

111TH CONGRESS
1ST SESSION

S. 2909

To provide State programs to encourage employee ownership and participation in business decisionmaking throughout the United States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 18, 2009

Mr. SANDERS (for himself, Mr. LEAHY, Mr. BROWN, and Mr. MENENDEZ) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To provide State programs to encourage employee ownership and participation in business decisionmaking throughout the United States, 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. DEFINITIONS.**

7 (a) In this Act:

1 (1) DIRECTOR.—The term “Director” means
2 the Director of Employee Ownership and Participa-
3 tion.

4 (2) EXISTING PROGRAM.—The term “existing
5 program” means a program, designed to promote
6 employee ownership and employee participation in
7 business decisionmaking, that exists on the date the
8 Director is carrying out a responsibility authorized
9 by this Act.

10 (3) NEW PROGRAM.—The term “new program”
11 means a program, designed to promote employee
12 ownership and employee participation in business de-
13 cisionmaking, that does not exist on the date the Di-
14 rector is carrying out a responsibility authorized by
15 this Act.

16 (4) OFFICE.—The term “Office” means the Of-
17 fice of Employee Ownership and Participation estab-
18 lished under section 3.

19 (5) SECRETARY.—The term “Secretary” means
20 the Secretary of Labor.

21 (6) STATE.—The term “State” means any of
22 the 50 States within the United States of America.

1 **SEC. 3. OFFICE OF EMPLOYEE OWNERSHIP AND PARTICI-**
2 **PATION.**

3 (a) ESTABLISHMENT.—The Secretary shall establish
4 within the Department of Labor an Office of Employee
5 Ownership and Participation to promote employee owner-
6 ship and employee participation in business decision-
7 making.

8 (b) DIRECTOR.—The Secretary shall appoint a Direc-
9 tor of Employee Ownership and Participation to head the
10 Office.

11 (c) FUNCTIONS.—The functions of the Director are
12 to—

13 (1) support within the States existing programs
14 designed to promote employee ownership and em-
15 ployee participation in business decisionmaking; and

16 (2) facilitate within the States the formation of
17 new programs designed to promote employee owner-
18 ship and employee participation in business decision-
19 making.

20 (d) DUTIES.—To carry out the functions enumerated
21 in subsection (c), the Director shall—

22 (1) support new programs and existing pro-
23 grams by—

24 (A) making Federal grants authorized
25 under section 5; and

1 (B)(i) acting as a clearinghouse on tech-
2 niques employed by new programs and existing
3 programs within the States, and disseminating
4 information relating to those techniques to the
5 programs; or

6 (ii) funding projects for information gath-
7 ering on those techniques, and dissemination of
8 that information to the programs, by groups
9 outside the Office; and

10 (2) facilitate the formation of new programs, in
11 ways that include holding or funding an annual con-
12 ference of representatives from States with existing
13 programs, representatives from States developing
14 new programs, and representatives from States with-
15 out existing programs.

16 **SEC. 4. PROGRAMS REGARDING EMPLOYEE OWNERSHIP**
17 **AND PARTICIPATION.**

18 (a) ESTABLISHMENT OF PROGRAM.—Not later than
19 180 days after the date of enactment of this Act, the Sec-
20 retary shall establish a program, administered by the Di-
21 rector, to encourage new and existing programs within the
22 States, designed to foster employee ownership and em-
23 ployee participation in business decisionmaking through-
24 out the United States.

1 (b) PURPOSE OF PROGRAM.—The purpose of the pro-
2 gram established under subsection (a) is to encourage new
3 and existing programs within the States that focus on—

4 (1) providing education and outreach to inform
5 employees and employers about the possibilities and
6 benefits of employee ownership, business ownership
7 succession planning, and employee participation in
8 business decisionmaking, including providing infor-
9 mation about financial education, employee teams,
10 open-book management, and other tools that enable
11 employees to share ideas and information about how
12 their businesses can succeed;

13 (2) providing technical assistance to assist em-
14 ployee efforts to become business owners, to enable
15 employers and employees to explore and assess the
16 feasibility of transferring full or partial ownership to
17 employees, and to encourage employees and employ-
18 ers to start new employee-owned businesses;

19 (3) training employees and employers with re-
20 spect to methods of employee participation in open-
21 book management, work teams, committees, and
22 other approaches for seeking greater employee input;
23 and

1 (4) training other entities to apply for funding
2 under this section, to establish new programs, and
3 to carry out program activities.

4 (c) PROGRAM DETAILS.—The Secretary may include,
5 in the program established under subsection (a), provi-
6 sions that—

7 (1) in the case of activities under subsection
8 (b)(1)—

9 (A) target key groups such as retiring
10 business owners, senior managers, unions, trade
11 associations, community organizations, and eco-
12 nomic development organizations;

13 (B) encourage cooperation in the organiza-
14 tion of workshops and conferences; and

15 (C) prepare and distribute materials con-
16 cerning employee ownership and participation,
17 and business ownership succession planning;

18 (2) in the case of activities under subsection
19 (b)(2)—

20 (A) provide preliminary technical assist-
21 ance to employee groups, managers, and retir-
22 ing owners exploring the possibility of employee
23 ownership;

24 (B) provide for the performance of prelimi-
25 nary feasibility assessments;

1 (C) assist in the funding of objective third-
2 party feasibility studies and preliminary busi-
3 ness valuations, and in selecting and monitoring
4 professionals qualified to conduct such studies;
5 and

6 (D) provide a data bank to help employees
7 find legal, financial, and technical advice in con-
8 nection with business ownership;

9 (3) in the case of activities under subsection
10 (b)(3)—

11 (A) provide for courses on employee par-
12 ticipation; and

13 (B) provide for the development and fos-
14 tering of networks of employee-owned compa-
15 nies to spread the use of successful participa-
16 tion techniques; and

17 (4) in the case of training under subsection
18 (b)(4)—

19 (A) provide for visits to existing programs
20 by staff from new programs receiving funding
21 under this Act; and

22 (B) provide materials to be used for such
23 training.

24 (d) REGULATIONS.—The Secretary shall promulgate
25 regulations pursuant to this Act that require new and ex-

1 isting programs established or funded under this Act to
2 be—

3 (1) proactive in encouraging actions and activi-
4 ties that promote employee ownership of, and par-
5 ticipation in, businesses; and

6 (2) comprehensive in emphasizing both em-
7 ployee ownership of, and participation in, businesses
8 so as to increase productivity and broaden capital
9 ownership.

10 **SEC. 5. GRANTS.**

11 (a) IN GENERAL.—In carrying out the program es-
12 tablished under section 4, the Director may make grants
13 for use in connection with new programs and existing pro-
14 grams within a State for any of the following activities:

15 (1) Education and outreach as provided in sec-
16 tion 4(b)(1).

17 (2) Technical assistance as provided in section
18 4(b)(2).

19 (3) Training activities for employees and em-
20 ployers as provided in section 4(b)(3).

21 (4) Activities facilitating cooperation among
22 employee-owned firms.

23 (5) Training as provided in section 4(b)(4) for
24 new programs provided by participants in existing
25 programs dedicated to the objectives of this Act, ex-

1 cept that, for each fiscal year, the amount of the
2 grants made for such training shall not exceed 10
3 percent of the total amount of the grants made
4 under this Act.

5 (b) AMOUNTS AND CONDITIONS.—The Director shall
6 determine the amount and any conditions for a grant
7 made under this section. The amount of the grant shall
8 be subject to subsection (f), and shall reflect the capacity
9 of the applicant for the grant.

10 (c) APPLICATIONS.—Each entity desiring a grant
11 under this section shall submit an application to the Direc-
12 tor at such time, in such manner, and accompanied by
13 such information as the Director may reasonably require.

14 (d) STATE APPLICATIONS.—Each State may sponsor
15 and submit an application under subsection (c) on behalf
16 of any local entity consisting of a unit of State or local
17 government, State-supported institution of higher edu-
18 cation, or nonprofit organization, meeting the require-
19 ments of this Act.

20 (e) APPLICATIONS BY ENTITIES.—

21 (1) ENTITY APPLICATIONS.—If a State fails to
22 support or establish a program pursuant to this Act
23 during any fiscal year, the Director shall, in the sub-
24 sequent fiscal years, allow local entities described in
25 subsection (d) from that State to make applications

1 for grants under subsection (c) on their own initia-
2 tive.

3 (2) APPLICATION SCREENING.—Any State fail-
4 ing to support or establish a program pursuant to
5 this Act during any fiscal year may submit applica-
6 tions under subsection (c) in the subsequent fiscal
7 years but may not screen applications by local enti-
8 ties described in subsection (d) before submitting the
9 applications to the Director.

10 (f) LIMITATIONS.—A recipient of a grant made under
11 this section shall not receive, during a fiscal year, in the
12 aggregate, more than the following amounts:

13 (1) For fiscal year 2010, \$300,000.

14 (2) For fiscal year 2011, \$330,000.

15 (3) For fiscal year 2012, \$363,000.

16 (4) For fiscal year 2013, \$399,300.

17 (5) For fiscal year 2014, \$439,200.

18 (g) ANNUAL REPORT.—For each year, each recipient
19 of a grant under this section shall submit to the Director
20 a report describing how grant funds allocated pursuant
21 to this section were expended during the 12-month period
22 preceding the date of the submission of the report.

1 **SEC. 6. OFFICE REPORTING.**

2 Not later than the expiration of the 36-month period
3 following the date of enactment of this Act, the Director
4 shall prepare and submit to Congress a report—

5 (1) on progress related to employee ownership
6 and participation in businesses in the United States;
7 and

8 (2) containing an analysis of critical costs and
9 benefits of activities carried out under this Act.

10 **SEC. 7. AUTHORIZATIONS OF APPROPRIATIONS.**

11 (a) IN GENERAL.—There are authorized to be appro-
12 priated for the purpose of making grants pursuant to sec-
13 tion 5 the following:

14 (1) For fiscal year 2010, \$3,500,000.

15 (2) For fiscal year 2011, \$5,500,000.

16 (3) For fiscal year 2012, \$8,000,000.

17 (4) For fiscal year 2013, \$10,500,000.

18 (5) For fiscal year 2014, \$13,500,000.

19 (b) ADMINISTRATIVE EXPENSES.—There are author-
20 ized to be appropriated for the purpose of funding the Of-
21 fice, for each of fiscal years 2010 through 2014, an
22 amount not in excess of—

23 (1) \$350,000; or

24 (2) 5.0 percent of the maximum amount avail-
25 able under subsection (a) for that fiscal year.

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