

# Senate Bill 1566

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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**.

Declares state public policy to promote coordinated provision of education, employment and job training. Assigns new duties to State Workforce Investment Board. Abolishes regional workforce committees.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to the State Workforce Investment Board; creating new provisions; amending ORS 657.730,  
3 660.300, 660.312, 660.324 and 660.327; repealing ORS 660.303, 660.306, 660.309 and 660.315; and  
4 declaring an emergency.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1. The Legislative Assembly finds that a robust and effective workforce system**  
7 **is necessary to produce a highly skilled workforce, to advance more Oregonians into family**  
8 **wage jobs and to help Oregon businesses compete in a global economy. Therefore, the Leg-**  
9 **islative Assembly declares that it is the policy of this state to promote the coordinated pro-**  
10 **vision of education, employment and job training to:**

11 (1) **Develop a workforce system that is flexible, accountable, outcome-focused and data-**  
12 **driven;**

13 (2) **Meet the needs of employers for skilled, committed and innovative employees;**

14 (3) **Deliver an effective, efficient, highly integrated and responsive workforce system;**

15 (4) **Offer services, including training, skills development, support services, career advice**  
16 **and job matching, that are highly attuned to the needs of employers and the economy;**

17 (5) **Ensure equity in program access, services and outcomes for populations that have**  
18 **historically experienced high levels of unemployment, underemployment and poverty;**

19 (6) **Provide greater economic security and grow a more inclusive and dynamic economy;**

20 (7) **Support the economic health of local communities throughout this state with**  
21 **workforce solutions that meet community needs and advance the prosperity of Oregonians**  
22 **and Oregon-based businesses;**

23 (8) **Build on the WorkSource Oregon network of state workforce agencies, local**  
24 **workforce investment boards and other public and private partners to deliver a comprehen-**  
25 **sive, robust and outcome-oriented array of services to unemployed and underemployed indi-**  
26 **viduals and to businesses seeking employees; and**

27 (9) **Support the achievement of Oregon's 40-40-20 goal in conjunction with the education**  
28 **system and private industry to ensure that more Oregonians who are not currently enrolled**  
29 **in education and workforce training may access opportunities to gain skills and earn cre-**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **dentials to support their employment goals.**

2 **SECTION 2.** ORS 660.300 is amended to read:

3 660.300. As used in ORS 660.300 to 660.364:

4 (1) "Chief elected official" means a county commissioner, a county judge or the mayor of the  
5 City of Portland.

6 (2) "Department" means the Department of Community Colleges and Workforce Development.

7 (3) "Federal Act" or "federal Workforce Investment Act" means the federal Workforce Invest-  
8 ment Act of 1998 (enacted as P.L. 105-220 and codified as 29 U.S.C. 2801 et seq.).

9 (4) "Local workforce investment area" means the City of Portland or a county when the city  
10 or county has been designated as a local workforce investment area under ORS 660.324. "Local  
11 workforce investment area" may include two or more counties that have joined together to form a  
12 local workforce investment area and that have been designated as a local workforce investment area  
13 under ORS 660.324.

14 (5) "Local workforce investment board" means a board established pursuant to section 2832 of  
15 the federal Workforce Investment Act of 1998.

16 (6) "Participant" means a person receiving services under Title I-B of the federal Workforce  
17 Investment Act of 1998 (29 U.S.C. 2801 et seq.).

18 (7) "Participant records" means records relating to matters such as grades, conduct, personal  
19 and academic evaluations, results of psychometric testing, counseling, disciplinary actions, if any,  
20 and other personal matters.

21 **(8) "State workforce agencies" means state agencies that administer workforce pro-**  
22 **grams.**

23 [(8)] **(9) "Title I-B" means the adult, dislocated worker and youth programs delivered under the**  
24 **federal Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).**

25 **(10) "Workforce development" means services designed to help individuals attain em-**  
26 **ployment and progress along career pathways and to help businesses better achieve business**  
27 **goals by more easily finding skilled employees. "Workforce development" includes:**

28 **(a) Education, training and apprenticeship services;**

29 **(b) Labor market analysis;**

30 **(c) Employment and reemployment services;**

31 **(d) Employee recruitment and retention services; and**

32 **(e) Convening, coordinating, oversight and evaluation services for business and state**  
33 **workforce agencies.**

34 **(11) "Workforce programs" means programs that have a primary mission of helping in-**  
35 **dividuals become employed, retain employment, increase wages and progress along career**  
36 **pathways and that are responsible for outcomes related to the primary mission.**

37 **SECTION 3.** ORS 660.312, as operative until July 1, 2014, is amended to read:

38 660.312. (1) The Governor shall be responsible for a coordinated and comprehensive response to  
39 education and workforce issues. The Governor shall appoint an Education and Workforce Policy  
40 Advisor, who serves at the pleasure of the Governor. The advisor shall, with the advice of such  
41 advisory committees as may be appointed or assigned, advise the Governor on policy, planning and  
42 coordination for education and workforce development in Oregon.

43 (2) The duties of the advisor shall include:

44 (a) Guiding the development of state-level policy related to education and workforce issues;

45 (b) Providing general direction and serving as a liaison between state and local efforts in edu-

1 cation, training and workforce development;

2 (c) Ensuring, through collaboration with the leadership of local workforce investment boards,  
3 [and regional workforce committees,] the alignment of statewide, local and regional strategic plans,  
4 and the periodic reporting of performance in the implementation of such plans; and

5 (d) Consulting with local workforce investment boards [and regional workforce committees] on the  
6 development and implementation of a workforce performance measurement system.

7 (3) In the performance of duties, the advisor shall collectively involve state agencies, including  
8 but not limited to:

9 (a) The Department of Education;

10 (b) The Oregon University System;

11 (c) The Oregon Business Development Department;

12 (d) The Department of Community Colleges and Workforce Development;

13 (e) The Employment Department;

14 (f) The Department of Human Services;

15 (g) The Bureau of Labor and Industries;

16 (h) The Department of Corrections; **and**

17 (i) The Oregon Student Access Commission[; and].

18 [(j) *The Teacher Standards and Practices Commission.*]

19 (4) The advisor shall seek input from key interested parties to help guide policy development,  
20 including but not limited to representatives of:

21 (a) Businesses and industry organizations;

22 (b) Labor and labor organizations;

23 (c) Local education providers;

24 (d) Local government;

25 (e) Student, teacher, parent and faculty organizations;

26 (f) Community-based organizations;

27 (g) Public-private partnership organizations;

28 (h) Independent nonprofit and proprietary post-secondary colleges and schools; and

29 (i) [*Regional workforce committees,*] **The State Workforce Investment Board**, local workforce  
30 investment boards and regional investment boards.

31 (5) The advisor shall meet, on a regularly scheduled basis, with the local workforce investment  
32 boards[, *regional workforce committees*] and such others as necessary to ensure that local interests  
33 are represented. The advisor shall seek input, advice and feedback on policy issues affecting state,  
34 regional and local education and workforce development from interested parties and [*other commit-*  
35 *tees formed under ORS 660.306,*] 660.312 [and 660.315] **any advisory committees appointed or as-**  
36 **signed under this section.**

37 (6) Pursuant to ORS chapter 183, the advisor may adopt rules necessary to carry out the duties  
38 of the advisor.

39 **SECTION 4.** ORS 660.312 is amended to read:

40 660.312. (1) The Governor shall be responsible for a coordinated and comprehensive response to  
41 education and workforce issues. The Governor shall appoint an Education and Workforce Policy  
42 Advisor, who serves at the pleasure of the Governor. The advisor shall, with the advice of such  
43 advisory committees as may be appointed or assigned, advise the Governor on policy, planning and  
44 coordination for education and workforce development in Oregon.

45 (2) The duties of the advisor shall include:

- 1 (a) Guiding the development of state-level policy related to education and workforce issues;
- 2 (b) Providing general direction and serving as a liaison between state and local efforts in edu-  
3 cation, training and workforce development;
- 4 (c) Ensuring, through collaboration with the leadership of local workforce investment boards,  
5 [and regional workforce committees,] the alignment of statewide, local and regional strategic plans,  
6 and the periodic reporting of performance in the implementation of such plans; and
- 7 (d) Consulting with local workforce investment boards [and regional workforce committees] on the  
8 development and implementation of a workforce performance measurement system.
- 9 (3) In the performance of duties, the advisor shall collectively involve state agencies, including  
10 but not limited to:
- 11 (a) The Department of Education;
- 12 (b) The Oregon University System;
- 13 (c) The Oregon Business Development Department;
- 14 (d) The Department of Community Colleges and Workforce Development;
- 15 (e) The Employment Department;
- 16 (f) The Department of Human Services;
- 17 (g) The Bureau of Labor and Industries;
- 18 (h) The Department of Corrections; **and**
- 19 [(i) *The Teacher Standards and Practices Commission; and*]
- 20 [(j)] (i) The public universities with governing boards listed in ORS 352.054.
- 21 (4) The advisor shall seek input from key interested parties to help guide policy development,  
22 including but not limited to representatives of:
- 23 (a) Businesses and industry organizations;
- 24 (b) Labor and labor organizations;
- 25 (c) Local education providers;
- 26 (d) Local government;
- 27 (e) Student, teacher, parent and faculty organizations;
- 28 (f) Community-based organizations;
- 29 (g) Public-private partnership organizations;
- 30 (h) Independent nonprofit and proprietary post-secondary colleges and schools; and
- 31 (i) [*Regional workforce committees,*] **The State Workforce Investment Board**, local workforce  
32 investment boards and regional investment boards.
- 33 (5) The advisor shall meet, on a regularly scheduled basis, with the local workforce investment  
34 boards[, *regional workforce committees*] and such others as necessary to ensure that local interests  
35 are represented. The advisor shall seek input, advice and feedback on policy issues affecting state,  
36 regional and local education and workforce development from interested parties and [*other commit-*  
37 *tees formed under ORS 660.306,*] 660.312 [*and 660.315*] **any advisory committees appointed or as-**  
38 **signed under this section.**
- 39 (6) Pursuant to ORS chapter 183, the advisor may adopt rules necessary to carry out the duties  
40 of the advisor.

41 **SECTION 5.** ORS 660.324 is amended to read:

42 660.324. (1) The State Workforce Investment Board shall develop and submit to the Governor a  
43 single, unified state plan that outlines a strategy, with quantitative goals, for the statewide  
44 workforce investment system for the State of Oregon in accordance with section 2821 of the federal  
45 Workforce Investment Act of 1998. Upon the Governor's approval of the state plan, the Governor

1 shall cause the State Unified Workforce Plan to be delivered to the Legislative Assembly.

2 (2) The board shall develop and include in the state plan goals designed to promote Oregonians'  
3 self-sufficiency. In addition to requirements under the federal Act regarding wage and other goals,  
4 the state plan shall include quantifiable goals that will empower Oregonians to gain independence  
5 from public assistance and move up the socioeconomic ladder.

6 (3) The board shall assist the Governor in:

7 (a) Developing Oregon's workforce investment system;

8 (b) Ensuring timely consultation and collaboration with chief elected officials, local workforce  
9 investment boards and other workforce stakeholders, including but not limited to business and labor  
10 organizations **and organizations working with persons with disabilities, persons living at or**  
11 **below 100 percent of the federal poverty guidelines and the chronically unemployed and**  
12 **underemployed;**

13 (c) Reviewing **and approving** local workforce plans;

14 (d) Developing, as required by the federal Act, allocation formulas for the distribution of funds  
15 to local workforce investment areas for adult employment and training activities and for youth ac-  
16 tivities that are developed by the local workforce investment boards;

17 **(e) Working with local workforce investment boards to increase efficiencies and eliminate**  
18 **duplication of workforce programs and services offered;**

19 [(e)] **(f)** Recommending the duties and responsibilities of state agencies to implement the federal  
20 Act, to avoid conflicts of interest and to capitalize on the experience developed by workforce part-  
21 ners [*who*] **that** are efficient and effective at meeting the requirements of the federal Act;

22 [(f)] **(g)** Participating in the development of a coordinated statewide system of activities and  
23 services that includes both mandatory and optional partners of the one-stop delivery system, as  
24 provided in the federal Act;

25 [(g)] **(h)** Providing for the development, accountability and continuous improvement of compre-  
26 hensive workforce performance measures to assess the effectiveness of the workforce investment  
27 activities in this state;

28 [(h)] **(i)** Developing a statewide employment statistics system, as described in section 15(e) of the  
29 Wagner-Peyser Act (29 U.S.C. 49L-2(e)); and

30 [(i)] **(j)** Preparing an annual report and submitting it to the United States Department of Edu-  
31 cation, the United States Department of Health and Human Services and the United States Depart-  
32 ment of Labor.

33 (4) The **State Workforce Investment** Board, in partnership with the Governor, shall establish  
34 criteria for use by chief elected officials in appointing members to local workforce investment boards  
35 in accordance with the requirements of section 2832 of the federal Workforce Investment Act of  
36 1998. The **State Workforce Investment** Board shall establish the following requirements:

37 (a) To transact business at a meeting of a local workforce investment board, a quorum of mem-  
38 bers must participate. A quorum shall consist of a majority of the members. At least 25 percent of  
39 the members participating must be representatives of business, as described in section  
40 2821(b)(1)(C)(i) of the federal Act.

41 (b) When appropriate and upon a request from the chief elected official of a county or the City  
42 of Portland, the State Workforce Investment Board shall consider the county or the City of Portland  
43 to be a candidate for designation as a local workforce investment area. The board shall consult with  
44 the county or the City of Portland before designating it as a local workforce investment area. After  
45 considering the criteria in section 2831 of the federal Act for designating local workforce investment

1 areas, chief elected officials may submit a request to the board to combine their units of government  
 2 into a local workforce investment area. The board shall make recommendations to the Governor  
 3 about the designation of local workforce investment areas. Only the Governor may designate local  
 4 workforce investment areas. The Governor must show just cause for not designating a requested  
 5 local workforce investment area. A county or the City of Portland may submit an appeal to the  
 6 board, as provided in section 2831 of the federal Act, if the Governor does not grant the county's  
 7 or the city's request to designate a local workforce investment area.

8 (5) The **State Workforce Investment** Board shall provide guidance and direction to local  
 9 workforce investment boards in the development of local workforce plans. The State Workforce In-  
 10 vestment Board shall adopt policies that:

11 (a) Require each local workforce investment board, in partnership with its chief elected officials  
 12 and in accordance with section 2833 of the federal Act, to develop and submit to the Governor and  
 13 the **State Workforce Investment** Board a strategic local workforce plan that includes, but is not  
 14 limited to, performance goals; and

15 (b) Permit each local workforce investment board, in consultation with its chief elected officials:

16 (A) To determine, consistent with the requirements of the federal Act, the appropriate level of  
 17 services based on the workforce needs in the local workforce investment area; and

18 (B) To certify local one-stop operators.

19 (6) **The State Workforce Investment Board shall:**

20 (a) **Function as the primary advisory committee to the Employment Department in con-**  
 21 **junction with the Employment Department Advisory Council established under ORS 657.695;**

22 (b) **Collaborate with other advisory bodies also tasked with workforce development, in-**  
 23 **cluding but not limited to the Oregon State Rehabilitation Council, the Commission for the**  
 24 **Blind, the State Apprenticeship and Training Council and the Higher Education Coordinating**  
 25 **Commission;**

26 (c) **Work with the Oregon Education Investment Board and the Oregon Business Devel-**  
 27 **opment Commission to identify areas of common interest to efficiently align resources, re-**  
 28 **commend common strategies and provide accountability for reaching statewide goals; and**

29 (d) **Hold state workforce agencies and local workforce investment boards accountable for**  
 30 **meeting performance goals and system outcomes.**

31 (7) **The State Workforce Investment Board may charter and enter into performance**  
 32 **compacts with the local workforce investment boards.**

33 **SECTION 6.** ORS 660.327 is amended to read:

34 660.327. [(1)] In accordance with section 2832 of the federal Act, each local workforce invest-  
 35 ment board shall:

36 [(a)] (1) Consistent with section 2833 of the federal Act, in partnership with the chief elected  
 37 official for the local area involved, develop and submit a local plan to the Governor.

38 [(b)] (2) Consistent with section 2841(d) of the federal Act, with the agreement of the chief  
 39 elected official, designate or certify one-stop operators as described in section 2841(d)(2)(A) of the  
 40 federal Act and may terminate for cause the eligibility of such operators.

41 [(c)] (3) Consistent with section 2843 of the federal Act, identify eligible providers of youth ac-  
 42 tivities in the local area and award grants or contracts on a competitive basis to those providers,  
 43 based on recommendations of a youth council.

44 [(d)] (4) Consistent with section 2842 of the federal Act, identify eligible providers of training  
 45 services described in section 2864(d)(4) of the federal Act.

1 [(e)] (5) Subject to the approval of the chief elected official, develop a budget for the purpose  
 2 of carrying out the duties of the local workforce investment board under section 2832 of the federal  
 3 Act.

4 [(f)] (6) In partnership with the chief elected official, provide oversight of local programs of  
 5 youth activities authorized under section 2854 of the federal Act, local employment and training  
 6 activities authorized under section 2864 of the federal Act and the one-stop delivery system in the  
 7 local area.

8 [(g)] (7) With the chief elected official and the Governor, negotiate and reach agreement on local  
 9 performance measures as described in section 2871(c) of the federal Act.

10 [(h)] (8) Coordinate the workforce investment activities authorized under the federal Act and  
 11 carried out in the local area with economic development strategies and develop other employer  
 12 linkages with such activities.

13 [(i)] (9) Promote the participation of private sector employers in the statewide workforce in-  
 14 vestment system and ensure the effective provision, through the system, of connecting, brokering  
 15 and coaching activities, through intermediaries such as the one-stop operator in the local area or  
 16 through other organizations, to assist such employers in meeting hiring needs.

17 [(2) *In order to maintain the statewide workforce investment system that consists of regional*  
 18 *workforce committees and to meet the requirements of the federal Act:]*

19 [(a) *A local workforce investment board representing a local workforce investment area according*  
 20 *to the Governor's designation pursuant to section 2831 of the federal Act meets the requirements of a*  
 21 *regional workforce committee under ORS 660.315.]*

22 [(b) *A strategic plan submitted by a local workforce investment board pursuant to section 2833 of*  
 23 *the federal Act meets the strategic plan requirement for the workforce region in ORS 660.315.]*

24 **SECTION 7.** ORS 657.730 is amended to read:

25 657.730. (1) As used in this section, unless the context requires otherwise:

26 (a) "Labor market analysis" means the measurement and evaluation of economic forces as they  
 27 relate to the employment process in the local labor market area. Variables affecting labor market  
 28 relationships include, but are not limited to, such factors as labor force changes and characteristics,  
 29 population changes and characteristics, occupational and industrial structure and development,  
 30 technological developments, shifts in consumer demand, volume and extent of unionization and trade  
 31 disputes, recruitment practices, wage levels, conditions of employment and training opportunities.

32 (b) "Labor market area" means an economically integrated geographic area within which indi-  
 33 viduals can reside and find employment within a reasonable distance or can readily change em-  
 34 ployment without changing their place of residence. Such areas shall be identified in accordance  
 35 with criteria used by the Bureau of Labor Statistics of the United States Department of Labor in  
 36 defining such areas or similar criteria established by the Director of the Employment Department.  
 37 The area generally takes the name of its community. The boundaries depend primarily on economic  
 38 and geographic factors. The State of Oregon is divided into labor market areas, which usually in-  
 39 clude a county or group of contiguous counties.

40 (c) "Labor market information" means the body of information generated from measurement and  
 41 evaluation of the socioeconomic factors and variables influencing the employment process in the  
 42 state and specific labor market areas. These socioeconomic factors and variables affect labor de-  
 43 mand and supply relationships and include:

44 (A) Labor force information, which includes but is not limited to employment, unemployment,  
 45 labor force participation, labor turnover and mobility, average hours and earnings and changes and

1 characteristics of the population and labor force within specific labor market areas and the state;

2 (B) Occupational information, which includes but is not limited to occupational supply and de-  
3 mand estimates and projections, characteristics of occupations, wage levels, job duties, training and  
4 education requirements, conditions of employment, unionization, retirement practices and training  
5 opportunities;

6 (C) Economic information, which includes but is not limited to number of business starts and  
7 stops by industry and labor market area, information on employment growth and decline by industry  
8 and labor market area, employer establishment data and number of union disputes and strikes by  
9 industry and labor market area; and

10 (D) Program information, which includes but is not limited to program participant or student  
11 information gathered in cooperation with other state and local agencies along with related labor  
12 market information to evaluate the effectiveness, efficiency and impact of state and local employ-  
13 ment, training, education and job creation efforts in support of planning, management, implementa-  
14 tion and evaluation.

15 (2) The Director of the Employment Department shall have the following duties:

16 (a) Oversight, operation and management of a statewide comprehensive labor market and occu-  
17 pational supply and demand information system, including development of a five-year employment  
18 forecast for state and labor market areas.

19 (b) Preparation of local labor market information packages for the state's [*regional workforce*  
20 *committees*] **workforce system**, including special studies and job impact analyses in support of state  
21 and local employment, training, education and job creation programs, especially activities that pre-  
22 vent job loss, reduce unemployment and create jobs.

23 (c) Coordination with other appropriate **public** agencies to improve employment estimates by  
24 enhancing data on corporate officers, improving business establishment listings, expanding samples  
25 for employment estimates and developing business entry or exit analysis relevant to the generation  
26 of occupational and economic forecasts.

27 (d) Production of long-term and occupational employment forecasts in cooperation with other  
28 appropriate agencies.

29 (e) Coordination with [*other*] state **workforce** agencies **as defined in ORS 660.300** to study ways  
30 to standardize federal and state multiagency administrative records, such as unemployment insur-  
31 ance information and other information to produce employment, training, education and economic  
32 analysis needed to improve labor market information products and services.

33 (f) Production of labor market information and economic analysis needed to facilitate the effi-  
34 cient and effective matching of the supply and demand of labor critical to an effective labor ex-  
35 change in Oregon. Information collected will be coordinated with other public agencies through  
36 cooperative data collection efforts for statistical analysis, research or studies including, but not  
37 limited to, agricultural labor supply and demand, high performance organizations, targeted industries  
38 programs, and industrial improvement and expansion.

39 (g) Administration of other appropriate labor market information activities.

40 (3) To implement this section, the director shall have authority to:

41 (a) Establish rules and procedures to recover reasonable costs incurred in producing and pro-  
42 viding:

43 (A) Labor market information products developed by the Employment Department in the ordi-  
44 nary course of business when the request results in costs over and above the ordinary costs of  
45 production including, but not limited to, special publication runs, photocopying or supplying the



1 copy in some other medium; and

2 (B) Special labor market information products in response to individual requests that incur costs  
3 beyond the ordinary costs of doing business including, but not limited to, computer time, staff costs,  
4 preparation and distribution of surveys, electronic scanning, and special data collection, formatting  
5 and analysis. The director may enter into agreements with other public agencies to provide special  
6 labor market information products in a quid pro quo arrangement.

7 (b) Receive federal set aside funds from federal programs that are authorized to fund state and  
8 local labor market information and are required to use such information in support of their pro-  
9 grams.

10 (c) Enter into agreements for statistical analysis, research or evaluation studies of privately and  
11 publicly funded employment, training, education and economic development programs.

12 **SECTION 8. Section 1 of this 2014 Act is added to and made a part of ORS 660.300 to**  
13 **660.364.**

14 **SECTION 9. ORS 660.303, 660.306, 660.309 and 660.315 are repealed.**

15 **SECTION 10. This 2014 Act being necessary for the immediate preservation of the public**  
16 **peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect**  
17 **on its passage.**

18