

STAFF MEASURE SUMMARY

Senate Committee On Workforce

Fiscal: Has minimal fiscal impact

Revenue: No Revenue Impact

Action Date: 05/18/15

Action: Do Pass With Amendments. (Printed A-Eng.)

Meeting Dates: 05/04, 05/18

Vote:

Yeas: 3 - Dembrow, Gelser, Rosenbaum

Nays: 2 - Knopp, Thatcher

Prepared By: Matthew Germer, Committee Administrator

WHAT THE MEASURE DOES:

Includes Oregon nonprofit corporations as public employer for purposes of transferring certain public employees.

ISSUES DISCUSSED:

- History of employee rights when transferring between state agencies and nonprofit corporations
- Impact on the Public Employees Retirement System
- Types of Oregon nonprofits included

EFFECT OF COMMITTEE AMENDMENT:

Retains right of employers to negotiate sources of funding for employee's salary. Clarifies that "transfer" does not include the transfer of an employee from a nonprofit corporation to a nonprofit corporation.

BACKGROUND:

Oregon law gives public employees certain rights when their job duties are acquired by another public employer. The public employer that receives the job duties of another public employer must transfer in the employee who was performing the job and may not reduce the employee's salary within the first 12 months of employment. The employee also has the right to retain accrued sick leave and up to 80 hours of vacation leave. The employee can also elect to continue for up to 12 months under any retirement system in which they were participating or can choose to participate in the new employer's retirement system. However, the Public Employees Retirement Board may terminate the membership of the transferred employee if their participation would cause the PERS fund to lose its status as a qualified government plan and trust.

Under existing statutes, a public employer includes the state, cities, counties, school districts, special districts, and education service districts. Prior to 2013, Oregon nonprofit corporations were included in the definition of public employer. Legislation passed in 2013 added educational service districts and deleted Oregon nonprofit corporations from the definition of public employer. House Bill 2214-A adds Oregon nonprofit corporations to the list of what is considered a public employer.