



March 13, 2023

Members of the House Committee on Business and Labor  
900 Court Street NE  
Salem, Oregon 97301

Re: In Support of HB 3205 – Exemption of certain bonuses from pay equity requirements

Dear Chair Holvey and Members of the Committee:

Help Oregon's Public and Private Employers Recruit and Retain Employees by passing HB 3205. For non-profit agencies operating in the behavioral health field, hiring, and retaining qualified employees has always been a challenge. Our staffing shortages have reached unprecedented levels since the beginning of the pandemic, particularly for our front-line residential and clinical staff as well as medical staff.

One resource New Narrative has used to recruit and retain employees is bonuses, both sign-on bonuses for new employees and retention bonuses to keep current employees. In 2021, we were grateful when the legislature temporarily removed hiring and retention bonuses from Oregon's Equal Pay Act of 2017 due to the pandemic. The legislature again extended the exemption in 2022, but it expired on Sept. 28, 2022 – 180 days after Governor Brown's COVID state of emergency ended. We have lost this valuable tool and now, Oregon is the only state that limits employers' ability to pay bonuses – as a result we are losing workers to other states such as Washington.

Employers, particularly in the behavioral health field, need the legislature to exempt hiring and retention bonuses from the Equal Pay Act to help address staffing and hiring shortages. Our agency has worked diligently to enact the Pay Act, but without this exemption, New Narrative will face increased workforce shortages which will jeopardize community access to much needed behavioral health care, residential treatment, and housing services. At any point in time, we now average about 10-15% staff vacancies agency-wide. We had so many staff vacancies at one of our residential treatment facilities we had to temporarily close it in February and transfer residents to other facilities. We are still trying to recruit enough employees to re-open this vital facility. These beds are desperately needed within our behavioral health community.

Our agency is committed to equity within our organization and values the spirit of the Equal Pay Act. We must ask that the tool bonuses provide be maintained at this time when workforce challenges are adversely impacting access to behavioral health services and residential treatment, in order to preserve employers' ability to recruit and retain employees. Unless the legislature acts, non-profit behavioral health and housing agencies, including ours, will not have adequate tools to recruit the residential, clinical and medical staff we need to keep our programs and residential treatment facilities open and to open new programs and more beds.

Please help us recruit and retain employees by passing HB 3205.

Thank you for your consideration.

In partnership,

*Julie Ibrahim*

Julie Ibrahim, CEO