



Testimony in Support of SB 1518 to the Senate Committee on Labor and Business

SB 1518 Public Hearing and Work Session; February 4, 2026

Submitted by PHI (Paraprofessional Healthcare Institute, Inc.)

Thank you for the opportunity to submit testimony in support of Senate Bill 1518. We strongly urge you to support this bill to protect Oregon's home care workers from the harmful effects of the federal Department of Labor's proposed rollback of minimum wage and overtime protections.

About us. PHI is a national nonprofit organization committed to strengthening the direct care workforce by producing robust research and analysis, leading federal and state advocacy initiatives, and designing groundbreaking workforce interventions and models. For 35 years, we have brought a 360-degree perspective on the long-term care sector to our evidence-informed strategies. As the nation's leading authority on the direct care workforce, PHI promotes quality direct care jobs as the foundation for quality care.

This is an opportunity for Oregon's continued leadership. Oregon has long been a national leader in supporting home care workers—the people who make it possible for older Oregonians and people with disabilities to live safely in their homes and communities. According to PHI's Direct Care Workforce State Index, Oregon ranks third in the nation for worker-supportive policies and direct care workforce economic outcomes.¹ One aspect of this leadership is Oregon's 2015 Domestic Workers Protection Act, which extended minimum wage and overtime protections to home care workers.² Unfortunately, this current law references federal definitions that may soon change under the U.S. Department of Labor's proposed rule.³ If the federal Fair Labor Standards Act (FLSA) is weakened, Oregon's laws could be undermined, creating real risks for workers and confusion for employers and enforcement agencies.

Basic labor protections are fundamental to recruiting and retaining the home care workforce Oregon needs to meet rising demand.

According to federal data from the Bureau of Labor Statistics, there were nearly 39,000 home care workers in Oregon in 2024.⁴ This workforce increased by 73 percent over the previous decade (2014 to 2024) due to the rising demand for care stemming from an aging population coupled with individuals' preferences to age in place and public policies that enable more people to receive home and community-based services.⁵ These home care workers allow Oregonians to live as independently as possible in their homes and communities while avoiding unnecessary hospitalizations and other institutional stays. Their labor also means that many unpaid caregivers—who are disproportionately women—do not have to partially or fully exit the labor force in order to ensure their family members can receive care at home.⁶

Looking ahead, Oregon is expected to add nearly 10,000 new jobs to the home care workforce from 2022 to 2032 to meet growing demand.⁷ Even more striking, the state will need to fill more than 70,000 *total* home care job openings in the same timeframe when also accounting for occupational turnover.⁸

Recruiting and retaining a sufficient workforce to meet Oregon's care needs will require continued and concerted efforts to improve home care job quality. In Oregon, as in every state nationwide, home care workers face considerable economic precarity: median annual earnings are just \$23,837, 61 percent rely on public assistance to make ends meet, 35 percent live in or near poverty, and 36 percent lack affordable housing.⁹ These outcomes stem from historic underinvestment in a workforce that is majority female (83 percent) and includes a high percentage of people of color (32 percent) and immigrants (14 percent).¹⁰

Losing basic labor protections, as proposed by the federal government, will only exacerbate the economic hardships that home care workers face, which will worsen Oregon's recruitment and retention challenges over time. Conversely, SB 1518 will ensure access to these essential protections for this essential workforce.

SB 1518 is a critical and timely fix. SB 1518 would decouple Oregon law from shifting federal regulations by cementing in place an interpretation of FLSA that includes home care workers. This approach ensures that Oregon's home care workers will continue to earn at least the state minimum wage and qualify for

overtime after 40 hours per week (or 44 hours for live-in workers), regardless of what happens at the federal level.

This bill would have two important effects:

1. **It would protect minimum wage and overtime as foundational labor rights.** While not sufficient on their own to ensure Oregon can recruit and retain the home care workforce it needs, these basic labor protections are a necessary foundation for job quality and workforce stability.
2. **It would provide clarity for compliance with and enforcement of those rights.** SB 1518 creates a clear framework for employers, workers, and Oregon's Bureau of Labor and Industries to understand and apply minimum wage and overtime protections for home care workers. This clarity matters for all concerned parties, particularly in a sector where workplaces are often private homes and violations can be difficult to detect and address.

Investments beyond minimum wage and overtime protections are critically needed. Strengthening the direct care workforce requires investing in and improving job quality, which PHI defines in terms of quality training, fair compensation, sufficient supervision and support, respect and recognition, and real opportunity.¹¹ Ensuring home care workers have overtime and minimum wage protections through SB 1518 is necessary *and* it is only one piece of what is needed: comprehensive investment in the quality of home care jobs.

Medicaid is the largest payer of home care services, but inadequate reimbursement rates have failed to guarantee livable and competitive wages for home care workers.¹² The solution to home care workforce shortages is not to strip basic labor protections—as the federal government proposes—but to ensure there is adequate funding in the system to pay overtime and the minimum wage. It is both possible and preferable to have a home and community-based services system that provides quality, stable care *and* ensures quality jobs with foundational labor rights for home care workers.

In conclusion, PHI respectfully urges the Committee to support SB 1518 to protect Oregon's home care workers from federal policy changes that eliminate their minimum wage and overtime protections. SB 1518 is a timely, pragmatic measure that protects Oregon's home care workers' foundational labor rights,

reinforces the state’s leadership, and helps stabilize a care system facing growing demand and intensifying workforce pressures.

Notes

¹ PHI. 2024. “The Direct Care Workforce State Index.” <https://www.phinational.org/state-index-tool/>.

² Or. Rev. Stat. §§ 653.547–653.551 (2015).

³ PHI. 2025. “PHI Comments on NPRM: Application of the Fair Labor Standards Act to Domestic Service.” Newsroom (blog). PHI, September 3. <https://www.phinational.org/phi-comments-on-nprm-application-of-the-fair-labor-standards-act-to-domestic-service/>.

⁴ PHI. 2026. “Workforce Data Center.” <https://phinational.org/policy-research/workforce-data-center/>.

⁵ PHI, 2026.

⁶ AARP. 2025. *Caregiving in the US Research Report*. Washington, DC: AARP.

<https://www.aarp.org/content/dam/aarp/ppi/topics/ltss/family-caregiving/caregiving-in-us-2025.doi.10.26419-2fppi.00373.001.pdf>.

⁷ PHI, 2026.

⁸ PHI, 2026.

⁹ PHI, 2026.

¹⁰ PHI, 2026.

¹¹ PHI. 2021. *The 5 Pillars of Direct Care Job Quality*. New York, NY: PHI. <https://www.phinational.org/resource/the-5-pillars-of-direct-care-job-quality/>.

¹² Kim, Jiyeon. 2024. *Competitive Disadvantage: Direct Care Wages Lag Behind— 2024 Update*. New York, NY: PHI. <https://www.phinational.org/resource/competitive-disadvantagedirect-care-wages-are-lagging-behind-2024-update/>.