

# Enrolled House Bill 3306

Sponsored by Representatives HOLVEY, GRAYBER, LIVELY, RUIZ, Senator JAMA; Representative EVANS

CHAPTER .....

AN ACT

Relating to requirements concerning certain workforce development investment initiatives; creating new provisions; and amending sections 3, 9 and 10, chapter 28, Oregon Laws 2022.

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

**SECTION 1. Section 2 of this 2023 Act is added to and made a part of ORS 660.300 to 660.364.**

**SECTION 2. (1) This section applies to an entity that provides paid work experience to an individual participating in a workforce program that is funded in whole or in part by the following sources:**

**(a) State funds that are allocated to and made available for reallocation by local workforce development boards to the entity for workforce programs.**

**(b) Funds allotted to the state pursuant to the federal Workforce Innovation and Opportunity Act that are allocated to and available for reallocation by local workforce development boards to the entity for workforce programs in accordance with the federal Workforce Innovation and Opportunity Act.**

**(2)(a) An entity described in subsection (1) of this section shall:**

**(A) Notwithstanding ORS 653.025, pay wages to individuals participating in the program at a rate that is:**

**(i) Equivalent to an entry-level training wage as determined by the entity pursuant to paragraph (b) of this subsection; and**

**(ii) In alignment with the wage progression schedule established by the entity under subparagraph (B) of this paragraph;**

**(B) Establish a wage progression schedule that includes the step progression requirements and the rate calculation formula upon which the entity shall make determinations about a participating individual's eligibility to increase the individual's wage rate from an entry-level training wage to a wage rate that is equivalent to the average area wage standard for an hour's work in the same trade or occupation in the locality where the labor is performed;**

**(C) Develop a training plan for individuals participating in the program that includes, at a minimum:**

**(i) The entry-level training wage that will be paid to the individual;**

**(ii) A statement that the individual shall be paid according to the wage progression schedule established by the entity, along with a description of the requirements that the in-**

dividual must meet in order to progress to a higher wage rate under the wage progression schedule;

(iii) A statement that the entry-level training wage paid to the individual may not be less than the federal minimum wage rate or the applicable state minimum wage rate, whichever is greater; and

(iv) A statement explaining that the entry-level training wage paid to the individual is a minimum standard and that a higher wage rate shall be paid to the individual if so required under other applicable federal or state laws, regulations or a collective bargaining agreement; and

(D) Provide each individual participating in the program with a copy of the training plan described in subparagraph (C) of this paragraph on the date on which the individual first begins participating in the program.

(b) For purposes of paragraph (a)(A) of this subsection, the entry-level training wage shall be a percentage amount of the average area wage standard for an hour's work in the same trade or occupation in the locality where the labor is performed, but in no event may the entry-level training wage be less than the applicable state minimum wage rate under ORS 653.025.

(c) Each individual who performs work for an entity described in this section shall be considered an employee of the entity for purposes of state wage and hour laws and state laws prohibiting employment discrimination and retaliation.

**SECTION 3.** Section 3, chapter 28, Oregon Laws 2022, is amended to read:

**Sec. 3.** (1) The Prosperity 10,000 Program is established in the Higher Education Coordinating Commission for the following purposes:

(a) To provide career coaching, occupational training and job placement services;

(b) To provide wraparound supports and services that are necessary to facilitate reengagement in the workforce, including, but not limited to, transportation, child care and rental assistance;

(c) To provide paid work experiences, including stipends and wages and other income supports for individuals from priority populations; and

(d) To support targeted recruitment and engagement efforts.

(2) The goals of the Prosperity 10,000 Program are to:

(a) Include at least 10,000 total individuals who participate in the program;

(b) Improve the capacity and responsiveness of the public workforce system in this state by providing assistance for workforce development program navigation, expanding access to community-based career counseling and wraparound supports and services, and providing opportunities to earn industry-recognized certificates, credentials and degrees through work-based learning experiences;

(c) Ensure that services and benefits available through workforce programs are provided to individuals from priority populations;

(d) Provide increased access for priority populations to services and benefits available through workforce programs;

(e) Ensure that at least 50 percent of the individuals who participate in the program are women;

(f) Ensure that at least 80 percent of the individuals who participate successfully complete the program;

(g) Ensure that at least 75 percent of the individuals who participate in the program successfully obtain employment; and

(h) Ensure that at least 75 percent of the individuals who participate in the program earn at least \$17 per hour.

(3)(a) The Prosperity 10,000 Program shall be administered by local workforce development boards. The local workforce development boards shall:

(A) Distribute resources and available funds to nonprofit community-based organizations, educational institutions, labor organizations and other workforce service providers to facilitate the

provision of workforce development services and wraparound supports to individuals who participate in the program;

(B) Coordinate with state workforce agencies and other workforce partners to expand regional community-based partnerships that work to support and sustain workforce development services and wraparound supports; and

(C) Connect with businesses and organizations in targeted industry sectors to identify training needs and ensure that business needs relating to a skilled workforce are met.

(b) An entity that collaborates with a local workforce development board to accomplish the workforce development activities described under this subsection shall, in accordance with ORS 660.327, participate with local workforce development boards in developing a proposed local plan.

**(4)(a) If an entity receives funds distributed from a local workforce development board under this section and provides paid work experience to individuals who participate in the program established under this section, the entity shall:**

**(A) Notwithstanding ORS 653.025 and subsection (2)(h) of this section, pay wages to individuals participating in the program at a rate that is:**

**(i) Equivalent to an entry-level training wage as determined by the entity pursuant to paragraph (b) of this subsection; and**

**(ii) In alignment with the wage progression schedule established by the entity under subparagraph (B) of this paragraph;**

**(B) Establish a wage progression schedule that includes the step progression requirements and the rate calculation formula upon which the entity shall make determinations about a participating individual's eligibility to increase the individual's wage rate from an entry-level training wage to a wage rate that is equivalent to the average area wage standard for an hour's work in the same trade or occupation in the locality where the labor is performed;**

**(C) Develop a training plan for individuals participating in the program that includes, at a minimum:**

**(i) The entry-level training wage that will be paid to the individual;**

**(ii) A statement that the individual shall be paid according to the wage progression schedule established by the entity, along with a description of the requirements that the individual must meet in order to progress to a higher wage rate under the wage progression schedule;**

**(iii) A statement that the entry-level training wage paid to the individual may not be less than the federal minimum wage rate or the applicable state minimum wage rate, whichever is greater; and**

**(iv) A statement explaining that the entry-level training wage paid to the individual is a minimum standard and that a higher wage rate shall be paid to the individual if so required under other applicable federal or state laws, regulations or a collective bargaining agreement; and**

**(D) Provide each individual participating in the program with a copy of the training plan described in subparagraph (C) of this paragraph on the date on which the individual first begins participating in the program.**

(b) For purposes of paragraph (a)(A) of this subsection, the entry-level training wage shall be a percentage amount of the average area wage standard for an hour's work in the same trade or occupation in the locality where the labor is performed, but in no event may the entry-level training wage be less than the applicable state minimum wage rate under ORS 653.025.

(c) Each individual who performs work for an entity described in this subsection shall be considered an employee of the entity for purposes of state wage and hour laws and state laws prohibiting employment discrimination and retaliation.

[4(a)] (5)(a) As used in this subsection, “SNAP Employment and Training Program” means the employment and training component of the federal Supplemental Nutrition Assistance Program under 7 U.S.C. 2015(d)(4).

(b) To the extent possible, the Department of Human Services shall:

(A) Incorporate the Prosperity 10,000 Program into the statewide plan for the SNAP Employment and Training Program;

(B) Seek federal reimbursement for 50 percent of the Prosperity 10,000 Program’s costs and for other eligible activities as reported by the local workforce development boards;

(C) Refer individuals who receive supplemental nutrition assistance under ORS 411.806 to 411.845 to participate in the Prosperity 10,000 Program; and

(D) Distribute moneys received as reimbursement under subparagraph (B) of this paragraph to local workforce development boards, not later than 60 days after the department receives an invoice that is consistent with requirements under the SNAP Employment and Training Program, for reinvestment in workforce development and wraparound supports and services provided under the Prosperity 10,000 Program.

[5] (6) The State Workforce and Talent Development Board, in consultation with the Committee for Continuous Improvement, shall:

(a) Oversee the progress of the Prosperity 10,000 Program;

(b) Ensure that program goals are met; and

(c) Identify areas for program improvement.

**SECTION 4.** Section 9, chapter 28, Oregon Laws 2022, is amended to read:

**Sec. 9.** (1) As used in this section:

(a) “Community-based organization” has the meaning given that term in section 4, **chapter 28, Oregon Laws 2022** [of this 2022 Act].

(b) “Community college” has the meaning given that term in ORS 341.005.

(c) “Workforce service provider” includes:

(A) Nonprofit and public workforce education, training and career services providers.

(B) Governmental entities that are providers of workforce development services.

(2) There is established in the Higher Education Coordinating Commission a program to award grants to workforce service providers and community-based organizations that administer workforce programs in the health care, manufacturing and technology industry sectors and that prioritize equitable program participation by individuals from priority populations.

(3) The commission shall establish criteria and standards by which a workforce service provider or a community-based organization may submit a proposal to receive a grant under this section. In establishing criteria and standards, the commission shall consider federal nondiscrimination and equal opportunity provisions of the Workforce Innovation and Opportunity Act. The commission shall award grants on a competitive basis, taking into consideration proposals that:

(a) Describe how the workforce service provider or the community-based organization intends to engage with employers in the targeted industry sectors to provide workforce development opportunities to individuals from priority populations.

(b) Demonstrate the workforce service provider’s or the community-based organization’s experience serving individuals from priority populations.

(c) Describe how the workforce service provider or the community-based organization intends to collaborate with one or more of the following entities to increase accessibility for priority populations to workforce programs and opportunities:

(A) Other workforce service providers or community-based organizations;

(B) Kindergarten through grade 12 schools;

(C) Community colleges;

(D) Education and training partners;

(E) Local workforce development boards;

(F) Economic development organizations;

(G) Industry associations; and

(H) Universities, as defined in section 8, **chapter 28, Oregon Laws 2022** [of this 2022 Act].

(d) Demonstrate that a workforce partner with which a workforce service provider or a community-based organization intends to partner possesses specific qualifications, including the organizational and technical capacity, necessary to carry out the purposes described under subsection (5)(a) to (d) of this section.

(e) Prioritize opportunities to leverage the use of other funding sources, including federal funds and private sector contributions, toward workforce programs and opportunities.

(4) In awarding grants under this section, the commission shall consult with the State Workforce and Talent Development Board and shall incorporate input from local workforce development boards and industry consortia convened under section 10, **chapter 28, Oregon Laws 2022** [of this 2022 Act].

(5) Grant moneys awarded under this section shall be expended for one or more of the following purposes:

(a) To provide paid work experience, including stipends and wages;

(b) To offer tuition and fee assistance for workforce programs;

(c) To provide wraparound workforce development services;

(d) To develop culturally and linguistically specific career pathways for obtaining certificates, credentials or degrees recognized by targeted industry sectors; and

(e) To fund organizational investments, including, but not limited to:

(A) Hiring staff;

(B) Developing organizational development strategies;

(C) Purchasing equipment, technology or other training-related supplies;

(D) Covering administrative costs; and

(E) Any other activities identified in a grant proposal as necessary to administer workforce programs described under this section.

**(6)(a) If a grant recipient expends moneys to provide paid work experience to individuals participating in a workforce program administered by the grant recipient, the grant recipient shall:**

**(A) Notwithstanding ORS 653.025, pay wages to individuals participating in the program at a rate that is:**

**(i) Equivalent to an entry-level training wage as determined by the grant recipient pursuant to paragraph (b) of this subsection; and**

**(ii) In alignment with the wage progression schedule established by the grant recipient under subparagraph (B) of this paragraph;**

**(B) Establish a wage progression schedule that includes the step progression requirements and the rate calculation formula upon which the grant recipient shall make determinations about a participating individual's eligibility to increase the individual's wage rate from an entry-level training wage to a wage rate that is equivalent to the average area wage standard for an hour's work in the same trade or occupation in the locality where the labor is performed;**

**(C) Develop a training plan for individuals participating in the program that includes, at a minimum:**

**(i) The entry-level training wage that will be paid to the individual;**

**(ii) A statement that the individual shall be paid according to the wage progression schedule established by the grant recipient entity, along with a description of the requirements that the individual must meet in order to progress to a higher wage rate under the wage progression schedule;**

**(iii) A statement that the entry-level training wage paid to the individual may not be less than the federal minimum wage rate or the applicable state minimum wage rate, whichever is greater; and**

**(iv) A statement explaining that the entry-level training wage paid to the individual is a minimum standard and that a higher wage rate shall be paid to the individual if so required**

under other applicable federal or state laws, regulations or a collective bargaining agreement; and

**(D) Provide each individual participating in the program with a copy of the training plan described in subparagraph (C) of this paragraph on the date on which the individual first begins participating in the program.**

**(b) For purposes of paragraph (a)(A) of this subsection, the entry-level training wage shall be a percentage amount of the average area wage standard for an hour's work in the same trade or occupation in the locality where the labor is performed, but in no event may the entry-level training wage be less than the applicable state minimum wage rate under ORS 653.025.**

**(c) An individual who performs work for grant recipient described in this subsection shall be considered an employee of the grant recipient for purposes of state wage and hour laws and state laws prohibiting employment discrimination and retaliation.**

[(6)] (7) The commission shall compile information from each recipient of a grant under this section regarding the status and use of grant funds to ensure funding is expended for permissible purposes. At a minimum, the information must include, where applicable:

(a) The number of individuals who have registered for or completed a workforce program in health care, manufacturing or technology;

(b) The number of workforce programs developed and administered by a workforce service provider or a community-based organization;

(c) The job placement rate for and income earnings by individuals participating in a workforce program described under this section;

(d) The number of individuals from priority populations who receive services or benefits from workforce programs administered by a workforce service provider or a community-based organization; and

(e) A description of the types and amount of wraparound workforce development services provided by a workforce service provider or a community-based organization.

[(7)] (8) The commission may adopt any rules necessary for carrying out the provisions of this section.

**SECTION 5.** Section 10, chapter 28, Oregon Laws 2022, is amended to read:

**Sec. 10.** (1) As used in this section, "community-based organization" has the meaning given that term in section 4, **chapter 28, Oregon Laws 2022** [of this 2022 Act].

(2)(a) The Higher Education Coordinating Commission, in consultation with the State Workforce and Talent Development Board, shall establish a program to convene statewide industry consortia that represent the health care, manufacturing and technology industry sectors. Each individual consortium established under this section shall represent a single targeted industry sector.

(b) The purpose of the program is to:

(A) Establish strategic partnerships to align workforce development activities that aim to increase participation in workforce programs by individuals from priority populations;

(B) Develop structured processes to address mutual goals and promote consensus in decision-making;

(C) Identify industry-specific workforce needs in this state, including the need for high-value credentials, to inform the development and implementation of culturally and linguistically diverse workforce education and training curricula;

(D) Develop targeted recruitment strategies to increase equitable participation by individuals from priority populations in statewide workforce programs; [and]

(E) Promote workforce development programs and activities in the targeted industry sectors[.];  
**and**

**(F) Establish wage rate standards, varied by locality, for each skilled occupation within each of the sectors specified in paragraph (a) of this subsection.**

**(3) Once every two years, each industry consortium established under this section shall:**

(a) Recalculate the wage rate standards described in subsection (2)(b)(F) of this section using relevant economic and employment data made available by the Employment Department. If there is no such data available, the consortium shall recalculate the wage rate standards using relevant economic and employment data made available from other resources, as identified by the commission by rule.

(b) Submit a statement to the commission summarizing the methodology used to recalculate the wage rate standards and the date on which the new wage rate standards shall take effect.

[3(a)] (4)(a) An industry consortium established under this section shall operate under the direction of a leadership team composed of the following representatives from the consortium's targeted industry sector:

(A) A representative who is a business leader.

(B) A representative of a community-based organization that administers one or more workforce programs.

(C) One or more representatives of workforce education and training providers.

(D) A representative of a labor organization.

(b) To the extent practicable, members of the leadership team shall include individuals who are representative of priority populations.

(c) The membership of an industry consortium established under this section must include, in addition to the members of the leadership team, the following:

(A) One or more representatives from the State Workforce and Talent Development Board.

(B) One or more representatives of the Racial Justice Council within the Office of the Governor.

(C) One or more representatives of employers.

(D) One or more representatives of an industry association.

(E) One or more representatives of labor organizations.

(F) One or more representatives of local workforce development boards.

(G) One or more representatives of economic developers.

[4] (5) The State Workforce and Talent Development Board, or any other neutral entity designated by the board, shall serve as the intermediary between the industry consortia members.

[5] (6) The commission may adopt any rules necessary to carry out the provisions of this section.

**SECTION 6. Section 2 of this 2023 Act and the amendments to sections 3 and 9, chapter 28, Oregon Laws 2022, by sections 3 and 4 of this 2023 Act apply to entities that receive funds on or after the effective date of this 2023 Act.**

**Passed by House April 27, 2023**

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Timothy G. Sekerak, Chief Clerk of House

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Dan Rayfield, Speaker of House

**Passed by Senate June 22, 2023**

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Rob Wagner, President of Senate

**Received by Governor:**

.....M,....., 2023

**Approved:**

.....M,....., 2023

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Tina Kotek, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2023

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Secretary of State