

## **OTHER LEAVES<sup>1</sup>**

[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

<sup>1 1 1</sup> This proposal applies to the following Local Tables

BCD – A18	CCB – A27	DEQ – A31	DLCD – A17	DOC Den – A17		DSL – A31	OAJA – A30	ODEM – A39	OHAP – A15
OLCC – A33	OLTCO – A10	OMD – A31	OPDC ASD – A7	OPDC ATT – A8	OPDC LS – A7	OSFM – A19	OSH RNS – A42	OSPSU – A39	OYA – A38
REA – A28	SACU – A35								

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. **Weekend drill obligations are not considered federal active duty for training under this Article.**

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.**

**1.** 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. The Agency may request documentation.

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- 88       **2.**     For employees that qualify for OFLA bereavement leave, paid bereavement
- 89             leave under this agreement shall run concurrently with OFLA bereavement
- 90             leave.
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- 92       **3.**     After OFLA eligible leave for bereavement leave is exhausted, if additional
- 93             leave is needed, an employee may, with prior authorization, use any
- 94             accrued leave or leave without pay at the option of the employee for a period
- 95             of absence from employment to discharge the customary obligations arising
- 96             from a death in the immediate family or employee's spouse.
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- 98       **4.**     Regular and trial service employees may be eligible to receive up to forty
- 99             (40) hours of donated leave, to be used consecutively. The employee must
- 100            exhaust all available accrued leave to qualify to receive hardship leave.
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- 103       **5.**     For purposes of this article, 'immediate family' shall include:
- 104             \* the employee's or the employee's spouse's parent (includes one who
- 105             stood in loco parentis (in place of a parent) when the employee was a
- 106             child);
- 107             \* spouse;
- 108             \* child (and child's spouse) (includes a child for whom the employee stood
- 109             in loco parentis and includes step child from a previous marriage);
- 110             \* sibling;
- 111             \* grandparent;
- 112             \* grandchild;
- 113             \* aunt or uncle;
- 114             \* niece or nephew;
- 115             \* or the equivalent of each of the above for domestic partners, or another
- 116             member of the immediate household.
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118 Note: Immediate family shall include the current in-laws and step family members who  
119 qualify per the above list.

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REV: 2015, 2019, 2021

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# LETTER OF AGREEMENT ~~PAY EQUITY~~ EQUAL PAY<sup>1</sup>

This Agreement is entered into by the State of Oregon, acting through its Department of Administrative Services, Labor Relations Unit (Employer), on behalf of the Agencies covered by this Agreement (Agency) and the AFSCME Council 75 (Union).

This Agreement applies to all of the Union's bargaining units inside of the executive branch of state government.

The purpose of this Agreement is to provide procedures to implement unscheduled equal pay ~~pay equity~~ adjustments consistent with Oregon law, and, to identify the appeal procedure to have Agency or Employer decisions concerning equal pay ~~pay equity~~ reviewed.

The Parties agree to the following:

1. Application to Current Employees: The Employer, an Agency Head or designee (with CHRO approval) may provide an unscheduled salary step increase to correct a pay inequity between employees who perform work of a comparable character and are similarly-situated based on relevant factors, identified in Oregon Revised Statute [ORS 652.220(2)], by which individual employees may be compensated differently. Unscheduled salary step increases may be initiated by:
  - (a) Periodic statewide equal pay analysis (appeal process section 10)
  - (b) Employee request (appeal process section 9)
  - (c) Agency identified inequity (appeal process section 9)
2. Application to Returning Employees (including but not limited to reemployment and

<sup>1</sup> This proposal applies to the following Local Tables

BCD - A	CCB - A	DEQ - A	DLCD - A	DOC Den - A		DSL - A	OAJA - A	ODEM - A	OHAP - A
OLCC - A	OLTCO - A	OMD - A	OPDC ASD - A	OPDC ATT - A	OPDC LS - A	OSFM - A	OSH RNS - A	OSPSU - A	OYA - A
REA - A	SACU - A								

return from layoff): An Agency Head or designee may offer a higher step than prescribed in the applicable labor agreement when the Agency identifies a pay inequity between employees in the same classification who perform work of a comparable character.

3. If an Agency plans to grant an unscheduled salary step increase to an employee(s), the Agency shall first forward the recommendation to CHRO, Classification & Compensation for review and analysis. The CHRO shall approve or disapprove the Agency recommendation and shall provide a written response back to the Agency. If approved, the Agency may take action to implement the equal pay ~~pay equity~~ adjustment.

4. An employee may request an equal pay ~~pay equity~~ review by submitting a written request ~~Pay Equity Review Request Form~~ to the Agency Human Resource Department. This includes employees who are appealing equal pay ~~pay equity~~ assessments conducted at the time of hire or internal movements (transfer, promotion, etc.) to new positions where equal pay ~~pay equity~~ assessments are performed. The Agency Human Resource Department shall review the merits of the request based on the relevant factors and issue a written decision within sixty (60) calendar days, unless otherwise mutually agreed upon in writing.

5. Equal pay adjustments are effective on the date an employee made a written request to the Agency or the date the Agency submitted a request to DAS Classification and Compensation Unit. ~~Pay equity adjustments are generally effective on the date an employee made a written request to the Agency or the date the Agency submitted a request to DAS Classification and Compensation, whichever is earlier.~~

6. In the event an employee receives an unscheduled salary step adjustment for any of the reasons identified in Section 1, the employee's benefit service date ~~salary eligibility date~~ shall remain the same.

7. Agencies shall retain all documents pertaining to decisions involving equal pay ~~pay equity~~.

8. If the employee meets with the Agency or Employer, the employee may request and obtain Union representation.

9. Appeal Procedure - Agency Level ~~Equal Pay~~ Pay Equity Decisions.

- (a) ~~If an employee wishes to appeal an Agency's pay equity decision as filed under Section 4 of this Agreement, the employee shall submit a completed Pay Equity Appeal Form to the Agency Head (or designee) within fifteen (15) days of receipt of the Agency's decision. The Agency shall respond to the appeal within thirty (30) days of receipt of the appeal. The appeal must be based on one (1) or more of the factors listed in ORS 652.220(2) and the compensation of other employees performing work of a comparable character.~~
- (b) If the employee disagrees with the Agency's decision, the employee, or the Union on the employee's behalf, may submit a written appeal to the Department of Administrative Services Labor Relations Unit (LRU) no later than thirty (30) calendar days from receipt of ~~within fifteen calendar days of receipt of~~ the Agency's decision. The employee, or the Union on the employee's behalf, shall forward all written documents as part of the appeal. The employee shall identify factors, as outlined above, the Agency did not properly consider. The Department of Administrative Services Labor Relations Unit (LRU) shall respond to the appeal in writing within thirty (30) calendar days.
- (c) Equal Pay ~~Pay equity~~ appeals are not subject to arbitration. However, nothing in this Agreement precludes the employee from submitting a claim to the Bureau of Labor and Industries (BOLI) in accordance with BOLI's administrative rules or pursuing other legal recourse. The timelines for filing with BOLI or pursuing other legal recourse apply regardless of whether the employee appeals the decision under this section.
- (d) For purposes of this Agreement only, the appeal process in this Agreement replaces the grievance procedure outlined in the applicable labor agreement covering the employee.
- (e) The Employer and Union may agree to an extensions of time in this Agreement upon mutual agreement in writing.

10. Appeal Procedure – DAS Statewide Equal Pay Analysis Decisions



- (a) An employee may appeal the Employer's decision concerning the employee's salary that resulted from a statewide equal pay analysis. The appeal must be based on one (1) or more of the factors listed in ORS 652.220(2) and the compensation of other employees performing work of a comparable character.
- (b) An appeal of the Employers' equal pay analysis decision may be filed by sending a completed DAS Equal Pay ~~Pay Equity~~ Appeal Form via electronic mail to [CHRO.CNC@das.Oregon.gov](mailto:CHRO.CNC@das.Oregon.gov) no later than thirty (30) ~~fifteen (15)~~ calendar days from the date the employee receives notification of the equal pay analysis results. The Employer shall make a good faith effort to respond with a decision regarding the employee's appeal within one hundred and twenty (120) calendar days.
- (c) The timelines for filing with BOLI or pursuing other legal recourse apply regardless of whether the employee appeals the Employer's decision under this section.
- (d) Pay adjustments made as a result of accepted appeals shall have the same effective date as the date set for the Statewide Equal Pay Analysis. ~~be made retroactively to January 1, 2025.~~
- (e) To be eligible to file an appeal of the DAS statewide equal pay analysis decision an employee must have been employed by a state executive branch agency as of the effective date of the Statewide Equal Pay Analysis. ~~July 1, 2024.~~ Employees who do not meet this eligibility requirements may pursue an appeal through Section 94 of this Agreement.
- (f) Employees at the top step of the salary range assigned to their job classification on or before the effective date of the Statewide Equal Pay Analysis ~~January 1, 2025~~, are not eligible to file an appeal.
- (g) The Employer shall notify an employee in writing of the outcome of the employee's appeal, including reasons for the decision.
- (h) If the employee disagrees with the Employer's response, the employee may submit a claim to the Bureau of Labor and Industries or pursue other legal recourse. Equal Pay ~~Pay equity~~ appeals are not subject to arbitration.

(i) For purposes of this Agreement only, the appeal procedure in this Agreement replaces the grievance procedure outlined in the applicable labor agreement covering the employee.

11. This Agreement becomes effective on the date of the last signature below and expires June 30, 2027 ~~2025~~.



2025-2027 STATE OF OREGON and AFSCME CENTRAL TABLE  
Management Initial Proposal  
DATE: TIME:

## LETTER OF AGREEMENT – CONTRACT SPECIALIST<sup>1</sup>

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

The purpose of this Agreement is to establish Employer paid Contract Specialists to improve labor/management relationships at all levels of state government.

The Parties agree to the following:

### Selection and Appointment of Contract Specialists:

- A. The selection and appointment of a Contract Specialist shall be mutually agreed upon by the Employer and Union.
- B. The Union may have no more than one (1) Contract Specialist for every two thousand (2,000) FTE bargaining unit positions from Agencies that are within the jurisdiction of the AFSCME Central Table and Department of Corrections.
- C. The duration of a Contract Specialist shall be mutually agreed upon by the Employer and Union.
- D. The Parties shall establish an agreement which shall be signed by all Parties stipulating to the terms and conditions of the Contract Specialist assignment.
- E. Employees selected as Contract Specialist must maintain all necessary certifications, licensures and training requirements of their Agency position with costs and reimbursements if applicable governed under the Agreement.

<sup>1 1 1</sup> This proposal applies to the following Local Tables

BCD – A	CCB – A	DEQ – A	DLCD – A	DOC Den – A		DSL – A	OAJA – A	ODEM – A	OHAP – A
OLCC – A	OLTCO – A	OMD – A	OPDC ASD – A	OPDC ATT – A	OPDC LS – A	OSFM – A	OSH RNS – A	OSPSU – A	OYA – A
REA – A	SACU – A								

F. While the State is the Employer of record, the Union has the sole control, oversight and direction of employees appointed as Contract Specialists. Therefore, the Union shall indemnify and save the Employer harmless from any and all costs, should any arise, associated with actions taken by the Contract Specialist on behalf of the Union.

G. In the event the Employer/Agency determines a Contract Specialist is potentially violating law or not complying with Employer/Agency policies or the local Agency Collective Bargaining Agreement, the Agency shall immediately notify the Union. The Agency shall investigate the matter and take action as necessary consistent with the local Agency Collective Bargaining Agreement including disciplinary action. Before any Agency action is taken, the Union may remove the employee from the assigned worksites.

Pay and Benefits:

A. The Agency shall continue to pay salary and benefits which includes pension contribution, insurance and paid leave time consistent with what they earned before their appointment. Employees appointed as a Contract Specialist shall not be eligible for reimbursement for uniforms, boots or other ancillary items while serving as a Contract Specialist the specifics which will be noted in the employee's Contract Specialist agreement.

B. Contract Specialists shall submit monthly timesheets recording a maximum of forty (40) hours of work each week. The timesheet shall be signed and verified by the Executive Director or designee of the Union. All leave taken, regardless of type, must be clearly identified.

C. The Agency shall place the Contract Specialist on leave with pay for the duration of the assignment. The calculation of seniority shall be consistent with the terms of the applicable local Agency Collective Bargaining Agreement.

D. Where the Union has designated Contract Specialist, the Agency shall pay up to eighty-five thousand (\$85,000) a year for the Contract Specialist which includes pay and benefits. Any costs above eighty-five thousand (\$85,000) per year shall

be paid by the Union by reimbursing the Agency using Agency established policies and procedures for reimbursement.

- E. The Agency shall not be liable for any overtime costs while the Contract Specialist is on assignment with the Union.

Travel and Reimbursements:

- A. Time spent traveling on behalf of the Union **during regularly scheduled hours** shall be on Agency time.
- B. The Union shall be responsible for all travel expenses including but not limited to mileage, lodging, meals and other incidental travel expenses.
- C. Contract Specialists shall not use or be assigned a state car for travel.

Duties:

- A. The Contract Specialist, DAS Labor Relations Unit and Agency Human Resources staff shall work cooperatively when performing the following duties:
- a. Interpret and administer the local Agency Collective Bargaining Agreement.
  - b. Education on the local Agency Collective Bargaining Agreement.
  - c. Provide guidance in grievance and problem resolution.
  - d. Improve steward capacity.
  - e. Work toward consistent application of the local Agency Collective Bargaining Agreement.
  - f. Provide guidance on developing and improving labor/management committees.
  - g. Participate in new employee orientation as provided for in the local Agency Collective Bargaining Agreement.
  - h. **Attend labor management committee meetings as a non-participating member.**
- B. If a DOJ attorney is appointed to serve as a Contract Specialist, the attorney shall stipulate in the signed agreement that they will not practice law as that term is used in law and Oregon State Bar rules, regulations, official opinions and decisions.

- C. The Contract Specialist shall follow all applicable Employer and Agency policies while serving in the capacity of a Contract Specialist. In the event the Union is made aware of a potential Employer/Agency policy violation by a Contract Specialist, the Union shall immediately notify DAS Labor Relations.
- D. The Contract Specialist shall not be assigned duties that involve the following: strike preparation, strike planning, strike coordination activities, ~~or~~ interest arbitration preparation, filing grievances, leading contract negotiations, acting in the role of a union steward, and participation and other actions taken by the Union in a legal forum.
- E. Contract Specialists who remain in their official Union delegate or Board member role during their Contract Specialist assignment are required to use paid leave or temporarily modify their schedule while performing official union delegate or board duties.

Dispute Resolution:

Notwithstanding any agreements that include grievance/arbitration procedure, if there is a disagreement between the Employer and the Union regarding the interpretation and application of this Letter of Agreement, the Employer and Union shall meet and attempt to resolve the matter. If, after fourteen (14) calendar days there no resolution, the moving party may request arbitration. The Parties shall use the arbitration procedure outlined in the agreement where the employee is employed.

Indemnification:

The Union shall indemnify and the Union and Contract Specialists hold the Employer and Agency harmless against any and all claims, damages, suits or other forms of liability which may arise out of any action taken or not taken by the Employer/Agency for the purpose of complying with this Letter of Agreement on Contract Specialists.

The Union shall not indemnify the Employer/Agency for grievance/arbitration disputes.

116 Term of Agreement:

117 This Agreement becomes effective on the date of the last signature and ends on June 30,  
118 20257 unless renewed by the Parties or the Parties agree to amend its provisions.

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2025-2027 STATE OF OREGON and AFSCME Central Table  
Management Initial Proposal  
DATE: 3/25/25 TIME:

## **SICK LEAVE<sup>1</sup>**

[Oregon Liquor Control Commission (OLTCO) Article 17]

*Revise Section 5 as follows:*

### **Section 5.**

Employees who have earned sick leave credits shall be eligible for sick leave for any period of absence from employment which is due to the employee's illness, bodily injury, disability resulting from pregnancy, necessity for medical or dental care, exposure to contagious disease, attendance upon members of the employee's immediate family (employee's parents, wife, husband, children, foster children, brother, sister, grandmother, grandfather, grandchildren, son-in-law, daughter-in-law, or another member of the immediate household) where employee's presence is required because of illness or death, in the immediate family of the employee or the employee's spouse. The Agency employee has the duty to ~~require that the employee~~ make other arrangements, within a reasonable period of time, for the attendance upon children or other persons in the employee's care.

<sup>1</sup> This proposal applies to the following Local Tables where not already in effect

BCD - A	CCB - A	DEQ - A	DLCD - A	<b>DOC Den</b> - A15		DSL - A	OAJA - A	ODEM - A	OHAP - A
OLCC - A	OLTCO - A	OMD - A2	OPDC ASD - A	OPDC ATT - A	OPDC LS - A	OSFM - A	<b>OSH RNS</b> - A40	OSPSU - A	<b>OYA -</b> A34
REA - A	SACU - A								

## **SICK LEAVE<sup>1</sup>**

[Building Codes Division (BCD) Article 17]

*Revise Section 10 as follows:*

### **Section 10. Hardship Leave Donation.**

The Department shall allow employees to transfer vacation leave or compensatory time to a co-worker for use by employees recuperating from, or involved in, an extended and continuing illness or injury of a serious nature who have exhausted all accumulated leave. Hours of leave donated will be converted at the Donor's hourly rate. Approved leave shall be converted into sick leave hours at the Donee's hourly rate into a dollar amount. Deductions shall be made accordingly.

Applications for hardship leave shall be ~~in writing and sent to the Department's Human Resource Services Office~~ **submitted through Human Resource Information System (HRIS)** and accompanied by the treating physician's written statement certifying that the illness or injury will continue for at least fifteen (15) days. The Department's Office of Human Resource Services will review the request and either approve or disapprove the request.

The transfer of accumulated leave and the utilization of such leave shall be subject to the following:

- a. Employees on Workers' Compensation or receiving short- or long-term disability benefits may not participate in this program as a Donee.

<sup>1</sup> This proposal applies to the following Local Tables where not already in effect

BCD – A17	CCB – A44	DEQ – A31	DLCD – A16	DOC Den – N/A		DSL – A35	OAJA – A29	ODEM – A37	OHAP – A15
OLCC – A32	OLTCO – A32	OMD – A29	OPDC ASD – A13	OPDC ATT – A13	OPDC LS – A13	OSFM – A27	OSH RNS – A41	OSPSU – A37	OYA – A34
REA – A28	SACU – A31								

- c.** The employees may be asked to disclose information about all insurance policies or employee benefits.
- d.** Any other requirements or conditions shall be determined or set forth by the Division Administrator on a case-by-case basis.

To donate to a specific employee in a different Agency, the employee may follow the applicable process as outlined in the Human Resource Information System (HRIS). (donor) must submit a written request to their appointing authority/designee. The appointing authority or designee from both the donor's and recipient's agencies may authorize the transfer of donated leave between agencies, subject to restrictions on the use of dedicated funding sources and/or other legitimate business reasons.

REV: 2015, 2019, 2021

2025-2027 STATE OF OREGON and AFSCME CENTRAL TABLE  
Management Initial Proposal  
DATE: TIME:

## INCLEMENT WEATHER/HAZARDOUS CONDITIONS LEAVE<sup>1</sup>

[Building Codes Division (BCD) Article 37]

*Revise Section 1 as follows:*

### **Section 1.**

**a.** The Employer/Agency designated official(s) may close or curtail offices, facilities, or operations because of inclement/environmental, weather, weather related or hazardous conditions, including active shooter or threat of violence. The Employer/Agency will announce such closure or curtailment to employees. The Employer/Agency shall factor in the safety of State employees and the public to determine a closure. An employee shall have the right to leave work if they deem it is necessary for safety. Subject to the operating needs of the agency and notification to their immediate supervisor, an employee may leave work early due to inclement weather or hazardous conditions and code their time as accrued sick leave, vacation, compensatory time off, personal leave or approved leave without pay. The Employer/ Agency will strive to make its decision to close and/or postpone day shift no later than 5 am; however, the Parties recognize that changing conditions may require further adjustment. The Employer/Agency may provide this information through methods such as mass notification systems, pre-designated internet web sites, phone trees, radio stations and/or television media. Notifications do not apply to employees who are required to report to work.

### **Notifications do not apply to employees who are essential employees.**

**b.** For purposes of this Article essential staff are those staff who cannot perform their core job duties or essential Agency functions from a remote work location. *The* Agency shall notify employees of these designations and post the notices on

<sup>1 1</sup> This proposal applies to the following Local Tables

BCD - A	CCB - A	DEQ - A	DLCD - A	DOC Den - A		DSL - A	OAJA - A	ODEM - A	OHAP - A
OLCC - A	OLTCO - A	OMD - A	OPDC ASD - A	OPDC ATT - A	OPDC LS - A	OSFM - A	OSH RNS - A	OSPSU - A	OYA - A
REA - A	SACU - A								

Agency bulletin boards by November 1<sup>st</sup> of each year. Notifications do not apply to employees who are required to report to work. Essential staff/positions shall be designated by the Agency by November 1<sup>st</sup> of each year. Essential staff/positions shall be designated by the Agency by November 1<sup>st</sup> of each year. Such designations may be modified with two weeks advance notice to the affected employee(s). Essential staff who are required to report to work by the Employer/Agency shall be on approved leave without pay status if absent, unless the employee elects to use accrued leave. If an employee shows up within two (2) hours of their scheduled shift, subject to operating requirements and supervisory approval, they may make up the work time missed during the same workweek, provided work is available.

c. Where the Employer/Agency has announced a delayed opening pursuant to Section 1, employees are responsible for continuing to monitor the reporting sites for updated information related to the delay or potential closure. Employees may be allowed up to two (2) hours commuting time as reasonably needed to report for work after a delayed opening has been announced. Where an employee arrives late due to this extended commute, they may flex their time with manager's approval, or cover the time with accrued sick leave, vacation, compensatory time off, personal leave or approved leave without pay.

d. When a closure has been determined before the start of an employee's work day the employee may:

1. work from home, with manager's approval or
2. work from an alternate work location that is no more than fifty (50) miles from their regular work location ~~which has been identified by mutual agreement between the employee and the supervisor~~; or
3. use inclement weather/hazardous conditions leave if no alternative worksite is available as allowed for in Section 6 of this Article.

Revise Section 2 as follows:

**Section 2. FLSA Non Exempt Employees Only.**

If no work is available or the employee is unable to work from home or alternate work location, the employee will:

1. use accrued vacation hours, compensatory time off, personal leave time, leave without pay; or
2. use inclement weather/hazardous conditions leave (not to exceed forty (40) hours a biennium), or,
3. The employee may, with Agency prior approval, temporarily adjust their work hours during the same workweek to make up for hours not worked. The Agency shall not suffer any overtime or penalty payments as a result of this schedule change. The employee may be approved to flex their time to engage in training through the electronic employee training platform or other Agency approved resources remotely. Such approval will not be unreasonably denied. Employees engaging in these options will waive their shift differential for such time; or, Complete supervisory approved remote training courses.

Once the forty (40) hours of inclement weather/hazardous conditions leave is used, and there are more Agency closures **or curtailments** during the biennium, if unable to work remotely, the employee will use accrued vacation hours, personal leave or compensatory time off, leave without pay or, with prior Agency approval, temporarily adjust their work hours during the same workweek. The Agency shall not suffer any overtime or other penalty payments as a result of the change in schedule.

Revise Section 3 as follows:

**Section 3. FLSA Exempt Employees.**

When the Employer/Agency notifies employees not to report to work pursuant to Section 1, prior to the beginning of the work shift, FLSA exempt employee shall be paid for the

work shift. An FLSA exempt employee may be required to use paid leave or leave without pay where the closure applies to that employee for one (1) or more full workweek(s).

*Revise Section 4 as follows:*

**Section 4.**

Employees will not be eligible for inclement/hazardous conditions leave when their regular days off occur on a day the Agency closes an office or facility, or when the employee is on prescheduled leave **or already scheduled to work, or have the ability to work, from an alternate location. Only employees who are scheduled to report to work at the location which is closed or curtailed, the day of the closure or curtailment are eligible for any use of the inclement weather leave.**

Inclement weather/hazardous conditions leave shall not count as hours worked for the purpose of overtime calculation.

Inclement weather/hazardous conditions leave not used during the biennium will be lost and will not be rolled over into the next biennium. Inclement weather/hazardous conditions leave is not compensable if the employee separates from state service.

Part time employees will receive a prorated amount of inclement weather leave when applicable.

*Revise Section 5 as follows:*

**Section 5.**

When in the judgment of the Employer/Agency, inclement/environmental, weather or weather-related or hazardous conditions, including active shooter or threat of violence require the closing of the work place following the beginning of an employee's work shift, the employee shall be paid for the remainder of their work shift, **unless an alternate work location is available.**

**Section 6. Alternate Work Sites.**

Employees may be assigned or authorized to report to work at an alternative work site(s) and be paid for the time worked. Employees who have been pre-approved to work

remotely and are unable to complete their assigned duties due to a loss of electricity, loss of internet service, or comparable circumstance, due to inclement or hazardous conditions will pursue alternative methods for completing their assigned duties. However, employees unable to work through an alternative method will be eligible for inclement/hazardous conditions leave not to exceed the forty (40) hours a biennium.

**Section 7. Late or Unable to Report.**

Where the Agency remains open and an employee notifies their supervisor that they are unable to report to work, or will be late, due to inclement weather, weather related, or hazardous conditions including active shooter or threat of violence, the employee shall be allowed to work from home with the approval of their supervisor, use accrued vacation leave, compensatory time off, personal leave or approved leave without pay, or accrued sick leave. Where the Employer and the employee mutually agree, the employee may be permitted to flex their time.

**Section 8. Employees on Pre-scheduled Leave.**

If an employee is on pre-scheduled leave the day of the closure, the employee will be compensated according to the approved leave.

**Section 9. Make-up Time Provisions.**

Subject to Agency operating requirements and supervisory approval, employees who do not work pursuant to Sections 2 and 5 of this Article may make-up part or all of their work time missed during the same workweek. In no instance will time worked during the make-up period result in overtime being charged to the Agency. The Employer/Agency shall not be liable for any penalty or overtime payments when employees are authorized to make up work.

**Section 10.**

If the Employer/Agency anticipates the inclement condition will last longer than fourteen (14) calendar days, the Parties will meet and discuss impacts of the inclement weather and/or hazardous conditions.



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REV: 2017, 2021,2023

**LETTER OF AGREEMENT – ESSENTIAL WORKER INCLEMENT**  
**WEATHER/HAZARDOUS CONDITIONS PAY<sup>1</sup>**

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

The Parties agree to the following:

When a situation exists that would otherwise close or curtail state offices, essential workers having to report to work, in-person, shall receive the Essential Worker Inclement Weather/Hazardous Conditions Pay differential.

The Essential Worker Inclement Weather/Hazardous Conditions Pay differential shall be three dollars (\$3.00) per hour ~~for all hours worked on a designated closure or curtailment day, regardless of the starting or ending time~~ **Employees will be paid for their whole shift that falls within a designated closure day, regardless of the starting or ending time of the closure. Employees will be paid for their whole shift when their shift falls during a curtailment.**

Staff working at agencies with 24/7 operations that are not curtailed shall receive the Essential Worker Inclement Weather/Hazardous Conditions Pay benefits when any state agency offices are **formally closed by DAS or ODOT in accordance with State HR Policy 60.015.01** ~~closed or are closed to the public due to inclement weather/hazardous conditions~~ within the county of their worksite. For 24/7 operations, if inclement weather occurs on a weekend (and would normally result in a closure of a state agency office in the county of their worksite during Monday through Friday), staff shall receive the

<sup>1</sup> This proposal applies to the following Local Tables

BCD –	CCB –	DEQ –	DLCD –	DOC Den		DSL –	OAJA –	ODEM –	OHAP –
OLCC –	OLTCCO –	OMD –	OPDC ASD	OPDC ATT	OPDC LS	OSFM –	OSH RNS	OSPSU –	OYA –
REA –	SACU –								

27 Essential Worker Inclement Weather/Hazardous Conditions Pay. DAS or ODOT will  
28 determine if a closure would have occurred on a weekend and/or a holiday when  
29 state offices are otherwise closed.  
30

**2025-2027 STATE OF OREGON and AFSCME CENTRAL TABLE**  
**Management Initial Proposal**  
**March 25, 2025**

**EMPLOYER PACKAGE PROPOSAL - A**

<b>ARTICLE/LOA</b>	<b>VERSION</b>	<b>DATE OF REFERENCE</b>
TERM OF AGREEMENT	Management Proposal	See Attached
SALARIES	Management Proposal	See Attached
SALARY ADMINISTRATION	Management Proposal	See Attached
HEALTH AND WELFARE INSURANCE	Management Proposal	See Attached
LOA PEBB PMAC	Management Proposal	Continue LOA
LOA SALARY AND BENEFIT REPORT	Management Proposal	Continue LOA
NEW LOA—STRUCTURAL CHANGES TO PAY PRACTICES	Management Proposal	See Attached
NEW LOA—TRANSITION TO BI-WEEKLY PAY	Management Proposal	See Attached

**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.**

**2025-2027 STATE OF OREGON and AFSCME CENTRAL TABLE  
Management Initial Proposal  
DATE: 3/25/25 TIME:**

## **TERM OF AGREEMENT<sup>1</sup>**

### **Section 1.**

Unless otherwise noted in a specific article in the Agreement, this Agreement becomes effective on the date of ratification at the local table and expires June 30, ~~2027~~2025. The Union shall send a letter informing the Department of Administrative Services Labor Relations and the affected Agency of the specific ratification date of the tentative agreement. If the Union does not send the letter identifying the date of the ratification vote, the Employer will use the effective date of the agreement as being the first of the month following the date of signature.

### **Section 2.**

Either party may open negotiations for a successor agreement by giving written notice to the other party between the dates of December 1, ~~2026~~2024 and December 31, ~~2026~~2024. Negotiations for a successor agreement will start between February 15, ~~2027~~2025 and March 15, ~~2027~~2025.

<sup>1 1</sup> This proposal applies to the following Local Tables

BCD – A29	CCB – A43	DEQ – A56	DLCD – A4	DOC Den – A34		DSL – A41	OAJA – A3	ODEM – A2	OHAP – A28
OLCC – A62	OLTCO – A2	OMD – A2	OPDC ASD – A2*	OPDC ATT – A2*	OPDC LS – A2*	OSFM – A4	OSH RNS – A59	OSPSU – A2	OYA – A2
REA – A42	SACU – A60								

**AFSCME – OPDC ASD – – Article 2**

- a. Unless otherwise noted in this agreement, this agreement becomes effective on the date of the Union’s ratification of the agreement and ends September 30, ~~2027~~ 2025.
- b. Negotiations for a successor agreement will commence as mutually agreed on or after May 1, 2025.
- c. If the Employer is added to the Executive Branch’s AFSCME Central Table for the successor 2025-27 bargaining, the following notification for the start of bargaining shall become operational and subsection ‘b’ above will become null and void.

Either party may reopen negotiations for a successor agreement by giving written notice to the other party between the dates of December 1, 2024, and December 31, 2024. Negotiations for a successor agreement will start between February 15, 2025, and March 15, 2025. If the Employer is not placed into the AFSCME Central Table jurisdiction, subsection ‘b’ will apply.

**AFSCME – OPDC ATT – – Article 2**

- a. Unless otherwise noted in this agreement, this agreement becomes effective on the date of the Union’s ratification of the agreement and ends September 30, ~~2027~~ 2025.
- b. Negotiations for a successor agreement will commence as mutually agreed on or after May 1, 2025.
- c. If the Employer is added to the Executive Branch’s AFSCME Central Table for the successor 2025-27 bargaining, the following notification for the start of bargaining shall become operational and subsection ‘b’ above will become null and void.

Either party may reopen negotiations for a successor agreement by giving written notice to the other party between the dates of December 1, 2024, and December 31, 2024. Negotiations for a successor agreement will start between February 15, 2025, and March 15, 2025. If the Employer is not placed into the AFSCME Central Table jurisdiction, subsection ‘b’ will apply.

**AFSCME – OPDC LS – – Article 2**

- a. Unless otherwise noted in this agreement, this agreement becomes effective on the date of the Union’s ratification of the agreement and end September 30, ~~2027~~ 2025.
- b. Negotiations for a successor agreement will commence as mutually agreed on or after May 1, 2025.
- c. If the Employer is added to the Executive Branch’s AFSCME Central Table for, the successor 2025-27 bargaining, the following notification for the start of bargaining shall become operational and subsection ‘b’ above will become null and void.

Either party may reopen negotiations for a successor agreement by giving written notice to the other party between the dates of December 1, 2024, and December 31, 2024. Negotiations for a successor agreement will start between February 15, 2025, and March 15, 2025. If the Employer is not placed into the AFSCME Central Table jurisdiction, subsection ‘b’ will apply.

2025-2027 STATE OF OREGON and AFSCME CENTRAL TABLE  
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## **SALARIES<sup>1</sup>**

[Building Codes Division (BCD) Article 25]

### **Section 1. PERS Pickup**

Effective February 1, 2019 compensation plan salary rates for PERS participating members shall be increased by six and ninety five one hundredths percent (6.95%). At that time bargaining unit employees will begin to make their own six percent (6%) contributions to their PERS account or the Individual Account Program as applicable. Employees' contributions shall be treated as 'pretax' contributions pursuant to Internal Revenue Code Section 414(h)(2).

*Revise Section 2 as follows:*

### **Section 2. Cost of Living Adjustment**

a. Effective December 1, ~~2025~~2023 or on the first of the month following receipt of an interest arbitration award whichever is later, all pay rates will be increased by **two and three tenths** ~~six and five tenths~~ percent (~~2.3%~~**6.5%**).

b. Effective **December 1, 2026** ~~January 1, 2025\*~~ or first of the month following receipt of an interest arbitration award whichever is later, all pay rates will be increased by **threesix and fifty five hundredths** percent (~~3%~~**6.55%**).

~~\*If the legislature appropriates new funding of at least \$13 million in calendar year 2024, the 2025 cost of living adjustment will be effective January 1, 2025. If the legislature does~~

<sup>1</sup> This proposal applies to the following Local Tables

BCD – A25	CCB – A36	DEQ – A46	DLCD – A21	DOC Den – A11		DSL – A14	OAJA – A17	ODEM – A25	OHAP – A12
OLCC – A48	OLTCO – A27	OMD – A15	OPDC ASD – A23	OPDC ATT – A23	OPDC LS – A23	OSFM – A21	OSH RNS – A16	OSPSU – A25	OYA – A14
REA – A37	SACU – A17								

not appropriate at least \$13 million in calendar year 2024, the 2025 cost of living adjustment will be effective February 1, 2025.

Revise Section 3 as follows:

**Section 3. Selective Salary Adjustment**

**TBD**

<b><u>Class #</u></b>	<b><u>Classification Title</u></b>	<b><u>From</u></b>	<b><u>To</u></b>
1338	Training and Development Specialist 1	23	24
1339	Training and Development Specialist 2	27	28
6811	Laboratory Technician 2	18	19
0801	Office Coordinator	Abolish	

All other classifications under the AFSCME Central Table that receive a salary range increase will be reviewed and negotiated consistent with standard practices. All AFSCME classifications that are part of a classification study negotiated at other bargaining units will be included.

Effective July 1, 2023 or the first of the month following ratification of the local agreement whichever is later, all employees will retain their current salary rate in the new range except that employees whose current rate is below the first step of the new range shall be moved to the first step in the new range and a new salary eligibility date what would be twelve (12) months from the effective date of the selective salary adjustment will be assigned. For an employee whose rate is within the new salary range but not at a corresponding step, the employee's salary shall be adjusted to the next higher rate closest to the employee's current salary rate.

See LOA: [Salary and Benefit Report](#), [Salary Range Truncation](#), [One Time Payment COLA](#)

REV: 2015, 2017, 2019, 2021, 2023



## **SALARY ADMINISTRATION<sup>1</sup>**

[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.**

<sup>1 1 1</sup> 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								

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

a. 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.

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.

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.**

**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.**

- 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%), 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%), 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.**

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.**

**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.**

**(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.**

**(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) When an employee make a lateral transfer to the same classification, an employee's salary will remain unchanged.**

**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 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.**

~~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.~~

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REV: 2015

**HEALTH AND WELFARE INSURANCE<sup>1</sup>**

[Building Codes Division (BCD) Article 22]

**Section 1.**

An Employer contribution will be made for each eligible employee who has at least eighty (80) paid regular hours in the month unless required by law.

*Revise Section 2 as follows:*

**Section 2.**

The contribution for eligible participating part-time employees with eighty (80) or more paid regular hours for the month the Employer shall contribute a prorated amount of the contribution for full-time employees unless otherwise required by law. "Regular hours" means all hours of work or paid leave except overtime hours, i.e., those above eight (8) hours in a day or forty (40) hours in a week. Thus, "regular hours" shall include additional non-overtime hours worked above an employee's regular work schedule. In the event that a part-time employee, who is regularly scheduled to work half-time or more, fails to maintain at least half-time paid regular hours because of the effect of prorated holiday time or other paid or unpaid time off, they shall be allowed to use available vacation or comp time to maintain their eligibility for benefits and the Employer's contribution for such benefits.

1. The Employer contribution amount of the plan selected by the employee will be calculated as follows:

<sup>1</sup> This proposal applies to the following Local Tables

BCD – A18	CCB – A27	DEQ – A31	DLCD – A17	DOC Den – A17		DSL – A31	OAJA – A30	ODEM – A39	OHAP – A15
OLCC – A33	OLTCO – A10	OMD – A31	OPDC ASD – A7	OPDC ATT – A8	OPDC LS – A7	OSFM – A19	OSH RNS – A42	OSPSU – A39	OYA – A38
REA – A28	SACU – A35								

a. Part-Time Employees Electing Part-Time Insurance.

Part-Time premium rate x Employer contribution percentage (as defined in Section 3) x the ratio of paid regular hours to full-time hours to the nearest full percent = Employer contribution.

In addition, there shall be a subsidy based on the employee's coverage tier for the Plan Years covered in this Article. The part-time subsidy shall be determined by PEBB for each plan year.

The employee will pay the premium balance.

b. Part-Time Employees Electing Full-Time Insurance.

Full-time premium rate x Employer contribution percentage (as defined in Section 3) x the ratio of paid regular hours to full-time hours to the nearest full percent = Employer contribution.

The employee will pay the premium balance.

*Revise Section 3 as follows:*

**Section 3. Plan Years 2025 2023 through 2027 2025.**

For Plan Years 2025, 2026, and 2027, ~~2023, 2024 and 2025~~ the Employer will pay ninety-five percent (95%) and the employee will pay five percent (5%) of the monthly premium rate as determined by PEBB. For employees who enroll in a medical plan that is at least ten percent (10%) lower in cost than the monthly premium rate for the highest cost plan available to the majority of employees, the Employer shall pay ninety-nine percent (99%) of the monthly premium for PEBB health, vision, dental and basic life insurance benefits and the employee shall pay one percent (1%).



**Section 4.**

If the Collective Bargaining Agreement provides for a COLA with an effective date of the second (2<sup>nd</sup>) year of a biennium and the difference in the projected increase in the PEBB composite rate for the following calendar year falls below three point four percent (3.4%), then the COLA will be moved up by one (1) full month for each month it is sufficiently funded by the savings.

(See LOA's: [PMAC](#))

REV: 2015, 2017, 2019, 2021,2023

2023-2025 STATE OF OREGON and AFSCME CENTRAL TABLE  
Management Initial Proposal  
March 25, 2025

**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 aspects of the State's historic pay practices 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.

**Attachments:**

- Appendix A: TBD
- Structural Changes to Pay Practices Overview

2025-2027 STATE OF OREGON and AFSCME CENTRAL TABLE  
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**NEW LETTER OF AGREEMENT**

**TRANSITION TO BI-WEEKLY PAY**

**One-Time Payment**

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

**The Parties agree to the following:**

- 1. A one-time payment of five hundred (\$500) dollars will be issued to eligible employees to assist with the transition to bi-weekly pay periods. The one-time payment will be pro-rated for part-time and seasonal employees based on the FTE in the system.**
- 2. Eligible employees will receive the one-time payment on the first (1<sup>st</sup>) paycheck issued on a bi-weekly basis, unless the first (1<sup>st</sup>) paycheck issued on a bi-weekly basis occurs after July 1, 2027. If the first (1<sup>st</sup>) paycheck issued on a bi-weekly basis occurs after July 1, 2027, the one-time payment will be issued on the last monthly paycheck in the 2025-2027 biennium.**
- 3. The Parties will negotiate any additional specific eligibility requirements, to be included in the tentative agreement.**

**2025-2027 STATE OF OREGON and AFSCME CENTRAL TABLE**  
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24    **This Letter of Agreement will sunset on June 30, 2027.**

25

## Structural Changes to Pay Practices Overview

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 aspects of the State's historic pay practices causing significant ongoing challenges to Workday's effectiveness for processing the State of Oregon's payroll.

### **Salary/Hourly Challenge:**

Unlike most other employers, State of Oregon employees are paid a monthly salary, including overtime-eligible, non-exempt employees. This forces the system to pay overtime-eligible employees both a salary and on an hourly basis. This is a highly unusual pay structure for overtime-eligible employees which causes significant problems for modern payroll systems like Workday Payroll. No matter how it's configured, Workday Payroll is simply not designed to pay overtime eligible employees on a monthly salary basis, while also recognizing and paying based on actual hours worked.

DAS and its outside vendors have worked hard to try to create and implement custom system configurations, manual processes, and custom updates to better integrate Workday Payroll with the State's unusual pay practices; however, that process simply has not resolved the issues.

### **Forecasting Time Challenge (Paying in Arrears)/Bi-Weekly Pay:**

The state's legacy payroll system (OSPA) paid and the Workday Payroll system pay all employees a monthly salary on the first of the month for predicted or "forecasted" hours, including hours worked after payroll cutoff (typically the last week of the month). This means the system is finalizing payroll on forecasted hours based on scheduled hours that an employee may not work due to unexpected absences or an oversight in entering and/or approving the time. This forecasting creates overpayments when the predicted hours are not worked. This issue is not new and occurred in the legacy system every month.

Finally, forecasting requires the need for a "mid-month" check to pay employees for their overtime hours worked, but not entered, before payroll running to true up actual pay with actual hours. The same is true for some pay differentials.

Most employers do not process payroll with forecasted hours but pay their employees biweekly or twice per month for actual hours worked and use a "lag period" which is a period between the last day of work in a pay period and the pay date. For example, if the last day of a pay period is on the 30th of the month, the pay date may not be until the 15th of the following month. This lag period allows payroll to run based on the actual hours employees work through the 30<sup>th</sup>. Additionally, overtime and differentials are paid on the regular pay date (in this scenario, the 15<sup>th</sup> of the following month) and does not require a separate or "mid-month" check. This forecasting issue also causes payroll errors, as Workday Payroll does not integrate well with a pay practice that requires forecasting hours.

Pay biweekly and stop forecasting are better payroll practices for several reasons:

- Industry standard for modern payroll systems.

- Allows time (when paying in arrears paired with biweekly pay) to pay accurately on actual hours worked;
- BOLI requires employees to be paid within 35 days for hours worked;
- Provides adequate time to ensure hours are entered and approved;
- Allows agencies adequate time to run appropriate reports and process payroll;
- Allows funding stream for agencies to cover payroll;
- Best predictability of pay based on actual hours worked; and
- Complies with out of state employee laws related to frequency of pay (in some states it is illegal to pay once per month – we do have employees in some of those states).

**Potential Solutions:**

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.

After serious consideration and in consultation with Workday Inc., the State sees a path forward to update its historic pay practices. Updating those practices and the Workday Payroll system will require bargaining and, ultimately, working closely with employees to reassure and educate them on how to navigate the system updates. These system updates, transitioning to hourly pay for overtime eligible employees, moving to bi-weekly pay for all employees, and eliminating forecasting, will not result in compensation decreases.

We believe modernizing the State's pay practices will eliminate the current issues with Workday Payroll and improve the transparency, predictability, and accuracy of employee pay. These updates require significant time and testing, and the state anticipates the earliest we could implement the updates would be July 1, 2027.





Outlook

## Costing Breakdown

From WEST Erin M \* DAS <Erin.M.WEST@das.oregon.gov>

Date Tue 3/25/2025 1:00 PM

To Jade McCredy <jmccredy@oregonafscme.org>; Teresa Hofstrand <Thofstrand@oregonafscme.org>

Cc NEES John \* DAS <John.NEES@das.oregon.gov>; SIKEL Anna \* DAS <Anna.SIKEL@das.oregon.gov>

	<u>GF</u>	<u>AF</u>
Steps	72,721,859	139,744,301
Healthcare (CFO)	36,385,194	77,826,395
Central Admin/Backfill (7%)	21,000,000	43,649,969
\$500 One Time Pmt	14,966,691	32,212,997
COLA (2.3% Dec/3% Dec)	153,310,304	328,850,101
<b>Total</b>	<b>298,384,047</b>	<b>622,283,763</b>



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