



Senate Workforce Committee
Senate Bill 845
April 8, 2015

Mr. Chair and members of the committee, my name is Tricia Smith. I represent Oregon School Employees Association, a union of public and private sector workers who are known as classified school employees. Our 20,000 members work in Head Start associations, K-12 school districts, ESDs, community colleges and other public agencies. They are hourly wage employees, and many are low wage employees who constantly struggle to continue in their chosen professions due to the economic strain it puts on themselves and their families.

Hourly workers in Oregon's schools have long experienced the kind of problem SB 845 tries to address in the private sector. School districts have often reduced their hours as a budget balancing mechanism - so often in fact that this workforce has changed over time. Classified positions in schools were once a full-time workforce of career-minded professionals, receiving a middle class compensation package including health insurance benefits. Today it is largely a part-time workforce, with high turnover rates and the hours of many positions set below the level required to receive employer-sponsored health insurance and other benefits. For example, where there was once one six-hour per day employee considered full-time with benefits, there may now be three employees working two hours per day and receiving no benefits. Other employees have seen their wages reduced along with their hours. For many of those still technically eligible for employer-sponsored health insurance, their incomes too often do not allow them to pay the high premiums and co-payments.

Whether our members work in the public sector or the private sector, this situation is all too common. When it does, many of these members access health insurance for themselves and their families through the Oregon Health Plan.

To allow employers to skirt their responsibility to provide reasonably priced employee health insurance hurts us all. Because this cost is shifted to taxpayers, other critical services such as public education are shortchanged. You may be aware that as the number of individuals covered by publicly provided health insurance has grown, education's share of the general fund has decreased.

It has long been understood that it is most efficient to provide health care to individuals that maintains good health and prevents disease. It is also clearly understood that a healthy workforce is more cost efficient than an unhealthy workforce. Public policy has reflected those realities for decades in rewarding employers who provide health insurance coverage

to their employees, and now through the ACA by requiring employers to provide that coverage to their employees.

SB 845 recognizes that costs are inappropriately shifted to all taxpayers when employers reduce employee hours below benefit levels, and shifts some of that cost back to them. If we want to curb this practice, this only makes sense. We urge your support.