HB 2332 A STAFF MEASURE SUMMARY

Carrier: Rep. Holvey

House Committee On Rules

Action Date:	05/09/17
Action:	Do pass with amendments. (Printed A-Eng.)
Vote:	8-0-1-0
Yeas:	8 - Barreto, Hack, Holvey, Kennemer, Nosse, Rayfield, Smith Warner, Williamson
Exc:	1 - McLane
Fiscal:	Has minimal fiscal impact
Revenue:	No revenue impact
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WHAT THE MEASURE DOES:

Requires state agency with more than 100 employees, to develop report on its proposed maximum supervisory ratio for Joint Committee on Ways and Means (JWM) as part of agency's legislatively adopted budget. Establishes baseline ratio of 11 to 1 and specifies factors for agency to make adjustment. Requires JWM to review ratios reported by agencies and include ratio information in budget report or note. Prohibits agency whose actual supervisory ratio is greater than its maximum supervisory ratio from filling vacant supervisory positions, unless Department of Administrative Services (DAS) determines that additional supervisory position is reasonably necessary. Directs DAS to report quarterly on actual supervisory ratio of each agency. Authorizes DAS rulemaking. Defines terms. Applies to budgets for biennia beginning on or after July 1, 2019.

ISSUES DISCUSSED:

- Full implementation of 2011 legislation
- Progress state agencies made toward realizing 11:1 ratio between 2011 and 2015
- Work group established to study and report on appropriate ratio of nonsupervisory to supervisory employees
- Requirement for state agencies to report to Joint Committee on Ways and Means on proposed maximum supervisory ratio
- Factors agency may consider when adjusting ratio
- Need for flexibility in ratio based on state agency

EFFECT OF AMENDMENT:

Replaces measure.

BACKGROUND:

Beginning with the 2011 session, the Legislative Assembly has adopted four measures to address concerns that Oregon state agencies have experienced a decrease in the number of employees supervised by each manager, leading to operational inefficiencies and increased personnel costs. House Bill 2020 (2011) required the Department of Administrative Services (DAS) to report to the Joint Committee on Ways and Means (JWM) on the ratio of supervisory employees to nonsupervisory employees, and to develop a plan for agencies with more than 100 employees to attain a ratio of at least 11 to 1. House Bill 4131 (2012) excluded a number of public entities from the 11 to 1 ratio requirement, and provided direction to state agencies not yet attaining the prescribed ratio, including to lay off or reclassify supervisory employees in some circumstances. It also prohibited state agencies from filling supervisory positions until they increased the ratio of nonsupervisory employees by at least one, although DAS could grant exceptions. House Bill 3165 (2013) replaced DAS' general authority to grant exceptions with specific language identifying circumstances under which agencies could qualify. The fourth measure passed in 2015, House Bill 2255, delayed implementation of the 11 to 1 ratio until June 30, 2017. During the two-year delay, agencies were prohibited from reducing the ratio of nonsupervisory to supervisory employees unless DAS granted an exception; DAS was required to monitor and report on ratios quarterly; and if an agency increased its ratio of nonsupervisory to supervisory employees, the increase would count after the end of the delay. The measure further required DAS to convene a work group to study and report on appropriate staffing ratios for the 2017 legislative session.

House Bill 2332-A requires state agencies with more than 100 employees, to develop proposed, maximum supervisory ratios and report same to JWM as part of the agency's legislatively adopted budget. Agencies must determine a maximum supervisory ratio by starting with the 11 to 1 ratio and making adjustments based on some or all of the following factors: safety of the public or of state agency employees; geographic location of agency's employees; complexity of agency's duties; industry best practices and standards; size and hours of operation; unique personnel needs, including the agency's use of volunteers or seasonal or temporary employees, or the exercise of supervisory authority by agency supervisory employees over personnel who are not agency employees; and the financial scope and responsibility of the agency. The measure requires JWM to review the maximum supervisory ratios reported by each agency and include ratio information in a budget report or note. An agency whose actual supervisory ratio is greater than its proposed maximum supervisory ratio is prohibited from filling supervisory positions, unless DAS determines that the additional supervisory position is reasonably necessary. DAS is required to notify all labor organizations that represent employees in an agency at least five business days before granting an exception.