



Service Employees International Union Local 503

More than 55,000 public workers, care providers, and non-profit employees in Oregon.

Steve Demarest, President, SEIU Local 503 Testimony on the Transportation Package

Chair Beyer, Chair McKeown, Vice Chair Boquist and Vice Chair Bentz. Members of the committee. For the record, my name is Steven Demarest. I am president of SEIU Local 503. We represent 55,000 workers in the state of Oregon. That includes the hard working women and men who work at ODOT. And it also includes hard working homecare workers in this state.

First off, I want to say that we appreciate and respect all the work that has been put into this transportation package. Oregon needs repair and improvement of its transportation infrastructure. The members of SEIU 503 believe that a robust infrastructure package is good for the economy and good for all of us. We particularly like the part of the bill that focuses on public transit, which we think is critical for working families who need options when they don't want or can't afford a car. A robust public transit system is important because so many workers do not have traditional schedules and need to have access to transit at off-peak times.

I am going to talk this evening about how we believe that the transportation package and the revenue package are inherently linked. We believe that we have time in this session to solve both the challenges facing our infrastructure system and the 25-year challenge our state has faced to fund schools and essential services. We believe it would be a mistake to leave this session solving one problem and leaving the other for another day and another session.

These issues are directly linked for our members, and, in fact, for all low- and middle-income families in Oregon. The transportation package would tax workers, drivers, and car owners. At the same time, the current budget would, for example, cut the hours for homecare workers that care for seniors and people with disabilities, meaning many will face decreases in their pay. Among low-income workers, homecare workers disproportionately own cars in order to get to their clients in all the places those clients live throughout Oregon and in many cases in order to drive their clients to doctor appointments. Many of these workers make between \$12,000-\$25,000 a year. If the cuts to their hours they are facing occur, they will not be able to afford the proposed increase in the registration fees. They will be priced out of providing services to their clients, who are also Oregon's clients. So, without a revenue package that funds services like in-home care, the transportation package poses a real challenge of affordability for low-income families.

Meanwhile, there have been lots of conversations in the Joint Revenue Committee about how to make sure a Corporate Activities Tax is not regressive. One of the ideas has been to provide a small income tax break for families to offset any potential cost increases. We

believe that the income tax breaks that are proposed in the CAT would also help families pay for the increases in the transportation package. On it's own, without relief from tax breaks, the transportation package will hit low-income families hard.

Last, we started this session with a simple principle. According to the Anderson Economic Group, and confirmed in reporting by The Oregonian, we rank near the bottom of corporate tax burden in this country. We don't believe you should be raising taxes on people to fund our infrastructure until this legislature makes sure that corporations are stepping up to help fund critical services and schools. As Senator Hass and others have pointed out many times, corporate taxes only account for about 5 percent of Oregon's tax revenues. Individuals and families pay the rest. Given the struggles we face funding schools, funding a child welfare program that works, and funding effective programs like ERDC and Oregon Project Independence, 5 percent is not enough. And we can not leave this session with individuals and families paying an even larger share.

Thank you.