

A-Engrossed
House Bill 3306

Ordered by the House April 10
Including House Amendments dated April 10

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

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires entity that receives funds for certain workforce program initiatives to establish wage standards **and develop training plan** 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 industry consortia representing certain industry sectors to establish wage rate standards for skilled occupations within sectors.

[Requires additional information to be included in report submitted by Higher Education Coordinating Commission to interim committee of Legislative Assembly.]

A BILL FOR 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

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 about a participating individual's eligibility to increase the individual's wage rate from an
2 entry-level training wage to a wage rate that is equivalent to the average area wage standard
3 for an hour's work in the same trade or occupation in the locality where the labor is per-
4 formed;

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

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

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

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

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

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

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

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

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

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

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

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

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

38 (d) To support targeted recruitment and engagement efforts.

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

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

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

1 (c) Ensure that services and benefits available through workforce programs are provided to in-
2 dividuals from priority populations;

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

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

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

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

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

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

14 (A) Distribute resources and available funds to nonprofit community-based organizations, edu-
15 cational institutions, labor organizations and other workforce service providers to facilitate the
16 provision of workforce development services and wraparound supports to individuals who participate
17 in the program;

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

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

23 (b) An entity that collaborates with a local workforce development board to accomplish the
24 workforce development activities described under this subsection shall, in accordance with ORS
25 660.327, participate with local workforce development boards in developing a proposed local plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 **[(4)(a)] (5)(a)** As used in this subsection, "SNAP Employment and Training Program" means the
22 employment and training component of the federal Supplemental Nutrition Assistance Program un-
23 der 7 U.S.C. 2015(d)(4).

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

25 (A) Incorporate the Prosperity 10,000 Program into the statewide plan for the SNAP Employ-
26 ment and Training Program;

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

29 (C) Refer individuals who receive supplemental nutrition assistance under ORS 411.806 to
30 411.845 to participate in the Prosperity 10,000 Program; and

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

36 **[(5)] (6)** The State Workforce and Talent Development Board, in consultation with the Commit-
37 tee for Continuous Improvement, shall:

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

39 (b) Ensure that program goals are met; and

40 (c) Identify areas for program improvement.

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

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

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

45 (b) "Community college" has the meaning given that term in ORS 341.005.

1 (c) "Workforce service provider" includes:

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

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

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

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

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

16 (b) Demonstrate the workforce service provider's or the community-based organization's experi-
17 ence serving individuals from priority populations.

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

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

22 (B) Kindergarten through grade 12 schools;

23 (C) Community colleges;

24 (D) Education and training partners;

25 (E) Local workforce development boards;

26 (F) Economic development organizations;

27 (G) Industry associations; and

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

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

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

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

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

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

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

43 (c) To provide wraparound workforce development services;

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

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

2 (A) Hiring staff;

3 (B) Developing organizational development strategies;

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

5 (D) Covering administrative costs; and

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

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

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

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

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

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

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

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

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

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

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

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

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

45 **(c) An individual who performs work for grant recipient described in this subsection shall**

1 **be considered an employee of the grant recipient for purposes of state wage and hour laws**
2 **and state laws prohibiting employment discrimination and retaliation.**

3 [(6)] (7) The commission shall compile information from each recipient of a grant under this
4 section regarding the status and use of grant funds to ensure funding is expended for permissible
5 purposes. At a minimum, the information must include, where applicable:

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

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

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

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

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

17 [(7)] (8) The commission may adopt any rules necessary for carrying out the provisions of this
18 section.

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

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

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

26 (b) The purpose of the program is to:

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

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

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

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

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

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

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

41 **(a) Recalculate the wage rate standards described in subsection (2)(b)(F) of this section**
42 **using relevant economic and employment data made available by the Employment Depart-**
43 **ment. If there is no such data available, the consortium shall recalculate the wage rate**
44 **standards using relevant economic and employment data made available from other re-**
45 **sources, as identified by the commission by rule.**

1 **(b) Submit a statement to the commission summarizing the methodology used to recal-**
2 **culate the wage rate standards and the date on which the new wage rate standards shall take**
3 **effect.**

4 [(3)(a)] **(4)(a)** An industry consortium established under this section shall operate under the di-
5 rection of a leadership team composed of the following representatives from the consortium's tar-
6 geted industry sector:

7 (A) A representative who is a business leader.

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

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

11 (D) A representative of a labor organization.

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

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

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

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

18 (C) One or more representatives of employers.

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

20 (E) One or more representatives of labor organizations.

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

22 (G) One or more representatives of economic developers.

23 [(4)] **(5)** The State Workforce and Talent Development Board, or any other neutral entity des-
24 ignated by the board, shall serve as the intermediary between the industry consortia members.

25 [(5)] **(6)** The commission may adopt any rules necessary to carry out the provisions of this sec-
26 tion.

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

30