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Senate Votes to Raise Minimum Wage for Hundreds of Thousands of Workers

Law provides regional approach; considers differing needs of diverse economies

SALEM – The Oregon Senate today passed a three-region minimum wage measure that phases in increases in the state minimum wage over six years. Senate Bill 1532 passed on a 16-12 vote.

“This measure strikes an important balance. It provides a much-needed raise for hard-working Oregonians struggling to get by and the gradual six-year phase in gives businesses more certainty about the future,” said Sen. Laurie Monnes Anderson (D-Gresham).

Senate Bill 532 would phase in a minimum wage of \$14.75 in the Portland metropolitan area, \$12.50 in rural counties and \$13.50 in the Willamette Valley Northwest Oregon, as well as Jackson, Josephine, Deschutes, Wasco and Hood River counties. In contrast, a proposed ballot measure would raise the minimum wage statewide to \$13.50 by January 2018.

“We are standing up for hard-working Oregonians who are struggling every day to put food on the table and a roof over their heads,” Sen. Diane Rosenbaum (D-Portland) said. “No one who works full-time should be forced to live in poverty. Senate Bill 1532 is a modest and gradual increase in the minimum wage, and Oregonians desperately need a raise.”

The three-region approach in Senate Bill 1532 provides for different wage levels based on cost of living in different areas of the state. It helps address the needs of those facing high cost of living in the more populous areas of the state while also adjusting to fit the economic realities of mid-sized and rural communities.

“This bill provides a much more gradual path to a minimum wage that supports Oregonians than the initiative petition proposals,” Senate Majority Leader Ginny Burdick (D-Portland) said. “A higher wage will help everyday Oregonians, and our approach will be implemented over a six-year period that gives small businesses time to accommodate the incremental increases. Passing a bill instead of a ballot measure gives the Legislature the opportunity to make adjustments in the future to deal with any unintended consequences. That would be much more difficult to do after a ballot measure has passed.”

Each region in Senate Bill 1532 is formed based on county-level demographic analysis data that defines the amount of income necessary to meet the basic needs of Oregon families, differentiated by family size, composition and location. The analysis takes into account the costs – based on the region – of basic needs including housing, childcare, food, transportation, health care and miscellaneous items like clothing. It would raise the minimum wage gradually over six years to three different levels, based on geographic areas, which include the following:

- Workers within Portland’s Urban Growth Boundary would ultimately see their wages increase to \$14.75 by 2022;
- Those working in Malheur, Lake, Harney, Wheeler, Sherman, Gilliam, Wallowa, Grant, Jefferson, Baker, Union, Crook, Klamath, Douglas, Coos, Curry, Umatilla and Morrow counties would earn \$12.50 by 2022; and
- Employees in Benton, Clackamas, Clatsop, Columbia, Deschutes, Hood River, Jackson, Josephine, Lane, Lincoln, Linn, Marion, Multnomah, Polk, Tillamook, Wasco, Washington and Yamhill counties would earn \$13.50 per hour by 2022.

After 2022, the minimum wage for would increase with the Consumer Price Index.

Phasing in the minimum wage also helps those who rely on Oregon Health Plan benefits the ability to stay eligible for those benefits longer. That may not be the case under the ballot measure proposal.

“People in the Oregon Health Plan, especially single parents with children, would lose their health care benefits, which would drop them deeper into poverty under the ballot measure proposal,” Sen. Alan Bates (D-Medford) said. “The gradual increase in Senate Bill 1532 will keep them just below the threshold to keep them eligible for the benefits they need.”

Senate Bill 1532 now moves to the House of Representatives for consideration.

“We have heard story after story of low-wage workers doing work that needs to be done; work that someone needs to do. These are not glamorous people doing glamorous jobs,” said Sen. Michael Dembrow (D-Portland), who carried the bill. “We benefit from their labor. The people who do this work should be able to live their lives and provide for their families without resorting to charity or public assistance. And these people, frankly, are hurting. They do not want to have to rely on public assistance or charity to get by. They do not want to have to work

two jobs or more to get by. They want to be able to make it on their own, performing the labor that we ask of them.”

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