

Chair Holvey, vice-chairs Elmer and Sosa, and members of the House Committee on Business and Labor. For the record my name is Janelle Bynum, and I am the state representative for House District 39.

I am here testifying today in support of House Bill 3205 to help ensure that Oregon businesses remain competitive employers in attracting top workforce talent to our state.

The necessity of this legislation arises from a consequence, that I believe was unforeseen, from passage of Oregon's Equal Pay Act. Under the broad scope of the law, there is confusion whether employers are essentially barred from providing non-discretionary bonuses for the purposes of recruiting and retaining employees. As a small business owner and Chair of the House Economic Development Committee I am concerned that this uncertainty is putting Oregon employers at a severe disadvantage.

House Bill 3205 solves this issue in a very practicable way, by excluding hiring and retention bonuses from an employee's legally defined "compensation." Doing so ensures that employers can use recruiting and retention bonuses effectively. This change will our state's employers remain competitive, without changing the Oregon Equal Pay Act's policy directive of providing equitable employment pay.

To illustrate the dire need for this reform, I point to efforts my office is working on to bolster our state's behavioral health workforce. Oregon is in the midst of a hiring crisis in this important sector, and recruiting and retention bonuses are two tools we are planning to use to bolster this essential workforce. Despite the proven track record of hiring and retention bonuses being one of the best longstanding tools to attract new workers, our state's current pay equity system all but takes away these effective incentives.

As a long-time business owner, I understand the struggle many employees are experiencing in hiring enough employees. The problem is especially notable in Portland, as the metro area encompasses a bi-state region, and Washington employers are using hiring and retention bonuses to lure skilled workers away from Oregon companies and organizations. The problem is not relegated to Oregon's largest city, as other parts of our state face stiff competition from Idaho and California businesses.

This legislation has received resounding bipartisan and bicameral support, and is sponsored by over 40 companies, industry associations, and local governments. These supporting employers are sending a clear message that they need hiring bonuses to keep their current employees in Oregon, and to attract young talent to strengthen our workforce.

Colleagues, for these reasons I hope you'll join me in supporting House Bill 3205.