



February 13, 2024

Chair Holvey, Vice Chairs Elmer and Sosa, and members of the committee,

Thank you for the opportunity to provide testimony in **opposition of HB 4050, which will cause damage to our pay equity law and Oregon’s workforce.**

My name is Alberto Gallegos and I am testifying on behalf of the Service Employees International Union (SEIU), Oregon. SEIU Oregon is composed of SEIU Local 503 and SEIU Local 49, which together represent over 87,000 people. Local 49 represents private sector janitors, property service workers, light manufacturing, and healthcare workers; while Local 503 represents homecare workers, private nonprofit workers, in-home childcare providers, nursing home workers, and state and local government employees.

As a labor union, we strongly believe that all workers should be properly and fairly compensated for their labor, which is one reason that we work in coalition with other worker advocates to even the playing field for historically and currently marginalized workers—like our members. We appreciate all the great work that the Legislature has done to end pay inequity in Oregon, and we wish to preserve all that progress. To that end, we want to voice our significant concerns with HB 4050, which we believe threatens our current pay equity law.

HB 4050 would add the term “business necessity” as a factor for why an employer could pay workers differently. Our concern is that this term is too vague and can be applied too broadly which can result in bonuses or base compensation to be driven by other factors than the ones currently allowed under our Pay Equity Law, such as: output, seniority, merit, location, travel, education, training, experience, or the stipulations of a collective bargaining agreement.

This could have major consequences for Oregon workers since data substantiates that implicit bias has a significant impact on bonuses if gone unchecked. We also see this bear out in national data: research from HR software provider ADP found that women, on average, earn a 17 percent (\$15,000) lower salary than men. However, when factoring in the gender pay gap for bonus pay, the total earnings pay gap widens to 19 percent (\$18,500).¹ ADP has further found that an initial hiring bonus pay differential may seem minimal to start with, but compounds significantly over the course of a woman’s career.²

We are concerned that HB 4050 would change what is currently unlawful discrimination into allowable pay differentials under the guise of “business necessity,” which will worsen the wage gap that we have worked so hard to address in Oregon.

¹ <https://www.adp.com/spark/articles/2018/09/the-gender-pay-gap-widens-as-women-earn-less-bonus-pay.aspx>

² <https://www.adp.com/spark/articles/2018/09/the-gender-pay-gap-widens-as-women-earn-less-bonus-pay.aspx>



Service Employees International Union – Oregon State Council

SEIU Oregon urges the Committee to oppose HB 4050 and protect our pay equity law.

Thank you,

Alberto Gallegos
Political and Government Relations Organizer
SEIU Oregon State Council