



February 9, 2015

Chair Holvey, members of the Committee:

For the record my name is Matt Swanson, I am the executive director for SEIU State Council. SEIU represents over 60,000 homecare, hospital, adult foster care support workers, janitors and public employees across our great state.

I am here today to **support HB 2212 (Authorizes a Civil Penalty for Late Payments), HB 2386 (Cease and Desist Authority) and HB 2387 (Requires Bonding).**

SEIU Local 49 represents employees with intellectual and physical disabilities who work for qualified rehabilitation facilities, otherwise known as QRFs. QRFs receive non-compete contracts from the state government for various goods and services.

The SEIU members who work for the Portland Habilitation Facility (PHC) QRF are paid prevailing wages and are paid on time. But QRFs are not even required to pay minimum wage, much less prevailing wage.

However, not all QRFs are created equal and there is a perennial problem where employees of QRFs seek the help of SEIU to recover owed wages—in addition to seeking help over other labor violations. The last time non-union employees sought our help was in 2013 when employees of the Diversified Abilities QRF were being given draw checks—essentially IOUs—in lieu of paychecks. These are employees with disabilities who are uncertain of where to turn when they have a problem with their employer.¹

At the same time this QRF was short-changing its employees of owed wages, it was bringing in over \$1 million in gross revenues and paying the director and her spouse \$178,000 combined. The Willamette Week pointed out that by comparison, the state's largest QRF, the one represented by SEIU, brings in around \$27 million annually in gross revenue and pays its CEO \$178,000.

It should go without saying that this sort of mismanagement and direct violation of wage laws is not only illegal but also morally reprehensible to take advantage of employees who are already making less than the minimum wage to begin with. But today's BOLI investigation process can be cumbersome for many who aren't represented by a union to navigate. Even after that process is complete there are little guarantees for a worker to see justice after having lost wages do to mismanagement or wrong doing on the part of the employer.

¹ "Janitorial Mess, Portland State University Awarded a Sole Source Contract to a Troubled Company," Nigel Jaquiss, June 26, 2013, Willamette Week



The violations we see coupled with the paltry rate of payment for back wages when employers violate the law² (only 31% of back wages were paid in a recent study by the Oregon Center for Public Policy) show a clear need for additional tools to combat these instances of wage theft.

We think that it is therefore reasonable to give the Commissioner the power to require posting of a bond, issue a cease and desist order and the worker the ability to pursue civil penalties for the late payment of wages. SEIU gladly supports HB 2212, HB 2386 and HB 2387.

² Oregon Center for Public Policy, Fact Sheet, April 5, 2013, Employers Pay Only Fraction of Monetary Findings in Wage Theft Cases