

### TrueBlue Testimony on HB 2977

Thank you Chairwoman and committee members for allowing me to talk with you about HB2977, relating to labor contractors.

My name is Marlinda Newmyer. I am the Marketing Manager for CLP Resources in Gresham, and I'm here to ask you to vote no on HB 2977.

Last year, TrueBlue companies, including CLP and Labor Ready, put more than 7,000 people to work in Oregon and served 3,500 businesses in the state.

CLP specializes in placing skilled tradespeople in temporary positions in the construction industry. And my sister company, Labor Ready, also places people on construction sites in general labor jobs. Our employees come to our branches, complete applications and screening and are dispatched to jobs that match their skills and experience. In turn, we ensure they are paid according to state and federal laws, provide workers compensation in case they are hurt, and work to find them jobs. Unlike fly-by-night labor providers and the contractors who pick people up on the street corner, TrueBlue companies strive to protect our employees from unsafe working conditions and comply with employment regulations.

This bill takes all of the rules imposed on agricultural labor providers and applies them to businesses like TrueBlue, who provide temporary employees in the construction industry. The rules that apply to agricultural employees were developed over years for that specific industry to address the special circumstances surrounding agricultural work conditions. Construction is not remotely like agriculture. Temporary staffing companies that provide workers for a wide variety of positions are also not the same as the businesses that recruit agricultural employees, often from other countries, to work on farms and orchards. Requiring a company like mine to follow these rules is like requiring a restaurant to follow the rules for nursing homes.

We agree that it is important to protect temporary employees from unscrupulous employers, such as those who pick up workers on the street corner. However, instead of protecting workers, HB 2977 creates more hoops for legitimate staffing companies like mine to jump through and will cost the state jobs and money. It will add administrative and economic burdens on staffing firms, which will be passed to customers who may decide they can no longer afford temporary staffing to maintain or grow their business, which then means fewer job opportunities for the very people who most need them. ***Should this bill pass, more people will turn to the underground economy rather than staying in the legal labor market.***

HB 2977 will also be costly and burdensome for the state to administer.

For instance, the state will have to administer special testing and licensing for each of our 14 branches—this is in addition to the business license we already hold. Furthermore, each staff member who places workers in such jobs will also have to get an endorsement. That means about 65 employees would have to go through the initial testing and licensing process. In subsequent years about 15 new

employees would have to be tested in addition to all of the renewals for each branch and each endorsement.

Furthermore, since the state does not already have a construction labor contractors test, it will have to spend time and resources developing and implementing these tests.

Then, before granting a license, the state will have to investigate each and every person or firm that applies for a license. And to complicate matters, any individual may protest any application for such license, and BOLI will then have to arbitrate that protest.

Here's where it gets even more burdensome for the state.

For each and every construction job we send employees to, we will have to file a notice with BOLI about the agreements we have with our customers and the agreements we have with our workers. If conditions for that job change, we would have to notify BOLI again. This is a *lot* of information for BOLI to process, not to mention the added time our staff will have to dedicate to paperwork rather than to finding new jobs for our employees.

Furthermore, even if a construction job lasts just one day, we will have to provide certified payroll to BOLI. Yet again, this is an administrative burden for BOLI and us.

We estimate that TrueBlue placed people into nearly 33,000 construction jobs last year. If this bill passes, BOLI will be faced with the onslaught of information— Notices and certified payroll records—for each of those jobs, plus any change notices as well.

That number is magnified when you consider that the Oregon staffing industry puts about 30,000 people to work each *day*. If you estimate only 25% of those people work in construction, you are looking at 7500 construction jobs each day—jobs that require BOLI to deal with notifications and certified payroll and enforcement.

My employees work at CLP because they know I will have a job for them when they want to work and many of them love the flexibility that temporary staffing offers.

For example, if you are a carpenter who does cabinetry, you may be constantly looking for your next job before your current job is complete because this is the sort of job that only lasts as long as it takes to assemble and install the cabinetry. So, in essence, you have two jobs—one is installing cabinets, the other is looking for your next job. If you work with CLP, however, I'm out looking for your next job while you are putting the cabinets together on the one we assigned to you.

One of the provisions of this bill would of the bill requires a labor contractor to furnish to the worker, at no charge, lodging and an adequate supply of food if they are offered an assignment at a job that starts a few hours or a few days after they are advised of the job. Section 16(2)(a) of the bill relates to complying with field sanitation regulations. Not only are these requirements impractical, they are inapplicable to our industry.

My employees do not live on construction sites. They go to the worksite, do their jobs, and go home at the end of the day.

This bill would also require staffing companies to provide employees with a written detailed information for each job assignment. My employees do not visit my office every time we send them to an assignment. This measure would require them to come to the branch each time they changed jobs just so I could give them a piece of paper that tells them the same sorts of things I tell them over the phone. Furthermore, for companies that have a large volume of daily assignments, like my peers at Labor Ready, the administrative burden this adds is unfeasible.

It seems like the goal of HB 2977 is to harm staffing firms servicing the construction industry. Oregon businesses face fierce competition from rivals domestically and around the world. This is particularly true of the struggling construction industry, which relies on temporary staffing to survive these exceedingly difficult economic times. Temporary workers employed by staffing firms play a key role in helping Oregon businesses compete more effectively. This bill will put those companies at a competitive disadvantage, undermine the growth and productivity of the state economy, and ultimately hurt the very workers the bill purports to help by increasing the cost of their services, destroying thousands of jobs, and chasing even more individuals and businesses to the street corner and the underground economy.

Furthermore, it increases compliance and administrative demands on an already overburdened agency.

Please vote no on HB 2977.

May 13, 2013

