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April 2, 2019

TO: **Senate Workforce Committee**

RE: **Senate Bill 750**, the Oregon Corporate Accountability Act

The Jewish Federation of Greater Portland supports the passage of Senate Bill 750, the Oregon Corporate Accountability Act (OCAAA). The Jewish Federation is a faith-based organization which serves as the central philanthropic and advocacy body of the local organized Jewish community. I serve as the Legislative Advocacy Chair of the Jewish Community Relations Council ("JCRC"), which is the public affairs advocacy arm of the Jewish Federation of Greater Portland. The JCRC consists of a cross-section of the Greater Portland Jewish Community representing area organizations and synagogues. I am also a member of the Federation Board.

Each year the JCRC develops and articulates consensus positions concerning matters of public importance on behalf of the Jewish Community. Among other areas, we have been active in the campaigns to enact worker- and family-friendly policies. We believe that such policies are crucial to building an economy that works for everyone, not just special interests. However, many of these policies, including basic standards like overtime and safe workplaces – are not delivering stability for thousands of families because they are not effectively enforced. In my own law practice, I routinely see cases of workers who are on the verge of bankruptcy, food insecurity, and/or homelessness because they have not been paid wages that they earned.

The investigators at BOLI do amazing work—but there are far too few of them to meet the challenge. BOLI staffing has not kept up with the growth of Oregon's workforce. Since 1993, the number of BOLI staff has shrunk by more than a third. For all of Oregon, BOLI has only 34 staff in the division that enforces minimum wage, overtime, and other basic standards. That means that for every civil servant in the Wage and Hour division, there are 55,487 workers. BOLI simply does not have the resources to fully enforce our workplace laws.

Oregon's workplace laws typically include a private right of action to allow workers to enforce their rights independently through the courts, but that option is no longer available to many workers. More than half of American workers are now forced to sign away their right to go to court, leaving "forced arbitration" as the only option. In private arbitration, the employer writes the rules, and the deck is stacked against workers. Studies show that workers win less frequently and receive lower awards in arbitration; arbitrators often feel pressure to rule in favor of the company that hired them.

Last year, the U.S. Supreme Court ruled that corporations can prevent coworkers who experience the similar abuses from banding together in collective legal action, forcing each individual to go it alone—which means most cases will never see the light of day. One study estimates that where workers signed forced arbitration clauses, 98% of legal claims that would've been brought vanish into a “black hole.” The Supreme Court has effectively closed the courthouse doors on hourly workers, allowing corporations who violate workers' hard-won rights to get away without sanction.

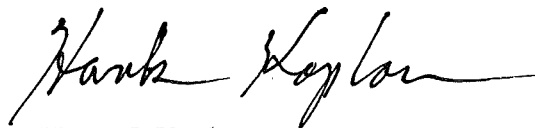
Companies that want to cheat workers now believe they can do so with impunity. Between 2006 and 2017, wage theft in Oregon exceeded \$45 million—money that should have gone into working families' pockets. Without basic accountability, lawbreaking companies can out-compete employers who treat their workers fairly.

The only solution is to expand BOLI's capacity to impose consequences for violating worker rights. The JCRC supports SB 750, because it would increase funding for BOLI and allow workers to partner with government to hold lawbreakers accountable. Under OCAA, whistleblowers would identify companies that are cheating workers and pitch in to bring enforcement actions. Most of the penalties recovered in these cases would go to the state. In other words, *law-breakers—not taxpayers—would foot the bill for increasing our enforcement resources*, a smart reform in this time of tight budgets.

The OCAA would also enable BOLI to adopt innovative enforcement strategies designed to reach workers who are most vulnerable to workplace abuses, including low-wage workers and immigrant workers. OCAA would designate a portion of revenues for partnerships with community organizations which have proven effective in educating workers about their rights and empowering them to confront violations.

Oregon has been on the forefront of efforts to modernize workplace protections. But BOLI's shrinking budget, and corporate fine-print forced-arbitration agreements undermine our ability to hold violators accountable. The Jewish Federation supports the Oregon Corporate Accountability Act because it's time to enforce our workplace standards and ensure basic fairness for workers.

Sincerely,
BENNETT HARTMAN, LLP



Henry J. Kaplan