

ANALYSIS

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 on changes to the state's compensation plan prior to implementation.

This report is supplemental to the reports provided to the Joint Interim Ways and Means Committee on General Government in November 2021 and January 2022. The report contains executive branch compensation changes for the following three additional bargaining units:

- Section A: Service Employees International Union (SEIU) Local 503.
- Section B: Association of Oregon Corrections Employees (AOCE)
- Section C: American Federation of State, County and Municipal Employees (AFSCME)
Department of Corrections Non-Security Employees.
- Section D: Executive Service, Unclassified Excluded, and Management Service.

DAS estimates the 2021-23 cost of executive branch compensation changes for all three units listed above to be \$7,552,910 total funds (\$5,567,544 General Fund, \$800,052 Other Funds, and \$1,185,314 Federal Funds). For the 2023-25 biennium, the cost of the compensation changes would be \$170,020 total funds (\$106,252 General Fund and \$63,768 Other 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.

In addition, statutes (ORS 410.612, ORS 329A.430, and ORS 443.733) authorize DAS to represent the Home Care Commission in collective bargaining negotiations, as well as represent the State in collective bargaining negotiations with certified family childcare providers and certified adult foster care home providers. The report contains these non-state employee compensation changes for the following bargaining units:

- Section E: Service Employees International Union (SEIU) Oregon Home Care Commission.
- Section F: Service Employees International Union (SEIU) Adult Foster Homes.
- Section G: American Federation of State, County, and Municipal Employees (AFSCME) Licensed and Registered Child Care Providers.
- Section H: Service Employees International Union (SEIU) Licensed Exempt Child Care Providers.

DAS estimates the 2021-23 cost of non-state employee compensation changes for the four units listed above to be \$227,789,393 total funds (\$73,653,232 General Fund and \$154,136,161 Federal Funds). For the 2023-25 biennium, the cost of non-state compensation changes would be \$453,667,017 total funds (\$160,660,244 General Fund and \$293,006,773 Federal Funds).

Section A describes compensation plan changes for the Service Employees International Union (SEIU) Local 503, which include the continuation of the Staffing Crisis Differential for 11 direct care classifications, effective February 1, 2022. The 2021-23 cost of the compensation adjustments included in this section is \$5,909,945 total funds.

Section B covers compensation plan changes the Association of Oregon Corrections Employees (AOCE), which include: (1) establishing a 2.5% Trades Apprenticeship differential, effective November 1, 2021; and (2) establishing a Staffing Crisis Differential for all Nurse Practitioners and Institution Registered Nurses who provide direct patient care, effective December 29, 2021 until April 30, 2022. In addition, eligible employees will receive \$31.00 per hour for hours worked between Friday at 10:00PM until Monday at 7:00AM and \$13.00 per hour for all other hours. Employees classified as Health Services Technician working at the Oregon State Penitentiary who provide direct patient care shall be paid an additional \$12.00 per hour. The 2021-23 cost of the compensation adjustments included in this section is \$309,154 total funds.

Section C covers compensation plan changes the American Federation of State, County and Municipal Employees (AFSCME) Council 75 Department of Corrections Non-Security Employees. Changes include: (1) establishing a 2.5% Trades Apprenticeship differential, effective December 1, 2021; and (2) establishing a Staffing Crisis Differential for all Nurse Practitioners and Institution Registered Nurses who provide direct patient care, effective December 29, 2021 until April 30, 2022. In addition, eligible employees will receive \$31.00 per hour for hours worked between Friday at 10:00PM until Monday at 7:00AM and \$13.00 per hour for all other hours. Employees classified as Health Services Technician who provide direct patient care shall be paid an additional \$12.00 per hour. Employees classified as Certified Medication Aides at Coffee Creek Correctional Facility shall receive an additional \$5.00 per hour. The 2021-23 cost of the compensation adjustments included in this section is \$1,33,811 total funds.

Section D includes compensation plan changes for Executive Service, Unclassified Excluded, and Management Service which includes establishing the State Chief Information Officer classification.

Section E includes compensation plan changes for the Service Employees International Union (SEIU) Oregon Home Care Commission, which includes: (1) generally increasing wages by \$0.90 per hour, effective January 1, 2022; (2) generally increasing wages by \$1.10 per hour, effective January 1, 2023; (3) increasing the mileage reimbursement from \$0.485 per mile to \$0.56 per mile, effective upon ratification; (4) establishing a Professional Development Certification Differential of \$0.50 per hour, effective upon ratification; (5) establishing a onetime Pandemic Recognition payment of \$2,261.99 to be paid to Active Providers, effective December 1, 2021; (6) establishing a Parking Fund of \$122,886, effective upon ratification; (7) increasing the Relief Care base rate to \$14.75 per hour, effective January 1, 2022 and \$15.25, effective January 1, 2023; and (8) increasing the Trust Contribution by \$0.14 per hour. In addition, workers will be paid at a rate of 1.5 times their base rate for up to eight hours worked on specified holidays (Fourth of July, Thanksgiving Day and Christmas Day), effective January 1, 2023. The 2021-23 cost of the compensation adjustments included in this section is \$134,168,449 total funds.

Section F includes compensation plan changes for the Service Employees International Union (SEIU) Adult Foster Homes, which includes: (1) generally increasing service payments to all Providers by 5%, effective July 1, 2021; (2) generally increasing service payments to all Providers by 2.3%, effective July 1, 2021; (3) establishing a onetime Pandemic Recognition payment of \$1,000 for each Medicaid Resident served from March 1, 2020 – February 28, 2021. The 2021-23 cost of the compensation adjustments included in this section is \$52,354,307 total funds.

Section G includes compensation plan changes for the American Federation of State, County, and Municipal Employees (AFSCME) Licensed and Registered Child Care Providers, which includes: (1) increasing all rates to be equivalent to the 70th percentile based on the Western Oregon University Market Price Study, effective January 1, 2011; (2) contributing a onetime payment of \$700,000 to the Professional Development Training Fund; (3) establishing a Retirement Benefits Committee with the State contributing onetime American Rescue Plan Act (ARPA) funding of \$5,000,000 to execute the recommendation of the committee; and (4) establishing a Telehealth Benefit Fund not to exceed \$2,200 per enrolled provider for calendar year 2022 benefits. The 2021-23 cost of the compensation adjustments included in this section is \$26,035,262 total funds.

Section H includes compensation plan changes for the Service Employees International Union (SEIU) Licensed Exempt Child Care Providers, which includes: (1) increasing all rates by 8.0% not to exceed the rates of the Licensed Registered Child Care Providers, effective January 1, 2022; (2) increasing the travel expense stipend from \$4.00 to \$8.00 for orientation trips more than 25 miles and from \$8.00 to \$16.00 for orientation trips of 50 miles or more; (3) increasing the Orientation rate from \$12.00 per hour to \$15.00 per hour. The 2021-23 cost of the compensation adjustments included in this section is \$15,231,375 total funds.

Recommendation: The Legislative Fiscal Office recommends acknowledging receipt of the report.



Oregon

Governor Kate Brown

Department of Administrative Services

Chief Human Resources Office

Labor Relations Unit

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February 4, 2022

The Honorable Steiner Hayward, Co-Chair
The Honorable Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
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, ORS 329A.430, ORS 410.612 and ORS 443.733.

Agency Action

Executive Branch Compensation Changes:

- Section A: Implements compensation plan changes for the Service Employees International Union (SEIU) Local 503.
- Section B: Implements compensation plan changes for the Association of Oregon Corrections Employees (AOCE).
- Section C: Implements compensation plan changes for the American Federation of State, County and Municipal Employees Department of Corrections Non-Security Employees.
- Section D: Implements compensation plan changes for Executive Service, Unclassified Excluded, and Management Service.

Non-State Employee Compensation Changes:

- Section E: Implements the agreement with the Service Employees International Union (SEIU) for compensation changes for the Oregon Home Care Commission.
- Section F: Implements the agreement with the Service Employees International Union (SEIU) for compensation changes for the Adult Foster Homes.
- Section G: Implements the agreement with the American Federation of State, County, and Municipal Employees (AFSCME) for the Licensed and Registered Child Care Providers.
- Section H: Implements the agreement with the Service Employees International Union (SEIU) for the Licensed Exempt Child Care Providers.

Statewide Impact

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

Executive Branch Compensation Changes:

Statewide	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2021-2023 Cost:	5,567,544	-	800,052	1,185,314	7,552,910
Roll-up Cost:	23,283	-	15,612	-	38,895
2023-2025 Cost:	106,252	-	63,768	-	170,020

Non-State Compensation Changes:

Statewide	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2021-2023 Cost:	73,653,232	-	-	154,136,161	227,789,393
Roll-up Cost:	87,007,013	-	-	149,353,411	236,360,424
2023-2025 Cost:	160,660,244	-	-	293,006,773	453,667,017

Action Requested

The Department of Administrative Services requests acknowledgement of this report as required by ORS 291.371, ORS 329A.430, ORS 410.612 and ORS 443.733.

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

- 1) Effective July 1, 2019, selectively increase the following classification, as indicated:

Class Number	Pay Option	Class Title	From SR	To SR
5911	B	Health Care Investigator/Advisor	26	28N

- 2) Effective February 1, 2022 through April 30, 2022, continue the Staffing Crisis Differential as indicated:

Classification	Type of Work	Weekend Differential	Weekday Differential
Mental Health Therapy Technician, Mental Health Therapist 1, Mental Health Therapist 2, Mental Health Security Technician, Transporting Mental Health Aid, and Activities Coordinator	Direct Care	\$18.00 per hour	\$7.00 per hour
Licensed Practical Nurse	Direct Care	\$24.00 per hour	\$10.00 per hour

SECTION A	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2021-2023 Cost:	3,958,010	-	766,621	1,185,314	5,909,945
Roll-up Cost:	-	-	15,273	-	15,273
2023-2025 Cost:	-	-	62,076	-	62,076

SECTION B

Implements compensation plan changes for the Association of Oregon Corrections Employees (AOCE).

- 1) Effective November 1, 2021, establish a two and one half percent (2.5%) Trades Apprenticeship differential.
- 2) Effective December 29, 2021 until April 30, 2022, establish a Staffing Crisis Differential for all Nurse Practitioners and Institution Registered Nurses who provide direct patient care. Eligible employees will receive thirty-one dollars (\$31.00) per hour for hours worked between Friday at ten o'clock pm (10:00 p.m.) until Monday at seven o'clock am (7:00 a.m.) and thirteen dollars (\$13.00) per hour for all other hours. Employees classified as Health Services Technician working at the Oregon State Penitentiary who provide direct patient care shall be paid an additional twelve dollars (\$12.00) per hour.

SECTION B	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2021-2023 Cost:	308,313	-	841	-	309,154
Roll-up Cost:	6,559	-	168	-	6,727
2023-2025 Cost:	39,354	-	1,009	-	40,363

SECTION C

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 December 1, 2021, establish a two and one half percent (2.5%) Trades Apprenticeship differential.

- 2) Effective December 29, 2021 until April 30, 2022, establish a Staffing Crisis Differential for all Nurse Practitioners and Institution Registered Nurses who provide direct patient care. Eligible employees will receive thirty-one dollars (\$31.00) per hour for hours worked between Friday at ten o'clock pm (10:00 p.m.) until Monday at seven o'clock am (7:00 a.m.) and thirteen dollars (\$13.00) per hour for all other hours. Employees classified as Health Services Technician who provide direct patient care shall be paid an additional twelve dollars (\$12.00) per hour. Employees classified as Certified Medication Aides at Coffee Creek Correctional Facility shall receive an additional five dollars (\$5.00) per hour.

SECTION C	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2021-2023 Cost:	1,301,221	-	32,590	-	1,333,811
Roll-up Cost:	16,724	-	171	-	16,895
2023-2025 Cost:	66,898	-	683	-	67,581

SECTION D

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

- 1) Effective February 1, 2022, establish the following classification:

Class Number	Class Title	Salary Range	Pay Option
7431	State Chief Information Officer	45X	I

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

SECTION E

Implements the agreement with the Service Employees International Union (SEIU) for compensation changes for the Oregon Home Care Commission.

- 1) Effective January 1, 2022, generally increase wages by ninety cents (\$0.90) per hour.
- 2) Effective January 1, 2023, generally increase wages by one dollar and ten cents (\$1.10) per hour.
- 3) Effective January 1, 2023, workers will be paid at a rate of one and one-half times their base rate for up to eight (8) hours worked on the following holidays:
 - a) Fourth of July
 - b) Thanksgiving Day
 - c) Christmas Day
- 4) Effective upon ratification, increase the mileage reimbursement from forty-eight and one-half cents (\$0.485) per mile to fifty-six cents (\$0.56) per mile.
- 5) Effective upon ratification, establish a Professional Development Certification Differential of fifty cents (\$0.50) per hour.
- 6) Establish a one-time Pandemic Recognition payment of two thousand two hundred sixty one dollars and ninety-nine cents (\$2,261.99) to be paid to Active Providers effective as of December 1, 2021.
- 7) Effective upon ratification, establish a Parking Fund of one hundred twenty-two thousand eight hundred eighty-six dollars (\$122,886).
- 8) Effective January 1, 2022, increase the Relief Care base rate to fourteen dollars and seventy-five cents (\$14.75) per hour and fifteen dollars and twenty-five cents (\$15.25) effective January 1, 2023.
- 9) Effective upon ratification, increase the Trust Contribution by fourteen cents (\$0.14) per hour.

SECTION E	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2021-2023 Cost:	50,313,168	-	-	83,855,281	134,168,449
Roll-up Cost:	84,051,487	-	-	140,085,810	224,137,297
2023-2025 Cost:	134,364,655	-	-	223,941,091	358,305,746

SECTION F

Implements the agreement with the Service Employees International Union (SEIU) for compensation changes for the Adult Foster Homes.

- 1) Effective July 1, 2021, generally increase service payments to all Providers by five percent (5%).
- 2) Effective April 1, 2022, generally increase service payments to all Providers by two and three tenths percent (2.3%).
- 3) Establish a one-time Pandemic Recognition payment of one thousand dollars (\$1,000) for each Medicaid Resident served from March 1, 2020 – February 28, 2021.

SECTION F	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2021-2023 Cost:	15,951,943	-	-	36,402,364	52,354,307
Roll-up Cost:	103,501	-	-	236,188	339,689
2023-2025 Cost:	16,055,443	-	-	36,638,552	52,693,995

SECTION G

Implements the agreement with the American Federation of State, County, and Municipal Employees (AFSCME) for the Licensed and Registered Child Care Providers.

- 1) Effective January 1, 2022, increase all rates to be equivalent to the seventieth (70th) percentile based on the Western Oregon University Market Price Study.
- 2) Effective upon ratification, contribute a one-time payment of seven hundred thousand dollars (\$700,000) to the Professional Development Training Fund.
- 3) Effective upon ratification, establish a Retirement Benefits Committee. The State will contribute one-time American Rescue Plan Act (ARPA) funding of five million dollars (\$5,000,000) to execute the recommendation of the committee.
- 4) Effective upon ratification, establish a Telehealth Benefit Fund not to exceed two-thousand two-hundred dollars (\$2,200) per enrolled provider for calendar year 2022 benefits.

SECTION G	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2021-2023 Cost:	3,732,591	-	-	22,302,671	26,035,262
Roll-up Cost:	1,244,197	-	-	3,939,957	5,184,154
2023-2025 Cost:	4,976,788	-	-	15,759,828	20,736,616

SECTION H

Implements the agreement with the Service Employees International Union (SEIU) for the Licensed Exempt Child Care Providers.

- 1) Effective January 1, 2022, increase all rates by eight percent (8.0%) not to exceed the rates of the Licensed Registered Child Care Providers.
- 2) Effective upon ratification, increase the travel expense stipend from four dollars (\$4.00) to eight dollars (\$8.00) for orientation trips more than twenty five (25) miles and from eight dollars (\$8.00) to sixteen dollars (\$16.00) for orientation trips of fifty (50) miles or more.
- 3) Effective upon ratification, increase the Orientation rate from twelve dollars (\$12.00) per hour to fifteen dollars (\$15.00) per hour.

SECTION H	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2021-2023 Cost:	3,655,530	-	-	11,575,845	15,231,375
Roll-up Cost:	1,607,828	-	-	5,091,456	6,699,284
2023-2025 Cost:	5,263,358	-	-	16,667,302	21,930,660