HB 2332 A STAFF MEASURE SUMMARY

Carrier: Sen. Hass

Senate Committee On General Government and Accountability

Action Date:	05/24/17
Action:	Do pass the A-Eng bill.
Vote:	4-0-1-0
Yeas:	4 - DeBoer, Hass, Prozanski, Riley
Exc:	1 - Thatcher
Fiscal:	Has minimal fiscal impact
Revenue:	No revenue impact
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WHAT THE MEASURE DOES:

Requires state agencies with more than 100 employees to propose maximum supervisory ratios to the Joint Committee on Ways and Means (JWM) as part of the process to develop their legislatively adopted budgets. Establishes baseline ratio of 11 to 1 and specifies factors for agencies to make adjustments. Requires JWM to review ratios and include information in a budget report or note. Prohibits agency whose actual supervisory ratio is greater than its proposed maximum supervisory ratio from filling vacant supervisory positions, unless the Department of Administrative Services (DAS) determines it is reasonably necessary. Directs DAS to report quarterly on actual supervisory ratio of each agency. Applies to budgets for biennia beginning on or after July 1, 2019.

ISSUES DISCUSSED:

- History of legislative efforts around agency staffing ratios
- Flexibility for agencies to develop proposed ratios

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Beginning in 2011, the Legislative Assembly has adopted four measures to address concerns that Oregon state agencies employ excessive numbers of supervisors, leading to operational inefficiencies and increased personnel costs. House Bill 2020 in 2011 required the Department of Administrative Services (DAS) to report to the Joint Committee on Ways and Means (JWM) on the ratio of supervisory to nonsupervisory employees, and to develop a plan for agencies with more than 100 employees to attain a ratio of at least 11 to 1. House Bill 4131 in 2012 excluded a number of public entities from having to achieve the prescribed ratio and provided direction to those not yet attaining it, including to lay off or reclassify supervisory employees in some circumstances. It also prohibited state agencies from filling supervisory positions until they increased the ratio of nonsupervisory employees by at least one, although DAS could grant exceptions. House Bill 3165 in 2013 replaced DAS' general authority to grant exceptions with specific language identifying circumstances under which agencies could qualify. The fourth measure, House Bill 2255, passed in 2015, delayed implementation of the 11 to 1 ratio until June 30, 2017. During the two-year delay, agencies were prohibited from reducing the ratio of nonsupervisory to supervisory employees unless DAS granted an exception; DAS was required to monitor and report on ratios quarterly; and if an agency increased its ratio of nonsupervisory to supervisory employees, the increase would count after the end of the delay. The measure further required DAS to convene a work group to study and report on appropriate staffing ratios to the 2017 Legislative Assembly.

House Bill 2332A requires state agencies with more than 100 employees to propose maximum supervisory ratios and report same to JWM as part of the process of developing their legislatively adopted budgets. Agencies must determine a maximum supervisory ratio by starting with the 11 to 1 ratio and make adjustments based on some or all of the following factors: safety of the public or of state agency employees; geographic location of agency's employees; complexity of agency's duties; industry best practices and standards; size and hours of operation; unique personnel needs (including the agency's use of volunteers or seasonal or temporary employees, or the exercise of supervisory authority by agency supervisory employees over personnel who are not agency employees); and the financial scope and responsibility of the agency. The measure requires JWM to review the ratios proposed by each agency and include information in a budget report or budget note. The measure retains the prohibition against agencies filling supervisory positions if their actual supervisory ratio is greater than their proposed maximum supervisory ratio. It also preserves the exception that permits the agency to fill the position if DAS determines it is reasonably necessary, with the added requirement that DAS notify all labor organizations that represent employees in an agency where an exception will be granted, at least five business days in advance.