
**OREGON COALITION
TO STOP WAGE THEFT**

To: Senate Committee on Workforce and General Government
From: Michael Dale, Oregon Coalition to Stop Wage Theft
Date: February 4, 2016
Subject: SB 1587

Chair Dembrow and Vice Chair Thatcher:

The forty organizations who are members of the Oregon Coalition to Stop Wage joined in a series of meetings beginning during the 2015 session and over the interim that involved members of our coalition and the business lobby to try to find a common approach to addressing the serious problem that wage theft presents to Oregon families, communities and employers who try to do the right thing. We tried to be flexible, yet realistic, about the likely effects any provision might have in moving the dial on this serious issue. We have been interested in real solutions, not symbolic gestures.

Unfortunately, we've found that the business lobby at every turn has shamelessly opposed every provision that would make much of any difference.

Given that reality, and given the limitations of a special session, we endorsed a very modest set of proposals reflected in SB 1587. Many of our member organizations have expressed support in open and written testimony, and we continue to endorse that bill.

We do not, however, support the -1 amendments being proposed. SB 1587 was a deep compromise from our original position, made only because of the constraints of the short session. The -1 amendments do not represent compromise. Rather, the requirement that this bill have bi-partisan support has essentially required capitulation to the positions the business lobby has taken from the very beginning of our talks. If SB 1587 is amended as proposed, it is our judgment that it will do very little to advance compliance with law.

BOLI certainly needs more enforcement positions. During the 1980s timber recession, BOLI resources were decimated and have never recovered. (Even prior to that, nobody thought BOLI had had sufficient resources adequately to enforce the law). Today, BOLI has about half the resources to enforce wage laws as survived to 1991, after those severe cuts. To restore BOLI even to those reduced 1991 levels would require about \$9 M, or double current staffing for the Wage and Hour Division. And this would not reopen closed offices in Bend, Pendleton and Medford. Three more positions are helpful, but are such a drop in the bucket, they won't move the dial significantly.

The notion pushed by the business lobby that wage theft can be seriously addressed through state administrative regulation is fundamentally misguided. We don't believe that it will work. And this pitiful increase in resources certainly won't be successful.

We also understand and support the desire of the building trades for more meaningful sanctions for fraud in prevailing wage contracts.

These proposal have some merit. They just don't help very much. Therefore, if the -1 amendments are adopted, our efforts as a coalition will move to consideration of how to achieve truly robust improvements in wage payment compliance in the 2017 session. To be clear, we look for measures that put tools in the hands of workers, their unions, community organizations and attorneys to better collect their wages, themselves, without having to rely on government for help in doing so. Since an amended SB 1587 would not do so, our position will be neutral on the bill.