



# Oregon

John A. Kitzhaber, MD, Governor

## Employment Relations Board

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March 7, 2013

Sen. Elizabeth Steiner Hayward, Co-Chair  
Rep. Greg Smith, Co-Chair  
General Government Subcommittee of the  
Joint Ways and Means Committee  
900 Court Street NE  
Salem, OR 97301

Dear Co-Chairs:

Following is information about the equity differentials that were implemented at the Employment Relations Board in 2012 for certain staff members.

### Background

The agency has had great difficulty in finding qualified applicants for its vacant positions. In the recent past, the agency had failed recruitments for the classifications of Legal Secretary and Mediator, along with difficulty filling an Administrative Law Judge position. The DAS compensation plans in effect in May 2012 show that the unrepresented classified positions of Legal Secretary and Administrative Law Judge were at the bottom of the compensation plan, paid less than any represented and management service employee. (See Attachment A.) The only other agency with unrepresented employees in these classifications is the Public Utility Commission.

### Equity Differentials

In May 2012, the agency asked the Department of Administrative Services to review and resolve the salary inequities for these positions. Effective June 1, 2012, DAS approved equity differentials for employees in the classifications of Legal Secretary and Administrative Law Judge of approximately 12 to 15 percent. The equity differential was designed to equal the management service compensation plans for the same classifications.

Because the Employment Relations Board Mediator is a stand-alone classification, DAS approved a flat 15 percent differential for employees in this classification, effective June 1, 2012.

Finally, to maintain internal equity, the employee in the Administrative Specialist 2 position was also granted an equity differential. A total of eight employees received Equity Differentials.



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### Effect on Recruitment

Since June 1, 2012, the agency recruited for and filled two positions: Administrative Specialist 2 and Mediator. For both positions, the agency had applicant pools with multiple qualified applicants. This had not been the agency's past experience, when either the applicant pools were weak or the recruitments failed.

Even so, both well-qualified and successful applicants took a pay cut from their prior positions. Without the differential, the new mediator would not have accepted a position with the agency. It is likely that the Administrative Specialist 2 also would not have accepted the position.

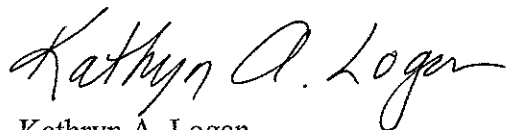
### Effect on Morale and Workload

Over this past year, the Board has asked a lot from its employees. They have worked hard to eliminate the backlog of pending Board orders and to more timely issue the recommended orders. Additionally, ALJs have been asked to assume other roles, such as chairing and coordinating a comprehensive Rules Advisory Committee and training the new elections coordinator.

This 13-person agency has had six new employees in the past year, and a seventh who is new to her position. Replacing and training additional employees likely would have affected the agency's ability to meet the new timelines for issuing orders. The implementation of this differential allowed the agency to retain staff who probably would have left.

I apologize for not bringing this to your attention sooner; however, I was not aware that I needed to do so. Please let me know if you have any questions or would like further information.

For the Board,



Kathryn A. Logan  
Board Chair

c: John Borden, Legislative Fiscal Officer  
Bill McGee, DAS Policy and Budget Analyst

**ATTACHMENT A  
Compensation Plans in effect June 2012**

*Legal Secretary*

<b>REPR</b>	<b>Class</b>	<b>Pay Opt</b>	<b>Rng Opt</b>	<b>Salary Range</b>	<b>Rate 1</b>	<b>Rate 2</b>	<b>Rate 3</b>	<b>Rate 4</b>	<b>Rate 5</b>	<b>Rate 6</b>	<b>Rate 7</b>	<b>Rate 8</b>	<b>Rate 9</b>	<b>Rate 10</b>	<b>Effective Date</b>
<u>MMN</u>	X0110	A	A	17	2554	2669	2790	2925	3068	3227	3377	3539			01-DEC-11
<u>OA</u>	C0110	A	A	17	2416	2510	2624	2735	2858	2989	3132	3284	3434		01-DEC-11
<u>UA</u>	C0110	A	A	17	2316	2417	2509	2624	2736	2856	2989	3133	3284		01-DEC-11

*Administrative Specialist 2*

<b>REPR</b>	<b>Class</b>	<b>Pay Opt</b>	<b>Rng Opt</b>	<b>Salary Range</b>	<b>Rate 1</b>	<b>Rate 2</b>	<b>Rate 3</b>	<b>Rate 4</b>	<b>Rate 5</b>	<b>Rate 6</b>	<b>Rate 7</b>	<b>Rate 8</b>	<b>Rate 9</b>	<b>Rate 10</b>	<b>Effective Date</b>
<u>MMN</u>	X0108	A	A	19	2790	2925	3068	3227	3377	3539	3727	3913			01-DEC-11
<u>OA</u>	C0108	A	A	19	2624	2735	2858	2989	3132	3284	3434	3600	3783		01-DEC-11
<u>UA</u>	C0108	A	A	19	2509	2624	2736	2856	2989	3133	3284	3436	3600		01-DEC-11

*Employment Relations Board Mediator*

<b>REPR</b>	<b>Class</b>	<b>Pay Opt</b>	<b>Rng Opt</b>	<b>Salary Range</b>	<b>Rate 1</b>	<b>Rate 2</b>	<b>Rate 3</b>	<b>Rate 4</b>	<b>Rate 5</b>	<b>Rate 6</b>	<b>Rate 7</b>	<b>Rate 8</b>	<b>Rate 9</b>	<b>Rate 10</b>	<b>Effective Date</b>
<u>UA</u>	C1542	A	A	32	4562	4787	5025	5266	5524	5790	6076	6371	6688		01-DEC-11

*Administrative Law Judge 3*

<b>REPR</b>	<b>Class</b>	<b>Pay Opt</b>	<b>Rng Opt</b>	<b>Salary Range</b>	<b>Rate 1</b>	<b>Rate 2</b>	<b>Rate 3</b>	<b>Rate 4</b>	<b>Rate 5</b>	<b>Rate 6</b>	<b>Rate 7</b>	<b>Rate 8</b>	<b>Rate 9</b>	<b>Rate 10</b>	<b>Effective Date</b>
<u>AW</u>	C1512	A	A	37	6075	6371	6686	7005	7351	7722	8097	8494	8910		01-DEC-11
<u>MMS</u>	X1512	A	A	37	6663	6992	7332	7699	8089	8490	8906	9351			01-DEC-11
<u>OA</u>	C1512	A	A	37	6075	6371	6686	7005	7351	7722	8097	8494	8914		01-DEC-11
<u>UA</u>	C1512	A	A	37	5790	6076	6371	6688	7010	7357	7724	8098	8496		01-DEC-11

Guide to REPR Codes

- AW: AFSCME-Employment
- MMN: Management Service Non-Supervisory
- MMS: Management Service Supervisory
- OA: SEIU
- UA: Unrepresented (includes ERB)



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March 11, 2013

Sen. Elizabeth Steiner Hayward, Co-Chair  
Rep. Greg Smith, Co-Chair  
General Government Subcommittee of the  
Joint Ways and Means Committee  
900 Court Street NE  
Salem, OR 97301

Dear Co-Chairs:

It is my understanding that you have asked for an additional memorandum to discuss the costs of the equity differentials, how such costs are funded between the General Fund and Assessment revenue, and how the agency was able to pay for such costs this biennium.

### **Cost and Funding Split of Equity Differentials**

The total cost of the equity differentials was \$86,137. \$26,064 was from General Fund, \$53,245 was from State Assessment and \$6,828 was from Fees. These numbers are shown on Attachment A, by position, under the heading "Cost of Differentials for 2011-13."

### **Payment This Biennium**

Vacancy savings paid for the equity differentials. See Attachment A, "Vacancy Savings 2011-13."

### **Other Personal Services Actions**

There were some additional personal services actions which cost \$19,065 due to the placement on the salary schedule for all three of the newly-hired positions of State Conciliator, Mediator and Administrative Specialist 2. See Attachment A, "Unbudgeted Cost of Other Personal Services Actions in 2011-13."

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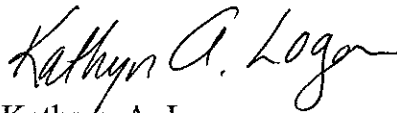
### **Cost of These Actions**

Agency salaries are split between the three funding sources – General Fund, Other Funds State Assessment, and Other Funds Fee Revenue. These splits have been in existence for a number of years, back when the agency had more employees than it does today. The splits were not adjusted as positions were cut, and that is why the salary differentials have had a larger impact on State Assessment than General Fund. Attachment B shows the splits of each position by funding type.

The differentials have not impacted the ending balance for State Assessment. State Assessment revenue has not declined as expected; instead, the ending balance has become larger than projected in May 2012.

Please let me know if you have any questions about this material.

For the Board,



Kathryn A. Logan  
Board Chair

c: John Borden, Legislative Fiscal Officer  
Bill McGee, DAS Policy and Budget Analyst

**ATTACHMENT A  
EMPLOYMENT RELATIONS BOARD**

**ESTIMATE OF COST OF SALARY DIFFERENTIALS AND OTHER PERSONAL SERVICES ACTIONS, 2011-13**

**POSITION BUDGETS FOR 2011-13**

	Position No	GF	OF/SA	OF/Fees	Total
Legal Secretary	0015001	39,807	80,821	-	120,628
Mediator	0034009	-	-	205,552	205,552
Mediator	0034007	-	223,216	-	223,216
Admin Spec 2	0034007	62,705	6,967	-	69,672
ALJ	0034006	-	287,460	-	287,460
ALJ	0035001	203,608	8,385,208	-	287,460
ALJ	1150009	93,633	156,972	24,785	275,390
Hearings Asst	0034007	38,807	90,551	-	129,358
<b>POSITION BUDGETS</b>		<b>438,560</b>	<b>9,231,195</b>	<b>230,337</b>	<b>1,598,736</b>

GF: General Fund  
OF/SA: State Assessment Other Funds  
OF/Fees: Fee Revenue Other Funds

**COST OF DIFFERENTIALS FOR 2011-13**

	Position No	GF	OF/SA	OF/Fees	Total
Legal Secretary	0015001	1,003	3,055	-	4,058
Mediator	0034009	-	2,577	5,280	7,857
Mediator	0034007	-	11,504	-	11,504
Admin Spec 2	0034007	3,188	354	-	3,542
ALJ	0034006	-	16,733	-	16,733
ALJ	0035001	14,412	5,934	-	20,346
ALJ	1150009	5,846	9,794	1,548	17,188
Hearings Asst	0034007	1,615	3,294	-	4,909
<b>TOTAL COST OF DIFFERENTIALS</b>		<b>26,064</b>	<b>53,245</b>	<b>6,828</b>	<b>86,137</b>

**UNBUDGETED COST OF OTHER PERSONAL SERVICES ACTIONS IN 2011-13**

	Position No	GF	OF/SA	OF/Fees	Total
State Conciliator	0632001	5,474	-	781	6,255
Mediator	0034007	-	9,200	-	9,200
Admin Spec 2	0013007	440	7,410	-	7,850
Board Chair	1150001	(3,300)	(940)	-	(4,240)
Board Chair	1150001	-	-	-	-
<b>TOTAL COST OF OTHER ACTIONS</b>		<b>2,614</b>	<b>15,670</b>	<b>781</b>	<b>19,065</b>

**TOTAL COST OF PERSONAL SERVICES ACTIONS IN 2011-13**

28,678      68,915      7,609      105,202

**VACANCY SAVINGS 2011-13**

	Position No	GF	OF/SA	OF/Fees	Total
Board	1150003	44,600	18,300	-	62,900
Admin Spec 2	0034007	2,180	240	-	2,420
Mediator	0034007	-	25,000	-	25,000
<b>TOTAL EST. VACANCY SAVINGS</b>		<b>46,780</b>	<b>43,540</b>	<b>-</b>	<b>90,320</b>

**SERVICES & SUPPLIES SAVINGS 2011-13**

	GF	OF/SA	OF/Fees	Total
Instate Travel	-	17,000	-	17,000
Office Expenses	-	500	-	500
Professional Services (Transcripts)	-	2,500	7,750	10,250
Other S&S	-	5,500	-	5,500
<b>TOTAL OTHER SAVINGS</b>	<b>-</b>	<b>25,500</b>	<b>7,750</b>	<b>33,250</b>

**TOTAL SAVINGS**

46,780      69,040      7,750      123,570

ATTACHMENT B  
EMPLOYMENT RELATIONS BOARD SALARY SPLITS  
2011-13 BIENNIUM

Position Number	Name	2011-13 Biennium Splits		2009-11 Biennium Splits		Notes		
0115001	Board Chair	GF	71555	71%	GF	71555	71%	
0115002	Board Member	SA	41527	29%	SA	41527	29%	
0115003	Board Member							
0027001	Office Administrator	GF	71555	63%	GF	71555	63%	
		SA	41527	37%	SA	41527	37%	
0015001	Legal Secty	SA	41527	67%	SA	41527	67%	
			71555	33%		71555	33%	
0034006	ALJ	SA	43591	100%	SA	43591	100%	
0035001	ALJ	GF	71553	71%	GF	71553	71%	
		SA	43591	29%	SA	43591	29%	
0115009	ALJ	GF	71553	34%	GF	71553	42%	Split changed
		SA	43591	57%	SA	43591	50%	09-11 POP
		OF	43530	9%	OF	43530	8%	
0009001	Legal Secty	GF	71553	30%	GF	71553	30%	
		SA	43591	70%	SA	43591	70%	
0632001	Conciliator	GF	71552	88%	GF	71552	87%	
		OF	42520	13%	Med OF	42520	13%	
0034007	Mediator	SA	42581	100%	SA	42581	100%	
0034009	Mediator	OF	42520	65%	Med OF	42520	75%	Split changed
		SA	42581	35%	SA	43591	25%	09-11 POP
0013007	Admin Specialist 2	Elec GF	71554	45%	Elec GF	71554	45%	
		Med GF	71552	45%	Med GF	71552	45%	
		Med SA	42581	5%	Med SA	42581	5%	
		Elec SA	44510	5%	Elec SA	44510	5%	