

Chair Holvey, Vice-Chairs Elmer and Sosa, and members of the House Committee on Business and Labor;

For the record, my name is Maureen Wright. I am a Public Policy Institute Legislative Fellow for the 2024 Legislative Session with AFT-Oregon. I am also a member of a local union representing faculty and academic professionals at a community college. I am here to speak in opposition to House Bill 4050 and in defense of Oregon's fair and equal merit-based employment policies and practices.

AFT-Oregon represents 18,000 Oregon workers. As employees, we contribute to Oregon's vitality as faculty, academic professionals, and hourly workers. We care for people from the ages of pre-kindergarten through grade 12, and beyond those ages. We also serve people attending community colleges and universities. We continue to work to even the playing field for historically and currently marginalized workers – workers of color, women, immigrants, workers with disabilities and more.

We ask Oregon legislators to reject the entirety of HB 4050 to preserve the common good in support of non-discriminatory employment practices. By a plain reading, Oregon's existing law ensures non-discriminatory employment practices, a qualified workforce, and a vibrant economy for all Oregonians.

Reasonable people and our leaders know that being proactive in preventing wrongful actions is the best choice. Trying to do damage control after negative consequences occur is more costly, ineffective, and inefficient. Prevention is the best cure for employment discrimination

We have significant concerns about HB 4050 adding “business necessity” as a factor for why an employer could pay workers differently. We fear that this bill will open the door for bonuses – or base compensation in general – to be driven by factors other than output, seniority, merit, location, travel, education, training, experience, or the stipulations of a collective bargaining agreement -- all of which are already allowable under our Pay Equity law.

This opening could have major consequences for Oregon workers since data substantiates that implicit bias has a significant impact on bonuses if gone unchecked.

In our free market system, as a “**business necessity**” any employer can re-structure, abolish jobs, discontinue products, and cease services. Operational efficiencies, automation, changing the business model or goals occur by employers' unilateral preferences. None of these employer conditions require statutory changes.

There are already substantial barriers for marginalized people in Oregon, and this would not move towards equity. With soaring inflation and raising housing costs, addressing current circumstances are the highest priority for Oregonians.

During the fourth quarter of 2020, Pew Research Center establishes the facts that:

- “... unemployed workers ages 45 to 64 and 65 and older had a higher long-term unemployment rate (45% and 42%, respectively) than younger workers...”¹ [*Emphasis added.*]
- “... half of unemployed **Asian workers (46%)** had been out of work for more than six months, compared with 21% in the fourth quarter of 2019. **Black** unemployed workers had the next highest **long-term unemployment rate (38%)** at the end of 2020, followed by White (35%) and **Hispanic (34%) unemployed workers**. For these three groups of unemployed workers, the long-term unemployment rate was around 15 percentage points higher than one year earlier.”² [*Emphasis added.*]
- “Among the unemployed, bachelor’s degree holders and **older workers have higher long-term unemployment rates... 41% of unemployed workers with a bachelor’s degree or more education had been out of work for more than six months...**”³ [*Emphasis added.*]

Consequently, given the vagueness of the term “business necessity” and the broadness of the application of this factor across all pay differentials, we have significant concerns that HB 4050 would change what is current unlawful discrimination into allowable pay differentials under the guise of “business necessity,” and stand to worsen the wage gap that we have worked so hard to address in Oregon.

We opposed HB 4050 and support the existing pay equity laws as written. There are too many disparities already, and this bill may deepen inequities between groups of workers.

Thank you for your consideration of AFT-Oregon’s position and concerns. **Please vote No on HB 4050.**

Maureen Wright

Legislative Fellow AFT-Oregon

¹ <https://www.pewresearch.org/short-reads/2021/03/11/long-term-unemployment-has-risen-sharply-in-u-s-amid-the-pandemic-especially-among-asian-americans/>. Accessed 2/10/2024.

² <https://www.pewresearch.org/short-reads/2021/03/11/long-term-unemployment-has-risen-sharply-in-u-s-amid-the-pandemic-especially-among-asian-americans/>. Accessed 2/10/2024.

³ <https://www.pewresearch.org/short-reads/2021/03/11/long-term-unemployment-has-risen-sharply-in-u-s-amid-the-pandemic-especially-among-asian-americans/>. Accessed 2/10/2024.