



Testimony on House Bill 2012 (-1 amendment)  
House Committee on Rules

Representative Tina Kotek  
Speaker of the House  
June 17, 2015

Thank you for the opportunity to present the -1 amendment to House Bill 2012.

Throughout this session, we've been working to promote and build a state where people don't just get by, but have a fair opportunity to get ahead.

To accomplish this, we need to break down multiple barriers that stand in the way of real and lasting opportunity for all Oregon families. This means investing in education and supporting job growth, while also taking on long-standing economic inequities that have led to a growing gap between the wealthiest households and middle-class families.

Increasing the minimum wage is a critical part of this effort to give every Oregonian an opportunity to succeed. Raising Oregon's minimum wage floor will improve the well-being of workers and their families, while stimulating economic activity in communities throughout our state.

More than a dozen bills have been introduced this session to address the need for an increase in the minimum wage. Hundreds of Oregonians traveled to our Capitol for committee hearings in April to support doing something. These Oregonians, representing the many thousands of families who continue to struggle, made their message clear: hardworking Oregonians need and deserve a raise.

For many months, I've been hearing from all sorts of people on this topic: employers, workers, and community leaders. I've listened to their perspectives – both their concerns and their hopes. From all parts of our diverse state, people have been discussing the best ways to raise the minimum wage and create opportunity for more Oregonians. Today, I'm presenting a new proposal that takes into account their feedback and good thinking.

I hope this proposal – and the testimony of those with me today – will spark a productive discussion and move us forward constructively on this important topic.

The proposal is straightforward and has two parts. First, I propose raising the statewide minimum wage floor over the next three years in the following manner:

\$11.00 per hour, effective January 1, 2016  
\$12.00 per hour, effective January 1, 2017  
\$13.00 per hour, effective January 1, 2018

This three-year ramp up would give employers time to adjust. One small business owner suggested this one-dollar-every-year approach to me as something that could help him manage any increased costs in a predictable manner. After 2018, the current indexing that protects against inflation would start again.

Why propose \$13 per hour as a goal for the state? At that rate, in three years, a very large proportion of full-time, minimum-wage workers would be earning enough to be above the federal poverty level. I believe if you work a full work week, you shouldn't have to live in poverty.

Second, I propose removing the preemption on local governments from creating a higher local minimum wage. Families will be better served by returning local control to communities whose cost of living demands a higher minimum wage in order for families to get ahead.

The mechanics of this proposal create a workable solution:

- Raise the floor, starting next year – Oregonians who earn minimum wage don't make enough to make ends meet in any community in Oregon. So, raise the floor for everyone.
- Be predictable, spreading out the increase over time – A phased-in approach works for employers and employees alike, with the former being able to plan ahead and the latter being eased into any potential loss of public benefits; and
- Recognize high-cost areas, providing local flexibility – The current statewide preemption that bars local governments in high-cost areas from setting a higher minimum wage is unfair and penalizes low-wage workers for where they live.

Colleagues, change is long overdue.

Let's remember that one business' employee is another business' customer. Studies show that low-wage workers have a high propensity to spend new money coming into their households, so a raise in the minimum wage would lead to more money flowing back into local economies.

And, more importantly, a lift in the minimum wage will make a real difference for thousands of working families in every community across our state. On a day-to-day basis, that increase may be the difference between buying groceries and skipping dinner, between paying the rent and having the power shut off.

Let's help families make ends meet. Lifting the minimum wage means providing a stronger pathway for families to create opportunity and stability today, as well as a brighter future for our state.

Let's choose the path of opportunity. It's what Oregonians sent us here to do.

Thank you for your thoughtful consideration of this proposal.