

HARMFUL EFFECTS OF HB 2976

Dear Representative:

I am Denise Torres, Branch Manager of the Salem Branch of Selectemp Employment Services.

Staffing firms such as mine are playing a critical role in this state's still fragile economic recovery by providing workers with jobs, training, a choice of assignments and work, flexibility, and a bridge to permanent employment. Staffing firms such as mine also help businesses in virtually every sector grow and remain competitive by affording them the flexibility to access talent when they need it.

Selectemp Employment Services

- Founded in 1987 in Eugene, Oregon and has been doing business in Oregon for over 26 years with offices in Salem, Springfield, Albany, Roseburg, Medford, Bend and Clackamas
- Our internal staff consists of 36 employees (only 3 of which are male) our staff is primarily women, and a large percentage are single mothers, providing the sole household income.
- **4,168 individuals were employed as temporary workers through our company in 2012** – many of these individuals had been unsuccessful in securing employment on their own, before coming to Selectemp. We actually had some household where both the husband and wife were working through Selectemp.
- Selectemp staffs for the Construction Industry, Manufacturing Facilities, Production Facilities as well as Clerical and Professional positions.
- Selectemp has a safety department whose sole purpose is to assist our employees and clients with safety training and compliance with the ever changing Oregon OSHA rules and regulations.

Supporters of HB 2976 argue that the legislation is needed to address abuses committed by a relatively few bad apples in the staffing industry. The problem is there is no evidence that the bill would actually correct the abuses. What the supporters either do not know or choose to ignore is that, as employers, staffing firms are already subject to all of the laws and regulations that apply to every other employer, including laws governing

- Equal employment opportunity
- Wage and hour
- Workplace safety
- Worker's compensation
- Unemployment insurance

Other Locations:

- Eugene/Springfield
- Albany/Corvallis
- Medford/Southern Oregon



On the Mark, On the Job

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It is illegal for staffing firms to retaliate against workers for complaining about violations of these laws and, in fact, most temporary employees of staffing firms have even *greater* protection than regular employees, since they have legal recourse against *both* their staffing firm and the staffing firm's client. For example, both staffing firms and clients are responsible for workplace safety.

In addition to having nothing to do with any alleged abuses the bill purportedly is designed to address, the wage mandates imposed by HB 2976 would be bad for businesses in Oregon and would adversely impact workers. Requiring staffing firms to pay temporary employees wages equal to those paid to clients' permanent employees, *plus a 30% surcharge*, would increase clients' cost of doing business with staffing firms, discourage their use of temporary workers, and thus undermine the benefits of a flexible labor force. Requiring day labor service firms to pay the prevailing wage of the clients' permanent employees would lead to the same result. Such wage mandates would violate free market principles and chill the use of flexible staffing arrangements, depriving both workers and businesses of critical flexibility.

This legislation would also prohibit staffing firms from charging clients fees for placing certain candidates in permanent jobs, thus wiping out a large part of the staffing industry. Specifically, the bill would prohibit staffing firms from charging clients what are commonly referred to as "conversion fees," which are reasonably designed to discourage clients from using the staffing firm as a free employment agency. These fees, which are imposed in what are commonly known as "temp-to-hire" arrangements, cover staffing firms' cost of recruiting, screening, training, and placing applicants. Such a prohibition would be unprecedented, as no other state prohibits direct hire or conversion fees.

HB 2976 would require staffing firms to provide temporary employees with written detailed information including, among other things, the expected duration of the work to be performed, an accurate job description, accurate information on any health and safety hazards, and other information, and would impose a crushing administrative burden on staffing firms.

Selecttemp already provide this information to workers verbally. Requiring this information to be given in writing would place an unnecessary administrative burden on firms. The volume and variety of temporary jobs and the fact that most job assignments must be filled on very short notice, make it impractical if not impossible to provide job-specific written job descriptions to workers placed on jobs. Requiring the employees to come to the office to get the written information would be a financial hardship on the employees, having to use their gas to drive here, when often they are already financially strapped.

Furthermore, there is no evidence that employees are not being adequately informed about their jobs before going on assignments and after they get there. Without such evidence, there is no basis for even considering legislation such as HB 2976.

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If that were not enough, here are more examples of what this bill would do:

- It would prohibit staffing firms from charging nominal fees when offering voluntary services to their employees, such as transportation and check cashing services.
- It would not allow day labor firms to adjust a worker's pay rate if their job duties change during an assignment.

The plain fact is that there is no evidence of abuses that could not be addressed by vigorous enforcement of existing employment laws. No matter what the bill's supporter's claim, more than adequate tools to do so already are in place -- just as there are more than adequate tools to go after bad employers in every other industry.

What we need are more enforcement resources devoted to weeding out the bad actors. A bill that simply imposes new rules and costs on legitimate staffing firms is not the answer. The legislature should reject this bill, as it would stifle job creation and increase unemployment.

We need to get Oregonians working, and keep them working! Construction is critical in growing our economy. Passing this bill would cripple many contractors that rely on Staffing Services to supply the additional workforce they need, and could put Selectemp and other Staffing Services out of business.

For these reasons, I urge you to oppose HB 2976.

Sincerely,



Denise Torres, Branch Manager
Selectemp Employment Services
1665 25th Street SE
Salem, OR 97302
503-581-1748