

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3361**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Defines "comparable" for purposes of arbitration between certain employees and Department of Corrections.

Government Unit(s) Affected:

Department of Corrections, Employment Relations Board

Summary of Expenditure Impact: See Analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure defines "comparable" for purposes of arbitration between security staff employees of the Department of Corrections (DOC) and the Department to include the base pay for county corrections staff employed by the three most populous counties in the state. Currently, the "comparable" for these purposes are to use communities of the same or nearest population range within Oregon. The measure is effective January 1, 2014.

The fiscal impact is indeterminate. The collective bargaining process for DOC begins prior to each biennial budget. The arbitrators' decisions are not based solely on the comparable compensations, rather they are directed to base their findings on certain criteria, including reasonable financial ability of the unit of government to meet costs of proposed contracts, the ability to attract and retain qualified personnel at the wage and benefit levels provided, and overall compensation received.

DOC notes that most of the security staff is located in rural Oregon communities where cost of living is lower than the statewide average. The Department of Administrative Services, Chief Human Resources Office compared the current median salary rates of represented DOC security staff to the median salary rates of the three most populous counties (Clackamas, Multnomah, and Washington County) for Correctional Officers, Corporals, and Sergeants. If an arbitrator found in favor for labor bases solely on this criterion, the increased cost per year to DOC for Correctional Officers could be \$23.9 million per year for 1,875 FTE; for Corporals could be \$3.6 million per year for 246 FTE; and for Sergeants could be \$6.6 million per year for 267 FTE. Total biennial increase is estimated to be approximately \$68.5 million. This estimate does not include OPE, overtime, or any potential DPSST differentials.

There is no fiscal impact to the Employment Relations Board as a result of this measure.