



MEASURE: HB 2977
EXHIBIT: 35
H BUSINESS & LABOR
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SUBMITTED BY: Duane R. Grange

HARMFUL EFFECTS OF HB 2977

Dear Representative Doherty, Chair, and Committee on Business & Labor

My name is Duane R. Grange and I am the Safety Director for Selectemp Employment Services. I recently celebrated eighteen year with the company and my department's roll is to ensure safe work environments for our employees and clients and assists with safety training and compliance with the ever changing Oregon OSHA rules and regulations.

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. We have 7 branches located in Albany, Bend, Clackamas, Medford, Roseburg, Salem, and Springfield, with an internal staff consisting of 36 employees (only 3 of which are male). Our staff is primarily women, and a large percentage is 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.

HB 2977 would require construction labor contractors, including staffing firms that place workers on temporary assignments at construction sites, to be licensed by the Commissioner of Bureau of Labor and Industries and impose serious and unnecessary economic burdens on staffing firms, their customers, and their employees. Far from contributing to worker welfare as claimed by the backers of this bill, these burdens would instead drive up the cost of staffing services, reduce workforce flexibility, increase costs to workers, **and destroy thousands of jobs**. Construction contractors performing work in any construction activity involving improvements to real property are already required to be licensed through the Oregon Construction Contractors Board (OAR 812-002-0760, and to do so must complete a 16 hours prerequisite training course and pass a test. There is a continued education mandate of 16 to 80 hours during the 2 year license period. The amount of hours is dependent upon the residential or commercial endorsement in order to maintain their license.

Corporate Headquarters
1202 Gateway Loop
Springfield, OR 97477
P.O. Box 71250
Springfield, OR 97475-0191
phone: 541.746.6200
fax: 541.746.7380
www.selec-temp.com

- Other Locations:
- Albany/Corvallis
 - Bend
 - Clackamas
 - Medford/Southern Oregon
 - Roseburg
 - Salem



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This bill summarily and inappropriately takes all of the rules that apply to farm labor contractors and applies them to staffing firms that send people to work on temporary assignments at construction sites. **Staffing, farm labor, and construction are entirely different industries** with different business objectives, methods, customs, and practices. The rules that this bill would impose upon staffing firms are completely misplaced and unnecessary since staffing firms are not farm laborers or construction firms; they screen, hire, and place workers on temporary assignments and do not engage in farm or construction work. Thus, the bill's requirements would only serve to impede staffing firms' role in placing people in jobs.

Throughout HB 2977, provisions that once applied only to farm labor contractors, would now apply to all labor contractors and the staffing firms that help place workers into jobs. For instance, Section 16 (2)(c) 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.**

Temporary employees that are placed by staffing firms on temporary assignments at construction sites show up when their assignment begins and at the end of the day they go home. They may return the next day or they may have a new assignment at another job site. While farm contractors might have to travel far distances to find work, and then may stay at that place for a portion of or for the entire farming season, **this is not the case with temporary employees who work at constructions sites,** and thus they do not need accommodations.

Moreover, staffing firms control sanitation conditions at a construction site the same extent to which they control work permits, schematics, and other essential characteristics of the construction site; which is to say, staffing firms have no involvement with and do not control these at all. Furthermore, Section 16(2)(a) of the bill refers to language in the Oregon Revised Statutes that spells out sanitation facility requirements in an effort to keep crops from being contaminated. This is yet another example of how **none of this legislation's proposed requirements are appropriate for staffing firms.** Simply put, the majority of the provisions of this bill are perfectly applicable for farm labor contractors but not for situations where temporary employees may be sent to a variety of construction-related jobs.

HB 2977 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.



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On the Mark, On the Job

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Selectemp already provides this information to workers verbally. Requiring this information to be given in writing would place an unnecessary administrative burden on firms. Temporary workers typically visit the staffing firm's office only once, when they are hired and consent to be included in the firm's roster of candidates for temporary assignments. The volume 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 to our office, 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 2977.

HB 2977 would only serve to cripple staffing firms servicing the construction industry, thus hurting workers and businesses alike. HB 2977 will increase the administrative cost and burden of placing people in jobs and drive staffing firms out of business or out of Oregon. While the majority of the provisions of this bill may be appropriate for farm labor contractors, they have no relation to temporary staffing firms or the business of staffing.

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.

Therefore, we respectfully urge the Oregon legislature to reject HB 2977.

Sincerely,




Duane R. Grange | Safety Director
Selectemp Employment Services
P.O. Box 71250
Springfield, OR 97475
541-746-6200



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On the Mark, On the Job



Oregon Construction Contractors Board

PO Box 14140 Salem, OR 97309-5052

700 Summer St NE Suite 300

P: 503-378-4621 | F: 503-373-2007

Who needs a construction contractor's license?

What work **Does** require a license?

Oregon law requires anyone who works for compensation (except bona fide employees) in any construction activity involving improvements to real property to be licensed with the Oregon Construction Contractors Board (CCB) (ORS 701.005[5]). Some examples include:

- Roofing
- Siding
- Painting
- Carpentry
- Floor covering
- Concrete
- Heating and air conditioning
- Electrical
- Plumbing
- Tree service
- On-site appliance repair
- Manufactured dwelling installations
- Land development
- Home inspections
- Most other construction and repair services

(OAR 812-002-0760)

What work **Does Not** require a license?

Some common examples of work that doesn't require a CCB license includes:

- Gutter cleaning
- Power/Pressure washing (siding, sidewalks, roofs, etc.)
- Debris clean up (yard or construction site)
(Note: If the work changes to include repairs, replacements or installs, a CCB license is required)

Exemption from Licensure:

(ORS 701.010[4])

A person working on one structure if:

- The price of all the person's work is under \$500, and
- The work is casual, minor or inconsequential in nature.
- This exemption does not apply to a person who advertises in any way, including Craigslist, or any card, sign, or device.

(OAR 812-002-0780)

For information on becoming licensed, or to report unlicensed construction activity visit the CCB website at www.oregon.gov/CCB, or call 503-378-4621.



Construction Contractors Board

Background on Oregon's Commercial and Residential Continuing Education Mandate

(April 12, 2011)

The Oregon Construction Contractors Board (CCB) is moving forward with implementation of legislation passed in 2007 directing CCB to implement continuing education requirements for contractors renewing their CCB licenses.

The Board is sensitive to the fact that these are very difficult economic times for all contractors, and are particularly difficult times for residential contractors.

The CCB has worked with the residential construction industry to establish the following guiding principles for the Residential Continuing Education (RCE) program. Continuing education must:

1. Increase knowledge for the sound construction of buildings by preventing buildings that leak and other construction defects.
2. Increase knowledge for businesses to operate successfully.
3. Lowest cost with the highest quality.
4. Must give contractors flexibility and control for much of the education required.
5. Must be beneficial to contractors.
6. Must be easy to obtain.

The following is a summary on the background of Oregon's continuing education mandate for residential construction contractors.

How did continuing education start?

In 2007, Oregon Legislature passed House Bill 2654 (2007) requiring the Construction Contractors Board (CCB) to implement a continuing education system for all contractors. This bill contained many of the recommendations presented to the Legislature by the Task Force on Construction Claims (TFCC)¹.

At the same time, House Bill 3242 (2007) passed separating commercial and residential contractors. This bill contained a prescriptive mandate on continuing education for commercial contractors.

What is the current law?

Commercial contractors were required to begin meeting the continuing education obligation July 1, 2010.

¹ The TFCC was formed by a 2005 Bill to study the relationship between construction liability claims, construction defects, construction industry practices and liability insurance requirements. There report can be accessed online at: www.oregon.gov/DCBS/CCTF/final/report_recommendations.pdf

Commercial continuing education (CCE) consists of between 16–80 hours during the two year license period. The amount of hours is dependent upon the commercial endorsement.

Residentially endorsed contractors will begin meeting residential continuing education (RCE) requirements with their CCB license renewal on or after October 1, 2011. This requirement is a total of 16 hours during a two-year license period. It consists of 8 hours in mandatory subject areas (3/hrs in Building Exterior Shell Training (BEST); 2/hrs in building codes; 3/hrs in CCB laws, regulations and business practices) and 8 hours in elective subject areas.

What has the CCB done to implement the program?

Based on the TFCC recommendations, we began with the premise that residential contractors needed basic education in the building exterior shell and building codes. With the agency's experiences through dispute resolution and enforcement, we added laws, regulations and business practices component.

In September of 2007, the CCB sent a letter to industry stakeholders explaining the continuing education requirement and asking for written input. Public meetings were held in Portland, Salem and Eugene beginning in October of 2007.

In March and June of 2008, the agency developed a survey that was sent to every licensee through the CCB newsletter asking for input on the continuing education requirement.

For more than 18 months, the CCB and a three-member subcommittee of the Board worked with industry and other stakeholders to develop administrative rules to clarify the overall continuing education program. In October 2008, the commercial rules were passed. In June 2009, a public hearing was held on the residential continuing education and the rules were adopted by the Board.

What has the CCB done to inform contractors about the mandate?

In April 2007, the CCB reported in the agency newsletter, the findings of the Task Force on Construction Claims Information and the legislation proposed. The agency used each subsequent newsletter to provide additional information. The agency began to develop web pages on the Residential Continuing Education (RCE) and the Commercial Continuing Education (CCE) mandates. In July 2009, the agency created a blog which provided current up-to-date information. This information continues to be disseminated through the CCB e-newsletter, blog and on the CCB website with specific pages designated to continuing education.

A flyer was developed in 2009 and for the past two years is sent to all new and renewing contractors along with their license.

What can I do if I don't like the residential continuing education mandate?

Written input can be made to the agency. All letters will be shared with the Board.

