

Enrolled
House Bill 3835

Sponsored by Representative SIMMONS; Representatives BUTLER, PATRIDGE

CHAPTER

AN ACT

Relating to Workforce Investment Act; creating new provisions; amending ORS 285A.443, 285A.446, 285A.455, 285A.458, 285A.516, 285A.519, 285B.650, 285B.743, 285B.752, 326.370, 329.855, 329.965, 329.975, 344.760, 411.920, 411.926, 411.929, 411.932, 411.935, 418.658, 461.740, 657.337, 657.345, 657.350, 657.610 and 657.710; repealing ORS 285A.449, 285B.765, 329.945, 329.960 and 411.923; and declaring an emergency.

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

SECTION 1. ORS 326.370 is amended to read:

326.370. **(1)** The Department of Community Colleges and Workforce Development shall function under the direction and control of the State Board of Education with the Commissioner for Community College Services serving as an administrative officer for community college matters.

(2) The Department of Community Colleges and Workforce Development, in consultation with the Education and Workforce Policy Advisor and pursuant to ORS 183.310 to 183.550, may adopt any rules necessary for the administration of laws related to the federal Workforce Investment Act that the department is charged with administering.

SECTION 2. Notwithstanding any other provision of law, ORS 285A.440, 285A.443 and 285A.446 shall not be considered to have been added to or made a part of ORS chapter 285A for the purpose of statutory compilation, for the application of definitions, penalties or administrative provisions, or for any other purpose.

SECTION 3. ORS 285A.440, 285A.452, 285A.455, 285A.458, 285A.461, 411.920, 411.926, 411.929, 411.932 and 411.935 are added to and made a part of ORS 285A.443 to 285A.449 but not to ORS chapter 285A.

SECTION 4. ORS 285A.443 is amended to read:

285A.443. As used in ORS 285A.443 to 285A.449:

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

[(1)] **(2) "Department" means the Department of Community Colleges and Workforce Development.**

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

(4) "Local workforce investment area" means the City of Portland or a county when the city or county has been designated as a local workforce investment area under ORS 411.929. "Local workforce investment area" may include two or more counties that have joined together to form a local workforce investment area and that have been designated as a local workforce investment area under ORS 411.929.

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

[(2)] (6) “Participant” means a person receiving [training in programs conducted] services under Title I-B of the federal [Job Training Partnership Act (29 U.S.C. 1501)] Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

[(3)] (7) “Participant records” means records relating to matters such as grades, conduct, personal and academic evaluations, results of psychometric testing, counseling, disciplinary actions, if any, and other personal matters.

(8) “Title I-B” means the adult, dislocated worker and youth programs delivered under the federal Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

SECTION 5. ORS 411.920 is amended to read:

411.920. (1)[(a)] It is the policy of the State of Oregon that implementing an integrated workforce investment system will help workers take responsibility for building a better future for themselves and their families.

[(b)] (2) A workforce investment system should be a consumer-driven system, accountable and responsive to the needs of employers and job seekers.

[(c)] (3) To build on current workforce models and remain in compliance with the federal Workforce Investment Act of 1998 [(P.L. 105-220)], Oregon must maximize local flexibility consistent with statewide goals and must preserve business, labor and community involvement in state and local governing boards.

[(d)] (4) To implement the federal Act, Oregon must apply the necessary workforce resources to carry out its assigned responsibilities and must delegate accountability and authority, as allowed under the federal Act, to each governing entity of the workforce investment system.

[(e)] (5) These objectives can be accomplished under the auspices of a State Workforce Investment Board and local workforce investment boards that enlist the views of a diverse group of business, labor, community, education and government leaders to develop a strategic plan for workforce development in Oregon.

[(f)] (6) The strategic plan should provide for the development of a comprehensive, consumer-driven employment and career development system that meets the needs of all members of the workforce, including those entering the workforce for the first time, those in transition to employment and those currently employed who are seeking to enhance their skills for continued career advancement.

[(2) ORS 411.920 to 411.935 are intended to implement Title I of the federal Workforce Investment Act of 1998 (P.L. 105-220).]

SECTION 6. ORS 411.926 is amended to read:

411.926. (1) A State Workforce Investment Board shall be [newly] created under section [111(b) and (c)] **2821(b) and (c)** of the Workforce Investment Act of 1998 [(P.L. 105-220)] to assist in the development of the State Unified Workforce Plan established under ORS 411.929 and to carry out the other functions described by the federal Act.

(2) The board shall consist of:

(a) The Governor;

(b) Two members of the House of Representatives appointed by the Speaker of the House of Representatives and two members of the Senate appointed by the President of the Senate; [and]

(c) [Thirty-two] **Thirty-four** members appointed by the Governor and confirmed by the Senate in the manner prescribed under ORS 171.562 and 171.565, such members to include:

(A) [Nineteen] **Twenty** representatives of business from both urban and rural areas who:

(i) Are owners of businesses, chief executive officers or chief operating officers of businesses, or other business executives or employers with ultimate policymaking or hiring authority, including members of local workforce investment boards **and including at least one representative who is or has been the chairperson of a local workforce investment board;**

(ii) Represent businesses with employment opportunities that reflect the employment opportunities of this state; and

(iii) Are appointed from among individuals nominated by state business organizations and business trade associations;

(B) Two chief elected officials;

(C) Two representatives of labor organizations, who have been nominated by a state labor federation;

(D) Two representatives of individuals or organizations that have experience with respect to youth activities;

(E) Two representatives of individuals or organizations that have experience and expertise in the delivery of workforce investment activities, including chief executive officers of community colleges or community-based organizations within this state;

(F) The following [four] **five** representatives of public workforce development agencies:

(i) The Director of the Employment Department;

(ii) The Director of Human Services;

(iii) The Director of the Economic and Community Development Department; [and]

(iv) The Commissioner for Community College Services; and

(v) The Chancellor of the State Board of Higher Education; and

(G) One additional member described in subparagraph (B), (C) or (D) of this paragraph; **and**

(d) Additional members appointed by the Governor as necessary in order to comply with applicable federal law.

(3) The Governor shall select a chairperson from among the representatives of business [described in] **appointed under** subsection (2)(c)(A) **or (d)** of this section.

(4) A majority of the board shall be representatives of business appointed under subsection (2)(c)(A) or (d) of this section.

[(4)] **(5)** To transact business at a meeting of the 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 [described in] **appointed under** subsection (2)(c)(A) **or (d)** of this section.

[(5)] *The board shall report to the Governor and the Legislative Assembly by October 15, 2000, on the status of implementation of the federal Act. In its report the board shall:*

[(a)] *Make recommendations, as appropriate, to increase service delivery effectiveness and administrative efficiencies; and*

[(b)] *Propose policies to avoid conflicts of interest or the appearance of conflicts of interest by clearly separating the development of state policy by members of the board from the delivery and funding of services at the local level through the statewide workforce investment system.]*

SECTION 7. ORS 411.932 is amended to read:

411.932. (1) The State Workforce Investment Board shall advise the Governor as required under section [112] **2821** of the Workforce Investment Act of 1998 [(P.L. 105-220)] and on matters pertaining to the use of funds under section [134] **2864** of the federal Act.

(2) As a part of the core services required by section [134(d)(2)(E)(i)] **2864(d)(2)(E)(i)** of the federal Act, the one-stop delivery system, as described in section [134(c)] **2864(c)** of the federal Act, shall provide timely listings of all job opportunities, consistent with statute or rule, to a participant immediately upon application by the participant for services offered by the one-stop delivery system.

(3) Intensive services offered by the one-stop delivery system may include drug and alcohol rehabilitative services.

(4) Local workforce investment boards shall determine whether funds will be used as provided in section [134(e)(3)] **2864(e)(3)** of the federal Act.

(5) Participants may receive training in accordance with section [134] **2864** of the federal Act. In addition, a participant who is employed in a subsidized or unsubsidized job and who needs training may receive an individual training account that allows the participant to choose among training providers, except as provided in section [134(d)(4)(G)(ii)] **2864(d)(4)(G)(ii)** of the federal Act.

(6) Any funds expended under ORS [411.920 to 411.935] **285A.443 to 285A.449** shall be from funds appropriated by the Legislative Assembly or within any expenditure limitations placed on federal funds by the Legislative Assembly.

SECTION 8. ORS 411.935 is amended to read:

411.935. (1) The State Workforce Investment Board and local workforce investment boards shall ensure that Oregon's one-stop delivery system[, known as the Oregon Career Network,] under the federal Workforce Investment Act of 1998 [(P.L. 105-220)] is the foundation of local service delivery to employers and participants.

(2) One-stop partners shall include, but are not limited to, those described in section [121] **2841** of the federal Act and programs referenced under section [121(b)(1)] **2841(b)(1)** and (2) of the federal Act.

(3) This section does not restrict the authority of local workforce investment boards to select providers and one-stop operators, or to set goals or policies, under the federal Act.

SECTION 9. Sections 10 to 12 of this 2001 Act are added to and made a part of ORS **285A.443 to 285A.449** but not to ORS chapter 285A.

SECTION 10. (1) The designated state agency and state level fiscal agent for the federal Workforce Investment Act of 1998 (P.L. 105-220) shall provide customers of the one-stop delivery system with reports containing information about the performance of training providers and programs in each local area.

(2) In order for customers to have choices in deciding the training program that best fits their needs and the organization that best provides that service, and in order for customers to have information about how well training providers succeed in preparing people for jobs, the reports shall include information about:

(a) Training programs and the organizations that provide the programs; and

(b) The success rate of the programs in preparing people for jobs.

(3) The reports shall present the information in a manner that allows a customer to easily understand the options that are available in choosing a program of training services.

SECTION 11. (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) Pursuant to ORS 285A.446, 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 183.310 to 183.550 to implement this section.

SECTION 12. (1) In accordance with section 2832 of the federal Act, each local workforce investment board shall:

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

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

(c) Consistent with section 2843 of the federal Act, identify eligible providers of youth activities in the local area and award grants or contracts on a competitive basis to those providers, based on recommendations of a youth council.

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

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

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

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

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

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

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

(a) A local workforce investment board representing a local workforce investment area according to the Governor's designation pursuant to section 2831 of the federal Act meets the requirements of a regional workforce committee under ORS 285A.458.

(b) A strategic plan submitted by a local workforce investment board pursuant to section 2833 of the federal Act meets the strategic plan requirement for the workforce region in ORS 285.458.

SECTION 13. ORS 285A.446 is amended to read:

285A.446. (1) All participant records maintained by the local [*service delivery area providers*] **workforce investment boards** or any public or private agency involved in [*Job Training Partnership Act*] **Title I-B** programs shall be confidential and except as provided in ORS 285A.443 to

285A.449 shall be open for inspection only in accordance with such rules as the Department of Community Colleges and Workforce Development shall adopt.

(2) A participant may provide written consent for the examination or release of any record pertaining to the participant.

(3) All information contained in participant files shall be available for inspection by the participant, and the participant's parent or legal guardian if the participant is under 18 years of age. Participant behavioral records shall be released only in the presence of an individual qualified to explain or interpret the records.

(4) The department may adopt rules to provide the circumstances under which participant names or records may be made available for inspection when:

(a) Ordered by a court of competent jurisdiction.

(b) Necessary to protect the health or safety of a participant or another.

(c) Necessary to provide information to state and local agencies administering ORS chapters 418 and 657, **other programs under the federal Workforce Investment Act of 1998 and other mandatory programs under this state's one-stop service delivery system.**

(d) Necessary for program staff work or studies of a statistical or demographic nature.

(e) Necessary to carry out the planning and coordinating functions between state and local agencies [required by] **under Title I-B of the federal [Job Training Partnership Act (29 U.S.C. 1501), as amended, and the Job Training Partnership Act section of the Department of Community Colleges and Workforce Development] Workforce Investment Act, other applicable state laws or those functions assigned by the Education and Workforce Policy Advisor.**

SECTION 14. ORS 411.929 is amended to read:

411.929. (1) The State Workforce Investment Board shall develop and submit to the Governor a single, unified state plan that outlines a five-year strategy, with quantitative goals, for the statewide workforce investment system for the State of Oregon in accordance with section [112] **2821** of the **federal** Workforce Investment Act of 1998 [(P.L. 105-220)]. 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 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 [117] **2832** of the **federal** Workforce Investment Act of 1998 [(P.L. 105-220)]. 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 described in ORS 411.926 (2)(c)(A).

(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 [116] **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 [116] **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 [118] **2833** of the federal Act, to develop and submit to the Governor and the board a strategic five-year 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.

SECTION 15. ORS 285A.455 is amended to read:

285A.455. (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:

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

(b) Providing general direction and serving as a liaison between state and local efforts in education, training and workforce development; [and]

(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;

- (b) The State System of Higher Education;
 - (c) The Economic and Community Development Department;
 - (d) The Department of Community Colleges and Workforce Development;
 - (e) The Employment Department;
 - (f) The Department of Human Services;
 - (g) The Bureau of Labor and Industries;
 - (h) The Department of Corrections;
 - (i) The Oregon Student Assistance Commission; and
 - (j) The Teacher Standards and Practices Commission.
- (4) The advisor shall seek input from key interested parties to help guide policy development, including but not limited to representatives of:
- (a) Businesses and industry organizations;
 - (b) Labor and labor organizations;
 - (c) Local education providers;
 - (d) Local government;
 - (e) Student, teacher, parent and faculty organizations;
 - (f) Community-based organizations;
 - (g) [*Private industry councils and other*] Public-private partnership organizations;
 - (h) Independent nonprofit and proprietary post-secondary colleges and schools; and
 - (i) Regional workforce committees, **local workforce investment boards** and regional [*strategy*] **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 285A.452 to 285A.461.
- (6) Pursuant to ORS 183.310 to 183.550, the advisor may adopt rules necessary to carry out the duties of the advisor.

SECTION 16. ORS 285A.458 is amended to read:

285A.458. (1) The Governor shall [*create and maintain*] **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** [*to*] prepare plans for achieving regional goals and [*to*] 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 285A.455 (4)(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 Adult and Family Services Division of the Department of Human Services;

(b) School districts, education service districts, community colleges, state institutions of higher education and Oregon Health Sciences University;

(c) The Vocational Rehabilitation Division of the Department of Human Services;

(d) The Economic and Community Development Department and local economic development entities;

(e) The Employment Department;

(f) The [*Job Training Partnership Act local administrative entity*] **federal Act programs**; and

(g) Other public sector partners.

(5) A [*local*] region [*individually*] may recommend to the Governor an alternate structure for its regional committee, based on [*local*] **regional** determination and mutually agreed to by the current public and private sector members of the regional workforce committee and the [*local*] **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 **five-year regional workforce** plan that responds to the current and future workforce needs of the [*local*] **regional** labor market.

(7) The strategic **five-year 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 [*local*] **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 [*strategy*] **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 [*strategy*] **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 17. (1) The amendments to ORS 285A.458 by section 16 of this 2001 Act are intended to change the name of the regional strategy boards to the regional investment boards.

(2) For the purpose of harmonizing and clarifying statute sections published in Oregon Revised Statutes, the Legislative Counsel may substitute for words designating the regional strategy boards, wherever they occur in Oregon Revised Statutes, other words designating the regional investment boards.

SECTION 18. ORS 285A.516 is amended to read:

285A.516. The [*Job Training Partnership Act section of the*] Department of Community Colleges and Workforce Development is the state agency that shall be notified when an employer is required to provide written notice of a plant closing or mass layoff under section 3 of the Worker Adjustment and Retraining Notification Act (P.L. 100-379).

SECTION 19. ORS 285A.519 is amended to read:

285A.519. (1) The Department of Community Colleges and Workforce Development shall notify employers subject to the Worker Adjustment and Retraining Notification Act (P.L. 100-379) that [*the Job Training Partnership Act section of*] the Department of Community Colleges and Workforce Development is the state agency that must be notified when they are required to provide notice of a plant closing or mass layoff under the Worker Adjustment and Retraining Notification Act (P.L. 100-379).

(2) When notifying employers as provided in subsection (1) of this section, the department shall provide employers with a statement of the programs, projects, expenditures and other forms of assistance the department and other state agencies can provide to communities, employers and workers affected by a plant closing or mass layoff.

SECTION 20. ORS 285B.650 is amended to read:

285B.650. As used in ORS 285B.650 to 285B.728, unless the context requires otherwise:

(1) "Business firm" means a person operating or conducting one or more trades or businesses but does not include any governmental agency, municipal corporation or nonprofit corporation.

(2) "Eligible business firm" means a firm engaged in an activity described under ORS 285B.707 which may file an application for precertification under ORS 285B.719.

(3) "Employee" means a person who works more than 32 hours per week, but does not include persons with temporary or seasonal jobs or persons hired solely to construct qualified property.

(4) "Enterprise zone" means one of the 30 areas designated or terminated and redesignated by order of the Governor under ORS 284.160 (1987 Replacement Part) before October 3, 1989, one of the 17 areas designated by the Director of the Economic and Community Development Department under ORS 285B.653, areas designated under ORS 285B.677 and areas designated under ORS 285B.689.

(5) "First-source hiring agreement" means an agreement between a precertified business firm and a publicly funded job training provider whereby the job training provider refers qualified candidates to the firm for new jobs and job openings in the firm.

(6) "Modification" means modernization, renovation or remodeling of an existing building or structure.

(7) "Nonurban enterprise zone" means an enterprise zone located outside a regional or metropolitan urban growth boundary.

(8) "Precertified business firm" means an eligible business firm whose application for precertification has been approved under ORS 285B.719 and which may apply for a property tax exemption under ORS 285B.722.

(9) "Publicly funded job training provider" includes but is not limited to[,] community colleges, [*Job Training Partnership Act*] service providers **under the federal Workforce Investment Act Title I-B (29 U.S.C. 2801 et seq.)**, and other similar programs.

(10) "Qualified business firm" means a business firm described in ORS 285B.704 whose application for a property tax exemption has been approved under ORS 285B.722.

(11) "Qualified property" means property described under ORS 285B.713.

(12) "Sponsor" means the city or county that applied for and received approval of an enterprise zone under ORS 284.150 and 284.160 (1987 Replacement Part), under ORS 285B.656 and 285B.659, under ORS 285B.677 or 285B.686 or under ORS 285B.689.

(13) "Urban enterprise zone" means an enterprise zone in a metropolitan statistical area, as defined by the most recent federal decennial census, located inside a regional or metropolitan urban growth boundary.

SECTION 21. ORS 285B.743 is amended to read:

285B.743. (1) Any individual or business firm may file with the Economic and Community Development Department an application to borrow money from the Oregon Entrepreneurial Develop-

ment Loan Fund as provided in ORS 285B.740 to 285B.758. The application shall be filed in such a manner and contain or be accompanied by such information as the department may require.

(2) Upon receipt of an application under this section, the Economic and Community Development Department shall determine whether the applicant is eligible to receive a loan under ORS 285B.139[,] and 285B.740 to 285B.758 [and 285B.765]. If the department determines that an applicant is not eligible to receive a loan, the department shall:

(a) Reject the application with a written statement of the reason for that rejection; or

(b) Require the applicant to submit additional information concerning the application as may be necessary.

SECTION 22. ORS 285B.752 is amended to read:

285B.752. An applicant who receives an entrepreneurial development loan under ORS 285B.740 to 285B.758 may apply for another such loan. Notwithstanding the limit set forth in ORS 285B.749 (2), the maximum aggregate amount that may be loaned to a single applicant under ORS 285B.139[,] and 285B.740 to 285B.758 [and 285B.765] is \$40,000.

SECTION 23. ORS 329.855 is amended to read:

329.855. (1) The Department of Education, the Department of Community Colleges and Workforce Development and the State System of Higher Education in consultation with the Education and Workforce Policy Advisor shall develop comprehensive education and training programs in accordance with ORS 329.475 for two-year to six-year academic professional technical indorsements, associate degrees and baccalaureate degrees.

(2) There may be established a process for industrial certification and a sequence of advanced certification that could be obtained throughout a person's career.

(3) Work groups, including teachers, community members and representatives of business and labor, may be appointed to offer specialized information concerning knowledge and skill requirements for occupations.

(4) No fewer than six broad career categories shall be identified, with additional categories added in future years. The education and training curriculum and achievement standards for each occupation and trade selected for students to achieve indorsements, associate degrees or baccalaureate degrees in the occupational categories selected shall be developed and available for school districts, community colleges and other training sites.

(5) In addition to academic content, the curriculum developed for indorsements, associate degrees and baccalaureate degrees shall ensure that every student has the option of a high quality career related course of study that provides the student with experience in and understanding of future career choices. Career related studies shall include a structured series of real or simulated activities that in combination with rigorous academic studies shall simultaneously prepare students for further education, lifelong learning and employment. These activities shall include but not be limited to:

(a) Job shadowing;

(b) Workplace mentoring;

(c) Workplace simulations;

(d) School based enterprises;

(e) Structured work experiences;

(f) Cooperative work and study programs;

(g) On-the-job training;

(h) Apprenticeship programs; or

(i) Other school-to-work opportunities.

(6) In considering where a student can most effectively and economically obtain the knowledge and skills required for the indorsement or post-secondary study, the Education and Workforce Policy Advisor may recommend integrating 2 + 2 Programs, [the Job Training Partnership Act program,] apprenticeship programs and any other state or federal job training program.

(7) Until full statewide implementation, school districts are encouraged to use Certificate of Advanced Mastery programs that are currently being developed, but modified, if necessary, to best fit their students' and community's needs.

SECTION 24. ORS 329.965 is amended to read:

329.965. (1) There is established the Interagency Shared Information System. The purpose of the system is to collect and share information for the development of statistical and demographic data to facilitate the creation of strategies to improve the education, training and quality of Oregon's workforce. The system shall share aggregate information with a state agency to allow the agency to develop policy, evaluate policy and plan and measure performance.

(2) The Employment Department shall administer the Interagency Shared Information System. The Education and Workforce Policy Advisor shall oversee the development, implementation and monitoring of the system.

(3) Every agency or program that receives funding under sections 125 and 129, chapter 765, Oregon Laws 1993, and the Department of Corrections and the Department of Consumer and Business Services shall provide information to the Interagency Shared Information System. Information shall be provided by the agency or program in a format that encodes identifying data, including the client's social security number, using a formula unique to the agency or program that shall not be disclosed to the system. The information in the system is a public record. However, the system is not the custodian of the information for purposes of ORS 192.410 to 192.505. If a state agency described in this subsection prepares or acquires a record that is confidential under federal or state law, including ORS 192.502 (2), the state agency does not violate confidentiality laws by providing the information described in this section. Notwithstanding the provisions of ORS 279.355 (3), 279.359 (3), 285A.446 and 657.665, the Bureau of Labor and Industries, [the *Job Training Partnership Act section of*] the Department of Community Colleges and Workforce Development and the Employment Department are authorized to provide information to the Interagency Shared Information System.

(4) A state agency shall not allow public access to information received from the system that identifies a particular individual unless required by law. Any officer or employee of any of the participating agencies who, without proper authority, shall disclose confidential information under this section thereafter may be disqualified from holding any appointment or employment with the State of Oregon. The Employment Department shall adopt by rule procedures to prevent disclosure of confidential information submitted to the system.

SECTION 25. ORS 329.975 is amended to read:

329.975. (1) When expended for grants to programs described in ORS 329.950 [and 329.960 (2)], grant moneys shall be matched in the manner described in subsections (2) and (3) of this section.

(2) In any biennium, each state agency administering a grant program described in ORS 329.950 [and 329.960 (2),] shall be required to secure matching funds, on a dollar-for-dollar basis, for not less than 75 percent of the total amount reserved by law for the program for that biennium.

(3) An applicant for a grant from a program described in ORS 329.950 [and 329.960 (2),] shall be required to match, on a dollar-for-dollar basis, the amount of the grant. However, the agency administering the program may exempt the applicant from the 100 percent matching requirement when the agency determines that the grant applicant is undergoing economic hardship and that the purposes of ORS 329.905 to 329.975 will be more readily accomplished by a lower matching requirement. In any biennium, the total amount of exemptions provided to grant applicants under this subsection shall not exceed 25 percent of the amount reserved by law for a program for that biennium.

(4) In determining whether a grant applicant is undergoing economic hardship for the purposes of this section, a state agency shall consider:

(a) An applicant's ability to match the grant amount based on both the assessed value per student, if applicable, and the actual expenditure per student;

(b) The proportion or other measure of economically disadvantaged persons residing within the district or area of the applicant; and

(c) The level of unemployment in the district or area of the applicant.

(5) A state agency shall credit an applicant's matching funds in an amount that does not exceed 100 percent of the amount of the grant given to the applicant. Moneys of an applicant that are available to operate [*programs*] a **program** described in ORS 329.950 [*and 329.960 (2),*] and that exceed 100 percent of the grant sought or given to the applicant shall not be available for use as matching funds by any other applicant.

SECTION 26. ORS 344.760 is amended to read:

344.760. The Legislative Assembly finds that:

(1) It is in the state's interest to ensure coordination of the various groups providing adult literacy services within communities.

(2) The demands created by new technologies and foreign competition have intensified the need for a literate workforce.

(3) Community colleges are the major providers of adult literacy to Oregon communities through adult basic education, General Educational Development (GED) and reading, tutoring and pre-employment skills classes.

(4) Community colleges present the opportunity of a statewide network able to link libraries, [*providers of Job Training Partnership Act services*] **providers of workforce development services**, community schools, volunteer literacy groups and other providers of literacy services and resources.

SECTION 27. ORS 418.658 is amended to read:

418.658. (1) The program director of the Oregon Youth Conservation Corps shall establish a separate program known as the Oregon Community Service Corps. In addition to the established purposes of the Oregon Youth Conservation Corps, the purpose of the Oregon Community Service Corps is to promote community service activities throughout the state for a broad cross section of Oregon disadvantaged and at-risk youth through programs that also include appropriate educational and job training opportunities for participants.

(2) In addition to projects submitted under ORS 418.660 (1), projects of the Oregon Community Service Corps may include, but shall not be limited to:

(a) Child care services.

(b) Elderly and disabled care services.

(c) Literacy education programs.

(d) Recycling and other waste reduction services.

(3) The Oregon Community Service Corps shall offer employment and educational opportunities of at least three but not more than 12 months' duration for selected participants.

(4) Under rules adopted by the program director, participants who successfully complete any 12-month program under this section shall be eligible for \$1,500 in tuition vouchers that can be used at any career school or post-secondary educational institution that is qualified to receive assistance through the Oregon Student Assistance Commission.

(5) All Oregonians who are at least 16 years of age and under 25 years of age are eligible to participate in the program. To ensure that Oregon Community Service Corps participants represent a broad cross section of Oregonians, special emphasis shall be given to recruiting high school dropouts and other disadvantaged and at-risk youth, according to criteria established by the Oregon Youth Conservation Corps Advisory Committee.

(6) To the extent practicable, the program director shall enlist state and federal agencies, local government, nonprofit organizations, and private businesses, and any combination of such entities, to act as sponsors for programs administered under this section. Selection of sponsors shall be based on criteria that include the following:

(a) The availability of other resources on a matching basis, including contributions from private sources, other federal, state and local agencies, and moneys available through the [*Job Training Partnership Act (P.L. 97-300, as amended, 29 U.S.C. 1501 et seq.)*] **federal Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.)**;

(b) The provision of related educational and job training programs to participants, including but not limited to high school and college coursework, General Educational Development (GED) tests equivalency training, project-related education and professional training;

(c) Assurances that proposed projects will not displace existing employees or duplicate existing private or government programs; and

(d) Assurances that proposed projects are devoted to the enhancement of the community and are not based in maintenance activities and that these projects meet an identified need.

(7) In consultation with the advisory committee, the program director shall make grants for programs administered under this section.

SECTION 28. ORS 461.740 is amended to read:

461.740. (1) It is the policy of the State of Oregon that any firm receiving benefit from state lottery-funded programs should undertake a good faith effort to hire and retain as employees low-income individuals who have received job training assistance from publicly funded job training providers.

(2) The Economic and Community Development Department may require any firm receiving benefit from state lottery-funded programs the department administers to enter into a first-source hiring agreement with publicly funded job training providers.

(3) Publicly funded job training providers shall coordinate their services and establish an agreement outlining the process by which they will respond to firms receiving benefit. This agreement shall be submitted to the department for its review and approval.

(4) As used in this section:

(a) "Firm receiving benefit" means any business that benefits directly or substantially from any program financed by state lottery funds and is certified as such a firm by the state agency that administers the lottery-funded program.

(b) "First-source hiring agreement" means an agreement between a firm receiving benefits and a publicly funded job training provider whereby the job provider refers qualified candidates to the firm for new jobs and job openings, excluding professional, managerial, technical and seasonal positions which the Director of the Economic and Community Development Department determines cannot be filled by persons likely to be referred by publicly funded job training providers.

(c) "Publicly funded job training provider" includes, but is not limited to, community colleges, [*Job Training Partnership Act*] service providers **under the federal Workforce Investment Act Title I-B (29 U.S.C. 2801 et seq.)** and other similar programs.

SECTION 29. ORS 657.337 is amended to read:

657.337. (1) The state's economic stability is often threatened when workers are being displaced from the workforce and the workers and their families face hardship and serious social and health problems.

(2) The policy of the state is to promote workforce development by providing eligible dislocated workers with unemployment compensation and related benefits while they are receiving professional technical training so that they can continue to care for their families and obtain employment.

(3) The Employment Department and [*the Job Training Partnership Act section of*] the Department of Community Colleges and Workforce Development will implement the necessary strategies, systems and structures which will provide consolidated, streamlined delivery of these services to dislocated workers.

(4) It is the policy of the state to encourage the movement of workers into higher wage jobs.

(5) It is the policy of the state to make the best use of currently existing service delivery vehicles, training programs and assessment devices to provide services to eligible dislocated workers.

(6) In order to assist eligible dislocated workers to continue or complete professional technical training, individuals who meet the requirements of ORS 657.335 to 657.360 are eligible for supplemental benefits as provided in ORS 657.340, except that the total amount of benefits payable from the Unemployment Compensation Trust Fund shall not exceed \$12 million, for the biennium beginning July 1, 1995.

SECTION 30. ORS 657.345 is amended to read:

657.345. (1) Individuals who are identified as dislocated workers under the [procedures of Title III of the Job Training Partnership Act, as amended by the Economic Dislocation and Worker Adjustment Act (P.L. 100-418)] **federal Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.)**, and [its] implementing regulations, and who attend training programs identified under the Act shall be considered to be in approved professional technical training. The training shall be for occupations or skills for which there are or are expected to be reasonable employment opportunities in the area or in another area to which the individual is willing to relocate or which relate to the development of a self-employment enterprise for which there is reasonable opportunity for success.

(2) In approving professional technical training for eligible dislocated workers who do not attend training programs identified in subsection (1) of this section, the Director of the Employment Department shall require:

(a) That the professional technical training relates to an occupation or skill for which there are, or are expected to be, reasonable employment opportunities in this state or relates to the development of a self-employment enterprise for which there is a reasonable opportunity for success.

(b) That the individual has the qualifications and aptitudes to successfully complete such professional technical training.

SECTION 31. ORS 657.350 is amended to read:

657.350. The Director of the Employment Department, in consultation with [the Job Training Partnership Act section of] the Department of Community Colleges and Workforce Development, shall promulgate rules as necessary for the administration of ORS 657.335 to 657.360, including but not limited to procedures for approval, undertaking periodic reviews for continued approval, or for disapproval of professional technical training for an individual.

SECTION 32. ORS 657.610 is amended to read:

657.610. The Director of the Employment Department may:

(1) For purposes of administration and control, and with the approval of the Governor, organize and reorganize the department in whatever manner the director considers appropriate to carry out the duties, functions and powers of the department.

(2) Appoint all subordinate officers and employees of the department, whether classified or unclassified, and prescribe their duties and compensation, subject to applicable provisions of the State Personnel Relations Law.

(3) Delegate to departmental officers and employees such responsibility and authority as the director determines necessary.

(4) Determine all questions of general policy and promulgate rules and regulations and be responsible for the administration of this chapter.

(5) Sue and be sued in the name of the director, and shall have a seal [which shall bear] **bearing** the name of the Employment Department.

(6) Adopt proper rules to regulate the mode and manner of all investigations.

(7) Prescribe the time, place and manner of making claims for benefits under this chapter, the kind and character of notices required thereunder and the procedure for investigating and deciding claims.

(8) Enter into contracts relating to the federal Workforce Investment Act deemed necessary by the director to fulfill the mission of the department. The director may enter into contracts with other states or governments, public bodies or persons to provide or receive services. Contracts entered into by the director shall be executed in the name of the state, by and through the Employment Department.

SECTION 33. ORS 657.610, as amended by section 138, chapter 849, Oregon Laws 1999, is amended to read:

657.610. The Director of the Employment Department may:

(1) For purposes of administration and control, and with the approval of the Governor, organize and reorganize the department in whatever manner the director considers appropriate to carry out the duties, functions and powers of the department.

(2) Appoint all subordinate officers and employees of the department, whether classified or unclassified, and prescribe their duties and compensation, subject to applicable provisions of the State Personnel Relations Law.

(3) Delegate to departmental officers and employees such responsibility and authority as the director determines necessary.

(4) Determine all questions of general policy and promulgate rules and regulations and be responsible for the administration of this chapter.

(5) Sue and be sued in the name of the director, and shall have a seal [*which shall bear*] **bearing** the name of the Employment Department.

(6) Adopt proper rules to govern proceedings and to regulate the mode and manner of all investigations and hearings before hearing officers appointed by the director.

(7) Prescribe the time, place and manner of making claims for benefits under this chapter, the kind and character of notices required thereunder and the procedure for investigating and deciding claims.

(8) Enter into contracts relating to the federal Workforce Investment Act deemed necessary by the director to fulfill the mission of the department. The director may enter into contracts with other states or governments, public bodies or persons to provide or receive services. Contracts entered into by the director shall be executed in the name of the state, by and through the Employment Department.

SECTION 34. ORS 657.710 is amended to read:

657.710. (1) The Director of the Employment Department shall establish and maintain such free public employment offices, [*subject to any contract, agreements or obligations entered into or assumed under chapter 135, Oregon Laws 1935,*] including such branch **or affiliate** offices, as may be necessary for the proper administration of this chapter **and for participation in Oregon's workforce investment system.** [*The director shall maintain a division for this purpose.*]

(2) The director may enter into such contracts or memoranda of understanding with designated workforce investment system partners, including but not limited to other states and governments, government entities, state agencies, units of local government, intergovernmental entities, community colleges and persons, as appropriate to administer the workforce investment system.

(3) The director may enter into contracts or memoranda of understanding to share confidential information as authorized under federal law and regulations for purposes of a national performance accounting system, including receiving and making available wage records to the extent the wage records are required by another state to carry out that state's workforce investment system performance plan.

(4) All moneys made available by or received by the state for the Oregon State Employment Service shall be paid to and expended from the Unemployment Compensation Administration Fund.

[*2*] **(5) Each public agency shall provide to the director timely information pertinent to all existing job vacancies over which the public agency exercises employment control and for which there will be open recruitment. Such information shall be made available to the public by the director. As used in this subsection, "public agency" has the meaning [*provided for*] **given** that term in ORS 279.011.**

SECTION 35. The Job Training Partnership Act section of the Department of Community Colleges and Workforce Development is abolished.

SECTION 36. (1) There are imposed upon, transferred to and vested in the Department of Community Colleges and Workforce Development all the duties, functions and powers of the Job Training Partnership Act section of the Department of Community Colleges and Workforce Development.

(2) There are transferred to the department all the supplies, materials, equipment, records, books, papers and facilities of the section.

(3) The department shall maintain all the records and other documents from the administration of the federal Job Training Partnership Act that are required to be retained under federal and state law.

SECTION 37. Any moneys in the Oregon Dislocated Worker Fund on the effective date of this 2001 Act are transferred to the Department of Community Colleges and Workforce Development Account.

SECTION 38. ORS 285A.449, 285B.765, 329.945, 329.960 and 411.923 are repealed.

SECTION 39. This 2001 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2001 Act takes effect on its passage.

Passed by House May 25, 2001

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Chief Clerk of House

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Speaker of House

Passed by Senate June 13, 2001

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President of Senate

Received by Governor:

.....M,....., 2001

Approved:

.....M,....., 2001

.....
Governor

Filed in Office of Secretary of State:

.....M,....., 2001

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Secretary of State