

HB 3306 A STAFF MEASURE SUMMARY

House Committee On Business and Labor

Action Date: 04/04/23

Action: Do pass with amendments and be referred to Rules. (Printed A-Eng.)

Vote: 6-5-0-0

Yeas: 6 - Grayber, Holvey, Hudson, Nelson, Nosse, Sosa

Nays: 5 - Boshart Davis, Elmer, Osborne, Owens, Scharf

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 3/15, 4/4

WHAT THE MEASURE DOES:

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 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 to be paid to individual; statement that individual must be paid according to established wage progression schedule, along with description of requirements that individual must meet to progress to higher wage rates; statement that 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 that entry-level training wage paid to individual is minimum standard and higher wage rate may be paid to individual if required under other applicable federal or state laws, regulations, or 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. Requirements apply to entities that receive funds after effective date of this Act.

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:

Replaces the measure.

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

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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. WIOA is designed to help job seekers succeed in the labor market by providing them with access employment, education, training, and support services and to match employers with the skilled workers they need to compete in the global economy. The Higher Education Coordinating Commission (HECC) administers several WIOA programs including the Adult and Dislocated Worker Program and Youth Workforce Programs. The HECC distributes workforce funding, provides fiscal oversight and accountability for workforce programs, and provides policy direction and technical assistance to state and local workforce partners, staff, and other stakeholders statewide.

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.

House Bill 3306 A requires an entity that receives any state or federal Workforce Innovation and Opportunity Act (WIOA) funds to establish wage standards for individuals who participate in a program administered by entity if, under program, entity provides individuals with paid work experience. The measure requires that an entity, including employers, develop and share training plan with an individual when they first begin participation in program. A training plan must include the entry-level training wage to be paid to an individual; statement that individual must be paid according to established wage progression schedule, along with a description of requirements that an individual must meet to progress to higher wage rates; statement that 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 that entry-level training wage be paid to individual is minimum standard and higher wage rate may be paid to individual if required under other applicable federal or state laws, regulations, or collective bargaining agreement.