

## HB 3306 -2 STAFF MEASURE SUMMARY

### House Committee On Business and Labor

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**Meeting Dates:** 3/15, 4/3

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#### WHAT THE MEASURE DOES:

Requires entity that receives funds for certain workforce program initiatives to establish wage standards for individuals who participate in program administered by entity if, under program, entity provides individuals with paid work experience. Provides that individual that performs work for recipient under program shall be considered employee of recipient for purposes of state wage and hour laws and state laws prohibiting discrimination and retaliation. Requires additional information to be included in report submitted by Higher Education Coordinating Commission to interim committee of Legislative Assembly.

#### ISSUES DISCUSSED:

- Role of paid-on-the-job training programs in workforce system and creating career pathways
- Model after registered apprenticeship programs
- Paying average locality wage rates to worker-trainees while those workers are acquiring skills
- Historically marginalized and rural communities that lack proximity to higher education
- Paid on-the-job training programs as viable path for career advancement
- Possible decrease in paid-on-the-job training opportunities

#### EFFECT OF AMENDMENT:

-2 Replaces measure. Requires entity that receives any state or federal Workforce Innovation and Opportunity Act (WIOA) funds to establish wage standards for individuals who participate in program administered by entity if, under program, entity provides individuals with paid work experience.

Requires entity that receives state or WIOA funds to pay entry-level training wage, that is not less than applicable state minimum wage rate. Defines entry-level wage as percentage amount of average area wage standard for same trade or occupation in location where labor is performed, in accordance with the wage progression schedule developed as part of training plan. Requires development, and disclosure of training plan to individual when they first begin participation in program. Training plan must include entry-level training wage that will be paid to individual; statement that individual must be paid according to established wage progression schedule, along with a description of requirements that individual must meet in order to progress to higher wage rates; statement that the entry-level training wage paid may not be less than federal minimum wage rate or applicable state minimum wage rate, whichever is greater; and statement explaining that entry-level training wage paid to individual is minimum standard and that higher wage rate may be paid to individual if so required under other applicable federal or state laws, regulations or a collective bargaining agreement.

Individual who performs work for entity is considered employee of entity for purposes of state wage and hour laws and state laws prohibiting employment discrimination and retaliation.

Requires industry consortium establish wage rate standard once every two years using data made available by Oregon Employment Department or other available relevant economic and employment data as determined by Higher Education Coordinating Commission by rule.

Removes reporting requirements.

Requirements apply to entities that receive funds after effective date of this Act.

**BACKGROUND:**

The Oregon workforce development system refers to the group of state agencies, local workforce development boards, and community-based organizations in Oregon that provide job placement and training for youth and adults, and employment-related services for veterans, people with disabilities, migrant farm workers, limited English speakers, and other Oregonians in need of special assistance. The system also serves employers by providing job listings, applicant testing and screening, and labor market information. The State Workforce and Talent Development Board (WTDB) convenes system agencies and stakeholders, provides oversight to the system, and promotes the alignment and integration of services and resources to provide effective solutions to businesses and individuals for their workforce needs. Oregon has nine business-led local workforce development boards that develop strategic plans, convene and align stakeholders, identify strategies by industry sector, and oversee workforce development services in their area.