

LETTER OF AGREEMENT
Hiring Bonus and COLA Implementation Date Change

This Agreement is between the State of Oregon, acting through its Department of Administrative Services (Employer) and the Association of Engineering Employees of Oregon (Association).

This Letter of Agreement shall supersede the “Hiring Bonus” Letter of Agreement fully signed on May 17, 2022.

Background: In the February 2022 Legislative Session, SB 1514 was passed by the Legislature. This bill provides employers a safe harbor under the state’s pay equity act to provide a hiring bonus. The bill allows hiring bonuses to be exempted from the definition of ‘compensation’. This is a limited window with the language exempting hiring bonuses from the definition of ‘compensation’ expiring on September 28, 2022.

Therefore, the Parties agree to the following:

- 1) Upon approval by DAS, agencies may offer a hiring bonus to a prospective employee during a competitive recruitment process through September 27, 2022. This payment can be offered to employees who are new to state service or promotions that are the result of a competitive process. At the time of hire, agencies may offer hiring bonuses to employees of up to five percent (5%) of the annual base pay rate of the top step of the classification. Such hiring bonuses will be paid no later than September 27, 2022.

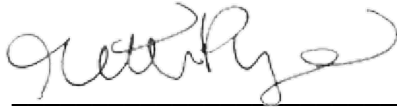
Agencies shall adhere to and follow the approval process and implementation considerations outlined in Addendum C—Pay Practices Policy 20.005.10 for all hiring bonuses within the bargaining unit.

If a competitive recruitment offers a hiring bonus, and the employee does not subsequently receive the appropriate amount of the bonus by the date established in the offer letter, the employee may utilize the grievance and arbitration procedure outlined in Article 3.6 of the AEE Collective Bargaining Agreement. Any other application of Section (1) of this Letter of Agreement or Addendum C-Pay Practices Policy 20.005.10 shall not be subject to the grievance and arbitration procedure.

- 2) Article 11.3—Salary Administration, Across the board Salary Increases shall be modified as follows:
 - a. Effective December 1, 2021, Compensation Plan salary rates shall be increased by two and five tenths percent (2.5%) but not less than eighty-five dollars (\$85) per month (prorated for part-time employees). Effective August 1, 2022, Compensation Plan salary rates shall be increased by three and one tenth percent (3.1%) but not less than one hundred dollars (\$100) per month (prorated for part-time employees). The August 1, 2022 Cost of Living Adjustment will be reflected on September 1, 2022 paychecks.

This Letter of Agreement does not establish a precedent or past practice between the Parties.
This Letter of Agreement is effective upon final signature and shall sunset on September 27, 2022.

Brian McBeth, First Vice President
Association of Engineering Employees of Oregon



Nettie Pye, State Labor Relations Manager
DAS CHRO, LRU

Date

06/09/22

Date