

2025-2027 STATE OF OREGON and AFSCME CENTRAL TABLE
Union Counter Proposal
July 15, 2025

UNION PACKAGE PROPOSAL - 3

ARTICLE/LOA	VERSION	DATE OF REFERENCE
SALARIES	Management Proposal	July 11, 2025
HEALTH AND WELFARE INSURANCE	Union Proposal	May 06, 2025
LOA PEBB PMAC	Management Proposal	Continue LOA
LOA SALARY AND BENEFIT REPORT	Management Proposal	Continue LOA
NEW LOA—TRANSITION TO BI-WEEKLY PAY	Management Proposal	Withdraw
NEW LOA—STRUCTURAL CHANGES TO PAY PRACTICES	<u>Union Proposal</u>	<u>See Attached</u>
<u>VACATION LEAVE</u>	<u>Union Proposal</u>	<u>Withdraw</u>
<u>HOLIDAYS</u>	<u>Union Proposal</u>	<u>Withdraw</u>
<u>REOPENER LOA</u>	<u>Union Proposal</u>	<u>See Attached</u>

This package proposal is contingent on the Legislature funding one hundred percent (100%) of the Governor's Special Purpose Appropriations (SPA) for state employee compensation in the Governor's Recommended 2025-2027 Budget. If the Legislature does not fund one hundred percent (100%) of the Governor's Special Purpose Appropriations (SPA) for state employee compensation, this specific package proposal shall be considered automatically withdrawn and the Employer will submit an amended package proposal. The submission of an amended package proposal shall be deemed a timely submission of the Employer's economic package proposal under the ground rules.

Me Too

If the Employer bargains a more generous benefit with another Union/Association in any of the articles in the package, the Employer will notify the Union in writing and shall extend the more generous benefits in the agreement reached with the other Union to this agreement.

2023-2025 STATE OF OREGON and AFSCME CENTRAL TABLE
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NEW LETTER OF AGREEMENT

STRUCTURAL CHANGES TO PAY PRACTICES

This Letter of Agreement is between the State of Oregon, acting through its Department of Administrative Services (Employer), and the AFSCME Council 75, (Union).

Since Workday Payroll launched in December 2022, the State has worked diligently expending significant staff time and internal and external resources to identify and correct errors caused by the transition, as well as to better understand what is causing those errors. That process has shown there are have been aspects of the State's historic pay practices that have caused causing significant ongoing challenges to Workday's effectiveness for processing the State of Oregon's payroll. The efforts to configure Workday Payroll to align with our historic pay practices to pay overtime-eligible employees a monthly salary and to continue to forecast time have been problematic. It has become clear that these configuration efforts are not practicable.

The State believes updating these practices through structural changes will eliminate the current issues with Workday Payroll and improve the transparency, predictability, and accuracy of employee pay.

Therefore, the Parties agree to the following:

1. On or before July 1, 2027, the State will implement the following structural changes to the State's pay practices:
 - a. The State will pay employees in arrears (rather than forecasting hours) by utilizing a lag period.
 - b. The State will pay overtime-eligible employees on an hourly basis rather than a monthly salary.
 - c. The State will transition to bi-weekly pay periods.
2. ~~Throughout 2025-2027 negotiations, the State will update Appendix A to reflect any known calculations, deduction frequency on a bi-weekly schedule, prorations for leave accruals, etc.~~
3. The current Workday configuration complies with the 2025-2027 collective bargaining agreement for the duration of the agreement.
4. During the term of the 2025-2027 contract, a joint labor-management committee will be established to discuss and agree on modifications in areas of the collective bargaining agreement where the agreed upon structural changes are applied such as: pay dates, pay frequency, references to monthly salary versus hourly pay, deductions, leave accruals, holiday proration, union dues, PEBB contributions, etc. This list is not exhaustive and may be expanded as the contract is reviewed by the

joint labor management committee in preparation of implementing the structural changes.

- a. The joint labor management committee shall be comprised of ten (10) members, with four (4) AFSCME represented employees appointed by the Union, four (4) management representatives, one (1) AFSCME staff and one (1) DAS State Labor Relations Manager. The Union and State may have additional staff work with the committee.
- b. The joint labor management committee shall meet on a schedule it chooses, but no less frequently than once per month.
- c. Committee and workgroup members convened in accordance with the LOA will be on paid status and shall be reimbursed for authorized travel expenses as per State Travel Policy. Agencies will not incur any overtime as a result of committee meetings or travel. Flexing schedules will be allowed to avoid overtime.

~~Alleged violations of this Letter of Agreement are not subject to the grievance and arbitration procedure.~~

LETTER OF AGREEMENT - ECONOMIC REOPENER

This Agreement is between the State of Oregon, acting through its Department of Administrative Services (Employer) and AFSCME Council 75 (Union) on behalf of all State Executive branch locals under Central Table.

The Employer and the Union shall participate in a negotiation reopener in January 2026. The reopener shall be limited to and intended for the following only:

The parties shall review the use of the 300-million salary pot allocated for the 2025-27 biennium. If any savings occurred due to layoffs or retirements, the remaining funding shall be used towards increasing the December 01, 2026 cost of living adjustment.

At no point shall the parties negotiate outside of this scope. At no point shall any previously negotiated benefits be reduced or removed.

This Letter of Agreement shall sunset on June 30, 2027.

2025-2027 STATE OF OREGON and AFSCME CENTRAL TABLE

Union Counter Proposal

DATE: 07/15/2025

TIME:

1

SALARY ADMINISTRATION¹

2

¹ This proposal applies to the following Local Tables where not already in effect
BCD – A20

CCB – A29

DEQ – A34

DLCD – A18

DOC Den N/A

DSL – A20

OAJA – N/A

ODEM – A29

OHAP – N/A

OLCC – A35

OLTCO – A31

OMD – A16

OPDC ASD – A26

OPDC ATT – A26

OPDC LS – A26

OSFM – A20

OSH RNS – N/A

OSPSU – A29

OYA – A15

REA – A30

SACU – A20

[Building Codes Division (BCD) Article 20]

Revise Section 1 as follows:

Section 1. Merit Salary Increase.

Employees shall be eligible for consideration for merit salary increases following:

- a. Completion of the initial twelve (12) months of service.
- b. Completion of six (6) months of service following promotion.
- c. Annual periods after (a) or (b) above until the employee has reached the top of the salary range.

~~Merit salary increases shall be made upon recommendation of the employee's immediate supervisor and approval of the appointing authority. The immediate supervisor shall give written notice to an employee of withholding of a merit salary increase prior to the eligibility date, including a statement of the reason(s) it is being withheld.~~

Revise Section 2. as follows:

Section 2. Salary on Demotion or Reclassification Downward.

When an employee is demoted or reclassified downward, the agency's appointing authority or management designee will conduct an internal assessment to determine the appropriate rate of pay.

- a. **Upon demotion, if the employee's current pay exceeds the top step of the new classification, their pay will be reduced to the top step of the new**

classification. However, in the event of a downward reclassification, if the employee's current pay exceeds the top step of the new classification, the agency will retain their current salary. The agency will red-circle their rate of pay until a step of the classification equals or exceeds the employee's salary. Employees who are red-circled are not eligible for cost-of-living increases. When a step of the classification equals or exceed the employee's red-circled rate of pay, an agency will adjust the rate of pay appropriately and the employee becomes eligible for cost-of-living increases.

b. If the employee's current pay falls within the new classification's salary range and the assessment results in a step equal to or greater than their current pay, the agency will apply the outcome of the assessment.

c. If the employee's current pay falls within the new classification's salary range but the assessment results in a step below their current pay, the agency will maintain the employee's current pay. If this places the employee off-step in the new classification, the employee will advance to the next higher salary step at their next benefit service date, followed by an additional step increase — not to exceed the top step of the range*.

FOR EXAMPLE: An employee's current rate of pay is between Step 4 and Step 5 of their new salary range -- the employee will retain their current rate of pay and then will advance to Step 6 on their next benefit service date.

The benefit service date remains the same unless the employee is already at the top step of the new salary range.

~~Whenever an employee demotes to a job classification in a lower range that has a salary rate the same as the previous salary, the employee's salary shall be maintained at that rate in the lower range.~~

~~Whenever an employee demotes to a job classification in a salary range which does not have corresponding salary steps with the employee's previous salary but is within the new salary range, the employee's salary shall be maintained at the current rate until the next eligibility date. At the employee's next eligibility date, if qualified, the employee shall be granted a salary rate increase of one (1) full step within the new salary range plus that amount that the current salary rate is below the next higher rate in the new salary range. This increase shall not exceed the highest rate in the new salary range.~~

~~Whenever an employee demotes to a job classification in a lower range, but the employee's salary is above the highest step for that range, the employee shall be paid at the highest step in the new salary range.~~

~~This Section shall not apply to demotions resulting from official disciplinary actions.~~

Revise Section 3 as follows:

Section 3. Salary on Promotion or Upward Reclassification

When an employee is promoted, the agency's appointing authority or management designee will conduct an internal assessment to determine the appropriate rate of pay. The amount of the pay increase shall not be less than four percent (4%).

- a. **If the assessment results in a step equal to or below the employee's current pay rate, their pay will be increased to the next higher step in the new salary range. If that step provides an increase of less than two and five-tenths percent (2.5%) four percent (4%), the agency will apply the next higher step in the new classification's salary range.**

b. If the assessment results in a step above the employee's current pay rate, the agency will use the outcome of the assessment. If this increase is still less than two and five tenths percent (2.5%) ~~four percent (4%)~~, the agency will move the employee to the next higher step in the new classification's salary range.

c. If the employee's benefit service date falls within forty-five (45) calendar days of the start date of their new position and they have not yet reached the top step of their current range, the promotion will be processed as if the employee had already reached their benefit service date*.

~~FOR EXAMPLE: An employee at Step 6 in their current range and has a benefit eligibility date of of July 1 and has a start date in their new position of June 1. The employee's current rate of pay for determining their new promotion pay rate will be based off of Step 7 of their current range.~~

The benefit service date is adjusted to six (6) months from the date of promotion unless the employee is already at the top step of the new salary range.

~~An employee shall be given no less than an increase to the next higher rate in the new salary range effective on the date of promotion.~~

Revise Section 4 as follows:

Section 4. Salary on Lateral Transfer or Equal Reclassification Rate.

When an employee makes a lateral transfer, the agency's appointing authority or management designee will conduct an internal assessment to determine the appropriate rate of pay. ~~In these events, an employee's rate of pay shall not be decreased.~~

(a) ~~If the employee's current pay exceeds the top step of the new classification, they will be placed at the top step of the new classification.~~ If the employee's current pay exceeds the top step of the new classification, they will be placed at the top step of the new classification. In the case of equal reclassifications, the agency will retain their current salary. The agency will and red-circle their rate of pay until a step of the classification equals or exceeds the employee's salary. Employees who are red-circled are not eligible for cost-of-living increases. When a step of the classification equals or exceed the employee's red-circled rate of pay, an agency will adjust the rate of pay appropriately and the employee becomes eligible for cost-of-living increases.

(b) If the employee's current pay falls within the new classification's range and the assessment results in a step equal to or greater than their current pay, the agency will apply the outcome of the assessment.

(c) If the employee's current pay falls within the new classification's range but the assessment places them below their current pay rate, the agency will retain their current salary. If this places the employee off-step, they will advance to the next higher step at their next benefit service date and then move up an additional step — not to exceed the top step of the range.

(d) In no instance will a lateral transfer or equal reclassification result in a decrease in pay.

The benefit service date remains unchanged.

~~An employee's salary and merit review date shall at a minimum remain the same when transferring from one position to another which has the same salary range.~~

Section 5. Effect of Break in Service.

When an employee separates from the Department and subsequently returns to the Department, except as a temporary employee, the employee's previous ~~salary eligibility~~ **benefit service** date shall be adjusted by the amount of break in service.

Revise Section 6 as follows:

Section 6. Rate of Pay on Appointment from Layoff List.

When an employee returns from layoff, the agency's appointing authority or management designee will conduct an internal assessment to determine the appropriate rate of pay.

a. **If the assessment results in a step equal to or lower than the step the employee held at the time of layoff, they will be returned to that same step.**

b. **If the assessment results in a higher step, the agency will apply the outcome of the assessment.**

~~The employee's previous benefit service date, adjusted by the amount of the break in service, shall be restored.~~ **If the employee's break in service exceeds six (6) months, then their benefit service date will be adjusted by the amount of their break in service that exceeds six (6) months.**

~~When an individual is appointed from a layoff list to a position in the same class in which the person was previously employed, the person shall be paid at the same salary step at which such employee was being paid at the time of layoff.~~

173 **See Appendix XX - Salary Administration Examples².**

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178

REV: 2015

179

² State Proposal on Appendix XX Salary Admin Examples on June 17, 2025

2025-2027 STATE OF OREGON and AFSCME CENTRAL TABLE
Union Counter Proposal

DATE: 7/15/2025 TIME:

OTHER LEAVES

[Building Codes Division (BCD) Article 18]

Revise Section 1 as follows:

Section 1. Leaves With Pay.

a. Personal Leave. After completion of trial service, regular, permanent, full-time employees shall be entitled to twenty-four (24) hours of personal leave with pay for each fiscal year. Part-time, job-share, and seasonal employees shall be granted twelve (12) hours of personal leave if it is anticipated they will work one thousand and forty (1,040) hours for the fiscal year. Should a part-time, job-share, or seasonal employee fail to work one thousand and forty (1,040) hours for the first fiscal year, the value of personal leave time used may be recovered from the employee. Personal leave shall not be cumulative from year to year nor is any unused leave compensable in any other manner. Such leave may be taken at times mutually agreeable to the Department and the employee.

(a) b. ~~Pre-Retirement Counseling~~Planning Leave. Employees shall be granted up to twenty-eight (28) hours leave with pay ~~to pursue bona fide pre-retirement counseling programs~~ for retirement planning. This leave shall be granted upon hire for use throughout their employment with the state. Employees shall request the use of pre-retirement planning leave provided in this Section at least five (5) days prior to the intended date of use. Approval for pre-retirement planning leave shall be granted unless the Agency determines that its use would affect the operational needs of the employee's work unit. Requests for leave with shorter notice are subject to management's discretion.

~~Authorization for the use of pre-retirement leave shall not be withheld unless the Agency determines that the use of such leave shall hinder the efficiency of the employee's work unit.~~

~~When the date requested for pre-retirement leave cannot be granted for the above reason, the Agency will work with the employee to find an alternate date. The leave discussed under this Section~~ **Pre-retirement leave** may be used to investigate and assemble the employee's retirement program, including PERS, Social Security, **Oregon Growth Savings Plan**, Insurance, and other retirement income.

c. Service With A Jury. An employee shall be granted leave with pay for service with a jury. The employee may keep any money paid by the court for serving on a jury. The Department reserves the right to petition for removal of the employee from jury duty if, in the Department's judgment, the operating requirements of the Department would be hampered.

d. Court Appearances. When any employee is not the plaintiff or defendant, the employee shall be granted leave with pay for appearance before a court, legislative committee or judicial or quasi-judicial body as a witness in response to a subpoena or other direction by proper authority for matters other than the employee's officially assigned duties. The employee may keep any money paid in connection with the appearance.

e. Military Training Leave. An employee who has served with the State of Oregon or its counties, municipalities or other political subdivisions for six (6) months or more immediately preceding a request for paid military training leave, and who is a member of the National Guard or any reserve components of the armed forces of the United States, is entitled to fifteen (15) days or one hundred and twenty (120) hours of paid military leave per federal fiscal year, unless a greater number of days is provided by law. In no event may an employee receive more than the number of days provided by law.

Military leave shall be granted in accordance with applicable Law and state policy. In addition, employees shall be allowed to utilize paid military leave for travel to and from their place of duty and for the time spent on militarily obligated status or military duty regardless of the length of their military status or duty.

Subject to supervisory approval, employees may be allowed to voluntarily adjust their shifts to accommodate military duty.

f. Test and Interview Leave. With notice to the supervisor, an employee shall be allowed appropriate time off with pay to take tests related to promotional opportunities within the Department; up to two (2) hours with pay shall be allowed for an interview for a position with another State Agency or a position within the Department.

Authorization for the use of test and interview leave shall not be withheld unless the Department determines that the use of such leave shall impact the efficiency of the employee's work unit.

g. Bereavement Leave.

(b) Notwithstanding the hardship or sick leave eligibility criteria in the agreement, employees shall be eligible for a maximum of twenty four (24) hours paid bereavement leave per event of an immediate family member which shall be prorated for part time employees. In the event of the death of a coworker, employees may be granted up to eight (8) hours of bereavement leave per biennium to attend the funeral or memorial service, or spend time grieving, provided that the absence does not unduly disrupt departmental operations. A coworker is defined as a fellow State employee, or recent retiree, of the same Agency. Subject to management approval, an employee may use bereavement leave for a coworker from another Agency. The Agency may request documentation.

(c) For employees that qualify for OFLA bereavement leave, paid bereavement leave under this agreement shall run concurrently with OFLA bereavement leave.

(d) After OFLA eligible leave for bereavement leave is exhausted, if additional leave is needed, an employee may, with prior authorization, use any accrued leave or leave without pay at the option of the employee for a period of absence from employment to discharge the customary obligations arising from a death in the immediate family or employee's spouse.

(e) Regular and trial service employees may be eligible to receive up to forty (40) hours of donated leave, to be used consecutively. The employee must exhaust all available accrued leave to qualify to receive hardship leave.

(f) For purposes of this article, 'immediate family' shall include:

- * the employee's or the employee's spouse's parent (includes one who stood in loco parentis (in place of a parent) when the employee was a child);
- * spouse;
- * child (and child's spouse) (includes a child for whom the employee stood in loco parentis and includes step child from a previous marriage);
- * sibling;
- * grandparent;
- * grandchild;
- * aunt or uncle;
- * niece or nephew;
- * or the equivalent of each of the above for domestic partners, or another member of the immediate household.

Note: Immediate family shall include the current in-laws and step family members who qualify per the above list.

h. Natural Disaster Leave

1. An employee who, due to a natural disaster, has:

- a. lost their home (primary residence);,**
- b. lost use of their primary residence (deemed uninhabitable); or**
- c. lost access to their primary residence,**

shall be eligible for a maximum of eighty (80) hours of paid administrative leave, prorated for part-time employees. This leave will be available for intermittent use.

2. Employees who have used the eighty (80) hours of paid administrative leave identified in #1 may request donated leave. Donated leave received will not exceed the amount needed to cover the absence. Donators may donate their accrued vacation or compensatory leave.

Similarly, revise in the following CBA articles:

CCB - Article 27

DLCD - Article 17

DSL - Article 31

SACU - Article 35

Dentists - Article 17

DOJ (OAJA) - Article 30

OLCC - Article 33

REA - Article 28

OSH (RN) - Article 42

OSP - Article 39

OMD - Article 31

OYA - Article 38

LTCO - Article 33

OHAP - Article 15

DEQ - Article 31

OEM - Article 39

OSFM - Article 19

OPDC - Article 7 (Legal Support & ASD), Article 8 (Attorney)

