

ECUMENICAL MINISTRIES *of* OREGON

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February 4, 2016

Senator Dembrow, Chair
Senator Thatcher, Vice Chair
Members of the Senate Committee on Workforce

Testimony submitted to the Senate Workforce Committee in support of SB 1587, as introduced

Ecumenical Ministries of Oregon (EMO) is a statewide organization of over 140 religious denominations, congregations and direct community service providers representing rural and urban communities throughout the state.

We urge you to support SB 1587, as introduced, which enables greater enforcement of existing wage and hour laws and provides workers access to their own employment records. Combined, these measures will deter employer wrongdoing and help workers recover earned wages that are not paid by employers—in essence, wages that are stolen. This request emanates from not only our shared religious values – which affirm the value and dignity of every human being – but also the belief that stronger wage theft laws and stronger enforcement of those laws will make for stronger families and communities.

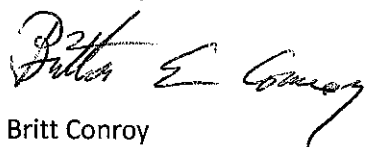
The need for stronger laws and enforcement is clear. Throughout Oregon, a small minority of employers pay less than the minimum wage, do not pay overtime, force employees to work off the clock, or tamper with paystubs or wage and hour records. These practices are most harmful to low-wage and immigrant workers, the same groups that EMO often serves through our Northeast Emergency Food Program and our SOAR Refugee Resettlement, SOAR Immigration Legal Services programs and Russian Oregon Social Services programs, amongst others.

When employers fail in their legal and moral duty to their employees, low wage workers and their families struggle to pay their bills. Wage theft denies our neighbors the full dignity of work, and instead can throw them into a crisis of choosing between paying rent, buying groceries or purchasing needed medicine. We have seen members of EMO congregations face these challenges too often.

Wage theft harms all workers, honest employers, our communities, and our state revenues. I urge you to support SB 1587, as introduced. This bill will level the playing field for businesses that follow the rules and protect Oregon workers and their families.

Finally, as a member of the Oregon Coalition to Stop Wage Theft, we will be neutral on any version of SB 1587 that includes the -1 amendments, as referenced in the attached statement by the Coalition's Michael Dale.

Respectfully,



Britt Conroy
Public Policy Associate
Ecumenical Ministries of Oregon

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 Theft 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.