REP. PICKARD: Who determines the climate of cooperativeness at the local level?

137 MATTSON: Without overriding state policies that have stated expectations on how that climate should be it is hard to know. We are trying to improve on that aspect.

152 CHAIR BAUM: You have some language in the act that talks about performance incentive can you explain that further?

168 MATTSON: The 10% monies have been used to support the research functions within the Employment Division. We are in the process of transforming our use of funds so that we may have some flexibility with the 7B dollars and can operate according to the criteria of the Secretaries 10%. We have asked that the research function within the Employment Division move over and be funded from the 90% dollars. The only state dollars have been the diversion dollars which have been used to supplement the federal dollars to provide the employment service program throughout the state.

200 CHAIR BAUM: I don't see that it says you can use this money for research.

210 MATTSON: Neither did we so we are out of that now.

219 CHAIR BAUM: You have \$24 million in job training programs for adults?

220 MATTSON: The only training we do is through the Trade Act and they provide the funds.

285 REP. KATZ: How much money of the diversion dollars for this biennium are going to be available to you?

287 MATTSON: HB 2084 will not allow any of the dollars to be available in this biennium. In '93-'95 we are projecting somewhere between \$20 and \$25 million at the end of the biennium.

290 REP. KATZ: What are you going to be using those resources for?

295 MATTSON: The plan is to avoid the traditional type of diversion, where the premium dollars are taken out of the trust fund and consumed to provide the gap financing for the Employment Division.

300 REP. KATZ: Because of shortfalls in federal dollars you developed this scheme where you would be using the interest off this trust fund to support you infrastructure. That means employment offices and staff. Could those dollars be used for workforce issues and training?

314 MATTSON: The bill as it is written says that the income generated from the income reserve fund will go to the supplementary employment division administrative fund. The legislature will have to appropriate those dollars to whom and for whatever purpose the legislature determines in the '93-'95 biennium. Those dollars may be appropriated to support the functions of the Employment Division where federal funds are inadequate. That is not a prohibition against using it for other things. We plan to re-engineer the Employment Division and bring the systems together and automate.

394 CHAIR BAUM: How much will the diversion be from HB 2084?

410 MATTSON: \$200 million.

423 MILLER: Those interest monies are premium dollars for that fund. In Washington DC, where the bulk of unemployment insurance dollars go the interest accrues to the funds. The interest and the principle are all unemployment insurance funds. The use of the insurance money to pay for unemployment insurance as administrative cost is a use of what would have been premium dollars.

TAPE 77, SIDE B

015 REP. PICKARD: What is the price of automating your department?

020 MATTSON: We are figuring that at this time. It is compartmental so the cost is divided up some.

033 REP. PICKARD: Is your plan almost ready for bidding?

036 MATTSON: We have not selected a vendor but parts of the program will be ready for bidding in about 2 months.

060 CHAIR BAUM: Is the \$7.5 million diversion for welfare job training?

068 MATTSON: HB 2252 is the diversion vehicle. That vehicle unamended would generate \$22 million in diversion. That bill needs to be amended to conform with the Governor's budget request. The Governor's budget requests an additional \$7.5 million to cover the placement costs of the welfare reform program. We are then able to serve 22,000 people in the welfare reform program. It is an opportunity to keep welfare reform whole.

086 MILLER: What services will you be providing with this \$7.5 million?

090 MATTSON: That money is the broadest definition of placement that regards the welfare reform program. The Employment Division would be expanding its role and contracting out to some of those community services. These people require more intensive work because they have been out of the labor market for some time.

111 REP. KATZ: Adult Family Services provided some dollars for that same program. Is that money gone and we are replacing it?

122 MATTSON: We are where we are right now because the diversion concept as a way to get more dollars into the welfare budget.

132 MILLER: What specific services will you be providing?

140 MATTSON: Special job development, follow up to placement and case management.

157 MILLER: There are about 35,000 people state wide that are eligible and you will be able to serve 22,000?

163 MATTSON: The 22,000 number is the number of people who will be served in total in terms of the welfare program in the '91-'93 biennium. We estimate that 8,200 people would be able to receive the placement part of the service. We are looking at \$900 per person.

170 MILLER: Is it feasible to provide new job clients of that number, 8,200, with placement services over one biennium. That would require how many case workers?

181 MATTSON: We are not beginning with nothing, we have the community college and JTPA there so that should be a reasonable number.

192 REP. KATZ: It seems for that money you should actually show placement in jobs.

199 MATTSON: We look at the durational success of the program. We benefit by \$41 million.

234 REP. CARTER: Is this the concept we asked you to do last session where we have some kind of long term follow up in terms of where people in the welfare program?

238 TOM LYNCH: Yes. Welfare reform also has that 13 week follow up mandate.

254 REP. CARTER: The committee felt that follow up was better for us to

gather data on those we placed. We should see if the type of training these people are getting through JTPA was working and keeping people off of welfare.

300 LYNCH: We have that information, it was funded as part of the Workforce 200 0.

324 REP. CARTER: How do you feel about JTPA coming into the Employment Division?

331 MATTSON: We aren't really sure yet. The concern is that the Employment Division will take the reins and control JTPA.

426 REP. CARTER: How will the funds complement each other?

430 MATTSON: The fund will complement each other towards those state strategies, so that we are training and working to place according to state policies.

TAPE 78, SIDE A

022 REP. CARTER: Is it going to be cheaper to have JTPA in your department?

029 MATTSON: The move was not one of cost reduction. It may be a by product but it is not a motivating factor in the move.

043 CHAIR BAUM adjourns the meeting at 10:24 am.

Submitted by,

Jeri Chase Office Manager EXHIBIT SUMMARY

EXHIBIT A - Survey response, submitted by Quint RaHB erger, pgs. 4.

EXHIBIT B - Survey response, submitted by Pam Mattson, pgs. 2.