



**Oregon State
Building and Construction
Trades Council
AFL-CIO**



Chair Dembrow and Members of the Senate Committee on Workforce and General Government,

The Oregon State Building and Construction Trades Council represents approximately 25,000 skilled construction workers, journeymen and women who play in a crucial role in Oregon's economy and workforce, and an integral part of Oregon's economic success.

We are concerned about SB 1594, which as I understand it, would allow sick pay to be counted as a fringe benefit for purpose of prevailing wage. Currently, unionized construction contractors who are signatory to a Collective Bargaining Agreement (CBA) pay into PTO accounts for every hour worked by each worker they employ on a monthly basis. The worker can then tap into that account at their discretion, regardless of who their employer is at that time.

This was one of the primary considerations that led to our seeking and the legislature approving a construction industry CBA exemption from paid sick leave law. Another driving force behind this exemption was that the vast majority of union construction workers were already receiving at least the minimum level of benefits required in the bill, meaning that the exemption was for nothing more than from the reporting requirements associated with the bill, because, again, those benefits were already being provided to the union side of the industry.

Unfortunately, the non-union side of the industry operates much differently, notably with regard to the pay scale and benefits paid to their workers. In many cases, non-union workers were not provided that minimum threshold level of benefits from their non-union employers. So, it was long overdue when the bill finally passed into law and those non-union businesses were finally required to provide sick leave benefits to their employees.

There is a longstanding precedent at BOLI that any benefits mandated by state law cannot count as a fringe benefit. If law requires a specific benefit to be provided, by its very nature, is not a fringe benefit. OBTC strongly believes that passage of this bill would set a dangerous new precedent that could start our state down a slippery slope, as it could lead to infringement of other state mandated benefits, such as workers compensation and unemployment, among any number of other legally required benefits owed to workers.

On behalf of our 25,000 members in this state, I respectfully urge your no vote on SB 1594.

John Mohlis
Executive Secretary
Oregon Building Trades Council