



TO: Senate Committee on Labor and Business

FR: Ira Cuello-Martinez, PCUN

RE: Support for HB 2057

May 9, 2023

Chair Taylor, Vice-Chair Bonham, and Members of the Committee,

My name is Ira Cuello-Martinez and I am the policy and advocacy director at PCUN, Oregon's Farmworker Union. At PCUN, we work to empower farmworkers and working Latinx families to improve their working conditions through community building, organizing, and policy advocacy.

We strongly support HB 2057, Wage Theft Protection for Construction Workers in Oregon.

PCUN has amplified the voices of unfairly marginalized workers for over three decades. We have advocated for policies that strengthen worker rights by creating safer workplaces, fair wages, and security to care for our families. We focus on building a stronger voice for all Latinx working families in Oregon, from farmworkers to young workers, so that we can collectively improve their well-being and increase prosperity for all.

The Latinx population in Oregon is rapidly growing – and they are working in all types of industries, including the construction industry. We have heard stories of workers entering the construction industry hoping to make more money and provide economic stability for their families. But unfortunately, the construction industry is one of the most plagued by wage theft.

Between 2015 and 2016, the construction industry had the second-highest wage claims as a share of its workforce.¹ Nationally, the U.S. Department of Labor recovered more than \$36 million in wages for over 21,000 construction workers in 2021. The Oregon Center for Public Policy did an analysis of wage claims filed with the Oregon Bureau of Labor and Industries (BOLI) since 2006 and they found that thousands of workers each year complain about an employer who has not paid them the wages they are owed. These workers collectively file wage claims worth between \$3 million to \$6 million each year.² And the workers most impacted by wage

¹ Wage theft plagues construction industry <https://www.ocpp.org/2018/02/12/hb-4154-wage-theft-contruction/>

² HB 2205: Just enforcement act to fight wage theft
<https://www.ocpp.org/2021/02/24/hb-2205-just-enforcement-act-fight-wage-theft/>

theft are immigrants, low wage, women, and BIPOC workers. Unfortunately, many workers never come forward to seek justice due to fear of retaliation or they don't know their rights or they have lost faith in the current mechanisms, such as BOLI, to recoup their wages.

HB 2057 seeks to address the prevalent wage theft in the construction industry by establishing joint employer liability. The construction industry relies heavily on subcontractors, and each tier thereafter is free of accountability. General contractors are better poised to stop wage theft in the first place by ensuring they are subcontracting with honest and responsible subcontractors, regardless of who they are. This bill also gives general contractors tools, such as requesting payroll records to ascertain a subcontractor's ability to pay their workers.

Weeding out the bad actors, who would otherwise hold contracts that could go to other responsible contractors, opens opportunities for new businesses, including minority-owned ones, to compete for those jobs. Some minority-owned subcontractors are concerned that this will impact their ability to get hired by general contractors. However, I believe those concerns speak to a much larger conversation, separate from this bill, about how the state and general contractors currently support or contract with minority-owned businesses. We must work to ensure that biases and systemic racism do not continue holding back minority-owned businesses from the ability to thrive and become competitive players.

HB 2057 is about holding bad actors accountable and not impacting responsible, honest contractors. We urge you to vote yes on HB 2057.

Ira Cuello-Martinez
Policy and Advocacy Director
PCUN