

Senate Bill 1532- Minimum Wage

SB 1532 establishes a statewide minimum wage rate increase to be phased in over six years. The first increase begins July 1, 2016. The statewide phase in is based on the county you are located in, and counties are grouped into regions. At the completion of the six year phase in Oregon will have the highest minimum wage rate in the nation.

SB 1532 will have a direct impact on school districts. While the impact is difficult to quantify for each school district, statewide estimates show the impact to be upwards of \$30 million when the phase in is completed. These impacts do not account for the wage compression or the “ripple effect” of the annual increases. Eventually the increases will impact each district’s collective bargaining salary schedule and may create a duty to bargain for school districts.

You can view the bill by selecting the link below:

<https://olis.leg.state.or.us/liz/2016R1/Downloads/MeasureDocument/SB1532/Enrolled>

Frequently Asked Questions:

1. When does the bill become effective?

Senate Bill 1532 will become effective once Governor Kate Brown signs it into law. Once the bill is signed the first change in the minimum wage is designated to occur on July 1, 2016.

2. How can I tell which tier I am in and when it will phase in?

SB 1532 breaks up the state into three separate groups of counties. Each of the groupings will have a different minimum wage rate established beginning July 2016 and ongoing schedule of annual increases until 2023. The three groupings are listed as follows: Region 1, Non-Urban Counties, region 2, State-Wide Minimum Wage, and region 3, Metropolitan Service District Urban Growth Boundary (UGB). The minimum wage is set to increase annually on July 1 of each subsequent year.

Region 1, Non-Urban Counties: Baker, Coos, Crook, Curry, Douglas, Gilliam, Grant, Harney, Jefferson, Klamath, Lake, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa, and Wheeler.

Region 2, State-wide Minimum Wage Counties: Benton, Clatsop, Columbia, Deschutes, Hood River, Jackson, Josephine, Lane, Lincoln, Linn, Marion, Polk, Tillamook, Wasco and Yamhill.

Region 3, Portland (UGB) includes: Parts of Clackamas, Multnomah and Washington Counties.

	2016	2017	2018	2019	2020	2021	2022	2023
Region 1 Non-Urban Counties	\$9.50	\$10.00	\$10.50	\$11.00	\$11.50	\$12.00	\$12.50	Rate Adjusted for Inflation -\$1.00
Region 2 Statewide Minimum Wage	\$9.75	\$10.25	\$10.75	\$11.25	\$12.00	\$12.75	\$13.50	Rate Adjusted for Inflation
Region 3 Portland (UGB)	\$9.75	\$11.25	\$12.00	\$12.50	\$13.25	\$14.00	\$14.75	Rate Adjusted for Inflation +\$1.25

3. How do I know if my district is within the Portland Metro Urban Growth Boundary?

The Portland Metro Urban Growth Boundary can be found using the link below. Once you are on the website, on the upper left side of the page, click on the “layers tab”, then select the box “Urban Growth Boundary (UGB)” and school districts located under the Boundary section.

<https://gis.oregonmetro.gov/metromap/>

4. What happens if part of my district operates within the UGB, but part of the district operates outside the UGB?

The bill states that the minimum wage rate is determined by which county the “employer” is located. Following the passage of the bill, the commissioner is required to adopt rules that determine the “employers” location as it related to the minimum wage rate. At this time it is not known how the location of the employer will be determined. These FAQs will be updated once the information is released.

5. Does the minimum wage change impact our collective bargaining agreement?

If the district has a current salary schedule within a collective bargaining agreement that contains cells with hourly wages less than the new minimum wage or any language

Yes, but the district is required to comply with state and federal minimum wage and overtime laws so the stipend must have an hourly wage assigned to it and divided by the number of hours required or expected for the work. If the stipend divided by the number of hours does not meet the minimum wage amount, the stipend will need to be adjusted or the number of hours of work reduced in order to comply with wage and hour laws.

9. How does minimum wage increase apply to volunteers?

The new minimum wage increase does not have a direct impact on volunteers, but districts must make sure anyone deemed a volunteer meets the true definition of a volunteer. In order to qualify as a volunteer individuals must satisfy the following test:

1. Perform a service for a public agency without promise or expectation of compensation. A volunteer can be reimbursed for expenses and/or receive a nominal fee;
2. Services must be offered freely without pressure or coercion (direct or implied);
3. The individual is not otherwise employed by the same public agency to perform the type of services as those for which the individual has volunteered.

If any amount of money is paid to the volunteer it cannot be more than 20% of what the district would otherwise pay to hire an employee for the same service. If however, an amount of money is paid to the individual as either a stipend or nominal fee and it is more than 20% of what the district would otherwise pay to hire an employee for the same service, the individual is more likely to be considered an employee.

For instance, one factor that might be used to identify how much the employer is willing to pay for the work is to look at whether or not the district has negotiated a rate of pay for the position within a collective bargaining agreement. Such an agreement would seem to indicate the rate which is applicable in determining how much the district is willing to pay individuals considered to be employees.

10. Do the same rules apply to Charter Schools?

Yes – the new minimum wage law applies to all employers including the State of Oregon. While Charter schools are governed by different statutes than public schools, they are still bound by wage and hour laws contained in ORS 653.025.