

ANALYSIS

Item 49: Department of Administrative Services Compensation Plan Changes

Analyst: Kim To

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 Joint Interim Committee on Ways and Means or the Emergency Board.

This report is supplemental to the report provided to the Joint Interim Ways and Means Committee on General Government in November 2021 and contains compensation changes for the following three additional bargaining units:

- Section A: American Federation of State, County, and Municipal Employees (AFSCME) Council 75 Department of Corrections Non-Security Employees.
- Section B: International Association of Firefighters (IAFF) for the Portland Air National Guard (PANG).
- Section C: State Teachers Education Association (STEA), pending ratification.

DAS is still in negotiation with IAFF Portland Air National Guard (OMD). When an agreement is reached with this bargaining unit, DAS will need to return to the Legislature to report the compensation plan changes prior to implementation.

DAS estimates the 2021-23 cost of compensation changes for all units reported to date to be \$474,793,255 total funds (\$215,823,244 General Fund, \$5,852,560 Lottery Funds, \$171,729,902 Other Funds, and \$ 81,387,549 Federal Funds). For the 2023-25 biennium, the full 24-month cost of the compensation changes would be \$813,600,382 total funds (\$362,421,739 General Fund, \$10,798,182 Lottery Funds, \$304,429,929 Other Funds, and \$135,950,532 Federal Funds). Allocation of the special purpose appropriations to the Emergency Board intended to cover the major components of employee compensation changes and other budget adjustments for the affected agencies will be considered at a later date.

Section A describes compensation plan changes for the American Federation of State, County, and Municipal Employees (AFSCME) Council 75 Department of Corrections Non-Security Employees for compensation plan changes. These include: (1) increasing salary rates by 2.5% effective December 1, 2021 but not less than \$85; (2) increasing salary rates by 3.1% effective December 1, 2022 but not less than \$100; (3) establishing Juneteenth on June 19th of each year as a paid holiday; (4) increasing shift differential from \$0.75 to \$1.00 per hour for applicable hours, effective October 1, 2021; (5) increasing the shift differentials for Registered Nurses, Nurse Practitioners, Physician Assistants, and Health Services Technicians; (6) increasing the salary ranges of six classifications; (7) truncating the salary range for Health Service Technician, Institution Registered Nurse, Nurse Practitioner, Psychiatric Nurse Practitioner, and Physician's Assistant by removing steps one, two and three; (8) establishing a new Payroll Analyst classification; (9) deleting three accounting classifications; (10) increasing the security

differential points from \$14 to \$15 per point; (11) establishing a Commercial Driver's License (CDL) differential; (12) establishing an Essential Worker Pay Differential of \$1.00 per hour for actual hours worked; (13) establishing a one-time payment of \$250 to be paid on the first month following ratification; and (14) establishing a one-time Pandemic Recognition payment for employees designated as Frontline workers between March 2020 and June 2021. The 2021-23 cost of the compensation adjustments included in this section is \$10.7 million total funds.

Section B covers compensation plan changes for the International Association of Firefighters for the Portland Air National Guard (PANG) which includes: (1) establishing a 1% employer contribution to the employer account in the Individual Account Program for each employee who is a PERS Tier 1, Tier 2, or OPSRP member, effective January 1, 2022; and (2) establishing a 1% deduction from each PERS Tier 1, Tier 2, or OPSRP member's salary to offset the employer contribution.

Section C includes compensation plan changes for the State Teachers Education Association (STEA) which includes: (1) increasing salary rates by 2.5% effective December 1, 2021 but not less than \$85; (2) increasing salary rates by 3.1% effective December 1, 2022 but not less than \$100; (3) establishing Juneteenth on June 19th of each year as a paid holiday; and (4) establishing a Sign Language Differential of 5% for employees whose assignments require the use of sign language. The 2021-23 cost of the compensation adjustments included in this section is \$318,913 total funds. This agreement has yet to be ratified by members.

Recommendation: The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means acknowledge receipt of the report.

Request: Report on the 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 report provided by the Department to the November 2021 meeting of Interim Joint Ways and Means Committee on General Government. This report includes information on the implementation of compensation plan changes for three additional bargaining units. A detailed breakdown of the compensation plan changes is included in the DAS letter as follows:

Section A: American Federation of State, County and Municipal employees (AFSCME) Council 75 Department of Corrections Non-Security.

Section B: International Association of Firefighters for the Portland Air National Guard (single issue agreement).

Section C: State Teachers Education Association.

The cost of implementing all compensation plan changes reported to date (including this report, as well as the November 2021 report), in the 2021-23 biennium, are estimated at \$215.8 million General Fund, \$5.9 million Lottery Funds, \$171.7 million Other Funds, and \$81.4 million Federal Funds. For the next full biennium (2023-25), the cost of these salary plan changes are anticipated to be \$362.4 million General Fund, \$10.8 million Lottery Funds, \$304.4 million Other Funds, and \$136.0 million Federal Funds.

The Emergency Board received an allocation (salary pot) of \$198 million General Fund to defray the costs of step increases, cost of living adjustments, and increased medical insurance benefit cost to agencies during the 2021-23 biennium. Funds from the salary pot are typically allocated to agencies during the February Legislative Session.

DAS is still in negotiation with IAFF Portland Air National Guard. Once an agreement is reached with this bargaining unit, DAS will return to the appropriate legislative body and report the compensation plan changes prior to implementation.



Oregon

Governor Kate Brown

Department of Administrative Services

Chief Human Resources Office

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December 6, 2021

Senator Elizabeth Steiner Hayward, Co-Chair
Representative Dan Rayfield, Co-Chair
Interim Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairpersons:

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) Council 75 Department of Corrections Non-Security Employees for compensation plan changes.

Section B: Implements an agreement with the International Association of Firefighters for the Portland Air National Guard (PANG) for compensation plan changes.

Section C: Implements the agreement with the State Teachers Education Association (STEA) for compensation plan changes, pending ratification.

Statewide Impact

The table below aggregates the costs (by fund type) for all units reported to date, all of which are included in this letter. These totals also include the costs associated with granting step increases.

Statewide ¹ (to date)	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2021-2023 Cost:	215,823,244	5,852,560	171,729,902	81,387,549	474,793,255
Roll-up Cost:	168,120,799	5,248,513	144,296,148	64,272,358	381,937,818
2023-2025 Cost:	362,421,739	10,798,182	304,429,929	135,950,532	813,600,382

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

Action Requested

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

Legislation Affected

None.

Thank you for your consideration.

Sincerely,



Katy Coba
DAS Director | Chief Operating Officer

Attachments

CC: Dustin Ball, Department of Administrative Services
Kim To, Legislative Fiscal Office

SECTION A

Implements the agreement with the American Federation of State, County and Municipal Employees (AFSCME) Council 75 Department of Corrections Non-Security Employees for compensation plan changes.

- 1) Effective December 1, 2021, generally increase salary rates by two and one half percent (2.5%) but no less than eighty-five dollars (\$85).
- 2) Effective December 1, 2022, generally increase salary rates by three and one tenth percent (3.1%) but no less than one hundred dollars (\$100).
- 3) Establish Juneteenth on June 19th as a paid holiday.
- 4) Effective October 1, 2021, increase shift differential from seventy-five cents (\$0.75) to one dollar (\$1.00) per hour for applicable hours.
- 5) Effective upon ratification, increase the shift differentials for Registered Nurses, Nurse Practitioners, Physician Assistants, and Health Services Technicians as follows:
 - a) Swing Shift from two dollars and thirty-five cents (\$2.35) to three dollars and ninety-two cents (\$3.92).
 - b) Night Shift from two dollars and seventy cents (\$2.70) to three dollars and eighty-five cents (\$3.85).
- 6) Effective July 1, 2021, selectively increase the salary ranges of the following classifications:

Class Number	Class Title	From SR	To SR
0102	Office Assistant 2	9	10
4032	Facility Energy Technician 1	16	18
4033	Facility Energy Technician 2	20	22
4034	Facility Energy Technician 3	24	26
4035	Facility Energy Technician 4	26	29
6394	Dental Assistant 2	16	20

- 7) Effective July 1, 2021, truncate the salary range for Health Service Technician (6138), Institution Registered Nurse (6214), Nurse Practitioner (6255), Psychiatric Nurse Practitioner (6256), and Physician's Assistant (6257) by removing steps one (1), two (2), and three (3).
- 8) Effective July 1, 2021, establish the following classifications:

Class Number	Class Title	Salary Range
0214	Payroll Analyst	21

- 9) Delete the following classifications from the compensation plan as indicated:

Class Number	Class Title	Effective Date
0210	Accounting Tech 1	7/1/21
0211	Accounting Tech 2	7/1/21
1215	Accountant 1	7/1/21

- 10) Effective upon ratification, increase the security differential points from fourteen dollars (\$14.00) to fifteen dollars (\$15.00) per point.
- 11) Effective upon ratification, establish a Commercial Driver's License (CDL) differential of five percent (5%) for employees classified as Supply Specialist 2 who are required to use a CDL. Establish a three and one half percent (3.5%) CDL differential for all other employees that are required to use a CDL.
- 12) Effective upon ratification, establish an Essential Worker Pay Differential of one dollar (\$1.00) per hour for actual hours worked when an employee is required to report to work in person where other employees are able to access Inclement Weather/Hazardous Conditions Leave. This differential does not apply to employees whose primary job functions include responding to inclement weather or hazardous conditions or who live at their worksite.
- 13) Establish a one-time payment of two hundred and fifty dollars (\$250) to be paid on the first of the month following ratification.
- 14) Establish a one-time Pandemic Recognition payment for employees designated as Frontline workers between March 2020 and June 2021. Employees must be a member of the bargaining unit as of October 15, 2021. Frontline workers who worked between four hundred eighty (480) non-telecommuting hours and one thousand thirty-nine (1,039) non-telecommuting hours will receive a one-time payment of one thousand fifty dollars (\$1,050). Frontline workers who worked one thousand forty (1,040) non-telecommuting hours or more will receive a one-time payment of one thousand five hundred fifty dollars (\$1,550). In addition to qualifying for one (1) of the two (2) payments listed above, Frontline workers who worked two hundred (200) or more hours of overtime during the period will receive an additional one-time payment of five hundred seventy-five dollars (\$575).

SECTION A	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2021-2023 Cost:	10,340,016	-	346,963	-	10,686,979
Roll-up Cost:	7,368,596	-	247,253	-	7,615,849
2023-2025 Cost:	16,030,713	-	537,915	-	16,568,628

SECTION B

Implements the agreement with the International Association of Firefighters for the Portland Air National Guard (PANG) for compensation plan changes.

- 1) Effective January 1, 2022, establish a one percent (1%) employer contribution to the employer account in the IAP for each employee who is a PERS Tier 1, Tier 2, or OPSRP member. Establish a one percent (1%) deduction from each PERS Tier 1, Tier 2, or OPSRP members salary to offset the employer contribution.

SECTION B	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2021-2023 Cost:	-	-	-	-	-
Roll-up Cost:	-	-	-	-	-
2023-2025 Cost:	-	-	-	-	-

SECTION C

Implements the agreement with the State Teachers Education Association (STEА) for compensation plan changes, pending ratification.

- 1) Effective December 1, 2021, generally increase salary rates by two and one half percent (2.5%) but no less than eighty-five dollars (\$85).
- 2) Effective December 1, 2022, generally increase salary rates by three and one tenth percent (3.1%) but no less than one hundred dollars (\$100).
- 3) Establish Juneteenth on June 19th as a paid holiday.
- 4) Effective upon ratification of the agreement, establish a Sign Language Differential of five percent (5%) for employees whose assignments require the use of sign language.

SECTION C	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2021-2023 Cost:	297,093	21,820	-	-	318,913
Roll-up Cost:	182,365	13,394	-	-	195,759
2023-2025 Cost:	479,458	35,214	-	-	514,672