



March 17, 2025

TO: Members of the House Committee on Labor and Workplace Standards

FR: Paloma Sparks, Oregon Business & Industry

RE: HB 3838 – Home and Community-Based Services Workforce Standards Board

Chair Grayber, members of the House Committee on Labor and Workplace Standards. For the record, I am Paloma Sparks, Executive Vice President & General Counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, over 75% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify on HB 3838. This bill would empower an unelected board with little oversight or accountability to make new laws. It would undermine the authority of the Department of Human Services, Oregon Occupational Safety and Health division of DCBS and the Bureau of Labor and Industries. Most alarming, this board would be able to enact new laws where only the legislature has been given that authority.

All session long we talked about the importance of oversight and accountability. Legislators have introduced bills with the specific aim of ensuring state agencies don't exceed the plain language of statutes. But here, a board with a makeup and mission tilted in favor of organized labor would be able to create new rules clearly outside of the bounds of statute. This undermines the very purpose of our laws.

Additionally, it is unclear whether the board would have authority under the general powers of each of the agencies or if they would simply have the authority to do whatever they deemed "best for workers" beyond statutory authority. It is also unclear that the board would be expected to abide by the rulemaking requirements of ORS 183. Oregon businesses have already identified our regulatory system as the number one barrier to continued investment in the state and this bill will make a bad situation disastrous.

HB 3838 and the "rules" adopted by this board will dramatically increase the cost of care. Businesses, particularly in this industry when so many are reliant on public funds, cannot simply raise prices to absorb these costs. Changing how schedules are set necessarily requires hiring

more employees, which reduces funds available for increases in pay. Pay raises means fewer funds for hiring new employees. Every employee in Oregon has access to paid family leave, all but the very smallest employers provide paid sick time, and all employees have access to retirement savings. Given the language in this bill, we can only assume that this board would be requiring more benefits at the employer's cost. While those sorts of provisions are common in a collective bargaining agreements, never before have we seen legislation mandating union benefits applied to an entire industry.

Oregon is already one of the most expensive places to do business. In survey after survey, businesses have told us they don't know how much longer they can continue in the face of such an expensive and burdensome environment. Requiring all these changes at once will push some businesses to simply close their doors or move to another state. That result only hurts the Oregonians and their families who rely on the services these businesses provide.

We urge you to reject such a costly and one-sided approach to meet the needs of this workforce and instead invest in desperately needed funds for these industries.