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March 14, 2025

House Committee on Labor and Workplace Standards

Subject: Opposition to HB 3838 - Home and Community-Based Services Workforce Standards Board

Chair Grayber, Vice Chairs, and Members of the Committee,

Thank you for the opportunity to submit testimony in opposition to HB 3838 on behalf of the Springfield Area Chamber of Commerce. Our Chamber represents a diverse business community, including many small employers in the home and community-based care sector, who are deeply concerned about the impact of this bill. HB 3838 would establish a Workforce Standards Board with broad authority to set employment policies for an entire industry. While we strongly support strengthening Oregon's workforce, particularly in critical sectors like healthcare, this approach creates significant risks for employers, particularly small businesses, both non-profit and for-profit.

Concerns with HB 3838

1. Outsourcing Employment Policy to an Unelected Board

HB 3838 shifts wage and employment decisions away from the Legislature to an appointed board with sweeping regulatory powers. Creating an unelected regulatory body introduces unnecessary bureaucracy and uncertainty for employers, undermining authority of the Department of Human Services, Oregon OSHA, and the Bureau of Labor and Industries who already have regulatory authority over this industry sector.

2. Threat to Small Businesses and Workforce Stability

Many care providers are small businesses and nonprofits operating on tight margins. Additional regulatory costs and wage mandates could force closures or industry consolidation, limiting choices and driving up costs for Oregon's most vulnerable residents. As noted in Monday's public hearing, many providers already invest in workforce training and career development—this bill risks disrupting those efforts with rigid new mandates.

3. One-Size-Fits-All Regulation Ignores Industry Complexity

Oregon's home and community-based care providers serve diverse populations under different funding models. A broad regulatory board will struggle to account for these differences, potentially imposing inflexible rules that do more harm than good.

Other Solutions to Consider

Rather than outsourcing employment and wage policy, the Legislature should focus on practical, employer-supported solutions such as:

- Increasing Medicaid reimbursement rates to allow sustainable wage increases.
- Expanding workforce development grants and training initiatives to incentivize upskilling and professional development.
- Reducing regulatory barriers that drive up the cost of doing business.

The Springfield Chamber supports policies that encourage workforce participation, maintain fair employer-employee relationships, and foster economic growth without creating unnecessary costs or administrative burdens on business. We urge you to reject HB3838 bill in favor of collaborative strategies that support both workers and employers.

Sincerely

Vonnie Mikkelsen President and CEO

Springfield Area Chamber of Commerce