

## **Testimony in Support of SB 1505**

Chair Jama, Vice-Chair Starr, and Members of the Committee

My name is Kathy Lara, Policy Analyst for the Oregon Center for Public Policy, and I respectfully submit this testimony in support of Senate Bill 1505 on behalf of the Center. The Oregon Center for Public Policy is a nonpartisan think tank that uses research and analysis to improve the economic outcomes for all Oregonians, especially for those struggling to make ends meet.

Oregon relies on the essential work of direct care workers. The state has approximately [48,000 direct care workers](#), many of whom provide care in home- and community-based settings. This workforce provides vital care to both [older adults and people with disabilities](#), making it possible for them to live in dignity.

Yet despite providing such crucial service to our communities, the low wages paid and minimal benefits offered to care workers have led to a crisis in recruitment and retention. By 2030, Oregon will need to hire nearly [65,000 direct care workers](#) to meet growing demand.

**Senate Bill 1505 brings direct care workers and industry together.** The bill creates a board that brings workers, employers, individuals who receive care services, and government representatives together to collaborate and develop solutions. By studying the sector's unique challenges, the board would set reasonable standards on such things as staffing levels, training, compensation, and other workplace conditions. It would tackle long-standing issues like [low wages](#), [recruitment](#), [high turnover rates](#), and [limited benefits](#). With multiple stakeholders at the table, the board would produce decisions that take into account multiple perspectives and create practical, sustainable solutions for the industry.

**Senate Bill 1505 stands on proven models that address industry challenges.** Workforce standards boards are not a new concept. [California](#) and [New York](#) have

successfully implemented them for the fast food and agriculture industry, respectively. And some have used this model to address the challenges in the health care industry:

- [Colorado Direct Care Workforce Stabilization Board](#): Established in 2023, the Colorado Direct Care Workforce Stabilization Board develops recommendations for minimum employment standards for direct care workers. In September 2024, the board recommended [increasing wages](#) to \$25 per hour by 2026.
- [Minnesota Nursing Home Workforce Standards Board](#): Created in 2023, the Minnesota Nursing Home Workforce Standards Board sets rules regarding wages, training, and other working conditions. It [established rules](#) for wages, holiday pay and worker training in 2024.
- [Nevada Home Care Employment Standards Board](#): Formed in 2021, the Nevada Home Care Employment Standards Board was responsible for investigating wages, working conditions, and compliance with labor laws for home care workers. The board recommendations [persuaded lawmakers](#) to increase Medicaid reimbursement rates and wages to \$16 per hour in 2024.

[Through these boards](#) workers have gained access to higher wages, trainings, stronger safety standards, paid time off, and other work-related benefits. In Nevada, when board-recommended pay increases were implemented, the state saw a [significant reduction in workforce turnover](#).

**Senate Bill 1505 creates a lasting structure for home- and community-based care standards.** Senate Bill 1505 is designed to be [evidence-driven](#) and to regularly review industry conditions, which follows the [same framework](#) used in other workforce standards boards. Before adopting standards, the board takes into account labor market data, industry conditions, and reimbursement information. It considers public testimony from workers, consumers, and employers (big and small). By continuously evaluating industry and workplace conditions, the board can address emerging issues and develop practical, coordinated solutions.

**Senate Bill 1505 also benefits employers.** Better pay and working conditions can lead [to reduced turnover](#) and the associated costs involved in bringing on new employees. [Employers also gain](#) an avenue to strengthen their industries. For example, Maxine Hartranft, a home care employer and member of the Nevada standards board, mentioned that the board process can help advance “a

commitment from the state to fund and prioritize the changes that were identified by the Homecare Standards Board.” And fast food CEO and California Fast Food Council Member Richard Reinis said the council allows “workers and employers” to “come up with better answers” than legislatures.

Industry-wide standards help level the playing field for businesses. It makes it so that employers compete with each other by offering better service to their customers and through innovation, rather than by undercutting wages and benefits to gain an advantage. Employers who previously competed by paying less now have to meet the same baseline standards, ensuring that high road employers are no longer penalized for doing the right thing.

Senate Bill 1505 can improve pay and working conditions for Oregon’s direct care workers. As the workers that give older adults and people with disabilities the opportunity to live with dignity, it’s time that Oregon gives these workers a voice at the table. By ensuring industry-wide improvements, Senate Bill 1505 would help make Oregon’s economy more fair and equitable, while strengthening the direct care industry going forward.

We urge you to support Senate Bill 1505.

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

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