Submitter: Corey Crismon

On Behalf Of:

Committee: House Committee On Labor and Workplace Standards

Measure, Appointment or Topic: HB3838

This bill would create a small and unbalanced board giving sweeping authority over home and community-based care providers, dictating wages, staffing schedules, and training.

1. Bypasses Democratic Process. This bill circumvents the traditional union process by creating a government-appointed board with the power to set wages, benefits, and working conditions without worker negotiations or collective bargaining. Unions typically organize workers, negotiate contracts, and reach agreements through a democratic process. This bill sidesteps that entirely by allowing a small board to dictate employment terms across a broad range of provider types, including those serving
private-pay clients. Even providers that do not take Medicaid would be forced to comply with state-imposed rules, removing their ability to negotiate employment terms based on workforce needs and financial realities.

2. Significant Financial Burden. The board could establish wages, benefits, and working conditions without considering financial realities or wage compression challenges, potentially jeopardizing providers' financial stability and risking closures.

3. Disproportionately Impacts Nonprofit Tax-Exempt Organizations. Unlike taxable entities, tax-exempt organizations cannot cross-subsidize money-losing operations, as their ability to generate unrelated business income is limited under IRS regulations. For Continuing Care Retirement Communities (CCRCs), tax-exempt status is granted in part because they commit to keeping residents who outlive their financial resources. This bill threatens that commitment by potentially imposing labor costs that nonprofits will likely be unable to offset, putting both residents and the financial stability of mission-driven organizations at risk.

4. Creates Additional Challenges for Continuing Care Retirement Communities and Multi-Level Organizations. These providers will be responsible for managing both employees covered under this bill and those who are not (e.g., independent living staff), creating significant administrative and HR burdens. Navigating multiple wage and benefit structures will add unnecessary complexity and strain resources.

5. Increases Costs for Consumers. The bill does not differentiate between Medicaid-funded and private-pay providers. State-imposed mandates will drive up costs, limiting

consumer access and choice.

6. Terrible Timing. Medicaid funding is uncertain, and providers are already facing financial challenges. This bill destabilizes an already fragile system by imposing huge regulatory and financial burdens.

7. SEIU Does Not Represent Community-Based Care Facilities. SEIU has a minimal (roughly 10%) presence in Community Based Care facility settings, yet they are positioning themselves as the authority of the sector. This is a union power grab disguised as a workforce solution.

8. Adds Unnecessary Bureaucracy. This bill imposes redundant oversight, further burdening providers who are already stretched thin. Instead of supporting care delivery, it diverts time, energy, and resources away from serving residents.