House Committee on Business and Labor



February 8, 2022

Testimony in Support of Overtime Pay for Farmworkers

Chair Holvey, Vice-Chair Bonham, Vice-Chair Grayber, and Members of the Committee:

My name is Janet Bauer, Director of Policy Research at the Oregon Center for Public Policy. I respectfully submit this testimony in support of farmworker overtime pay on behalf of the Center. We support some but not all of the provisions of House Bill 4002 as introduced. Our position on the bill is neutral until amended, as described below.

The Oregon Center for Public Policy is a think tank dedicated to improving economic outcomes for all Oregonians, particularly low-income families and Oregonians of color, through research and analysis.

The Center supports that HB 4002 would bring equity to Oregon's farms and fields by providing farmworkers with overtime pay when they are required to work extended hours, in the same way other Oregon workers are treated.

Minimum wage and overtime rules are the fundamental pillars of the 1938 Fair Labor Standards Act (FLSA). Long work hours increase the risk of injuries and accidents and contribute to poor health and worker fatigue. Overtime pay was instituted to discourage bosses from exploiting and overworking their employees.

Despite the grueling and dangerous work, farmworkers were not included in the overtime protections of the FLSA. Jim Crow-era attitudes toward Black laborers contributed to their exclusion, an omission that stands today.

HB 4002 subsidizes agriculture employers by more than \$100 million through in a new tax credit, as a concession for paying workers overtime. However, wages, including overtime pay, are already tax-deductible expenses for a business. Layering a new credit on top of a tax break is double-dipping. It would be a mistake for Oregon to spend General Fund resources subsidizing the agriculture industry for simply following the rules applicable to other Oregon businesses.

It is also concerning that the bill includes no consequences for violators. Oregon's labor agency <u>seldom imposes penalties</u> for violators of wage and hour law, which gives comfort and advantage to businesses who disregard the rules and defraud workers.

Oregon farmworkers keep food flowing to our tables even during the most difficult public health and climate circumstances. They deserve the dignity of their labor. Overtime pay for working from dawn to dusk in excess of 40 hours is long overdue.

When the tax provisions of HB 4002 are removed and consequences for violators are included, we would urge you to approve HB 4002.