

HOUSE LEGISLATIVE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

March 13, 1991Hearing Room 343 8:00 A.M.State Capitol Salem, OR

Tapes 89 - 91 Community College Services First Source Hiring Agreement
Continuation Foreign Trade Office Exemption Forest Industry

MEMBERS PRESENT: REP. RAY BAUM 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:DAVID LOHMAN, SENIOR DEPUTY DIRECTOR, ECONOMIC DEVELOPMENT
DEPARTMENT CHESTA BOWER, JOB TRAINING PARTNERSHIP, ECONOCMIC DEVELOPMENT
DEPARTMENT LYNN YOUNGBAR, LEGISLATIVE LIAISON, ECONOMIC DEVELOPMENT
DEPARTMENT

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 89, SIDE A

000 CHAIR BAUM convenes the meeting at 8:09 a.m.

HB 2790 (Community College Services) - Work Session

007 CHAIR BAUM: This bill allows for any extra funds received by the
state to be put into capital construction.

016 REP. KATZ: Community colleges have been shortchanged in capital
construction.

036 REP. PICKARD: In '87 was there capital construction?

038 REP. KATZ: Yes.

080 MOTION: REP. PICKARD moves HB 2790 to Ways and Means with the
suggestion that they look favorably on beginning the process of funding
community college needs.

VOTE: By roll call vote (5-0) HB 2790 moves to Ways and Means with the
suggestion that they look favorably on beginning the process of funding

community college needs. Voting AYE: REPRESENTATIVES BARNES, HAYDEN, KATZ, PICKARD and BAUM. EXCUSED: REPRESENTATIVES CARTER and MC TEAGUE.

SB 167A (First Source Hiring Agreement Continuation) - Public Hearing and Work Session

130 TAMI MILLER: Presents Staff Measure Summary on SB 167A (EXHIBIT A).

150 REP. KATZ: How many first source hires did we use with the convention center?

158 DAVID LOHMAN: I don't have the answer to that. This bill requires that those hiring consider people who have been referred to them by public job training providers. The agreement was stronger with respect to the convention center in that they actually had to do some hiring. That was part of a special arrangement that came out of this committee last session.

180 REP. KATZ: Is this a mandate or is it somewhat permissive?

185 MILLER: Entering into the agreement is mandatory the hiring is not. Firms are required to make a good faith effort to hire first source people. Submits letter with information regarding first source hiring (EXHIBIT B).

188 REP. KATZ: Did you require the firms on the convention center to hire first source hires.

190 LOHMAN: We didn't require it, this committee did as a condition for getting the second part of the funding for the project. We may put into the agreement that they must consider first the first source hires. Our sense is that this has made some difference. It benefits the employers because there is one office and they can get a list of all the people who have been trained recently that might be someone they want to hire.

221 MILLER: This discussion arose at the request of JTPA. I don't believe we can make this a requirement but we can require them to take a look at people from First Source Hire.

243 REP. KATZ: The requirement is more of an agreement on the part of the local jurisdiction.

256 REP. HAYDEN: Do you have any idea of the cost benefit ratio of this program?

270 LOHMAN: I don't know the magnitude in dollars. We get funds from JTPA and the conclusion has been that we get more than our monies worth out of the training.

289 REP. HAYDEN: Does this move people into a skill level that can help them with jobs for life?

300 LOHMAN: It is beneficial to get them into any kind of job and provide them some level of skills. I don't know how many have obtained long term jobs.

318 REP. HAYDEN: Are we better to continue the program or take the money and by an annuity for these 73 people?

321 MILLER: There is no money in this bill for this program. It is paid for out of the general fund of the Economic Development Department.

339 REP. KATZ: JTPA has money and all your saying in this bill is look at these workers. This doesn't cost any more money.

354 REP. HAYDEN: Is it working?

357 REP. KATZ: You can't revitalize neighborhoods without jobs. I don't know if we are training them well.

372 REP. HAYDEN: There is a cost of doing business. I just want to know the cost benefit ratio.

392 REP. CARTER: We need a tighter reign to make people more responsible to us with that type of information.

TAPE 90, SIDE A

020 REP. HAYDEN: This is a request from your department and you can't give us the answers. Why is this bill in front of us?

025 LOHMAN: This bill addresses once you get people trained how you get them placed.

046 REP. HAYDEN: I think the sunset is necessary.

090 REP. BARNES: Have you had any concerns expressed from the unions concerning this?

092 LOHMAN: No.

095 CHESTA BOWER: We have not had any problems with unions. The people who are being referred through this agreement are people who are going through publicly funded job training programs and often they may not be able to display their skills and abilities so that an employer would even look at their resume.

136 REP. CARTER: If we were to adopt this exclusion then what do we do for a professional man who has trouble with people skills and cannot keep a job?

160 LOHMAN: This allows us some discretion. If he was trained by a public funded job training program and there was an opening with a project, that got lottery funds, for an engineer we would say to the company that they signed a first source agreement there is somebody available, we expect you to interview this person.

190 REP. KATZ: How much of your money goes to PDC directly?

195 LOHMAN: None.

209 MOTION: REP. HAYDEN moves that the original 2 year sunset on SB 167A be reinstated.

240 VOTE: Being no objections the 2 year sunset is reinstated.

245 MOTION: REP. KATZ moves SB 167A to the floor with a Do Pass recommendation.

VOTE: By roll call vote (6-0) SB 167A moves to the floor with a Do Pass recommendation. Voting AYE: REPRESENTATIVES BARNES, CARTER, HAYDEN, KATZ, MC TEAGUE and BAUM. EXCUSED: REPRESENTATIVE PICKARD.

270 MOTION: The chair moves to suspend the rules to reopen the work session on HB 2790.

VOTE: Being no objections the rules are suspended.

HB 2790 - Work Session

275 MOTION: REP. HAYDEN moves HB 2790 to Ways and Means without recommendation.

276 REP. KATZ: I want a letter that says if there is any chance to begin funding it go ahead.

280 MOTION: REP. HAYDEN withdraws his previous motion.

284 MOTION: REP. KATZ moves HB 2790 to Ways and Means with a Do Pass recommendation qualifying the Do Pass with a letter.

290 REP. KATZ: I will qualify the motion separately in a letter.

295 REP. HAYDEN: Let's decide if we agree to send a letter.

300 REP. CARTER: I would like to recommend that this committee send a letter stating that we would like them to take a very good look and a favorable consideration for the request inherent in this bill.

336 REP. KATZ: Just get them to make a good faith effort.

372 REP. BARNES: I think we should send this down with no recommendation.

400 MOTION: REP. KATZ withdraws her motion.

MOTION: REP. HAYDEN reinstates his motion.

417 VOTE: By roll call vote (6-0) HB 2790 moves to Ways and Means with no recommendation. Voting AYE: REPRESENTATIVES BARNES, CARTER, HAYDEN, KATZ, MC TEAGUE and BAUM. EXCUSED: REPRESENTATIVE PICKARD.

SB 164 (Foreign Trade Office Exemptions) - Public Hearing

425 MILLER: Presents Staff Measure summary on SB 164 (EXHIBIT C).

TAPE 89, SIDE B

019 LYNN YOUNGBAR: Our foreign trade offices have had to function, because of the distance, as this bill sets forth and this would be making it legal.

028 REP. CARTER: I think there should be some tie ins to goods and services made in the United States. I don't intend to support this.

049 REP. HAYDEN: I think we should buy Oregon. It might seem a like a rebuff to buy paper and pencils from Oregon when we are stationed in a foreign country.

Forest Industry - Staff Presentation

090 JOE CORTRIGHT: Presents "Final Report of the Joint Interim Committee on Forest Products Policy," (EXHIBIT D) and "Wood Products Competitiveness Commission" (EXHIBIT E).

143 REP. HAYDEN: Do we address the primary source of wood anywhere in these bills?

149 CORTRIGHT: Yes, I am focusing on one of three parts concerning the wood product industry. That issue is addressed in another part. If our secondary wood products firms do nothing they will be devastated in the coming years because of the reduction in supply and the change in quality.

253 CORTRIGHT: Over time we are shifting to second growth timber. Our international competition has been on a second growth rotation for centuries.

273 CORTRIGHT: Continues with EXHIBIT E.

319 REP. HAYDEN: The beauty of old growth is that it has no knots. It can be done in second growth by limbing the trees.

347 REP. PICKARD: Pruning is being done on some private land and is not experimental anymore. We should be involved in pruning.

398 CORTRIGHT: Continues EXHIBIT E.

TAPE 90, SIDE B

026 CORTRIGHT: Continues EXHIBIT E.

046 CORTRIGHT: Ends EXHIBIT E.

060 CORTRIGHT: Submits "Proposed Procedure for Trade Committee Consideration" (EXHIBIT F).

102 CORTRIGHT: The only bills that we have been tracking would be the ones that deal with small wood lot productivity.

103 CHAIR BAUM: We have the Tillamook forest coming on line.

105 REP. HAYDEN: We are going to use those funds to support our schools.

110 REP. HAYDEN: The Tillamook forest is secondary land and is coming on line and those funds could do a lot to solve the educational crunch in the state of Oregon.

123 CHAIR BAUM: Discusses EXHIBIT F. The bills with the bulk of funding from general funds are being sent down to Ways and Means without the lottery funds in them.

151 REP. CARTER: Because we have not taken away the joint status of this committee would we be allowed to send bill, to the Senate side without going through the House floor?

159 CHAIR BAUM: We changed the rules but not the statutes.

168 REP. KATZ: The statutes should prevail.

175 CORTRIGHT: The statute doesn't approach the handling of the bills. Also your committee rules don't provide for joint voting or consideration currently. Lastly the key issue is to whom is the Speaker has referring these bills. If the Speaker referred a bill to the Joint Committee then it could be sent to the Senate side without passing through the floor.

215 REP. CARTER: It is to our disadvantage to not meet jointly on lottery allocation because the Senate could stripe out everything that we want to do.

237 CORTRIGHT: Continues EXHIBIT F.

327 REP. KATZ: Shouldn't you also put in the kind of policy issues we have been discussing as a committee, the focus of Workforce and Benchmarks. If not you get a list that is already written.

354 CORTRIGHT: We have tried to make this a two step process.

370 REP. HAYDEN: Even though you have grouped them you need to go in and say what qualifies as economic development.

390 CORTRIGHT: I am not saying you shouldn't look at line item I am just suggesting that it might be easier to start with general groupings.

407 CHAIR BAUM: We have heard some of these programs already. We have been doing that so that when allocation comes along we know something about each project.

TAPE 91, SIDE A

022 CHAIR BAUM: I would like to keep it to general programs that a lot of people have access to or a program that benefits a broad industry.

037 REP. BARNES: I thought there were a lot of good concepts presented in the 12 innovative ideas report.

045 REP. CARTER: Are those programs that were funded before programs that we must regard because they were funded before?

050 CORTRIGHT: The bracketed items are projects which request an increase or decrease in funds.

060 REP. KATZ: I don't want to ignore the Benchmarks.

088 CHAIR BAUM adjourns the meeting at 10:11 am.

Submitted by,

Jeri Chase Office Manager

EXHIBIT SUMMARY

EXHIBIT A - Staff Measure Summary on SB 167A, submitted by Tami Miller, pgs 2.

EXHIBIT B - Letters concerning the First Source Agreement, submitted by Tami Miller, pgs 9.

EXHIBIT C - Staff Measure Summary on SB 164, submitted by Tami Miller, pgs 1.

EXHIBIT D - "Final Report of the Joint Interim Committee on Forest Products Policy," submitted by Joe Cortright, pgs. 13.

EXHIBIT E - "Wood Competitiveness Commission," submitted by Joe Cortright, pgs. 6.

EXHIBIT F - "Proposed Procedure for Trade Committee Consideration," submitted by Joe Cortright, pgs. 3.

HOUSE LEGISLATIVE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

March 13, 1991Hearing Room 343 4:30 P.M.State Capitol Salem, OR

Tapes 92 - 93 Committee Workplan

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

GUEST MEMBERS:SEN. WAYNE FAWBUSH, CO-CHAIR SEN. SCOTT DUFF SEN.
JEANNETTE HAMBY SEN. JIM HILL SEN. PEG JOLIN SEN. EUGENE TIMMS

MEMBERS EXCUSED:

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

WITNESSES:

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of the proceedings, please refer to the tapes.

TAPE 92, SIDE A

000 CO-CHAIR BAUM convenes the meeting at 4:35 p.m.

014 CORTRIGHT: Presents "Proposed Procedure for Trade Committee
Consideration 1991 Lottery Allocation" (EXHIBIT A).

040 CORTRIGHT: Presents letter to Speaker and President (EXHIBIT B).

050 CO-CHAIR FAWBUSH: We could meet jointly on this issue so we
wouldn't have to pass things back and forth. We could meet in late
afternoon or evening. It would be beneficial for us to send down a
joint bill to Ways and Means otherwise they get to make the final
decisions.

085 CORTRIGHT: Continues presentation of EXHIBIT A.

104 CO-CHAIR BAUM: There is a proposal to require contribution of 34%
of the lottery funds to economic development activities rather than
giving them the discretion to move it down to as low as 30% and pay more
in prizes to generate more play.

124 CORTRIGHT: The one figure that is fixed in the state constitution
is the 16% maximum on administration. The 50% for prizes is established
in statutes and the legislature can change that provision.

136 CO-CHAIR BAUM: Continues overview of EXHIBIT A.

176 CO-CHAIR BAUM: I am committed to working toward a joint meeting option.

214 CORTRIGHT: Continues overview of EXHIBIT A.

225 CO-CHAIR BAUM: We are working on the Sports Lottery.

247 CO-CHAIR FAWBUSH: The Sports Lottery will raise an issue in final determination because as the law stands now we back fill our estimate before anything rolls into the Sports Lottery. We will have the same issue with the Video Lottery.

307 CO-CHAIR FAWBUSH: There are a number of proposals surfacing on video poker. Video poker may happen and if it does then I would hope this committee would try to have some say over how those funds are dedicated.

375 REP. CARTER: We need to decide if lottery dollars should be dedicated fund dollars. We also need to decide if we should be dealing with issues that long term general fund budgets have taken care of and now back out and want lottery dollars. Lottery dollars should not be dealing with long term, on going projects. I think these issues would be best discussed as a joint committee.

TAPE 93, SIDE A

060 SEN. TIMMS: I would like to meet jointly so that we can move on with the value added issue. To me we need to look at the whole forestry area to prioritize where the money should go and I think forest management is a very important part of the program.

087 CO-CHAIR FAWBUSH: Rep. Baum and I divided up the issues when we realized that we couldn't meet jointly. We are still acting like a joint committee and we are going to have to trust each other. We don't want to divide up the lottery.

091 CO-CHAIR BAUM adjourns the meeting at 5:10 pm

Submitted by,

Jeri Chase Office Manager EXHIBIT SUMMARY

EXHIBIT A - "Proposed Procedure for Trade Committee Consideration 1991 Lottery Allocation", submitted by Joe Cortright, pgs. 2.

EXHIBIT B - Letter to Speaker and President, submitted by Joe Cortright, pgs. 2.