

HB 2221 A -A9 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 4/22, 5/11, 5/27

WHAT THE MEASURE DOES:

Requires an appointing authority employing a person in state service to not compensate the person at a rate higher than executives under the compensation plan for state employees unless the state agency makes available to the public an explanation of how the compensation rate is appropriate and in the public interest. Defines "state agency" to include any state officer, board, commission, corporation, institution, department or other state organization in the executive or legislative department; semi-independent state agencies; and public universities.

House vote: Ayes, 53; Excused, 7--Alonso Leon, Bynum, Clem, Leif, Smith G, Speaker Kotek, Wallan

No fiscal impact; no revenue impact

ISSUES DISCUSSED:

- Need for clarity and transparency in certain high-level public salaries
- Potential impact on pay equity laws

EFFECT OF AMENDMENT:

-A9 Replaces the measure. Requires state agency not later than 30 days after it begins paying an employee an annual salary greater than \$250,000 to ensure the source of funds for the salary and an explanation of why the salary is justified based on wage data for comparable positions is accessible to the general public on the internet. Requires Department of Administrative Services (DAS) to adjust reporting threshold annually based on Consumer Price Index. Provides that public university is required to comply only with regard to positions funded with general funds that consist of student tuition and state appropriations. Provides that state agencies subject to the State Personnel Relations Law are compliant if the Oregon Department of Administrative Services publishes the information on the department's website at least once biennially. Requires state agencies to make biennial report on subject employees. Defines "state agency" to include any state officer, board, commission, corporation, institution, department or other state organization in the executive or legislative department, semi-independent state agencies, the Oregon Tourism Commission, the Oregon Film and Video Office, the Travel Information Council, the Children's Trust Fund of Oregon Foundation, Oregon Corrections Enterprises, the Oregon Utility Notifications Center, and public universities.

BACKGROUND:

ORS Chapter 240 provides administrative provisions for state employment with the purpose of establishing a system of personnel administration based on merit principles. Examples of these provisions include categories of service, classification and compensation plans, and methods for selecting employees. The Classification and Compensation unit within the Department of Administrative Services is responsible for maintaining the state's compensation plan for employees in classified, unclassified, and management service positions.

House Bill 2221-A requires a state agency employing a person in state service to compensate that person at a rate not higher than the rate for executives under the compensation plan for state employees. The measure also allows the agency to seek an exemption from this requirement by making available to the public an explanation of how the compensation rate is appropriate and in the public interest. Finally, the measure defines "state agency" to include any state officer, board, commission, corporation, institution, department or other state organization in

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the executive or legislative department; semi-independent state agencies; and public universities.

House Bill 2221-A with the -A9 amendments requires all state agencies, including semi-independent state agencies and public universities, to publish on the internet all employee salaries that exceed \$250,000 annually along with the source of the funds and an explanation of why the salary is justified based on wage data for comparable positions. For public universities, the requirement only applies to employee salaries funded by student tuition and state appropriations.