

78th Oregon Legislative Assembly - 2016 Regular Session
STAFF MEASURE SUMMARY
House Committee On Business and Labor

MINORITY REPORT

MEASURE: SB 1532 MRB2
CARRIER: Rep. Kennemer

Fiscal: Fiscal impact issued
Revenue: Revenue impact issued

Action Date: 02/15/16
Action: Do Pass With Amendments. (Printed B-Eng.)
Meeting Dates: 02/15, 02/15
Signers of the Report: Rep. Sal Esquivel, Rep. Dallas Heard, Rep. Bill Kennemer
Prepared By: Jan Nordlund, Committee Administrator

WHAT THE MEASURE DOES:

Raises base minimum wage to \$13.50 per hour by January 1, 2023. Establishes higher minimum wage (\$14.75 by 2023) for employees working within urban growth boundary of Portland metropolitan area and lower minimum wage (\$12.50 by 2023) for those working in 18 nonurban counties. Adjusts base minimum wage annually for inflation after December 31, 2023. Sets Portland metropolitan area minimum wage after December 31, 2023, to be no less than \$1.25 more than base minimum wage. Sets nonurban minimum wage after December 31, 2023, to be no less than \$1.00 less than base minimum wage. Refers Act to the people for their approval or rejection at next regular general election.

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 MINORITY AMENDMENT:

Moves back scheduled wage increases by six months. Deletes emergency clause. Refers Act to the people at next regular general election.

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-MRB 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.

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	Base	Portland Metro UGB	Nonurban Counties
2017	\$9.75	\$9.75	\$9.50
2018	\$10.25	\$11.25	\$10.00
2019	\$10.75	\$12.00	\$10.50
2020	\$11.25	\$12.50	\$11.00
2021	\$12.00	\$13.25	\$11.50
2022	\$12.75	\$14.00	\$12.00
2023	\$13.50	\$14.75	\$12.50
After 2023	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