



Department of Administrative Services

Senate Interim Committee on Labor and Business

September 23rd, 2021

2021 September Legislative Days

Overview

- Definitions
- State Employee Compensation – DAS Authority
- Salary Setting Process
 - Classified
 - Supervisory
- Legislative Oversight
- Current Compensation Landscape

Definitions

- **Compensation:** Salary and Benefits
- **Market-Rate Employer:** Compensates state workers between 95% and 105% of what a similar position would be paid elsewhere in the market
- **Salary and Benefit Report:** Report DAS completes every 2 years to determine if state is acting as a Market-Rate Employer
 - **Comparator Labor Markets:**
 - ✓ 4 states (CA, ID, NV, WA);
 - ✓ 7 OR Counties (Clackamas, Deschutes, Jackson, Lane, Marion, Multnomah, and Washington);
 - ✓ 3 WA Counties (Clark, King, and Thurston); and
 - ✓ 3 purchased private market surveys.
- **Central Evaluation Team (CET):** State HR professionals and union representatives trained to review all new or revised classifications to be consistent with statutory requirements

State Employee Compensation & DAS Authority

- **ORS 240:** State Personnel Relations Chapter
 - DAS authority over non-exempted Executive Branch agencies
- **ORS 240.190:** Requires equitable relationship between value of work and the compensation of that work. State must “employ a neutral and objective method of determining the comparability of the value of work.”
 - Hay Method – Oregon Administrative Rule 105-020-0001
 - ✓ Takes know-how, problem-solving, accountability, and working conditions into consideration
- **Executive Order 17-08:** Directs state to maintain status as Market-Rate Employer

Salary Setting: Classified Staff

- Salary and Benefit Report completed in even-numbered years
- Collective bargaining occurs in odd-numbered years
 - DAS uses the Salary and Benefit Report and input from the CET to develop initial proposals to unions
- If market shows higher compensation is warranted, DAS will propose a salary range above the initial range
- Union can also propose additional information (market data or other jobs considered as matches) be used to set salaries

Salary Setting: Supervisors and Executives

- Salary and Benefit Report completed in even-numbered years
- CET Hay Method score sets salaries for most Principal and Executive Manager (PEM A-G) series
 - PEM H and above are paid an industry standard 10% increase above previous series step
- Other high-paid positions primarily include medical professions (Dentist, Corrections Physician)

Legislative Oversight

- Budgetary
 - Agency budgets
 - Salary pot
- Compensation changes made to any classification must be reported to the Legislature
 - Joint Ways and Means action
- All information is public and posted on the DAS website

Current Compensation Landscape

- As of 2021, DAS is responsible for setting compensation for approximately 26,700 of the roughly 35,000 state employees
 - Excludes Judicial Branch, Legislative Branch, Oregon Lottery, Oregon University System, and other state public entities exempted by statute
- Meeting expectation to maintain Market-Rate Employer status
 - Average compensation without benefits - **96.6%** of the overall market.
 - Average compensation with benefits - **100.2%** of the overall market.

Questions?

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