

REVENUE:  
FISCAL:  
SUBSEQUENT REFERRAL TO:

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Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Jan Nordlund, Administrator

Meeting Dates: 2/2

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**WHAT THE MEASURE DOES:** Establishes tiered system for minimum wage based on geographic location and employer size. Establishes Wage Enforcement Fund. Creates Minimum Wage Advisory Committee. Repeals state preemption of local authority to set minimum wage requirements. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT:**

Proposed -1: Replaces original measure. Raises minimum wage to \$13.25 by July 1, 2022. Establishes higher wage for employees working in the Portland metropolitan area (Clackamas, Multnomah and Washington Counties). Adjusts statewide rate annually for inflation after June 30, 2023, with the Portland rate set \$1.25 higher. Maintains state preemption of local authority to set minimum wage requirement. Declares emergency, effective on passage.

Proposed -2: Replaces original measure. Raises minimum wage to \$13.50 by January 1, 2022. Establishes higher wage for employees working in Portland metropolitan area (Clackamas, Multnomah and Washington Counties). Adjusts statewide and Portland rates annually for inflation starting January 2023. Maintains state preemption of local authority to set minimum wage requirement. Declares emergency, effective on passage.

**BACKGROUND:** The minimum wage is the lowest hourly wage a non-exempt employee may be paid by an employer. In 1938, Congress set the first national minimum wage at 25 cents an hour. Currently, the federal minimum wage is \$7.25 an hour. In 2002, Oregon voters enacted Measure 25, setting the Oregon minimum wage at \$6.90 an hour and directing the Bureau of Labor and Industries to annually adjust the Oregon minimum wage for inflation, as determined by the annual change in the U.S. City Average Consumer Price Index for All Urban Consumers for All Items. Currently, Oregon's minimum wage is \$9.25 an hour; it did not increase in 2016.

The following table illustrates the number of jobs in various wage categories. Data is for Q1 2014 from the Oregon Employment Department. Note that the minimum wage in 2014 was \$9.10 per hour.

Q1 2014	Jobs	Percent
Minimum Wage	103,000	6%
Minimum Wage to \$11.50	339,000	19%
\$11.51 to \$13.00	141,000	8%
\$13.01 to \$15.00	154,000	8%
Above \$15.00	1,077,000	59%

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***This summary has not been adopted or officially endorsed by action of the committee.***

The following table illustrates the schedule of wage increases under the -1 amendment, -2 amendment, IP 41 filed by 15 Now Oregon, and IP 58 and IP 59 filed by Raise the Wage Coalition.

	-1 Amendment		-2 Amendment		IP 41	IP 58	IP59
	Statewide	Portland Metro Area	Statewide	Portland Metro Area			
July 2016	9.75	Same					
Jan 2017			10.25	11.79	11.50	11.75	11.00
July 2017	10.25	11.25					
Jan 2018			11.00	12.65	13.25	13.50	12.25
July 2018	10.75	12.00					
Jan 2019			11.75	13.51	15.00		13.50
July 2019	11.25	12.50					
Jan 2020			12.50	14.38			
July 2020	11.75	13.00					
Jan 2021			13.00	14.95			
July 2021	12.50	13.75					
Jan 2022			13.50	15.52			
July 2022	13.25	14.50					
Jan 2023			+ CPI	+CPI			
July 2023	+ CPI	+1.25					
Repeal Preemption	No	No	No	No	No	Yes	No