

# Labor and Public Employees Committee

## JOINT FAVORABLE REPORT

**Bill No.:** HB-5854

AN ACT CONCERNING THE NUMBER OF WAGE AND HOUR INSPECTORS

**Title:** AT THE LABOR DEPARTMENT.

**Vote Date:** 3/21/2023

**Vote Action:** Joint Favorable Change of Reference to Appropriations

**PH Date:** 2/7/2023

**File No.:**

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### SPONSORS OF BILL:

The Labor and Public Employees Committee.

### REASONS FOR BILL:

This proposal addresses the current backlog of wage theft claims filed with the Department of Labor by mandating that the Labor Commissioner employs no fewer than forty-five wage and hour inspectors. This increase in wage and hour inspectors is intended to lead to more timely review and thorough investigations of submitted claims, and to allow the Department of Labor to respond to accusations of wage theft more effectively.

### RESPONSE FROM ADMINISTRATION/AGENCY:

No response was provided from the administration or relevant state agencies.

### NATURE AND SOURCES OF SUPPORT:

**Jody Barr, Executive Director, AFSCME Council 4:** They offered support for this legislation. They stated that inspectors are critical for protecting workers who are exploited by businesses, but currently wage and hour inspectors are extremely understaffed. This legislation would address the staff shortage and provide the Department of Labor with the resources to better investigate reported complaints.

**James Bhandary, Legal Director, Solomon Center for Health Law and Policy Wage:** He offered testimony in strong support of HB 5854. He shared his experiences representing clients in Connecticut who have been victims of wage theft. He highlighted that basic workplace law violations are "rampant" within the state, and an increase of wage and hour inspectors would ensure standards are met.

**Black and Brown United in Action:** They offered testimony in support of this legislation. They noted that the Department of Labor did not receive as much relief as other departments despite taking on the burden of the sudden increased number of unemployed individuals during the pandemic. They emphasized that wage theft is a major issue affecting low wage earners in a variety of industries, and that this bill will give the state the capacity to investigate these violations and recover unpaid wages. Lastly, they expressed the negative impact of wage theft on mental and financial wellbeing.

**Patrick Brien, Research and Policy Director, CT Voices for Children:** They offered testimony in support of this legislation. They stated that Connecticut has a higher level of wage inequality compared to the U.S. Additionally, they emphasized that the state has a substantial gender and ethnic wage gaps that increase wage inequality for certain groups of workers. They argued that increasing the number of wage and hour inspectors would reduce Connecticut's high level of wage inequality, since wage theft disproportionately harms low wage workers many of which are women and workers of color. Furthermore, they expressed that this legislation would boost Connecticut's job recovery efforts. They cited multiple studies to support their statements.

**Alison Escobar, ULA Recovery For All:** She offered comments supporting this proposal, sharing her own experiences in regards to wage theft. Additionally, she emphasized that many workers don't know their rights, so they never file complaints. This legislation would help give workers an outlet to better receive information regarding the standard employers should be held to, as well as provide workers the ability to get justice when a violation occurs.

**Sarah Ganong, State Director, Working Families Power:** They offered comments supporting this proposal, stating that wage theft enforcement is good for business, workers, the economy, and the state of Connecticut. Furthermore, they expressed that low wage workers are most vulnerable to wage theft, especially in agricultural, retail, construction, restaurant, and childcare jobs. Lastly, they cited that in 2022 the CTDOL recovered over \$3.3 million for workers that experienced wage theft, and that additional funding would provide the Department of Labor with the needed resources to properly investigate all reported claims.

**Kimberly Glassman, Director, Foundation for Fair Contracting:** They offered testimony supporting this proposal. They argued that wage theft is prevalent in the underground economy and that enforcement agencies need adequate resources to carry out investigation and enforcement. They noted that currently the Department of Labor is understaffed, which is a serious concern considering the importance of the work they do. This legislation would require the Department of Labor to maintain at least 45 Wage and Hour Inspectors, so that they are able properly protect the rights of workers within the state.

**Xavier Gordon, President, AFSCME Council 4:** He offered comments in support of this legislation, stating that in recent years the Department of Labor has laid off employees without reducing in workloads, which has caused the remaining workers to do more work with less resources. They noted that Wage and Hour Inspectors are vital towards protecting workers who have been exploited, and urged the committee pass this legislation.

**Peter Goselin, Attorney:** He offered comments supporting this legislation. He spoke to his own experience representing low wage workers in cases where employers have violated state and federal minimum wage and overtime laws, many of which are often vulnerable members of the population such as immigrants and non-English speaking employees. Additionally, he stated that wage theft is particularly prevalent in industries like restaurants, retail, construction, day labor, homecare, and agriculture. Lastly, he emphasized that litigating violations for smaller sums is impractical, so employees must file complaints with the Department of Labor which currently is overburdened. This legislation would help lift the burden off the Department of Labor, providing them with adequate resources to properly review these cases.

**Madeline Granato, Policy Director, CWEALF:** They offered testimony supporting HB 5854. They stated that research shows that wage theft is a widespread issue that costs workers billions of dollars per year, which leads to a worsening of income inequality between low wage workers and business owners. They cited a study from Rutgers which looked at 400 domestic workers in the state of New Jersey working as nannies, house cleaners and homeworkers. The results of the study found that 57% had been victims of wage theft in 2019. Lastly, they argued that the hiring of more wage inspectors will not only protect vulnerable sectors of the workforce, but strengthen Connecticut's businesses and economy.

**Ed Hawthorne, President, CT AFL-CIO:** They expressed support for this legislation, arguing that wage theft is a prevalent and serious issue within the state. They highlighted the importance of wage inspectors and noted that they are revenue positive. Additionally, they stated that the department of labor admittedly can't keep up with the volume of claims they receive, citing their website which provides a disclosure that they are " 4-6 months behind the assignment of new claims". This backlog likely emboldens unlawful employers, encouraging them to take a chance, since claims may never be investigated much less adjudicated.

**Margaret Henderson, President, UU Congregation of Danbury:** They offered comments in favor of this legislation. They argued that wage theft disproportionately affects low wage workers, who are often the primary providers for their families and can't cover their basic needs with their wages, many of which work multiple jobs. They highlighted that more wage inspectors would benefit the economy by decreasing the need for social services, benefiting honest business, and increasing tax revenue. They strongly urged the committee to pass this legislation to increase equity in society.

**Anthony Soto, Chief Steward, AFSCME Council 4:** He offered testimony supporting this legislation. He spoke of his current position as a Wage Enforcement Agent with the CT Dept. of Labor, stating that when he first joined they had 33 field staff, compared to 24 today. He argued that is not enough staff to properly do the job, and that lack of staff has caused a backlog of cases which forces claimants to go longer without getting the wages they deserve. He urged the passing of this legislation, claiming it would allow for strategic enforcement in industries known for high levels of violations, as well as better allowing the agency to educate workers on their rights and employers on their responsibility's.

**Debora Lion, CT Worker Center:** She offered comments supporting this legislation, sharing her husband's story experiencing extreme abuse by his employer. She highlighted the role the Department of Labor had in making her husband's employer pay back missed overtime

wages for 74 employees.

**John Lugo, Director, ULA:** He offered testimony in support of this legislation. He stated that ULA has seen many workers who have been cheated and abused in Connecticut. He also noted that many workers do not file complaints due to fear of retaliation from their employer. Lastly, he spoke to the experiences of workers he represents, as well as himself.

**Josh Pawelek, Minister, UUSE:** He offered comments in support of this legislation. He stated that domestic workers provide essential services such as taking care of the elderly, people with disabilities, and children. However, they are often exploited and marginalized due to historic exemptions from federal and state labor law. Wage theft is one of the most prevalent forms of exploitation, and this legislation would help address that serious issue.

**Jacqueline Bayas, Domestic Worker, Naugatuck Valley Project:** She offered support for this legislation, sharing her own experience of wage theft. She stated that this proposal would be beneficial for domestic workers, giving them more support to file wage theft cases and additional support while the cases are processed.

**Karime Pimentel, Lead Organizer, Naugatuck Valley Project:** They offered testimony in support of HB 5854. They mentioned their experience working with domestic workers who have been exploited and taken advantage of. They stated that more wage inspectors are needed so workers cases could be assisted in a timely manner, and so during the review period they could be able to expect regular communication with the department.

**David Reynolds, Deacon, CT Catholic Conference:** They offered comments in favor of this legislation. They stated that the states support of wage laws and workers rights only have true value if it can be enforced, and as of now the Department of Labor does not have the resources to properly enforce all the wage violation claims that are being filed. They urged the legislature to pass this legislation, emphasizing that a workers right to receive their legally due wage should be a priority.

**Constanza Segovia, Organizer, Hartford Deportation Defense:** They offered comments in support for this legislation. They stated that their organization represents undocumented workers, ensuring they receive fair wages. They noted that restaurant, retail, construction, day labor and agricultural workers are particularly vulnerable to wage theft. Additionally, they cited a national study which showed that one in five workers in those industries are paid less than the minimum wage each week.

#### **NATURE AND SOURCES OF OPPOSITION:**

No sources of opposition were provided.

**Reported by: Sebastian Musante, Assistant Clerk    Date: 3/28/2023**