

2023-2025 STATE OF OREGON and AFSCME CENTRAL TABLE

Union Counter Proposal

July 15, 2025

Time:

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NEW LETTER OF AGREEMENTSTRUCTURAL 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.~~