

Analysis
Department of Administrative Services
Compensation Plan Changes

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Request: Acknowledge receipt of a report on implementation of compensation plan changes and position allocations.

Recommendation: Acknowledge receipt of the report.

Analysis: ORS 291.371 requires the Department of Administrative Services (DAS) to report to the Joint Committee on Ways and Means when the Legislative Assembly is in session on any changes to the state's compensation plan. When the Legislature is not in session, the agency must report to the Interim Joint Committee on Ways and Means or to the Emergency Board.

The report contains the following sections on compensation plan changes:

- Section A: Describes implementation of a new position classification resulting from the bargaining agreement with the Service Employees International Union (SEIU) Local 503. The new Investment Analyst position classification within the Oregon State Treasury was effective October 23, 2015 and includes five current positions with a rollup cost of \$10,998 Other Funds.
- Section B: Describes selective salary adjustments to the Administrative Law Judge 2 classification resulting from the bargaining agreement with the American Federation of State, County and Municipal Employees (AFSCME) Council 75. The salary range for the Administrative Law Judge 2 classification is increased from 32 to 33 with an estimated rollup cost of \$3,165 Other Funds.
- Section C: Describes the compensation plan changes and insurance agreements resulting from the bargaining agreement with the State Teacher Education Association (STEА).

The agreement with STEA includes the cost of merit increases, cost of living adjustments (COLAs), and insurance costs and identifies the Friday after Thanksgiving as a state holiday. The COLAs in the agreement are effective January 8, 2016 and December 1, 2016 at 2.25% and 2.75%, respectively.

The agreement continues the requirement for employees to pay 5% of their health insurance costs, however, employees will be required to pay only 1% if they choose plan that is at least 10% cheaper than the most expensive plan.

DAS estimates that the cost of the agreement will be \$222,354 General Fund and \$237,774 total funds in the 2015-17 biennium. With rollup costs, the 2017-19 impact is \$400,538 General Fund and \$428,315 total funds.

The Legislative Fiscal Office recommends acknowledging receipt of the report.