

Senate T&E Committee  
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SENATE LEGISLATIVE COMMITTEE  
ON TRADE AND ECONOMIC DEVELOPMENT

June 03, 1991Hearing Room 343  
3:00 P.M.State Capitol  
Salem, OR

Tapes 136 - 137  
Workforce Quality Council  
Port Planning and Marketing Fund  
Minority/Women Business Mentor Relationships  
Professional Technical Education

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:GREG BAKER, MANAGER, PORTS DIVISION, ECONOMIC  
                                  DEVELOPMENT DEPARTMENT  
                                  REP. MARGARET CARTER, HOUSE DISTRICT 18  
                                  RUTH KAHN, MANAGER, SMALL BUSINESS PROGRAM,  
                                  ECONOMIC DEVELOPMENT DEPARTMENT  
BOB BAUGH, ADMINISTRATOR OF PARTNERSHIP DIVISION/  
                                  WORKFORCE DEVELOPMENT MANAGER,  
                                  ECONOMIC DEVELOPMENT DEPARTMENT  
                                  SENATOR JOYCE COHEN, SENATE DISTRICT 13  
                                  DARRYL WARD, DIVISION OF VOCATIONAL EDUCATION

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 136, SIDE A

000 CHAIR FAWBUSH convenes the meeting at 3:18 p.m.

HB 3133 (Workforce Quality Council) - Work Session

010 TAMI MILLER: Presents the Proposed -7 Amendments to HB 3133A (EXHIBIT A) and Hand Engrossed version of page 5 that includes the two new amendments that were requested by SEN. DUFF and SEN. HAMBY (EXHIBIT B). These amendments are included in the -7 Amendments.

025 MILLER: There is one more amendment that needs to be made on Page 4, Section 7 of the A-Engrossed version. Section 7 is the section that authorizes the Council to designate regional workforce committees throughout the state who will be preparing formal agreements/plans between service providers. Subsection (d), Line 35, should read "that the Council shall establish plans and agreements for regions that are unable to reach agreements independently." The words "The Council shall" need to be inserted. Subsection (d) will then become Subsection (2), with other subsections below being appropriately re-numbered.

038 MOTION: CHAIR FAWBUSH MOVES the adoption of the Proposed -7 Amendments to HB 313 3A, as amended above.

VOTE: There being no objection, the above amendments are adopted.

039 CHAIR FAWBUSH: I do not believe this bill needs to be referred to the Committee on Ways and Means and the sooner we can move it the better.

044 MOTION: SEN. JOLIN MOVES HB 3133A, as amended above, to the Senate Floor, with a Do Pass recommendation, and requesting that the Senate President rescind the subsequent referral to the Committee on Ways and Means.

049 VOTE: Passes, 4-0. Voting AYE: SENATORS, DUFF, JOLIN, TIMMS, and FAWBUSH.  
EXCUSED: SENATORS HAMBY and J. HILL.

HB 2263 (Port Planning and Marketing Fund) - Public Hearing and Work Session

055 MILLER: Presents Staff Measure Summary on HB 2263A (EXHIBIT C).

076 GREG BAKER: This bill merely extends the sunset date to 1995. Presents "Port Planning and Marketing Grant Program Total Grants Awarded (As of May 31, 1991)" (EXHIBIT D).

105 CHAIR FAWBUSH: What kind of planning are you going to do next after everybody has done their strategic business plan?

108 BAKER: We still have three ports that need to do their strategic business plans. After that plan, there are different levels we can continue with - a fiscal management planning process (focuses on real estate and other lines of business), land assemblage planning, etc. This is an effort to enable to ports to concentrate more on how to get their assets to be more productive so they

will rely less on the state.

124 CHAIR FAWBUSH: Do we want the ports to have the ability to use the loan fund any more and, if so, to what level? I am a little uncomfortable about them coming back next time and showing that every port has done more business plans. I think there is a point of time when enough of those have been done. But, the planning is important.

145 SEN. HILL: The justification is that more money is needed for planning? What is the amount that is needed?

151 CHAIR FAWBUSH: It is at the same ongoing level. What was the total that was spent last time?

153 BAKER: Approximately \$245,000. We estimate approximately the same amount for this biennium. We have a small carry-over, so the actual fiscal impact is for \$268,000, but the transfer is about the same level.

160 CHAIR FAWBUSH: Are we going to be able to sunset this or is it going to be a permanent feature?

161 BAKER: No. It was discussed in the Committee on Ways and Means and that is why there is a sunset date of 1995.

177 MOTION: SEN JOLIN MOVES HB 2263A to the Senate Floor with a Do Pass recommendation.

182 VOTE: Passes, 5-0. Voting AYE: SENATORS DUFF, J. HILL, EX HAMBY

HB 3174 (Minority/Women Business Mentor Program) - Public Hearing and Work Session

184 MILLER: Presents Staff Measure Summary on HB 3174 (EXHIBIT E).

213 REPRESENTATIVE MARGARET CARTER: This bill was developed cooperatively with the Oregon Association of Minority Entrepreneurs. It is designed to bring about better relationships with agencies, attempt to get more minorities involved, etc. Our agencies have not done well with this. This is to encourage those agencies. EDD would be able to monitor and be available to provide direction and assistance. It is truly a mentorship relationship that we are looking for. I would encourage your support.

272 RUTH KAHN: We are very comfortable with this piece of legislation as amended. We will encourage the mentorship program through our small business program, through attending OAME, tying businesses together, getting them in contact with SB DC's for one-on-one counseling, and any other things we can do.

280 SEN. HILL: Is there a requirement in the bill that there be a report back to the legislature on the success of this?

281 REP. CARTER: There is not a mandate for that, but it is encouraged. The bill states that OAME would develop a report and that EDD may evaluate that report.

287 SEN. HILL: For the record, what does EDD intend to do with regards to that?

294 KAHN: I would hope that OAME would prepare the report and we would review it. Because of staffing problems, I cannot take on additional workload.

300 REP. CARTER: This office - Office of Minority Entrepreneurs - has not had a hired person. MS. KAHN is serving as interim personnel. This Committee and the House Committee need to review this issue.

315 SEN. HILL: I would just like something on the record that every attempt will be made to report back to us as to how much mentoring has actually occurred. Unless we know what is happening, I don't see any point in doing it at all. I would be happy with a commitment - verbally - that some kind of report will be made back to this committee on how much mentoring has occurred.

317 KAHN: It is part of my vision to include minorities, women, and emerging small businesses under the small business umbrella. I have not been able to complete that, because of diminishing resources. I have a small business consortium that meets bi-monthly and I could include that on our bi-monthly agenda and compile that information at the end of the biennium.

355 REP. CARTER: I am confident that EDD's director will make these issues a priority.

365 SEN. TIMMS: How many staff do you have?

368 KAHN: I had two staff people, but because of the lottery shortfall, I was cut to one staff person.

385 SEN. TIMMS: I wonder what we are getting done there now.

387 KAHN: The computerized small business hotline is in place. Marketing and public-private cooperation activities are diminished. I would like to tie into the other small business programs through a computer database and have requested the resources for that. There is a business assistance officer in each agency that we can questions to. The program is very strong.

460 MOTION: CHAIR FAWBUSH MOVES HB 3174A to the Senate Floor with a Do Pass recommendation.

444 VOTE: Passes, 5-0. Voting AYE: SENATORS DUFF, HAMBY, J. HILL, TIMMS, and FAWBUSH. EXCUSED: SEN. JOLIN.

TAPE 137, SIDE A

HB 3474 (Vocational Technical Education) - Public Hearing

022 BOB BAUGH: Refers to blue folder (EXHIBIT F). There are 4 areas for which EDD has had most responsibility. The first area is the Occupational Program Planning System. The second is in workforce assessment. We worked directly with the Oregon Progress Board and the Oregon Literacy Survey resulted. A small amount of funding is being requested for the 1991-93 biennium to do a couple of things: follow-up on some of the benchmarks that deal with the applied adult education portions - looking at what percentage of payroll are being invested in workforce training and having a better understanding of education/training systems and partnerships with the private sector. This is part of an overall strategy and will help to set benchmarks in this area.

063 BAUGH: Two other programs within EDD are Targeted Training and Key Industries. We work in partnership with the Community Colleges on these. Targeted Training was first started two sessions ago. It provides customized training for individual firms. There is a list in EXHIBIT F that overviews projects that have been developed ("Key Industry Training Projects"). Key Industry Program is another program that has been very successful.

115 SEN. HAMBY: How were the funds spent for rural health (\$80,000)?

120 BAUGH: Community colleges provided the training portion of that - they purchased the system and went in to the four hospitals and the training was provided to existing staff. The issue with rural hospitals is that the front line staff are expected to also be managers and perform many tasks differently than in urban hospitals. They are having problems with turnover, lack of training experience, management techniques, etc.

133 BAUGH: The idea for this developed during the creation of the state's strategic plan. Industry identified that there is a great deal of difficulty getting industries to work together. Associations primarily deal with lobbying and regulatory issues.

145 SENATOR JOYCE COHEN: It is even more than just getting them together. It is getting them to sit down and develop a curriculum - the bottom-line elements that workers in an industry need. Agree on the basics and then do specific organizational training after that. Establishing a baseline for training of sectors of industry. This is a different approach.

165 SEN. DUFF: I notice that the value-added food processing industry is not included in this list.

171 SEN. COHEN: This is competitive.

175 SEN. DUFF: The community college in my area is already working on some of this type of training. Are they eligible?

178 BAUGH: Yes. We have worked with Blue Mountain on a regular basis -

especially on several targeted training projects. Time and money have constrained us and this is just a start-up that has been going for 1 1/2 years.

204 SEN. HAMBY: Regarding the workplace literacy project, had they ever attempted to contact their community colleges themselves? Did the business contribute financially to this training?

210 BAUGH: Yes. They had actually met with the community college previously and it did not work out. They were overwhelmed by the breadth. We waited for something to come from this and when nothing did we went back to them and asked them what they needed most to start with. They targeted this item and selected a community college to work with. The firms invested some of their owns funds and they paid the employees while they were being trained.

227 SEN. TIMMS: Was Treasure Valley Community College involved in the rural health training?

232 BAUGH: No. It was in Pendleton (at Blue Mountain), in Lincoln City, and in the Columbia Gorge.

238 SEN. TIMMS: That is a problem in all rural hospitals.

243 BAUGH: We have also suggested some possibilities to the regional strategies people but the hospital itself couldn't take advantage of that at the time.

250 SEN. TIMMS: Are you working with the Regional Strategies people on this? Throughout the state or in specific areas.

253 BAUGH: Yes. It is on a case-by-case basis. We work with them as much as possible.

269 SEN. HAMBY: I would like to request that you present information showing with the amount contributed by private industry.

274 BAUGH: The program works on a matching basis with private industry.

278 CHAIR FAWBUSH: What is the total amount of match that has been generated?

281 BAUGH: Our match is at least one-for-one. I will get those actual numbers for you.

295 BAUGH: In HB 3474, we have requested the same amount of funding as allocated to these programs last biennium. The exception is that we would like some flexibility in order to do some capacity building to address the issue of working with associations on workforce development. As SEN. COHEN stated this is a challenge for us. The role of associations is very different in Europe than in the United States. There are a number of ways to do this - work with business/education, engaging unions in this process, etc. How to get them to be more active partners?

325 DARYLL WARD: Begins presentation of EXHIBIT G (Page 1). A strategy that has been effective has been to do as much of this on a regional basis as possible (map of Oregon in EXHIBIT G).

409 WARD: Presents page 19 of EXHIBIT G (regarding matching funds).

428 SEN. JOLIN: Can you tell me about pages 22 and 23? (Summary of Workforce 2000 Funds Recommended for Allocation to Community Colleges and Education Service Districts - from EXHIBIT G.)

432 WARD: Yes. These are the pages that show who applied and if they received anything.

TAPE 136, SIDE B

039 SEN. HAMBY: I am interested in tracking the dollars spent (refers to Page 2 of EXHIBIT G). How were the student leadership funds actually spent?

045 WARD: Page 2 (of EXHIBIT G) summarizes the actual accomplishments for each category. The funds went for instructor time, expenses for statewide student leadership training, small amounts for curriculum materials, activities in recruitment, etc. Total enrollment increased by about 20 percent. I don't believe any of these dollars were backfilled from local funds; RFP's specifically state that these funds can only be used if current expenditures are maintained.

070 SEN. HAMBY: How were the funds expended for the Work Experience program?

077 WARD: Most of those funds went towards purchasing additional staff time to work at setting up cooperative work sites. There are very few actual employees left at the secondary level.

085 SEN. HAMBY: Regarding the Business Internship program, were the 75 staff teachers that were paid through the grant?

092 WARD: The 75 staff participated last summer. Each of those people that participated was eligible for a stipend of \$9 per day for travel expenses and they were not on salary during the training. In some instances businesses paid expenses rather than the stipend being paid. The teachers time in the internships varied from three to six weeks.

115 SEN. HAMBY: I need some further explanation regarding skill centers.

124 WARD: The monies that this program is providing is bringing about a variety of aspects on the campus. Each of those skill centers that exist - Yamhill, Northeast Portland, SOC, Rogue - have become much larger than the grants provide. The schools have found this is a logical place to group a variety of services that best impact these clients.

144 WARD: The instruction of this Committee last session was to access

those people that are the most hard to train. Those people traditionally have a great deal of difficulty accessing these services adequately. That is what the funds for these skill centers have been spent for - outreach to locate these services together.

160 BAUGH: JTPA and the Employment Division are now operating jointly in one place.

177 WARD: There is often a gap between the service being in place and it actually being accessed by those who need it most - the very clients the skills centers are trying to help.

182 SEN. TIMMS: In reviewing this, approximately \$100,000 has been spent in half of the state of Oregon.

What are the problems in relating these programs to rural areas?

192 WARD: I don't think there are any problems. There is more than \$100,000 spent in rural areas.

199 SEN. TIMMS: I only see a small amount of funding in Malheur and Union; nothing in any other areas of my district.

211 WARD: Lake county funds are included under Klamath County. If you go through what this committee considers rural area, then more money was spent than \$100,000. There are many rural areas that received a great deal of important funding - Wasco ESD, the Coast area, etc.

234 SEN. TIMMS: Looking at my district only, Malheur ESD received the only funding. This is a great program. I appreciate that you are working in rural areas, but there is 1/3 of the state that is not receiving benefits of this.

261 SEN. COHEN: I am really pleased that we got the funds as widely dispersed as we did. The infrastructure in rural areas (responding to RFP's etc.) can make it very difficult for them to participate. I am hoping that we can get even more of the state covered during this next biennium if funding is continued. "These are, at least the 2+2 voc tech things are one-time, you know, we are not going to re-do them, they have organized themselves and gotten the job done and now we have got to move on to others that haven't had an opportunity."

295 SEN. JOLIN: It looks like what you have done in some of the more remote rural areas is you have directed funds in a regional manner so there can be more coordination. I think that might be more cost-effective.

304 MILLER: The Workforce 2000 required that 1/3 of the grants go to the rural areas and that requirement is included in this bill as well.

316 SEN. HAMBY: What I am most concerned about is that I think teachers - if they want to be recognized as professionals - they should feel an obligation to update



themselves. It is not acceptable for a teacher to sit in isolation.

349 SEN. COHEN: The addition in that area to HB 3474 is the section on developing sites for HB 3565. That may be the ideal, but we need to mobilize and this is a way to start.

364 CHAIR FAWBUSH: If it needs to be done and local district aren't going to do it and teachers aren't going to do it, how else can we do it?

369 SEN. HAMBY: That is a problem with our Teachers and Practices Commission. Every other profession is mandated to continually update themselves. Why can't we expect the same from teachers? Why should we pay them to do it when we don't pay other professions?

375 CHAIR FAWBUSH: In many private businesses, that expense would be covered out of fees that would be charged for services.

392 WARD: I think a lot of teachers, administrators, and counselors spend a lot of time in updating themselves but the incentive needs to be there to get the districts to change. Much of what needs to be done needs done across districts.

425 CHAIR FAWBUSH: Do you have any qualitative results?

427 WARD: We are just starting to get some. The unemployment insurance file follow-up program is getting started and we are able to collect the 2+2 students and identify them so we will actually be able to track them next year. We can tell you in several of the regions what has happened to 2+2 students as far as moving to college, but we can't tell you much about the results of that yet.

430 CHAIR FAWBUSH: Have you built in any evaluation procedures?

463 WARD: Each grant requires them to have an evaluation plan that is approved at the same time the grant is approved. Those evaluation reports will be due in our office at the end of this summer. The one thing that may be missing in this program is that we did not set aside any funds to do a statewide evaluation. You may want to consider that in HB 3474. We will have the UI follow-up on these students next year. We had planned to use some money for the statewide evaluation but the shortfall stopped that.

TAPE 137, SIDE B

030 WARD: Continues to present EXHIBIT G (page 2). Work Experience has not gone as well as we would have liked - did not get spread out enough. In the new act we would propose that every 2+2 program have three additional elements: 1) the structured work experience; 2) applied academics; and, 3) some kind of pre-vocational or pre-technology base in that program. We started some of that this year, but we would require it in this next biennium.

048 WARD: Continues to present EXHIBIT G (page 2).

067 SEN. DUFF: I am concerned about how these programs relate to the rural areas of the state. Could we have a component of a skill center or a technology center be located out of the metropolitan areas?

074 WARD: Two of the four skill centers are in rural areas now. It is your prerogative to indicate that a new center be located in a rural area. One of the considerations we have had in discussion is how will the center relate to dislocated workers in the timber industry. The center at SWOC (Coos Bay) has been of a lot of benefit to those people.

092 SEN. DUFF: In the Coos Bay area, the workers are more concentrated than they are in my district. I am concerned that this type of program concentrates the program within a narrow geographic area.

102 WARD: Mileage distance does present a particular problem. The center as Coos Bay has conducted sessions, etc., away from the site - in Coquille, etc., so as to better reach them. It is essential to try to reach them in their area if you can.

108 SEN. DUFF: Have skills centers been used train people in English as a Second Language?

112 WARD: That is being done in the Yamhill Center.

117 BAUGH: The centers are meant to be responsive to the population of the areas they are located in. We discussed initiating an ESL workplace based program with furniture companies at Blue Mountain but it didn't work out. I am aware of that need in that area.

132 SEN. COHEN: Go to Blue Mountain and get people together creatively to apply for innovative ideas.

142 CHAIR FAWBUSH: The skills center were built to serve concentrations of dislocated populations. The question is how to do that in a dispersed area? What is the best mechanism to do that?

146 SEN. COHEN: Over past years, we have tried to distribute funds on a per capita basis and that just doesn't work.

153 BAUGH: They have really focused in your district. Schools made choices; they did not apply for everything that was available. We directed them to determine what their priorities were, what their needs were, and what they could do well.

168 SEN. HAMBY: I hope you are using the literacy efforts - volunteers. The literacy component is most impressive.

186 CHAIR FAWBUSH: I have some questions that need to be addressed at the next hearing. A lot of these programs were started as experiments. The programs proposed in HB

347 4 are pretty similar.

Therefore, during the experience this biennium: What priorities would you set? Did you use any priority? Did anything get left off of the list? If so, why? What is the nature of these programs - are we looking at permanent programs or are we still experimenting? I want to discuss why this list is remarkably similar to the last one. These programs were supposed to be experimental and we were not going to look at establishing permanent programs until these had been fully evaluated. I need to be reassured about evaluation. There is a lot of good stuff on here. Some of us are not comfortable with it because we did not have the opportunity to put it together. We want some assurance that there are some priorities, that there has been consideration on what would be cut first and last, what isn't on the list, and what the long term future for these programs is and where the funds are coming from. Those questions have not yet been raised. Anyone interested in this bill needs to be prepared to address these questions.

231 SEN. DUFF: I would like an updated summary of funding.

241 CHAIR FAWBUSH: I have one additional question that needs to be addressed. What standard are we using for selection of these programs? How does that standard fit with America's Choice and the Workforce Quality Council? I am looking for a standard of evaluation for these programs. What is the evaluative standard? What is the overall guiding principle behind this \$8 million package? How does it tie in with other programs? How does it fit?

276 SEN. DUFF: In the bill itself, on Page 2, lines 15, 16, 17, we need to amend it to include government (so that it is consistent with the changes to the benchmarks).

292 CHAIR FAWBUSH adjourns the meeting at 5:04 pm.

Submitted by,

Jeri Chase  
Office Manager

EXHIBIT SUMMARY

EXHIBIT A -Proposed -7 Amendments to HB 3133A, submitted by Tami Miller, 2 pages

EXHIBIT B - Hand-engrossed version of HB 3133A (page 5 only), submitted by Tami Miller, 1 page

EXHIBIT C - Staff Measure Summary on HB 2263A, submitted by Tami Miller, 1 page

EXHIBIT D -Port Planning and Marketing Grant Program Total Grants Awarded,

presented by Greg Baker,  
2 pages

EXHIBIT E - Staff Measure Summary on HB 3174A, submitted by Tami Miller, 2  
pages

EXHIBIT F - Folder of Information on Workforce 2000 Programs, submitted by  
Bob Baugh

EXHIBIT G - Workforce 2000 Legislative Report, submitted by Darryl Ward, 24  
pages