

House T&E Committee March 27, 1991 Page HB 2248 - WKS SB 164 - PH & WKS
HB 3133 - PH HOUSE LEGISLATIVE COMMITTEE ON TRADE AND ECONOMIC
DEVELOPMENT

March 27, 1991Hearing Room 343 8:00 A.M.State Capitol Salem, OR

Tapes 101 - 104 Special Public Works Modification Foreign Trade Office
Exemptions Workforce Guest Speaker - Roger Bull

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:LYNN YOUNGBAR, LEGISLATIVE LIAISON, ECONOMIC DEVELOPMENT
DEPARTMENT MARILYNNE KEYSER, SENIOR POLICY ADVISOR ON WORKFORCE
DEVELOPMENT AND EDUCATION, GOVERNOR'S OFFICE BOB BAUGH, ADMINISTRATOR,
PARTNERSHIP DIVISION, ECONOMIC DEVELOPMENT DEPARTMENT GARY CARLSON,
ASSOCIATED OREGON INDUSTRIES JERRY FISHER, HEWLETT-PACKARD COMPANY JOE
GILLIAM, NATIONAL FEDERATION OF INDEPENDENT BUSINESS JIM CRAVEN,
AMERICAN ELECTRONICS ASSOCIATION CHARLOTTE KENNEDY, DIRECTOR, WORLD
AFFAIRS COUNCIL OF OREGON ROGER BULL, COUNCIL GENERAL OF CANADA

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 101, SIDE A

000 CHAIR BAUM convenes the meeting at 8:15 a.m.

HB 2248 (Special Public Works Fund Modifications) - Work Session

006 CORTRIGHT: Present -3 amendments on HB 2248 (EXHIBIT A).

040 REP. CARTER: I was expecting some answers to some questions I
had about the bonding issues?

052 CORTRIGHT: You deleted a section in the original bill that would
increase their authority for borrowing.

056 REP. CARTER: I don't want to limit this department, but the
department might want to talk to the legislators about the application
process which is difficult.

071 REP. PICKARD: I find it odd that we offer money to communities but
the application is so difficult we have to offer more money in order for
them to understand the application.

099 MOTION: REP. BARNES moves that the -3 amendments, dated 3/26/91, to HB 224 8 be adopted.

VOTE: Being no objection the -3 amendments, dated 3/26/91, to HB 2248 are adopted.

102 MOTION: REP. CARTER moves HB 2248 to the floor with a Do Pass recommendation.

VOTE: By roll call vote (5-0) HB 2248 passes to the floor with a Do Pass recommendation. Voting AYE: REPRESENTATIVES BARNES, CARTER, HAYDEN, PICKARD and BAUM. EXCUSED: REPRESENTATIVES KATZ and MC TEAGUE.

SB 164 (Foreign Trade Office Exemptions) - Public Hearing and Work Session

125 TAMI MILLER: Presents Staff Measure Summary on SB 164 (EXHIBIT B).

152 LYNN YOUNGBAR: We introduced this bill to stream line our accounting procedures.

180 REP. CARTER: Are the employees being affected by this considered to be state employees or are they contracted? Did they oppose this bill?

184 YOUNGBAR: These employees are contractors. There is another bill which addresses that issue which is separate from this one.

190 MOTION: REP. CARTER moves SB 164 to the floor with a Do Pass recommendation.

VOTE: By roll call vote (5-0) SB 164 passes to the floor with a Do Pass recommendation. Voting AYE: REPRESENTATIVES BARNES, CARTER, MC TEAGUE, PICKARD and BAUM. EXCUSED: REPRESENTATIVES HAYDEN and KATZ.

HB 3133 - Public Hearing

221 MILLER: Presents Workforce Bills Comparison (EXHIBIT C).

266 REP. PICKARD: Why don't we have this bill?

279 MILLER: Rep. Bunn did put in a request for us to receive this bill.

304 MILLER: Presents "Oregon's Workforce Agenda Proposed Coordinating Machanism" (EXHIBIT D) and continues EXHIBIT C.

TAPE 102, SIDE A

025 MILLER: Continues presentation of EXHIBIT C.

054 REP. MC TEAGUE: Who's bill is HB 3474?

056 MILLER: HB 3474 has been sponsored by Rep. Bunn, Rep. Carter and Sen. Cohen. It is mostly a lottery allocation bill.

062 REP. MC TEAGUE: Who developed HB 3133?

065 MILLER: The Trade Committee.

080 CHAIR BAUM: I want to talk about council make up. Is 20 members the absolute minimum?

087 MARILYNNE KEYSER: It doesn't have to be 20 members. We were trying to match the requirement of the Job Training Partnership Act because that is such a major piece of federal money coming into the state of Oregon and it is focused on Workforce. We want the council to have some influence over how that federal money fits into the state strategy. It is designed to meet the 30% business, 30% labor, 30% government and 10% public member requirement.

185 CHAIR BAUM: I would like to come to a figure that will fold some of these groups in and stay with in compliance with federal requirements. The smaller it is the easier it is to work but we need to make sure people from many different groups are involved or we haven't accomplished anything.

188 KEYSER: We were advised that there would be a conflict of interest if legislatures were allowed to sit on the board.

199 REP. CARTER: Could you explain the re-delegation of power more fully?

208 KEYSER: In the Governor's bill we provide less authority to the Workforce Development Council for the review and approval of operating plans and budgets. We have referred to reviewing the policy issues in the budgets and saw our relationship more directed toward one of advising.

240 CHAIR BAUM: The question is whether the Governor can affectively represent people that work for her. If we expand the government officials to include the Chancellor then we are pushing the limit on the percentages.

262 KEYSER: We felt that having the Governor on the council would represent the interest of those executive branches which report directly to her.

265 REP. BARNES: Is there any way to cut down the number of boards down?

274 KEYSER: There are over 200 boards. We tried to pull the ones which we could into this board but the federal government has not been to cooperative.

353 REP. PICKARD: Is there any chance we are doing something innovative?

368 CHAIR BAUM: I think we will adopted things from the Governor's proposal.

391 KEYSER: I have no rationale for the chair being business or labor. We think the business role is so critical that the Governor should not chair the board.

410 REP. CARTER: How do you determine where the one state local official comes from?

416 KEYSER: That is a good question. It was an attempt to make sure the local community wasn't out of the picture.

TAPE 101, SIDE B

014 KEYSER: We do have a fragmented delivery system. Rather than creating a board, we want a committee that will agree on what is best for this community. The council must have the authority to require the committee to create a plan.

075 REP. BARNES: I think the success of these regional committees has a lot to do with how you structure the boundaries.

080 KEYSER: You are right. One of things you will not see in our bill is a description of what those regions should be. The regions need to be defined in a public process.

095 REP. CARTER: We want to be careful about forcing ourselves on regions but we really need to have some organization to the training programs.

109 CHAIR BAUM: Aren't the Private Industry Consortiums designated by region?

115 KEYSER: There are 6 service delivery areas and they have sub groups so there is more locally driven decision making.

130 CHAIR BAUM: Could those regions provide the guidelines for the regions in this program?

140 KEYSER: I don't think so, but the PIC's have sitting at their tables a lot of the same players that we would be bringing together in the regional workforce committees.

143 CHAIR BAUM: Have the people who are concerned about more bureaucracy been told about the fact that we are consolidating?

153 KEYSER: They have all received information about the Governor's bill and the proposal for the regional workforce committees. Generally we have had a very positive response coming to us.

163 CHAIR BAUM: What is your response to Private Industry Councils being the delivery mechanism for this?

165 KEYSER: I think the Workforce Development Council needs to take a look at all the local delivery systems and make a decision about how to structure these regional workforce committees. I would request that we don't make that decision in this process but allow that decision to be made when the Workforce Development Council looks at the total state strategy.

183 REP. BARNES: I agree with Ms. Keyser. The PICs are very narrowly focused because of federal funds.

192 CHAIR BAUM: Can you explain the reference to the subcommittees?

197 KEYSER: The council may want to create a subcommittee to handle more detailed things and then have them come back to the full council. We may not need this but it leaves an opportunity to create subcommittees.

213 CHAIR BAUM: The Governor's bill lays out a lot of duties for the

members of the Council. Are you going to be able to do all that?

221 KEYSER: The major difference here is that in your bill you say exactly what the council will do. Our bill sets out general guidelines and statements. The Governor's bill will allow us to ask the council to develop the programs.

244 REP. CARTER: Standardizing and coordinating program planning and funding, can you explain that more fully for me? Do we take that away from existing systems? Do community colleges have to relinquish their funds to the council?

256 KEYSER: That wording is not from our bill. We talk about establishing common definitions and standards of accountability. We really don't specifically say coordinate planning and funding in those words.

274 CHAIR BAUM: We are trying to centralize the delivery of employment and training services at the local level in response to local needs.

301 KEYSER: Because we get all the people to the table we hope to have one stop decision making.

330 REP. BARNES: Could you comment on the lines of authority?

339 KEYSER: The Governor would want to maintain the authority to exercise her executive authority.

392 CHAIR BAUM: I don't see a business, labor and education partnership section. I assume that it is there.

397 KEYSER: We believe that the business, labor, government partnership is important.

405 CHAIR BAUM: I think we all agree on a bottom up strategy here with local input and need being in control.

TAPE 102, SIDE B

014 KEYSER: Each service agreement shall describe local responsibility. We are assigning to the community college a little bit of a leadership role.

068 CHAIR BAUM recesses the meeting at 9:46 am

070 CHAIR BAUM reconvenes the meeting at 10:06 am

074 BOB BAUGH: Presents "Building Partnerships for High Performance Workforce and Workplaces" (EXHIBIT E). We need a public side strategy on how we spend our resources that has to coordinate with the private side.

177 REP. CARTER: Is the business community prepared at this point to open a broader discussion of what we should be doing to facilitate America's Choice?

191 GARY CARLSON: Yes, but I think the most important thing that Magaziner said was that we have to create the need and then fill it. 85 to 90 percent of the people surveyed did not perceive a skills gap. The old industrial scheme is not going to get us through any longer.

225 REP. CARTER: How would you respond to the new paradigm of the Workforce Council?

235 BAUGH: I was suggesting that generally we have these councils that talk about advising government on how it should do what government does. I think an additional focus of this council should be what is the private side strategy to move that community.

244 REP. CARTER: I think a better relationship between you two, as council members, is what is necessary.

263 CARLSON: I don't know how to respond to your question. I don't have any experience with the PICs. I come to this education issue with significant commitment of a portion of my time to the issue of educational improvement in the last 3 or 4 years.

275 REP. CARTER: I need to have an idea about how people are going to interrelate on this council.

283 REP. PICKARD: You are asking for a new relationship but we are talking about a new set of circumstances. I am encouraged by what has happened already.

314 REP. KATZ: Nobody understands how to change the institution.

351 MILLER: Presents "Questions for Business and Labor on the Workforce Quality Act" (EXHIBIT F).

395 JERRY FISHER: In response to question one we don't really see a barrier between labor and the private sector in this case. I think we need to be sure that the people on the council can facilitate a shift in paradigm.

425 REP. KATZ: Maybe we need to focus on what kind of personality we want this committee to have. We need someone who is going to push.

TAPE 103, SIDE A

027 JOE GILLIAM: I believe the make up of the council should be equal. The missing element is that we don't have any independent labor people on this committee.

061 REP. HAYDEN: How would the unorganized 70% of the employees in the state select a representative to sit on this board and how would they communicate with the employee members?

065 CRAVEN: I don't have an answer. I think there is a lack of networks.

076 CHAIR BAUM: Regarding the second question, are we on track with what we have?

090 FISHER: In our industry we have not gone into this in depth. The overall concept is good and we will get more involved but this has not been our agenda. Our industry does a lot of this on our own.

122 CARLSON: We don't have the time to focus on this too much. We have decided to concentrate on the K-12 issue. The associations that represent the people who have an extraordinary interest in affiliating

together to solve problems are useful. I am concerned that this is going to be just another council.

160 REP. BARNES: How far can state government go before it starts tainting the process?

174 GILLIAM: I think you are going in the right direction. You need to train the people on the council to see what the general goal is and then leave them alone.

194 REP. KATZ: Yes, but they have to share the vision.

202 CARLSON: A vision statement is the first thing you need to do and I don't see one here.

236 REP. HAYDEN: Does the business community endorse Magaziner as a thought leader?

242 GILLIAM: I was referring to the concept and the ideas that he has presented that are very strong. They are an opportunity that I think the small business community could grab onto and become enthusiastic about. Time is a commodity for the small businesses and they are spending a lot of time training their workforce to perform the work. They would find it beneficial to have these people already trained.

280 CHAIR BAUM: Without a change in education this is a failed proposal.

296 CRAVEN: We retrain out of necessity. Part of our frustration has been from the infrastructure change in education.

356 CHAIR BAUM: How are you going to accomplish this K-12 curriculum?

364 CRAVEN: We don't expect to do it on our own. Magaziner has pulled this into one vision that involves all the players.

383 REP. CARTER: The academics are saying that this is too much of an industrialized model. What do you think?

399 CRAVEN: This country is pretty successful with college and post college education. The idea is that we need to recognize that all the students that graduate from high school are not going to go to college and gear towards finding something for them.

435 REP. HAYDEN: I am curious about instilling the work ethic early.

455 REP. KATZ: There is a concern about students working 40% of the time. We are saying that if you decide to drop out of school then you may not be employed until the age of 18.

TAPE 104, SIDE A

053 GILLIAM: You are going to have a problem with the small businesses in the rural areas who need their kids to work just to get by.

084 CARLSON: What can the state do to encourage the high performance work system. They could maybe do it by leading. Is there a way the state can lead and demonstrate what can be accomplished by trying to

move boldly into this area.

095 REP. KATZ: We have asked the Governor to let these types of programs that are going on to say how they are doing.

103 CRAVEN: I think that is a good idea.

Guest Speaker - Roger Bull

130 CHARLOTTE KENNEDY: Presents information on Roger Bull (EXHIBIT G).

138 ROGER BULL: I have been involved with the Pacific Northwest Legislative Leadership Quorum. The free trade agreement is working well with Canada. The talk now is of a North American free trade agreement that will include Mexico. Everyone seems to be strongly in favor of the idea in principle.

171 REP. HAYDEN: That is very interesting. I have been wondering how a population of 350 million people north of Mexico can absorb a population of 50 million people.

175 BULL: There is about 250 million Americans and 26 million Canadians and another 90 million Mexicans. The total is 360 million people and the total trade produces \$6 trillion. Our economy on a whole is larger than the whole of the European community. We think this a good time to tackle the issue of a North American market. We don't want to touch social issues because this has a tendency to block what we want to accomplish.

212 REP. PICKARD: Are there people in Canada, that are influential, that think in terms of changing political boundaries?

241 BULL: There are people who are thinking that way. Quebec has been wanting more individualism.

315 REP. HAYDEN: Do you think a system, such as the health care system, that is successful in a nation of 25 million people can be adapted to a nation with 250 million people successfully?

330 BULL: Technically, yes. But the question is are Canadians more patient? They have accepted a trade off, that says as long as every person in this country is assured of medical care in an emergency in return we accept certain constraints on access. Two of those constraints are that there is less high tech in Canada and there are delays for elective surgery.

384 REP. HAYDEN: If Canada invested the amount of money research and development money in high tech that America does would their medical system cost the same? It has been said that Canadians are more patient and this is because during the American revolution the impatient people stayed here and the loyalist went north to Canada.

400 BULL: Another reason for that is that our immigration patterns are different and that a lot of people went to Canada partly because they couldn't get into the United States and partly because they found things more sympathetic, so we are in fact inclined toward government organized social solutions. The reason your costs are higher is because of administration. We do less research than the US but we do research. The difference in cost is due to administration and advertisement.

TAPE 103, SIDE B

049 CHAIR BAUM adjourns the meeting at 11:29 am.

Submitted by,

Jeri Chase Office Manager

EXHIBIT SUMMARY

EXHIBIT A - -3 amendments to HB 2248, submitted by Joe Cortright, pgs. 3.

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

EXHIBIT C - Workforce bills comparison, submitted by Tami Miller, pgs. 11.

EXHIBIT D - "Oregon's Workforce Agenda Proposed Coordinating Mechanism", submitted by Tami Miller, pgs. 1.

EXHIBIT E - "Building Partnerships for High Performance Workforce and Workplaces," pgs. 10.

EXHIBIT F - "Questions for Business and Labor on the Workforce Quality Act," submitted by Tami Miller, pgs. 1.

EXHIBIT G - Information on Roger Bull, submitted by Charlotte Kennedy, pgs. 2.