

ANALYSIS

Item 2: Public Defense Services Commission Compensation Plan Changes

Analyst: John Borden

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

Analysis: ORS 151.216(1)(e) directs the Public Defense Services Commission (PDSC) to “Adopt a compensation plan, classification system and personnel plan for the office of public defense services that are commensurate with other state agencies.” As required under ORS 8.105(2), prior to implementing any compensation plan change, PDSC is to report either to the Joint Committee on Ways and Means when the Legislature is in session or the Emergency Board or the Joint Interim Committee on Ways and Means during the interim. PDSC provided timely notice of the proposed compensation plan change on October 9, 2023.

Personnel Plan/Exempt Service Employees

The 2023-25 legislatively adopted budget for the PDSC includes 143 positions (137.55 FTE). PDSC is proposing two ongoing and a one-time lump-sum Cost-of-Living Allowance (COLA) adjustments. The one-time lump-sum COLA applies to both permanent part-time and permanent full-time employees, employed as of October 10, 2023.

The three COLA adjustments are similar to those negotiated in the Executive Branch, as well as those adopted by the Judicial Department, with the only difference being in the implementation date of the one-time lump-sum COLA (December rather than September 2023).

The estimated cost would be \$3.2 million General Fund for the 2023-25 biennium and \$6.4 million General Fund for the 2025-27 biennium, with costs including both salaries and wages and other payroll expenses.

Ongoing COLA(s)	One-time COLA*	Effective Date	2023-25 General Fund	2025-27 General Fund
--	\$1,500	12.01.2023	\$222,130	--
6.5%	--	12.01.2023	\$2,221,364	\$3,184,055
6.55%	--	01.01.2025	\$752,827	\$3,208,547
Total			\$3,196,321	\$6,392,602

*Based on an estimate of 117 eligible employees, as of October 10, 2023.

Additional compensation plan changes made by PDSC include the following:

- Accounting Technician classification (effective April 1, 2024): elimination of top step in the pay range to achieve parity with the Executive Branch Accounting Technician series.
- Operations and Policy Analyst 4 (effective October 1, 2023): align compensation plan pay rates for Operation Policy Analysts 4 with Program Analyst 4 and Research Analyst 4 classifications by

providing a selective salary increase to Operation Policy Analysts 4 positions. The Operation Policy Analysts 4 will move from Salary Range 29 to Salary Range 30. The estimated cost of this action totals \$51,000 General Fund. The positions reside in the Executive Division and the Compliance, Audit, and Performance Management Division. PDSC states that this cost will be funded with budgetary savings (e.g., vacancy savings).

Compensation Plan Funding

The Legislature in 2023 established in the Emergency Board two special purpose appropriations related to the General Fund costs of employee compensation changes across all three branches of government: (a) \$330 million state employee compensation changes; and (b) \$120 million additional state employee compensation changes for retention and recruitment. An Emergency Board or legislative decision to allocate this funding will be decided at a future date.

Of note is that the second ongoing COLA with a January 1, 2025 effective date is contingent upon either the Legislature or the Emergency Board providing supplemental funding beyond the aforementioned amounts set aside by the 2023 Legislature. If supplemental funding is not appropriated, then the effective date of the second COLA may be delayed until February 1, 2025, or agencies may have to self-fund the differential cost within existing resources.

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

02
Public Defense Services Commission
Fox

Request: Report on compensation plan changes by the Public Defense Services Commission.

Recommendation: The Public Defense Services Commission is not under Executive Branch budgetary authority.

Discussion: The Public Defense Services Commission (PDSC) submitted a Compensation Plan Change Report in accordance with ORS 151.216(1)(e), which directs PDSC to “Adopt a compensation plan, classification system and personnel plan for the office of public defense services that are commensurate with other state agencies.” As required under ORS 8.105(2), PDSC is required to report to the Legislature prior to implementing any compensation plan changes.

The 2023-25 Legislatively Adopted Budget for PDSC includes 143 positions (137.55 FTE). PDSC has proposed two ongoing and one lump sum Cost of Living Allowance (COLA) adjustments.

These three COLA adjustments parallel those negotiated by the Executive Branch as well as those adopted by the Judicial Department. In August 2023, Governor Kotek announced a compensation plan for Executive Branch employees, which included a 6.5 percent COLA on December 1, 2023, a second 6.55 percent COLA on either January 1, 2025, or February 1, 2025, subject to availability of funds, and a one-time COLA of \$1,500.

PDSC estimates the cost of these compensation adjustments would be \$3.2 million General Fund for the 2023-25 biennium and \$6.4 million General Fund for the 2025-27 biennium. The funding required to implement the plan is anticipated to be received through the statewide salary pot adjustments made during the 2024 Legislative Session.



Oregon

Public Defense Services Commission

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November 08, 2023

The Honorable Senator Elizabeth Steiner, Co-Chair
The Honorable Representative Tawna Sanchez, Co-Chair
Interim Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairs:

Nature of the Request

The Public Defense Services Commission (PDSC) requests that you acknowledge receipt of this report on prospective compensation changes for staff in the 2023-2025 biennium. This report is pursuant to ORS 8.105(1).

Agency Action

The Public Defense Services Commission approves and presents the following salary adjustments:

Employees represented by AFSCME, as well as those in management service, will receive the following adjustments to compensation for the 2023-2025 biennium, all funds are General Fund.

- 6.50% cost of living increase on December 1, 2023.
- 6.55% cost of living increase on January 1, 2025, subject to available funding.
- One time COLA payment of \$1,500 for staff payable December 1, 2023.

Ongoing COLA(s)	One-time COLA	Effective Date	2023-25 General Fund	2025-27 General Fund
--	\$1,500	12.01.2023	\$222,130	--
6.50%	--	12.01.2023	\$2,221,364	\$3,184,055
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Total			\$3,196,321	\$6,392,602

- Salary Range Truncation, effective April 1, 2024. All three levels of the Accounting Technician series will drop step 1 of each classification, for parity with Executive Branch. There is no cost associated with this change.

- Effective October 1, 2023, a selective salary adjustment to the Operation Policy Analyst 4 salary range will be made to match the Research Analyst 4, and Program Analyst 4. With this change all senior level analyst classifications will be aligned at Range 30. The estimated cost of this action per Operations and Policy Analyst 4 position is \$15,000 and \$36,000 General Fund for a total of \$51,000 General Fund. There are two positions that reside in the Compliance, Audit, and Performance Management Division and Executive Division. This change will be absorbed by the agency through normal agency savings.

Action Requested

The Public Defense Services Commission requests acknowledgement and receipt of the attached report.

Legislation Affected

None

Sincerely,



Jessica Kampfe
Executive Director

cc:

Amanda Beitel, Legislative Fiscal Officer
John Borden, Principal Legislative Analyst, LFO
Kate Nass, Chief Financial Officer
Lisa Fox, Policy and Budget Analyst, CFO



DATE: October 26, 2023

TO: Jessica Kampfe, Executive Director, PDSC
Jennifer Nash, Chair, Public Defense Services Commission
Members, Public Defense Services Commission

FROM: Ralph Amador, Finance and Budget Manager, OPDS/PDSC

RE: Proposed Motion: Move to approve the 2023-2025 OPDS Employee
Compensation Plan Changes

Background/Overview of Issue:

Historically, the Public Defense Services Commission (PDSC) adopts compensation plan changes that have been set state-wide in the Executive Branch and the Oregon Judicial Department on a biennial basis (every two years). Per ORS 151.216(1)(g) the Commission shall adopt a compensation plan, classification system and affirmative action plan for the commission that are commensurate with other state agencies.

On a biennial basis, the Oregon Legislature sets aside a Special Purpose Appropriation to the Emergency Board for state employee compensation changes. The distribution of these funds is calculated by the Department of Administrative Services, who then distributes those funds to state agencies. If the amount distributed to the agency is less than the amount required to fund the compensation changes to include cost of living increases (COLA), the agency will need to fund the difference using existing resources. PDSC expects that any recommended compensation changes will be funded through its portion of the Special Purpose Appropriation.

Other salary changes (Technical Adjustments and Selectives) to specific classifications are expected to be funded by the agency through vacancy savings, or other existing resources.

All salary adjustments for represented classifications are subject to a collective bargaining negotiation process with AFSCME members and agency management staff. All agreed upon adjustments are subject to review by the Finance and Budget Manager, approval by the Executive Director, approval by the Commission and reviewed by the legislature.

In accordance with ORS 8.105(1) before making any change to a compensation plan, an administrative division of the judicial department must submit the proposed change to the Joint Committee on Ways and Means during the period when the Legislative Assembly is in session, or to the Emergency Board or the Joint Interim Committee on Ways and Means during the interim period between sessions. All approved salary adjustments are subsequently loaded into the State's personnel management system by the Department of Administrative Services Workday Team.

Below are summaries of the compensation plan adjustments that have been adopted by the Executive Branch and the Oregon Judicial Department.

Executive Branch:

Employees represented by AFSCME and SEIU, as well as those in management service, executive service, and unrepresented employees, will receive the following adjustments to compensation for the 2023-2025 biennium:

- 6.50% cost of living increase on December 1, 2023.
- 6.55% cost of living increase on January 1, 2025, subject to available funding.
- One-time COLA payment of \$1,500 for staff payable September 2023.

Oregon Judicial Department:

OJD is guided by statute to maintain an employee salary plan equitably applied and in “reasonable conformity” with the general salary structure of the executive branch. The following is a summary of relevant 2023-2025 compensation plan adjustments authorized by the Chief Justice for OJD employees.

- 6.50% cost of living increase on December 1, 2023.
- 6.55% cost of living increase on January 1, 2025, subject to available funding.
- One time COLA payment of \$1,500 for Staff payable September 1, 2023.

Agency Recommendation:

Agency recommends the following salary adjustments which have been agreed upon by AFSCME members and agency staff. These changes must be reported to the Legislature after approval by the Commission and prior to distribution of funds.

Employees represented by AFSCME, as well as those in management service, will receive the following adjustments to compensation for the 2023-2025 biennium, all funds are General Fund.

- 6.50% cost of living increase on December 1, 2023.
- 6.55% cost of living increase on January 1, 2025, subject to available funding.
- One time COLA payment of \$1,500 for Staff payable December 1, 2023.

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- Salary Range Truncation, effective April 1, 2024. All three levels of the Accounting Technician series will drop step 1 of each classification, for parity with Executive Branch. There is no cost associated with this change.
- Effective October 1, 2023, a selective salary adjustment to the Operation Policy Analyst 4 salary range will be made to match the Research Analyst 4, and Program Analyst 4. With this change all senior level analyst classifications will be aligned at Range 30. The estimated cost of this action per Operations and Policy Analyst 4 position is

\$15,000 and \$36,000 General Fund for a total of \$51,000 General Fund. There are two positions that reside in the Compliance, Audit, and Performance Management Division and Executive Division. This change will be absorbed by the agency through normal agency savings.

Proposed Motion:

Move to approve the proposed compensation plan adjustments consistent with the compensation changes adopted by Executive Branch and Oregon Judicial Department for the 2023-2025 biennium and submit this report the Legislature.