

Testimony to the Senate Committee on Workforce

SB 814

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Founded in 1968, the Oregon Environmental Council (OEC) is a nonprofit, nonpartisan, membership-based organization. We advance innovative, collaborative solutions to Oregon's environmental challenges for today and future generations.

Oregon Environmental Council (OEC) opposes SB 814, which would pre-empt local governments from requiring private employers to offer benefits beyond salary and wages to their employees, including such benefits as employee-paid, pre-tax transportation benefits where employees elect to exchange up to \$130/month in taxable salary for a tax-free transit or vanpool benefit. Employees save money since they don't have to pay federal income taxes on the money they use for transit or vanpooling. And employers save money since they don't have to pay federal payroll taxes on that amount.

This Commuter Tax Benefit program provides a great incentive for people to use transit or vanpooling to get to work, thereby reducing traffic congestion and travel delay for other commuters and for freight movement.

For businesses, providing such a benefit can:

- Increase job satisfaction, employee retention and productivity by reducing the stress of commuting
- Add to an enticing recruitment package
- Reduce land and facility costs when less parking needs to be provided

The only cost to employees lies in administration of the program, and cost savings accrue from not having to pay payroll taxes on the pre-tax amount.

For communities, requiring employees to provide such a benefit can:

- Reduce carbon pollution and enhance air quality
- Reduce infrastructure costs and construction impacts through more effective and efficient use of the transportation system
- Improve the quality of life in a community, resulting in greater economic development potential

Our small, non-profit organization provides this benefit to our employees. We asked our financial manager whether it is difficult to administer, and she indicated it's quite easy.

Communities need all the tools in the toolbox to tackle such issues as climate change, to address congestion, and to increase economic development opportunities. Please don't take this important tool away.