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## Testimony in Opposition to SB 426

Good morning/afternoon, my name is Dulce Perkins, and I am the Executive Director of LatinoBuilt, the largest and only culturally specific Latino construction non-profit organization in the state. We proudly support over 200 Latino construction business owners, who together employ approximately 1,200 individuals in our community.

I am here today to strongly oppose SB 426, a bill that, while intended to address issues in the construction industry, will add another layer of complexity to a system that is already broken and make it harder for minority workers, particularly in our Latino community, to make ends meet.

### **Our Mission: Fair Pay and Opportunities for All Workers**

At LatinoBuilt, we are deeply committed to ensuring that workers, particularly minority workers, are paid fairly for their labor. We want them to earn a living wage. However, SB 426 introduces additional hurdles for small subcontractors—many of whom are Latino-owned businesses—that will further undermine their ability to thrive in a competitive industry. This bill creates more red tape, making it harder for our small, minority-owned subcontractors to operate, and as a result, the workers they employ will be the ones who suffer the most.

### **A Broken System That Will Only Get Worse**

Minority Business owners in the construction industry are already struggling with a number of issues: underpayment, delayed wages, and a lack of support for small subcontractors. SB 426 would further exacerbate these problems by giving more power to General Contractors to withhold payment even if the allegations have no merit, Latino-owned subcontractors cannot afford to have there already very limited cashflow withheld. Small businesses—many of which are Latino-owned—are already working on tight margins, and this bill would make it even harder for them to secure work, comply with regulations, and provide jobs. The result? The workers—who are mostly Latino—will lose out on critical opportunities to earn a living.

### **A Direct Threat to Latino Workers and Families**

Latino workers are among the hardest hit by the challenges facing the construction industry. These workers are already the backbone of the industry, often facing low wages, unsafe working conditions, and a lack of access to basic benefits. By placing additional barriers in front of Latino small businesses, SB 426 will ultimately lead to job losses and reduced wages for our community. These are the workers who are already struggling to provide for their families and make ends meet. Introducing more obstacles for minority-owned businesses only harms those who are already at the greatest disadvantage.

### **Harming the Community Already Targeted by Hate**

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Our Latino community is already one of the most marginalized and targeted communities in this time across the country. This bill would only make matters worse. The very people who are most vulnerable to hate, discrimination, and economic hardship are the same individuals who would be disproportionately affected by SB 426. By making it harder for minority-owned businesses to survive, this bill places an additional burden on those who are already fighting to overcome systemic barriers.

## A Layer of Complexity We Don't Need

We are not against efforts to improve fairness and accountability in the construction industry. In fact, we want workers to get paid fairly and for businesses to operate in a transparent and ethical way. But SB 426 adds another layer of complexity to an already broken system. The increased requirements for small businesses will likely drive up costs, making it even harder for minority subcontractors to compete. And when these small businesses can't compete, the workers lose their jobs. It's the workers—who are predominantly minority—who will pay the price.

## Focus on Real Solutions, Not More Barriers

We need policies that address the core issues: funding the system that is already in place to prevent wage thefts such as BOLI, getting to the root cause of why individuals are not comfortable bringing these complaints to those compliance systems. SB 426 does not address these issues—it only adds barriers. Instead of moving forward with a bill that could hurt Latino businesses and workers, we urge lawmakers to focus on solutions that will genuinely support the workers in our state, particularly those from underserved communities.

At LatinoBuilt, we are committed to supporting our community and ensuring fair opportunities for Latino workers. We believe that SB 426, in its current form, would only create more obstacles for small, minority-owned businesses and their workers—particularly for the Latino community, which already faces an uphill battle in the construction industry. Instead of pushing forward with legislation that will hurt those who need support the most, we call on lawmakers to work with us to find real solutions that create lasting opportunities for all workers.

Thank you for your time and consideration.

Dulce Perkins