

Minority Report

A-Engrossed

House Bill 3669

Ordered by the House April 15
Including House Minority Report Amendments dated April 15

Sponsored by nonconcurring members of the House Committee on Higher Education and Workforce Development:
Representatives HARBICK, YUNKER

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act changes the goals of a workforce development program. (Flesch Readability Score: 61.3).

[Expands] **Modifies** the goals and purposes of the Prosperity 10,000 Program. **Narrows the definition of “priority populations” for purposes of the program.**

Requires the Higher Education Coordinating Commission to disburse funds appropriated for the purpose of administering the program to local workforce development boards within certain timelines.

A BILL FOR AN ACT

Relating to workforce development; amending ORS 660.175, 660.300, 660.380 and 660.385.

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

SECTION 1. ORS 660.300 is amended to read:

660.300. As used in ORS 660.300 to 660.420:

(1) “Chief elected official” means a county commissioner, a county judge or the mayor of the City of Portland.

(2) “Federal Act” or “federal Workforce Innovation and Opportunity Act” means the federal Workforce Innovation and Opportunity Act (29 U.S.C. 3101 et seq.).

(3) “Local workforce development area” means the City of Portland or a county when the city or county has been designated as a local workforce development area under ORS 660.324. “Local workforce development area” may include two or more counties that have joined together to form a local workforce development area and that have been designated as a local workforce development area under ORS 660.324.

(4) “Local workforce development board” means a board established pursuant to section 3122 of the federal Workforce Innovation and Opportunity Act.

(5) “Maritime sector” includes but is not limited to:

(a) Enterprises engaged in the design, construction, manufacture, acquisition, operation, supply, repair or maintenance of marine vessels or component parts of marine vessels;

(b) Enterprises engaged in managing or operating shipping lines;

(c) Customs brokerage services, shipyards, shipping and freight forwarding services, dry docks, marine railways and marine repair shops;

(d) Enterprises engaged in commercial or recreational fishing;

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.

(e) Enterprises and academic institutions engaged in scientific research of ocean processes, marine life or other ocean resources; and

(f) Enterprises engaged in marine tours or travel, water sports or other marine leisure activities.

(6) “Participant” means a person receiving services under the federal Workforce Innovation and Opportunity Act (29 U.S.C. 3101 et seq.).

(7) “Participant records” means records relating to matters such as grades, conduct, personal and academic evaluations, results of psychometric testing, counseling, disciplinary actions, if any, and other personal matters.

(8) “Priority populations” means:

[(a) *Communities of color*;]

[(b) *Women*;]

[(c)] (a) Low-income communities; **and**

[(d) *Rural and frontier communities*;]

[(e)] (b) Veterans[.];

[(f) *Persons with disabilities*;]

[(g) *Incarcerated and formerly incarcerated individuals*;]

[(h) *Members of Oregon’s nine federally recognized Indian tribes*;]

[(i) *Individuals who disproportionately experience discrimination in employment on the basis of age; and*]

[(j) *Individuals who identify as members of the LGBTQ+ community*.]

(9) “State workforce agencies” means state agencies that administer workforce programs.

(10) “Workforce development” means services designed to help individuals attain employment and progress along career pathways and to help businesses better achieve business goals by more easily finding skilled employees. “Workforce development” includes:

(a) Education and training services;

(b) Apprenticeship and preapprenticeship training programs registered with the State Apprenticeship and Training Council;

(c) Labor market analysis;

(d) Employment and reemployment services;

(e) Employee recruitment and retention services; and

(f) Convening, coordinating, oversight and evaluation services for business and state workforce agencies.

(11) “Workforce programs” means programs that have a primary mission of helping individuals become employed, retain employment, increase wages and progress along career pathways and that are responsible for outcomes related to the primary mission.

SECTION 2. ORS 660.380 is amended to read:

660.380. (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 **and advancement** 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 **industry** engagement efforts[.]; **and**

1 **(e) To build pathways that support career advancement for incumbent workers by im-**
 2 **proving job quality through on-the-job training grants, curriculum development and cus-**
 3 **tomized training.**

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

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

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

11 (c) Ensure that services and benefits available through workforce programs are provided to in-
 12 dividuals from priority populations[;].

13 (d) Provide increased access for priority populations to services and benefits available through
 14 workforce programs[;].

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

16 **(e)(A) Support employers and incumbent workers in high-growth industries by building**
 17 **pathways that promote advancement in quality jobs, attained skills and wage and benefit**
 18 **earnings.**

19 **(B) As used in this paragraph, “high-growth industries” includes, but is not limited to,**
 20 **industry sectors such as clean energy, semiconductor manufacturing and broadband**
 21 **infrastructure, child care, behavioral and mental health care, transportation and con-**
 22 **struction and other areas deemed essential by state and local workforce development boards**
 23 **for expanding economic and workforce development opportunities.**

24 (f) Ensure that at least 80 percent of the individuals who participate successfully complete the
 25 program[;].

26 (g) Ensure that at least 75 percent of the individuals who **are unemployed at the time of en-**
 27 **rollment** *[participate]* in the program successfully obtain employment **and earn at least \$17 per**
 28 **hour.***[; and]*

29 *[(h) Ensure that at least 75 percent of the individuals who participate in the program earn at least*
 30 *\$17 per hour.]*

31 **(h) Ensure that incumbent workers participating in the program obtain transferable**
 32 **skills or credentials and increased earnings that amount to \$23 per hour or a percentage**
 33 **increase of _____, whichever is greater.**

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

36 (A) Distribute resources and available funds to nonprofit community-based organizations, edu-
 37 cational institutions, labor organizations, **employers** and other workforce service providers to fa-
 38 cilitate the provision of workforce development services and wraparound supports to individuals who
 39 participate in the program;

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

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

45 (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.

(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

1 other eligible activities as reported by the local workforce development boards;

2 (C) Refer individuals who receive supplemental nutrition assistance under ORS 411.806 to
3 411.845 to participate in the Prosperity 10,000 Program; and

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

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

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

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

13 (c) Identify areas for program improvement.

14 **SECTION 3.** ORS 660.385 is amended to read:

15 660.385. *[(1)(a) Not later than 60 days following March 17, 2022, the Higher Education Coordi-*
16 *inating Commission shall distribute the funds specifically appropriated to the commission under section*
17 *13, chapter 28, Oregon Laws 2022, to local workforce development boards to administer the Prosperity*
18 *10,000 Program.]*

19 **(1)(a) The Higher Education Coordinating Commission shall distribute the funds specif-**
20 **ically appropriated by the Legislative Assembly for the purpose of administering the Pros-**
21 **perity 10,000 Program to local workforce development boards to carry out such purposes, not**
22 **later than 60 days following receipt of the appropriated funds.**

23 (b) The commission shall distribute all moneys received *[from moneys made available under*
24 *sections 13 and 14, chapter 28, Oregon Laws 2022,]* to local workforce development boards using the
25 same formula as required under the federal Workforce Innovation and Opportunity Act (29 U.S.C.
26 3101 et seq.) for the allocation of funds to local workforce development boards.

27 (2) Each local workforce development board shall compile data on the progress made toward
28 carrying out the Prosperity 10,000 Program. The boards shall prepare and submit a joint report that
29 includes data, disaggregated by race, gender and geography, to the commission and the State
30 Workforce and Talent Development Board no later than October 31 of each year, in the manner
31 provided in ORS 192.245.

32 **SECTION 4.** ORS 660.175 is amended to read:

33 660.175. (1) As used in this section:

34 (a) "Community-based organization" has the meaning given that term in ORS 660.390.

35 (b) "Local workforce development board" has the meaning given that term in ORS 660.300.

36 (c) "Priority populations" has the meaning given that term in ORS 660.300.

37 (2) The Bureau of Labor and Industries shall establish and administer a grant program to pro-
38 vide financial support for the development, expansion and implementation of registered apprentice-
39 ship and preapprenticeship training programs in health care and manufacturing, and for the
40 development and implementation of preapprenticeship training programs in construction.

41 (3) The State Apprenticeship and Training Council, under the direction of the Apprenticeship
42 and Training Division of the Bureau of Labor and Industries, may award grants to community-based
43 organizations, labor organizations, local workforce development boards and other entities that de-
44 velop apprenticeship and preapprenticeship training programs described under subsection (2) of this
45 section and that prioritize program participation by apprentices from priority populations.

1 (4) The Apprenticeship and Training Division of the Bureau of Labor and Industries shall, in
2 collaboration with the Higher Education Coordinating Commission, recommend for approval by the
3 council:

4 (a) The criteria and standards by which the entities described under subsection (3) of this sec-
5 tion may submit proposals to receive a grant under this section.

6 (b) The grant proposals to consider in awarding grants.

7 (5) The council shall award grants under this section on a competitive basis and may give pri-
8 ority to grant proposals that demonstrate effective strategies for engaging with priority populations.

9 (6) A recipient of a grant under this section may use the moneys:

10 (a) To pay the costs of convening employers in health care and manufacturing;

11 (b) To recruit and conduct outreach for apprentices;

12 (c) To provide tuition and fee assistance to program participants;

13 (d) To pay the costs of tools, supplies and equipment and other training-related costs;

14 (e) To pay for technology supports, including broadband services;

15 (f) To provide apprentices with supports and services that are equivalent to the supports and
16 services available to apprentices who perform work on a bridge or highway project;

17 (g) To develop uniform standards for new registered apprenticeship and preapprenticeship
18 training programs described under subsection (2) of this section;

19 (h) To develop a curriculum and standard courses of study for the instruction of apprentices;
20 and

21 (i) For any other activities that the bureau deems necessary to support the expansion of regis-
22 tered apprenticeship and preapprenticeship training programs and to support overall increased pro-
23 gram participation[, *with an emphasis on increased participation by women and individuals from*
24 *communities of color*].

25 (7) The bureau may adopt rules necessary to implement the provisions of this section.

26 (8) Each grant recipient shall track and report to the council information regarding the status
27 of each apprenticeship and preapprenticeship program developed, expanded and implemented under
28 this section and the use of grant funds.

29