



Service Employees International Union Local 503

72,000 public services workers, care providers, and non-profit employees in Oregon.

To: Senate Committee on Human Services
Re: Senate Bill 602
On: March 13, 2023

Chair Gelser Blouin, Vice Chair Robinson, and members of the Senate Committee on Human Services, my name is Alice Longley Miller and I am here to testify in support of SB 602 on behalf of SEIU 503. This bill is similar to previous legislation we have supported, HB 2490 (2019) and HB 4080 (2020). Our union represents approximately 23,000 workers across care provider sectors, including direct care workers in skilled nursing facilities, community-based care settings like residential, memory care, and assisted living, and homecare workers. Because we represent workers across Oregon's care sector, we know that the biggest challenges facing workers are shared across these different settings – low wages, trouble with recruitment and retention, high vacancies, and difficult working conditions.

As Oregon attempts to address these persistent workforce issues, we think it is important to take a cross-sector approach and to center the voices of workers and people who rely on these services. Creating a workforce standards board with real authority will benefit this critical workforce and the people they serve, which is good for all of us.

First, I want to talk about how the long-term care workforce standards board would work. SB 602 would establish a board made up of workers, employers, and people who rely on these critical services with equal representation from these three stakeholder groups. The board would have the authority and resources to gather relevant information about the industry and issue comprehensive recommendations on issues, such as wages, benefits, working conditions, training, and workplace safety. Guided by the board's research and recommendations, the BOLI commissioner would determine a wage floor or prevailing wage for direct care work funded by Medicaid. Prevailing wage laws have a proven track record of ensuring publicly financed projects support good jobs and contribute to a healthy workforce. Oregon has an opportunity to replicate the success of the construction industry by enacting a prevailing wage for direct care providers – a choice that would improve job quality for these undervalued workers and help ensure the essential services they provide are available to Oregon's most vulnerable people.

Next, I want to talk about some important features of Oregon's direct care workforce. This workforce is mostly women and disproportionately women of color. Far too many – about half of these workers rely on public benefits like SNAP and Medicaid to meet their basic needs according to a state sponsored workforce study released last year. That study reports an average wage of

\$15.38/hr across care settings and clearly states that direct care wages are not competitive with other industries. These are poverty wages and are not in line with the cost of living anywhere in our state. This report, which was submitted as testimony, was commissioned by ODHS with the goal of understanding how Oregon can strengthen and stabilize the direct care workforce. Of the six recommendations in the report, the first one is to “engage direct care workers in developing strategies and solutions” and the second is to “establish and fund minimum wage floors across direct care occupations and settings”. Senate bill 602 can accomplish both recommendations.

The LTC workforce is in crisis. High turnover and vacancy rates degrade care quality and leave people in services with significant unmet needs. We are struggling to meet the existing need for care providers. At the same time, we know that demand for these services is high and getting higher. Care provider jobs are demanding. The long hours, physical and emotional demands of the job, and the responsibility of ensuring the wellbeing of others are just a few reasons why caregivers deserve to be paid more for the essential work they do and skills they bring.

Just like our population overall, Oregon’s LTC workforce is also aging. The median age of all direct care workers in Oregon is 37, and nearly a quarter are age 55 and above. Unfortunately, because of the low pay and stressful nature of the job, among other reasons, we are not recruiting and retaining younger workers nearly as much as required to build a resilient and sustainable workforce for our future. We need to uplift the important work caregivers do and understand workforce issues from the perspective of workers. Creating a workforce standards board with real authority to improve wages and working conditions is an innovative and promising approach to address our workforce crisis.

I expect you will hear from employers who oppose establishing a prevailing wage for care workers. SB 602 has mechanisms to prevent a prevailing wage that is unaffordable to employers, including a third of board seats reserved for employers and research support to study industry constraints like Medicaid reimbursement rates, which we know are real constraints for employers. Medicaid is the largest payer in long term care, and reimbursement rates are low. The workforce board is tasked with establishing *minimum* standards to prevent exploitation of workers, which can prevent low quality employers from undercutting high road employers. I also want to share an example from Nevada’s homecare wage board. Right now, the top priority for that board is advocating for higher Medicaid reimbursement rates in order to support wage growth.

We understand the concern about the cost of raising wages from the perspective of employers and this legislature. I would encourage us to also consider the cost of the current state of the workforce. Turnover, overtime,

SEIU Local 503

PO Box 12159, Salem, OR 97309-0159 | seiu503.org | 1-844-503-SEIU (7348)

vacancies, and temporary staff are expensive. There is also a human cost when care quality degrades, and workers are unavailable to meet consumer needs. How much would the state save if workers did not have to supplement poverty wages with government assistance? What is the value of a skilled and stable long-term care workforce? What is the societal cost of our caregivers picking up 2nd and 3rd jobs to make ends meet, living out of vehicles, and selling plasma to supplement a full-time job in state funded caregiving?

Right now, Oregon's LTC care system perpetuates working class poverty, exacerbates inequities based on race, gender, age, and disability status, and creates barriers to social mobility and opportunity for workers and their families. We believe that public funds should support living wages. Ultimately, it is the state's responsibility to take care of seniors and people with disabilities on Medicaid. The state relies on the long-term care workforce to do this for poverty wages which should be unacceptable to all of us, especially those of us working to address gender and racial pay equity. Not only is investing in care work the right thing to do from an equity and economic perspective, but it is also essential to our ability to take care of our seniors and people with disabilities now and in the future.

Please support SB 602.

Thank you for the opportunity to testify today.

Alice Longley Miller, MSW, MPH
Political & Policy Strategist
SEIU Local 503