Liz Caval-Williams Alliance Services 901 Brutscher St, Ste 219 Newberg, OR 97123

March 19, 2025

Chair Grayber & Vice Chairs Elmer & Munoz House Labor & Workforce Standards Committee Oregon Legislature 900 Court St NE Salem, OR 97301

Re: HB3838-HCBS Workforce Standards Board

Chair Grayber, Vice Chairs Elmer & Munoz & Members of the Committee,

My name is Liz Caval-Williams and I represent Alliance Services, based in Newberg, Oregon. Since 2015, we have employed Direct Support Professionals (DSPs) who serve individuals with Intellectual and Developmental Disabilities across eight counties. I am writing to oppose HB 3838, which creates a Home and Community-Based Services Workforce Standards Board. This bill threatens vulnerable Oregonians, service providers, and taxpayers by introducing unnecessary bureaucracy and increasing costs.

One of the many concerning areas of this bill is the stipulation of a Private Right of Action, where employees, or the board in this case, can seek damages, injunctive relief, or other legal remedies in court if they believe employers are in violation of the law. When examining other states that have adopted a Private Right of Action, I'd like to highlight California, which has some of the most expansive yet stringent laws governing private litigation. The California Private Attorney Generals Act (PAGA), has become a tool for aggressive litigation rather than fair labor enforcement. It encourages frivolous lawsuits for minor, technical infractions—often benefiting trial attorneys far more than employees. Even well-intentioned employers acting in good faith are vulnerable to excessive penalties, with no opportunity to correct inadvertent violations, until recently with PAGA reform. As a result, businesses have been hiring attorneys and HR consultants, resulting in additional costs, to specifically conduct PAGA audits to reduce their possible risk to litigation and penalties since they're so broadly defined. Recently, the State of California has had to reform PAGA laws to make litigation and penalties more difficult, due to the influx of claims currently in the court system. Small businesses have faced crippling legal costs under PAGA, often forcing them into settlements regardless of merit. Private Right of Action in labor enforcement clogs up the courts, creates inconsistent legal interpretations, and undermines state regulators who are better equipped to enforce compliance.

Oregon businesses are already struggling with rising costs, regulatory burdens, and economic uncertainty. The threat of Private Right of Action abuse only adds another barrier to hiring, investment, and growth. Rather than empowering opportunistic lawsuits, the Legislature should focus on strengthening government oversight through existing regulatory bodies and providing businesses a fair chance to comply before facing lawsuits. We strongly urge you to support meaningful reform that protects workers without punishing businesses unfairly.

Secondly, the bill grants excessive authority to the board to regulate scheduling, staffing levels, and labor conditions beyond existing state and federal protections. This undermines the autonomy of employers and creates rigid workforce policies that fail to account for the unique needs of individual providers and workers, and more importantly the individual needs of the vulnerable Oregonians we serve. Additionally, the mandate to disclose employee contact information to worker organizations raises serious privacy concerns. This is especially true for employees who may be victims of domestic violence, stalking, or other traumas and do not want their contact information publicly available.

And lastly, HB 3838 duplicates existing regulations by allowing the board to recommend service rates and wages, despite federal requirements, such as the CMS' 2024 *Ensuring Access to Medicaid Services Rule,* which already mandates comprehensive rate reviews minimally every five years, and other similar federal policies regarding waiver applications to the Centers for Medicare and Medicaid Services (CMS). It's imperative these reviews are actuarially sound, and conducted by a reputable and independent third party. A <u>recent actuarial review by Burnes & Associates</u> fulfilled this requirement. Creating another regulatory body wastes precious state resources and risks compliance with federal law, and furthermore, may call into question one or both of these reports if their findings are different.

For these reasons, we ask the committee to vote in opposition of this bill and instead make direct investments into our workforce by funding the existing and recent Rate & Wage Study, published in January of 2025.

Sincerely.

Liz Caval-Williams Alliance Services

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