

Senate Bill 722

Sponsored by Senator MORSE; Senators ATKINSON, BOQUIST, GEORGE, KRUSE, STARR, TELFER, WHITSETT, WINTERS

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Permits Governor to declare state of financial emergency under certain conditions, suspend pay increases to state government and school district employees, suspend certain terms of collective bargaining agreements and services contracts and take other actions. Does not apply to elected officials whose salaries are fixed by law.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to state financial emergency; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) As used in this section:**

5 (a) "Legislatively adopted budget" has the meaning given that term in ORS 291.002.

6 (b) "School district" has the meaning given that term in ORS 332.002.

7 (c) "State government" has the meaning given that term in ORS 174.111.

8 (2) The Governor may declare a state of financial emergency when the Governor finds
9 one of the following:

10 (a) That the last quarterly economic and revenue forecast for a biennium indicates that
11 moneys available to the General Fund for the next biennium will be at least three percent
12 less than appropriations from the General Fund for the current biennium;

13 (b) That there has been a decline for two or more consecutive quarters in the last 12
14 months in seasonally adjusted nonfarm payroll employment; or

15 (c) That a quarterly economic and revenue forecast projects that revenues in the General
16 Fund in the current biennium will be at least two percent below what the revenues were
17 projected to be in the revenue forecast on which the legislatively adopted budget for the
18 current biennium was based.

19 (3) When the Governor has declared a state of financial emergency, the Governor may
20 by executive order:

21 (a) Suspend any cost of living increase to salaries of state government employees or
22 school district employees;

23 (b) Suspend any step increase within the salary range of each state government employee
24 or school district employee;

25 (c) Suspend any upward reclassification of state government employees or school district
26 employees;

27 (d) Prohibit filling vacant positions within state government or within a school district,
28 while permitting the Governor or a district school board to grant exceptions to protect es-
29 sential services of state government or of a school district;

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (e) Notwithstanding any other law, suspend the terms of any collective bargaining
2 agreement or services contract entered into by state government or by a school district
3 concerning cost of living increases, salary step increases, reclassifications and the filling of
4 vacant positions;

5 (f) Suspend provisions of any order or rule of any state agency, if the Governor deter-
6 mines and declares that strict compliance with the provisions of the order or rule would in
7 any way prevent, hinder or delay mitigation of the effects of the financial emergency; and

8 (g) Direct any agencies in the state government to utilize and employ state personnel,
9 equipment and facilities for the performance of any activities designed to prevent or alleviate
10 actual or threatened damage due to the financial emergency.

11 (4) When a salary increase suspended under this section is no longer suspended, the
12 salary increase applies only prospectively. State government or a school district may not
13 retroactively pay a salary increase suspended under this section for any period during which
14 the salary increase was suspended.

15 (5) Every collective bargaining agreement or services contract entered into by state
16 government or by a school district shall contain provisions consistent with this section.

17 (6) This section does not apply to state officers elected by popular vote, or appointed to
18 fill vacancies in elective offices, whose salaries are fixed by law.

19 **SECTION 2.** Section 1 of this 2009 Act does not apply to collective bargaining agreements
20 or services contracts entered into before the effective date of this 2009 Act.

21 **SECTION 3.** This 2009 Act being necessary for the immediate preservation of the public
22 peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect
23 on its passage.
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