

78th Oregon Legislative Assembly - 2016 Regular Session
STAFF MEASURE SUMMARY
Senate Committee On Workforce and General Government

MEASURE: SB 1532 A
CARRIER: Sen. Dembrow

Fiscal: Fiscal impact issued
Revenue: Revenue impact issued

Action Date: 02/05/16
Action: Do Pass With Amendments. (Printed A-Eng.)
Meeting Dates: 02/02, 02/04, 02/05
Vote:
Yeas: 3 - Dembrow, Gelser, Rosenbaum
Nays: 2 - Knopp, Thatcher

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:

- Wage needed to be self-sufficient or above federal poverty level
- Initiatives to raise minimum wage that may be on November ballot
- Demographics of low-wage workers
- Regional variations in wages, unemployment, and cost of living
- Whether an increase in minimum wage is an unfunded mandate on local government
- Anticipated response from business owners

EFFECT OF COMMITTEE AMENDMENT:

Replaces original measure.

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. 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 on the following page. 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 |
|---------------------|-----------|---------|
| 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% |