

## ANALYSIS

### Consent Agenda – Various Agencies Requests to Acknowledge Receipt of Agency Reports

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#### Item 3: Judicial Department - Compensation Plan Changes

**Analyst:** John Borden

**Analysis:** By statute, the Chief Justice of the Oregon Supreme Court, as the administrative head of the Oregon Judicial Department (OJD), is to establish and maintain a department-wide personnel plan (ORS 1.008). The personnel plan includes a classification and compensation structure as well as other benefits. Statute directs that the plan be in reasonable conformity with the general salary structure of the state (ORS 240.245) and that prior to implementing any changes to the plan, a report must be submitted to the Legislature (ORS 8.105(1)). OJD submitted timely notification to the Legislature on August 23, 2021 of a report to approve, retroactively, preliminary changes to Department’s personnel plan.

In September of 2021, OJD reported to the Interim Joint Committee on Ways and Means two cost-of-living allowance adjustments that are identical to those negotiated in the Executive Branch by the Service Employees International Union (SEIU) and the American Federation of State, County, and Municipal Employees union. The cost of the two COLAS was estimated at \$9 million for the 2021-23 biennium, of which the cost of the second COLA was estimated to be \$2.8 million total funds.

On July 14, 2022, the Chief Justice reported, as required by statute, that OJD would be advancing the timing of the second COLA from December 1 to August 1, 2022, which matched what had been approved in the Executive Branch by the Governor. The following table notes that advancing the second COLA will cost an additional (estimated) \$1.5 million total funds for the current biennium, of which an estimated 91% would be General Fund. This would bring the total cost of the second COLA to \$4.3 million total funds. There would be no financial impact change to the 2023-25 biennium.

Advancing Cost-of-Living Allowance	Effective Date	2021-23 Total Funds Cost
3.1%	December 1, 2022 (original date)	\$2.8 million
--	August 1, 2022 (revised date)	\$4.3 million
Additional Costs		+\$1.5 million

In addition, the Chief Justice also reported providing up to three employee recruitment and retention bonuses to current and new staff, if the staff work at least 60% of scheduled time onsite. Bonuses will be based on a tenure structure, as outlined in the following table:

Hired on or before July 5, 2022 to September 30, 2022
Hired on or before October 1, 2022 to January 31, 2023
Hired on or before February 1, 2023 to May 31, 2023

Bonuses, based on the three dates of service, would provide a combined maximum or cumulative total of five percent of an employee’s annual pay, if all eligibility criteria is met. The estimated cost of the bonuses is up to \$4.7 million total funds, of which an estimated 91% would be General Fund. There would be no financial impact to the 2023-25 biennium, as the employee recruitment and retention bonuses are one-time in nature.

Statutory judgeship compensation is not subject to the Chief Justice’s personnel plan but directed by statute. Judges receive an increase based upon any COLA adopted for management service employees in the Executive Branch (ORS 292.428). Executive Branch management service employees were granted the two COLAs similar to those negotiated for represented employees. The estimated cost of advancing the timing of the second COLA for statutory judgeships from December 1 to August 1, 2022 is \$450,000 General Fund for the 2021-23 biennium. The revised cost for both COLAs totals \$2.9 million General Fund for the 2021-23 biennium. There would be no financial impact change to the 2023-25 biennium.

The OJD compensation plan includes no changes to existing salary range(s), step structure, job classifications, or paid health plan benefits (i.e., five percent employee paid); however, OJD has contracted with the National Center for State Courts to conduct separate studies of the Department’s classification and compensation plans. This effort has subsequently transitioned to a private vendor. The completion of these studies is anticipated in early 2023.

**Item 34: Department of Corrections – Overtime Usage**

**Analyst:** John Terpening

**Analysis:** The Department of Corrections (DOC) has submitted its fifth report on the agency’s efforts to reduce the use of overtime in prison operations and health services pursuant to a budget note approved in HB 5004 (2021). In this fifth report, covering data through the first year of the biennium, DOC reports that mandatory overtime hours for operations and health services have increased by 19.8% from March 2022 through June 2022. The increase in mandatory overtime is the result of vacancies, hospital watches and employee leave. DOC continues to try and mitigate mandatory overtime by utilizing an agreement between DOC and its labor unions to allow managers and non-security represented staff to volunteer to cover certain posts to avoid having security staff mandated for overtime hours. However, this is a temporary solution until additional Corrections Officers can be hired and trained and is not meant to be a sustainable option long-term. Another temporary solution DOC has relied on is the use of contract nurses, to reduce mandatory overtime in health services. Contract nurses have 13-week assignments to an institution, which can be extended by the institution if needed. However, this is a costly solution and DOC has paid about \$5.2 million since January 2022 on two contracts for registered nurses and licensed practical nurses. DOC reports there are currently 39 registered nurse vacancies in health services.

Overall vacancies have decreased slightly since the prior report, with 201 vacant positions and 143 “ghost vacancies” in security. This marks an overall decrease of 7 vacancies and 27 ghost vacancies. In health services, DOC reports there are 48 vacancies and 24 “ghost vacancies”, a reduction of four from the prior report. The vacancies reported above include those within the 107 positions provided in HB

5004. At the time of this report, DOC has successfully filled 75 of those 107, while the remainder are still in open recruitment.

DOC continues to have recruiting challenges between overall competition for nurses in the job market and Amazon opening facilities in Umatilla County, which has created further recruitment difficulties for that area. Additionally, DOC's turnover rate has increased from 8.94% in 2019 to 13.81% in the last twelve months. However, DOC continues to engage in weekly statewide interview panels, participate in job fairs, various advertising efforts, and engagement with schools of nursing and the State Board of Nursing on student nurse internships authorized by HB 4003 (2022).

DOC has been authorized to provide hiring bonuses, clothing allowances, and relocation reimbursement where applicable to offer additional incentives for new hires. DOC reports that the number of applications and hiring's have increased over 50% since 2021 and processing days for applications has been reduced by 30% through efforts at streamlining the process. Currently there are over 680 individuals in the hiring process with 150 at the background check stage, which is the final process before a conditional hiring letter is issued.

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### **Item 57: Department of State Lands - Abandoned and Derelict Vessels**

**Analyst:** Matt Stayner

**Analysis:** In anticipation of a request for a General Fund appropriation to address the costs of cleanup and removal of abandoned and derelict vessels (ADVs) in Oregon's public waterways, the Department of State Lands has provided information on four vessels in the Columbia River in need of immediate removal to address imminent environmental and navigational hazards.

The Department of State Lands estimates the cost for removal and disposal of these vessel to be \$6.2 million.

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### **Item 91: Department of Administrative Services – Compensation Plan Changes**

**Analyst:** Kim To

**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.

DAS reports compensation changes for the following 16 executive branch bargaining units:

1. Service Employees International Union (SEIU) Local 503
2. American Federation of State, County, and Municipal Employees (AFSCME) Council 75 Central Table
3. Association of Engineering Employees (AEE)
4. Oregon State Police Officers Association (OSPOA)
5. Oregon Nurses Association (ONA)
6. Oregon Public Safety Association (OPSA)

7. American Federation of State, County, and Municipal Employees (AFSCME) Council 75  
Department of Corrections Security Employees
8. American Federation of State, County, and Municipal Employees (AFSCME) Council 75  
Department of Corrections Non-Security Employees
9. Association of Oregon Corrections Employees (AOCE)
10. Federation of Oregon Parole and Probation Officers (FOPPO)
11. Criminal Investigators Association (CIA)
12. International Association of Firefighters (IAFF) Kingsley Firefighters Association (KFFA)
13. State Teachers Education Association (STEA)
14. Executive Service, Unclassified Excluded, and Management Service
15. Classified and Unclassified Unrepresented Service
16. International Association of Firefighters (IAFF) Portland Air National Guard (PANG)

Changes predominantly include moving the implementation date of the 3.1% general salary increase scheduled to be effective December 1, 2022 to August 1, 2022 for executive branch bargaining units. Additional changes include establishment or abolishment of classifications and selective increase for specified classifications, as well as continuing staffing crisis differential for specified direct care classifications.

The total 2021-23 cost of these changes is \$51.3 million Total Funds (\$24.0 million General Fund, \$0.5 million Lottery Funds, \$17.6 million Other Funds, \$9.1 million Federal Funds).

**Item 92: Department of Administrative Services – Uniform Rent Rates**

**Analyst:** Kim To

**Analysis:** ORS 276.390 requires the Department of Administrative Services (DAS) to report on the schedule of proposed uniform rent rates for the upcoming biennium. This proposed uniform rent rate schedule is used to develop 2023-25 agency request budgets.

The proposed rates (per square foot per month) are as follows:

<i>Facility Rental Type</i>	<i>2019-21 Biennium</i>	<i>2021-23 Biennium</i>	<i>Change</i>	<i>Proposed 2023-25 Biennium</i>	<i>Change</i>
<i>Office Space</i>	<i>\$1.55</i>	<i>\$1.78</i>	<i>\$0.23</i>	<i>\$2.11</i>	<i>\$0.33</i>
<i>Storage Space</i>	<i>\$0.50</i>	<i>\$0.71</i>	<i>\$0.21</i>	<i>\$1.09</i>	<i>\$0.38</i>

Rent is paid by client agencies for office and storage space DAS’s portfolio of 44 office buildings located in Portland, Salem, Eugene, and Pendleton. The rental revenue funds the total portfolio cost including debt service, depreciation, insurance, utilities, maintenance, landscaping, and custodial services. The lease rate also captures capital renewal for the Capital Projects Fund which is the funding mechanism for large-deferred maintenance capital projects.

The proposal to increase the 2023-25 is needed to continue stewardship of state assets. The proposed rates are comparable to market lease rates for private sector buildings of similar construct in the Portland, Salem, and Eugene central business districts.

Adjustment to the uniform rent rate will likely occur during development of the 2023-25 Governor's budget. The final uniform rent rate will be decided through development of the 2023-25 legislatively adopted budget for the Department of Administrative Services.

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**Recommendation:** The Legislative Fiscal Office recommends that the Emergency Board acknowledge receipt of the agency reports, en bloc.



OREGON JUDICIAL DEPARTMENT  
Office of the State Court Administrator

August 24, 2022

The Honorable Peter Courtney, Co-Chair  
The Honorable Dan Rayfield, Co-Chair  
Joint Emergency Board  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

Re: Report on OJD Compensation Plan Changes for the 2021-23 Biennium

Dear Co-Chairpersons:

**Nature of Request**

The Oregon Judicial Department (OJD) requests that you acknowledge receipt of this report on OJD compensation plan changes for staff in the 2021-23 biennium. This report is pursuant to ORS 8.105(1), which directs OJD to report changes to its compensation plan to the Legislature before implementing the changes. Cost-of-living adjustment (COLA) increases will be implemented in August and presented to the September meeting of this committee. Other changes will become effective after the September meeting.

This report also includes information on changes to judicial compensation to be implemented as provided by ORS 292.428.

**OJD Compensation Plan Actions – Staff**

The Chief Justice of the Oregon Supreme Court is the administrative head of the Oregon Judicial Department, the state-funded unified court system. ORS 1.008 directs the Chief Justice to establish and maintain a personnel plan for OJD employees. The statewide OJD personnel plan includes the classification and compensation structure for OJD employees, who are in the exempt service. Under ORS 240.245, the salary plan for exempt service employees must be in reasonable conformity with the general salary structure of the state.

After adjournment of the 2021 legislative session the Governor announced her compensation plan changes for represented and unrepresented employees in the executive branch. At that time, the Chief Justice adopted the same COLAs as proposed in the executive branch with the same implementation timing: a 2.5% COLA increase effective December 1, 2021, and a second COLA increase of 3.1% effective December 1, 2022.

At the June meeting of the Emergency Board the Governor reported that she is advancing the timing of the second COLA from December 1, 2022, to be effective August 1, 2022. The Chief Justice has adopted the same advanced implementation proposed in the executive branch.

The anticipated cost associated with the earlier implementation of the COLA is summarized below. OJD has been experiencing vacancy savings resulting from what is being called the Great Resignation and will use these savings to fund this change internally. This change will not have a financial impact on the 2023-25 biennium budget.

Biennium	General Fund Impact	Other Funds Impact	Federal Funds Impact
2021-23 Biennium	\$1.4 million	\$0.13 million	\$10,531

### Employee Recruitment and Retention

The executive branch announced that it will allow a 5% annual salary hiring bonus for a limited time. The Chief Justice has elected to implement an incentive that is similar in intent with some adjustments to provide an incentive payment based on the employee's workplace location (onsite). Oregon's pay equity law, ORS 652.220, allows an employer to pay employees for work of comparable character at different compensation levels based on one or more of the factors listed in ORS 652.220 (2)(a), one of which being an employee's workplace location.

State courts are struggling to retain staff and to compete for potential candidates in the current highly competitive job market. Most court work requires onsite staff during normal business hours, and OJD is finding it challenging to attract and retain staff amidst higher salaries, remote work, and flexible schedules. Additionally, onsite staff must manage additional challenges of the pandemic work environment.

OJD's approach would provide three special payments (October 1, 2022, February 1, 2023, and June 1, 2023). Staff are eligible for these special payments if they work onsite at least 60% of scheduled time during the timeframes listed below.

- The first payment is available to eligible staff who were hired on or before July 5, 2022, and continued onsite work through September 30, 2022.
- The second payment is available to eligible staff who were hired on or before October 1, 2022, and continued onsite work through January 31, 2023.
- The third payment is available to eligible staff who were hired on or before February 1, 2023, and continued onsite work through May 31, 2023.

The payments together would equal approximately 5% of the annual salary of OJD's core workforce, the Judicial Service Specialist classification. These special payments are in reasonable conformity with the executive branch hiring bonus. OJD selected the three-payment structure to provide an incentive to continue onsite work for existing staff and to recruit new onsite staff throughout the year.

This incentive would end at the conclusion of the 2021-23 biennium and have no financial impact on the 2023-25 biennium budget. The cost of that program is summarized below:

Biennium	General Fund Impact	Other Funds Impact	Federal Funds Impact
2021-23 Biennium	\$4.3 million	\$0.39 million	\$35,522

### Compensation Actions – Judges

ORS 8.105 does not apply to reporting of the salaries of elected judicial positions, as they are not employees subject to the Chief Justice’s OJD employee compensation plan. Instead, ORS 292.428 provides that judicial salaries will receive the same COLA increase that is awarded to management service employees in the executive branch. For informational purposes, the COLA for management services employees, and by extension judges, has been advanced resulting in the following additional costs for this biennium that will be funded with existing resources. (NOTE: the 2023-25 biennium budget is unaffected by this change.)

Biennium	General Fund Impact
2021-23 Biennium	\$0.45 million

### Action Requested

The Oregon Judicial Department requests acknowledgment of the receipt of this report of changes to the OJD compensation plan as provided in ORS 8.105(1) and ORS 292.428.

### Legislation Affected

None.

Sincerely,



Nancy J. Cozine  
State Court Administrator

NC:jm/22eNC017jm

ec: Chief Justice Martha L. Walters  
Amanda Beitel, Principal Legislative Analyst, LFO  
George Naughton, Policy and Budget Analyst, CFO-BAM  
John Borden, Principal Legislative Analyst, LFO  
Wendy Gibson, Policy and Budget, DAS-CFO  
David Moon, Director of BFSD, OJD





# Oregon

Kate Brown, Governor

## Oregon Department of Corrections

Office of the Director

3723 Fairview Industrial Drive SE Suite 200

Salem, OR 97302

Voice: 503-945-0927

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August 22, 2022

The Honorable Peter Courtney, Co-Chair  
The Honorable Dan Rayfield, Co-Chair  
Joint Emergency Board  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301-4048

Dear Co-Chairs:

The Oregon Department of Corrections (DOC) respectfully asks you to accept this letter as a report to the Oregon Legislature as required by a Budget Note contained in House Bill 5004 (2021).

### Background

The Legislative Fiscal Office (LFO) Budget Report associated with House Bill 5004 passed during the 2021 Legislative Session included the following Budget Note:

*Overtime Usage: Over the last several biennia, the Department of Corrections has incurred a consistent deficit in its overtime budget of about \$20 million per biennium. Package 805 provides \$21.6 million and 107 positions intended to alleviate the need for overtime usage. To evaluate the effect of this increased staffing on overtime expense, the department is directed to report its overtime expenditures in the prisons and in Health Services at each meeting of the Interim Joint Committee on Ways and Means and Emergency Board, and once to the Public Safety Subcommittee of the Joint Committee on Ways and Means during the 2022 legislative session.*

DOC understands that overtime has a significant impact on employee wellness. In 2016, the department set an agency goal to reduce mandatory overtime by 50 percent and was trending in the right direction until 2019. The pandemic, wildfires, and a national staffing crisis have had a significant impact on DOC's recruitment and retention efforts.

The department's primary overtime drivers are hospital watch coverage and unfilled positions. Unfilled positions can be from vacancies or ghost vacancies (occurring for a variety of reasons including active military deployment and extended leave, among others). Operations has 201 vacant security positions and 143 ghost vacancies, a decrease of approximately 34 FTE or nine percent from our last HB 5004 response. This is due to increased efforts in recruitment and efforts by DOC frontline manager to help our staff return to full duty status. This is offset by a reasonably high turnover rate in recent months from retirements, promotions, or leaving public service.

Eastern Oregon Correctional Institution (EOCI) in Pendleton and Two Rivers Correctional Institution (TRCI) in Umatilla currently have 20.46% and 9.51% security series hard vacancy rates. Coffee Creek Correctional Facility (CCCF) in Wilsonville has an 8.20% security vacancy rate, a significant reduction from 21.3% from our last report. Other institutions with greater than 10% security vacancy rates are Oregon State Penitentiary (OSP) in Salem – 12.89%, South Fork Forest Camp (SFFC) in Tillamook – 14.29%, and Deer Ridge Correctional Institution (DRCI) in Madras at 11.30%. A portion of the significant reduction in vacancy rate is that Operations is reporting only hard vacancy rates rather than a combination of hard and ghost vacancies. This calculation is most responsive to the budget note so this change has been made this reporting period and will be the standard in the future.

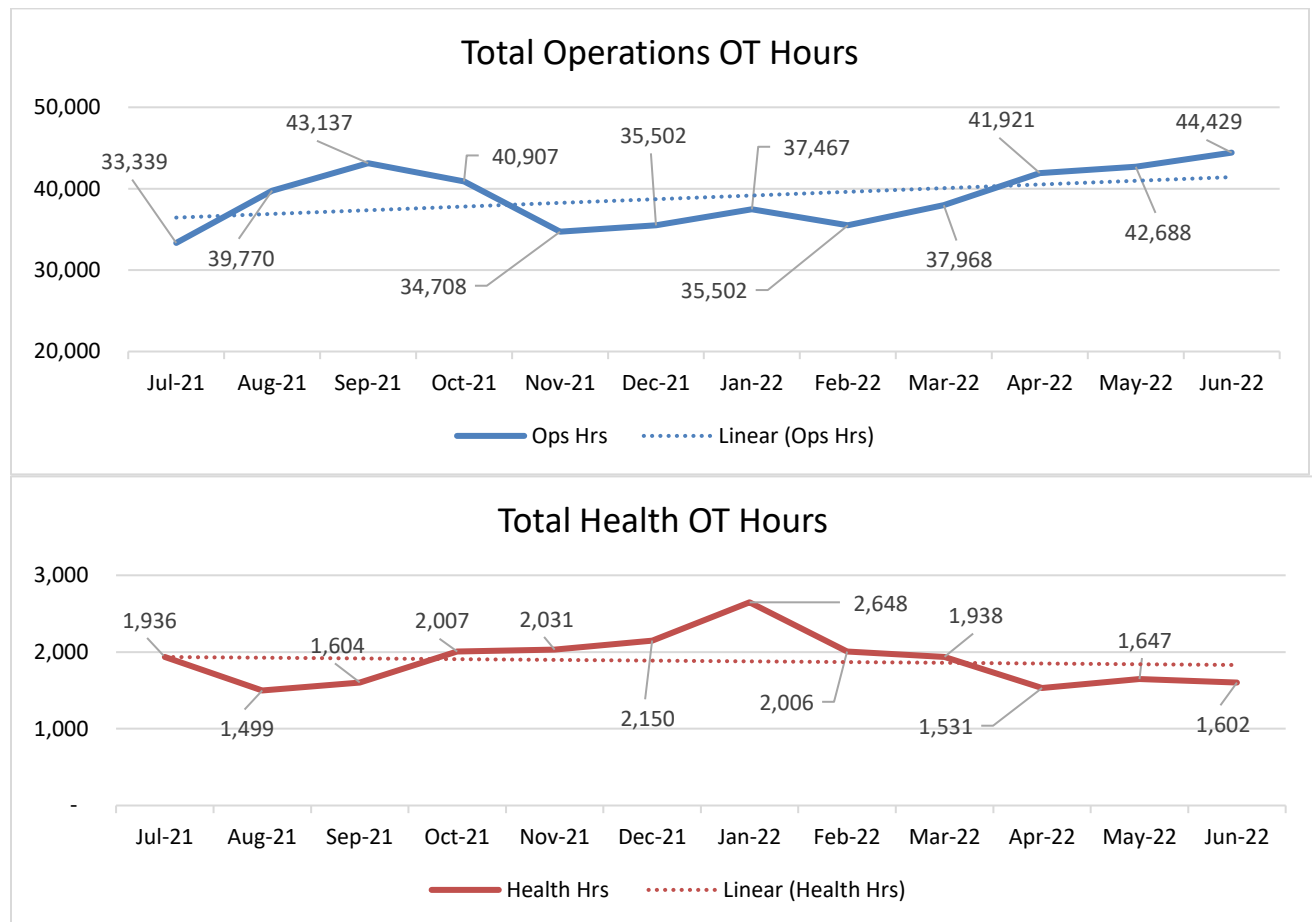
Beginning in approximately 1989, Oregon's prison population increased creating a need for additional institutions. Since that time, DOC constructed several prisons (CCCF, CRCI, DRCI, PRCF, SCCI, SRCI, TRCI, and WCCF) across the state. Recently, MCCF and SCCI have been mothballed, and previously Oregon State Penitentiary Minimum (OSPM) was closed. Employees hired over the last 33 years are now at the end of their careers and are retiring. This uptick in retirements is expected to continue for the next few biennia. Currently, 17.3% of DOC staff are eligible to retire while another 16.3% of staff will be eligible to retire within the next five years.

The DOC annual turnover rate continues to rise from 8.94% for 2019, 9.56% in 2020, 12.70% in 2021, and the rolling year ending July 2022 was 13.81%. Of the staff who left DOC service, the preponderance left voluntarily. For the rolling year ending July 2022, DOC had a voluntary separation rate of 12.16%. The rolling average of staff who left involuntarily ranges from a low of 1.22% prior to June 2020 to 1.82% in March 2021. Currently, in the rolling calendar year ending July 2022, the involuntary separation rate is 1.64%, generally unchanged for the last seven months.

### **Overtime Reporting Data**

Overall overtime hours for Operations and Health Services Divisions increased by 23% from February to June 2022 yet is quite comparable to the prior year. Overtime is cyclical in nature, and many factors are involved in these numbers. To reduce the effect on security staff related to this increase, a letter of agreement with labor partners (AFSCME) allows managers and security plus staff to volunteer to cover certain security posts to avoid having security staff mandated. Overtime hours, specifically for Health Services, may be misleading. For example, Health Services relies heavily on contracted nurses to offset the numerous RN vacancies, so overtime may be avoided through the usage of contract nurses filling vacant shifts. While this is helpful, contract nurses come at a high cost, incur a fair amount of turnover themselves, impact permanent RN staff due to training needs, and are often only trained to perform in limited areas. For example, just since January 2022, DOC has paid nearly \$3.8 million on one contract for RNs and LPNs, with another \$1.4 million on a different contract for RNs. Forecasting that amount for a biennium, DOC would pay approximately \$26.4M, or the equivalent of around 70.5 RNs.

The following graphs depict the hours associated with overtime for the Operations and Health Services Divisions. The data is not cumulative; it is actual data for the month being reported.



As indicated below, overall Health Services vacancies have decreased slightly, and Operations Division vacancies have decreased by nine percent. Security permanent vacancies declined slightly, while ghost vacancies decreased significantly. The current vacancy and ghost vacancy levels including positions granted by HB 5004 are as follows:

- Health Services
  - Provider vacancies – nine (decrease of one)
  - Registered Nurse (RN) vacancies – 39 (decrease of 3.3)
  - Ghost vacancies – 24 (increase of 1.25)
  - Total vacancies – 72 (total decrease of 3.05)
  
- Security

- Security vacancies – 201 (decrease of 7)
- Ghost vacancies – 143 (decrease of 27)
- Total vacancies – 344 (total decrease of 34)
  - The decrease in ghost vacancies is due to a concentrated effort to help our staff return to full duty status.

As mentioned above, HB 5004 provided DOC with 107 positions across the Operations and Health Services Divisions to assist in reducing overtime. The following outlines DOC's efforts to recruit for these positions as well as other vacant positions.

Below is information updated since the previous report:

- Of the 107 positions provided, 87 were granted to the Operations Division. All positions have open recruitments, and many have been successfully filled.
- DOC has had numerous successful in-person hiring events. These events include a tour of the host institution, immediate assistance with application paperwork, scheduling of appropriate tests, and the initial portions of the background check. These events and tours of facilities help break the stereotypes the community members may have and helps inspire these individuals to successfully complete the application process.
- The number of applications has increased by over 50% since 2021.
- The number of applicants hired has increased by over 50% since 2021.
- The application process has certain requirements by statute and DPSST standards. DOC has reviewed these requirements and compared them to our application process and streamlined our process when appropriate. This has resulted in reducing the processing days by 30%. Though this is significant we're continuing to seek ways to further streamline our processes.
- DOC is still regionally challenged in rural communities and further challenged by competitors such as Amazon, who is actively trying to recruit DOC employees. Private industry can offer certain incentives that are problematic for public employers. The ability to offer moving expenses and other incentives could assist us in inspiring staff working in other facilities to transfer to Umatilla and Pendleton. Those moving incentives partnered with an agreement to continue to work in the region for a contracted time would allow DOC staff to successfully move to other regions of our beautiful state. There is also a lack of housing both Pendleton and Umatilla, which contributes to the hiring challenges.
- Currently, there are over 679 individuals working through the hiring process and approximately 150 have almost completed their background checks, the final step before the conditional hiring letter. Those who are permanently hired will cycle through the Basic Corrections Course in the coming months. Unfortunately, not all these applicants are open to working in any facility where we have an opening so we may not be able to fully utilize the individuals who complete the application process.
- Once a security staff is hired there is an initial period of work where they job shadow, learn rules, policies and procedures in a classroom setting, complete CJIS training as well as other important items, and complete the Basic Corrections Course with DPSST. Following that

time those staff can continue their trial service as regular members of the staff and are used to reduce overtime.

- Other strategies to manage staffing impacts:
  - DOC has engaged labor partners at OSP, CCCF, TRCI, and EOCI to allow security plus and management staff to cover mandatory overtime. This is a temporary solution to help reduce mandatory overtime until Correctional Officers can be hired and trained.
  - Recently, AICs have been moved from EOCI to other institutions so EOCI could take a housing unit offline. Staff from that unit will be repositioned to other housing units to assist in reducing security overtime.
  - Hiring managers are holding weekly statewide interview panels.
  - Employee Services staff are assisting with statewide officer testing.
  - Background investigation processes have been streamlined.
  - DOC has contracted with All Star Talent to clarify and streamline Workday's online application process and moderate a virtual hiring event.
  - Other local activities include:
    - Job fairs
    - County fairs and parades
    - Vehicle decals
    - Scannable QR codes on various media
    - Banners, flags, billboards, etc.
    - In-person contact with local businesses and communities
- Health Services - RN recruiting challenges/strategies:
  - The Health Services Division continues to have difficulties filling vacancies given a nationwide nursing shortage and competition with other employers.
  - As previously reported, the Health Services Division has dedicated one fulltime administrator to identify obstacles, explore potential solutions, and make recommendations.
  - **Advertising**
    - Outward Communication – Updated the RN job announcement and recruitment brochures to discuss our openings in language familiar and meaningful to those in the healthcare profession; upon finalization and approval of the brochure, they will be printed and distributed to Medical Services Managers at the facilities for use
    - Strategy Selection (print, web, etc.) – Decisions pending Survey Monkey results with plan to coordinate advertising efforts with Operations Division to maximize impact, reduce expense and eliminate duplication
    - Current Advertising Efforts – Facebook, Indeed, Workday, Oregon State Board of Nursing (OSBN) email list, Sumner College newsletter, prioritization of DOC RN job announcement in Google search, job/career fairs
    - Created flyers for posting and dissemination at in-person and virtual job fairs

- **Recruitment Incentives**
  - Hiring Bonus - Approved by AFSCME July 6, 2022, and in effect until September 27, 2022; 5% of annual salary based on top step for all RN and Nurse Manager hires; request submitted for 5% hiring bonus for medical/mental health providers (Correctional Physicians, Nurse Practitioners) and CCCF Radiologic Tech position
  - Clothing Allowance - New Letter of Agreement for AOCE, language already in place for AFSCME; \$200 upon hire and then in even numbered years
  - Relocation Reimbursement - Per DAS Policy 40.055.20 New Employee Relocation for full-time RN positions
  - Developing recruitment strategies to impact retention, such as increased pay, types of employment status (float pool/travel), differentials/allowances, tuition reimbursement, loan repayment, continuing education funding, professional certification reimbursement, career advancement opportunities/clinical ladder, new grad residency program
- **Hiring Process Improvements**
  - Timeline reviewed for efficiency/effectiveness and identification of areas needing support (background checks and standardized interview questions)
  - Meeting to discuss implementation of DOC plan on diversity, equity and inclusion in support of RN recruitments
- **Schools of Nursing Outreach**
  - Updating Memos of Understanding as needed
  - Pursuing Student Nurse Clinical Placement options for practicums, cohorts
  - Identifying guest speaking opportunities – Possible topics include Chronic Diseases, Communicable Diseases, Mental Illness
  - Advisory Board Membership – TVCC, COCC, LBCC, Sumner, George Fox
  - Student Nurse Internship authorized per House Bill 4003; Attended OSBN Rules Advisory Committee Meeting June 2, 2022; pending approval and final licensure requirements outlined by OSBN
- Other strategies to manage staffing impacts:
  - The Health Services Division continues to leverage other resources to fill in gaps as allowable. This includes asking staff from other institutions to volunteer for shifts in a location without adequate staffing and having employees in different classifications perform duties suitable for their job and skillset rather than have those duties fall on nurses.
  - Also, to increase the pool of contracted nurses, DOC entered into an additional contract with an outside agency via an expedited process, due to the dire staffing position at some locations.

The agency is happy to answer any questions you may have and will return to the next meeting of the Interim Joint Committee on Ways and Means as required.

The Honorable Peter Courtney, Co-Chair  
The Honorable Dan Rayfield, Co-Chair  
Joint Emergency Board  
August 19, 2022  
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Sincerely,

Heidi Steward  
Acting Director

cc: George Naughton, Chief Financial Officer  
Laurie Byerly, Legislative Fiscal Officer  
April McDonald, CFO Policy and Budget Analyst  
John Terpening, LFO Principal Legislative Analyst  
Jeremiah Stromberg, Acting DOC Chief Financial Officer  
Jennifer Black, DOC Asst. Dir. Communications and Govt. Relations



# Oregon

Kate Brown, Governor

## Department of State Lands

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[www.oregon.gov/dsl](http://www.oregon.gov/dsl)

August 22, 2022

Senator Peter Courtney, Co-Chair  
Representative Dan Rayfield, Co-Chair  
Joint Emergency Board  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

Dear Co-Chairs:

### **Nature of the Request**

The Department of State Lands is currently working with state, federal, and local partners to remove four large commercial abandoned and derelict vessels at high risk of seriously affecting the health and safety of the Columbia River. The Department anticipates making a request to the Emergency Board in December for General Funds to cover removal and disposal costs estimated to be in excess of \$4 million. This status report is being provided for the Emergency Board's advance awareness of a costly and complex situation.

### **Agency Action**

Abandoned and derelict vessels (ADV) are a serious threat to the health and safety of Oregon's public waterways. The environmental and navigational hazards created by commercial and recreational ADVs result in water contamination, habitat degradation, public and private property damage, and impacts on recreational and commercial use and enjoyment of waterways.

The Department works with state, federal, and local partners to clean up and remove abandoned and derelict recreational and commercial vessels. Lack of a statewide abandoned and derelict vessel program and dedicated funding has forced the Department and partners to address only urgent vessel removals – oftentimes, removal is urgent because there is an imminent threat to public health and safety, or poor condition of a vessel poses an ongoing serious risk.

The Common School Fund, and Oregon's schoolchildren, has largely borne the cost of removing abandoned and derelict vessels from waterways. Since 2017, nearly \$13 million has been expended from the Common School Fund for waterway cleanups.

In June 2022, the State Land Board directed the Department to request General Funds for abandoned and derelict vessel removal both in the form of a \$40 million policy option package for 2023-25 and a

### **State Land Board**

Kate Brown  
Governor

Shemia Fagan  
Secretary of State

Tobias Read  
State Treasurer



General Fund reimbursement request from the Emergency Board for urgent vessel removal as needed in the current biennium.

Currently, four abandoned and derelict vessels on the Columbia River need immediate removal to address imminent threats and ongoing risks to the river:

#### The Tourist No. 2

*Overview:* On July 28, the Tourist No. 2, a former river ferry built in the 1920s, began sinking while moored adjacent to the downtown Astoria river walk. The vessel was visibly spilling fuel. The U.S. Coast Guard stepped in to contain and remove pollutants from the water as well as from the vessel itself. The vessel was in extremely poor condition and located directly upstream from a fuel dock, as well as close to the navigational channel. The Department determined the Tourist No. 2 posed an imminent threat to public health and safety and initiated emergency vessel seizure and removal.

*Removal Status and Strategy:* Emergency removal work was underway when this report was submitted. An emergency contract was executed with Global Diving and Salvage, who anticipated beginning the approximately two-week removal effort in late August. Due to the vessel's poor condition, the contractor planned to crush the vessel in place, set it on a barge, and transport it to land for disposal.

*Removal Partners:* The Department is coordinating with the U.S. Coast Guard, the Oregon Department of Environmental Quality, and local officials.

*Cost and Funding Sources:* The estimated removal cost is at least \$1 million. The Department will pursue recovering removal costs from the vessel owner but anticipates a lengthy legal process with an uncertain outcome. The U.S. Coast Guard funded pollutant removal.

#### The Sakarissa and Alert

*Overview:* The Alert and the Sakarissa are two 100-plus-foot former military vessels currently sunk off Hayden Island in Multnomah County, just west of the I-5 Interstate Bridge. In 2020, the U.S. Coast Guard removed oil and hazardous materials from both vessels to mitigate waterway impacts. This year both vessels sank, creating an ongoing risk to waterway health and safety.

*Removal Status and Strategy:* The U.S. Coast Guard will raise the vessels, transport them to a disposal yard, and turn the vessels over to the State and Metro for salvage and deconstruction. Work is currently underway to procure disposal services and finalize agreements with the many partners involved in this work – see below.

*Removal Partners:* The Department is collaborating with the U.S. Coast Guard, Metro regional government, and the Oregon Department of Environmental Quality.

*Cost and Funding Sources:* The estimated removal cost is more than \$4 million. Multiple partners are providing funding, including the U.S. Coast Guard and Metro. The Department's share of the removal costs is not yet known, but partners are likely to fund the majority of the cost. The Department and DOJ pursued owner removal and cost recovery options; however, the entities that owned the vessels dissolved and there is a lack of assets to properly dispose of the vessels.

### The Tiffany

*Overview:* Originally built in 1939, the Tiffany was a buoy tender for the U.S. Coast Guard for nearly 30 years, then a fishing vessel for approximately 50 more years. The Tiffany is currently tethered to the bank of the Columbia River near Rainier. In April 2021, the Tiffany sank. The U.S. Coast Guard subsequently engaged a contractor to refloat the vessel and remove oil and other hazardous materials onboard.

The Tiffany is currently floating. However, the Department has been advised if left as-is the vessel will sink once more, causing environmental damage and tripling or quadrupling the cost of removal. Intervention is needed while the vessel remains afloat.

*Removal Status and Strategy:* Removal work will begin when the Sakarissa and Alert removals are complete, due to staff capacity. The Department has determined the best course of action is towing the Tiffany to a site for deconstruction, hazard abatement, and disposal.

*Removal Partners:* The Department will coordinate with the Department of Environmental Quality when this project begins.

*Cost and Funding Sources:* The estimated removal cost is \$1.2 million. Despite efforts by the Department and the Department of Justice to contact the listed owner, the owner has not been located to take responsibility for removing the vessel or to reimburse the state for removal costs.

### **Action Requested**

No action is requested at this time. The cost of removing each of these four vessels will be more precisely estimated during the procurement processes currently underway. Initial cost estimates will be further refined as removal takes place and actual costs are known. The Department anticipates submitting a General Fund request to the Emergency Board in December 2022.

### **Legislation Affected**

No legislation is affected at this time.

Sincerely,



Vicki L. Walker  
Director



# Oregon

Governor Kate Brown

## Department of Administrative Services

Chief Human Resources Office

Labor Relations Unit

155 Cottage Street NE

Salem, OR 97301

PHONE: 503-378-2616

FAX: 503-373-7530

August 18, 2022

Senator Peter Courtney, Co-Chair  
Representative Dan Rayfield, Co-Chair  
Joint Emergency Board  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

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.

This report includes items included in a letter dated July 12, 2022, in which DAS gave notice that those items would be implemented no later than August 1, 2022, as well as additional items that have yet to be implemented.

### **Agency Action**

- Section A: Implements compensation plan changes for the Service Employees International Union (SEIU) Local 503.
- Section B: Implements compensation plan changes for the American Federation of State, County and Municipal Employees (AFSCME) Council 75 Central Table.
- Section C: Implements compensation plan changes for the Association of Engineering Employees (AEE).
- Section D: Implements compensation plan changes for the Oregon State Police Officers Association (OSPOA).
- Section E: Implements compensation plan changes for the Oregon Nurses Association (ONA).
- Section F: Implements compensation plan changes for the Oregon Public Safety Association (OPSA).
- Section G: Implements compensation plan changes for the American Federation of State, County and Municipal Employees (AFSCME) Council 75 Department of Corrections Security Employees.
- Section H: Implements compensation plan changes for the American Federation of State, County and Municipal Employees (AFSCME) Council 75 Department of Corrections Non-Security Employees.

- Section I: Implements compensation plan changed for the Association of Oregon Corrections Employees (AOCE).
- Section J: Implements compensation plan changes for the Federation of Oregon Parole and Probation Officers (FOPPO).
- Section K: Implements compensation plan changes for the Criminal Investigators Association (CIA).
- Section L: Implements compensation plan changes for the International Association of Firefighters (IAFF) Kingsley Firefighters Association (KFFA).
- Section M: Implements compensation plan changes for the State Teachers Education Association (STEA).
- Section N: Implements compensation plan changes for the Executive Service, Unclassified Excluded, and Management Service.
- Section O: Implements compensation plan changes for the Classified and Unclassified Unrepresented Service.
- Section P: Implements compensation plan changes for the International Association of Firefighters (IAFF) Portland Air National Guard (PANG).

### Statewide Impact

The table below aggregates the costs (by fund type) for all units reported in this letter.

Executive Branch	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	24,024,790	495,961	17,636,625	9,123,083	51,280,459
<b>Roll-up Cost:</b>	17,453	-	28,941	95,078	141,472
<b>2023-2025 Cost:</b>	47,918	-	49,613	233,690	331,221

### 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  
Kim To, Legislative Fiscal Office

## SECTION A

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

- 1) Effective August 1, 2022, generally increase salary rates by three and one tenth percent (3.1%) but no less than one hundred dollars (\$100). This will be implemented in the place of the prior reported general salary increase that was scheduled to be effective December 1, 2022.
- 2) Effective August 1, 2022 through November 30, 2022, continue the Staffing Crisis Differential as follows:

Classification	Type of Work	Weekend differential	Weekday differential
MHTT, MHT1, MHT2, and MHST	Direct Care	\$18.00	\$7.00
Licensed Practical Nurse	Direct Care	\$24.00	\$10.00

- 3) Effective July 1, 2021, selectively increase the following classification as indicated:

Class Number	Class Title	From SR	To SR
3269	Construction Project Manager 3	32	33

SECTION A	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	12,387,257	237,619	8,676,951	6,043,152	27,344,979
<b>Roll-up Cost:</b>	-	-	-	-	-
<b>2023-2025 Cost:</b>	-	-	-	-	-

## SECTION B

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Implements compensation plan changes for the American Federation of State, County and Municipal Employees (AFSCME) Council 75 Central Table.

- 1) Effective August 1, 2022, generally increase salary rates by three and one tenth percent (3.1%) but no less than one hundred dollars (\$100). This will be implemented in the place of the prior reported general salary increase that was scheduled to be effective December 1, 2022.
  
- 2) Effective August 1, 2022 through November 30, 2022, continue the Staffing Crisis Differential for Mental Health Registered Nurses employed at the Oregon State Hospital who provide direct patient care. Mental Health Registered Nurses who provide direct patient care between the hours of ten o'clock p.m. on Friday until seven o'clock a.m. on Monday will be paid an additional thirty-one dollars (\$31.00) per hour for each hour or major portion thereof (thirty (30) minutes or more). Mental Health Registered Nurses who provide direct patient care for all other hours will be paid an additional thirteen dollars (\$13.00) per hour for each hour or major portion thereof (thirty (30) minutes or more).

SECTION B	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	4,332,643	18,479	2,458,867	1,695,960	8,505,949
<b>Roll-up Cost:</b>	-	-	-	-	-
<b>2023-2025 Cost:</b>	-	-	-	-	-

## SECTION C

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Implements compensation plan changes for the Association of Engineering Employees (AEE).

- 1) Effective August 1, 2022, generally increase salary rates by three and one tenth percent (3.1%) but no less than one hundred dollars (\$100). This will be implemented in the place of the prior reported general salary increase that was scheduled to be effective December 1, 2022.

SECTION C	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	-	21,365	1,433,271	-	1,454,636
<b>Roll-up Cost:</b>	-	-	-	-	-
<b>2023-2025 Cost:</b>	-	-	-	-	-

## SECTION D

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Implements compensation plan changes for the Oregon State Police Officers Association (OSPOA).

- 1) Effective August 1, 2022, generally increase salary rates by three and one tenth percent (3.1%). This will be implemented in the place of the prior reported general salary increase that was scheduled to be effective December 1, 2022.

SECTION D	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	746,293	26,128	273,177	3,459	1,049,057
<b>Roll-up Cost:</b>	-	-	-	-	-
<b>2023-2025 Cost:</b>	-	-	-	-	-



## SECTION E

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Implements compensation plan changes for the Oregon Nurses Association (ONA).

- 1) Effective August 1, 2022, generally increase salary rates by three and one tenth percent (3.1%) but no less than one hundred dollars (\$100). This will be implemented in the place of the prior reported general salary increase that was scheduled to be effective December 1, 2022.

SECTION E	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	15,640	-	-	19,614	35,254
<b>Roll-up Cost:</b>	-	-	-	-	-
<b>2023-2025 Cost:</b>	-	-	-	-	-

## SECTION F

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Implements compensation plan changes for the Oregon Public Safety Association (OPSA).

- 1) Effective August 1, 2022, generally increase salary rates by three and one tenth percent (3.1%) but no less than one hundred dollars (\$100). This will be implemented in the place of the prior reported general salary increase that was scheduled to be effective December 1, 2022.

SECTION F	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	-	-	116,706	1,685	118,391
<b>Roll-up Cost:</b>	-	-	-	-	-
<b>2023-2025 Cost:</b>	-	-	-	-	-

## SECTION G

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

- 1) Effective August 1, 2022, generally increase salary rates by three and one tenth percent (3.1%). This will be implemented in the place of the prior reported general salary increase that was scheduled to be effective December 1, 2022.

SECTION G	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	1,695,769	-	18,451	-	1,714,220
<b>Roll-up Cost:</b>	-	-	-	-	-
<b>2023-2025 Cost:</b>	-	-	-	-	-

## SECTION H

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

- 1) Effective August 1, 2022, generally increase salary rates by three and one tenth percent (3.1%) but no less than one hundred dollars (\$100). This will be implemented in the place of the prior reported general salary increase that was scheduled to be effective December 1, 2022.

SECTION H	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	1,402,687	-	46,609	-	1,449,296
<b>Roll-up Cost:</b>	-	-	-	-	-
<b>2023-2025 Cost:</b>	-	-	-	-	-

## SECTION I

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Implements the agreement with the Association of Oregon Corrections Employees (AOCE) for compensation plan changes, pending ratification.

- 1) Effective July 1, 2021, selectively increase the following classification as indicated:

Class Number	Class Title	From SR	To SR
6394	Dental Assistant 2	16	20

SECTION I	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	20,129	-	-	-	20,129
<b>Roll-up Cost:</b>	2,982	-	-	-	2,982
<b>2023-2025 Cost:</b>	23,111	-	-	-	23,111

## SECTION J

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Implements compensation plan changes for the Federation of Oregon Parole and Probation Officers (FOPPO).

- 1) Effective August 1, 2022, generally increase salary rates by three and one tenth percent (3.1%). This will be implemented in the place of the prior reported general salary increase that was scheduled to be effective December 1, 2022.

SECTION J	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	50,832	-	-	-	50,832
<b>Roll-up Cost:</b>	-	-	-	-	-
<b>2023-2025 Cost:</b>	-	-	-	-	-

## SECTION K

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

- 1) Effective August 1, 2022, generally increase salary rates by three and one tenth percent (3.1%) but no less than one hundred dollars (\$100). This will be implemented in the place of the prior reported general salary increase that was scheduled to be effective December 1, 2022.

SECTION K	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	18,773	-	5,827	4,153	28,753
<b>Roll-up Cost:</b>	-	-	-	-	-
<b>2023-2025 Cost:</b>	-	-	-	-	-

## SECTION L

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Implements compensation plan changes for the International Association of Firefighters (IAFF) Kingsley Firefighters Association (KFFA).

- 1) Effective August 1, 2022, generally increase salary rates by three and one tenth percent (3.1%). This will be implemented in the place of the prior reported general salary increase that was scheduled to be effective December 1, 2022.

SECTION L	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	-	-	-	37,644	37,644
<b>Roll-up Cost:</b>	-	-	-	-	-
<b>2023-2025 Cost:</b>	-	-	-	-	-



## SECTION M

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Implements compensation plan changes for the State Teachers Education Association (STEA).

- 1) Effective August 1, 2022, generally increase salary rates by three and one tenth percent (3.1%) but no less than one hundred dollars (\$100). This will be implemented in the place of the prior reported general salary increase that was scheduled to be effective December 1, 2022.

SECTION M	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	24,478	-	1,798	-	26,276
<b>Roll-up Cost:</b>	-	-	-	-	-
<b>2023-2025 Cost:</b>	-	-	-	-	-

## SECTION N

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

- 1) Effective August 1, 2022, generally increase salary rates by three and one tenth percent (3.1%) but no less than one hundred dollars (\$100). This will be implemented in the place of the prior reported general salary increase that was scheduled to be effective December 1, 2022.
- 2) Effective February 1, 2022, establish the following classification. This will be implemented in the place of the prior reported implementation date of November 1, 2022.

Class Number	Class Title	Salary Range	Pay Option
7492	Deputy State Chief Information Officer	42X	A

- 3) Effective September 1, 2022, selectively increase the following classification as indicated:

Class Number	Class Title	Salary Range	Pay Option
6240	Supervising Registered Nurse	32	32N

- 4) Effective July 1, 2019, establish the following classification. This will be implemented in the place of the prior reported implementation date of February 1, 2022.

Class Number	Class Title	Salary Range	Pay Option
7578	Public Employees Retirement Director	42X	H

SECTION N	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	3,262,320	163,834	4,056,886	1,144,008	8,627,048
<b>Roll-up Cost:</b>	14,471	-	28,941	-	43,412
<b>2023-2025 Cost:</b>	24,807	-	49,613	-	74,420

## SECTION O

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Implements compensation plan changes for the Classified and Unclassified Unrepresented Service.

- 1) Effective August 1, 2022, generally increase salary rates by three and one tenth percent (3.1%) but no less than one hundred dollars (\$100). This will be implemented in the place of the prior reported general salary increase that was scheduled to be effective December 1, 2022.
- 2) Effective July 1, 2022, establish the following classification:

Class Number	Class Title	SR
1349	Role Player	7

- 3) Effective July 1, 2022, abolish the following classifications:

Class Number	Class Title	SR
2204	Archivist 1	23
2205	Archivist 2	26

SECTION O	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	67,969	28,536	548,082	34,796	679,383
<b>Roll-up Cost:</b>	-	-	-	-	-
<b>2023-2025 Cost:</b>	-	-	-	-	-

## SECTION P

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

- 1) Effective July 1, 2022, generally increase salary rates by three and six tenths percent (3.6%) but no less than one hundred dollars (\$100).
- 2) Effective December 1, 2021, establish a two percent (2%) employer contribution to the employer account in the IAP for each employee who is a PERS Tier 1, Tier 2, or OPSRP member. This will be implemented in the place of the prior reported one percent (1%) employer contribution and one percent (1%) salary reduction.

SECTION P	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2021-2023 Cost:</b>	-	-	-	138,612	138,612
<b>Roll-up Cost:</b>	-	-	-	95,078	95,078
<b>2023-2025 Cost:</b>	-	-	-	233,690	233,690



# Oregon

Kate Brown, Governor

## Department of Administrative Services

Office of the Chief Operating Officer  
155 Cottage Street NE  
Salem, OR 97301  
PHONE: 503-378-3104  
FAX: 503-373-7643

August 22, 2022

Senator Peter Courtney, Co-Chair  
Representative Dan Rayfield, Co-Chair  
Joint Emergency Board  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

Dear Co-Chairpersons:

### Nature of the Emergency

The Department of Administrative Services (DAS) submits a report on the 2023-2025 uniform rent rates as required by ORS 276.390.

### Agency Action

Uniform rent is paid by client agencies for office and storage space in DAS' portfolio of 44 office buildings located in Portland, Salem, Eugene, and Pendleton. The rental revenue funds the total portfolio cost including debt service, depreciation, insurance, utilities, maintenance, landscaping, and custodial services. DAS' lease rate also captures capital renewal for the Capital Projects Fund which is the funding mechanism for large-deferred maintenance capital projects.

Given these critical needs for long-term stewardship of our assets and future, DAS proposes to increase the office lease rate for 2023-25 to \$2.11 per square foot per month and the storage lease rate to \$1.09 per square foot per month published in the 2023-25 Price List of Goods and Services (March 2022) document. These changes represent a \$.33 and \$.38 change over the last biennium, respectively.

The matrix below outlines historical and the currently proposed uniform rental rates:

	2013-15	2015-17	2017-19	2019-21	2021-23	2023-25	
Office Space	\$1.45	\$1.45	\$1.45	\$1.55	\$1.78	\$2.11	Per square foot per month
Storage Space	\$0.50	\$0.50	\$0.50	\$0.50	\$0.71	\$1.09	Per square foot per month

In the interest of providing contextual comparative to market lease rates, attached please find a cost breakdown for private sector buildings of similar construct in the Portland, Salem, and Eugene central business districts. Also broken out is the average cost private sector tenants pay for custodial services over and above the base lease rate.

**Action Requested**

Acknowledge receipt of the report.

**Legislation Affected**

None.



Katy Coba  
DAS Director | Chief Operating Officer

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

## Industry Market Rates

Private sector modified gross rental rates in applicable central business districts	Average custodial services in addition to base lease rates	Total rental rate
Portland	\$1.96	\$2.21
Salem	\$1.70	\$1.94
Eugene	\$1.68	\$1.96

