



February 15, 2016

Chair Holvey and Members of the House of Committee on Business & Labor:

Vice Chair Representative Bill Kennemer

Representative Greg Bareto

Representative Dallas Heard

Representative Margaret Doherty

Representative Sal Esquivel

Representative Paul Evans

Representative Shemia Fagan

Representative Rob Nosse

Representative Jim Weidner

RE: SB 1532

Midstate Electric Cooperative, Inc. (MEC) is a private, non-profit rural electric cooperative providing electrical power and related services to over 18,500 member/owners in parts of four Central Oregon counties: Deschutes, Klamath, Lake and Lane. We have provided power to residential, commercial and agricultural members for over 60 years.

On behalf of our member/owners, I would like to voice my strong opposition to SB 1532, which would significantly raise Oregon's minimum wage requirement. Oregon's urban centers may be recovering from recession, but our rural areas continue to suffer higher unemployment and have not gained back the jobs lost during the recession.

Many of MEC's rural commercial members are dependent on tourism and/or natural resource industries and have a larger share of minimum wage jobs. These businesses would be disproportionately affected by large wage increases. For our agricultural members, a dramatic increase in the wage would raise the cost of production and make Oregon's agricultural products less competitive on global markets.

A dramatic minimum wage hike will have wide-ranging, unintended consequences for all of our members. School districts will have less to spend on educating our children, local governments will have to cut services or raise property taxes, and food, day care and other costs will rise affecting low-wage workers and senior citizens on fixed incomes (over 50% of MEC's membership are 62 or older).

Please be mindful of the rural communities such as ours that are still struggling to come out of the recession and do not increase the minimum wage requirement in Oregon. If urban area employers want to pay more than the current minimum of \$9.25—one of the highest in the nation—they can do so without placing a mandate on the rest of us.

Thank you for your service to our state and for your consideration of these comments.

Sincerely,

Dave Schneider  
General Manager