

117TH CONGRESS  
1ST SESSION

# H. R. 6024

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

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IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 18, 2021

Mr. COURTNEY (for himself and 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 “Work Act”.

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

7       (a) DEFINITIONS.—In this section:

8               (1) EXISTING PROGRAM.—The term “existing  
9       program” means a program, designed to promote  
10      employee ownership and employee participation in

1 business decision making, that exists on the date on  
2 which the Secretary is carrying out a responsibility  
3 authorized under this section.

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

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

13 (4) SECRETARY.—The term “Secretary” means  
14 the Secretary of Labor.

15 (5) STATE.—The term “State” has the mean-  
16 ing given the term under section 3 of the Workforce  
17 Innovation and Opportunity Act (29 U.S.C. 3102).

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

20 (1) ESTABLISHMENT.—The Secretary of Labor  
21 shall establish within the Department of Labor an  
22 Employee Ownership and Participation Initiative to  
23 promote employee ownership and employee participa-  
24 tion in business decision making.

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

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

7           (B) facilitate within the States the forma-  
8       tion of new programs designed to promote em-  
9       ployee ownership and employee participation in  
10      business decision making.

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

13           (A) support new programs and existing  
14      programs by—

15           (i) making Federal grants authorized  
16      under subsection (d); and

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

22           (II) funding projects for information  
23      gathering on those techniques, and dis-  
24      semination of that information to the pro-

grams, by groups outside the Department of Labor; and

(B) facilitate the formation of new programs, in ways that include holding or funding an annual conference of representatives from States with existing programs, representatives from States developing new programs, and representatives from States without existing programs.

(c) PROGRAMS REGARDING EMPLOYEE OWNERSHIP AND PARTICIPATION.—

(1) ESTABLISHMENT OF PROGRAM.—Not later than 180 days after the date of enactment of this Act, the Secretary shall establish a program to encourage new programs and existing programs within the States to foster employee ownership and employee participation in business decision making throughout the United States.

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

(A) providing education and outreach to inform employees and employers about the possibilities and benefits of employee ownership,

1 business ownership succession planning, and  
2 employee participation in business decision  
3 making, including providing information about  
4 financial education, employee teams, open-book  
5 management, and other tools that enable em-  
6 ployees to share ideas and information about  
7 how their businesses can succeed;

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

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

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

23 (3) PROGRAM DETAILS.—The Secretary may in-  
24 clude, in the program established under paragraph  
25 (1), provisions that—

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

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

8 (ii) encourage cooperation in the orga-  
9 nization of workshops and conferences; and

10 (iii) prepare and distribute materials  
11 concerning employee ownership and par-  
12 ticipation, and business ownership succes-  
13 sion planning;

14 (B) in the case of activities described in  
15 paragraph (2)(B)—

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

20 (ii) provide for the performance of  
21 preliminary feasibility assessments;

22 (iii) assist in the funding of objective  
23 third-party feasibility studies and prelimi-  
24 nary business valuations, and in selecting

1 and monitoring professionals qualified to  
2 conduct such studies; and

3 (iv) provide a data bank to help em-  
4 ployees find legal, financial, and technical  
5 advice in connection with business owner-  
6 ship;

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

9 (i) provide for courses on employee  
10 participation; and

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

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

17 (i) provide for visits to existing pro-  
18 grams by staff from new programs receiv-  
19 ing funding under this section; and

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

22 (4) GUIDANCE.—The Secretary shall issue for-  
23 mal guidance, for recipients of grants awarded under  
24 subsection (d) and one-stop partners (as defined in  
25 section 3 of the Workforce Innovation and Oppor-

1 tunity Act (29 U.S.C. 3102)) affiliated with the  
 2 workforce development systems (as so defined) of  
 3 the States, proposing that programs and other ac-  
 4 tivities funded under this section be—

5 (A) proactive in encouraging actions and  
 6 activities that promote employee ownership of,  
 7 and participation in, businesses; and

8 (B) comprehensive in emphasizing both  
 9 employee ownership of, and participation in,  
 10 businesses so as to increase productivity and  
 11 broaden capital ownership.

12 (d) GRANTS.—

13 (1) IN GENERAL.—In carrying out the program  
 14 established under subsection (c), the Secretary may  
 15 make grants for use in connection with new pro-  
 16 grams and existing programs within a State for any  
 17 of the following activities:

18 (A) Education and outreach as provided in  
 19 subsection (c)(2)(A).

20 (B) Technical assistance as provided in  
 21 subsection (c)(2)(B).

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

24 (D) Activities facilitating cooperation  
 25 among employee-owned firms.



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

9           (2) AMOUNTS AND CONDITIONS.—The Sec-  
10          retary shall determine the amount and any condi-  
11          tions for a grant made under this subsection. The  
12          amount of the grant shall be subject to paragraph  
13          (6), and shall reflect the capacity of the applicant  
14          for the grant.

15          (3) APPLICATIONS.—Each entity desiring a  
16          grant under this subsection shall submit an applica-  
17          tion to the Secretary at such time, in such manner,  
18          and accompanied by such information as the Sec-  
19          retary may reasonably require.

20          (4) STATE APPLICATIONS.—Each State may  
21          sponsor and submit an application under paragraph  
22          (3) on behalf of any local entity consisting of a unit  
23          of State or local government, State-supported insti-  
24          tution of higher education, or nonprofit organization,  
25          meeting the requirements of this section.

1 (5) APPLICATIONS BY ENTITIES.—

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

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

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

21 (A) For fiscal year 2022, \$300,000.

22 (B) For fiscal year 2023, \$330,000.

23 (C) For fiscal year 2024, \$363,000.

24 (D) For fiscal year 2025, \$399,300.

25 (E) For fiscal year 2026, \$439,200.

1           (7) ANNUAL REPORT.—For each year, each re-  
2       recipient of a grant under this subsection shall submit  
3       to the Secretary a report describing how grant funds  
4       allocated pursuant to this subsection were expended  
5       during the 12-month period preceding the date of  
6       the submission of the report.

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

13      (f) REPORTING.—Not later than the expiration of the  
14      36-month period following the date of enactment of this  
15      Act, the Secretary shall prepare and submit to Congress  
16      a report—

17           (1) on progress related to employee ownership  
18           and participation in businesses in the United States;  
19           and

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

22      (g) AUTHORIZATIONS OF APPROPRIATIONS.—

23           (1) IN GENERAL.—There are authorized to be  
24           appropriated for the purpose of making grants pur-  
25           suant to subsection (d) the following:

1 (A) For fiscal year 2022, \$4,000,000.

2 (B) For fiscal year 2023, \$7,000,000.

3 (C) For fiscal year 2024, \$10,000,000.

4 (D) For fiscal year 2025, \$13,000,000.

5 (E) For fiscal year 2026, \$16,000,000.

6 (2) ADMINISTRATIVE EXPENSES.—There are  
7 authorized to be appropriated for the purpose of  
8 funding the administrative expenses related to the  
9 Initiative, for each of fiscal years 2022 through  
10 2026, an amount not in excess of the lesser of—

11 (A) \$350,000; or

12 (B) 5.0 percent of the maximum amount  
13 available under paragraph (1) for that fiscal  
14 year.

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