

PRELIMINARY STAFF MEASURE SUMMARY

House Committee On Business and Labor

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Action Date:

Action:

Meeting Dates: 02/15

Prepared By: Jan Nordlund, Committee Administrator

WHAT THE MEASURE DOES:

Raises base minimum wage to \$13.50 per hour by July 1, 2022. Establishes higher minimum wage (\$14.75 by 2022) for employees working within urban growth boundary of Portland metropolitan area and lower minimum wage (\$12.50 by 2022) for those working in 18 nonurban counties. Adjusts base minimum wage annually for inflation starting July 1, 2023. Sets Portland metropolitan area minimum wage after June 30, 2023, to be no less than \$1.25 more than base minimum wage. Sets nonurban minimum wage after June 30, 2023, to be no less than \$1.00 less than base minimum wage. Declares emergency, effective on passage.

ISSUES DISCUSSED:**EFFECT OF COMMITTEE AMENDMENT:**

Proposed -A27 from Rep. Mike McLane: Maintains same schedule for raising minimum wage in the three regions but all increases occur six months later than proposed in A-engrossed. Deletes emergency clause. Adds referral to voters at next regular general election.

Proposed A-29 from Rep. Cliff Bentz: Allows city or count to set minimum wage requirements at \$9.25 beginning on July 1, 2016, and to adjust for inflation in following years.

Proposed -A32 from Rep. Mike McLane: Moves first increase back six months. Removes emergency clause.

Proposed -A33 from Rep. Mike McLane: Replaces original measure. Raises base minimum wage to \$11.00 per hour by July 1, 2021. Establishes higher minimum wage (\$13.50 by July 2021) for employees working within urban growth boundary of Portland metropolitan area and lower minimum wage (\$9.50 by July 2021) for those working in 18 nonurban counties. Adjusts base minimum wage annually for inflation starting July 1, 2022. Sets Portland metropolitan area minimum wage after June 30, 2022, to be no less than \$2.50 more than base minimum wage. Sets nonurban minimum wage after June 30, 2022, to be no less than \$1.50 less than base minimum wage.

Proposed -A39 from Rep. Cliff Bentz: Changes the proposed increases in the minimum wage rate for nonurban counties such that by July 2022 the rate is \$11.00. Sets nonurban wage rate after June 20, 2023, to be no less than \$2.50 less than the base minimum wage.

BACKGROUND:

The minimum wage is the lowest hourly wage a non-exempt employee may be paid by an employer. In 1938, Congress set the first national minimum wage at \$0.25 per hour. Currently, the federal minimum wage is \$7.25 per hour and has remain unchanged since 2009. Oregon set a minimum wage in 1911. In 2002, Oregon voters enacted Measure 25, setting the Oregon minimum wage at \$6.90 per hour and directing the Labor Commissioner to annually adjust the Oregon minimum wage for inflation as measured by the U.S. City Average Consumer Price Index for All Urban Consumers. Oregon's minimum wage is currently \$9.25 per hour. It did not increase in 2016, as the change in the CPI was too small to trigger an increase.

Senate Bill 1532-A raises the minimum wage according to the schedule below. The Nonurban counties are Baker, Coos, Crook, Curry, Douglas, Gilliam, Grant, Harney, Jefferson, Klamath, Lake, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa, and Wheeler.

| | Base | Portland Metro UGB | Nonurban Counties |
|---------------------|--------------|-----------------------|----------------------|
| July 2016-June 2017 | \$9.75 | \$9.75 | \$9.50 |
| July 2017-June 2018 | \$10.25 | \$11.25 | \$10.00 |
| July 2018-June 2019 | \$10.75 | \$12.00 | \$10.50 |
| July 2019-June 2020 | \$11.25 | \$12.50 | \$11.00 |
| July 2020-June 2021 | \$12.00 | \$13.25 | \$11.50 |
| July 2021-June 2022 | \$12.75 | \$14.00 | \$12.00 |
| July 2022-June 2023 | \$13.50 | \$14.75 | \$12.50 |
| July 2023 and after | CPI adjusted | +\$1.25 | -\$1.00 |

The following table reports Oregon jobs data for the first quarter of 2015 as provided by the Oregon Employment Department.

| | Jobs | Percent of Total |
|---------------------|-----------|---------------------|
| Minimum Wage \$9.25 | 100,000 | 5 |
| \$9.26 to \$13.49 | 518,000 | 28 |
| \$13.50 to \$14.99 | 119,000 | 6 |
| \$15.00 and above | 1,148,000 | 61 |