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On Behalf Of:
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Measure: SB1566

Legislator pay is a Goldilocks problem. Setting compensation too low limits the time legislators can devote to legislative work and restricts the pool of candidates competing in elections. Low pay either requires legislators to have other work or be wealthy, both of which can create conflicts of interest. Paying legislators too much insulates them from the financial struggles of ordinary Oregonians and could lead them to identify with the interests of the better off. High pay could encourage too many primary challengers and candidates that seek the salary without regard for the responsibilities of public service.

Current legislator pay is probably too low. However, the provision in SB1566 that raises it to match the annual occupational mean wage estimate for Oregon would be too much and it contains a perverse incentive. The new salary of about \$57,000 would be an approximately 68% increase over the current \$33,852. Also, the mean wage is skewed by high earners providing an incentive for legislators to attract and create extremely high wage jobs, furthering gentrification of neighborhoods and displacement of low-income Oregonians.

Legislator pay should be based on median wages, which aren't skewed by high earners and would place legislators in the middle. The hourly occupational median wage estimate for Oregon is about \$21 per hour. Multiplied by 2080 hours for a full-time position would result in an annual salary of \$43,680.

The provision that legislator compensation "may not be decreased by more than two percent" from the prior year is a moral hazard and should be removed. Legislators have considerable influence over Oregon's economy and shouldn't be insulated from their own bad decisions.

The state has a legitimate role in ensuring that working parents can afford child care. However, the \$1,000 per month child care allowance for legislators contains no means testing. Ordinary Oregonians can only receive assistance from the Employment Related Day Care (ERDC) program if they meet income limits for their family size. Legislators shouldn't get child care funding not available to all working Oregonians. Either legislators should get the same means tested ERDC benefits or the means testing should be removed from the ERDC for everyone. Providing child care without means testing to legislators further insulates them from the struggles of other Oregonians.

Indexing the interim expense allowance with a Consumer Price Index creates another

perverse incentive. It could encourage legislators to make decisions that increase inflation to raise their allowance. The allowance should be indexed based on a multiplier of the median hourly wage.

The bill contains no provisions to prohibit outside work. The increase to a full-time wage should also require full-time work. In exchange for the increased salary, legislators should be prohibited from other employment, and managing rental property or a business. They could own investment property or a business by showing that someone else is managing it.