

HOUSE LEGISLATIVE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

April 26, 1991Hearing Room 343 8:00 A.M.State Capitol Salem, OR

Tapes 155 - 158

Regional Strategies Presentation Guest Presentation - Dr. Raymond Moore  
Workforce Development Dislocated Worker Amendments

MEMBERS PRESENT: REP. RAY BAUM, CHAIR REP. MARGARET CARTER,  
VICE-CHAIR REP. JERRY BARNES 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 LISE GLANCY, MANAGER, REGIONAL STRATEGIES, ECONOMIC  
DEVELOPMENT DEPARTMENT DR. RAYMOND MOORE, SPEAKER ON HOME EDUCATION  
DARRELL WARD, PLANNING AND IMPROVEMENT ASSISTANT SUPERINTENDENT,  
VOCATIONAL EDUCATION, DEPARTMENT OF EDUCATION RICK LEVINE, ASSISTANT  
COMMISSIONER, COMMUNITY COLLEGE SERVICES NICOLE SKINNER, PROJECT  
COORDINATOR, OREGON ADVANCED TECHNOLOGY CENTER, CLACKAMAS COMMUNITY  
COLLEGE RON DOHERTY, DEAN, BUSINESS, HEALTH AND INDUSTRY, CHEMEKATA  
COMMUNITY COLLEGE BOB BAUGH, ADMINISTRATOR, PARTNERSHIP DIVISION,  
ECONOMIC DEVELOPMENT DEPARTMENT CYNTHIA STADEL, LITERACY COORDINATION  
SPECIALIST JOHN LENSSEN, EDUCATION SPECIALIST, PEER COUNSELING STUDENT  
SERVICES, OREGON DEPARTMENT OF EDUCATION JUDY MILLER, ASSISTANT  
SUPERINTENDENT, STUDENT SERVICES, OREGON DEPARTMENT OF EDUCATION DAVE  
BARROWS, LOBBYIST, OREGON PRIVATE INDUSTRY COUNCIL 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 155, SIDE A

000 CHAIR BAUM convenes the meeting at 8:14 a.m.

Regional Strategies Presentation

018 DAVID LOHMAN: We are going to discuss some of the policy changes we  
are proposing right now. The bill on the Senate side is SB 714. It  
raises two questions, 1) should the strategies that a regions chooses  
have a single or a multi industry focus, and 2) should the Portland,  
tri-county area be excluded from participation in the program by  
statute. There are about nine other policy issues that we are wrestling  
with and would appreciate some direction from the legislature.

054 LISE GLANCY: Presents "Policy Considerations for the Joint Committee on Trade and Economic Development" (EXHIBIT A).

071 CHAIR BAUM: Technology transfer is no longer on the list. We are thinking about allowing monies to be spent for job training if it is related to the strategy. Is that ok with you?

084 LOHMAN: Yes. We think that as a general matter regions need to make some changes.

104 REP. BARNES: Have you considered perhaps letting these regions have a primary focus and then a secondary focus as well?

111 LOHMAN: It makes more sense to require a focus. Some regions are still going to be working on the implementation of some of the strategies but we are suggesting a focus on something else too. Regions also need to bare in mind that regional strategies is not all there is to their economy.

132 GLANCY: In Southern Oregon the strategy was tourism but the key industries program did a couple of projects in secondary wood processing in the region so it ended up helping 2 industries but not through one program.

136 REP. BARNES: My concern is that you have enough influence over this program and knowledge about what is going on in these communities that we don't keep going on something merely for political expediency. I would like to face facts and see what is best for the region and not let the political part of it be an overriding factor.

144 CHAIR BAUM: In number 2 (EXHIBIT A) you talk about allowing some new regional configurations. Are those the only regions you want to change?

153 GLANCY: Yes, at this point.

158 LOHMAN: There is some timidness in letting the government decide the regions.

172 REP. BARNES: I think you have a much higher perspective of what is going on in the state and how these regions and communities relate to each other then a board of county commissioners or mayors. The local people are not able to look at the big picture, so I think the department should play a leading role.

177 GLANCY: In the first planning it took regions a year to figure out who their partners would be, we hope this will streamline that process. Continues EXHIBIT A.

225 LOHMAN: For community initiatives we provided somebody, on contract, to come in and help a group of leaders in the community go through a planning process where they analyze their strengths and weaknesses and then come out with a strategic plan that covers their whole economy. We would like to do that for each region.

240 REP. BARNES: Most counties and regions don't have the accessibility to information and expertise like the department does. I think any assistance you can give them in the planning part is going to help.

248 GLANCY: We are proposing to strengthen the tie between the key

industries program, the statewide industries development program and the regional industrial development program by working jointly on developing planning models for the state level as well as the regional level. One of the things we would like these industry models to focus on is workforce support, research marketing, transportation, infrastructure, services and business assistance.

259 MILLER: In the past two biennium regional strategy funding has been given to you just for projects and grants in the last biennium you had \$500,000 for feasibility studies for projects to help regions decide whether their projects are doable before you put them on the list. There has never been any money to do this kind of analysis up front. Are you going to be asking the committee to designate a portion of regional strategy funds for that purpose?

267 GLANCY: Yes.

274 LOHMAN: This whole area has been a weakness in the program but we haven't had the ability to help them.

284 MILLER: How much do you need to accomplish these analysis?

287 GLANCY: We are requesting an administrative budget of \$1,030,000 and that would include a good share of money for professional services. This program would not see all of that money because some of it would pay for department administration.

293 MILLER: That is \$1 million for 15 regional economic evaluations and then X number of industry assessments as well.

302 REP. BARNES: Does that need to be separated out when you go to Ways and Means?

304 LOHMAN: I don't think we need that as a separate appropriation but we want to have it on the record with the legislature. I assume it will end up in a budget note.

309 GLANCY: Last biennium we were limited to technical assistance grants of \$500,000 and the language restricted it to grants to regions which makes it difficult to use it for other purposes. It doesn't need to end up in the programs administrative budget it can end up in a technical assistance budget if we adjust the language. We just want to have flexibility in the program so that we can provide better information to regions.

320 REP. BARNES: Can you do #4 (EXHIBIT A) by administrative rule?

322 GLANCY: Yes, most of these changes can be done by administrative rule.

330 LOHMAN: It would help if we had some legislative history that indicated the legislatures interest in doing this because there will be some areas that will push us in another direction. We would like to have the support of the committee to make it clear that we are not just being arbitrary about it.

335 REP. BARNES: I think it is essential to have a broad based planning process in reference to these strategies.

340 GLANCY: Continues Question 6, Funds? in EXHIBIT A.

382 LOHMAN: The concept behind regional strategies is that it is a medium term program. This is a program which is aimed at planting the seeds of development.

415 REP. BARNES: You are building a platform for development with this program.

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028 GLANCY: We need to have flexibility. One of the things that we have seen is that sometimes regional strategies funds provide critical gap financing. When you are working with emerging industries you need some flexibility to be able to do a variance in your administrative rules. Continues #6 EXHIBIT A.

049 LOHMAN: You will hear about this revolving loan fund from a lot of regions. A lot of regions, when you ask them to think of a strategy, think first of a revolving loan fund. We have resisted that. We don't think that is a strategy, instead of going out and doing something actively that is sitting back and waiting for something to happen. It is not very efficient to set up a bunch of little pots of money each with their own administration. So, we have argued against it. Some of the regions have been very vehement about it and pushed hard.

061 REP. BARNES: If the state is going to be a partner in this then the state needs to be aware of what is going on in adjacent regions. With that in mind if one region can augment another region you would want to look at that.

068 GLANCY: Continues EXHIBIT A.

101 REP. BARNES: Do you think your staff is adequate in the regional strategies area?

105 LOHMAN: It is very hard to do this with the staff we have.

109 REP. BARNES: We need people in these areas to be contacts.

114 MILLER: Regions have identified a need for staff. In the past the committee has discouraged the use of regional strategies money to pay for staff at the regional level. Are we allowing some money to go to staff now?

119 GLANCY: We have been hiring staff on a very limited basis. In the second biennium we asked regions to match the staff needs, which they have done with some protest.

132 LOHMAN: They don't have enough staff to do their own work so this is an imposition on them.

144 GLANCY: We have been very conservative about paying for staff.

150 REP. MC TEAGUE: The counties positions and frustrations with the situation would probably add some clarity to this discussion.

154 REP. BARNES: I think that if you have a partnership and the local end wants to come up their fair share I think they should but I would make a point that it is not of a continuing nature.

159 GLANCY: With regional strategies we are trying to leave something behind. So, if a marketing organization wants us to help them to pay for staff to help with their tourism industry we are hoping that that person stays behind in the region. It is working pretty well. Continues EXHIBIT A.

195 REP. BARNES: I see regional strategies as something without an immediate impact in terms of job creation. Regional strategies is setting the scenario for these things to happen.

Guest Speaker - Dr. Raymond Moore

230 REP. HAYDEN: Submits Resume for Raymond Moore (EXHIBIT B).

247 DR. RAYMOND MOORE: The more the state takes over education the more the family is left out of education and the more likely the disintegration of the society. When youngsters spend more time with other youngsters than their parents they will adapt to the peer values. Our idea is that a child should be taught to work from the time s/he can walk. Don't wait for high school. Putting these children in school before they are ready is worse than putting them in prison because they are developing and they are being subjected to the peer values. Most children in remedial classes are boys and the girls that are there were in school unusually early. Boys do not have the maturity to be in school at the same age as girls. Children need some basic things to be well educated. They need good vision.

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028 MOORE: Hearing is also important, it is not developed fully until a child is 7 or 8. Children who are with their parents a great deal develop adult level ability to perceive and reason between the ages of 8 and 12. The average man brings home several thousand dollars more than he did 30 years ago, but wants have turned into needs making it seem that women have to work. There are no replicable studies that shows children should be in school before age 6. If research conflicts with convention then it becomes useless. Before the end of this decade they expect home industries to double. Put your child to work at home on the bills. Homestart is a better program and if you do that you are on the right track with disadvantaged people as long as you don't generalize it to the average public. The average child does not need an institution he needs his home. There is nothing that builds dignity more than having a true manual skill. Expand the idea of apprenticeships.

193 REP. MC TEAGUE: How would you recommend that society proceed with parents education?

200 MOORE: I believe that the state should throw a lot more back onto the church and other organized groups. We need more people to get behind this. Use homestart except in the extreme cases where you cannot work with the parents. Otherwise, I would suggest that you have to tie the home to the school more.

226 REP. HAYDEN: Wouldn't the structured program of the child learning a trade while in high school be better?

237 MOORE: I like the idea of an apprentice whenever you can get it going however, there is nothing better than being out there on the job.

247 REP. PICKARD: You want to limit a child's time with other

children?

257 MOORE: The more children are out with other children the more peer dependency they will develop.

269 REP. PICKARD: You give up peer dependency for parent dependency?

273 MOORE: Children are dependent on their parent anyway at least for awhile. I am saying that the child does not need formal education before junior high school. Submits "When Education Becomes Abuse: A Different Look at the Mental Health of Children" (EXHIBIT C) and "The Moore Formula For Home Schooling" (EXHIBIT D).

321 CHAIR BAUM: We have a society which has gone from being dominated by a nuclear family to a society that has more families breaking up and a perception among many of us that we have more dysfunctional families. Are you talking about reversing those trends by going back to the more traditional family values?

346 MOORE: Indeed, we do need to reverse this trend, this doesn't mean we need to keep women from working. If you don't want your society to collapse you have to reverse this trend. I am suggest ways to do that.

362 CHAIR BAUM: What about mothers who are good mothers but have to work?

373 MOORE: More women are working in their homes and involving their children.

HB 3474 - Public Hearing

400 DARRELL WARD: Rick Levine is going to finish the discussion of the advanced technology centers and the review of the literacy line work that has been done since the last biennium.

420 RICK LEVINE: You had 2 questions for us. One, was what the breakdown on the enrollment statistics were of the individuals that attended the advanced technology programs, where they were place and what types of jobs they had. The second question was on the future direction of the advanced technology center and what plans we had to utilize any funds allocated to the ATCs.

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015 NICOLE SKINNER: Presents "1991 Legislative Briefing Addendum," (EXHIBIT E).

038 TAMI MILLER: Submits -4 amendments to HB 3474 (EXHIBIT F) and Proposed Engrossed HB 3474 (EXHIBIT G). Do you have any knowledge of federal matching grants for any appropriation you may receive in the new biennium?

048 SKINNER: I don't think we will receive continuation of the federal grant we have. We may receive a technology education demonstration grant which is pretty much an unrestricted grant.

055 MILLER: I know a number of businesses have contributed materials to you can you expect the same level of contribution in materials or cash from the private sector for the next biennium?

060 LEVINE: I think we will receive even more contributions. The difficulty we had in the first year was that we had to get organized and make believers out of some of the industry people. Once industries see how the center worked for others more of them will begin to place equipment at the center.

078 MILLER: These ATCs are designed to promote more research for the benefit of business and really ought to be something that business should be supporting. Do you anticipate that these things will be self financing at any point?

083 LEVINE: Our hope is that it will be self financing. The long range plan shows that it takes about 5 years for an advanced technology center to get to the point of being fully self funding.

094 SKINNER: To date we have prototyped parts for 10 companies. We have quoted production costs on 28 jobs. We have billed about \$10,000 worth of services to date.

103 MILLER: Of that \$800,000 how much of that will go to the existing ATC?

107 LEVINE: The current plan shows an even breakdown between all of the consortium colleges. We are intending to move the ATC concept to each one of the institutions that is a member of a consortium.

121 REP. KATZ: Give me an example of what Portland Community College would be looking at and what they would be spending the money on?

126 SKINNER: Currently PCC proposes to use their portion of the money to create and expand their computer integrated manufacturing cell and develop advanced technology capability in their health care occupations. Those are the goals that they have. The specifics have not been discussed yet.

136 REP. KATZ: Ways and Means would not appropriate \$700,000 for programs unless they knew exactly what each of the community colleges were going to do.

139 RON DOHERTY: Chemekata will be using a portion of the money to buy some specific high tech computers to tie in with our computer integrated system. The funds would go into that system and buy some of our staff from their current teaching load so they could develop some curriculum for dealing with this system. We are finding that you can't just deal with hardware in isolation. It takes a combination of instruction in technological operation and a great deal of instruction in the new management systems that have to go with that. Our surveys have shown that the things industries need help in right now is quality control and in management systems that will enable them to make better use of this technology that they are purchasing.

200 MILLER: What you are talking about seems to me to be a key industry type effort why is that kind of effort being undertaken by the ATCs?

206 LEVINE: The original proposal part of the plan was to deal with upgrading peoples skills that are already employed in industry. This is not the typical targeted training program. This is a much longer term approach.

230 REP. KATZ: Has IBM agreed to participate at PCC?

235 LEVINE: My understanding is that yes they have agreed. They are bringing their equipment on to one of the campuses.

240 MILLER: What is the difference between what you are doing in your worker training program and what Bob Baugh does in targeted training?

243 BOB BAUGH: We come in on the very front end of targeted training, work with one firm that is mostly focused at job expansion or start ups or new opportunities. It is very directly linked to jobs. .

288 SKINNER: For example, we have the computer controlled laser cutting machine. This is a relatively new technology for the metals industry, it is very expensive and a lot of small and medium sized businesses can't afford it. We are trying to demonstrate this technology to the metal industries that are small and medium in size. That involves advanced upgrade training on that technology. We are training their workers to use this technology.

307 BAUGH: The programs we work with don't deal with providing equipment.

317 MILLER: The cascade steel example is more specific than what I anticipate the ACT's to be doing.

340 LEVINE: Without the ATC, the ability to bring together the instructional staffs of a variety of different colleges and to bring the knowledge base back to those colleges wouldn't exist.

372 REP. KATZ: I think a written out plan is very important.

400 CYNTHIA STADEL: Presents "Oregon's Literacy Line" (EXHIBIT H).

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030 STADEL: Continues presentation.

049 CHAIR BAUM: We want to be sure the public knows what we are spending this lottery money on so we want you to tell people in your flyers.

070 WARD: I think it would be appropriate for us in the Office of Community Colleges to come up with some kind of standard reference we would give to different projects and applicants for both this year and next year.

074 MILLER: How much have you received in contributions this year?

070 STADEL: \$13,000 in cash.

083 MILLER: Who administers the hotline?

089 LEVINE: The Office of Community College Services administers the program and we contract with the Portland Community College Foundation.

097 MILLER: Why is that you are coming back for funding again?

104 LEVINE: I don't believe that if we tried to fund specific projects like this we would have an awful lot of success in todays climate. We



don't have enough funds to go around.

132 CHAIR BAUM recesses the meeting at 10:18 am.

133 CHAIR BAUM reconvenes the meeting at 10:31 am.

138 JOHN LENSSEN: Presents testimony on the Peer Counseling Program (EXHIBIT I). Students listen to students more than they listen or relate to their parents or teachers so this program has helped them greatly. Submits "Peer Counseling/Helping Program" (EXHIBIT J) and "The Case for Peers" (EXHIBIT K).

220 REP. KATZ: What is your budget?

224 JUDY MILLER: Initially \$100,000 was set aside for this program. To cover John's position we pulled in money from the drug and alcohol fund.

235 REP. KATZ: Are you going to be able to cover it still, because lottery is not allocating any funds for this?

240 JUDY MILLER: This program is not continued in our department budget. We do not have a position in the department allocated for this. We have applied for some federal grant money but we will not receive word on that money until the middle of the summer.

261 REP. HAYDEN: Peer counseling reduces alcohol and drug use. Child to child relationships have been considered unhealthy but now we think they are beneficial. What else can a teen do to help another teen?

282 LENSSEN: The information model is not effective in stopping drug and alcohol abuse. The most effective means has been groups led by teens themselves. It was assumed up until about a year ago that it was effective to bring in ex addicts but they are finding out that it can create more curiosity and interest. The peer program has been affective in improving academics.

350 REP. KATZ: Most of the schools have councilors. How do we take the resources that we currently have within the school building and make it work without throwing more money and more bodies at it?

370 LENSSEN: Most school counselors have not received the training to run peer programs.

375 REP. KATZ: We are hiring people who are not trained to do this.

380 JUDY MILLER: We have 1 counselor for every 400 students and that includes all the kinds of counselors. Counselor preparation in Oregon does not require a counselor to have a masters degree in counseling.

404 REP. HAYDEN: All the research has been on adult - child relationships so there hasn't been time to train people.

428 WARD: Section 7 speaks to upgrading teacher services.

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043 REP. KATZ: As we work through the bill again we should direct some money to peer counseling.

HB 2251 - Work Session

066 CHAIR BAUM: Presents "Draft Dislocated Worker Act of 1991" (EXHIBIT L), "Further amendments to HB 2251" (EXHIBIT M) and -5 amendments to HB 2251 (EXHIBIT N).

111 REP. MC TEAGUE: I would like to flag a concern in Section 7.

114 CHAIR BAUM: Last time we discussed that we didn't want to control the general allocation of JTPA funds but we wanted to encourage those councils who have dislocated timber workers to try to focus on providing for them.

120 REP. MC TEAGUE: It raises an additional issue of allocations around the state.

130 MILLER: I also have a concern with Section 7. It should refer to the Workforce Quality Council.

133 DAVE BARROWS: I think this language would mandate the state office into making its allocations. They would have to do what the language said it does and I think that would dramatically impact certain areas in an undesirable way.

141 CHAIR BAUM: Does Section 7 need to exist or not?

153 REP. MC TEAGUE: The job training folks in rural areas are concerned about this as well.

160 REP. BARNES: I get the feeling that we are tying our hands. I don't think we should dictate it to them.

162 CHAIR BAUM: We are looking at training funds from lottery. Are we going to target those dollars toward dislocated timber workers?

170 REP. MC TEAGUE: I would be supportive of that. The issue is getting access to those federal dollars and that some employers are avoiding the Warren Act, the 60 day notice on a plant closure.

203 REP. HAYDEN: If we have some dollars, we could focus on this community that is at risk I think that would be good.

210 CHAIR BAUM: On the draft it says the Oregon dislocated workers fund I would like to consider Oregon dislocated "timber" worker funds. I would rather be focused.

219 REP. KATZ: If we can understand what all of these programs need and stop the turf battles then we could push out some legislation that could be helpful.

232 REP. MC TEAGUE: Focusing state lottery dollars on dislocated timber workers is fine.

253 MOTION: The CHAIR moves to adopt the -5 amendments to HB 2251 except for Section 7.

VOTE: Being no objection the -5 amendments without Section 7 is adopted.

276 CHAIR BAUM adjourns the meeting at 11:10 pm.

Submitted by,

Jeri Chase Office Manager

EXHIBIT SUMMARY

EXHIBIT A - "Policy Consideration for Joint Committee on Trade and Economic Development," submitted by Lise Glancy, pgs. 4.

EXHIBIT B - Resume for Raymond Moore, submitted by Rep. Cedric Hayden, pgs. 1.

EXHIBIT C - "When Education Becomes Abuse: A Different Look at the Mental Health of Children," submitted by Dr. Raymond Moore, pgs. 1.

EXHIBIT D - "The Moore Formula for Home Schooling," submitted by Dr. Raymond Moore, pgs. 1.

EXHIBIT E - "1991 Legislative Briefing Addendum," submitted by Nicole Skinner, pgs. 5.

EXHIBIT F - -4 amendments to HB 3474, submitted by Tami Miller, pgs. 15.

EXHIBIT G - Proposed engrossed HB 3474, submitted by Tami Miller, pgs. 15.

EXHIBIT H - "Oregon's Literacy Line," submitted by Cynthia Stadel, pgs. 4.

EXHIBIT I - Peer Counseling Program information, submitted by John Lenssen, pgs. 1.

EXHIBIT J - "Peer Counseling/Helping Program," submitted by John Lenssen, pgs. 3.

EXHIBIT K - "The Case for Peers," submitted by John Lenssen, pgs. 7.

EXHIBIT L - "Draft Dislocated Worker Act of 1991," submitted by Chair Ray Baum, pgs. 2.

EXHIBIT M - Further amendments to HB 2251, submitted by Chair Ray Baum, pgs. 1.

EXHIBIT N - -5 amendments to HB 2251, submitted by Chair Ray Baum, pgs. 8.