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**Testimony of D. Michael Dale  
Before the House Committee on Business and Labor  
February 5, 2018**

**HB 4058 – Registration of Building Services Contractors**

Thank you for the opportunity to testify this afternoon. I am the Executive Director of the Northwest Workers' Justice Project. I have been a lawyer since 1975, and have spent most of that time representing migrant and seasonal workers. The Northwest Workers' Justice Project provides legal representation to low wage contingent workers throughout the economy in sectors such as construction, building maintenance, landscaping, hotel and restaurant industry, food processing, agriculture and reforestation. Prior to founding NWJJP, I was, for about 25 years, the director of the state-wide migrant legal services program. During my career, I have been intimately involved with both the legislative development of ORS 658.405, *et seq.*, and with litigation under that act. From the late 70s until the mid-1990s, this legislative scheme has gradually evolved into one of the most effective state laws in the nation in regulating labor contractors in agriculture and reforestation. In 2015, construction labor contractors were added.

Last session, the legislature also included building services contractors under the Act in order to improve conditions in the janitorial industry, and better to protect women workers from sexual assault at work. Because of similarities in the labor conditions of janitors and other regulated industries, it made sense to incorporate janitorial contractors under the existing statute, rather than to set up an entirely new regulatory regime. But although there are strong parallels between janitorial work and the previously regulated industries, there are also important distinctions in the structure of labor markets in these industries. As BOLI has moved to implement the statute in building services, it has become clear that “one size does not necessarily fit all.” This bill seeks to fine tune existing procedures to more closely fit circumstances in building services without weakening the law’s carefully developed provisions in agriculture, reforestation and construction.

As the bill was first drafted, many worker advocates in previously regulated industries, frankly, had some concerns about some of the changes made by this bill as they might affect existing protections. Without getting way into the weeds, suffice it to say that sound reasons exist for provisions of existing law. But many of those reasons relate to the history and structure of labor recruitment in previously regulated industries, but not so much for janitorial work.

Building services contractors are much less likely to be small, undercapitalized, and able to easily acquire new clients, and somewhat more likely to be stable, established enterprises. Jobs last longer, and tend to have a more fixed situs. Workers are less likely to be migratory. This makes the industry less subject to some of the kinds of manipulation of labor standards through changes in corporate ownership, licensing of straw owners and other abuses that parts of the statute are meant to address.

We have worked with the interested parties on these issues, and it appears that the significant differences have been resolved by creating separate provisions in certain instances for building services contractors. I would like to thank the proponents of this bill for their willingness to be flexible and creative about how to solve these problems. I understand that there are amendments being drafted that will make it possible for us to endorse this bill.

Subject to the adoption of those amendments, we recommend that the bill be adopted with a do pass recommendation. This recommendation is joined by the Coalition to Stop Wage Theft, of which NWJP is a member. (The Coalition includes about 40 civic, labor, religious and business organizations.)<sup>1</sup>

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<sup>1</sup> Adelante Mujeres, AFL/CIO of Oregon, AFT Oregon, American Friends Service Committee, Beyond Toxics, CAUSA, Catholic Office of Life, Justice and Peace, Archdiocese of Portland, Centro Latino Americano of Eugene, Common Cause Oregon, Community Alliance of Lane County, Economic Fairness Oregon, Ecumenical Ministries of Oregon, Family Forward Oregon, Human Dignity Advocates of Crook County, Interfaith Movement for Immigrant Justice (IMiJ), Jewish Federation of Greater Portland, Mainstreet Alliance, Northwest Forest Worker Center, Northwest Workers' Justice Project, Oregon Action, Oregon AFSCME, Oregon School Employees Association, Oregon Center for Christian Voices, Oregon Center for Public Policy, Oregon Strong Voice - Southern OR Chapter, Oregon Thrives, Oregon Trial Lawyers Association (OTLA), Oregon Working Families, PCUN, Portland Jobs with Justice, Project REconomy, Rural Organizing Project, SEIU Local 49, SEIU Local 503, Tax Fairness Oregon, Teamsters Local 26, Unidos Bridging Community, United Food and Commercial Workers Local 555, and VOZ Workers Education Project.