



Senate Committee on Human Services

March 13, 2023

Testimony in Support of SB 602

Chair Gelser Blouin, Vice-Chair Robinson, and Members of the Committee:

My name is Daniel Hauser, Deputy Director for the Oregon Center for Public Policy, and I respectfully submit this testimony in support of SB 602 on behalf of the Center.

The Oregon Center for Public Policy is a nonpartisan think tank dedicated to improving the economic outcomes for all Oregonians, particularly low-income families and Oregonians of color, through research and analysis.

Senate Bill 602 would set up a representative board to recommend standards for compensation, working conditions, and training for Oregon's long-term care workforce. The board would help address high turnover and understaffing, which undermines the quality of long-term care many Oregonians need.

I've added a paper to the record titled Wage Boards Benefit Workers, Businesses, and the Economy, released today and drafted by my colleague Janet Bauer. In it, she describes why wage boards, like the one in SB 602, are uniquely suited to heal what ails the labor market. She explains that wage boards help address structural problems in our economy such as wage stagnation, rising income inequality, and the troubling gender wage gap. They can improve conditions for isolated workers, whom current employment law often fails, such as gig workers, independent contractors, and immigrant workers. And they support a healthy economy.

Senate Bill 602 includes a wage board consisting of priority stakeholders — employees, employers, and recipients of long-term care. Boards such as this traditionally make recommendations for minimum standards, investigate conditions, gather data, and call witnesses. Public officials have the authority to implement their guidance — in the case of SB 602, the Labor Commissioner.

Our mission is to achieve economic justice for all Oregonians through research, analysis, and advocacy.

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The concept of wage boards is not new; they were common in the early twentieth century. Oregon even established a wage board in 1913, which set the first minimum wage levels for women and children in the country. Numerous states followed our model. Today, wage boards exist in California, Michigan, Nevada, New York, Pennsylvania, and Washington.

The caregiving labor market is significantly segregated by gender and race. Personal care aides and nursing assistants are far more likely to be women, particularly women of color. They are some of the lowest-paid occupations in our state, and Senate Bill 602 is well-suited to improve their working conditions and rectify these inequities.

Wage boards, such as the one included in SB 602, can also benefit businesses and strengthen their industries. By elevating wages and working conditions for all workers in an industry, they reduce labor turnover and the associated costs involved in bringing on new employees, while boosting the quality of the industry's workforce. They remedy the competitive disadvantage high-road businesses face when they do not exploit their workers while others do.

SB 602 does not recommend any particular compensation level for long-term care employees, nor does it require Oregon to do something the Medicaid structure in our state cannot sustain. The strength of SB 602 is that, rather than setting a particular wage level, it creates a body to do the fact-finding and analysis needed to recommend workable solutions to the issues that harm the industry and people depending on long-term care services. Nevada recently took the step of creating a wage board to tackle the challenges of its long-term care industry. Oregon should do the same.

We urge you to support SB 602.

