

SENATE COMMITTEE ON BUSINESS AND LABOR

April 30, 2003
1:00 PM

Hearing Room C
Tapes 69-72

MEMBERS PRESENT: **Sen. David Nelson, Chair**
 Sen. Vicki Walker, Vice-Chair
 Sen. Roger Beyer
 Sen. Rick Metsger

STAFF PRESENT: **Dennis Dotson, Committee Administrator**
 Romy Dye, Committee Assistant

MEASURE/ISSUES HEARD: **HB 2624 - Public Hearing**

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
TAPE 69, A		
005	Chair Nelson	Calls the committee to order at 1:05 PM. Opens a public hearing on HB 2624.
<u>HB 2624 – PUBLIC HEARING</u>		
011	Bill Perry	Oregon Restaurant Association. Testifies in favor of HB 2624. Offers the committee information on figures of the minimum wages in different areas, population growth, and adding the unemployment and hunger rates. Submits written testimony (EXHIBIT A) .
091	Matt Epstein	Applegate Food Pantry. Testifies in favor of HB 2624. Explains how many people he provides for and expresses minimum wage earners will not be turned away from give away food but if wages are raise, labor costs will raise and Oregon's farmers will lose businesses. Submits written testimony (EXHIBIT B) .
155	J.L. Wilson	Oregon National Federation of Independent Businesses. Testifies in favor of HB 2624. Offers issues related to job creation. Comments on competing with the market place that is international.
233	Sen. Metsger	States in terms of job growth during this time the factor is the loss of manufacturing jobs.
239	Wilson	Answers this is an issue but also high electricity costs and high health care costs contribute.
256	Sen. Metsger	Discusses statistics from the employment department having a decrease in all areas except there was an increase in the food service industry.
279	Perry	Explains there is a job increase but those with a CPI rate are at a slower increase in regards to other areas around.
284	Paul White	Honeybaked Ham Company. Testifies in favor of HB 2624. Submits written testimony explaining the impact of the Consumer Price Index (CPI) on his business (EXHIBIT C) .
TAPE 70, A		
011	Tony Rufolo	Oregon Restaurant Association. Provides studies as a neutral party on the economic literature of the effects of minimum

		wages.
041	Kathy LeCompte	Brooks Tree Farm. Submits written testimony (EXHIBIT D).
042	Chair Nelson	Asks how HB 2624 has affected her.
043	LeCompte	Notes they have for the first time laid off people in their company.
071	Chair Nelson	Asks how they tell their people they are being laid off.
084	LeCompte	Expresses these people will not get their jobs back so the minimum wage will not affect them and asks if the committee wants to drive businesses out of Oregon.
118	Sen. Metsger	Notes the statement made that the timber industry was cloudy.
120	White	Explains in various studies the statistics vary.
168	Paul Iverson	Oregon Family Farmer. Testifies in favor of HB 2624. Offers information on how jobs are being eliminated and that there are no jobs for those people to go to. Submits written testimony (EXHIBIT E).
186	David Truitt	Truitt Brothers. Testifies in favor of HB 2624. Notes the impact of the minimum wage increase. States the raise would be a major problem for his company.
245	Phil Olson	Owner, Calyx Fruit, LLC. Testifies in favor of HB 2624. Discusses being in the processing business and expresses how paying the low level employees more would cut the increases to long time employees. Submits written testimony (EXHIBIT F).
304	Sen. Walker	Asks for clarification of testimony regarding plant closures because of Oregon's minimum wage.
309	Olson	Responds yes the entry level labor is a factor.
334	Sen. Walker	Notes Chiquita business filing bankruptcy wasn't because of minimum wage.
345	Brent DeHart	President, Oregon Gasoline Dealers. Testifies in favor of HB 2624. Explains as the minimum wage has increased five gasoline dealers in Salem have closed.
423	Sen. Walker	Asks if you would agree that the large supermarket gas stations are impacting his business.
436	Barry Bashue	President, Oregon Farm Bureau. Testifies in favor of HB 2624. Comments increased costs forces increases of labor costs.
TAPE 69, B		
030	Dan Floyd	Oregon Grocers Association. Testifies in favor of HB 2624. Discusses situations of the grocery business. States due to Measure 25 these businesses have had to eliminate employees, cut benefits or cut labor hours. Submits written testimony (EXHIBIT G).
099	Chair Nelson	Asks Brent DeHart if he had a choice of self serve gas or higher wages what would you choose.
104	Dehart	Notes the ban will be lifted for those stations if the wage is increased.
113	Floyd	Comments in speaking to others they are stating if the minimum wage is increased, they will be forced to close their doors, cut jobs, or move out of state.
122	Chair Nelson	States minimum wage is not the total problem.
123	Dehart	Responds no it is not and there are other factors.
134	Sen. Walker	Asks Mr. Floyd for clarification regarding written testimony on a statement from the Governor.
137	Bashue	Indicates this was our gauging of his opinion in a private meeting.
139	Sen. Walker	Notes she will seek conformation.

141	Diane Rosenbaum	Oregon State Representative, District 42. Testifies in opposition of HB 2624. Asks what are we trying to do when just four months ago we stood with Oregon to reject this bill. Submits written testimony (EXHIBIT H).
245	Ellen Lowe	Oregon Law Center. Testifies in opposition of HB 2624. Offers recent history in the minimum wage. Explains working with a committee across the state supporting wage increase and indexing and were very explicit in what was going to be done. States this is the will of the voters.
TAPE 70, B		
011	Tim Nesbitt	American Federation of Labor-Congress of Industrial Organizations (AFL-CIO). Testifies in opposition of HB 2624. Explains the passage of HB 2744 which established every job should pay enough to keep people out of poverty. Submits written testimony (EXHIBIT I).
036	Sen. Metsger	Asks if there has been passage of other bills that were the will of the voters that were overturned, why is this bill different than those.
040	Nesbitt	States this measure came by the voters with an effective majority.
056	Sen. Metsger	States when the people were voting on this bill they were voting for a package and when they were separated they voted for four and rejected three. Asks why would this be different.
105	Rosenbaum	States that is not what we are asking the committee to do.
138	Chair Nelson	Asks if they remember Measure 28 that the voters stated they had spoken.
140	Lowe	Notes Measure 28 was not drafted by the people.
159	Chair Nelson	Responds the minimum wage is not a cure all.
167	Nesbitt	States market factors have taken a toll that a minimum wage should be in place and not a poverty wage.
171	Chair Nelson	Notes the lack of jobs.
172	Nesbitt	Indicates Oregon does have the lowest business tax burden which makes us competitive.
188	Chair Nelson	Asks if his organization would support a roll back in the endangered species act, a clean air and clean water act.
190	Nesbitt	Notes looking at striking the right balance and ways to do it.
208	Sen. Walker	Asks for information from Rep. Rosenbaum on collecting signatures.
213	Rosenbaum	Responds to the number of signatures and recognizes the issue of people making changes to the Constitution for things that might unravel.
239	Sen. Walker	Responds sometime Oregon's voters know what they are voting for, but not what the consequences may be. Asks what the voting margin was.
254	Rosenbaum	Answers it was very close.
260	Sen. Walker	States minimum wage is not the cure or the cause for Oregon's high unemployment. Adds there are broader issues.
278	Rosenbaum	Indicates this is not a panacea but it's not the cause.
298	Sen. Metsger	Asks what to say to the farmers that can't compete when they have no choice the international market is flooding in.
308	Nesbitt	Answers the changes in the trade laws and foreign competition have exacerbated the problems.
348	Chair Nelson	Notes there are a lot of factors involved.
347	Joe Gillium	Oregon Grocers Association. Notes the governor does not

368 Joseph McKinney support HB 2624 but he does think the CPI is not correct. President, Oregon Roads, Incorporated. Testifies in opposition of HB 2624. States consumer spending creates a healthy economy. Submits written testimony **(EXHIBIT J)**.

405 Jill Brunelle Bureau of Labor and Industries. Testifies in opposition of HB 2624. Submits written testimony for Dan Gardner, Commissioner, explaining how indexing creates a small increase in wages **(EXHIBIT K)**.

TAPE 71, A

030 Tyra Lynn Oregon resident. Testifies in opposition of HB 2624. Discusses being a minimum wage worker for ten years. States she does not make enough to live on with costs increasing. Expresses concerns on how to survive.

041 Sen. Walker Asks if she takes advantage of income earned credit.

046 Lynn States she has to pay off school loans.

051 Cassandra Garrison Public Policy Manager, Oregon Food Bank. Testifies in opposition of HB 2624. Submits written material explaining that a lot of people are not being able to meet their monthly expenditures and those that come in to the Food Bank are at poverty level **(EXHIBIT L)**.

104 Jeff Thompson Labor Economist, Oregon Center of Public Policy. Testifies in opposition to HB 2624. Submits written testimony explaining the difference in the trends with wages and job losses and how it impacts the population **(EXHIBIT M)**.

194 Robert Castagna Catholic Conference. Testifies in opposition of HB 2624. Offers information regarding moving people out of poverty.

125 Bridget Burns Board member, Oregon Student Association. Testifies in opposition of HB 2624. Submits written testimony on behalf of the Oregon Student Association **(EXHIBIT N)**.

145 Javier Velazques Oregon Farm Worker. Testifies in opposition of HB 2624. Notes the expenses he has with a family and the crisis that would happen if the minimum wage does not increase. Submits written testimony from Javier Ceja. **(EXHIBIT O)**.

TAPE 72, A

011 Marsha Kelly Lobbyist, Women's Rights Coalition. Testifies in opposition to HB 2624. Expresses the need to make sure that our families do not continue to live in poverty.

038 David Baker Outreach Director, Survivors Advocating For an Effective System (S.A.F.E.S). Testifies in opposition of HB 2624. Explains passing HB 2624 will cause major hardships for those living in poverty and according to federal statistics are twice as likely to be victimized by crime. Submits written testimony **(EXHIBIT P)**.

80 JoAnn Wiser Oregon resident. Testifies in opposition of HB 2624. States the minimum wage is not livable. Submits written testimony for the citizens who voted on the minimum wage law **(EXHIBIT Q)**.

The following prepared testimony is submitted for the record without public testimony for HB 2624

Beth Burezak Submits written testimony **(EXHIBIT R)**

Reynaldo Robles Submits written testimony **(EXHIBIT S)**

Maria Elena Reyes Submits written testimony **(EXHIBIT T)**

Cristina Escudero Submits written testimony **(EXHIBIT U)**

Silvia Becerril Submits written testimony **(EXHIBIT V)**

109 Chair Nelson Closes the public hearing on HB 2623. Adjourns the committee

meeting at 3:25 PM.

EXHIBIT SUMMARY

- A – HB 2624, written testimony, Bill Perry, 29 pp**
- B – HB 2624, written testimony, Matt Epstein, 2 pp**
- C – HB 2624, written testimony, Paul White, 9 pp**
- D – HB 2624, written testimony, Kathy LeCompte, 2 pp**
- E – HB 2624, written testimony, Paul Iverson, 2 pp**
- F – HB 2624, written testimony, Phil Olson, 1 p**
- G – HB 2624, written testimony, Dan Floyd, 2 pp**
- H – HB 2624, written testimony, Representative Diane Rosenbaum, 1 p**
- I – HB 2624, written testimony, Tim Nesbitt, 6 pp**
- J – HB 2624, written testimony, Joseph McKinney, 2 pp**
- K – HB 2624, written testimony, Jill Burnell, 5 pp**
- L – HB 2624, prepared materials, Cassandra Garrison 10 pp**
- M – HB 2624, written testimony, Jeff Thompson, 7 pp**
- N – HB 2624, written testimony, Bridget Burns, 1 p**
- O – HB 2624, written testimony, Javier Valazquez, 1 p**
- P – HB 2624, written testimony, David Baker, 1 p**
- Q – HB 2624, written testimony, JoAnn Wisser, 1 p**
- R – HB 2624, written testimony for the record, Beth Burezak, 1 p**
- S – HB 2624, written testimony for the record, Reynaldo Robles, 1 p**
- T – HB 2624, written testimony for the record, Maria Elena Reyes, 1 p**
- U – HB 2624, written testimony for the record, Cristina Escudero, 1 p**
- V – HB 2624, written testimony for the record, Silvia Becerril, 1 p**