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April 13, 2015

House Business & Labor Committee

Senate Workforce Committee

Re: Proposal to increase statewide minimum wage

Dear House Chair Holvey and Senate Chair Dembrow,

Kerr Contractors Oregon, Inc. is a Woodburn based heavy civil construction company. We have over 150 full time and hourly employees. We have been in business since 1988 in the Portland Metro Area. We also perform many public work projects for the Oregon Department of Transportation as well as many other City, County and Government Agencies throughout the Pacific Northwest. Kerr Contractors also performs many projects for private entities.

Kerr Contractors definitely supports the current regulations for minimum wage rates and is not in favor of any change to the minimum wage determinations. These wages are for entry level personnel in order to support the necessary training that must be acquired in order to become a qualified construction worker. Much of the work we do is prevailing wage work, however, with a reviving economy, we have opportunities for private work as well. It is clear that if minimum wage rate are increased, for companies such as ourselves, we not can not pass on these higher costs, nor can we afford to absorb the higher costs, for the construction services we provide. Kerr Contractors is already investing in training entry level or low skilled labor workers and this policy will simply translate in to Kerr Contractors hiring fewer construction workers.

Minimum wage jobs are entry level and low skilled positions. These jobs are not the basis of living wage jobs. Simple economics state that if you raise the wages above the market rate, the demand for these jobs will decline. The market will not support higher costs based upon labor when the supply of low skilled labor is higher than the demand. Your decision to raise the minimum wage will result in higher wages for fewer employees, the net effect, being lower labor dollars earned.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alan Aplin', written over a horizontal line.

Alan Aplin
Vice President