

House T&E Committee April 05, 1991 Page

HB 3133 - PH & WKS

HOUSE LEGISLATIVE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

April 5, 1991Hearing Room 343 8:00 A.M.State Capitol Salem, OR

Tapes 115 - 118

Workforce Quality Act

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:MARILYNNE KEYSER, SENIOR POLICY ADVISOR ON WORKFORCE DEVELOPMENT AND EDUCATION, GOVERNOR'S OFFICE MICHAEL KAIEL, DEPUTY COMMISSIONER, BUREAU OF LABOR AND INDUSTRIES QUINT RAHB ERGER, ADMINISTRATOR, APPRENTICESHIP AND TRAINING DIVISION, BUREAU OF LABOR AND INDUSTRIES J.D. HOYE, ASSOCIATE SUPERINTENDENT, VOCATION EDUCATION, DEPARTMENT OF EDUCATION AND ACTING DIRECTOR, JOB TRAINING PARTNERSHIP ASSOCIATION

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 115, SIDE A

000 CHAIR BAUM convenes the meeting at 8:00 a.m.

005 CHAIR BAUM: We want to hold HB 2338 over and maybe focus this money on businesses that concern dislocated timber workers. My belief is that the federal courts will find that more area should be allowed for the spotted owl and dislocate more timber workers. We need to deliver some relief to those timber dependent areas.

040 REP. BARNES: I concur with you on that. There have been some real heavy mill closures and we need to maintain some flexibility.

064 REP. HAYDEN: There are depressed pockets in the state and I would like to see this bill focus on those areas as well.

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143 REP. KATZ: We need a uniform direction on HB 3133.

149 TAMI MILLER: Submits Staff Suggested Amendments to HB 3133 (EXHIBIT A), Governor's Office response to staff amendments (EXHIBIT B) and Oregon State Statute on Literacy, Education and Vocational Technical Job Training (EXHIBIT C).

167 REP. KATZ: We might want to embellish the language to give us some policy direction.

174 MILLER: We can certainly add your ideas into the amendments for this bill. The Chair intends to move this directly to the floor so the Senate can look at it as soon as possible.

204 MILLER: Presents EXHIBIT A and EXHIBIT B. The first amendment allows for more members on the council.

259 CHAIR BAUM: Why are we adding 3 representatives from the community based organizations? We have amendments that would give us 20 people on this commission with the Governor being a non voting member of the council. Where can we pare this down to a situation where we can maybe keep the Governor as a voting member?

278 MARILYNNE KEYSER: We need to meet a percentage requirement established by the federal government. That is, 30% business and industry, 30% labor and community, 30% government officials and 10% public members. You could probable structure this with 10 people but the only government officials you would be allowed to have at the table would be the Governor, the Superintendent and the Commissioner of Labor.

303 REP. KATZ: The Workforce Development Council has the responsibility to oversee some education programs. We don't want to eliminate any of the education people, and I don't want to eliminate the Department of Human Resources.

318 KEYSER: Our feeling is that the Governor would ensure the cooperation of the education officials.

329 CHAIR BAUM: How important is the 3 representatives from the community based organizations being at the number 3?

331 KEYSER: That is required for the federal guidelines.

350 KEYSER: All of the department directors that have responsibility for delivering education and training programs are going to be at the table and be players because it is critical for them to be there. They will not make the final decisions however.

369 REP. KATZ: It is a constant reminder of the importance of the social service element. I would say eliminate the Chancellor is you have to eliminate somebody.

383 CHAIR BAUM: We could go to 21 adding the Governor on as a voting member.

395 KEYSER: You can't do that because it messes up the percentages.

403 MILLER: What is driving 20 members is that we want six government members.

421 KEYSER: The reason we have a local elected official is because we want support from the people who will be in the communities in the state

acutaully implementing the program. The most important thing is to meet the requirements so that we can bring the federal money to the table.

434 CHAIR BAUM: I would think the Barbara Roberts would do an adequate job of representing the Department of Human Resources.

448 REP. KATZ: It is not the views of the department it is the knowledge of what is going on there and the constant focus of that agency. If we are going to deal with learning centers then I don't think the Governor would have to be a voting member.

TAPE 116, SIDE A

024 KEYSER: The Governor will be a voting number but not necessarily the chair, we propose a business person as the chair.

034 CHAIR BAUM: If the Governor is going to be a voting member either the Department of Human Resources or the Economic Development Department or the Bureau of Labor and Industries will have to be taken from the council.

037 KEYSER: I think it would be a mistake to take off the person from the Bureau of Labor and Industries. Right now the Apprenticeship program is not integrated in any way with the rest of the delivery system. If we don't make it a part then we will be missing a big piece.

040 REP. MC TEAGUE: I don't see any rationale for making the Governor an appointed member of this functioning group because the Governor will not be attending these meetings. The Governor appoints all the members to the commission so as such they are all accountable to the Governor.

055 REP. BARNES: I think the Governor should be able to look at this with a rather detached view and not get locked into specifics as they would arise.

064 REP. KATZ: If the goal is to have the agencies directly involved in implementing this act, then those players have to be at the table.

070 MOTION: REP. CARTER moves to amend HB 3133 so that the Governor be considered an exofficio, non voting member of the Workforce Council.

VOTE: Being no objection to the conceptual amendment above it is adopted.

076 CHAIR BAUM: This bill specifies that the labor representatives may be workers as well as members of organized labor unions. What is the feeling toward opening that door to unrepresented workers?

080 REP. KATZ: The goal is to bring business and labor, who have associations to the table so that they have a network that they can bring into the development of the curriculum of the training programs. A non union member does not have that network of labor associations.

087 CHAIR BAUM: Mr. Craven of the American Electronics Association, had a comment about the fact that are employees that have an informal organization where they are able to transfer information.

093 REP. KATZ: They are going to have to develop subcommittees if you are going to bring in the labor, industry and education interest. Think about what the function of this council is. They are going to have to

appoint subcommittees for the trades and occupations to develop a curriculum for them. It seems the function of this is to bring in as much of the labor movement as possible.

107 MILLER: In Oregon only 20% of the laborers belong to unions.

127 MOTION: REP. BARNES moves to amend the bill to specify that the labor representatives may be worker (laborers) as well as members of organized labor unions.

VOTE: Being no objection the above amendment is adopted.

131 MOTION: REP. CARTER moves to amend the terms of office prescribed by Section 4 to reflect the increase in non government members from 6 to 14.

VOTE: Being no objections the above technical amendment is adopted.

136 MOTION: The CHAIR moves to add language requiring the Governor to make appointments to the council that reflect the geographical and cultural diversity of the state, including women and people of color.

138 MOTION: REP. KATZ moves a friendly amendment to change "women and people of color" to "gender, ethnic and racial diversity".

VOTE: Being no objection the friendly amendment is adopted.

VOTE: Being no objection the amended language is added.

153 REP. BARNES: Right now for the Coordinating Council that expense comes out of the JTPA funds at the state level, right?

158 KEYSER: That is correct. But, the office of Educational Policy and Planning has requested and been approved of a \$100,000 limitation in the budget which would allow us to go back to the E board and get funds from the federal monies and from the Employment Division to support the costs of pulling the Council together.

160 MOTION: REP. BARNES moves to amend the bill to direct the Office of Education Policy and Planning to provide for the expenses of the Council as provided by ORS 292 .495.

VOTE: Being no objections the above amendment is adopted.

167 MOTION: REP. CARTER moves to add a new section which will repeal the Workforce Advisory Council established by ORS 344.315.

VOTE: Being no objection the above section is added.

169 REP. BARNES: Have we looked to see if there are any other committees that we can eliminate or incorporate?

170 MILLER: Yes, we have looked at that. This bill will eliminate only the Workforce Advisory Council to collapse the JTPA's coordinating council into this one and make those that are not yet collapsible, because we may need federal waivers for them, answerable to the state council.

177 CHAIR BAUM: We need to consider another new section that specifies that the Workforce Quality Council will constitute the Oregon Job

Training Coordinating Council.

187 REP. KATZ: If it is consistent with the federal law we just abolish the Oregon Job Training Coordinating Council but we keep the door open just in case it isn't and we reconstitute it.

193 KEYSER: That is correct. I don't think you should have a problem with it.

200 MOTION: REP. BARNES moves to add a new section which will specify that the Workforce Quality Council will constitute the Oregon Job Training Coordinating Council required under 20 U.S.C. 1532. Also specify that if the council's membership or duties are not consistent with the requirements of the Job Training Partnership Act (P.L. 97-300, as amended, 29 U.S.C. 1501 et seq.), the Oregon State Job Training Coordinating Council shall consist of the members appointed by the Governor consistent with the Job Training Partnership Act.

VOTE: Being no objection the above section is adopted.

205 CHAIR BAUM: There is another section to be added which directs the Oregon Occupation Information Coordinating Committee organized under the Executive Order 90-08 and 20 U.S.C. 2422(b), the State Apprenticeship and Training Council organized under ORS 660.110 and the State Advisory Council on Career and Vocational Education organized under 20 U.S.C. 2322, in addition to their other duties, to report to the Council.

207 REP. CARTER: Can we here from the Bureau of Labor and Industries on this?

214 MICHAEL KAIEL: We have no problems with this.

220 REP. BARNES: Could we change the State Advisory Council to a committee

226 MILLER: I don't think we have a choice about the names, these are federally required councils.

230 REP. MC TEAGUE: What is the Council on Career and Vocational Education?

238 QUINT RAHB ERGER: They are there to recommend and review vocational education that comes to the state each year.

250 REP. MC TEAGUE: Who is on the Career and Vocational Education Council?

255 RAHB ERGER: It represents small and large business, labor, community based organizations and representatives of practitioners of vocational education.

260 CHAIR BAUM: Practitioners of vocational education are community colleges and who else?

263 RAHB ERGER: Vocational education instructors and vocational education administrators. They are required by federal law to members of the council.

274 REP. BARNES: It says "to report to" the council and "to report to" means you are a subordinate. Maybe "to advise" would be more

appropriate.

280 REP. CARTER: You remember how we talked about how we were going to have a driven goal for the state and accomplish a real workforce direction. If they have to report to this council then that means that they have some responsibility to go along with the statewide goal.

317 CHAIR BAUM: Let the record reflect that we don't intend the council to run the show for them entirely but they ought to report to the council and inform them of what they are doing. We want to encourage communication.

325 MOTION: REP. CARTER moves to add a new section that will direct the Oregon Occupational Information Coordinating Committee organized under Executive Order 90-08 and 20 U.S.C. 2422(b), the State Apprenticeship and Training Council organized under ORS 660 .110 and the State Advisory Council on Career and Vocational Education organized under 20 U.S.C. 2322, in addition to their other duties, to report to the Council.

VOTE: Being no objection the section above is inserted.

329 CHAIR BAUM recesses the meeting at 9:11 am.

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

350 CHAIR BAUM: We need to look at Section 6 and make some corrections. On line 22 of page 2 of the printed bill, delete the words "implemented and oversee" and insert in their place, "oversee the implementation of". The purpose of that language to be sure that we are not embodying the Workforce Council to micro-manage the agencies that may be carrying forth the general policies which they are going to oversees.

358 MOTION: REP. BARNES moves on line 22 of page 2 of the printed bill, delete the words "implement and oversee" and insert in their place, "oversee the implementation of".

VOTE: Being no objections the above amendment is adopted.

359 CHAIR BAUM: On line 24 of page 2 of the printed bill after the word "reform", insert the words, "as provided in Enrolled House Bill 3565". That is in reference to Rep. Katz's bill.

364 MILLER: Section 6 gives the Workforce Council oversight responsibility for a number of workforce development strategies. Among those are several that would be included in HB 3565. We want to be clear that this council has responsibility for the programs created by HB 356 5.

388 REP. MC TEAGUE: We are developing a council to oversee these things. Is there a proposed implementation time line? Are funds going to be available in the first year?

410 CHAIR BAUM: The intent of this is to work the general principles and policies of the Workforce Council.

433 REP. CARTER: Since we are pulling all of these boards and commissions together will there be a "super fund" that this \$8 million dollars will go to and if so when will it be created?

446 CHAIR BAUM: There will not be a "super fund" for them to determine

how to spend. We are going to direct it into the programs that we feel are appropriate for at least the first year.

TAPE 115, SIDE B

025 CHAIR BAUM: We want to get money into these programs now we don't want to wait for the Council to get it done.

047 KEYSER: I know that the Katz bill will reference the Council. Why would you go into details in Section 6 that might not be in exact agreement with Rep. Katz's bill? You should either reference the bill number and forget the detail or maybe don't reference it at all because Rep. Katz's bill will reference this bill. I don't have any problem referencing America's Choice, it is just the implementation of this is going to be coming out of another bill.

062 REP. KATZ: Let's say HB 3565 doesn't go anywhere, it would seem the Workforce Development council would still want to focus, in principle, on the concepts of America's Choice. I don't think there will be any conflicts in making the reference in this bill.

070 MOTION: REP. BARNES moves to amend on line 24 of page 2 of the printed bill after the word "reform", insert the words, "as provided in Enrolled House Bill 3565, and".

VOTE: Being no objection the above amendment is adopted.

072 CHAIR BAUM: On line 25 and line 34 we need to replace the words "Department of Education" with "State Board of Education".

074 MILLER: This comes from the community colleges.

094 KEYSER: Can a council direct a state board?

097 CHAIR BAUM: The Council is going to respond to the Governor and the legislature.

113 MOTION: REP. CARTER moves on line 25 and line 34 of page 2 of the printed bill, replace the words "Department of Education" with "State Board of Education".

116 REP. BARNES: The State Superintendent of Public Instruction is an elected official, where does she fit into this?

119 MILLER: She is a member of the Council.

124 REP. KATZ: The issue is shall develop, implement and oversee. You left the word develop in?

130 MILLER: The word develop was left out. The development of these programs will not be done by the council, but by the departments as Rep. Katz has directed in her bill. 141 VOTE: Being no objection the amendment above is adopted.

144 MOTION: The CHAIR moves a friendly amendment to also delete the word "develop" on line 22 of the bill.

146 REP. KATZ: The problem with that is you again go back and say on line 25 and 34 that the council shall direct the State Board of Education to develop.

160 MILLER: When we had our last hearing on this bill you suggested to do this; line 25 could read "The Council shall oversee the reform of current primary and secondary education programs" and leave reference as to who would do the developing and reforming out. We would delete "Council shall direct the Department of Education".

172 REP. KATZ: What you really want is the Department of Education to work closely with the Workforce Development Council to make sure these things happen.

180 REP. BARNES: I think oversee and direct are 2 different things. Oversee means the use of a huge bureaucracy that overrides everything else. We are looking for someone to establish policy.

201 REP. MC TEAGUE: Maybe we should write some time lines into this bill and set some expectations.

240 MOTION: REP. CARTER moves to change the language to read as follows. "The Council shall oversee the reform of current primary" and in line 34, "The Council shall oversee the development of youth centers" and in line 42, "The Council shall oversee the development of comprehensive vocational education program", and on line 10 of page 3 "The Council shall oversee the reform of secondary education programs."

257 MOTION: REP. KATZ moves a friendly amendment to change the "local youth centers" to "learning centers".

260 VOTE: Being no objection the friendly amendment is adopted.

263 REP. KATZ: We use the term vocational education and we should change that to professional and technical. That elevates it to a much higher level of mastery and achievement.

279 REP. CARTER: The skills are consistent with the professional needs.

290 REP. MC TEAGUE: I think you might want to define this a little better.

297 REP. CARTER: Technical education would be if a person went to do an automotive or a two year engineer. But, they would be professional because they would have to jump all the hoops of the college level.

355 MOTION: REP. KATZ moves to change the term "vocational education" to "professional and technical education".

VOTE: Being no objection the above amendment is adopted.

365 VOTE: Being no objection REP. CARTER'S motion to change the wording regarding the councils ability to oversee or develop various projects is adopted.

389 MOTION: REP. KATZ moves to give the Council the responsibility to develop goals and a comprehensive strategy for improving the quality of Oregon's workforce consistent with the Oregon Progress Board's Benchmarks for Exceptional People.

VOTE: Being no objection the above amendment is adopted.



397 MOTION: REP. BARNES moves to give the Council responsibility to Designate Regional Workforce Quality Committees throughout the state whose purposes are to advise the Council on issues relating to regional and local workforce development needs.

399 CHAIR BAUM: Is that going to be modeled after the JTPA council?

401 KEYSER: The idea is to bring to the table all of the people in a particular region that are delivering workforce training and education services. The concept is similar to the Private Industry Council idea.

414 QUINT RAHB ERGER: I want to offer some vocabulary changes. On the top of page 3 (EXHIBIT A) rather than referring to "programs" we should talk about "occupations". And "programs which lead" rather than "that will lead". On line 2, "excepted performance standards" instead of "achievement standards" which are not as high.

441 MOTION: REP. KATZ moves to amend the bill on page 3 (EXHIBIT A) to change "programs" to "occupations", to change "that will lead" to "which lead" and on line 2 to change to "expected performance standards" instead of "achievement standards".

VOTE: Being no objections the above amendments are adopted.

TAPE 116, SIDE B

022 RAHB ERGER: On line 8, subsection b, we suggest to reflect what is currently happening, "the programs developed under paragraph A of this subsection shall integrate into their curriculum degree offerings apprenticeship (delete "the") programs registered "with" the Bureau of Labor and Industries."

027 MOTION: REP. KATZ moves to amend line 8 subsection b to read "the programs developed under paragraph A of this subsection shall integrate into their curriculum, degree offerings apprenticeship programs registered with the Bureau of Labor and Industries."

VOTE: Being no objection the above amendment is adopted.

035 MOTION: REP. BARNES moves to give the Council responsibility to designate Regional Workforce Quality Committees throughout the state.

VOTE: Being no objection the above amendment is adopted.

038 MOTION: The VICE-CHAIR moves that the Regional Workforce Quality Committees shall advise the Council on issues relating to regional and local workforce development needs.

VOTE: Being no objection the above amendment is adopted.

MOTION: The VICE-CHAIR moves that the Regional Workforce Quality Committees shall prepare annual strategic regional workforce development plans for the implementation and promotion of programs aimed at achieving the benchmarks established by the Oregon Progress Board related to education and training and adopted by the 1991 legislature. Regional committee plans must be submitted to the Council for review by July 1, 1992.

047 KEYSER: I think you will want to have the committee plans submitted

before July because of the way program years are scheduled.

052 VICE CHAIR CARTER: You think there should be a review before July 1992?

054 KEYSER: You may want it approved by July 1992. You could let the Council decide when they want the plans.

064 MOTION: REP. BARNES moves to remove the last sentence regarding the date for Regional Committee plans.

VOTE: Being no objection to removing the last sentence of the preceding motion that amendment is adopted.

VOTE: Being no objection the above amended amendment is adopted.

070 VICE-CHAIR CARTER: Now we need to look at the Regional Service Committees having the authority to establish service delivery agreements.

070 MILLER: In the section where the agreements are described, this specifically requires certain agencies to take lead responsibility for negotiating portions of the agreements. Staff left out some additional wording about doing things in cooperation with some other agencies. The language is in subsections a, b and c of HB 1075. We should reinsert that language with the change of "providing the private sector leadership on how the service agreement".

090 J.D. HOYE: The language in 1075 is still a little confusing.

096 VICE CHAIR CARTER: At this point you are comfortable with that?

100 HOYE: Yes.

104 REP. KATZ: What is the problem?

107 HOYE: The issue is defining the role of leadership. The concern is that from the private industry councils perspective there is a perception that they would like to have local communities with required players at the table choosing their own Chairs, putting together their own plans and submitting it to the Council. However, describing what each entity shall do in every community and making it look identical community to community has raised some concern throughout the state.

109 KEYSER: My sense is that this change that I have requested will help the private industry councils to feel better about this whole section. We don't want them opposing the whole concept because they feel they have somehow been cut out of the process.

116 REP. MC TEAGUE: This puts the community colleges in the drivers seat of developing the assessment and job readiness component as well as the education and training components of these service agreements. What is to ensure that the secondary education interests are well represented in this process?

125 KEYSER: It says in collaboration with the job training partnership act providers and school district representatives because all of them have a part to play in developing the education and the pre readiness components for training programs.

140 MOTION: VICE-CHAIR CARTER moves amend the bill to give Regional Workforce Quality Committees the authority to establish service delivery agreements between regional service providers that coordinate employment training, education, and job placement services. Agreements should reduce duplication of effort, equitably distribute services regionally, and maximize efficiency and effectiveness in the delivery of services to local residents. Agreements must describe local responsibility and accountability for services delivered. This Act should give specific lead responsibility for negotiating portions of the agreements as follows: 1) Community Colleges, if available, and school districts shall develop and propose education, job training, and work readiness programs and lead providers.

2) Employment offices, if available, and private industry councils created by 20 U.S.C. 1512 shall develop and propose job placement programs and lead providers.

3) Employment offices, if available, and private industry councils created by 20 U.S.C. 1512 shall develop and propose programs for meeting the specific labor and training needs of local employment.

Agreements must be submitted to the Council for approval no later than July 1, 1992.

VOTE: Being no objection the above amendment is adopted.

156 KEYSER: You may want to reconsider the date of the agreements. You would want them to have to have approval every year, not just the first year.

160 MOTION: REP. BARNES moves to eliminate "Agreements must be submitted to the Council for approval no latter than July 1, 1992" from the amendment above.

VOTE: Being no objection the amendment is amended.

166 MILLER: This requires for the regional councils that would be all over the state, to enter into an agreement about who is going to provide what services. Those agreements will be required to be submitted to the Council for this biennium by July 1, 1991. You want those submitted to the Council every year not just on July 1, 1992. So Rep. Barnes suggested to strike that language and let the Council decide when they should be submitted.

205 MOTION: REP. KATZ moves to amend the bill to say that the Council may establish plans and agreements for regions that are unable to reach agreements independently by July 1, 1992.

VOTE: Being no objection the above amendment is adopted.

210 MOTION: REP. KATZ moves to amend the bill to allow the Council to seek federal support and waivers, if necessary, for implementing this Act.

VOTE: Being no objections the above amendment is adopted.

215 MOTION: REP. KATZ moves to give the Council the authority to establish advisory committees or subcommittees to assist in implementing this Act. Membership on the Council shall not prevent a member from also serving as a member of any advisory or subcommittee established by

the Council.

VOTE: Being no objections the above amendment is adopted.

220 MOTION: REP. KATZ moves to amend the bill to give the Council the authority to adopt rules necessary for the administration of the Act, in accordance with applicable provisions of ORS 183.310 and 183.550.

VOTE: Being no objection the above amendment is adopted.

225 MOTION: REP. HAYDEN moves to amend the bill on line 23 of page 3 of the printed bill to replace the word "shall" with the word "may".

VOTE: Being no objection the above amendment is adopted.

230 MOTION: REP. KATZ moves to amend the bill on line 24 of page 3 of the printed bill after the word "trainee" add the words "as described by enrolled House Bill 287 6".

VOTE: Being no objection the above amendment is adopted.

234 MOTION: REP. BARNES moves to amend line 33 of page 3 of the printed bill after the word "Centralized", insert the words "delivery of", and after the word "services" insert "at the local level in response to local needs".

VOTE: Being no objection the above amendment is adopted.

263 MOTION: REP. CARTER moves to amend the bill on line 40 of page 3 of the printed bill after the word "plans", insert the words "and budget".

VOTE: Being no objections the above amendment is adopted.

284 MILLER: The language change on page 3, line 41 after the word "plans" insert the words "and budgets" is offered to make it clear that the Council has the authority to review budgets as well as operating plans.

289 REP. BARNES: We are creating a new super bureaucracy. It takes people to analyze a budget and maybe the Governor's office will be able to do it with the people they normally use, but, you are asking for a lot of people. I don't think we are ready to give them this kind of man power and this belongs in the Governor's office.

296 KEYSER: I have the same concerns that Rep. Barnes does. I don't see how we can create another process for that kind of detailed review of the budget, policy reflections are what we need to look at.

309 REP. CARTER: If we are going to deal with the dislocated worker issue and some agency was to decide that was not an issue that they want to deal with then we are going to run into a lot of trouble. I think we should be able to look at how these agencies are prioritized.

340 REP. KATZ: I don't think we are going to want line item and I don't think they will either but, they are going to want to see if displaced timber workers are a top priority for funding. They are going to realize that the only money they can impact is margin money.

385 REP. HAYDEN: Does Section 7 deal with only a small segment of what we are discussing here. Are we defining policy for the indefinite

future or are we defining the parameters within which the debate will occur?

390 CHAIR BAUM: They will have the opportunity to report to us to say the mandate that we gave them are right or wrong or need some adjustment. We drive the process.

TAPE 117, SIDE A

013 KEYSER: It seems like there is two different discussion. One, the last amendment about the biannual or annual reporting to the legislature of the Council. Secondly, I think that Section 7 says that the Council would study the organization structure of education and training services and come back with a plan if it is necessary for restructuring. That might require legislation.

023 REP. HAYDEN: Will the changes have been made by the time they come back to us? Or will they come back to the legislature and request legislative permission to implement the things they have agreed on?

025 CHAIR BAUM: That is part of it.

031 MILLER: There are 2 centralization activities. The regional committees would be looking at how they deliver the services on a local level. The second piece is to look at the 50 training programs that are being run by 13 different agencies in this state and get rid of some of the duplication of services that is taking place here.

053 REP. BARNES: I would like to see this get going as soon as the session ends.

062 REP. HAYDEN: Once we set the course we are going to have to stick with it for awhile.

125 MILLER: We have difficulty with that last line. This would read with the proposed amendments "all plans and budgets must have the approval of the council prior to implementation or submission to the legislative assembly. There are 2 things we need to look at here. One, is the word approval, if you want to say that budgets only need to be reviewed but not approved. The other, is that it should probably be submission to the Governor.

140 MOTION: REP. CARTER moves to add in conceptual amendment that the language shall read, "and all budgets must be reviewed by the Council prior to implementation or submission to the Governor".

VOTE: Being no objection the above amendment is adopted.

146 CHAIR BAUM: The desire of the Chair is to leave the lottery allocation to a later time.

149 MILLER: This is more complicated than that. The complication comes from the fact that the funding provided from lottery for workforce development as of last session was allocated to what was called the Workforce Development Fund. The legislation that created that will need some revision in order to do what you want to do. Staff recommends that you delete all of section 11 as it appears in the bill and replace it with, "Replace Section 11 with amendments to ORS 344.309.", which would give the Workforce Quality Council instead of the Economic Development Department authority over the funds appropriated to the Workforce

Development Fund. All of the programs that are listed in HB 3474 or that you may approve for funding would be provided for through the Workforce Development Fund. Wherever there is a reference to EDD is has been replaced with the Workforce Quality Council. Last time all lottery funds for workforce development were put in the Workforce Development Fund and those funds were dispersed by the Economic Development Department to the intended recipient.

219 REP. MC TEAGUE: This is a policy driven council not an agency.

230 KEYSER: The OEPP does not have the staff to manage the contracting or the funds. If the intent of this is to transfer the responsibility of administering the funds to the agency that would require moving the staff from OEDD to OEPP to do that. I prefer that the Council not physically manage the money.

253 REP. CARTER: Are you suggesting we disperse the money directly to the agencies?

259 KEYSER: Right now some of the money does go to the agency. If we are going to decide how to divide up the money then we ought to have the policy making responsibility, but we could delegate to EDD the distribution of the funds.

271 REP. CARTER: I want the council responsible.

277 KEYSER: Then what about the rest of the money that will be coming in for the program. Why select this one piece and say that we need to be the implementers and the accountants and the managers, when we are not going to do it for the rest of the money?

283 REP. CARTER: Because the Trade Committee is responsible for lottery dollars. We want people to be held accountable. You think we should leave the money through OEDD and let them disperse it?

300 KEYSER: Yes.

392 REP. CARTER: Who will administer workforce funds?

400 CHAIR BAUM: We want to give the Council general oversight and keep them focused on the effort of coordinating and making sure that the different agencies that are involved are pursuing the same goal. The question is that in the past the Economic Development Department has given out that money directly as we directed. I think the consensus in the committee is that we are going to continue to direct the dollars at least through the first of the year if not the whole biennium.

420 MILLER: If you delete Section 11 and insert nothing then any money from the Workforce Development Fund would be administered by the Economic Development Department as is currently in ORS 344, with the oversight by this council.

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010 REP. HAYDEN: I would say let's maintain the status quo.

016 REP. KATZ: Ms. Keyser, who did you envision managing the JTPA dollars.?

018 KEYSER: There would be a state administrative group that is currently in EDD and we purpose moving it to the Employment Division. It is the same structure that we have now.

024 CHAIR BAUM: I would like staff to come back with some other language.

070 MOTION: REP. BARNES moves to adopt a new section which directs the Council to report annually to the Joint Legislative Committee on Trade and Economic Development, the House Education Committee and the Senate Committee on Revenue and School Finance on its activities.

VOTE: Being no objections the above amendment is adopted.

074 CHAIR BAUM adjourns the meeting at 11:02 am .

Submitted by,

Jeri Chase Office Manager

EXHIBIT SUMMARY

EXHIBIT A - Suggested Amendments to HB 3133, submitted by Tami Miller, pgs. 5.

EXHIBIT B - Governor's response to the staff amendments, submitted by Tami Miller, pgs. 2.

EXHIBIT C - Oregon State Statute on Literacy, Education and Vocational Technical Job Training, submitted by Tami Miller, pgs. 6.