

Senate T&E Committee
May 20, 1991
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HB 3133 - PH

SENATE LEGISLATIVE COMMITTEE
ON TRADE AND ECONOMIC DEVELOPMENT

May 20, 1991Hearing Room 343
3:00 P.M.State Capitol
Salem, OR

Tapes 123 - 124
Workforce Quality Council

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:REP. RAY BAUM, HOUSE DISTRICT 58
 REP. BOB PICKARD, HOUSE DISTRICT 54
 MARILYNNE KEYSER, GOVERNOR'S ADVISOR ON
 WORKFORCE/EDUCATION/DIRECTOR OF THE OFFICE OF
 EDUCATIONAL POLICY AND PLANNING

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 123, SIDE A

000 CHAIR FAWBUSH convenes the meeting at 3:28 p.m.

HB 3133 (Workforce Quality Act) - Public Hearing

007 MILLER: Begins presentation of Staff Measure Summary on HB 3133A (EXHIBIT A).

052 REPRESENTATIVE RAY BAUM: Begins testimony in support of HB 3133A. Presents "Workforce Quality Council" (EXHIBIT B).

124 CHAIR FAWBUSH: What happens if the Council doesn't sign off on an agency's

budget/operating plan? Is there an implied veto power?

128 REP. BAUM: We had that discussion. The exact language of the bill addresses this in Section 6 (Page 2) of the bill. The use of the word "oversight" was changed to assure that, on a statewide policy basis, the policies are carried out by the agencies - autonomously as long as statewide policy goals are being carried forth. If they don't, it will come under the Council's jurisdiction to assure these policy changes. The Council has the power to approve operating plans. This is not a process of micromanagement of operating plans. Section 9 of the bill discusses the review and approval of operating plans and budgets. Most of the agency heads will be on the council. The business and labor components will have some control - the ultimate consumers of education and training programs.

182 CHAIR FAWBUSH: This seems real close to having a veto authority, but it is not real clear that this will require an agency to cooperate.

194 MILLER: The bill says that annual operating plans "must be reviewed and approved" before agency implementation.

201 SEN. TIMMS: This is a continuation of accomplishing an inventory of job training; now we are trying to get more control and oversight in training. Can you follow budgetarily where the money goes?

213 REP. BAUM: The \$8 million is not directly related to this bill. Those allocations are included in HB 3474. This council will review and recommend the expenditure of those funds in their second year of operation. They have \$80 or \$90 million in JTPA, other vocational funds, and other training funds for them to coordinate, avoid duplication, etc.

219 SEN. TIMMS: So this council will watch where the funds from the state and the federal government goes to?

234 REP. BAUM: Yes.

241 MILLER: The House Committee did not leave in a mid-year exchange of responsibility for oversight of those funds (in HB 3474). HB 3474 is consistent with HB 313 3; the money is managed by EDD for one more biennium (as it was last biennium) and the Council will make recommendations to the Legislature for expenditure of these funds next biennium.

263 REP. BAUM: At the state and the local level the majority of membership of the Council will be business and labor representatives. There will be no additional staffing needed for this council - staff will be provided by the Office of Educational Policy and Planning.

284 REP. PICKARD: Begins testimony in support of HB 3133A. This bill has received a great deal of thought and work and is a good piece of legislation that I recommend.

313 SEN. HAMBY: There are no lottery funds attached to the council?

314 REP. BAUM: No.

318 SEN. HAMBY: You took into consideration the Attorney General's opinion on appropriate lottery fund spending?

358 REP. BAUM: Yes. But in this bill we are not giving any money to administration. I don't think we will have a problem with that.

387 SEN. DUFF: Do you have a way to measure the success of this program?

407 CHAIR FAWBUSH: That is a very important point that we spent a lot of time on last session that has been incorporated into this measure.

408 MILLER: HB 3133 directs the council to oversee the continued development of the Occupational Program Planning System (OPPS) - computer tracking system established about four years ago in the Employment Division. That system is used to track graduates of programs (high school, community colleges, JTPA, etc.) to assure that training enabled them to become employed and that employment continued.

441 REP. BAUM: This bill requires that the Council oversee the continued development of this system and requires member agencies to standardize data to meet this system's tracking needs. That will enable us to monitor the effectiveness of training programs and change them if necessary.

453 MILLER: One problem that has impeded the development of this system has been that data collection has not been standardized. This bill will give the Council oversight responsibility and require them to standardize their data so it can be used by OPPS.

473 SEN. DUFF: How many different programs now use OPPS?

481 CHAIR FAWBUSH: That is something technical that OPPS should respond to when we hear from them.

TAPE 124, SIDE A

026 MILLER: Continues to present EXHIBIT A.

127 SEN. HAMBY: What was the resolution (under "Issues Discussed" in EXHIBIT A) of the allocation of the lottery funds issue, unemployment insurance, or centralization plan?

133 MILLER: The bill doesn't change existing law. EDD would continue to manage lottery funds allocated for specific lottery programs under HB 3474 this biennium. The Workforce Quality Council will advise EDD on the management of those funds and recommend uses for lottery funds next biennium. There isn't any unemployment insurance in this bill. The issue of centralization was one that staff raised and the House Committee discussed and is being included in the bill - centralization of services.

182 SEN. JOLIN: It seems like we are doing some consolidation, but we are mainly asking the Council to create a plan that will be brought back to the Legislature in 1993. Why don't we do the plan now?

193 CHAIR FAWBUSH: We are planning to do a little bit of both. The plan will be worked on, but approval authority will happen this biennium.

206 MILLER: This is a mix of both approaches. The reason to wait until next biennium is that there are over 50 training and placement organizations in Oregon run by 13 state agencies - spending over \$250,000 annually. It is impossible for anyone to assess and recommend a plan in this at this time. This bill will bring all providers together with business and labor - the consumers of the product - in order to discuss priorities and where funds should be spent. We need a good analysis of what is currently occurring and then to formulate plans and policy that make sense.

231 SEN. DUFF: What is the size of the staff that this council will have available to them?

237 MILLER: There are six staff in the Office of Educational Planning and Policy.

244 SEN. DUFF: This seems like a lot to accomplish in one biennium.

247 MILLER: That is correct.

251 MILLER: At the time that the fiscal statement was completed (of \$1.7 million in the first biennium), a large amount was from the Office of Community Colleges

and the
Bureau of Labor and Industries, they did not know which bill would pass and
what
authority would govern them - therefore, they did a general fiscal analysis
for all
of the training/education bills. They will now do a revised fiscal
analysis. MILLER
presents EXHIBIT C.

315 MARILYNNE KEYSER: Presents Workforce Quality Council Organization
charts (EXHIBIT
D). This legislation is an attempt to pull the various councils together
into one
group that will advise on policy for workforce/education issues. The
membership is
to satisfy the various requirements by others (federal, etc.) in order to
receive
funds (Carl Perkins funds, etc.). Each member of the Workforce Quality
Council will
also serve on either a subcommittee or another overlapping council (as
indicated on
page 1 of EXHIBIT D). This will involve a major commitment of time and
energy by the
council members. We will stress this when we do recruitment. This will
require
collaboration at other levels of government. OEPP will provide mediation
and
assistance, but we need collaboration and commitment from local communities
also.
The other piece that we in the Governor's Office commit to is the process
of developing
partnerships and collaboration.

TAPE 123, SIDE B

030 KEYSER: Staff will be involved in planning, data requirements, etc.,
and cross-
functional teams involved. Regarding staffing, in addition to our office
(6
professional staff and 2.5 support staff), we also will get the position
(in OEPP)
from the OOICC council that is funded by the federal government. There is
a position
in the Commissioner's Office that staffs the State Apprenticeship and
Training
Council who will also be pulled in to work in collaboration. The SACCVE
FTE's (two)
that are funded by the federal government will also be requested to
participate in
joint planning. The JTPA staff has been reduced from 22 to 15 and a lot of
good
planning has flattened that organization and restructured the program, and
those
staff will also be involved. The important thing is to leverage all of the
resources
available. I will be directing these efforts in addition to the
implementation of HB
313 3.

072 SEN. DUFF: What do you perceive as the biggest challenge of this?

075 KEYSER: The biggest challenge is to get individuals to see the big

picture. This may involve some "letting go" and is often a "turf" issue and giving up responsibility and authority that contributes to the greater of the whole.

087 SEN. DUFF: Can we do anything to assist this.

089 KEYSER: No. HB 3133 already contains the tools. We are planning and working on this already. If we can't make this work, then the council will be back to you with significant restructuring. One challenge is the three statewide elected officials working on this.

110 SEN. HAMBY: Will you be encouraging alternative learning centers? There are good things happening already. I am questioning state oversight of these successful programs.

118 KEYSER: This is an attempt to be consistent with the language in HB 356 5. Whatever passes in that bill is what we will do. We are not creating the agenda in that area. It will be very important for the Council to know about the successful efforts that are occurring.

148 SEN. HAMBY: Do you have any of the adult worker components represented on the Council?

157 KEYSER: Yes we do - AFS, Voc Rehab., etc.

190 SEN. HAMBY: I am also concerned about the emphasis on Apprenticeship Programs - I don't want this just tied to that.

195 KEYSER: This bill does not limit the Council to look at whatever strategies they feel appropriate to achieve their goals. The specific strategies may be assigned, but the Council can also establish their own.

210 SEN. TIMMS: Section 9 is the portion of the bill that will make this happen. I am worried that the council would not have the legislative support to get some things done with only one legislator as a member. I am glad that Section 9 is included.

237 MILLER: Section 9 is important in oversight and review of operating plans.

268 SEN. DUFF: How many departments are using the OPPS tracking system now?

270 KEYSER: All of us are using the tracking system to some extent. The system depends on social security number. The council will have to decide how to track people through the 50 training programs - if that will be possible. There are databases that won't

combine; computer systems that are different; etc. We need to work on this.

298 SEN. DUFF: What are your chances of accomplishing that and what would the timeframe be?

303 KEYSER: That will not happen in the next two years. It will be a big challenge - there is no integration of computer systems.

309 SEN. DUFF: Then there is a real problem with being able to evaluate - within two years - whether or not you have been successful.

311 CHAIR FAWBUSH: What is the Employment Division's estimate on this?

314 MILLER: The Employment Division is not sure either; they felt they could put the system together in a way to serve everyone if the data was standardized across agencies and submitted like that.

328 SEN. DUFF: What is the estimated number of people that participate in training programs in a year?

329 KEYSER: For instance, 22,000 go through AFS (JOBS), and 30,000 through JTPA - those are just two programs. That doesn't include Community College and K-12 programs. The best effort we are making now in data collection is in JTPA and the New JOBS program. The Employment Division has worked on these until we are now prepared to do joint monitoring and follow-up on participants.

360 SEN. TIMMS: We have come a little ways in several years. There was a time when we didn't even know which departments were providing training.

370 KEYSER: Another issue is how we measure government - we measure by input (the amount of funds, the numbers of FTE, the paper processed), but we have not measured outputs in any significant way. That is the direction we need to go.

373 MILLER: The audit that was done by the Legislative Fiscal Office also does not include number of individuals served. This was very frustrating to them - they were unable to determine this. This also means that we are not able to tell what the cost per person served is.

430 MILLER: Within the Workforce Quality Council will be a subcommittee (for JTPA purposes). Do decisions made by this subcommittee have to be approved by the full council?

460 KEYSER: The Department of Labor would accept a decision made by the subcommittee without full council ratification. That subcommittee is who the authority is invested in.

471 CHAIR FAWBUSH: I would assume that all of the subcommittees (subcouncils, etc.) would have to bring their recommendations to the full council. To allow JTPA to act independently would undermine the process. All should have the same standards.

477 KEYSER: That would also be my preference.

478 MILLER: The Council would be authorized to set up regional coordinating councils who will meet together and work up an agreement on what services will be provided by whom. Do these coordinating agreements need to be approved by the full council? From discussion in the House Committee I would say yes, but I am unclear.

TAPE 124, SIDE B

030 CHAIR FAWBUSH: That is the only way to assure consistency.

031 SEN. TIMMS: The regional committees are the key to the process. But they do need to be coordinated.

038 SEN. DUFF: I am concerned about the increase in enrollment in community colleges in college transfer credits. Blue Mountain Community College has a 15 percent increase in this - not for job training. I do not want the concentration on job training to detract from the needs of four-year degrees.

049 MILLER: I will draft amendments to include OEPP's staffing responsibilities in statute and to pull the Oregon Occupational Information Coordinating Committee into the full Council since that waiver has been obtained.

055 SEN. TIMMS: These programs are spending a great deal of money; we need to economize.

070 CHAIR FAWBUSH: The question is how much more will they be able to do within existing resources.

073 SEN. TIMMS: I hope we are striving for a better product.

075 CHAIR FAWBUSH: That is one reason why OPPS is so important. Without the data, we cannot make any statements or prove anything.

078 SEN. HILL: Did the LFO audit include a total amount that is being spent on job training?

079 MILLER: \$264 million (federal, state, and other) is spent on job training, education, and placement.

082 SEN. HILL: Is the idea to have this council coordinating all of that?

083 MILLER: Yes. JTPA is the largest portion of that - \$80 million. It is expressly stated in the bill that the council has responsibility/authority to set policy for the allocation of JTPA funds. It is the intent to achieve the same type of control over other federal funds (Carl Perkins, etc.) for training and placement by collapsing those councils into this statewide body.

097 SEN. TIMMS: There are a lot of restrictions on the spending of federal funds and we will not have a lot of flexibility in that. However, if we can interface it with state programs, that is the advantage - cohesion.

113 CHAIR FAWBUSH adjourns the meeting at 5:03 p.m.

Submitted by,

Jeri Chase
Office Manager

EXHIBIT SUMMARY

EXHIBIT A -Staff Measure Summary on HB 3133A, submitted by Tami Miller, 4 pages

EXHIBIT B - "Workforce Quality Council", submitted by Rep. Ray Baum, 1 page

EXHIBIT C - Workforce Quality Council Organization charts, submitted by Marilynne Keyser, 2 pages