

Good Afternoon. I'm Mike with M&S Electric. I'm here to testify in support of House Bill 2544 and the proposed amendment.

The need for House Bill 2544 has been created by a shift in policy by the Agency charged with supervision of electrical contractors.

Specifically, the Agency has redefined and interpreted the definition of "continuously employ" in such a way that contradicts the Legislature's intent and is designed to shut down small businesses in Oregon. House Bill 2544 allows for Signing Supervisors to be employed on a part time basis, and the proposed amendment fixes the Agency's bizarre definition of "continuously employ" so that the definition serves the Legislature's purpose.

A few of the Issues are----

1. The Current definition restricts any signing supervisor from owning or even being part of another business or employment opportunity during any hours of operation of his or her electrical company.
2. By the Board's definition and interpretation, in times of a bad economy or in between large projects, the Electrical Contractor must keep paying the supervisor a full time wage even though the rest of the employees are laid off, even during periods when the contractor is performing no electrical work.

The current definition is a one size fits all Rule, no matter if you are a sole proprietor or employ 500 people. That allows the Board to impose Fines and Suspensions that are crippling that end up closing down Oregon small businesses.

The current definition also majorly impacts any new startup company. The Average small Electrical Company will accrue

approximately \$30 to \$50K in debt before he can even bid work. The First year, as we all know, is the biggest struggle financially and is the most critical year to know if it will be a lasting and sustainable small business here in Oregon. By having no choice but to pay another employee “Full Time” wages before you receive your payment for the work you have done. It should be a mutual decision between the employer and employee on pay or compensation for the supervisor roll, not the Agencies.

Most Journeyman Electricians who challenge the supervisor test don't want to be a Business Owner. Typically, it's wanted to increase their current wages or to become an Electrical Inspector. Recently, the Electrical Board rewrote the supervisor exam. By doing this the passing rate of the exam went from 75% down to 5% the same year. The average attempts to take the test are 2 to 3 times before passing after you have taken a 6 week course to prep for the exam. This has created a demand for supervisors for emerging small businesses. House Bill 2544 will help accommodate the rising demand across the state by allowing signing supervisors to be employed part time.

We as contractors shouldn't have to worry about License suspensions and being fined over an misinterpretation of the Agency's definition of 2 words in the administrative rules that contradict the Laws of the State of Oregon that is not being used in the manner it was intended for.