



**TO: Senate Committee on Workforce & General Government**  
**FROM: Oregon Recreation & Park Association**  
**Cindy Robert**  
**DATE: February 2, 2016**  
**RE: Effect of Minimum Wage on Oregon's Recreation and Parks**

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I wanted to share with you information I have collected on how a minimum wage increase will impact your local parks and recreation facilities.

#### **General Concerns.....**

- Minimum wage would bypass the lowest pay scale for full time union and non-union workers. There would be pressure from the union to increase those wages (preventing compression of those workers on the scale).
- There would be reductions and cuts in services, not just within parks and recreation, but across city wide services.
- Prices would increase most likely to at least cover the increase in wages however the demand would need to be there in order for the new prices to be sustainable. If demand couldn't keep up with the price increase, cuts would take place.
- We don't have full control over all City revenue streams (i.e. property taxes) so not all costs could be passed along, which creates a challenge for us as a public agency, unlike the public sector who has control of their revenue streams.
- Compression would occur and either the value of the compressed positions would go down or those wages would need to be increased, which would factor back into the cost and price increases and reduction in services.

#### **Data...**

- One medium sized district reports that an increase to \$13.25 per hour could result in additional costs of \$518,000 for biennium, \$15 rate would cost approximately \$1,065,000 more.
- Another medium sized district reports:
  - Minimum Wage Increase to \$12.20- -Payroll increase for the year of \$226,966.55 (\$254,202.54 with FICA and WC)
  - Minimum Wage Increase to \$15- -Payroll increase for the year of \$645,650.20 (\$723,128.46 with FICA and WC)
- Examples of the types of positions affected by a change to \$13.25 per hour include:
  - Aides/trainees
  - Park maintenance workers
  - Custodians/lead custodians
  - Customer service specialists
  - Recreation program and facility staff
  - Lifeguards/swim instructors

- Childcare attendants
- Youth recreation leaders
- Skate and ice hockey instructors
- Concessionaires
- Skate rink and locker room monitors
- Outdoor recreation leaders
- Basketball officials
- Fitness instructors

### **Practical application concerns...**

- “We have a number of class instructors who work as percentage employees - we pay them a percentage of the overall class revenue, but the law requires that if we do this they must make at least minimum wage. Therefore bumping the minimum wage would mean that we may no longer be able to offer some classes. For example if we have a yoga class with only 4 people in it paying \$5 each.”
- Specific to Aquatics Division in one district:
  - To avoid compression and other staffing issues related to just raising minimum wage, we would most likely raise all part time rates (those making \$9.25-\$14.35 currently). If we didn't raise everyone, lifeguards would make more, bypass, our lead guards and shift supervisors would only make an additional \$.35 over guards, which is not enough of a jump to justify the added responsibility of being a shift supervisor.
  - If everyone had rate increases as mentioned above, with fringe and with a very rough estimate, for aquatics, we're looking at an increase of \$21,000 to the budget. We'd have to either do a combo of a small price increase of \$.25 per daily admission and cut 3 hours from daily service M-F for 9 months of the year (summer months would run full hours) in order to cover that \$21,000 hit. OR he could raise daily admission a full \$1.00 and that would cover the hit without having to cut hours.

### **Geographic division concerns...**

- Differing wages will cause problems with recruitment and retention. Smaller districts will in fact be forced to match or lose staff to Portland.