

Senate T&E Committee
May 06, 1991
Page
SENATE LEGISLATIVE COMMITTEE
ON TRADE AND ECONOMIC DEVELOPMENT

May 06, 1991Hearing Room 343
3:00 P.M.State Capitol
Salem, OR

Tapes 108 - 109
Workforce Presentation

MEMBERS PRESENT: SEN. WAYNE FAWBUSH, CHAIR
 SEN. SCOTT DUFF
 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
 HOLLY BROWN, COMMITTEE ASSISTANT

WITNESSES:DARRYL WARD, DIVISION OF VOCATIONAL EDUCATION,
 DEPARTMENT OF EDUCATION
 BOB BAUGH, MANAGER, PARTNERSHIP DIVISION,
 ECONOMIC DEVELOPMENT DEPARTMENT

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 108, SIDE A

000 CHAIR FAWBUSH convenes the meeting at 3:23 p.m.

012 MILLER: Presents "Summary of Workforce Legislation" (EXHIBIT A).

054 SEN. DUFF: Is HB 2876 the plan that is modeled after one in California?

056 CHAIR FAWBUSH: Yes. Representative Derfler is considering using that as a vehicle for more funds for extended unemployment benefits (the same thing that the Senate voted on in SB 1191). The House is expressing great reluctance to tap the UI fund. We are continuing to work with the House to get whatever we can in this area. I am not sure what will happen with this.

072 MILLER: Presents "Workforce Quality Council" (EXHIBIT B).

117 CHAIR FAWBUSH: Is there a veto power in reviewing agency budgets or is it only review?

120 MILLER: There is straight review - no approval. There is provision for approval of plans.

127 MILLER: Continues presentation of EXHIBIT B.

135 SEN. TIMMS: Will the regional committees be like consortium groups under the Job Training Partnership Act is now?

140 MILLER: The regional coordinating committees will consist of members of the local PIC, the local community colleges, JTPA, and local schools. The task of the regional committee is to develop a formal written agreement governing delivery of services to eliminate overlap and duplication.

150 SEN. TIMMS: I would like the regions to remain the way they are currently formed. You are doing away with JTPA with this.

163 MILLER: That is correct. The House had to consider this issue and there was strong support from others to allow the council to establish regions. The Council may very well decide to use regions that are already existing.

175 SEN. TIMMS: I would hope they would do that.

178 CHAIR FAWBUSH: The problem is forcing cooperation that currently does not exist. In some areas the PICs work well with community colleges and other service providers, while in others they don't speak to each other. The "turf" problem needs to overcome that.

182 SEN. TIMMS: Maybe a statewide council can help overcome that.

184 SEN. DUFF: Do you think there is any chance, considering the membership requirements of the Council, that the "turf" issue can be overcome?

186 CHAIR FAWBUSH: If you pick ten good industry and labor people, I do.

188 SEN. DUFF: It is a concern to me. Maybe we need more industry and labor people on this council.

196 CHAIR FAWBUSH: I think the Council is too big.

199 SEN. TIMMS: It was key on the committee I served on to have the Director of Human Resources and Economic Development. Supposedly that one was 51 percent business people. The legislators are really a key on how that swings - whether private sector or the other way oriented towards government.

210 CHAIR FAWBUSH: I would tend to remove the local elected official and a legislator and maybe a couple of other members to get it to a workable size but that will be

difficult.

213 MILLER: The House Committee was very reluctant to increase the number of members on the council (from the original printed version of the bill which was 12). In order to assume JTPA there are specific federal requirements on proportion of different groups represented. These proportions are 1/3 business, 1/3 labor, and 1/3 state agency representatives. Within those groups are specific requirements for members - one local elected official, one state legislator, etc. In order to meet those percentage requirements we ended up making the Governor an ex-officio, non-voting member, adding additional business and labor members, etc. Expanding the size of this council to 21 members was done with great reluctance by the House Committee.

234 MILLER: Continues presentation of EXHIBIT B.

258 SEN. DUFF: Clients are often not tracked in job training programs. Is there a way to do that in this program?

285 MILLER: OPPS would be used to track JTPA participants, community college graduates, high school graduates, etc., if everyone will collect data in a way that is comparable to each other.

295 CHAIR FAWBUSH: This is a first attempt to gather good tracking information.

323 MILLER: Concludes presentation of EXHIBIT B.

339 MILLER: Begins presentation on HB 3474. Presents "Workforce Program Funding Requests Comparison" (EXHIBIT C).

398 MILLER: Overviews HB 3474 (EXHIBIT D). Presents the Staff Measure Summary on HB 3474 (EXHIBIT E).

472 SEN. TIMMS: Do these programs have to be approved/on line on July 1 or is there a preparation period for administrative rules, etc?

484 MILLER: There is a fixed amount allocated to the programs. The statute as written requires a plan for the administration of the funds by each agency receiving funds.

TAPE 109, SIDE A

025 MILLER: Plans will have to be submitted and approved by the Workforce Quality Council before funds are released. HB 3474 currently provides for the Workforce Quality Council to have the same authority that this Committee gave the Economic Development Department last biennium to go to the Emergency Board and request fund shifting if insufficient or inadequate proposals are all that is received for any

particular program.

048 CHAIR FAWBUSH: That is part of the transition. If we are going to have a council to pull people together, you don't need little pots of money for each individual agency.

061 MILLER: The House has heard recommendations for amendments from the bill's sponsors that would delete this language giving the Council charge over the funds and restore the existing management structure. The Senate will probably receive a bill that leaves EDD entirely responsible for the entire biennium for managing lottery funds (as done last session).

101 MILLER: Continues presentation of EXHIBIT E.

117 SEN. TIMMS: We are approving a program without looking back at what the Workforce program has accomplished or heeding the report on job training that the Legislative Fiscal Office completed during the interim.

130 SEN. DUFF: All we know is that we spent the money, we don't know anything about the clients served.

135 SEN. HAMBY: There are a number of current organizations we have as oversight groups and the duplication of memberships. We are now going to add one more Workforce Council without abolishing any of these others.

140 MILLER: We are abolishing. Part of the thrust of this council is to abolish a number of those overlapping councils. The Workforce Quality Council would assume the responsibilities of those councils. Under HB 3133 the State Job Training Coordinating Council would be folded into the Workforce Quality Council and the Workforce Advisory Council would be repealed. The Council is directed to seek federal waivers that are required to assume the responsibilities of three other councils - Apprenticeship, Voc Ed, and the Employment Division's Occupation Information Council. Most of these are federally required. The idea would be to receive waivers from the federal government so that the Workforce Quality Council could assume their responsibilities.

170 SEN. DUFF: I think we should assess each of these job training programs about three percent to raise the \$8 million. That is not possible.

177 SEN. TIMMS: There are too many strings on the federal funds. This is just a bunch of bureaucracies for training.

187 SEN. HAMBY: Every federal program allows percentages for administrative costs. You could define administrative costs differently. That is what I hear SEN. DUFF asking for.

192 SEN. DUFF: If you do that, you would get the attention of the persons administering these programs and they would be beholden to the Workforce Council.

196 CHAIR FAWBUSH: The important thing to do at this point is to look at what level of dollar commitment you want to go into training and be as satisfied as possible with the structure - with the understanding that you will get the opportunity to actually work on the bill.

220 SEN. HAMBY: I was not aware of how many community colleges are available statewide and now we are being asked to provide additional skill training centers all over the state. We need to stop and assess the direction we are heading. We continue to start these things that continue to cost us in the future without any global service delivery consideration.

223 SEN. DUFF: Blue Mountain Community College has a 15 percent increase in transfer students and no increase in students seeking vocational education. They don't have the staff available for English and Mathematics to cover the increase in students - which is not reflected in their FTE because of the lack of staff (students are only able to enroll in 12 credit hours rather than the 15 or 18 they would enroll in if the classes/staff were available). Is that true of other community colleges in the state?

245 SEN. TIMMS: Treasure Valley is exactly the same.

250 SEN. HILL: We need to consider what our time line is. It is very unfortunate that we didn't meet jointly. We knew this would be the problem. Since we had to work separately, we are going to have to give a lot of trust to each side. If we cannot have more time then we need to realize that if the Senate begins to challenge the work the House has done, they will challenge the work we have done and nothing will be accomplished. I don't know if more time is an option; that is a decision for each house's respective Chairs and leadership. We can't make up for not meeting jointly; separate meetings were going to create problems. What are our deadlines now?

295 CHAIR FAWBUSH: We are out of time. By the Chairs' schedules, we are already a week late. I agree that not meeting jointly has hurt thing. My hope is to make rough decisions on line item allocations with the understanding that each side will yet work the substantive bills so there is an opportunity to review structure. By tomorrow night, we need to get to a point where we can decide on the allocation of lottery dollars.

336 SEN. HILL: If we are going to be able to have another opportunity to review these programs then we may as well do that now. I understand the dilemma and am willing to accept the decisions of the

House Committee on faith. I cannot ignore the concerns that are being raised. I need to know where we have to be.

364 SEN. HAMBY: For my part, I do not know how comfortable I am with their decisions. When I testified before them last week on community college equipment expenditures the comment was made that the same mistakes would not occur because there was a proposed list of expenditures for the 1991-93 biennium that had not been available for the previous biennium. I accepted that until I reviewed the proposed expenditures and it was just more unacceptable equipment expenditures.

382 CHAIR FAWBUSH: I am not willing to accept the status quo of the community college issue. I want those funds fully integrated with the Workforce legislation and it needs to be performance based. We can do that on our side. The question for tomorrow night is how much money to put into that line item with the opportunity to determine the structure of those expenditures. We can write it into the bill.

441 MILLER: To clarify, there is no bill on community college equipment and the House Committee had not seen the information that SEN. HAMBY presented to them last week prior to her presentation. The House Committee has not discussed the allocations for HB 3474 yet. That is their next step.

475 SEN. HAMBY: I need to know what these individual proposed programs are and what we are currently spending on them.

TAPE 108, SIDE B

032 MILLER: Presents EXHIBIT E.

116 MILLER: The funding recommendations for HB 3474 are from REP. BUNN. The House Committee has not yet reviewed these line item allocations.

126 SEN. HILL: I want to look at what the House Trade Committee has worked on. They appear to have bypassed the House Trade Committee.

133 CHAIR FAWBUSH: The funding recommendations come from the sponsors of the legislation - REP. BUNN and the working group. The House Trade Committee has had two weeks of hearings on the bill but they have yet to discuss the funding recommendations.

141 SEN. HILL: Are we now looking at a work product that is not even a product of the House Trade Committee?

147 MILLER: The House Trade Committee's work product has been HB 3133. They have just begun work on HB 3474.

152 SEN. HILL: What is the relationship between HB 3133 and HB 3474?

153 MILLER: HB 3133 establishes the Workforce Quality Council. HB 3474 is almost exclusively an allocation bill for lottery funds for various workforce programs.

160 SEN. HILL: Has the House Trade Committee had an input into the allocation recommendations.

163 MILLER: No. They have not discussed funding at all with regard to HB 3474. REP. CARTER (a member of the House Trade Committee) is part of REP. BUNN's working group on this bill. The House Committee does not at this time recommend to you the line items or funding amounts for them of HB 3474.

172 SEN. HILL: Then we are now considering something that is not even from our fellow House members. We are looking at something that they have not even made a determination on yet. I have fought for the integrity of this Committee so things like this would not happen.

185 CHAIR FAWBUSH: The issue seems to be that we need to get through the discussion on the Workforce Council.

195 SEN. HILL: I am willing to review the work of the House Committee but not something they have not yet done.

197 CHAIR FAWBUSH: I don't disagree. If I had my choice, we would have done this exactly as we did last session. The two major issues remain the same. How do we want the workforce training in Oregon to take place? That discussion occurred on the House side in HB 3133. It now needs to take place on the Senate side. The second question is: How much lottery money do we want to dedicate to workforce training? The line item came from the Governor (\$8 million) and is roughly equivalent to what was spent last biennium - slightly more. It has not yet been determined how that will be allocated. What I am trying to get closure on now is the dollar amount we will use for workforce training. We all believe there is a need - we have specific problems with dislocated timber workers and other structural issues relating to the training that people coming out of schools will need. Tomorrow night the House and the Senate are in exactly the same situation on that \$8 million. We need to understand that neither side has had any input on their priorities for the allocation of that \$8 million. The question right now is not the line item allocation, it is the dollar level for workforce training. That is the stage we are at. There is no better way to do it.

246 SEN. TIMMS: I don't understand why we have to set a dollar amount now because I think the bill for

lottery allocation will be one of the last bills passed - just as it was last session.

253 CHAIR FAWBUSH: The Speaker and the President want the lottery allocation bill to be passed early. They want it done before the last of the session so that the lottery money does not get used for other things. If we don't get this done, there will be a lot of last minute effort to capture revenue for other budgets from the lottery.

265 SEN. TIMMS: How will HB 3474 move through the process?

268 CHAIR FAWBUSH: I do not yet have agreement on that. The assumption was that HB 3474 would come straight to the Senate Trade Committee from the House Trade Committee. There needs to be a lot of trust in this process.

283 SEN. HILL: Did the House Trade Committee request this funding list be assembled?

288 MILLER: This bill did not originate in the Trade Committee. It came from the chief sponsor - REP. BUNN. None of the funding proposals and programs in HB 3474 originated in the House Trade Committee.

308 CHAIR FAWBUSH: There is \$8 million recommended in the Governor's Budget for workforce. REP. BUNN created a bill to allocate that \$8 million.

315 SEN. HILL: The House Committee was in charge of looking at the workforce issues. We need a recommendation from them to work with.

337 CHAIR FAWBUSH: We have the flexibility to work with this. We do not have to accept this list or HB 3474. If you want to do workforce training and assure coordination we could set guidelines, etc.

346 SEN. HILL: I want the House to give me their work product for us to review.

347 CHAIR FAWBUSH: What if we don't get it for another two weeks?

349 SEN. HILL: They have been telling us to get done with our work. It seems to me we are "jumping the gun" on the House. I want to respect their work product as I want them to respect ours. If we don't do this, we are going to have problems.

365 CHAIR FAWBUSH: I think there is a practical reason to complete the lottery allocation bill. The presiding chairs have a strong motive for that and I agree with it.

378 SEN. TIMMS: This process illustrates why the Ways and Means Committee meets jointly. If we don't get the lottery bill done, we will lose it and it will get done in Ways and Means.

397 CHAIR FAWBUSH: That is the difficulty. This is different from other committees in that we are dealing with substantive and budget issues. It was much easier to do jointly than separately.

404 SEN. HILL: I will take what the House does on faith, if that is what it comes down to. But I want to assure it is their work product or has their approval. I don't want to insult their process.

414 CHAIR FAWBUSH: Then maybe we need to forget the line items and just consider the dollar level that should be allocated for workforce training.

439 SEN. HAMBY: I have several questions I need answered about these programs. I need to leave the meeting soon but I would appreciate responses at another time.

TAPE 109, SIDE B

030 SEN. HAMBY: Continues with list of questions.

077 WARD: Presents EXHIBITS F and G. These materials were prepared to discuss with the House Trade Committee at its meeting this morning; however, there was not time for a presentation of HB 3474.

178 BOB BAUGH: This relates to issues of follow-up, the role of business in training, etc. We would like to serve as a catalyst to inspire business/labor organizations to become more involved in these issues of education and training. That is one way we can achieve the goals of America's Choice.

210 VICE CHAIR HILL adjourns the meeting at 5:05 pm.

Submitted by,

Jeri Chase
Office Manager
EXHIBIT SUMMARY

EXHIBIT A -Summary of Workforce Legislation, submitted by Tami Miller, 1 page

EXHIBIT B - Workforce Quality Council Summary/SMS on HB 3133, submitted by Tami Miller, 5 pages

EXHIBIT C - Workforce Program Funding Requests Comparison, submitted by Tami Miller 1 page

EXHIBIT D - Proposed Engrossed HB 3474, submitted by Tami Miller, 15 pages

EXHIBIT E - SMS on HB 3474, submitted by Tami Miller, 5 pages

EXHIBIT F - Programs Proposed under HB 3474 for 1991-93, submitted by Darryl Ward, 2 pages

EXHIBIT G - HB 3474 Program Fund Grouping and Allocation Provisions, submitted by Darryl Ward, 1 page