



Testimony of James White, Executive Director, Nonprofit Association of Oregon
SB 1532
February 15, 2016
House Committee on Business and Labor

The [Nonprofit Association of Oregon](#) (NAO) supports passage of SB 1532.

The Nonprofit Association of Oregon (NAO) is the state association representing Oregon's nonprofit sector. NAO is a 501c3 public benefit corporation in Oregon supporting the over 17,000 nonprofits that strengthen communities and provide critical services benefiting taxpayers and society as a whole. In local communities across Oregon, nonprofits enhance quality of life by uplifting a spirit of service, faith, innovation, and caring.

Throughout 2015, NAO conducted research and discussions on this important topic. In the spring, NAO conducted a [survey](#) and a series of discussion sessions across Oregon with more than 250 participating nonprofits. NAO also joined a series of discussions conducted by the [North Star Civic Foundation](#) in October. Through this full process of discussions NAO has heard and wishes to relate the following points for the consideration of lawmakers and nonprofits alike:

1. Nonprofits want living wages for their program participants and staff

Nonprofit organizations are generally supportive of increases, both as employers and based on their concern for the members of their community who struggle with low incomes. Many nonprofits proudly pay their staff well above minimum wage and have set their scales based on cost of living indexes or other key indicators.

2. Nonprofits are not seeking a general exemption to an increase

Nonprofits employ more than 172,000 Oregonians representing 12% of the private workforce in the state. Given the important work nonprofits implement across Oregon, they value their staff deeply and are not interested in becoming the employer of last resort. With such a robust labor force and direct public benefit, nonprofit concerns should be taken into account in the language of the legislation and rulemaking. Nonprofits are not seeking a general exemption as a business class.

3. Nonprofits want to ensure minimal disruption of critical community services

Charitable nonprofit work is carried out in the public benefit. Nonprofits have complex business models that include third-party supporters of their work (foundations, private philanthropy, etc.), as well as public contracts at every level of government. Nonprofits would need time to renegotiate contracts and grants. Contracts and grants received from federal, state and local government would need funding-level adjustments to ensure minimal disruption to services for the most vulnerable members of society.

4. Nonprofits generally support a regional approach to the minimum wage

A regionalized approach set by the legislature makes sense to nonprofits. By using Oregon's existing economic districts and other broadly accepted data Oregon can develop a regional wage solution that is simple, rational, better for low-paid workers, and more responsive to the state's rural economies. Such an approach takes into account the costs for providing services in different parts of the state; allows for the differing costs of living in urban and rural areas to be considered in wage setting; and still keeps jurisdictional authority with the Oregon legislature. Nonprofits have concerns regarding the capacity for local jurisdictions to adequately study and make rules on the complexities of the minimum wage.

5. Nonprofits support a phased or scheduled approach

Nonprofits support an approach that takes into account business type, region, public benefit status or other categorization to deal with specific complexities in implementation and ensures success. Similar models are currently being used in cities across the nation for their changes to the minimum wage. Nonprofits encourage the legislature to study those approaches and take them into consideration in policymaking.

6. Nonprofits prefer a change to the minimum wage implemented by the legislature

A change to the minimum wage in Oregon is a complex issue, but one that nonprofits are willing and able to help solve. Working through these complexities in a way that allows for successful implementation without disrupting important services is viewed as essential. Nonprofits encourage our Oregon legislative policymakers to weigh the complexities with all voices heard and make sound policy decisions in the best interests of our state.

It is with these points in mind that we believe SB1532 is the right legislation to put in place in Oregon at this time.

NAO supports the passage of SB1532.