

## Testimony in Support SB 426 A

Chris Hewitt

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Chair Grayber, Vice-Chairs Elmer and Muñoz and Members of the Committee:

Thank you for the opportunity to provide testimony in support of Senate Bill 426 A. My name is Chris Hewitt and I am the Political Director for the Oregon & Southern Idaho District Council of Laborers (LIUNA), representing over 3,000 Construction Craft Laborers. For generations, LIUNA members have been employed by a wide variety of responsible, reputable contractors that work on projects throughout Oregon's construction industry. Together, they perform highly skilled and diverse scopes of work alongside the other construction trades to aid critical infrastructure development throughout our communities which, in turn, supports family-wage jobs and economic mobility for countless working families. However, the construction industry has also been beset by a disturbing prevalence of wage theft in recent years. This occurs in instances when workers are not compensated sufficiently for work performed and, consequently, law-abiding employers today can find it more difficult to compete in a landscape where some businesses are able to repeatedly cheat their workforce and gain unfair economic advantage.

LIUNA supports SB 426 A, because we believe it will help provide a stronger deterrent to these unfair and unlawful practices that can hurt workers, businesses, and undermine overall community prosperity.

General contractors have a tremendous ability to actively reinforce a culture of fairness and set a direction in the construction marketplace by ensuring that they hire responsible subcontractors who have a demonstrated history of compliance with our state wage and hour laws. SB 426 A affirms this as an imperative by establishing a common-sense through line of accountability and shared responsibility for resolving unpaid worker wages, across all employers and stakeholders involved in a construction project. This change will also aid in better preventing habitual bad actor employers, for whom undercutting worker wages may be something akin to a business model, from accessing work on projects in the first place, thus reducing instances of harm and economic loss for workers downstream.

Wage theft in our construction industry also contributes to a reduced tax base and can deprive the state of important revenue to support critical public services<sup>1,2</sup>, while construction working families today have higher than average utilization of vital safety net programs. There is an externalized social cost that results from pervasive wage theft. Should this alarming trend persist without meaningful action that strengthens accountability and effective remedies within the construction industry, it is not difficult to imagine more workers simply choosing to pursue careers elsewhere, undermining important progress in developing the skilled workforce pipeline.

LIUNA members and the other construction crafts are trained to meet rigorous industry standards and are held to high expectations in terms of skill, safety, and professionalism to deliver the best possible outcomes on each jobsite. SB 426 A would reinforce a similar value and expectation amongst employers, so that a uniform standard of responsibility and accountability applies to ALL construction businesses operating in our state, thereby leveling the playing field, and better deterring bad actors of the ability to do more potential harm, going forward.

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<sup>1</sup> "Workers, Labor Leaders Brief Board of County Commissioners on Wage Theft". (Multnomah County, April 9, 2019), <https://multco.us/news/workers-labor-leaders-brief-board-county-commissioners-wage-theft>.

<sup>2</sup> Cooper, D; Kroeger, T. (2017, May 10). "Employers steal billions from workers' paychecks each year". Economic Policy Institute. <https://www.epi.org/publication/employers-steal-billions-from-workers-paychecks-each-year/>



LIUNA urges your support for SB 426 A.

Thank you,

Chris Hewitt

Oregon & Southern Idaho District Council of Laborers