

February 15, 2016

Testimony in Opposition to SB 1532 Presented to the House Business and Labor Committee

The Association of Oregon Counties (AOC) is acutely aware of the problems that occur for low-income residents. There is a vast suite of county-provided services utilized by this population. However, increasing the minimum wage as proposed in SB 1532 is not the answer, and AOC stands in opposition to this bill.

Any increase in the minimum wage will negatively impact county services and county employees. The increased cost, as well as associated roll-up costs, to already struggling county budgets will lead to a reduction in workforce, and ultimately, reduced public services for residents and visitors, alike. Further, some county counsels believe that increasing costs in this manner without any accompanying revenue is an unfunded mandate in violation of Article XI Section 15 of the Oregon Constitution – and this theory will be tested in court should this legislation become law.

Beyond the clear impacts of reduced services and job loss, the current tiered proposal for increasing the minimum wage only serves to exacerbate the economic disparity between rural and urban Oregon. The focus should be on efforts to close this gap, not make it wider. Oregon's resources should be directed toward economic development efforts that will create better paying jobs, and educational opportunities that will provide a workforce prepared to fill those jobs.

AOC has a long-standing principle of local control. As such, if an Oregon county believes it is in the best interest of the residents of that county to increase the minimum wage they should be allowed to do so. In fact, finding counties of various size to take such an action could provide valuable insight into the costs and benefits of increasing the minimum wage.

Given the partisan nature of this debate, AOC believes that Oregon would be better served at this time by focusing on positive steps forward, and perhaps putting in place some volunteer pilot counties, rather than moving forward a proposal that will cause further rural/urban disparity and statewide job loss.

Please vote no on SB 1532.