

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: Updated July 11, 2024

This memo is updated after initial discussion at the June 18, 2024 Financial Estimate Committee Meeting. Updates are noted as underlined.

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. This staffing cost may include State employees to gather and present data required by the Commission as well as run the actual meeting.
- 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 made above, the conservative estimate puts the cost at of the referral at \$26,352 per biennium for the Commission members.

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

The Commission will likely need to be staffed by an agency, which causes the above estimate to increase. It is important to note that actual staffing needs may differ from the current estimate once more information on the structure of the Commission is finalized. In discussions with the Chief Human Resources Office at the Department of Administrative Services, there was a projected need for two positions (2.00 FTE), including two Operations and Policy Analyst positions. Salary costs of the positions is estimated to be approximately \$550,000 per biennium and additional service and supplies cost of \$30,000.

This brings the total estimateable cost of supporting the commission to \$606,352.

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

Estimate of Financial Impact

Initial Draft Statement

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.

Updated 10th Grade Reading Level Statement

This measure amends the Constitution to create a Commission responsible for deciding the salaries of certain elected officials. The money for the salaries will come from the General Fund. The measure itself does not decide the salaries or the General Fund needed to cover the salaries. The fiscal impact to the state, for chosen salaries and commission staff, could not be determined. There is no fiscal impact on local governments.

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 create a Commission responsible for deciding the salaries of certain elected officials. The money for the salaries will come from the General Fund. The measure itself does not decide the salaries or the General Fund needed to cover the salaries. The fiscal impact to the state, for chosen salaries and commission staff, could not be determined. There is no fiscal impact on local governments.

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, Local Government representative

Date