

116TH CONGRESS  
1ST SESSION

# H. R. 3007

To establish an Employee Ownership and Participation Initiative, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 23, 2019

Mr. POCAN introduced the following bill; which was referred to the Committee on Education and Labor

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## A BILL

To establish an Employee Ownership and Participation Initiative, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-  
2       tives of the United States of America in Congress assembled,*

**3 SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Worker Ownership,  
5       Readiness, and Knowledge Act” or the “WORK Act”.

**6 SEC. 2. WORKER OWNERSHIP, READINESS, AND KNOWL-  
7       EDGE.**

8       (a) DEFINITIONS.—In this section:

9           (1) EXISTING PROGRAM.—The term “existing  
10       program” means a program, designed to promote

1 employee ownership and employee participation in  
2 business decisionmaking, that exists on the date on  
3 which the Secretary is carrying out a responsibility  
4 authorized under this section.

5 (2) INITIATIVE.—The term “Initiative” means  
6 the Employee Ownership and Participation Initiative  
7 established under subsection (b).

8 (3) NEW PROGRAM.—The term “new program”  
9 means a program, designed to promote employee  
10 ownership and employee participation in business de-  
11 cisionmaking, that does not exist on the date on  
12 which the Secretary is carrying out a responsibility  
13 authorized under this section.

14 (4) SECRETARY.—The term “Secretary” means  
15 the Secretary of Labor, acting through the Assistant  
16 Secretary for Employment and Training.

17 (5) STATE.—The term “State” means any of  
18 the 50 States of the United States.

19 (b) EMPLOYEE OWNERSHIP AND PARTICIPATION INI-  
20 TIATIVE.—

21 (1) ESTABLISHMENT.—The Secretary of Labor  
22 shall establish within the Employment and Training  
23 Administration of the Department of Labor an Em-  
24 ployee Ownership and Participation Initiative to pro-

1       mote employee ownership and employee participation  
2       in business decisionmaking.

3           (2) FUNCTIONS.—In carrying out the Initiative,  
4       the Secretary shall—

5               (A) support within the States existing pro-  
6       grams designed to promote employee ownership  
7       and employee participation in business decision-  
8       making; and

9               (B) facilitate within the States the forma-  
10       tion of new programs designed to promote em-  
11       ployee ownership and employee participation in  
12       business decisionmaking.

13           (3) DUTIES.—To carry out the functions enu-  
14       merated in paragraph (2), the Secretary shall—

15               (A) support new programs and existing  
16       programs by—

17                       (i) making Federal grants authorized  
18       under subsection (d); and

19                       (ii)(I) acting as a clearinghouse on  
20       techniques employed by new programs and  
21       existing programs within the States, and  
22       disseminating information relating to those  
23       techniques to the programs; or

24                       (II) funding projects for information  
25       gathering on those techniques, and dis-

1                   semination of that information to the pro-  
2                   grams, by groups outside the Employment  
3                   and Training Administration; and  
4                   (B) facilitate the formation of new pro-  
5                   grams, in ways that include holding or funding  
6                   an annual conference of representatives from  
7                   States with existing programs, representatives  
8                   from States developing new programs, and rep-  
9                   resentatives from States without existing pro-  
10                  grams.

11                  (c) PROGRAMS REGARDING EMPLOYEE OWNERSHIP  
12                  AND PARTICIPATION.—

13                  (1) ESTABLISHMENT OF PROGRAM.—Not later  
14                  than 180 days after the date of enactment of this  
15                  Act, the Secretary shall establish a program to en-  
16                  courage new programs and existing programs within  
17                  the States to foster employee ownership and em-  
18                  ployee participation in business decisionmaking  
19                  throughout the United States.

20                  (2) PURPOSE OF PROGRAM.—The purpose of  
21                  the program established under paragraph (1) is to  
22                  encourage new and existing programs within the  
23                  States that focus on—

24                  (A) providing education and outreach to  
25                  inform employees and employers about the pos-

9 (B) providing technical assistance to assist  
10 employee efforts to become business owners, to  
11 enable employers and employees to explore and  
12 assess the feasibility of transferring full or par-  
13 tial ownership to employees, and to encourage  
14 employees and employers to start new em-  
15 ployee-owned businesses;

16 (C) training employees and employers with  
17 respect to methods of employee participation in  
18 open-book management, work teams, commit-  
19 tees, and other approaches for seeking greater  
20 employee input; and

21 (D) training other entities to apply for  
22 funding under this subsection, to establish new  
23 programs, and to carry out program activities.

4 (A) in the case of activities described in  
5 paragraph (2)(A)—

6 (i) target key groups, such as retiring  
7 business owners, senior managers, unions,  
8 trade associations, community organiza-  
9 tions, and economic development organiza-  
10 tions;

11 (ii) encourage cooperation in the orga-  
12 nization of workshops and conferences; and

13 (iii) prepare and distribute materials  
14 concerning employee ownership and par-  
15 ticipation, and business ownership succes-  
16 sion planning;

17 (B) in the case of activities described in  
18 paragraph (2)(B)—

19 (i) provide preliminary technical as-  
20 sistance to employee groups, managers,  
21 and retiring owners exploring the possi-  
22 bility of employee ownership;

23 (ii) provide for the performance of  
24 preliminary feasibility assessments;

(iii) assist in the funding of objective third-party feasibility studies and preliminary business valuations, and in selecting and monitoring professionals qualified to conduct such studies; and

(iv) provide a data bank to help employees find legal, financial, and technical advice in connection with business ownership;

(C) in the case of activities described in paragraph (2)(C)—

(i) provide for courses on employee participation; and

(ii) provide for the development and fostering of networks of employee-owned companies to spread the use of successful participation techniques; and

(D) in the case of training described in paragraph (2)(D)—

(i) provide for visits to existing programs by staff from new programs receiving funding under this section; and

(ii) provide materials to be used for such training.

9 (A) proactive in encouraging actions and  
10 activities that promote employee ownership of,  
11 and participation in, businesses; and

12 (B) comprehensive in emphasizing both  
13 employee ownership of, and participation in,  
14 businesses so as to increase productivity and  
15 broaden capital ownership.

16 (d) GRANTS.—

22 (A) Education and outreach as provided in  
23 subsection (c)(2)(A).

24 (B) Technical assistance as provided in  
25 subsection (c)(2)(B).

1 (C) Training activities for employees and  
2 employers as provided in subsection (c)(2)(C).

3 (D) Activities facilitating cooperation  
4 among employee-owned firms.

5 (E) Training as provided in subsection  
6 (c)(2)(D) for new programs provided by partici-  
7 pants in existing programs dedicated to the ob-  
8 jectives of this section, except that, for each fis-  
9 cal year, the amount of the grants made for  
10 such training shall not exceed 10 percent of the  
11 total amount of the grants made under this sec-  
12 tion.

24 (4) STATE APPLICATIONS.—Each State may  
25 sponsor and submit an application under paragraph

1       (3) on behalf of any local entity consisting of a unit  
2       of State or local government, State-supported institu-  
3       tion of higher education, or nonprofit organization,  
4       meeting the requirements of this section.

5               (5) APPLICATIONS BY ENTITIES.—

6                   (A) ENTITY APPLICATIONS.—If a State  
7       fails to support or establish a program pursu-  
8       ant to this section during any fiscal year, the  
9       Secretary shall, in the subsequent fiscal years,  
10      allow local entities described in paragraph (4)  
11      from that State to make applications for grants  
12      under paragraph (3) on their own initiative.

13                   (B) APPLICATION SCREENING.—Any State  
14      failing to support or establish a program pursu-  
15      ant to this section during any fiscal year may  
16      submit applications under paragraph (3) in the  
17      subsequent fiscal years but may not screen ap-  
18      plications by local entities described in para-  
19      graph (4) before submitting the applications to  
20      the Secretary.

21                   (6) LIMITATIONS.—A recipient of a grant made  
22      under this subsection shall not receive, during a fis-  
23      cal year, in the aggregate, more than the following  
24      amounts:

25                       (A) For fiscal year 2020, \$300,000.

- 1 (B) For fiscal year 2021, \$330,000.
- 2 (C) For fiscal year 2022, \$363,000.
- 3 (D) For fiscal year 2023, \$399,300.
- 4 (E) For fiscal year 2024, \$439,200.

11 (e) EVALUATIONS.—The Secretary is authorized to  
12 reserve not more than 10 percent of the funds appro-  
13 priated for a fiscal year to carry out this section, for the  
14 purposes of conducting evaluations of the grant programs  
15 identified in subsection (d) and to provide related technical  
16 assistance.

17 (f) REPORTING.—Not later than the expiration of the  
18 36-month period following the date of enactment of this  
19 Act, the Secretary shall prepare and submit to Congress  
20 a report—

21 (1) on progress related to employee ownership  
22 and participation in businesses in the United States;  
23 and

24 (2) containing an analysis of critical costs and  
25 benefits of activities carried out under this section.

## 1 (g) AUTHORIZATIONS OF APPROPRIATIONS.—

2 (1) IN GENERAL.—There are authorized to be  
3 appropriated for the purpose of making grants pur-  
4 suant to subsection (d) the following:5 (A) For fiscal year 2020, \$3,850,000.  
6 (B) For fiscal year 2021, \$6,050,000.  
7 (C) For fiscal year 2022, \$8,800,000.  
8 (D) For fiscal year 2023, \$11,550,000.  
9 (E) For fiscal year 2024, \$14,850,000.10 (2) ADMINISTRATIVE EXPENSES.—There are  
11 authorized to be appropriated for the purpose of  
12 funding the administrative expenses related to the  
13 Initiative, for each of fiscal years 2020 through  
14 2024, an amount not in excess of—15 (A) \$350,000; or  
16 (B) 5.0 percent of the maximum amount  
17 available under paragraph (1) for that fiscal  
18 year.

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