

Analysis

Item 45: Department of Administrative Services

Compensation Plan Changes

Analyst: Paul Siebert

Request: Acknowledge receipt of a report on compensation plan changes.

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 the Emergency Board.

The report contains the following sections:

- Section A: Describes the compensation plan changes for American Federation of State, County, and Municipal Employees (AFSCME) Department of Corrections Non-Security Employees.
- Section B: Describes the compensation plan changes for the Criminal Investigators Association.
- Section C: Describes the compensation plan changes for American Federation of State, County, and Municipal Employees (AFSCME) Department of Corrections Security Employees.
- Section D: Describes the compensation plan changes for Service Employee International Union (SEIU) Local 503.
- Section E: Describes the compensation plan changes for Executive Service, Unclassified Excluded, and Management Service employees.

DAS estimates that the total cost for the 2019-21 biennium for all changes reported to date, including those reported during the September meeting of the interim Joint Committee on Ways and Means, will be \$465,452,908 total funds (\$203,404,667 General Fund, \$5,707,510 Lottery Funds, \$175,142,582 Other Funds, and \$81,198,149 Federal Funds). For the 2021-23 biennium, the full 24-month cost of all compensation changes reported to date are estimated to be \$907,737,676 total funds (\$383,036,502 General Fund, \$11,308,534 Lottery Funds, \$353,132,583 Other Funds, and \$160,260,057 Federal Funds). Therefore, the 2021-23 roll-up cost of the compensation plan changes (the future full biennial cost less costs already incurred in the current biennium) are estimated to be \$444,092,991 total funds (\$180,897,591 General Fund, \$5,601,024 Lottery Funds, \$177,990,001 Other Funds, and \$79,604,375 Federal Funds). Allocation of the special purpose appropriations to the Emergency Board for employee compensation changes and increases in expenditure limitation for the affected agencies will be considered at a later date.

The first section implements compensation plan changes for American Federation of State, County, and Municipal Employees (AFSCME) Department of Corrections Non-Security Employees. The major components include: (1) increasing salary rates by 2.15% effective July 1, 2019; (2) increasing salary rates by 3% effective October 1, 2020; and (3) adding an additional step to all salary ranges effective July 1, 2020. In addition, the salary ranges for three identified classifications are increased by at least one salary range beginning July 1, 2019. The agreement also includes specific changes to pay differentials for specific classifications. The report notes that the compensation plan for Board of

Parole and Post-Prison Supervision employees will also reflect these reported changes. The 2019-21 total funds cost of the compensation adjustments included in this section are estimated to be \$12.6 million. This agreement had yet to be ratified by bargaining unit members at the time of the report.

Section B implements compensation plan changes for the Criminal Investigators Association. The major components include: (1) increasing salary rates by 2.15% effective July 1, 2019; (2) increasing salary rates by 3% effective October 1, 2020; and (3) adding an additional step to all salary ranges effective July 1, 2020. The agreement also includes a change to pay a differential for employees assigned bilingual duties and allows vacation cash out of up to 40 hours for regular status employees. The estimated 2019-21 total funds cost of the compensation adjustments included in this section are estimated to be \$285,692.

Section C implements compensation plan changes for American Federation of State, County, and Municipal Employees (AFSCME) Department of Corrections Security Employees. The major components include: (1) increasing salary rates by 2.15% effective July 1, 2019; (2) increasing salary rates by 3% effective October 1, 2020; and (3) adding an additional step to all salary ranges effective July 1, 2020. In addition, the salary ranges for three identified classifications are increased by at least one salary range beginning July 1, 2019. The agreement also includes a pay differential for employees training staff on Transport Unit approved courses. The 2019-21 total funds cost of the compensation adjustments included in this section are estimated to be \$13.6 million. This agreement had yet to be ratified by bargaining unit members at the time of the report.

Section D implements additional compensation plan changes for Service Employee International Union (SEIU) Local 503. These include making two Social Service Specialist classifications in the Child Welfare program at the Department of Human Services eligible for a shift differential and establishing a shift differential for DAS Automotive Service Technicians. In addition, DAS reports that SEIU represented employees working in the Child Welfare program at the Department of Human Services will receive a one-time \$500 retention bonus.

Section E implements additional compensation plan changes for Executive Service, Unclassified Excluded, and Management Service employees. Effective February 1, 2020 the plan selectively increases compensation for four Oregon State Police classifications: Deputy Superintendent, Major, Captain, and Lieutenant. DAS reports that while the various steps in these classifications are increasing there are no new costs from these changes because incumbent employees will see a corresponding decrease resulting from removal of various Pay Line Exceptions.

Legislative Fiscal Office Recommendation: Acknowledge receipt of the report.

45
Department of Administrative Services
Ball

Request: Report on compensation plan changes and position allocations.

Recommendation: Acknowledge receipt of the report.

Discussion: The Department of Administrative Services (DAS) is reporting on compensation plan changes, as required by ORS 291.371. This report is supplemental to the reports provided by the Department to the Interim Joint Ways and Means subcommittee on General Government in September and November. This report includes information on the implementation of compensation plan changes as follows:

- American Federation of State, County and Municipal (AFSCME) Department of Corrections Non-Security Employees. Changes included in this report are estimated to have a 2019-21 General Fund impact of \$12,284,596. The full biennialized cost for 2021-23 is estimated at \$23,573,366 General Fund.
- Criminal Investigators Association (CIA). Changes included in this report are estimated to have a 2019-21 General Fund impact of \$148,608. The full biennialized cost for 2021-23 is estimated at \$239,177 General Fund.
- AFSCME Department of Corrections Security Employees. Changes included in this report are estimated to have a 2019-21 General Fund impact of \$13,418,895. The full biennialized cost for 2021-23 is estimated at \$27,080,788 General Fund.
- Service Employees International (SEIU), Local 503. Changes included in this report are estimated to have a 2019-21 General Fund impact of \$1,507,677. The full biennialized cost for 2021-23 is estimated at \$305,610 General Fund.
- Executive Service, Unclassified Excluded, and Management Service. Changes in this report are not anticipated to impact the General Fund.

The statewide cost of implementing all compensation plan changes reported to date (including this report as well as the September and November 2019 reports) is estimated at \$203.4 million General Fund, \$5.7 million Lottery Funds, \$175.1 million Other Funds, and \$81.2 million Federal Funds. For the next full biennium (2021-23) the cost of these salary plan changes are anticipated to be \$383.0 million General Fund, \$11.3 million Lottery Funds, \$353.1 million Other Funds, and \$160.3 million Federal Funds. The Emergency Board received an allocation of \$200 million General Fund to defray some of the cost to agencies for employee compensation changes during the 2019-21 biennium.

DAS is still in negotiation with the International Association of Fire Fighters (IAFF) Portland National Guard. When an agreement is reached, DAS will return to the appropriate legislative body to report on any compensation plan changes prior to implementation.



Oregon

Kate Brown, Governor

Department of Administrative Services

Chief Operating Office
155 Cottage St NE
Salem, OR 97301-3963
Phone: 503-378-3104
Fax: 503-373-7643

December 6, 2019

The Honorable Senator Betsy Johnson
The Honorable Senator Elizabeth Steiner Hayward
The Honorable Representative Dan Rayfield
Interim Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, Oregon 97301-4048

Dear Co-Chairs:

Nature of Request

The Department of Administrative Services (DAS) submits the following report prior to implementation of compensation plan changes and position allocations, as required by ORS 291.371.

Agency Action

- Section A: Implements the agreement with the American Federation of State, County, and Municipal Employees (AFSCME) Department of Corrections Non-Security Employees for compensation plan changes, pending ratification.
- Section B: Implements the agreement with the Criminal Investigators Association (CIA) for compensation plan changes.
- Section C: Implements the agreement with the American Federation of State, County, and Municipal Employees (AFSCME) Department of Corrections Security Employees for compensation plan changes, pending ratification.
- Section D: Implements the agreement with the Service Employees International Union (SEIU), Local 503 for compensation plan changes.
- Section E: Implements the compensation plan changes for the Executive Service, Unclassified Excluded, and Management Service.

Statewide Impact

The table below aggregates the costs (by fund type) for all units reported to date, including those units reported to the September and November Interim Joint Ways and Means.



Statewide ¹ (to date)	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2019-2021 Cost:	203,404,667	5,707,510	175,142,582	81,198,149	465,452,908
Roll-up Cost:	180,897,591	5,601,024	177,990,001	79,604,375	444,092,991
2021-2023 Cost:	383,036,502	11,308,534	353,132,583	160,260,057	907,737,676

Action Requested

The Department of Administrative Services requests acknowledgement of this report as required by ORS 291.371.

Legislation Affected

None.

Sincerely,



Katy Coba
DAS Director | Chief Operating Officer

Attachments

CC: Dustin Ball, Department of Administrative Services
Paul Siebert, Legislative Fiscal Office

¹ Outstanding units include: IAFF Portland Air National Guard (OMD).

SECTION A

Implements the agreement with American Federation of State, County, and Municipal Employees (AFSCME) Department of Corrections Non-Security Employees for compensation plan changes, pending ratification.

- 1) Effective July 1, 2019, generally increase salary rates by two and fifteen hundredths percent (2.15%).
- 2) Effective October 1, 2020, generally increase salary rates by three percent (3.0%).
- 3) Effective July 1, 2020, add an additional step to all salary ranges.
- 4) Effective July 1, 2019, selectively increase the following classifications as indicated.

Class Number	Class Title	From SR	To SR
6214	Institution Registered Nurse	28N	30N
6138	Health Services Technician	17	19
6783	Correctional Counselor	25	26

- 5) Effective upon signing of the agreement, establish a four and three quarters percent (4.75%) differential for employees classified as Behavioral Health Specialist 2 who possess an active Oregon licensed Professional Counselor (LPC), Licensed Clinical Social Worker (LCSW) or Licensed Marriage and Family Counselor (LMFC) license.
- 6) Effective July 1, 2019, establish a five percent (5%) recruitment/retention differential for employees classified as Facility Energy Technician 3.
- 7) Effective the first of the month following ratification of the agreement, the compensation plan for the Board of Parole will be aligned with the AFSCME Non-Security compensation plan across all pay rates and salary ranges.
- 8) Effective July 1, 2020, increase the shift differential for Registered Nurses, Nurse Practitioners, Physicians Assistants, and Health Service Technicians as follows:
 - a) From \$1.85 to \$2.35 per hour for hours worked on any shift that starts between the hours of 12:00 p.m. and 3:00 a.m.
 - b) From \$2.25 to \$2.70 per hour for employees working four (4) hours or more between 12:00 a.m. and 6:00 a.m.
 - c) From \$1.60 to \$1.65 per hour for hours worked between Saturday at 12:01 a.m. and Sunday at 11:59 p.m.

December 6, 2019

Page 4

SECTION A	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2019-2021 Cost:	12,284,596	-	323,628	-	12,608,224
Roll-up Cost:	11,288,770	-	290,033	-	11,578,803
2021-2023 Cost:	23,573,366	-	613,661	-	24,187,027

SECTION B

Implements the agreement with the Criminal Investigators Association (CIA) for compensation plan changes.

- 1) Effective July 1, 2019, generally increase salary rates by two and fifteen hundredths percent (2.15%).
- 2) Effective October 1, 2020, generally increase salary rates by three percent (3.0%).
- 3) Effective July 1, 2020, add an additional step to all salary ranges.
- 4) Effective the first of the month following signing of the agreement, any bargaining unit employee who retires and is subpoenaed by the prosecution to appear in court as a witness in a criminal case in which the retired employee was previously assigned and worked on prior to retirement shall receive the current maximum hourly pay rate for the Special Agent classification. Payment will be at the straight rate of pay for the actual hours, not to exceed eight (8) hours per day.
- 5) Effective upon the first of the month following signing of the agreement, add bilingual differential of five percent (5%) of an employee's base pay for employees assigned bilingual duties. No more than two (2) employees shall be eligible to receive this differential at the same time.
- 6) Effective upon signing of the agreement, allow a vacation cash out of up to forty (40) hours for regular status employees per state fiscal year. Employees must be regular status in order to be eligible.

SECTION B	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2019-2021 Cost:	148,608	-	106,387	30,697	285,692
Roll-up Cost:	90,569	-	87,558	22,252	200,379
2021-2023 Cost:	239,177	-	193,945	52,949	486,071

SECTION C

Implements the agreement with American Federation of State, County, and Municipal Employees (AFSCME) Department of Corrections Security Employees for compensation plan changes, pending ratification.

- 1) Effective July 1, 2019, generally increase salary rates by two and fifteen hundredths percent (2.15%).
- 2) Effective October 1, 2020, generally increase salary rates by three percent (3.0%).
- 3) Effective July 1, 2020, add an additional step to all salary ranges.
- 4) Effective July 1, 2020, establish a four percent (4%) Transport Unit Training differential for employees who are assigned in writing by the Agency to train staff on Transport Unit approved courses.

SECTION C	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2019-2021 Cost:	13,418,895	-	138,691	-	13,557,586
Roll-up Cost:	13,661,893	-	141,201	-	13,803,094
2021-2023 Cost:	27,080,788	-	279,892	-	27,360,680

SECTION D

Implements the agreement with the Service Employees International Union (SEIU), Local 503 for compensation plan changes.

- 1) Effective September 1, 2019, establish an Automotive Service Technician Differential of ten percent (10%) above the employees base rate of pay for Automotive Service Technicians (4417) at the Department of Administrative Services Fleet and Parking Services who are permanently assigned to operate a flat bed and/or conventional tow truck to transfer and deliver vehicles, large scale merchandise or products. To be eligible to receive the differential, the Automotive Service Technician must have specialized training in towing/recovery of vehicles and have a valid driver license appropriate for the class of tow truck used
- 2) Effective upon signature of the agreement, employees working in the Child Welfare program at the Department of Human Services classified as Social Service Specialist 1 or Social Service Specialist 2 shall be eligible for Shift Differential.
- 3) Although not required by statute, we are also reporting the following action: employees working in the Child Welfare program at the Department of Human Services will receive a one-time \$500 retention and continued dedication to public services payment during the Child Welfare system crisis.

SECTION D	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2019-2021 Cost:	1,507,677	-	-	646,147	2,153,824
Roll-up Cost:	63,689	-	-	27,296	90,985
2021-2023 Cost:	305,610	-	-	130,976	436,586

SECTION E

Implements the compensation plan changes for the Executive Service, Unclassified Excluded, and Management Service.

- 1) Effective February 1, 2020, selectively increase the following classifications at the Oregon State Police, as indicated.

Class #	Class Title	Range Option	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 8
7573	Lieutenant	P							10377	10870	11386
7574	Captain	P							11438	11981	12550
7575	Major	P	12953	13568							
7576	Deputy Superintendent	P		14666							

While the compensation plan is increasing the estimated cost to the agency is net neutral as the incumbent employees will see a corresponding decrease resulting from the removal of a Pay Line Exception.

SECTION E	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2019-2021 Cost:	-	-	-	-	-
Roll-up Cost:	-	-	-	-	-
2021-2023 Cost:	-	-	-	-	-