

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 378**81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Provides that, when interview is element of process of selecting candidate for civil service position from eligibility list, public employer must interview each veteran applicant who meets qualifications for position and shows transferable skills if duties of position are performed by only one person within public employer's organization.

Government Unit(s) Affected:

Statewide, Oregon Department of Veterans' Affairs (ODVA), Special Districts, Counties, Cities

Summary of Fiscal Impact - Oregon Department of Veterans Affairs (ODVA):

Costs related to the measure may require budgetary action - See analysis.

Analysis:

SB 378 requires the Department of Veterans' Affairs to establish a new program for the investigation and nonbinding arbitration for alleged violations of veterans' employment preference statutes. This program must be operationalized on July 1, 2022. The measure:

- Provides that, when an interview is an element of the process of selecting a candidate for a civil service position from eligibility list, a public employer must interview each veteran applicant who meets qualifications for position and shows transferable skills if the duties of the position are performed by only one person within public employer's organization.
- Requires a public employer to provide written notice to a veteran who is eliminated from consideration for vacant civil service position.
- Provides the right to a jury trial and permits awards of noneconomic damages in civil suits for violation of veterans' employment preference statutes.
- Modifies the period for notice of tort claim against a public body for violation of veterans' employment preference statutes.
- Requires public employers to provide annual training related to veterans' employment preferences and provides that conducting approved annual training is affirmative defense to a claim for violation of veterans' employment preference statutes.

Oregon Department of Veterans' Affairs (ODVA)

The fiscal impact of this measure to ODVA is indeterminate depending on the volume of complaints, investigations, and arbitrations that may result from passage of this measure. Although the Bureau of Labor and Industries (BOLI) reports that the number of veterans' employment preference complaints filed with BOLI ranges from between 1 to 20 per year within the last 5 years, ODVA predicts that passage of this measure and a program dedicated to veterans' employment preference training and complaints will result in a significantly greater number of contacts. Based on civil rights compliance programs in the Employment Department, ODVA estimates the cost of establishing a program to receive complaints from veterans and to investigate, as well as provide nonbinding arbitration for alleged violations of veterans' employment preference statutes, to be \$1,009,817 General Fund, 9 positions, and 4.67 FTE for 18 months of the 2021-23 biennium; and \$2,054,558 General Fund, 9 positions, and 9.00 FTE for full 24 months of the 2023-25 biennium. Cost estimates reflect personal services and related services and supplies for the following positions:

- One Principal/Executive Manager F to direct the administration of this program and provide legal expertise, final approval of written determinations, and other non-binding arbitration responsibilities.
- One Operations & Policy Analyst 4 to identify, interpret, and apply veterans' preference laws to provide subject matter expertise, oversight, and review of claim investigation into veterans' employment preference violations to public employers within the State of Oregon.
- One Operations & Policy Analyst 3 to provide subject matter expertise, oversight, and review of claim investigation into veterans' employment preference violations.
- Four Compliance Specialist 3 to conduct investigations and develop corrective action plans based on findings in response to complaints of veterans' preference violation; work with public entities to mediate disputes on issues of compliance with veterans' preference laws, rules, and policies; prepare written responses with recommendations to determine course of action based on review of documents, testimony, and other evidence; and prepare written report presenting facts and recommendations based on investigation and program regulation.
- One Administrative Specialist 2 to provide administrative and clerical support to the program.
- One Human Resource Analyst 2 to develop training for public employers related to veterans transferable skills and veterans' preference laws, rules, and policies; review, provide feedback, and approve annual training materials submitted by public employers that accurately represents veterans' preference and will improve compliance with all veterans' preference laws, rules, and policies.

Statewide

The fiscal impact of this measure on state agencies, cities, and counties is indeterminate but anticipated to be minimal. The measure requires public employers to provide training on the veterans' employment preference requirements that will improve compliance. The measure allows public employers to submit training materials for ODVA for approval. State agencies anticipate using existing resources to work with ODVA to provide training as well as to submit training materials on the veterans' employment preference requirements that will improve compliance.

In addition, the measure provides the right to a jury trial, noneconomic damages, and reasonable attorney fees and costs to a prevailing party. This fiscal analysis assumes that public employers will conform their practices to comply with the provisions of this measure, resulting in a relatively small number of civil actions.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the State's General Fund.