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

FR: The Oregon AFL-CIO

RE: **Support for HB 3471: Employment-Related Public Benefit Fee**

April 1, 2015

The Oregon AFL-CIO, the statewide federation of labor unions representing over 300,000 working Oregonians, is a voice for all workers in the legislative process. Creating an economy that truly works for ALL Oregonians remains a consistent priority for our organization.

By some measurements, state GDP and job creation in particular, our state's economic recovery is looking quite strong. Unfortunately, that "recovery" is not being felt by those in all corners of this state and is actually leaving more and more low-wage workers behind. The types of jobs being created in this "recovery" look very different than the jobs lost during the Great Recession, with a significant number of them being in low-wage service and retail sectors. Oregon must prioritize middle-income job creation and find ways to level the playing field for high-road employers that pay a living wage and provide adequate benefits to their workers in order to be the equitable state we aspire to.

HB 3471, a bill to establish an Employment-Related Public Benefit Fee, and other similar efforts are approaches the state can take to draw attention to the issue of large employers doing significant amounts of business in Oregon using workers earning less than the federal poverty rate (for a family of four) and utilizing public assistance programs in lieu of an employer-provided option. The state of Oregon currently subsidizes large corporations at a cost of \$1.7 billion annually due to the number of low-wage workers on public assistance programs.

***It is clear that this trend of having the state subsidize large, low-wage employers will not move Oregon towards the economy we can be proud of. This Committee has an opportunity to help the state move in a different direction by passing HB 3471.***