# House Bill 2399

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#### **SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.** 

Modifies duties of State Workforce Investment Board, Department of Community Colleges and Workforce Development, and Education and Workforce Policy Advisor. Specifies members and terms of board. Requires board to develop statewide plan for workforce development, make recommendation for workforce development investment funding, conduct biennial review of local workforce development programs and approve local plans. Requires certain workforce development programs to submit plans to board for approval.

## A BILL FOR AN ACT

Relating to workforce development; creating new provisions; amending ORS 660.306, 660.312, 660.315, 660.318, 660.321 and 660.324; and repealing ORS 660.309.

## Be It Enacted by the People of the State of Oregon:

**SECTION 1.** ORS 660.306 is amended to read:

660.306. (1) The Legislative Assembly finds that: [all Oregonians should benefit from the advantages of Oregon's growing economy. The responsiveness and flexibility of providers of education and workforce development services are critical to the continued success of Oregon's economy. Involvement of key interested parties in identifying current and future workforce needs will be critical to matching the needs of the workplace and economy with the development of trained workers. Therefore, it is hereby declared the policy of the state to support and promote the best possible education, training and employment for its citizens through effective statewide policy, planning, coordination and service delivery.]

- (a) The health of Oregon's economy is fundamentally linked to the health of industry sectors and the availability of a skilled workforce;
- (b) An effective workforce development system integrates public education, job training and employment efforts and provides workforce training aligned with industry demands; and
- (c) The involvement of industry in identifying current and future workforce needs is necessary to the development of programs that will prepare workers with the specific skill sets required by existing and emerging industries.
- [(2) It is the purpose of ORS 660.306, 660.312 and 660.315 to provide advisory and technical services under the executive direction of the Governor to support the efforts of state government:]
- [(a) To integrate education and workforce development by coordinating the contributions of participating segments and providers;]
  - [(b) To achieve and maintain excellence in education, training and employment; and]
- [(c) To connect education to social and economic commitments generally and workforce development in particular.]
  - [(3) The Legislative Assembly further finds that the statewide workforce development and education

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- 1 coordinating functions established in ORS 660.306, 660.312 and 660.315 include job creation and eco-2 nomic development activities within the meaning of section 4 (3), Article XV of the Oregon 3 Constitution.]
  - (2) The Legislative Assembly declares that it is the policy of this state to establish a coordinated workforce development system to provide to Oregonians the best possible education, training and employment opportunities that are consistent with existing and emerging industry demands.
    - **SECTION 2.** ORS 660.321 is amended to read:
  - 660.321. (1) A State Workforce Investment Board [shall be created under] is established in conformity with section 2821(b) and (c) of the Workforce Investment Act of 1998 to assist in the development of the State Unified Workforce Plan established under ORS 660.324 and to carry out the other functions described by the federal Act.
  - (2) The membership of the board shall be in accordance with the requirements of section 2821(b) of the federal Act. The board shall consist of 19 voting members and two nonvoting members as follows:
    - (a) The Governor;

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- (b) The Chancellor of the Oregon University System;
- (c) The Commissioner of the Bureau of Labor and Industries;
- (d) The Commissioner for Community College Services;
- 20 (e) The Director of the Economic and Community Development Department;
- 21 (f) The Director of the Employment Department;
  - (g) The Superintendent of Public Instruction;
    - (h) Ten members who represent business, appointed by the Governor;
    - (i) Two members who represent labor organizations, appointed by the Governor; and
  - (j) One member from each house of the Legislative Assembly who serve in an advisory capacity and are nonvoting members. The member from the House of Representatives shall be appointed by the Speaker of the House of Representatives. The member from the Senate shall be appointed by the President of the Senate.
  - (3) The term of office for the members appointed by the Governor is four years. A member appointed by the Governor serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on the expiration of the term of the member who is being replaced. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.
  - [(3)] (4) Representatives of business described in section 2821(b)(1)(C)(i) of the federal Act who are appointed to the board shall be confirmed by the Senate in the manner prescribed under ORS 171.562 and 171.565.
  - [(4)] (5) The Governor shall select a chairperson in accordance with the requirements of section 2821(c) of the federal Act.
- 40 [(5)] (6) A majority of the voting members of the board shall be representatives of business, 41 as described in section 2821(b)(1)(C)(i) of the federal Act.
  - [(6) Members of the Legislative Assembly appointed to the board are nonvoting members of the board and may act in an advisory capacity only.]
- 44 (7) To transact business at a meeting of the board, a quorum of voting members must participate. 45 A quorum shall consist of a majority of the voting members. At least 25 percent of the members

participating shall be representatives of business, as described in section 2821(b)(1)(C)(i) of the federal Act.

#### SECTION 3. Notwithstanding the term of office specified in ORS 660.321, of the:

- 4 (1) Ten representatives of business first appointed to the State Workforce Development 5 Board after the effective date of this 2009 Act:
  - (a) Three shall serve for a term ending January 1, 2012;
  - (b) Three shall serve for a term ending on January 1, 2013; and
  - (c) Four shall serve for a term ending on January 1, 2014.

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- (2) Two labor representatives first appointed to the State Workforce Development Board after the effective date of this 2009 Act:
  - (a) One shall serve for a term ending on January 1, 2013; and
- (b) One shall serve for a term ending on January 1, 2014.
- 13 <u>SECTION 4.</u> Section 5 of this 2009 Act is added to and made a part of ORS 660.300 to 660.339.
  - <u>SECTION 5.</u> References in ORS 660.300 to 660.339 to the "federal Act" or "federal Workforce Investment Act" shall be construed to refer to the federal Act as it is in effect on the effective date of this 2009 Act.
    - **SECTION 6.** ORS 660.312 is amended to read:
  - 660.312. (1) The Governor shall be responsible for a coordinated and comprehensive response to education and workforce issues. The Governor shall appoint an Education and Workforce Policy Advisor, who serves at the pleasure of the Governor. The advisor shall, with the advice of such advisory committees as may be appointed or assigned, advise the Governor on policy, planning and coordination for education and workforce development in Oregon.
    - (2) The duties of the advisor [shall] include, but are not limited to:
  - (a) [Guiding the development of state-level policy related to education and workforce issues;] Serving as administrator of the State Workforce Investment Board;
    - (b) Assisting the board and the Governor in the administration of ORS 660.300 to 660.339;
    - (c) Supervising the staff of the board;
  - [(b)] (d) Providing general direction and serving as a liaison between state and local efforts in education, training and workforce development; and
    - (e) Performing other duties as may be assigned to the advisor by the Governor.
  - [(c) Ensuring, through collaboration with the leadership of local workforce investment boards and regional workforce committees, the alignment of statewide, local and regional strategic plans, and the periodic reporting of performance in the implementation of such plans; and]
  - [(d) Consulting with local workforce investment boards and regional workforce committees on the development and implementation of a workforce performance measurement system.]
- [(3) In the performance of duties, the advisor shall collectively involve state agencies, including but not limited to:]
  - [(a) The Department of Education;]
- 40 [(b) The Oregon University System;]
- 41 [(c) The Economic and Community Development Department;]
- 42 [(d) The Department of Community Colleges and Workforce Development;]
- 43 [(e) The Employment Department;]
- 44 [(f) The Department of Human Services;]
- 45 [(g) The Bureau of Labor and Industries;]

- 1 [(h) The Department of Corrections;]
- 2 [(i) The Oregon Student Assistance Commission; and]
- 3 [(j) The Teacher Standards and Practices Commission.]
- 4 [(4) The advisor shall seek input from key interested parties to help guide policy development, in-5 cluding but not limited to representatives of:]
  - [(a) Businesses and industry organizations;]
- 7 [(b) Labor and labor organizations;]
- 8 [(c) Local education providers;]
- 9 [(d) Local government;]

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- 10 [(e) Student, teacher, parent and faculty organizations;]
- 11 [(f) Community-based organizations;]
- 12 [(g) Public-private partnership organizations;]
  - [(h) Independent nonprofit and proprietary post-secondary colleges and schools; and]
- 14 [(i) Regional workforce committees, local workforce investment boards and regional investment boards.]
  - [(5) The advisor shall meet, on a regularly scheduled basis, with the local workforce investment boards, regional workforce committees and such others as necessary to ensure that local interests are represented. The advisor shall seek input, advice and feedback on policy issues affecting state, regional and local education and workforce development from interested parties and other committees formed under ORS 660.306, 660.312 and 660.315.]
  - [(6) Pursuant to ORS chapter 183, the advisor may adopt rules necessary to carry out the duties of the advisor.]

SECTION 7. ORS 660.318 is amended to read:

- 660.318. (1) To implement and oversee state implementation of Title I-B, the Department of Community Colleges and Workforce Development may:
- (a) Receive federal youth activities funds allotted to this state by the Secretary of Labor pursuant to Title I-B and allocate those funds that are not reserved according to an allocation formula recommended by the State Workforce Investment Board and approved by the Governor.
- (b) Receive federal adult employment and training activities funds allotted to this state by the Secretary of Labor pursuant to Title I-B and allocate those funds that are not reserved according to an allocation formula recommended by the State Workforce Investment Board and approved by the Governor.
- (c) Receive federal dislocated worker funds allotted to this state by the Secretary of Labor pursuant to Title I-B and allocate those funds that are not reserved according to an allocation formula recommended by the State Workforce Investment Board and approved by the Governor.
- (d) Establish a procedure for use by local workforce investment boards to identify eligible providers of training services according to section 2864 of the federal Act and to maintain the list of providers identified as eligible by the boards in all local workforce investment areas in this state.
- [(e) Receive the comprehensive strategic plan developed and implemented by each local workforce investment board and review the plan, with input from representatives of state and local workforce programs, to determine if the plan meets the requirements of section 2833 of the federal Act and state policy.]
- [(f) Approve the plans, after review by the State Workforce Investment Board, that are found to meet the requirements of Title I-B and review and approve any amendments to the plans.]
- [(g) Carry out the required and allowable activities described in section 2864 of the federal Act

with the advice of the Education and Workforce Policy Advisor.]

- [(h)] (e) Pursuant to ORS 660.339, establish procedures to maintain the confidentiality of the names and records of participants in workforce programs for which the department is responsible, including circumstances under which the names and records may be disclosed.
- [(i) Establish a method to set performance standards for the Secretary of Labor as required under section 2871 of the federal Act.]
  - [(j) Perform planning functions related to Title I-B programs and performance reporting.]
- (2) The department, in consultation with the State Workforce Investment Board, may adopt rules pursuant to ORS chapter 183 to implement this section.

#### **SECTION 8.** ORS 660.324 is amended to read:

- 660.324. (1) In order to coordinate workforce development planning in a manner that targets workforce development investments in the highest priority job sectors, and to effectively administer state and federal workforce investments, the State Workforce Investment Board shall develop and submit to the Governor a single, unified state plan that outlines a strategy, with quantitative goals, for the statewide workforce investment system for the State of Oregon in accordance with section 2821 of the federal Workforce Investment Act of 1998. Upon the Governor's approval of the state plan, the Governor shall cause the State Unified Workforce Plan to be delivered to the Legislative Assembly.
- (2) [The board shall develop and include in the state plan goals designed to promote Oregonians' self-sufficiency.] In addition to requirements under the Federal Act regarding wage and other goals, the [state] plan shall [include]:
  - (a) Define unmet workforce needs in Oregon.
  - (b) Establish goals for workforce development activities, including, but not limited to:
  - (A) Overall goals for workforce development.
  - (B) Goals designed to promote Oregonians' self-sufficiency.
- (C) Quantifiable goals that will empower Oregonians to gain independence from public assistance and move up the socioeconomic ladder.
  - (3) The board shall assist the Governor in:
  - (a) Developing Oregon's workforce investment system;
- (b) Ensuring timely consultation and collaboration with chief elected officials, local workforce investment boards and other workforce stakeholders, including but not limited to business and labor organizations;
  - (c) Reviewing local workforce plans;
- (d) Developing, as required by the federal Act, allocation formulas for the distribution of funds to local workforce investment areas for adult employment and training activities and for youth activities that are developed by the local workforce investment boards;
- (e) Recommending the duties and responsibilities of state agencies to implement the federal Act, to avoid conflicts of interest and to capitalize on the experience developed by workforce partners who are efficient and effective at meeting the requirements of the federal Act;
- (f) Participating in the development of a coordinated statewide system of activities and services that includes both mandatory and optional partners of the one-stop delivery system, as provided in the federal Act;
- (g) Providing for the development, accountability and continuous improvement of comprehensive workforce performance measures to assess the effectiveness of the workforce investment activities in this state;

- (h) Developing a statewide employment statistics system, as described in section 15(e) of the Wagner-Peyser Act (29 U.S.C. 49L-2(e)); and
- (i) Preparing an annual report and submitting it to the United States Department of Education, the United States Department of Health and Human Services and the United States Department of Labor.
- (4) The board, in partnership with the Governor, shall establish criteria for use by chief elected officials in appointing members to local workforce investment boards in accordance with the requirements of section 2832 of the federal Workforce Investment Act of 1998. The board shall establish the following requirements:
- (a) To transact business at a meeting of a local workforce investment board, a quorum of members must participate. A quorum shall consist of a majority of the members. At least 25 percent of the members participating must be representatives of business, as described in section 2821(b)(1)(C)(i) of the federal Act.
- (b) When appropriate and upon a request from the chief elected official of a county or the City of Portland, the State Workforce Investment Board shall consider the county or the City of Portland to be a candidate for designation as a local workforce investment area. The board shall consult with the county or the City of Portland before designating it as a local workforce investment area. After considering the criteria in section 2831 of the federal Act for designating local workforce investment areas, chief elected officials may submit a request to the board to combine their units of government into a local workforce investment area. The board shall make recommendations to the Governor about the designation of local workforce investment areas. Only the Governor may designate local workforce investment areas. The Governor must show just cause for not designating a requested local workforce investment area. A county or the City of Portland may submit an appeal to the board, as provided in section 2831 of the federal Act, if the Governor does not grant the county's or the city's request to designate a local workforce investment area.
- [(5) The board shall provide guidance and direction to local workforce investment boards in the development of local workforce plans. The State Workforce Investment Board shall adopt policies that:]
- [(a) Require each local workforce investment board, in partnership with its chief elected officials and in accordance with section 2833 of the federal Act, to develop and submit to the Governor and the board a strategic local workforce plan that includes, but is not limited to, performance goals; and]
  - [(b) Permit each local workforce investment board, in consultation with its chief elected officials:]
- [(A) To determine, consistent with the requirements of the federal Act, the appropriate level of services based on the workforce needs in the local workforce investment area; and]
  - [(B) To certify local one-stop operators.]
  - (5) The duties of the board include but are not limited to:
- (a) Guiding the development of state-level policy related to education and workforce issues;
- (b) Ensuring, through collaboration with the leadership of local workforce investment boards and regional workforce committees, the alignment of statewide, local and regional strategic plans, and the periodic reporting of performance in the implementation of such plans;
- (c) Consulting with local workforce investment boards and regional workforce committees on the development and implementation of a workforce performance measurement system; and

- 1 (d) Additional duties assigned to the board by the Governor.
  - (6) In the performance of duties, the board shall collectively involve state agencies, including but not limited to:
- 4 (a) The Department of Education;

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- (b) The Oregon University System;
- (c) The Economic and Community Development Department;
- (d) The Department of Community Colleges and Workforce Development;
- 8 (e) The Employment Department;
- (f) The Department of Human Services;
- 10 (g) The Bureau of Labor and Industries;
  - (h) The Department of Corrections;
- 12 (i) The Oregon Student Assistance Commission; and
- 13 (j) The Teacher Standards and Practices Commission.
- 14 (7) The board shall seek input from key interested parties to help guide policy develop-15 ment, including but not limited to representatives of:
  - (a) Businesses and industry organizations;
  - (b) Labor and labor organizations;
  - (c) Local education providers;
- 19 (d) Local government;
- 20 (e) Student, teacher, parent and faculty organizations;
- 21 (f) Community-based organizations;
- 22 (g) Public-private partnership organizations;
- 23 (h) Independent nonprofit and proprietary post-secondary colleges and schools; and
  - (i) Regional workforce committees, local workforce investment boards and regional investment boards.
    - (8) The board shall meet, on a regularly scheduled basis, with the local workforce investment boards, regional workforce committees and others as necessary to ensure that local interests are represented. The board shall seek input, advice and feedback on policy issues affecting state, regional and local education and workforce development from interested parties and other committees formed under ORS 660.306, 660.312 and 660.315.
- 31 <u>SECTION 9.</u> Section 10 of this 2009 Act is added to and made a part of ORS 660.300 to 660.339.

# SECTION 10. The State Workforce Investment Board shall:

- (1) Provide guidance and direction to local workforce investment boards in the development of local workforce plans. The board shall adopt policies that:
- (a) Require each local workforce investment board, in partnership with its chief elected officials and in accordance with section 2833 of the federal Act, to develop and submit to the Governor and the board a strategic local workforce plan that includes, but is not limited to, performance goals; and
- (b) Permit each local workforce investment board, in consultation with its chief elected officials:
- (A) To determine, consistent with the requirements of the federal Act, the appropriate level of services based on the workforce needs in the local workforce investment area; and
  - (B) To certify local one-stop operators.
- (2) Receive the comprehensive strategic plan developed and implemented by each local

workforce investment board and review the plan, with input from representatives of state and local workforce programs, to determine if the plan meets the requirements of section 2833 of the federal Act and state policy.

- (3)(a) Approve the plans that are found to meet the requirements of Title I-B.
- (b) Provide a written explanation of the deficiencies of plans that are rejected and a timeline for submitting amendments to a rejected plan.
  - (c) Review and approve amendments to plans.

- (4) Carry out the required and allowable activities described in section 2864 of the federal Act with the advice of the Education and Workforce Policy Advisor.
- (5) Establish a method to set performance standards for the Secretary of Labor as required under section 2871 of the federal Act.
- (6) Perform planning functions related to Title I-B programs and performance reporting. SECTION 11. Sections 12 and 13 of this 2009 Act are added to and made a part of ORS 660.300 to 660.339.
- <u>SECTION 12.</u> (1)(a) The State Workforce Investment Board shall conduct a biennial comprehensive review of workforce development program performance and budgets.
- (b) The board shall report the results of the review required by this subsection to the Legislative Assembly in the manner specified in ORS 192,245.
- (2) Workforce development programs seeking state or federal funding must submit a proposed program budget and data supporting the proposed budget to the board in the time and manner established by the board by rule.
- (3) After evaluating all proposed workforce development program budgets and supporting data submitted to the board, the board shall make a system-wide recommendation for workforce development investment funding to the Governor and the Legislative Assembly.
- (4)(a) The board shall adopt by rule criteria that must be met by workforce development programs for consideration for inclusion in the budget review process.
  - (b) Eligible programs include, but are not limited to:
- (A) Programs with the objective of training or retraining workers, preparing students for careers and placement of dislocated workers.
- (B) Adult vocational programs, occupational skills training programs, on-the-job and workplace training programs, career technical education programs and apprenticeship programs.
- (C) Workforce development programs provided by the agencies specified in ORS 660.324 (6).
  - (D) Federally funded workforce development programs.
- (E) Other programs receiving state or federal funds and designated by the Legislative Assembly to be workforce development programs.
- <u>SECTION 13.</u> Pursuant to ORS chapter 183, the board shall adopt rules necessary to carry out the duties of the board.

**SECTION 14.** ORS 660.315 is amended to read:

660.315. (1) The Governor shall designate regional workforce committees to advise the Governor, local workforce investment boards that represent federally recognized workforce areas containing multiple regions, and county elected officials on regional and local needs for workforce development. The committees shall also prepare plans for achieving regional goals and coordinate the provision of services within regions. The committees shall have private and public sector members. However,

- a majority of the members of each committee shall represent the private sector and include business and labor representatives. The chairperson of each committee shall be a private sector member and be elected by the committee.
- (2) The private sector committee members shall play a critical role in workforce development, including but not limited to:
  - (a) Identifying current and future workforce needs;

- (b) Providing feedback on public sector programs;
- (c) Assisting public agencies in changing programs to be more effective in meeting private sector needs; and
  - (d) Being a partner in addressing workforce needs.
  - (3) Private sector members of a committee created under this section shall be appointed by county commissioners and, in the region that includes the City of Portland, the Mayor of Portland. The members of the committee shall reflect the broadest feasible representation from the groups described in ORS [660.312 (4)(a) to (h)] 660.324 (7)(a) to (h).
  - (4) The public sector representatives on the committee are representatives who receive resources and deliver education and workforce programs within the labor market area. Public sector members shall include the broadest feasible representation from, but not be limited to, the following:
    - (a) The Department of Human Services;
  - (b) School districts, education service districts, community colleges, state institutions of higher education and Oregon Health and Science University;
  - (c) The Economic and Community Development Department and local economic development entities;
    - (d) The Employment Department;
    - (e) The federal Act programs; and
    - (f) Other public sector partners.
  - (5) A region may recommend to the Governor an alternate structure for its regional committee, based on regional determination and mutually agreed to by the current public and private sector members of the regional workforce committee and the chief elected officials. The alternate structure must retain a private sector chairperson, appointments of the private sector members as provided in subsection (3) of this section, and substantive public and private sector and other stakeholder participation through formalized methods, such as standing committees.
  - (6) A regional workforce committee shall develop and implement a strategic regional workforce plan that responds to the current and future workforce needs of the regional labor market.
    - (7) The strategic regional workforce plan shall:
    - (a) Consider the supply and demand outlook for the region;
- (b) Identify and prioritize initiatives and resources, both public and private, to meet the regional workforce needs;
  - (c) Articulate and include the coordination of both public and private resources in addressing the workforce needs and goals; and
    - (d) Ensure the most appropriate use of resource investments.
  - (8) The regional workforce committee shall create or enhance the workforce program delivery system to meet the strategic priorities of the region and any strategic priorities of a federally recognized workforce area that includes that region.
  - (9) Within each region, or within overlapping regions, regional workforce committees, local workforce investment boards and regional investment boards shall coordinate their planning efforts

to ensure that the strategic efforts and resource allocation of economic and workforce development of an area are consistent. Regional workforce committees and regional investment boards will extend opportunities to other entities engaged in economic and workforce development programs and services to participate in their joint or integrated strategic planning.

(10)(a) A local workforce investment board that represents a multiregional workforce area shall hold regional workforce committees in the area accountable for any policy and operational responsibilities under 2832(d) of the federal Act that is delegated to the committees in accordance with state policy and local workforce investment board policy.

- (b) A regional workforce committee within a multiregional workforce area is accountable to the local workforce investment board for any policy and operational responsibilities carried out under the federal Act on behalf of the board.
- (c) As it relates to regional responsibilities under this section, a regional workforce committee may, through a vote of the committee, determine the methodology for delegating the responsibilities of the regional workforce committee to a local workforce investment board representing the multiregional workforce area.

SECTION 15. ORS 660.309 is repealed.