

Measure Number: 2024-402 SJR 34

Subject: Independent Public Service Compensation Commission

Government Unit Affected: State of Oregon

Prepared by: Hari Vellaipandian, Department of Administrative Services

Reviewed by: Kate Nass, Department of Administrative Services

Date: June 12, 2024

Comments:

This referral establishes the “Independent Public Service Compensation Commission” (IPSCC), who would be responsible for determining salaries for the Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of BOLI or any successor agency, supreme court judges, other state government judicial branch judges, state senators, state representatives, and district attorneys. A similar commission, the Oregon Public Officials Compensation Commission (OPOCC), was established in 1983 but all positions became vacant in 2000. The OPOCC saw a resurgence and made a recommendation in 2007, which was declined by the Legislature. The OPOCC was defunded in 2008 and eventually abolished in 2017.

The IPSCC is different from its predecessor as it would have the power to determine the salaries of the positions listed above, where the previous commission made recommendations to the Legislature. The newly established Commission would establish rates before January 30th of odd numbered years to be effective July 1st of the same year. The OPOCC had 11 members, while the IPSCC does not have a set number of commission members. The measure does not state who can be a member, but it does state that officers or employees of the State of Oregon, individuals required by law to register with a state agency as a lobbyist, and immediate family members of those two groups cannot serve on the commission. The referral also does not explicitly state who would select the members of the commission.

The positions under the review of the IPSCC currently have salaries determined by various Oregon Revised Statutes (ORS). The Governor, Secretary of State, State Treasurer, Attorney General, and Commissioner of BOLI have salaries stated explicitly in ORS 292.311. Supreme court judge salaries are stated in ORS 292.411 and circuit court judge salaries are stated in ORS 292.416. State Representatives and Senators salaries are determined by ORS 171.072.

The referral does not create or require the creation of a state office. It is not clear what agency the IPSCC would be a part of or supported by, or if they would qualify as a state commission. State commission members may be eligible for a stipend if they qualify under ORS 292.495, and the current stipend rate is \$166 per day of service. The referral did not propose how often the IPSCC would meet, and it is unclear how often this commission would need to meet to develop the rates.

Fiscal Impact Summary

State Government Assumptions:

- The referral itself does not change the salaries of impacted positions, however there may be a financial impact which will be unknown until the Commission determines the salaries.
- If the referral passes, it is assumed the Commission will be supported by a state agency by the Legislature, and the agency likely can absorb the cost of staffing Commission meetings.
- The IPSCC members will qualify for a stipend under ORS 292.495. The Legislature will determine the number of board members, and that number will be less than 12.
- The IPSCC members will be reimbursed for travel costs, and those costs will be less than \$200 per meeting per member.
- There will be, at most, 6 meetings per biennium. Once a quarter beginning July of odd numbered years through January of the next odd numbered year.

It is difficult to determine an accurate financial impact estimate, as the number of commission members, who will appoint them, who can serve, if the members will qualify for a stipend, maximum travel reimbursement, how many meetings there will be, as well as which agency will staff those meetings are unknown. Using the assumptions on made above, the conservative estimate puts the cost at of the referral at \$26,352 per biennium.

$$\begin{aligned} & (\text{Stipend} + \text{Travel Cost}) \times (\# \text{ of Commission Members}) \times (\# \text{ of Meetings}) = (\text{Referral Cost}) \\ & (\$166 + \$200) \times (12 \text{ Commission Members}) \times (6 \text{ Meetings}) = \$26,252 \end{aligned}$$

Given it is unknown if the Commission will change salaries of impacted positions, the fiscal impact is indeterminate.

Estimate of Financial Impact

This measure amends the Constitution to establish the Independent Public Service Compensation Commission responsible for determining salaries for the Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of Bureau of Labor and Industries or other successor agency, Supreme Court Judges, other state government judicial branch judges, State Senators, State Representatives, and District Attorneys. Upon adoption of salary determinations, money from the General Fund is appropriated to cover the salaries determined by the Commission, notwithstanding the Constitutional requirement of a balanced budget. The measure itself does not determine the salaries or the General Fund needed to cover the salaries. The financial impact to the state is indeterminant. Local government expenditures will not be impacted.

November 5, 2024 General Election

Senate Joint Resolution #34

“Amends Constitution: Establishes “Independent Public Service Compensation Commission” to determine salaries for specified officials; eliminates legislative authority to set such salaries.”

Draft Estimate of Financial Impact:

This measure amends the Constitution to establish the Independent Public Service Compensation Commission responsible for determining salaries for the Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of Bureau of Labor and Industries or any other successor agency, Supreme Court Judges, other state government judicial branch judges, State Senators, State Representatives, and District Attorneys. Upon adoption of salary determinations, money from the General Fund is appropriated to cover the salaries determined by the Commission, notwithstanding the Constitutional requirement of a balanced budget. The measure itself does not determine the salaries or the General Fund needed to cover the salaries. The financial impact to the state is indeterminant. Local government expenditures will not be impacted.

Certification:

We, the undersigned, hereby certify that, pursuant to ORS 250.127(3), we have prepared the statement described under “Estimate of Financial Impact.”

LaVonne Griffin-Valade, Secretary of State

Date

Tobias Read, State Treasurer

Date

Berri Leslie, Director,
Department of Administrative Services

Date

Betsy Imholt, Director, Department of Revenue

Date

Ernest Stephens, City, County, or District representative

Date