

Senate T&E Committee
June 12, 1991
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SENATE LEGISLATIVE COMMITTEE
ON TRADE AND ECONOMIC DEVELOPMENT

June 12, 1991Hearing Room 343
3:00 P.M.State Capitol
Salem, OR

Tapes 148 - 150
Forest Research Institute
Workforce

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: RAY WILKESON, LEGISLATIVE DIRECTOR, OREGON FOREST
 INDUSTRIES COUNCIL
 DARYL WARD, DIVISION OF VOCATIONAL EDUCATION
 KIT YOUNGREN, ASSISTANT DEAN OF INSTRUCTION, CLACKAMAS
 COMMUNITY COLLEGE
 BOB BAUGH, 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 148, SIDE A

000 CHAIR FAWBUSH convenes the meeting at 3:25 p.m.

HB 2419B (Forest Research Institute) - Public Hearing and Work Session

002 CHAIR FAWBUSH: We have tentatively adopted the proposed B-6 amendments to HB 2419B. The industry requested some time to poll membership to see what their response would be.

006 RAY WILKESON: Presents written testimony in support of the Proposed B-6

Amendments to HB
241 9B (EXHIBIT A).

023 MOTION: SEN. JOLIN MOVES a proposed amendment to HB 2419B-6 (EXHIBIT B).

VOTE: There being no objection, the above amendment is adopted.

026 CHAIR FAWBUSH: This bill has a subsequent referral to the Committee on Agriculture and Natural Resources. They will probably be involved in a conference committee relating to the Forest Practices bill. I would like to hold this bill in Committee until that issue is resolved. The Senate President has agreed that we could do that. He will not close this Committee until we have moved this bill out.

HB 3474 (Professional-Technical Education) - Public Hearing and Work Session

065 TAMI MILLER: You have requested information on funding for the Advanced Technology Centers.

070 DARYL WARD: Presents Advanced Technology Center Budget Detail (EXHIBIT C) and Oregon Advanced Technology Consortium 1991 - 93 Biennium (EXHIBIT D).

110 CHAIR FAWBUSH: What do you see as the mission for this ATC? What does it actually do? What kind of training? Where do graduates get placed?

112 KIT YOUNGREN: The mission of the ATC is technology transfer - acting as an intermediary between research done by universities, government, etc., and small/medium companies that do not have the ability to do research and development or testing technologies. We identify these technologies and then share it with businesses/industry. After they identify something they would like to investigate, we pursue setting up an applied research activity that allows them to see if this new technology can assist them. After this has been decided, we do advanced training of engineers, production managers, key operators, etc., so they can install and utilize this new technology in their workplace. That is what we have been trying to do. The purpose of the original grant was to demonstrate our ability doing that.

190 CHAIR FAWBUSH: What is the mix of resources and how are you beginning to develop the ability to be self-sufficient?

196 YOUNGREN: We are proving to businesses that we have the ability to help them be more competitive. That will encourage them to pay for the time, testing, and training. We may not keep the laser technology that we have - we have proven its efficiency. If someone comes along with another technology for us to research and we have exhausted the current technology (laser equipment), we will remove that and install something else. This is flexible space dependent upon industry.

217 CHAIR FAWBUSH: Is there any other example you have worked on (besides the laser)?

219 YOUNGREN: We have been working on a computer management system to tie their departments together.

229 CHAIR FAWBUSH: That is not tech transfer, it is management.

230 YOUNGREN: It is a new process for companies whose departments are having a difficult time interacting.

231 CHAIR FAWBUSH: It is still not technology transfer; it is a business procedure.

232 YOUNGREN: It makes themselves more efficient and productive, in the company's eyes.

235 CHAIR FAWBUSH: I agree with that. But it still does not make it technology transfer. I am trying to understand the role that you are identifying for yourself.

243 BOB BAUGH: One portion of the Advanced Technology Center's function is working with the firms; part of the technology is to lead to a more high performance workplace. That is the interface of technology, people, and systems. It is not out of line to talk about management systems that leads to Just In Time manufacturing processes that relate to the productivity of the equipment and technology that is being implemented.

263 CHAIR FAWBUSH: You are splitting hairs. Just tell me that the centers will be involved in management training as well as technology transfer. That would be another issue.

268 WARD: Last biennium this Committee reviewed three clear purposes of an ATC. Two of these purposes have been covered: technology transfer and training of persons to use the equipment. The other purpose was the consulting role to make businesses more productive in their use of the high technology.

280 CHAIR FAWBUSH: Those are three important functions. EDD has been involved in key industries. Some of us have seen networks - that are similar to what you are describing for the ATC. Networks based on compatible industries with similar needs. What is the ATC's role if these activities are spun off as a result of applied technology? Testing the product and training is consistent. Then what? Management? Marketing? This could lead to a full blown network system. Do you go that route or do you refuse to deal with those issues?

317 BAUGH: The focus has been on the production process and the keys to making that work. The ATC is not involved in marketing/sales. It is difficult to separate machine

technology from process
technology. That does fulfill the mission. They have not and do not plan
to engage in marketing plans,
etc., and do not plan to.

337 CHAIR FAWBUSH: Where do you draw the line? Are you going to just help
them with their
management systems? Is that the end? What happens when they are done with
that? What would you
do with them?

341 YOUNGREN: They would be on their own - as far as we are concerned. We
have no long term
obligation to continue servicing that technology. If there is no request
for it, it leaves and the next
technology comes in. The purpose of this is to make industry more
efficient and productive. Our
purpose is to advise them of technologies developed and identified that
they can self-select things that
will be beneficial. When we have done our job, that operation is
discontinued. The actual training may
need to be continued; but that would occur at an individual community
college and not the ATC.

372 MILLER: The mission of these ATC's was discussed during the House
Committee's hearings. During
this discussion, RICK LEVINE was discussing projects for training. This
discussion was on the question
of when the ATC is actually doing technology transfer and when it is just
training employees on new
equipment. There is an important distinction. My understanding is that
the Committee intended the
ATC to do training on technology that has moved from the research area to
the workplace. Not just
do training for a company that purchases equipment it does not know how to
use.

396 MILLER: Regarding EXHIBIT C, what Other Funds were available? For this
biennium there were
federal funds attached to this project; there were contributions from the
private sector, etc. Is there a
breakdown of that?

412 YOUNGREN: There were three different projects going on in Wilsonville:
1) targeted training (to
develop new workers and retrain existing workers for the precision metal
fabrication association); 2) a
federal grant to Clackamas Community College to develop curriculum that
would use manufacturing
processes to develop basic skills in new workers in computer-controlled
operations; 3) the ATC. When
you see that there were federal funds, understand that none of those funds
went to support the ATC
portion. That was a different activity that was occurring in the same
building. We do not expect federal
funds for the ATC for next biennium.

450 WARD: EXHIBITS C and D pertain to the 1992-93 biennium.

TAPE 149, SIDE A

028 MILLER: How will the funds be divided between the four colleges?

034 YOUNGREN: \$150,000 is divided four ways - between Mt. Hood Community College, Portland Community College, Chemeketa Community College, and Linn-Benton Community College. Clackamas is the fifth member. The purpose is to expand the delivery of ATC services to companies beyond the association that this project clearly identified we were going to work with. Our purpose is to take what we have learned during the past biennium and expand it to other manufacturing areas. We are hoping to develop a staffing model with four outreach people that understand the ATC mission who could do assessment and consultation with companies in their areas.

052 CHAIR FAWBUSH: So the \$35,000 - \$40,000 per school would be to purchase staff (partial)?

053 YOUNGREN: Yes. They could either use these funds to replace other funds for a staff person or hire a new person for that purpose. It would be their choice.

058 CHAIR FAWBUSH: And these staff would make business/industry in their areas aware of what you are doing?

060 YOUNGREN: Not just make them aware of what we are doing, but work with them as they identify technologies that they might be interested in.

065 CHAIR: What does EDD plan to do to keep track of these activities - applications of technology? Are you going to be doing some of that tracking?

074 BAUGH: We work with the community colleges/ATC to do that. We are coordinated in that as we work with firms to put industry groups together we refer back to our other partners for service delivery - training, technology, etc. We want to identify the ones that are not working together and get them to do that.

102 CHAIR FAWBUSH: Ideally you would be a reference to the ATC's.

106 SEN. TIMMS: Do you use any of the lottery funds (equipment for community colleges) for this program? Does that program interface with this program?

114 YOUNGREN: To this point there has been no other state dollars from lottery sources put into this project. The initial agreement was for the college to provide the facility and leadership, and then industry would provide the equipment. That has happened. We have approximately \$750,000 in equipment that has been donated by industry. We anticipate receiving another \$1 million worth next biennium.

127 SEN. TIMMS: I share CHAIR FAWBUSH's concerns about where you are going. This is a process that could grow and grow, with more funds being requested. There will

always be new technology and that need. I worry about a program that is working only in areas outside the rural portions of the state. I am not against it if it is interfaced with industry and other funds so it can become self-sufficient. We don't have to worry about Wilsonville growing, but it isn't growing in my part of the state.

154 YOUNGREN: One goal was for the ATC in Wilsonville to be a demonstration site that would serve the five community colleges in the consortium and the community college system as a whole. We have set in place a plan that would hopefully make the training developed through this new technology research available to all community colleges.

169 SEN. TIMMS: So you are communicating with the other community colleges? So they could use this technology?

170 YOUNGREN: Yes.

171 BAUGH: This center has developed a consortium that is a model of cooperation among districts/schools.

200 YOUNGREN: We meet monthly with all the community colleges to talk about what we have done, what we hope to do, and how we will proceed. We have got indications that some of the other community colleges (Central Oregon and Lane) would like to become involved.

205 WARD: The \$150,000 previously discussed is the budget for the first year of the next biennium; \$200,000 would be for the next year of the biennium.

225 CHAIR FAWBUSH: If the total recommended allocation for ATC's is \$800,000, that means that a little less than half of that (\$350,000) is going to be parceled out to community colleges for outreach.

229 YOUNGREN: Parceling it out may be a misrepresentation. What we will do is develop a staffing pattern that will deliver those services. Those people may or may not be staff housed at that community college. They will be coordinated and directed out of the ATC in Wilsonville. The services will be delivered to those other areas?

233 CHAIR FAWBUSH: Why didn't you just develop that capability in-house?

234 YOUNGREN: We could have. The point is that we wanted you to recognize that we wanted to expand that service to those other areas.

239 CHAIR FAWBUSH: If this is really playing a positive role, and the community colleges are benefitting, why do we have to provide them money to involve themselves? I would think that would be an obvious function of community colleges - they should be interested in this? Is this going to be coordinated in Wilsonville or will there be four separate individuals in the system that

you will coordinate through
Wilsonville?

259 YOUNGREN: There will be four separate individuals that will be
coordinated through Wilsonville.

264 CHAIR FAWBUSH: They will then answer to their own community colleges as
well as to you in
Wilsonville. That amount of funds gives you a full FTE in each college.

273 CHAIR FAWBUSH: How is your ongoing budget going to become
self-sufficient? This would be a
major allocation of non-technical people. How will you maintain the
technical portion? The majority
of your funds for personnel is going into marketing and information staff,
not technology.

291 YOUNGREN: The technical project coordinators are technical staff with
expertise in manufacturing.

292 CHAIR FAWBUSH: Will they be on-site in Wilsonville doing testing with
cutting edge technology and
manufacturing applications?

295 YOUNGREN: No. But they will have to know about them.

296 CHAIR FAWBUSH: Who's going to do those functions? According to this
information (in EXHIBIT
C), five people out of seven are going to be involved in marketing
functions.

297 YOUNGREN: There will be three people in Wilsonville who have the
expertise to carry on the
research and application. The time-consuming part of this process is
consultation with the companies
so that we all understand the technology and how the application of it will
affect their industry. Then
we can do the research so it is meaningful - actually applied to a
business/industry. That is what these
positions will do. They will have to be strong in technical skills and
manufacturing processes so they
can do what we need.

321 SEN. DUFF: How many instructors in the community college system did you
train or work with in this
process?

326 YOUNGREN: We have not worked with any community college instructors, in
terms of training. We
have had a number involved in laser technology awareness workshops that we
ran in Wilsonville to make
business and industry aware of the potential uses of laser cutting. All
community college consortium
partner instructors were invited to take part in these.

354 SEN. DUFF: You seem to be talking about upgrading skills of community
college instructors.

357 YOUNGREN: No. That is not what we would be involved in. We would hope
that community college
instructors and secondary school instructors will take advantage of

activities that would make them more aware of new technologies, but we have not done staff development.

370 SEN. DUFF: It is my understanding that, as an example, a company would develop a new product (like a laser cutting device) and then instead of taking it to each manufacturer and demonstrating its use there, they bring it to you and you are performing that task for them.

378 YOUNGREN: It has not worked that way yet. However, that is one offer we made to U.S. Amada - if they loaned us a machine, they could use it as a showroom to bring potential customers in. It has not had to work that way. What has happened is that companies have come to us and asked us to prototype parts that they need for use/sale and then used that prototype to compare the old versus new technology.

397 SEN. DUFF: In my district, we lost a high technology firm (a manufacturer of food processing equipment) because of the tax system. Are you doing anything with food processing in technology transfer?

400 YOUNGREN: Chemeketa has a high interest in food processing. That is a very compatible manufacturing process and we are trying to share information about technologies with those companies.

412 SEN. DUFF: How would you approach a company? The companies must not be coming to you and asking you to do this. Otherwise you would not need the people in the other areas.

417 YOUNGREN: We agreed in the last biennium to set up a demonstration. Not to solicit business. Now we are doing that because we want to become self-sufficient. We need to be in contact with a lot more businesses. We would envision sending out copies of new technologies that have application to various industries through contacts and mailing lists. We will maintain and provide the library service in Wilsonville of these technologies, but it would be up to the companies to contact us. Once that happens, it takes a lot of discussion about how that may be applicable. This is where the other people will work. We need contacts closer to the businesses. It may be more feasible to do the training aspect closer to the company's home than Wilsonville may be.

461 SEN. DUFF: How would you adapt this to an industry that is not state-wide?

462 YOUNGREN: We will share what is learned through the research with the community colleges in those areas. We will not attempt, in Wilsonville, to draw people into the area. The community colleges in the areas will utilize the information if they chose to do so.

480 SEN. TIMMS: Wouldn't bringing machines in to your location and encouraging its use as a "showroom"

be competing with the private sector? Isn't there someone that would market a machine that was developed?

485 YOUNGREN: Not that I am aware of. You have to realize that, in the case of the laser technology, the machines are extremely large and expensive. It cost us \$30,000 to bring the laser machine that we have in and get it set up. And ours is comparatively small (1000 watts).

TAPE 148, SIDE B

030 SEN. TIMMS: I get nervous about us making excuses to do something that is already being done by the private sector.

041 MILLER: Has U.S. Amada sold any machines as a result of this?

047 YOUNGREN: Yes. They sold five machines. The one on the floor at Wilsonville is also set to be delivered to a company in Portland in at the end of June. We have a tentative agreement that they are going to replace that one with a 1500 watt laser.

049 MILLER: If a company can set up a machine in your center, show it to other businesses, prove that it has application to them, and then sell them, why don't they pay you some fee for providing them with that marketing service?

063 YOUNGREN: We had to work very hard to get them to loan that machine. I would like to negotiate a fee for that and am going to try to get them to pay a larger portion of the costs for the next one. I don't want to pay another \$30,000.

074 MILLER: You could spend the equivalent of those funds to send businesses to California to view the machines.

077 YOUNGREN: But we couldn't do the prototyping there. People have come from other areas of Oregon with floppy disks holding CAM drawings of a part and be back at their place of business before afternoon with a prototype of a newer part. Thus, he can actually know the value of the machine to his company - tested already - before purchasing. That is the value - and Amada also sees that as a value. They see the Northwest as a growing area for manufacturing and a good place to test their product.

092 SEN. TIMMS: It is important that we start charging fees to businesses who use our services. We have to begin to provide revenues for services. I am against unfair competitive advantage because of government assistance.

119 CHAIR FAWBUSH: We spent \$600,000 on the ATC last biennium. Five companies purchased machines from a major manufacturer. It looks to me like we have subsidized U.S. Amada to sell its machines. Why is that an inaccurate view?

132 YOUNGREN: Because you deny northwest companies the ability to improve; you deny them the ability to become more competitive. We can show you evidence of factories in Asia that have laser-cutting machines and are producing tremendous amounts of product. In this country we have a false impression that we are stuck with a machine when we buy it. If something newer and better comes along, the company cannot take the chance and invest in it unless it can demonstrate its value prior to purchase. That is currently missing and we are providing it. You can look at it as doing a service for Amada, but without their loaned machine it can't be demonstrated and our companies would not be able to purchase and use new technologies to improve the economic stability of the region.

149 SEN. TIMMS: You need to find a happy medium.

150 CHAIR FAWBUSH: Assuming this is your last biennium to receive lottery funding, how are you going to become self-sufficient.

155 WARD: RICK LEVINE testified that monies for ATC's and skill centers were included in their General Fund budget request, but was left out of the Governor's budget. He testified that they would include this request in next biennium's budget. It could also come from local general funds.

167 CHAIR: So you perceive this would be ongoing state funding?

170 WARD: Not necessarily this ATC, but any new centers would need funding for start-up costs.

171 CHAIR FAWBUSH: Has there been any thinking that this function would fit into the community college structure and that they would fund it.

174 WARD: That is what I am saying. The funding would come from community college revenues which are one-third general fund, one-third local property funds, and one-third from students and fees.

181 CHAIR FAWBUSH: What about earned income? There is potential for earned income?

184 WARD: We have demonstrated that this is beneficial for companies. I believe that income will increase, but I do not know how fast it would increase or how soon it would be able to the centers.

190 YOUNGREN: These ATC's are a trend that has been spreading across the country. Statistics of these early ATC's that have become self-sufficient have done so in approximately five to seven years. We would like to have that as a goal, recognizing that those centers have had large influxes of funds - in the millions -for the start-up they need. That is not necessarily the system that we think is appropriate for Oregon; we think the way we are doing it is more suitable to us. We would like to have a goal of

becoming self-sufficient in five to seven years.

211 WARD: We have tried a different approach in Oregon that those back east. There they have funded an entire campus or part of one with new buildings, new funding mechanisms, and it has been very expensive. We have tried to utilize a college's building, plans, the work of other colleges, etc., to have a more cost-effective operation.

228 CHAIR FAWBUSH: I think you understand our concerns. If it is valuable then somebody ought to pay for it. You have a total of seven staff who are coordinators/marketers of the program, I don't understand who is doing the research. The level of cooperation from other community colleges - whether or not they are merely going to take your money or really participate in the program. We need to concentrate on that technology transfer. I would like it to be more than a showcase for businesses to sell their latest wares. I also would like to see a relationship with EDD as they develop their Key Industries Programs that address the needs. I have a whole lot of questions that I don't have good answers to. Everything included in this piece of legislation is going to be up for reconsideration next biennium and we will not be going through this same process of having a list given to this committee on a take it or leave it basis. It is a great idea I would just like to see it work.

277 SEN. DUFF: Have you considered developing a non-profit structure?

279 YOUNGREN: We had preliminary discussions of this early on - that eventually this may develop into something outside of the community college structure. We have not pursued that because at this point we haven't established any information that says that would work.

295 CHAIR FAWBUSH: What else have you been involved in besides the laser technology?

297 YOUNGREN: Nothing else.

298 CHAIR FAWBUSH: How many people have actually been trained on laser technology?

300 YOUNGREN: Close to 150 people in awareness types of activities around that technology.

304 CHAIR FAWBUSH: How much of that training has been on the technology and how much related to management systems?

305 YOUNGREN: All of it was on the technology; no management systems training.

306 CHAIR FAWBUSH: What do you expect to be doing next in terms of technology transfer applications?

307 YOUNGREN: I do not know.

311 CHAIR FAWBUSH: \$700,000 for that is not proof enough. When you return in two years, I hope you have a long list.

315 YOUNGREN: I would agree. We opened our doors one and one-half years ago for one purpose. We have demonstrated that we could do what we would said that we would do - technology transfer.

325 SEN. HAMBY: How many jobs have you produced? What does "training people to an awareness level" mean?

330 YOUNGREN: So that they understand how laser technology operates and fits within the manufacturing process - how set a machine up, run it, maintain it, etc.

340 CHAIR FAWBUSH: When this bill go forward to Ways and Means I may include a list of concerns and questions that it has raised. There may be some budget notes out of this that address performance expectations.

349 CHAIR FAWBUSH: How many of the projects on this list still have unexpended funds? I want to know what level of start-up we are at and whether or not those funds are going to be carried over or expended before the end of the fiscal year.

355 BAUGH: I believe that the funds will be expended by the end of the year.

357 CHAIR FAWBUSH: Are these funds being expended merely because it is the end of the year or are they being expended legitimately?

358 BAUGH: Both.

359 CHAIR FAWBUSH: How can we prevent that? Why do they feel threatened that they have to expend all of their funds?

364 BAUGH: This is a state-wide budgeting problem. We have discussed this with the Department of Education. One thing that happens, like happened this time - shortfalls in lottery funds and an uncertain budgetary process in the next biennium. In EDD we do a lot of carry-over in various projects. The timelines just do not end in the biennium. There is a problem in the Department of Education because they have to expend their funds in the biennium allocated. Therefore, as we approached the end of this biennium, they followed their usual procedures which is - by law - they have to expend in the same biennium. We have had this discussion and are trying to work it out.

399 CHAIR FAWBUSH: I was not aware that in the past when we allocated funds, there was no requirement that the money had to be expended within a two-year timeline. We have lots of lottery funds carried over.

405 BAUGH: The Department of Education is operating under budget constraints that makes them feel that they have to do it within a certain timeframe.

408 CHAIR FAWBUSH: Why do they feel like that?

413 WARD: None of the money is going to be used for anything that hasn't been approved in the proposals. Our agency has followed the practice of expending funds within the biennium that it has been approved for expenditure. Our budget officers will not allow us to carry it over without special authorization.

443 RICK LEVINE: The interpretation of state budgeting laws that we have gotten is similar to the process that DHR and other departments follow. When you have a budget set for a biennium that budget is intended to be spent during that biennium unless Ways and Means or the Emergency Board allows us to carry that over and give us a new budget line item, we have no authority to expend those funds outside of the biennial budget. We cannot spend those dollars in the next year unless Ways and Means will authorize it.

472 SEN. FAWBUSH: Is it worthwhile for us to try to reach the same understanding that we have with EDD that those funds could be carried over?

474 WARD: It would be beneficial to the programs if a policy such as that had been in place during the middle of the year.

TAPE 149, SIDE B

030 MILLER: The Skills Center for Northeast Portland has only opened four months ago - last February?
Are you saying they will spend their entire allocation by June 30?

038 BAUGH: The structure had a grand opening. But the Skill Center was temporarily housed somewhere else much earlier.

041 LEVINE: We agree with the problem but these are education budget guidelines.

040 CHAIR FAWBUSH: I would like to see this issue dealt with by the time this bill gets considered in the Committee on Ways and Means.

045 BAUGH: That would be helpful for all of us. We were not aware of this problem until it came up.

048 CHAIR FAWBUSH: We will need an accurate assessment of dollars that would be carried over and which programs this would particular affect. I would like to be able to do evaluation of programs without people thinking their carry-over funds are going to be pulled.

057 MILLER: During the first quarter of the new biennium there will be no funds for most programs

because of the necessity to fund light rail. Any unexpended balances would be very useful for those programs with ongoing expense from July through September.

063 BAUGH: When does the first quarter come in with payment? How long before programs will receive their funds?

068 MILLER: The lottery biennium begins April 1. From April through June, they collect the funds for distribution in July/August.

090 SEN. HAMBY: Presents Amendments to House Bill 3474-A (EXHIBIT E) - portion that amends page 3 of the printed bill.

098 CHAIR FAWBUSH: What requirements for reporting is currently in the bill?

099 MILLER: The bill requires EDD to report to the Trade Committee annually about the status of the programs. There is no descriptive information about what the report will be like. This would produce information that is consistent about each program.

105 SEN. DUFF: Could we also include the unexpended funds issue in this amendment?

107 CHAIR FAWBUSH: We could add an amendment for unexpended funds. This bill requires match. I am interested in an amendment that would require an evaluation of their future funding status so that they could tell us, next session, how this would be funded in the future (assuming no lottery funding).

123 SEN. HAMBY: I would like to see the jobs developed. Persons served is included.

129 MILLER: Most of these programs are too disconnected from the job market for them to do that.

132 CHAIR FAWBUSH: The question is what are their standards for success. What are the program's goals and an analysis of whether or not they met those. There is some of this in (7) (a) and (d) but this language needs to be tightened up. What the goals are and quantifiable numbers of achievement.

159 MOTION: CHAIR FAWBUSH MOVES conceptual amendments to: 1) deal with the issue of unexpended funds; 2) require an evaluation of the programs' future funding status; and, 3) that changes language in (7) (a) and (d) to require goals and an analysis of how those goals have been met.

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

161 SEN. HAMBY: Continues presentation of EXHIBIT E - amendment on page 5

of the printed bill (6).

This amendment would allow a line item of \$100,000 in order for Washington County Business Education Compact to replicate the national program on a state level.

201 MOTION: CHAIR FAWBUSH MOVES the adoption of the above described amendment.

220 SEN. DUFF: I want to be sure this is a program that will be adaptable to all community colleges in the state.

215 SEN. HAMBY: There is no distinction between high school and community colleges in Washington County. The training applies to all math and science teachers.

229 SEN. DUFF: Would they have to come to Washington County to be trained?

230 SEN. HAMBY: No. We are hooked up by computer to 12 sites across the nation. Nobody has to go anywhere.

233 SEN. TIMMS: The computer system is compatible with other areas?

234 SEN. HAMBY: Yes.

235 CHAIR FAWBUSH: We are facilitating it at Washington County because they are already involved.

238 VOTE: There being no objection, the above amendment is adopted.

245 SEN. HAMBY: Continues presentation of EXHIBIT E - on page 5 of the printed bill, line 42 (relating to skill centers). This language needs to be amended as follows: Delete "on line 42, insert after the period:" Delete "Skills training centers". Insert "Developmental sites". This is a concept that has nothing to do with skills centers. It would be inserted into the printed bill in Section 10 as a new subsection.

264 MILLER: This new language would still be on line 42 and the amendment should have read "developmental sites" from the beginning. "Skills training centers" was a mistake.

270 SEN. HAMBY: This language would assure that you don't have to try the new approaches in Section 10 (the section that deals with establishing model schools for America's Choice) as a lone district.

279 SEN. JOLIN: But the intent of this language still allows things to be very competitive in relationship to skills centers throughout the state.

281 SEN. HAMBY: Due to the passage of Measure 5, I don't think there is a lone school district that has the funds to move in this direction. There may, however, be neighboring districts that may find a building and share in the costs with inter-district cooperation. This language would encourage and allow state-of-the-art business and industry employees to come in and teach if

TSCP will give a waiver. That would allow greater communication between business/labor and educators.

304 MOTION: CHAIR FAWBUSH MOVES the amendment in EXHIBIT E, as described above.

VOTE: There being no objection, the above motion is adopted.

313 SEN. DUFF: There are places in the bill that refer to businesses and industries transform their operations to high performance work organizations. I would like to see "government" included.

325 MILLER: This section is reiterating the recommendations of America's Choice and that means something very specific.

339 SEN. DUFF: The Department of Transportation is involved in an effort to do those very same, specific model. This may be able to be used in other governmental sectors.

351 SEN. TIMMS: ODOT is also doing more contracting. They have de-emphasized the governmental functions and contracted functions out to the private.

355 CHAIR FAWBUSH: I think it is a good concept. It may not fit into this bill that does not deal with government employees or workers in this bill.

368 CHAIR FAWBUSH: This Committee needed a lot more time to work this bill. Advanced Technology Centers is the only program that we have really thoroughly been able to question. If I had my way I would kill the bill in protest to the lack of scrutiny that this bill has gone through.

384 SEN. DUFF: Section 8 should be designed so that community colleges throughout the state would be eligible to put a skill center together and that putting a center in a specific site may not be as important in the larger districts.

398 MILLER: You are referring to previous testimony on criteria that EDD and DOE will use to decide where the new skill centers are located. The discussion was about placing those in areas of the greatest need. Great need should also be considered for an area that may be larger than others, thereby resulting in less concentrated need.

410 CHAIR FAWBUSH: Is there the flexibility for that?

418 SEN. HAMBY: I am confused by the language as to whether we are committed to funding the four skill centers that exist and establishing another one or whether we are committed to funding all new skill centers.

420 WARD: The Request For Proposal criteria that we used this past biennium would have allowed for what SEN. DUFF is asking. If you want additional emphasis placed on

geographic need, rather than population need. Last year we emphasized population need and went to areas where there was high concentration of those people, not exclusive of any geographic area.

470 SEN. DUFF: I am asking if the rules are flexible enough for the community college can serve a wide geographic area rather than it having to be focused in a structure on concentrated populations in small geographic areas.

480 WARD: It could be clearly defined in the RFP that the center be more mobile or have outreach activities.

490 SEN. HAMBY: I have located the language in the bill (page 4, lines 32 and 33) that states our commitment to continued funding of the four existing skill centers. I would hope that this is open.

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032 SEN. HAMBY: If there are proposals that are more worthy than continued funding of a skill center that could stand on its own, that you would do that.

038 BAUGH: Of the four that exist, there is a continuation issue. We want to determine the appropriate level of funding for those; to assure that the level is accurate and appropriate and where the need is the greatest.

048 SEN. HAMBY: I also do not want to see backfill of local general fund dollars.

050 BAUGH: We are not doing any backfilling of activities that ever previously were done by the local areas.

055 MOTION: SEN. HILL MOVES HB 3474A, as amended to the Committee on Ways and Means, with a Do Pass recommendation.

VOTE: Passes, 6-0. Voting AYE: SEN. DUFF, HAMBY, J. HILL, JOLIN, TIMMS, and FAWBUSH.

060 CHAIR FAWBUSH adjourns the meeting at 5:23 pm.

Submitted by,

Jeri Chase
Office Manager
EXHIBIT SUMMARY

EXHIBIT A -Written testimony on HB 2419, submitted by Ray Wilkeson, 1 page

EXHIBIT B - Proposed Amendment to HB 2419-B6, submitted by Sen. Jolin, 1 page

EXHIBIT C - Advanced Technology Center Budget Detail, submitted by Daryl
Ward, 1 page

EXHIBIT D - Oregon Advanced Technology Consortium 1991-93 Biennium,
submitted by Daryl Ward, 5
pages

EXHIBIT E - Memo of Amendments to HB 3474-A, submitted by Sen. Hamby, 2
pages