

ANALYSIS

Department of Administrative Services Compensation Plan Changes

Analyst: Kim To

Request: Acknowledge receipt of a report from the Department of Administrative Services on compensation plan changes.

Analysis: ORS 291.371 requires the Department of Administrative Services (DAS) to report to the Joint Committee on Ways and Means, when the Legislative Assembly is in session, on any changes to the state's compensation plan. When the Legislature is not in session, the agency must report to the Joint Interim Committee on Ways and Means or the Emergency Board.

The current report submitted by DAS contains the following sections describing the compensation changes for the following six groups of executive branch employees and two groups of non-state care provider employees:

- Section A: Association of Engineering Employees of Oregon (AEE)
- Section B: American Federation of State, County, and Municipal Employees (AFSCME)
Council 75, Security Employees at the Department of Corrections
- Section C: American Federation of State, County, and Municipal Employees (AFSCME)
Council 75, Non-Security Employees at the Department of Corrections
- Section D: American Federation of State, County, and Municipal Employees (AFSCME)
Council 75, Registered Nurses at the Oregon State Hospital
- Section E: Federation of Oregon Parole and Probation Officers (FOPPO)
- Section F: Unclassified Non-Represented and Management Service
- Section G: Service Employees International Union (SEIU) Licensed Exempt Family
Childcare Providers
- Section H: Service Employees International Union (SEIU) Adult Foster Home Providers

For the executive branch employee changes, DAS estimates the total 2025-27 cost of these changes is \$44.4 million total funds, which includes \$30.2 million General Fund, \$196,063 Lottery Funds, \$13.8 million Other Funds, and \$125,804 Federal Funds. For the 2027-29 biennium, the cost of these compensation changes is anticipated to be \$121.4 million total funds, which includes \$82.9 million General Fund, \$543,228 Lottery Funds, \$37.7 million Other Funds, and \$167,554 Federal Funds.

For the non-state employee changes, DAS estimates the total 2025-27 cost of these changes is \$64.4 million total funds, which includes \$25.3 million General Fund and \$39.1 million Federal Funds. For the 2027-29 biennium, the cost of these compensation changes is anticipated to be

\$144.1 million total funds, which includes \$55.6 million General Fund and \$88.4 million Federal Funds).

Allocation of the special purpose appropriations to the Emergency Board intended to cover the major components of employee compensation changes and other budget adjustments for the affected agencies will be considered during the 2026 legislative session.

Section A implements compensation plan changes for AEE. The components include the following: 1) effective February 1, 2026, generally increasing salary rates by 2.5%; 2) effective January 1, 2027, generally increasing salary rates by 4%; 3) effective February 1, 2027, adding a step to all salary ranges; 4) effective upon ratification, increasing the Essential Worker Pay from \$3 to \$4 per hour; 5) effective upon ratification, increasing the High Work Differential from \$1.50 to \$2.00 per hour for employees required to perform work more than six feet directly above the ground or water and required to use personal fall arrest systems; (6) increasing the Under Bridge Inspection Truck differential from \$4 to \$5 per hour for employees required to perform slope, communication tower, or bridge condition inspection using rope access or aerial lift equipment; (7) selectively increasing three classifications; and (8) truncating two classifications.

Section B implements compensation plan changes for AFSCME Council 75, Security Employees at the Department of Corrections. The components include the following: 1) effective February 1, 2026, generally increasing salary rates by 2.5%; 2) effective January 1, 2027, generally increasing salary rates by 4%; 3) effective February 1, 2027, adding a step to all salary ranges; 4) effective upon ratification, increasing the Essential Worker Pay from \$3 to \$4 an hour; and 5) effective upon ratification, abolishing the Sexual Abuse Response Team differential.

Section C implements compensation plan changes for AFSCME Council 75, Non-Security Employees at the Department of Corrections. The components include the following: 1) effective February 1, 2026, generally increasing salary rates by 2.5%; 2) effective January 1, 2027, generally increasing salary rates by 4%; 3) effective February 1, 2027, adding a step to all salary ranges; 4) effective upon ratification, increasing the Essential Worker Pay from \$3 to \$4 an hour; 5) effective upon ratification, establishing an underfill differential; 6) establishing a food service coordinator shift differential of \$1.50 per hour for all hours in the shifts if the shift starts between 2:00 a.m. and 4:30 a.m. and \$2.00 per hour for all hours in the shift if the shift ends at 6:00 p.m. or later; 7) effective upon ratification, nurse practitioners and psychiatric nurse practitioners shall be eligible for the 4.75% differential if they possess a baccalaureate degree in nursing and 9.5% differential if they possess a master's degree in nursing; 8) establishing a board certification differential of 7.5% for the first certification and an additional 2.5% for more than one certification for nurse practitioners and psychiatric nurse practitioners; 9) establishing a pharmacist-in-charge differential of 5% of base pay; and

10) establishing a medical chaperone duty pay of \$10 per day for when a non-licensed employee is required to perform certain chaperone duties that are otherwise assigned to licensed employees.

Section D implements compensation plan changes for AFSCME Council 75, Registered Nurses at the Oregon State Hospital, including establishing a \$2.50 per hour mental health registered nurse preceptor differential for each hour worked.

Section E implements compensation plan changes for FOPPO. The components include the following: 1) effective February 1, 2026, generally increasing salary rates by 2.5%; 2) effective January 1, 2027, generally increasing salary rates by 4%; 3) effective February 1, 2027, adding a step to all salary ranges; and 4) effective upon ratification, increasing the Essential Worker Pay from \$3 to \$4 an hour.

Section F implements compensation plan changes for Unclassified Non-Represented and Management Service employees, including establishing pay of options for specified state hospital superintendent and training positions.

Section G implements compensation plan changes for non-state employees Licensed Exempt Family Childcare Providers represented by SEIU. The components include the following: 1) effective March 1, 2026, increasing the rates for family providers to be equivalent to 90% of the registered family rate; and 2) effective March 1, 2026, increasing the rates for qualified family providers to be equivalent to 95% of the registered family rate.

Section H implements compensation plan changes for non-state employees Adult Foster Home Providers represented by SEIU. The components include establishing a new service payment structure and increasing service payments.

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

Department of Administrative Services Brickman

Request: Report on the compensation plan changes by the Department of Administrative Services.

Recommendation: Acknowledge receipt of the report.

Discussion: The Department of Administrative Services (DAS) is reporting on compensation plan changes and position allocations, as required by ORS 291.371, ORS 329A.430, ORS 410.612, and ORS 443.733. This report covers the implementation of agreements with several executive branch bargaining units, as well as statewide compensation plan changes. A detailed breakdown of the changes is included in the DAS letter, as follows:

- Section A: Association of Engineering Employees of Oregon (AEE).
- Section B: American Federal of State, County, and Municipal Employees (AFSCME) Council 75, Security Employees at the Department of Corrections.
- Section C: AFSCME Council 75, Non-Security Employees at the Department of Corrections.
- Section D: AFSCME Council 75, Registered Nurses at the Oregon State Hospital.
- Section E: Federation of Oregon Parole and Probation Officers (FOPPO).
- Section F: Unclassified Non-represented and Management Service.

There were also one two non-state employee compensation plan change reported:

- Section G: Service Employees International Union (SEIU) for Licensed Exempt Family Child Care Providers
- Section H: SEIU for Adult Foster Home Providers

The cost of implementing the negotiated agreements for the Executive Branch for the 2025-27 biennium is estimated at \$30.2 General Fund, \$0.2 million Lottery Funds, \$13.8 million Other Funds, and \$0.1 million Federal Funds. For the next full biennium (2027-29), the total cost of these salary plan changes is anticipated to be \$121.4 million. The Emergency Board received a Special Purpose Appropriation totaling \$300.0 million General Fund to defray the cost to agencies for employee compensation changes.

The cost of implementing the non-state employee compensation includes \$25.3 million General Fund and \$39.1 million Federal Funds for the 2025-27 biennium, and \$55.6 million General Fund and \$88.4 million Federal Funds estimated for the 2027-29 biennium. The Emergency Board received a Special Purpose Appropriation totaling \$75.0 million General Fund to defray the cost for non-state employee compensation changes.

The Special Purpose Appropriation funds are typically allocated to agencies during the February Legislative Session.



Oregon

Tina Kotek, Governor

Department of Administrative Services
155 Cottage Street NE
Salem, OR 97301

January 28, 2026

The Honorable Senator Kate Lieber, Co-Chair
The Honorable Representative Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE, H-178
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 the agreement for the Association of Engineering Employees of Oregon (AEE).
- Section B: Implements the agreement for the American Federation of State, County, and Municipal Employees (AFSCME) Council 75, Security Employees at the Department of Corrections.
- Section C: Implements the agreement for the American Federation of State, County, and Municipal Employees (AFSCME) Council 75, Non-Security Employees at the Department of Corrections.
- Section D: Implements compensation plan changes for the American Federation of State, County, and Municipal Employees (AFSCME) Council 75, Registered Nurses at the Oregon State Hospital.
- Section E: Implements the agreement for the Federation of Oregon Parole and Probation Officers (FOPPO).
- Section F: Implements compensation plan changes for Unclassified Non-represented and Management Service.

Non-State Employee Compensation Changes:

Section G: Implements the agreement for the Service Employees International Union (SEIU) for compensation changes for the Licensed Exempt Family Childcare Providers.

Section H: Implements the agreement for the Service Employees International Union (SEIU) for compensation changes for the Adult Foster Home Providers.

Statewide Impact

The tables below aggregate the costs (by fund type) for all items reported in this letter.

Executive Branch	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2025-2027 Cost:	30,228,598	196,063	13,829,337	125,804	44,379,801
Roll-up Cost:	52,747,466	347,165	23,916,654	41,750	77,053,035
2027-2029 Cost:	82,976,064	543,228	37,745,991	167,554	121,432,837

Non-State	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2025-2027 Cost:	25,266,852	-	-	39,089,066	64,355,918
Roll-up Cost:	30,355,841	-	-	49,302,305	79,658,146
2027-2029 Cost:	55,622,693	-	-	88,391,371	144,014,064

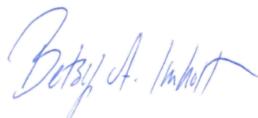
Action Requested

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.

Sincerely,



Betsy Imholt
Director

Attachments

CC: Kate Nass, Chief Financial Office
Tamara Brickman, Department of Administrative Services
Amanda Beitel, Legislative Fiscal Office
Kim To, Legislative Fiscal Office

SECTION A

Implements the agreement for the Association of Engineering Employees of Oregon (AEE).

- 1) Effective February 1, 2026, generally increase salary rates by two and one-half percent (2.5%).
- 2) Effective January 1, 2027, generally increase salary rates by four percent (4.0%).
- 3) Effective February 1, 2027, an additional step shall be added to all salary ranges. Employees who are at the top step prior to implementation of the new top step and have been employed with the State for ten (10) years or more will be moved to the next step in the salary range on February 1, 2027.
- 4) Effective upon ratification, increase the Essential Worker Pay from three dollars (\$3.00) per hour to four dollars (\$4.00) per hour.
- 5) Effective upon ratification, increase the High Work Differential from one dollar and fifty cents (\$1.50) per hour to two dollars (\$2.00) per hour for employees required to perform work more than six feet directly above the ground or water and required to use personal fall arrest systems.
- 6) Increase the Under Bridge Inspection Truck (UBIT) differential from four dollars (\$4.00) per hour to five dollars (\$5.00) per hour for employees required to perform slope, communication tower or bridge condition inspection using rope access or aerial lift equipment.
- 7) Effective July 1, 2025, selectively increase the following classifications, as indicated:

Class Number	Class Title	From SR	To SR
1164	Economist 4	33	35
1243	Fiscal Analyst 1	23	24
1244	Fiscal Analyst 2	27	28

- 8) Effective July 1, 2025, truncate the following classifications by removing the bottom two steps:

Class Number	Class Title
2167	Communication Systems Analyst 1
2168	Communication Systems Analyst 2

SECTION A	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2025-2027 Cost:	32,081	196,063	13,145,172	-	13,373,316
Roll-up Cost:	57,617	347,165	22,884,818	-	23,289,600
2027-2029 Cost:	89,698	543,228	36,029,990	-	36,662,916

SECTION B

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

- 1) Effective February 1, 2026, generally increase salary rates by two and one-half percent (2.5%).
- 2) Effective January 1, 2027, generally increase salary rates by four percent (4.0%).
- 3) Effective February 1, 2027, an additional step shall be added to all salary ranges. Employees who are at the top step prior to implementation of the new top step and have been employed with the State for ten (10) years or more will be moved to the next step in the salary range on February 1, 2027.
- 4) Effective upon ratification, increase the Essential Worker Pay from three dollars (\$3.00) per hour to four dollars (\$4.00) per hour.
- 5) Effective upon ratification of the agreement, abolish the Sexual Abuse Response Team (SART) differential.

SECTION B	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2025-2027 Cost:	15,246,610	-	130,752	-	15,377,362
Roll-up Cost:	27,979,150	-	236,373	-	28,215,523
2027-2029 Cost:	43,225,760	-	367,125	-	43,592,885

SECTION C

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

- 1) Effective February 1, 2026, generally increase salary rates by two and one-half percent (2.5%).
- 2) Effective January 1, 2027, generally increase salary rates by four percent (4.0%).
- 3) Effective February 1, 2027, an additional step shall be added to all salary ranges. Employees who are at the top step prior to implementation of the new top step and have been employed with the State for ten (10) years or more will be moved to the next step in the salary range on February 1, 2027.
- 4) Effective upon ratification, increase the Essential Worker Pay from three dollars (\$3.00) per hour to four dollars (\$4.00) per hour.
- 5) Effective upon ratification of the agreement, establish an Underfill differential when an employee is selected to fill a higher-level classification position as an underfill.
- 6) Effective upon ratification of the agreement, establish a Food Service Coordinator shift differential of one dollar and fifty cents (\$1.50) per hour for all hours in the shifts if the shift starts between 2:00 am and 4:30 am and two dollars (\$2.00) per hour for all hours in the shift if the shift ends at 6:00 pm or later.
- 7) Effective upon ratification of the agreement, Nurse Practitioners and Psychiatric Nurse Practitioners shall be eligible for the four and three-quarters percent (4.75%) differential if they possess a Baccalaureate degree in Nursing and nine and one-half percent (9.5%) differential if they possess a Masters degree in Nursing.
- 8) Effective upon ratification of the agreement, establish a Board Certification differential of seven and one-half percent (7.5%) for the first certification and an additional two and one-half percent (2.5%) for more than one certification for Nurse Practitioners and Psychiatric Nurse Practitioners.
- 9) Effective upon ratification of the agreement, establish a Pharmacist in Charge differential of five percent (5%) of base pay for employees assigned Pharmacist in Charge duties.
- 10) Effective upon ratification of the agreement, establish a Medical Chaperone Duty pay of ten dollars (\$10.00) per day for non-licensed employee is required to perform certain chaperone duties that are otherwise assigned to licensed employees.

SECTION C	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2025-2027 Cost:	14,325,868	-	416,319	-	14,742,187
Roll-up Cost:	23,952,362	-	793,748	-	24,746,109
2027-2029 Cost:	38,278,229	-	1,210,067	-	39,488,296

SECTION D

Implements compensation plan changes for the American Federation of State, County, and Municipal Employees (AFSCME) Council 75, Registered Nurses at the Oregon State Hospital.

- 1) Effective February 3, 2026, establish a two dollar and fifty cent (\$2.50) per hour Mental Health Registered Nurse (MHRN) Preceptor differential for each hour worked as a MHRN Preceptor.

SECTION D	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2025-2027 Cost:	61,791	-	4,166	13,576	79,533
Roll-up Cost:	25,444	-	1,715	5,590	32,749
2027-2029 Cost:	87,235	-	5,881	19,166	112,282

SECTION E

Implements the agreement for the Federation of Oregon Parole and Probation Officers (FOPPO).

- 1) Effective February 1, 2026, generally increase salary rates by two and one-half percent (2.5%).
- 2) Effective January 1, 2027, generally increase salary rates by four percent (4.0%).
- 3) Effective February 1, 2027, an additional step shall be added to all salary ranges. Employees who are at the top step prior to implementation of the new top step and have been employed with the State for ten (10) years or more will be moved to the next step in the salary range on February 1, 2027.
- 4) Effective upon ratification, increase the Essential Worker Pay from three dollars (\$3.00) per hour to four dollars (\$4.00) per hour.

SECTION E	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2025-2027 Cost:	413,029	-	-	-	413,029
Roll-up Cost:	732,894	-	-	-	732,894
2027-2029 Cost:	1,145,923	-	-	-	1,145,923

SECTION F

Implements compensation plan changes for Unclassified Non-represented and Management Service.

1) Establish the following pay options, as indicated:

Class Number	Class Title	SR	Pay Option	Effective Date
7529	Oregon State Hospital Superintendent	44X	N	6/1/25
7675	Public Safety Education & Training Manager 1	31X	B	1/1/25
7674	Public Safety Education & Training Manager 2	33X	B	1/1/25
7673	Public Safety Education & Training Manager 3	35X	B	1/1/25

2) Effective March 1, 2026, selectively increase the following classification, as indicated:

Class Number	Class Title	From SR	To SR
5554	Deputy Fire Chief	33B	35B

3) Effective March 1, 2026, increase appropriate leave accrual rates and maximums as well as payout options for the Deputy Fire Chief (5554) by forty percent (40%) to align with the increase in schedule weekly hours from forty (40) to fifty-six (56).

SECTION F	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2025-2027 Cost:	149,219	-	132,928	112,228	394,375
Roll-up Cost:	-	-	-	36,160	36,160
2027-2029 Cost:	149,219	-	132,928	148,388	430,535

SECTION G

Implements the agreement for the Service Employees International Union (SEIU) for compensation changes for the Licensed Exempt Family Childcare Providers.

- 1) Effective March 1, 2026, increase rates for Family Providers to be equivalent to ninety percent (90%) of the Registered Family rate.
- 2) Effective March 1, 2026, increase rates for Qualified Family Providers to be equivalent to ninety-five percent (95%) of the Registered Family rate.

SECTION G	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2025-2027 Cost:	2,883,147	-	-	1,012,998	3,896,145
Roll-up Cost:	1,729,893	-	-	607,794	2,337,687
2027-2029 Cost:	4,613,040	-	-	1,620,792	6,233,832

SECTION H

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

1) Effective January 1, 2026, establish a new service payment structure as follows:

Tier	Monthly Amount	Additional Hours
1	2,332	0
2	3,327	2
3	3,863	4
4	5,916	8
5	7,773	10

2) Effective January 1, 2027, increase service payments as follows:

Tier	Monthly Amount	Additional Hours
1	2,477	0
2	4,052	2
3	4,704	4
4	7,205	8
5	9,467	10

SECTION H	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
2025-2027 Cost:	22,383,705	-	-	38,076,068	60,459,773
Roll-up Cost:	28,625,948	-	-	48,694,511	77,320,459
2027-2029 Cost:	51,009,653	-	-	86,770,579	137,780,232