

HOUSE LEGISLATIVE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

April 08, 1991Hearing Room 343 8:00 A.M.State Capitol Salem, OR

Tapes 119 - 120 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:J.D. HOYE, ASSOCIATE SUPERINTENDENT, VOCATION EDUCATION, DEPARTMENT OF EDUCATION AND ACTING DIRECTOR, JOB TRAINING PARTNERSHIP ACT LORI SWANSON, DIRECTOR, SOUTHERN WILLAMETTE PRIVATE INDUSTRY COUNCIL MIKE HOLLAND, COMMISSIONER, COMMUNITY COLLEGE SERVICES MARILYNNE KEYSER, SENIOR POLICY ADVISOR ON WORKFORCE DEVELOPMENT AND EDUCATION, GOVERNOR'S OFFICE BOB BAUGH, ADMINISTRATOR, PARTNERSHIP DIVISION, ECONOMIC DEVELOPMENT DEPARTMENT KAREN GARST, OREGON COMMUNITY COLLEGE 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 119, SIDE A

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

HB 3133 and HB 3474 (Workforce Quality Act) - Public Hearing

007 MILLER: Presents information on target groups for training services (EXHIBIT A). Adult and youth categories are the most flexible and you would be able to redirect funds from those categories.

034 J.D. HOYE: JTPA resources could be redirected to help focus on America's Choice. The Workforce Council could ask the local private industry councils to measure their effort for training children in accordance with that of America's Choice.

064 REP. KATZ: As the decisions filter down is it possible to allocate some of the resources for the Department of Education?

072 HOYE: We presently coordinate activities with the Department of Education. There shouldn't be a problem making them complimentary. We could allocate about \$3 million.

083 CHAIR BAUM: \$3 million that could be used to drive some serious

education reform?

086 HOYE: Those dollars would be an investment in the Department of Education, that is actually already being made, which would be directed in such a way that the communication with the private industry councils and JTPA would try to insure that the investment that JTPA is making in activities with youth are complementary and supportive of what is being recommended in America's Choice.

088 REP. KATZ: The learning centers can't run without preparation done by the Education Department, but before any of this can be done the department needs to lay the foundation for those programs. The \$3 million you have could be used for laying this ground work?

108 HOYE: Yes. However, the young people must be eligible according to the private industry council. The dollars must be tied to an eligible population.

120 REP. KATZ: We could use the general fund dollars with the JTPA money to so that you merge those resources together so that you have a statewide program.

126 LORI SWANSON: Our program has about \$1.3 million dedicated to young people. That serves about 500 youth. There are 2 pieces of JTPA money which are dedicated to young people. One, is the title 2a youth, which are for year round programs for in school and out of school youth. The second piece, which is larger, is through the summer youth employment program. We have funded at risk counselors, that are in the school districts, to help the kids with problems to keep them in school.

151 REP. KATZ: If Lane county wanted to use its own dollars to create a program, could you put your money in to make sure everyone who needs help gets it?

163 SWANSON: Yes.

184 REP. KATZ: The remediation issue could use some of the JTPA money depending how the school wants to spend the money.

193 SWANSON: However, with measure 5 schools are able to provide less now and most of the funds are coming from JTPA.

208 REP. KATZ: Would there be a lot of dislocation on the local level if we focused all of the present programs on the technical certificates?

222 SWANSON: I think you should try a pilot project in a couple of school districts to get the other schools interested.

233 REP. KATZ: That makes sense for the first 2 years. I would like J.D. to look at HB 3474 and see what you think the Department of Education can do now to prepare to implement this program.

268 MILLER: Submits "Summary of Programs in HB 3474 and Proposed Funding" (EXHIBIT B) and SB 107 5 (EXHIBIT C).

315 J.D. HOYE: The structured work experience for high school students is something we will always work with. Economic disadvantaged can be measured by family income or in an at risk situation. The only real flexible resources are the dislocated worker. You are clearly eligible or not based on plant closures not on income. The rest of the funds

that flow through the JTPA system are tied to low income status.

317 CHAIR BAUM: How much of the dislocated worker funds is directed toward the spotted owl counties?

325 J.D. HOYE: There has been new funding that has come in specifically as applied to the federal government for timber related closures. The recent receipt was \$2 million. But, there are also dislocated worker resources that the state gets in an allocation formula for people dislocated outside of any specific industry.

342 CHAIR BAUM: None of the \$9 million under dislocated workers is particularly targeted for dislocated timber workers. I would like to know how much of these funds is being spent on dislocated timber workers.

357 HOYE: I can find that out for you.

380 SWANSON: The state Job Coordinating Council sets a policy in terms of where we would be going. The private industry councils are not subcommittees of the Workforce Council they are separate organizations that have a certain amount of latitude within the federal law in terms of how they deal with the funds. We think the Workforce Council makes a lot of sense.

395 REP. PICKARD: How much flexibility is there in the determination of who is disadvantaged or at risk?

413 HOYE: Not as much as you would like it to be.

420 SWANSON: It is getting more specific as well.

428 REP. PICKARD: Who are the players that make the final determination of who gets the money?

433 HOYE: The local private industry councils develop local policies that meet the policies of the state of Oregon, then apply those locally. They are audited and monitored regularly to be sure that they are following the procedures.

438 CHAIR BAUM: We are trying to decide how much authority to give the council. The PICs are currently working in coordination with the Economic Development Department and that is going to change. This council, as it gets into operation, may have the power to hold up the dollars that might go through until the PICs are meeting any priorities that they might have.

465 SWANSON: There are some technical policies in here where the federal job training law tells the state a big policy role they can play but then 78% of the title 2a and summer youth funds can be shaped by the local areas.

TAPE 120. SIDE A

028 HOYE: The state council should interface with local private industry councils as they set the policies and guidelines for local plan and development. The state of Oregon must submit to the federal government a plan for the 2 year period that the JTPA is operating.

038 CHAIR BAUM: I want to use the JTPA framework to deliver this

because it is a bottom up concept.

044 SWANSON: JTPA has strong private sector involvement.

051 CHAIR BAUM: Where are we with the transfer of JTPA to the Employment Division?

054 SWANSON: The Private Industry Councils Association is supportive. The issue right now is maintaining local control, maintaining a voice for local players, in terms of being able to shape where we are going.

072 CHAIR BAUM: What are the concerns about the regional piece of the Workforce bill?

075 SWANSON: The regional piece feels prescriptive in terms of who develops what on the regional level. There is a feeling of a presumed provider. We suggest you be silent on the issue of who should do what. I would like to see SB 1075 amended in section 5 to delete the description of what the service agreement is subject to. It can be seen as you trying to describe what the local should look like. PIC's are players in the regional council but they are not the regional councils.

107 HOYE: I don't think you can assume that those local councils are the private industry councils.

109 SWANSON: The message has been that that is not likely to happen. SB 107 5 was not what was envisioned.

117 CHAIR BAUM: You have 2 separate councils on the local level that have nothing to do with each other. We don't want to expand the bureaucracy.

148 MILLER: In HB 3133, I had drafted a section which would get council to develop a plan for centralizing local services. The Governor's bill establishes local training committees that establishes another level of management. On those regional committees would sit members of the PIC, community colleges, members of the Employment Office and whoever else is working on placement and training issues. They would meet on a regular basis to decide who would provide each function. The PIC's are concerned that they will not have substantial roles in making policy decisions.

192 HOYE: To assume that the PIC structure, that was created under JTPA, necessarily builds the kind of structure that you are envisioning would be a mistake.

214 MIKE HOLLAND: Part of what you are going to hear from me reflects a degree of pathology. We have two systems that deal with adults the community college system and the JTPA system. We have not figured out how to get those two systems to think of each other as partners. Part of this discussion is about how we can get by that and coordinate delivery systems. On page 2 of SB 1075, "federal resources must complement and not drive Oregon state and local workforce strategy". That is why you see the community colleges being assigned the responsibility to take the lead in designing the training component in local communities. That is only sensible if you believe the language on page 2.

270 CHAIR BAUM: What about those areas that are not served by a community college, we need to provide some allowance for those areas.

275 HOLLAND: 85% of the people in Oregon live within a community college district, but every region in this state does receive community college services through a contract with the out of district mechanism. If that was too attenuated then I would rather we dealt with the exception.

285 CHAIR BAUM: You want us to add a subparagraph that if these things are not available then the local council has discretion to provide whatever resource they can find to do the job?

290 HOLLAND: We wouldn't object to that. The basic policy point is, should Oregon built systems be the systems that lead the discussion around the training and employment pieces and should federal resources compliment those Oregon built systems? That is at the heart of Section 5. That is also why community colleges are uncomfortable in assuming that the regional council will be the PICs which are also creatures of the federal government.

316 REP. CARTER: Does the collaborating join us together enough to keep people from dividing up territory?

325 SWANSON: There are clearly areas where the PIC is not the appropriate board. The issue for us has to do with the additional definition that goes on to say that "the community college in collaboration with" does such and such.

361 HOLLAND: The community college would find that agreeable. We would prefer to have this structured as to have the community college play the lead role in collaboration with JTPA for the designing of the training the education piece in the community college. Then have JTPA responsible for taking the lead of involving private sector in the evaluation of that training piece and taking the lead in the assessment measures.

408 REP. CARTER: JTPA is feeling they should not be driven by anyone but in collaboration with someone, which still does not give this Council the strength it wants to have.

440 CHAIR BAUM: The only reason that I am interested in driving this thing all the way through to the local level is because of the money that JTPA provides and the fact that the Workforce Council essentially supplants the JTPA State Job Training Coordinating Council. I would like to get these people in bed with each other whether they want to or not.

TAPE 119, SIDE B

029 REP. CARTER: It is the language that is going to make the difference so they had better sit down together and agree on language.

030 REP. BARNES: The federal government is going to drive JTPA. There are many players here that we haven't discussed. The county commissioners are very important. The focus of JTPA is narrower than what we are envisioning under this proposed legislation. I think the key depends on how this super council establishes these regions. You need a degree of commonality among these regions or it is not going to work. 068 REP. CARTER: Community colleges, PIC and the governors office should get together again. The guidelines state that the governor has the decision making process in hand to determine how the PICs are going to work in a given state.

087 SWANSON: When I said that the regional councils should be silent on the issues of who does what in the local area, it was not to suggest that it should be federal rules that would drive that, but rather to give the regional councils the flexibility to follow the new state guidelines.

097 REP. BARNES: Let the Workforce Council set the goal and leave the process to the locals.

100 HOLLAND: I think this is a critical point. Do you want to leave open to the regional councils who it is in the local community that will have the leadership responsibility to draw the employment and training people together for the plan? If you do then you are saying that you are indifferent to whether or not JTPA or community college emerges in that community as the one to draw that plan. I think in terms of policy that doesn't make any sense.

118 CHAIR BAUM: Is it possible to do what Representative Carter has asked and see if you can find language that you agree upon?

131 HOLLAND: Is your concern some reconciliation of the PICs and the Regional Workforce Council or the lead responsibility around the development?

136 CHAIR BAUM: Both.

141 HOLLAND: We have had discussions and my sense is that the language would look like section 5.

161 CHAIR BAUM: Which of the programs listed (EXHIBIT B) could be subject to funding under JTPA?

171 HOYE: Structured work experience for high school students is compatible, the model schools for America's Choice piece could be done with JTPA funds, if the policy was set appropriately at the state some of the up front money could be contributed from JTPA.

180 SWANSON: I would suggest that work place readiness curriculum model is a major piece of what JTPA is doing.

190 HOYE: There is some potential partnership work on community based skills centers and working with the PICs and the community colleges in terms of how those skill centers are funded for clients going through them.

200 HOYE: Currently, targeted training for new and expanded businesses is currently facilitated between the PICs and the community colleges, but as I understand it you first have to show that all of your local resources have been exhausted for a given need before you apply for those targeted funds. Key industry training, I think there is some investment of JTPA staff that could certainly assist in that, however this tends to be focused more on workers who would not be eligible for the JTPA program. Activating business and industry to be full Workforce training partners, I think there are some resources on staff and with the PICs to actually assist in moving business and industry to a high performance work organization. Those are the most obvious. There may be something there in the curriculum of the 2+2 program but we need to work on that.

280 MARILYNNE KEYSER: Presents Governor's breakdown of lottery funds (EXHIBIT D). In respect to EXHIBIT B we have allocated the funds in different ways.

333 MILLER: Is the \$2.4 million for public school partnership equivalent to HB 3474's 2+2 funding?

340 KEYSER: No 2+2 is in the general funds.

346 REP. BARNES: Community access skill centers, would that be out reach from the community college?

350 BOB BAUGH: The skills centers are community college based. It has been focused on people needing help in basic skills. The focus in NE Portland has been focusing on the long term unemployed. The Portland center is doing some work in things such as carpentry and basic skills for jobs.

388 KEYSER: The advanced technology center is located in Wilsonville and is a consortium of 5 community colleges and about 30 different manufactures of the Screw Machine Association. We are not proposing any new advanced technology centers. This list EXHIBIT B is an effort to continue programs that have already been started. We need a more comprehensive system for tracking and follow up. Line 19 is not accurate it is \$.5 million.

TAPE 120, SIDE B

025 CHAIR BAUM: Rep. Bunn's proposal exceeds you by \$.5 million.

047 REP. CARTER: Even though we have listed a few more programs in HB 3474 then the Governor's bill our basic premise about the dollars we entered are based on some successes in programs from last time. Also we have added a new program that deals with seniors who are going to return to Oregon's workforce.

062 REP. CARTER: The reason we can look so seriously at training is due to the singular vision of the employment division that has work with us on pointing out the services that our employment division does right now and how we are retraining people over and over.

096 KEYSER: I think it is important to have the Workforce Council assume the duties of the State Job Training Coordinating Council. That was an idea that you sort of adopted, how strongly do you feel about that idea?

101 CHAIR BAUM: On the state level there is agreement that this is important.

104 KEYSER: What if it was required that a legislator and a local school official be on the council in order to qualify for JTPA funds?

115 CHAIR BAUM: I don't care for either of those requirements.

120 KEYSER: If I get the message that we cannot waive the requirement of those two people then will it be a problem with your legislation? It would be easier to waive the percentages than the list that requires those two people. If you move this bill forward as quickly as you are planning to then we may have to bring it back and make amendments.

154 CHAIR BAUM: If we move the percentages and we reduce the 30% requirement for this particular area, then we have accomplished the same thing.

173 REP. BARNES: We could write into the bill to give an option to the Governor based on the federal requirements.

183 CHAIR BAUM: The Governor's office is content with what we have done so far?

186 KEYSER: Yes.

192 KAREN GARST: Presents testimony from the Oregon Community College Association (EXHIBIT E).

296 GARST: You are going to need to designate the projects for the 91-91 biennium. Where does the money go and how does it get distributed is another question.

333 GARST: The regions that the state was divided into for the purposes of the Family Support Act is certainly a starting point that the council should look at.

413 CHAIR BAUM adjourns the meeting at 10:09 am.

Submitted by,

Jeri Chase Office Manager

#### EXHIBIT SUMMARY

EXHIBIT A - Information regarding service groups for the training services, submitted by Tami Miller, pgs. 1.

EXHIBIT B - "Summary of Programs in HB 3474 and Proposed Funding," submitted by Tami Miller, pgs. 1.

EXHIBIT C - SB 1075, submitted by Tami Miller, pgs. 6.

EXHIBIT D - "Governor's Proposed Allocation of Lottery Funds," submitted by Marilynne Keyser, pgs. 1.

EXHIBIT E - Testimony from the Oregon Community College Association, submitted by Karen Garst, pgs. 3.