

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2805 - A**

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session  
Legislative Fiscal Office

***Only Impacts on Original or Engrossed  
Versions are Considered Official***

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**Measure Description:**

Includes base pay of corrections employees of certain cities as comparable factor to be considered by arbitrator in establishing base pay for employees of Department of Corrections.

**Government Unit(s) Affected:**

Department of Corrections

**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 requires an arbitrator to include the base pay of corrections employees of the five most populous counties in Oregon as a comparable factor to be considered by the arbitrator in establishing the base pay for employees of the Department of Corrections (DOC) when there is a labor dispute that goes to arbitration. The five most populous counties in Oregon are Multnomah, Washington, Clackamas, Lane, and Marion.

The Department of Administrative Services, Human Resources and Labor Relations divisions, working with DOC, estimated a least-cost implementation, assuming new pay scales for five security classifications. Using this implementation, employees that have current pay rates falling within these new pay scales would maintain their current rates, while employees with rates that are below the new pay scales would be increased to step 1 of the new pay scales. The estimated costs for this implementation, including other payroll expenses such as retirement and benefits would be \$24,041,040 General Fund for the 2015-17 biennium. This amount also includes the current DOC factors for overtime and pay differentials.

The Department of Corrections notes that most of their workforce is located in rural communities where the cost of living is lower than the average costs of the five most populous counties. The five security classifications impacted by this measure includes approximately 2,500 employees.

The Legislative Fiscal Office notes that the exact method that may be adopted by an arbitrator when comparing base pay for corrections employees under this measure cannot be determined and may result in a higher-cost implementation than the one estimated by DAS and DOC.