



**Curry County  
Board of Commissioners**

David Brock Smith,  
*Commissioner*

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February 15, 2016

House Committee On Business and Labor  
Opposition Testimony - SB 1532 A

Chair Holvey, Vice Chairs Buckley & Kennemer & Committee Members,

I am Curry County Commissioner David Brock Smith and I speak to you today in opposition of SB 1532 A, on the behalf of our mutual residents within Curry County. I also speak to you today in opposition as a Board Member of the Association of Oregon Counties, as well as AOC District 4 Chair, which represents Curry, Coos, Douglas Josephine and Jackson Counties. I've included with my testimony today a shared State-County Services Chart for your reference when deliberating this piece of legislation. This should help you visualize what services we as Counties share and provide throughout the State on behalf of the Legislature and which services could be jeopardized with a Do Pass action by this body.

I would like to preface my comments today with some personal knowledge of the economics of private business in Rural Oregon. I am a third generation resident and businessman of Curry County. My family and I had a restaurant and lounge in Port Orford; that my Grandfather built in 1970 after retiring from the logging industry, until we finally were forced to sell in February of '15. We had up to 15 employees at any given time and paid them more than minimum wage, after an initial probationary period. We increased their wages based on merit and responsibilities. We also kept our employees as whole as possible during the slower winter months rather than laying anyone off. We did our best for our employees and our community, and they did their best for us. It was that unwritten contract from employer to employee, driven by the market and hard work that drove their wages. This is how it should be, market and relationship driven and not a system that further divides our Rural and Urban areas, dictated by a rushed legislature out of the fear of an initiative being driven by the unions.

Curry County is also a border County to California. South County's economy; Brookings-Harbor, relies on the tens of thousands of Californians that drive north to shop for goods and services to avoid their 7 ½ % sales tax. The inflationary costs of this legislation could cause the price of goods and services to increase beyond the sales tax avoidance savings. This would have devastating impacts on our already struggling economies. Over thirty percent of our population is over sixty five and Curry County has the highest number of veterans per capita, than any other County in the State. Many of these residents are on low fixed incomes and are currently struggling. The inflationary costs with this legislative increase will negatively impact our seniors, veterans and others on fixed incomes, as they will not be receiving any increases of this nature, thus devaluing their dollar in the economy.

This legislation will lead to a loss of equity across the employment sectors throughout our State. Anyone who disagrees with this statement would then have to agree that inflation will occur, as employers will be forced to increase wages and therefore be forced to increase the costs of goods or services to compensate for their increased labor and goods costs. The other option is to downsize staffing levels to compensate for the increased costs, causing higher unemployment throughout our State, with the greatest effects to Rural Oregon. The equity argument also holds true throughout all levels of the employment sectors. From teachers to loggers and bank tellers to road workers, they will demand to be kept financially whole. I am also a School Board Member for the Port Orford-Langlois School District and we have seen funding cut year after year. Although funding is tight, we have been fiscally diligent and have maintained our important elective programs; such as woods, metals, art and music, that inspire our students and keep them interested in school. This legislation would force those funds away from programs and hurt our rural districts that do not have the funds to maintain their current operational levels. As for Curry County's equity among our public employees; to which half have only seen one COLA since 2009, this increase would cost nearly a million public dollars across the current inadequate staffing levels. These trends across the different public sectors will only exacerbate the PERS issues facing us all and inflame the current tension between employers and unions statewide.

There is also the looming 5 billion dollar union driven corporate tax increase that no one seems to be speaking of, since this legislation has taken center stage. Both this proposal and that of IP 28 are union driven for reasons we are fully aware of, to increase the wages and benefits to their members. Senator Hass proposed a fraction of an increase at less than a fifth of the massive increase within IP 28, and his fiscal analysis projected a loss of over ten thousand jobs statewide. Does this body not enjoy Oregon leading the nation in-migration?

In closing, this legislation has no place within this 35 day short legislative session. SB 1532 A will hurt Oregon's economy, increase inflationary costs on goods and services and damage private businesses that are currently struggling to stay afloat. This legislation will cause inequity throughout the public and private sectors, and sacrifice employment. The people of this Great State deserve, as they were given the opportunity in 2002, to have their voice heard through the election process. I respectfully request, on behalf of our constituents and the Counties that support them that this bill be referred to the people of this State. Thank you again for the opportunity to speak to you today and I would be happy to answer any questions.

Sincerely,



David Brock Smith, Commissioner  
Curry County Board of Commissioners  
District 4 Chair,  
Association of Oregon Counties  
Association of O&C Counties Board Member