

HB 3306 A STAFF MEASURE SUMMARY**Carrier:** Sen. Jama**Senate Committee On Labor and Business**

Action Date: 05/11/23
Action: Do pass the A-Eng bill.
Vote: 3-0-0-2
Yeas: 3 - Jama, Patterson, Taylor
Abs: 2 - Bonham, Hansell
Fiscal: Has minimal fiscal impact
Revenue: No revenue impact
Prepared By: Whitney Perez, LPRO Analyst
Meeting Dates: 5/9, 5/11

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. Requires training plan to 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. Makes individual who performs work for entity considered employee of entity for purposes of state wage and hour laws and state laws prohibiting employment discrimination and retaliation. Requires industry consortium to 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. Applies requirements to entities that receive funds on or after effective date of this Act.

ISSUES DISCUSSED:

- Current laws for paid work experience
- Worker protections for persons in training program under Workforce Innovation and Opportunity Act funds
- Intent to provide wage and training plan transparency

EFFECT OF AMENDMENT:

No amendment.

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 Workforce Innovation and Opportunity Act (WIOA) is designed to help job seekers succeed in the labor market by providing them with

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access to 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 WIOA funds to establish wage standards for individuals who participate in a program administered by the entity, if, under the program, the entity provides individuals with paid work experience. The measure requires that an entity, including employers, develop and share a training plan with an individual when they first begin participation in the program. A training plan must include the 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.