



Public Hearing -April 13, 2015

Testimony in Opposition to the Minimum Wage Increase

Honorable Michael Denbrow, Chair and members of the Senate Workforce Committee
Honorable Paul Holvey, Chair and members of the House of Representatives Business and Labor Committee

Submitted by Steve Eckrich, CEO, OSU Beaver Store (a nonprofit corporation serving the students of Oregon State University since 1914)

Dear Senator Denbrow, Representative Holvey, and Members of the Committees:

We are writing today in opposition to the bills (HB 2008/SB 327; HB 2009/SB 610; HB 2012/SB 597; SB 130, SB 332; HB 2004; SB 682) introduced into legislation this session increasing the minimum wage beyond the current inflation-indexed level. Passage of any of these bills would negatively impact our corporation's ability to achieve our nonprofit mission to provide student course materials at the lowest possible prices, and would result in job losses among our student and other employees.

As a non-profit university store, our mission for over 100 years has been to champion textbook affordability. The OSU Beaver Store now provides some of the lowest textbook prices of any university store in the nation. We use our excess revenues to deeply discount the course materials we sell and rent by over \$1 million annually. The additional costs mandated by these bills would either diminish our ability to discount course materials or force us to reduce our staffing and service levels. Either of these choices would negatively impact the students of Oregon State University.

If we are forced by these bills to reduce our staffing levels, it will restrict employment opportunities for OSU students. Currently, 63% of our hourly employees are paid minimum wage. This group consists largely of OSU students working part-time. These student workers are not trying to support families with this wage, but are simply trying to gain needed training and experience and help pay for the ever-increasing cost of attending college.

Even without including the effects of wage compression, over the next four years under the bills introduced, our corporation would incur an estimated additional hourly wage cost of:

SB 682	\$203,000
HB 2008 / SB 327	\$250,000
HB 2012 / SB 597	\$535,000
HB 2009 / SB 610	\$650,000

In order to maintain our current operations and service levels over the next four years, we would need to reduce labor hours by:

SB 682	5,400 hours
HB 2008 / SB 327	8,700 hours
HB 2012 / SB 597	12,200 hours
HB 2009 / SB 610	15,400 hours

To put this into perspective, cutting labor hours by 15,400 would mean that approximately 50 of our students would lose their part-time jobs.

Fewer entry-level student jobs, coupled with increasing prices on everything from course materials to food and housing would put even more pressure on already overburdened college students.

We respectfully ask that you weigh the damaging effects of these bills on our student employees and our ability to effectively address textbook affordability for the students of Oregon State University.

Thank you for your time and the opportunity to provide testimony.