

Senate T&E Committee  
February 4, 1991  
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SENATE LEGISLATIVE COMMITTEE  
ON TRADE AND ECONOMIC DEVELOPMENT

February 4, 1991Hearing Room 343  
3:00 P.M.State Capitol  
Salem, OR

Tapes 15 - 16

First Source Hiring  
Job Training Grants  
Secondary Wood Products Legislation

MEMBERS PRESENT:           SEN. WAYNE FAWBUSH, CHAIR  
                                  SEN. JEANNETTE HAMBY  
                                  SEN. JIM HILL  
                                  SEN. PEG JOLIN  
                                  SEN. EUGENE TIMMS

MEMBERS EXCUSED:

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

WITNESSES:MIKE BARNES, DIRECTOR, WORLD FORESTRY CENTER'S WOOD  
                                  PRODUCTS INFORMATION CENTER  
                                  PETE KENT, SECONDARY WOOD PRODUCTS COORDINATOR,  
                                  ECONOMIC DEVELOPMENT DEPARTMENT/WORLD  
                                  FORESTRY CENTER'S WOOD PRODUCTS INFORMATION  
                                  CENTER

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 15, SIDE A

000 CHAIR FAWBUSH convenes the meeting at 3:21 p.m.

SB 167 (First Source Hiring) - Public Hearing

014 TAMIRA MILLER: begins presentation of Staff Measure Summary on SB 167 (EXHIBIT A).

038 SEN. HAMBY: 18% of all referrals were hired and of that number 35% were identified as low income.

046 MILLER: The policy statement is where the reference "low income" is used. You could leave the words in because that is the intent of the Legislature (to benefit low income individuals).

054 CHAIR FAWBUSH: Any sentiments as of now for changing the language of the bill?

056 SEN. HILL: What exactly does that mean?

057 CHAIR FAWBUSH: It means it leaves low income in the policy.

059 MILLER: The second issue that came up was the exclusion of some jobs being required to go through the referral process.

071 SEN. JOLIN: On page 6, of the testimony from Steve Petersen, it says the draft legislation adds language that the director of EDD can waver the requirement that all new job openings be subject to the FSA requirements. That seems to destroy the whole intent of the legislation.

088 SEN. HAMBY: How many programs are we replicating?

086 CHAIR FAWBUSH: There didn't seem to be that duplication with this program.

103 MILLER: Presents handout on the First Source Agreement Process (EXHIBIT B).

121 SEN. HILL: It seems to be a matter of finding some sort of language that would focus things more than saying wave every thing.

146 CHAIR FAWBUSH: Unless you were willing to have staff draft amendments that would very explicitly exclude only those technical jobs at the professional area.

154 SEN. HILL: We didn't say we didn't want to do it; we said it should make it narrower.

156 CHAIR FAWBUSH: Do you want to take a look at language that would narrow it to just those professional levels?

158 SEN. HILL: Maybe work with them and come up with some language.

159 CHAIR FAWBUSH: OK, we'll see what we can do.

160 MILLER: Third change is a change in the name, from First Source Hiring Agreement to First Source Agreement (EXHIBIT C). This would be so the name truly reflected the

nature of the program which  
is not a hiring agreement.

183 SEN. FAWBUSH: Isn't the end purpose of this whole process to get people  
hired with lottery dollars?  
Obviously not every one is hired, so why change it?

218 DAVID LOHMAN: We have companies that look at this and panic because that  
they are worried in  
being forced into hiring unqualified people.

228 SEN. HILL: You mean they don't apply for lottery funds because of that  
requirement?

229 LOHMAN: No. We would like to have the description of the program  
describe what the program really  
is.

244 SEN. TIMMS: We want to make the program work and the problems seem to be  
administrative.

255 SEN. HAMBY: What percent of firms do not utilize the First Source  
Agreement?

260 LOHMAN: If they don't sign then they don't get the chance to use lottery  
dollars.

263 SEN. HAMBY: Wondering if there is a less expensive and effective way of  
dealing with this. If we  
expect the private sector to respond can't we expect the public sector to  
as well?

292 SEN. JOLIN: We are doing something good for the private sector and in  
exchange we are saying will  
you help us out with the unemployed, the hard to employ and so on. The  
brochure seems to make it  
perfectly clear.

206 CHAIR FAWBUSH: If we spend lottery money on state prisons and the state  
contracts that project  
then the contractor is exempt from this program, isn't that correct?

317 LOHMAN: By administrative rule that is correct. The legislation is not  
by itself clear.

325 CHAIR FAWBUSH: The Chair suggests that staff draft an amendment that  
includes all private sector  
that works with lottery dollars be subject to the First Source Agreement.

331 LOHMAN: That is a very large administrative burden. These are not  
companies that are getting a  
direct benefit from the lottery dollars.

350 CHAIR FAWBUSH: If the committee is interested let's take a look at it.

355 SEN. HILL: What was the purpose of this first source legislation? We  
are getting a small number of  
people in there that we are trying to help.

399 SEN. HAMBY: Is there a better way to go about this?

403 LOHMAN: I'm not sure that I could conjure up a better way. I would wish that the description be what the program really is. The requirements for data gathering is very burdensome.

440 SEN. HILL: If you didn't collect the data, how would we know what it was doing? If there is some way to keep this at least intact. If you want to come out and say let's do away with the program lets say it. Because step by step it seems that we are kind of getting there. It's very important to have some kind of data.

TAPE 16, SIDE A

020 CHAIR FAWBUSH: If someone would like to make a motion to eliminate the word "hiring", otherwise we'll go on.

036 SEN. HAMBY: Is there any way that JTPA could follow through or refer directly to the lottery projects in their area?

043 LOHMAN: Right now what happens is that when we know of a company that might use lottery funds than we let them know and we let the contact agency know.

050 SEN. HAMBY: Could you just notify the contact agency and assume that they will make the encouraging steps for hiring?

053 LOHMAN: You mean in the absence of the First Source Agreement but you encourage them to do the same thing?

054 SEN. HAMBY: No I think you would still have to have something to encourage them.

SB 170 (Job Training Grants) - Work Session

062 MILLER overviews "Proposed -1 Amendments to SB 170" (EXHIBIT I).

069 MOTION: CHAIR FAWBUSH moved to adopt the -1 amendments to SB 170.

VOTE: Hearing no objection, the the -1 amendments to SB 170 are adopted.

MOTION: CHAIR FAWBUSH moved SB 170, as amended, to the Joint Ways and Means Committee by prior reference.

VOTE: The motion to move SB 170, as amended, to the Joint Ways and Means Committee passed 5-0. Voting Aye: Senators Fawbush, Hamby, J. Hill, Jolin, and Timms.

SB 364, SB 365, SB 366 (Secondary Wood Products Legislation) - Public Hearing

091 CORTRIGHT: Begins presentation of the "Final Report of the Joint Interim

Committee on Forest  
Policy" (EXHIBIT D), a list of pre-session filed legislation for 1991  
(EXHIBIT E), and Committee  
Principles for Secondary Wood Products Industry Strategy (EXHIBIT F).

205 CORTRIGHT: Continues with presentation of EXHIBITS D, E, and F.

320 SEN. JOLIN: Where are SB 368 and SB 369?

324 CORTRIGHT: I believe that each of those are in the Senate Committee on  
Labor with a subsequent  
referral to the Trade Committee.

330 SEN TIMMS: I don't read this as a Commodity Commission (SB 364); it's  
mainly controlled by  
government.

344 CORTRIGHT: It is hard to write into the bill the private sector role  
that is going to be played.

353 CHAIR FAWBUSH: Reads Section 1 of SB 364.

370 SEN TIMMS: I want something strictly private sector oriented.

375 Continued discussion.

405 CORTRIGHT: The interim committee considered two different ways to set up  
the competitiveness  
commission:

>Commission appointed by the Governor

>A private nonprofit corporation that is self-sustaining and the state  
makes a one time contribution to  
get it started and it consists of people in the industry

TAPE 15, SIDE B

021 SEN. TIMMS: What are we talking about to get this to work in terms of  
budget.

025 CORTRIGHT: I don't know if I could give you an answer

035 Continues discussion on cost.

053 Continues with discussion on extension service.

061 SEN. HILL: In SB 365 who would be these providers and what kind of  
services would they provide and  
how do we certify them?

065 CORTRIGHT:

>Notifying firms within the industry that they are eligible for a voucher  
worth some stated \$ amount.

Then you would distribute the vouchers. Contact a variety of people that  
offer technical services in both  
the public and private sectors.

>The certification would be in the hands of the Competitiveness Commission.

077 SEN. HILL: Did you preliminarily identify a pool of service providers  
that are already out there?

082 CORTRIGHT: Ultimately what you want to do is set up a market.

098 CHAIR FAWBUSH: Let's hear from the two people that are signed up to testify.

101 SEN. JOLIN: HB 2419 establishes the Oregon Forest Resources Institute for education of the public about forest products and provides funding through forest products harvest tax.

107 CHAIR FAWBUSH: We should take a look at that.

120 MICHAEL BARNES: Begins presentation of written testimony on SB 364 (EXHIBIT G).

180 BARNES: Continues presentation of EXHIBIT G.

213 PETE KENT: Begins presentation of written testimony on SB 364 (EXHIBIT H).

253 SEN. TIMMS: How are you funded?

254 KENT: It is an evenly split funding between Oregon Economic Development and the World Forestry Center (Wood PIC). It is a \$100,000 per year project beginning August, 1990 and ending July, 1991.

258 SEN. TIMMS: Have you worked closely with the focus groups and what we did in the Forest Policy Committee last interim?

262 KENT: I attended some of the committee meetings but none of the focus groups.

264 SEN. TIMMS: Do you agree that the secondary producers lack communication and don't work together?

265 KENT: Very much. Information sharing is very low right now.

272 SEN. HILL: What is your level of funding again?

273 BARNES: This years' funding is approximately \$300,000.

276 SEN. HILL: You're patterned after an organization in West Virginia?

276 BARNES: We are patterned after our own organization.

288 SEN. HILL: At what level are they federal funded?

289 BARNES: At approximately \$3 million.

290 SEN. HILL: How can we get federal money?

292 BARNES: We have secured some federal funding.

306 SEN. HILL: Did the West Virginia program get any results and what were they?

309 BARNES: Yes. They are providing technical information. They have an extensive information data base

which is free and available to organizations and they assist with marketing.

345 CHAIR FAWBUSH: Did you hear the presentation of the gentleman from Denmark? SB 364 is basically an effort to establish that. Do you feel that you are capable to do that?

358 BARNES: No, not with current staffing.

359 CHAIR FAWBUSH: What we are specifically after here is a very specific project to push cooperation.

370 BARNES: Wood PIC funding is 50/50 private industry and agency.

407 CHAIR FAWBUSH: Any other questions?

432 CHAIR FAWBUSH adjourned the meeting at 4:45 P.M. .

Submitted by,

Jeri Chase  
Office Manager

#### EXHIBIT SUMMARY

EXHIBIT A - Staff Measure Summary to SB 167, Joe Cortright, 1 page.

EXHIBIT B - First Source Agreement Process, Tami Miller, 1 page.

EXHIBIT C - Pamphlet (First Source Agreement), Dave Lohman, 2 pages.

EXHIBIT D - Final Report of the Joint Interim Committee on Forest Products Policy, Joe Cortright, 16 pages.

EXHIBIT E - Pre-session Filed Legislation for 1991 Session, Joe Cortright, 2 pages.

EXHIBIT F - Committee Principles, Joe Cortright, 1 page.

EXHIBIT G - Testimony on SB 364, Michael Barnes, 2 pages.

EXHIBIT H - Testimony on SB 364, Pete Kent, 3 pages.

EXHIBIT I - Proposed -1 Amendments to SB 170, Tami Miller, 1 page.