

# Senate Bill 810

Sponsored by Senator FERRIOLI

## 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**.

Requires that all merit step pay increases, upward position reclassifications and modifications to merit pay system for executive department employees be approved by Legislative Assembly by law prior to implementation.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to the compensation of executive department employees; creating new provisions; amending  
3 ORS 240.235; and declaring an emergency.

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

5 **SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS chapter 240.**

6 **SECTION 2. (1) A proposed merit step pay increase in the salary range of or an upward**  
7 **reclassification of the position held by an employee of the executive department may be**  
8 **granted only after the proposed step pay increase or upward reclassification has been ap-**  
9 **proved by the Legislative Assembly by law.**

10 **(2) Each agency in the executive department shall submit to the appropriate interim**  
11 **legislative committee annually by December 15 a report specifying:**

12 **(a) Every step pay increase or reclassification proposed by the agency; and**

13 **(b) Any changes to the merit pay system proposed by the agency.**

14 **(3) Every collective bargaining agreement entered into by the state shall contain pro-**  
15 **visions consistent with this section.**

16 **SECTION 3. Section 2 of this 2011 Act does not apply to collective bargaining agreements**  
17 **entered into by the state before the effective date of this 2011 Act.**

18 **SECTION 4. ORS 240.235 is amended to read:**

19 240.235. (1) The Personnel Division shall establish and implement a merit pay system which shall  
20 take into consideration individual performance and organizational accomplishment, prevailing rates  
21 of pay for the services performed and for comparable services in public and private employment,  
22 living costs, maintenance or other benefits received, obligations established by collective bargaining  
23 agreements, and the state's financial condition and policies. The merit pay system may provide for  
24 monetary awards to employees for past meritorious service and contribution to the mission and  
25 goals of the employing agency.

26 **(2) Modifications of the merit pay system may be adopted by the division and shall be effective**  
27 **only when approved by the [*Director of the Oregon Department of Administrative Services*] **the Leg-****  
28 **islative Assembly by law.**

29 **(3) Except as provided in subsection (4) of this section, each employee in the classified service**  
30 **shall be paid a rate within the salary range set forth in the merit pay system for the class of posi-**

**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 tions in which employed.

2 (4) Following any modification of the classification plan affecting a position, the division may  
3 provide that the rate of compensation of the employee holding such position shall not be reduced  
4 by reason of any such modification. An employee holding such a position shall not be eligible for  
5 any salary increase during such period of time that the employee's salary is above the maximum of  
6 the salary range of the classification to which the employee's position is allocated.

7 **SECTION 5. This 2011 Act being necessary for the immediate preservation of the public**  
8 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**  
9 **on its passage.**

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