



March 13, 2013

To: Chair Doherty and the House Committee on Business and Labor

Fr: Matt Swanson, SEIU Oregon State Council

Re: HB 2296, 2297 and 3412

Position: Support

Dear Members of the House Business and Labor Committee,

We believe that proper wage law enforcement will ensure that there is a level playing field for honest employers, and that our community standards for wages and working conditions remain intact. Given our current budget crisis, enforcing wage and hour laws should help make certain that all Oregonians are paying their fair share in taxes.

As a union founded by janitors almost 100 years ago, the Service Employees International Union has a long history of standing up for workers in an industry that often operates in the shadows. Here is an example of misclassification that we encountered in the Portland area,

Three Vietnamese siblings--Tri, Yen and Thuc Bui--bought an NMC franchise for \$8,000 and were told to expect to earn \$3,350 a month cleaning at the Park Plaza West building in Beaverton. Instead, they received \$541.50 after NMC deducted \$260.50 for administrative fees and supplies. At 195 combined hours of work, that pencils out to a wage of \$2.78 per hour *before* taxes. And as franchisees, not employees, they aren't guaranteed work or entitled to any benefits; in fact, they're not even allowed to talk to their clients.¹

Workers in this case had to endure over 5 years of court proceedings to determine whether or not they were protected by wage and hour statutes as employees. By passing HB 3142 and standardizing the definitions within employment law workers and employers alike will have more certainty about the applications of wage and hour law.

¹ "National Maintenance Contractor, Rogue of the Week," Willamette Week Editorial Staff, March 31, 2004.

During tough economic times workers need the tools to hold unscrupulous employers accountable to following the law and certainty that employment relationships are clearly defined in state law.

We believe that wage cheats cost families money and the state revenue. Please join us in our support for these bills and vote yes on House Bills HB 2976, HB 2977, HB 3142. Give workers effective tools to combat this problem.

Sincerely,

Matt Swanson
SEIU Oregon State Council