



State of Oregon Department of Environmental Quality

Rule Concept: Living wage and supportive benefits

Plastic Pollution and Recycling Modernization Act (SB 582, 2021)

Rulemaking Advisory Committee Meeting 1 of 6, Rulemaking 2

June 29, 2023

Background

This memo provides background information and proposes initial draft rule concepts regarding living wages and supportive benefits provided to workers at commingled recycling processing facilities.

Effective Jan. 1, 2027, ORS 459A.905(2)(c) prohibits local governments from sending their commingled recyclables to processing facilities unless the “processor provides workers at the facility with a living wage and supportive benefits, as defined by the rule by the Environmental Quality Commission”. This draft initial rule concept proposes definitions for the terms “workers at the facility”, “living wage” and “supportive benefits” and proposes what data sources or other supporting information will be used to determine the parameters of these terms.

These proposals are based on surveys, interviews and research concerning recycling facility workers in Oregon. DEQ applied the new information and analysis to the work in support of the Recycling Steering Committee (2018 – 2020). DEQ is requesting additional input from committee members on the identified options.

I. Draft rule concept for discussion: Defining “workers at the facility”

ORS 459A.863 includes definitions for commingled recycling processing facilities, which is the “facility” referenced in this term. That statute does not define “workers”, and DEQ has no other established definition for “worker” in other administrative rules that could serve as precedent.

In evaluating the definition of “workers at the facility”, DEQ proposes:

- A person whose primary work assignment location is the facility for at least 51 percent of their total scheduled work hours in the standard pay period, as defined by the facility. A worker retains this status regardless of tasks or type of work performed at the facility.

The definition of worker will include any person receiving compensation in exchange for hours scheduled or worked, no matter if the worker is employed directly by the facility, contracted or temporarily employed through a third-party entity, or is paid hourly wages or a salary. DEQ is not proposing to define a minimum or maximum hours-worked provision for the definition of workers. However, the final draft rule concept may include tiered or other approaches to differentiated supportive benefits depending on the classification of workers as part-time, full-time, supervisory, managerial or other relevant classifications and types of workers.

II. Draft rule concept for discussion: Defining “living wage”

DEQ proposes to clarify in rule that “living wage” means a wage one full-time worker must earn on an hourly basis to help cover the cost of their household’s minimum basic needs where they live without additional income or subsidization. This definition is the one used by the proposed data source, discussed below, and closely aligns with the common definitions of living wage used in a variety of policy and regulatory settings.

III. Draft rule concept for discussion: Establishing the data source(s) and inputs to be used for living wage

DEQ proposes that a facility use the [MIT Living Wage Calculator](#) to calculate the appropriate living wage. The MIT Living Wage Calculator evaluates factors including a household’s **location**, and **household composition** such as number of working adults and number of dependents to identify the specific dollar amount that would be a living wage. DEQ invites advisory committee feedback regarding defining these factors in rule.

DEQ will assess past research and work with project partners in summer and fall 2023 to consider the options listed below, and develop a refined proposal. Committee members and others are encouraged to provide data, information and feedback on the following options.

A. Location

The cost of covering basic needs varies by geography resulting in similar variation to the living wage. The MIT Living Wage Calculator also provides an estimate of the living wage based on using a statewide, Metropolitan Statistical Area or county-specific location. Currently, there are 12 commingled recycling processing facilities that receive materials from Oregon’s local governments: one in northern California, one in Vancouver, Washington, and 10 in Oregon. These facilities are distributed over five Metropolitan Statistical Areas across two states, and the Oregon-located facilities are distributed through six counties: Clackamas, Klamath, Lane, Marion, Multnomah and Washington.

DEQ proposes to use the facility’s physical address, by county, as the designation for location. That proposal reflects the most localized costs of living for any worker. It also ensures that any future facilities subject to these rules would not have to be located in a Metropolitan Statistical Area, which is a designation for urban population centers. DEQ acknowledges a future state of the recycling system in which facilities may be located outside of major urbanized population centers, and establishing the rules based on county, not MSA, may simplify compliance for local governments and the regulated facilities.

The table below shows the locations of the 12 existing facilities and the living wage for a simplified scenario (1 worker, 0 dependents) evaluated by location. The highlighted cell in each row shows the highest wage based on the scenario parameters. The table demonstrates the variability between state and county averages, especially when expressed for the more rural Oregon counties (Klamath, Lane and Marion).

Hourly living wage amounts by locality: 1 working adult, 0 dependents

Facility Location: State (County)	County	Metropolitan Statistical Area	Statewide
1 – Oregon (Washington)	\$21.85	\$21.58	\$19.38
2 – Oregon (Multnomah)	\$21.85	\$21.58	\$19.38
3 – Oregon (Multnomah)	\$21.85	\$21.58	\$19.38
4 – Oregon (Clackamas)	\$21.85	\$21.58	\$19.38
5 – Oregon (Multnomah)	\$21.85	\$21.58	\$19.38
6 – Oregon (Clackamas)	\$21.85	\$21.58	\$19.38
7 – Oregon (Marion)	\$17.56	\$17.39	\$19.38
8 – Oregon (Lane)	\$17.46	\$17.29	\$19.38
9 – Oregon (Lane)	\$17.46	\$17.29	\$19.38
10 – Oregon (Klamath)	\$15.75	\$17.24	\$19.38
11 – California (Humboldt)	\$16.41	\$17.04	\$21.24
12 – Washington (Clark)	\$20.94	\$21.58	\$19.58

Discussion prompt - Location:

DEQ requests input from the Committee on what options for location best meet the statute’s equity-based intent for living wage.

- Does DEQ’s proposal to use county meet the intent of the Legislative direction for the Recycling Modernization Act and its statutory intent?
- Should the living wage be set at the highest, lowest, median, or mean for these locations?
- Are there circumstances under which different options may be most appropriate for different facilities?

B. Household Composition

Another important variable in determining living wage is the number of people in the household requiring support, and the number of income earners providing that support. For example, more dependents require a higher living wage, while a two-income household requires a lower living wage for each wage earner.

The MIT Living Wage Calculator uses the term “children” instead of “dependents”, but DEQ proposes to use the term dependent recognizing that a person may financially support an elder, spouse or other non-child member of their family through their wages.¹

The MIT Living Wage Calculator provides for several options, as follows.

Options for number of adults:

- One adult
- Two adults (one working)
- Two adults (both working)

Options for number of dependents:

- No dependents

¹ The developers of the calculator acknowledged verbally that costs are not equivalent for child and dependent care, but the use of childcare-related costs may serve as a proxy for any dependent care.

- One dependent
- Two dependents
- Three dependents

DEQ proposes to use the U.S. national average household composition² of two working adults and two dependents to inform the household composition elements of the living wage calculation. The table, below, shows the hourly living wage based on the proposed locality and worker/dependent information when put into the MIT Living Wage Calculator.

Facility location: State (County)	Hourly living wage 2 working adults, 2 dependents
Oregon (Washington)	\$28.09
Oregon (Multnomah)	\$28.09
Oregon (Clackamas)	\$28.09
Oregon (Marion)	\$24.82
Oregon (Lane)	\$25.89
Oregon (Klamath)	\$24.12
California (Humboldt)	\$25.76
Washington (Clark)	\$26.98

Discussion prompt – Proposed inputs for adults/dependents:

DEQ requests input from the Committee on the proposal to use the national average for adults and dependents to best meet the statute’s equity-based intent for living wage.

- Does this proposal meet the Legislative and statutory intent for this rulemaking? Why or why not?
- What other data or information would help inform the Environmental Quality Commission’s decision related to this draft rule concept?

Next steps

DEQ will continue to understand the socio-demographic profile of workers at commingled recycling processing facilities and will further develop this proposal in summer and fall 2023. During that time, DEQ will engage with project partners, review previous studies and collect other industry information. DEQ plans to consult again with the Rulemaking Advisory

² This figure is based on preliminary Census research and conversation with the developers of the MIT Living Wage Calculator

Committee in fall 2023, and may also request input from the Oregon Recycling Council. DEQ plans to bring proposed rules on this topic to the Oregon Environmental Quality Commission in late 2024.

IV. Draft rule concept for discussion: Defining “supportive benefits”

DEQ proposes to define “supportive benefits” through this rulemaking.

In spring 2023, DEQ solicited feedback from commingled recycling processing facility representatives on a DEQ Technical Workgroup. This resulted in the recommendation that the following supportive benefits are provided, either at no cost or for a fee, to some types of workers at commingled recycling processing facilities:

- Health insurance (medical, dental, vision)
- Disability insurance (short-term, long-term)
- Life insurance options
- Retirement (employer-paid contributions or match, availability of other retirement savings accounts)
- Paid time off (sick leave, vacation, holidays, other special types of leave)
- Training and career development (paid time, paid training)
- Travel reimbursements (transit passes, personal vehicle mileage, bike/walk support)

DEQ intends to work with the Oregon Bureau of Labor and Industries, Oregon Health Authority as experts in the insurance and healthcare fields, and worker-supporting organizations. Staff will research what types of benefits could be considered “supportive” for the purposes of this rulemaking, and what the appropriate levels of coverage and cost would be.

When developing this concept DEQ will also analyze benefits currently offered to facility workers to ensure the proposal would not reduce any current benefit offered.

Discussion prompt – supportive benefits:

DEQ requests input from Committee members on the proposed approach for developing this concept, including any supporting data for alternatives or specific definitions.

Translation or other formats

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