



March 13, 2023

TO: Chair Holvey, Vice-Chair Elmer, Vice-Chair Sosa, Members of the House Committee on Business and Labor

FR: Derek Sangston, Oregon Business & Industry

RE: Support for HB 3205

Oregon Business & Industry (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, more than 80% 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 submit testimony in support of HB 3205.

Oregon's labor market is tight. Current job vacancies remain close to the number of unemployed Oregonians looking for work, not even accounting for alignment of skills.¹ Anecdotally, OBI's members almost universally say that they struggle to fill open positions, and this occurs regardless of industry, geography, or size of business. OBI's members also frequently say that they struggle to retain their current workforce.

In 2021, the Legislature listened to the needs of the state's public and private employers and exempted both hiring and retention bonuses from Oregon's Equal Pay Act. That exemption expired on September 28, 2022 – making Oregon the only state with these types of restrictions on hiring and retention bonuses.

The Oregon Employment Department projects that Oregon's economy will require 265,000 new jobs by 2031² Unfortunately, Oregon's current population forecast shows Oregon's workforce will not keep up because the number of prime and older wage earners will grow by only half that amount.³ While there is no one solution to that problem, HB 3205 would help.

HB 3205 would help solve this problem by permanently exempting hiring and retention bonuses from Oregon's Equal Pay Act. It would allow employers to recruit new employees. It would allow employers to keep their employees from leaving Oregon to work in other states, particularly Washington.

Hiring and retention bonuses are not just good for employers, they are good for employees. Why would we put such a broad restriction on what employees can receive in bonus income?

¹ <https://www.qualityinfo.org/>, accessed Feb. 20, 2023

² [Projections - QualityInfo](#), accessed Feb. 20, 2023

³ [appendixc.pdf \(oregon.gov\)](#), accessed Feb. 20, 2023

Please do not let Oregon fall farther behind. Please allow Oregon employers to pay hiring and retention bonuses to their hardworking employees. Thank you for your consideration.

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