

# House Bill 3306

Sponsored by Representatives HOLVEY, GRAYBER, LIVELY, RUIZ

## 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 **as introduced**.

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.

## A BILL FOR AN ACT

1  
2 Relating to requirements concerning certain workforce development investment initiatives; creating  
3 new provisions; and amending sections 3, 9, 10 and 12, chapter 28, Oregon Laws 2022.

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

5 **SECTION 1.** Section 3, chapter 28, Oregon Laws 2022, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

28 (g) Ensure that at least 75 percent of the individuals who participate in the program successfully

**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 obtain employment; and

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

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

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

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

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

15 (b) An entity that collaborates with a local workforce development board to accomplish the  
 16 workforce development activities described under this subsection shall, in accordance with ORS  
 17 660.327, participate with local workforce development boards in developing a proposed local plan.

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

21 **(A) Notwithstanding ORS 653.025 and subsection (2)(h) of this section, pay wages to the  
 22 individuals at a rate that is equivalent to the average area wage standard for an hour's work  
 23 in the same trade or occupation in the locality where the labor is performed;**

24 **(B) Develop a training plan for individuals who participate in the program administered  
 25 by the entity that includes, at a minimum, the applicable wage standard described under  
 26 subparagraph (A) of this paragraph; and**

27 **(C) Provide each individual participating in the program with a copy of the training plan  
 28 described under subparagraph (B) of this paragraph, on the date on which the individual first  
 29 begins participation in the program.**

30 **(b) Each individual who performs work for an entity described under this subsection shall  
 31 be considered an employee of the entity for purposes of state wage and hour laws and state  
 32 laws prohibiting employment discrimination and retaliation.**

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

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

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

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

41 (C) Refer individuals who receive supplemental nutrition assistance under ORS 411.806 to  
 42 411.845 to participate in the Prosperity 10,000 Program; and

43 (D) Distribute moneys received as reimbursement under subparagraph (B) of this paragraph to  
 44 local workforce development boards, not later than 60 days after the department receives an invoice  
 45 that is consistent with requirements under the SNAP Employment and Training Program, for rein-

1 vestment in workforce development and wraparound supports and services provided under the  
 2 Prosperity 10,000 Program.

3 [(5)] (6) The State Workforce and Talent Development Board, in consultation with the Commit-  
 4 tee for Continuous Improvement, shall:

- 5 (a) Oversee the progress of the Prosperity 10,000 Program;
- 6 (b) Ensure that program goals are met; and
- 7 (c) Identify areas for program improvement.

8 **SECTION 2.** Section 9, chapter 28, Oregon Laws 2022, is amended to read:

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

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

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

13 (c) “Workforce service provider” includes:

- 14 (A) Nonprofit and public workforce education, training and career services providers.
- 15 (B) Governmental entities that are providers of workforce development services.

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

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

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

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

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

- 33 (A) Other workforce service providers or community-based organizations;
- 34 (B) Kindergarten through grade 12 schools;
- 35 (C) Community colleges;
- 36 (D) Education and training partners;
- 37 (E) Local workforce development boards;
- 38 (F) Economic development organizations;
- 39 (G) Industry associations; and
- 40 (H) Universities, as defined in section 8, **chapter 28, Oregon Laws 2022** [of this 2022 Act].

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

45 (e) Prioritize opportunities to leverage the use of other funding sources, including federal funds

1 and private sector contributions, toward workforce programs and opportunities.

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

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

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

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

10 (c) To provide wraparound workforce development services;

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

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

14 (A) Hiring staff;

15 (B) Developing organizational development strategies;

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

17 (D) Covering administrative costs; and

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

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

23 **(A) Notwithstanding ORS 653.025, pay wages to individuals who perform work for the**  
 24 **grant recipient at a rate that is equivalent to the average area wage standard for an hour's**  
 25 **work in the same trade or occupation in the locality where the labor is performed;**

26 **(B) Develop a training plan for participating individuals that includes, at a minimum, the**  
 27 **applicable wage standard described under subparagraph (A) of this paragraph; and**

28 **(C) Provide each individual participating in the program with a copy of the training plan**  
 29 **described under subparagraph (B) of this paragraph, on the date on which the individual first**  
 30 **begins participating in the program.**

31 **(b) An individual who performs work for grant recipient described under paragraph (a)**  
 32 **of this subsection shall be considered an employee of the grant recipient for purposes of state**  
 33 **wage and hour laws and state laws prohibiting employment discrimination and retaliation.**

34 [(6)] (7) The commission shall compile information from each recipient of a grant under this  
 35 section regarding the status and use of grant funds to ensure funding is expended for permissible  
 36 purposes. At a minimum, the information must include, where applicable:

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

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

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

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

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

3 [(7)] (8) The commission may adopt any rules necessary for carrying out the provisions of this  
4 section.

5 **SECTION 3.** Section 10, chapter 28, Oregon Laws 2022, is amended to read:

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

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

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

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

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

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

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

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

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

26 (3)(a) An industry consortium established under this section shall operate under the direction  
27 of a leadership team composed of the following representatives from the consortium’s targeted in-  
28 dustry sector:

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

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

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

33 (D) A representative of a labor organization.

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

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

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

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

40 (C) One or more representatives of employers.

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

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

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

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

45 (4) The State Workforce and Talent Development Board, or any other neutral entity designated

1 by the board, shall serve as the intermediary between the industry consortia members.

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

3 **SECTION 4.** Section 12, chapter 28, Oregon Laws 2022, is amended to read:

4 **Sec. 12.** (1) The Higher Education Coordinating Commission, in collaboration with the State  
5 Workforce and Talent Development Board, the Bureau of Labor and Industries and the Department  
6 of Education, shall review each of the programs established under sections 3, 4, 6, 7, 8, 9, 10 and  
7 11, **chapter 28, Oregon Laws 2022**, [of this 2022 Act] to assess performance and expenditure out-  
8 comes of the programs. In evaluating the programs, the commission shall compile the following in-  
9 formation:

10 (a) For the programs established under sections 3, 4, 6, 8, 9, 10 and 11, **chapter 28, Oregon**  
11 **Laws 2022** [of this 2022 Act]:

12 (A) The number of individuals from priority populations who have registered for and who have  
13 completed a workforce program, including apprenticeship and preapprenticeship training programs;

14 (B) Data on job placement rates, wages and salary earnings and health and retirement benefits  
15 provided for individuals who participated in an established program;

16 (C) A description of any new or expanded workforce programs, including training programs,  
17 career pathway programs and apprenticeship and preapprenticeship training programs, established  
18 as a result of the programs described under sections 3, 4, 6, 8, 9, 10 and 11, **chapter 28, Oregon**  
19 **Laws 2022** [of this 2022 Act]; and

20 (D) The types and amounts of any wraparound supports and services provided to individuals  
21 from priority populations.

22 (b) For the program established under section 7, **chapter 28, Oregon Laws 2022** [of this 2022  
23 Act]:

24 (A) The number of youth or young adults from priority populations who have registered for or  
25 completed a youth workforce program;

26 (B) Data on job placement rates for youth or young adults from priority populations who have  
27 completed a youth workforce program; and

28 (C) A description of any new or expanded paid work experiences, workforce readiness training  
29 or job placement services created as a result of grants awarded under section 7, **chapter 28,**  
30 **Oregon Laws 2022** [of this 2022 Act].

31 (2) In carrying out the duties described under subsection (1) of this section, the commission shall  
32 coordinate its activities with relevant state agencies and other workforce partners to:

33 (a) Identify opportunities for leveraging existing partnerships to align data collection standards  
34 and practices and to integrate data with any common data system among those partnerships;

35 (b) Support the commission's assessment efforts and identify areas for future workforce devel-  
36 opment investments; and

37 (c) Facilitate communication with workforce stakeholders, including but not limited to job  
38 seekers, employers, community-based organizations and workforce service providers, in an inclusive  
39 manner and, when appropriate, provide stakeholders with access to the results and findings resulting  
40 from the commission's review.

41 (3) By December 31 of each year, the commission shall prepare and submit a report that includes  
42 the information described in subsection (1) of this section, disaggregated by race, age, gender and  
43 geographical area, including any recommendations for future investments and opportunities to lev-  
44 erage private and federal funding to support investments, to the Governor and to the interim com-  
45 mittees of the Legislative Assembly related to workforce development, in the manner provided in

1 ORS 192.245. In addition to including the information described under subsection (1) of this section,  
2 the report shall:

3 (a) Provide baseline estimates of statewide labor force participation rates that include, at a  
4 minimum:

5 (A) Long-term employment projections for health care and manufacturing;

6 (B) The progress made toward achieving the statewide educational attainment goals established  
7 under ORS 350.014 and 350.018; and

8 (C) Projections related to post-secondary educational attainment needs; and

9 (b) Describe how the programs established under sections 3, 4, 6, 8, 9, 10 and 11, **chapter 28,**  
10 **Oregon Laws 2022, [of this 2022 Act]** contributed to statewide labor force participation by demon-  
11 strating, at a minimum, the following:

12 (A) The percentage of individuals who participated in an established program as compared to  
13 the share of the statewide labor force, by race;

14 (B) The percentage of individuals who participated in an established program as compared to  
15 the share of the statewide labor force, by gender;

16 **(C) The percentage of individuals who participated in an established program as compared**  
17 **to the share of the statewide labor force, by priority population, as applicable;**

18 [(C)] (D) The percentage of individuals who participated in an established program and who re-  
19 ceived a post-secondary certificate, credential or degree as compared to the share of the statewide  
20 labor force, disaggregated by race, age, gender and geographical area;

21 [(D)] (E) The number of individuals who participated in an established program and who re-  
22 ceived a post-secondary certificate, credential or degree as compared to the statewide educational  
23 attainment goals described under ORS 350.014 and 350.018, disaggregated by race, age, gender and  
24 geographical area; [and]

25 [(E)] (F) The job placement rates of individuals who participated in an established program as  
26 compared to long-term employment projections for health care and manufacturing, disaggregated by  
27 race, age, gender and geographical area[.]; **and**

28 **(G) The percentage increase or decrease in the participation rates by individuals from**  
29 **priority populations in health care and manufacturing as compared to the baseline estimates**  
30 **of statewide labor force participation rates in those industries.**

31 **(4) In collecting, compiling, processing, examining and reporting on the information and**  
32 **data under this section, the commission shall take reasonable measures to minimize the**  
33 **potential for double-counting individuals where certain priority populations, services provided**  
34 **or program participation may overlap.**

35 [(4)] (5) As used in this section:

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

38 (b) “Priority population” has the meaning given that term in ORS 660.300.

39 [(b)] (c) “Workforce service provider” has the meaning given that term in section 9, **chapter**  
40 **28, Oregon Laws 2022 [of this 2022 Act].**

41 [(c)] (d) “Youth workforce program” has the meaning given that term in section 7, **chapter 28,**  
42 **Oregon Laws 2022 [of this 2022 Act].**

43 **SECTION 5. The amendments to sections 3 and 9, chapter 28, Oregon Laws 2022, by**  
44 **sections 1 and 2 of this 2023 Act apply to entities that receive funds on or after the effective**  
45 **date of this 2023 Act.**

