



February 20, 2026

TO: Representative Grayber, Chair, and Members of the House Committee on Labor and Workforce Development

FROM: Oregon Council on Developmental Disabilities

RE: Testimony on Senate Bill 1518 (Neutral)

Dear Chair Grayber, Vice-Chairs Muñoz and Scharf, and Members of the Committee:

Senate Bill 1518 will clarify the definition for “companionship services” to ensure that Direct Support Professionals (DSPs) who work for a third-party provider agency are covered by state wage and hour protections. Oregon’s Home and Community Based Services (HCBS) workforce should not be expected to work more for less compensation simply because of the type of work they perform.

America’s HCBS workforce provides critical fellowship, care, and protections for millions of people with intellectual and developmental disabilities (I/DD). The value of home care workers including Personal Support Workers (PSWs), Direct Support Professionals (DSPs), and others, is immeasurable. Despite being the backbone of a system that allows people with I/DD to live with dignity and autonomy within the community, DSPs access to fair wages and overtime protections under the law is in jeopardy due to recent changes made at the federal level.

“The quality of care to persons experiencing IDD is dramatically reduced when skilled direct support/caregivers are paid less than surviving wages.”¹ The U.S. Department of Labor has proposed a rule that makes harmful changes to how the Fair Labor Standards Act is implemented in ways that undervalue the importance of the DSP workforce. It will create barriers to essential care for people with I/DD. Negative impacts include:

- **Workers engaged in needed care services will lose access to wage and overtime protections under the Fair Labor Standards Act (FLSA).** Under the current federal rule

¹ Statement from anonymous respondent to OCDD’s “Five Year Plan Survey” (September 2025).

issued in 2013, if a DSP employed by a third-party provider agency engages in care services for more than 20% of their hours worked, then they are entitled to those protections.² Under the proposed rule changes, that will no longer be the case.

- **Some workers within Oregon’s HCBS workforce may be subjected to longer hours without adequate pay, which is likely to lead to higher rates of burnout and turnover.** The loss of wage and overtime protections under FLSA potentially impacts roughly 9,723 Direct Support Professionals (DSPs) that serve individuals with IDD who are working for third-party provider agencies.³ While many of Oregon’s longstanding provider agencies certainly will not take advantage of proposed rule changes to deny workers overtime pay, others provider agencies probably will. Since the 2013 rule went into effect that provides more protection for overtime work, turnover ratios have been decreasing. While the turnover ratio still indicates instability, DSP turnover decreased from 50.2% to 33.3% from 2018 to 2022.⁴ The federal rule change may endanger that progress.
- **The elimination of overtime protections not only poses economic harm to Direct Support Professionals, but also a direct risk to the safety and well-being of individuals with disabilities.** Failing to adequately compensate workers for working longer hours has serious consequences for access to care and coverage. Individuals with disabilities will have to identify more workers to cover gaps in their care schedule that they cannot cover with overtime from agency-employed DSPs. There is already a shortage of workers for individuals to utilize. High turnover and vacancies impact the continuity and quality of care and “may amplify risk of medication errors, injuries, and abuse and neglect” of individuals with disabilities.⁵ A stable, well-compensated workforce is not only a matter of fairness for workers, but a matter of safety and dignity for the people they support.

Senate Bill 1518 would override the Department of Labor’s effort to remove wage and overtime protections for Oregon’s HCBS workforce by memorializing those protections into state law. While it does not apply directly to PSWs, it would ensure that all third-party provider agencies who employ DSPs must provide overtime pay. The bill is likely to preserve progress in improving workforce stability, decreasing turnover, and maintaining the health and safety of people with IDD. With that said, that progress is also dependent on fully funding our provider agencies.

Thank you for the opportunity to provide testimony on SB 1518.

² “Care services” include assistance with things like Activities of Daily Living (ADLs) and Instrumental Activities of Daily Living (IADLs).

³ That estimate of 9,723 is based on a reported 8,342 Direct Support Professionals (DSPs) taken from a survey of 253 out of 295 (85.8%) third party residential service provider agencies. Oregon Department of Human Services, Office of Developmental Disabilities Services, & Oregon Health & Science University, University Center for Excellence in Developmental Disabilities, “Stability of the Direct Support Professional Workforce Providing Residential Supports to Adults with Intellectual and Developmental Disabilities in Oregon in 2022,” p 4 (2024). Available here: <https://digitalcollections.library.oregon.gov/nodes/view/308407>

⁴ *Id.* at p 6.

⁵ “Stability of the Direct Support Professional Workforce Providing Residential Supports to Adults with Intellectual and Developmental Disabilities in Oregon in 2022,” p 3.