

# CHRO News

*Chief Human Resources Office Quarterly Newsletter*

## Getting to know Madilyn



Madilyn Zike, the Chief Human Resources Officer grew up in the San Francisco Bay Area, and began her career in Carson City, Nevada. After 35 years in Nevada, she moved to Oregon. Her first job in Willamette Valley was as the HR Director of Marion County. Later she became Lane County’s HR Director and then assumed the role of Chief Operations Officer overseeing budget, finance, payroll, facilities, HR, clerk’s office and elections.

She earned her Associate Degree in Law Enforcement and Juvenile Justice, and several years later earned her Bachelors of Arts in Social Work at the University of Nevada, Reno. Struggling as a single mother for many years she understands the challenges of working, going to school, and raising a

family. She has a passion for supporting children and families, and served a short time as a VISTA Volunteer with youth parolees, and then became a youth counselor and parole officer. That passion led her to child and family services where she led welfare programs – adoption, foster care, children’s mental health, child protective services, and youth corrections. Along the way, she earned a Project Management Certification, her MBA, her Senior Professional in Human Resources (SPHR), and became a Certified Public Manager. Her most DAS-like experience was the Nevada Legislature where she managed support services – budget, finance, payroll, human resources, and IT.

The dive into HR uncovered her desire to specialize in it. Her social work background has blended well with HR, she loves to support people and find solutions to problems. She loves connecting with, supporting, and working with people and that is what HR does – connect the business side of an organization with people.

## What does the future hold for CHRO?

The Chief Human Resources Office is actively engaged in a number of initiatives in our partnerships with leaders, employees, labor, and stakeholders. In the coming year we will continue to design and execute strategies to support the workforce and our constituents.



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### Special points of interest

- Management Restoration Rights
- Affordable Care Act
- The Oregon Management Project



## Management Restoration Rights

In the 2014 Legislative Session, [Senate Bill 1567](#) passed amending portions of Oregon Revised Statutes (ORS) [240.570](#) relating to management service employees' restoration rights. Employees appointed into management service on or after January 1, 2015, no longer have restoration rights back to a prior regular status classified position. Employees appointed prior to January 1, 2015, only have restoration rights if their appointment is within three years from the date of removal. An employee continues to have no restoration rights if the removal was for reason(s) stated in ORS [240.555](#). A management service employee may still have rights back to a prior position if it is a trial service removal (see State HR Policy [40.065.01](#) Trial Service Period).

When making the determination of rights, agencies will need to consider where the employee attained regular status in classified service. Not all agencies are subject to ORS 240; however, some have inter-governmental agreements or policies that allow restoration.

The updated [Restoration FAQs](#) be found on the CHRO's website on the policy page. If agencies have questions about the new statutory construction, please call the CHRO Policy Unit, the receiving agency's DAS Labor Relations Manager or the Department of Justice Labor & Employment section.

Click on the link to access the DAS State HR Policy [Restoration of Management Service Employees \(50.030.01\)](#).

*"Employees appointed into management service on or after January 1, 2015, no longer have restoration rights back to a prior regular status classified position."*

### What is ACA?

The Patient Protection and Affordable Care Act (PPACA), commonly called the Affordable Care Act (ACA) or "Obamacare", is a United States [federal statute](#) signed into law by President Barack Obama on March 23, 2010. Together with the Health Care and Education Reconciliation Act,<sup>[4]</sup> it represents the most significant regulatory overhaul of the U.S. healthcare system since the passage of Medicare and Medicaid in 1965.

The ACA was enacted with the goals of increasing the quality and affordability of health insurance, lowering the uninsured rate by expanding public and private insurance coverage, and reducing the costs of healthcare for individuals and the government.

## Affordable Care Act (ACA)

Implementation of the Pay or Play mandate of the Affordable Care Act is underway with, CHRO, EHRS PPDB Group, PEBB and OSPS leading the charge. The process began in mid-November, OSPS and CHRO identified agency temporary employees who worked at least 30 hours per week or who worked a total of 1,560 hours over the Standard Measurement Period (November 1, 2013 through October 31, 2014). CHRO sent out the initial offers of coverage to these employees. Temporary employees who received an offer had until December 5, 2014 to submit their enrollment forms. CHRO coordinated the collection of the enrollment forms and passed them off to PEBB for data entry following EHRS PPDB data entry. Approximately 25% of those temporary employees identified enrolled. Agencies also reviewed employee paid hours for those employees out on unpaid (non FMLA) leave to determine if some are in a Stability Period in 2015 and entitled to continued agency paid coverage.

Agencies are actively engaged in working to understand the new mandate, developing communication and coordination between their Human Resources and Payroll shops. The live consulting sessions held in December and January were well attended and participants asked impressive questions. The CHRO ACA webpage contains the policy and valuable tools for agency staff to use to help guide them through the process and ensure compliance. In addition, the page also has a video of the live consulting session for agencies to review. CHRO continues to be available to assist agencies with any questions or concerns.

CHRO is grateful to all agency HR and payroll staff for their patience and understanding as we worked through implementation. The CHRO would also like to thank PEBB, EHRS PPDB Group and OSPS for their invaluable input and assistance in developing the process. Together we are making a difference by ensuring employees receive the benefits they are entitled to.

Additional information regarding Affordable Care Act is available on the CHRO website under [ACA](#).



## The Oregon Management Project (Classification and Compensation Project)

In late 2013, the Classification and Compensation Unit began developing a new management classification and compensation system. This work is a major component of the Enterprise Leadership Team's Oregon Management Project.

For several years we have heard comments that the current system is broken. Many have commented about the current system lacking flexibility when trying to attract professionals to the principal executive/manager classification series when more specific managerial expertise is needed to do the job. Another common complaint is that, at times, the salary scale does not match the market when trying to compete for expertise needed to deliver strategic initiatives.

The new system is being built with today's and tomorrow's managers in mind. About 3500 managers completed detailed position description questionnaires. The information is being used to build a multi-tiered system, using occupational categories to group job families into administrative, management, and supervisory classifications. There will be approximately 450 management classifications -- a stark contrast from the current system of the 10 Principal Executive/Manager classifications that cover most supervisory management jobs.

Agency subject matter experts (SME) were formed to define the work being performed in each classification. SMEs described their responsibilities and accountabilities to create the basis for each of the new class specifications. Once a classification specification is drafted, it is sent to all agency management staff for review and comment. After considering all the comments, the Classification and Compensation Unit finalizes the new specifications.

With the new classifications finalized, agencies (typically human resources or agency directors) will allocate (or assign) positions to the appropriate job classification. The Classification and Compensation Unit reviews the allocations completed by agencies to ensure appropriate position allocations are made. Agencies then notify each affected manager of their preliminary position allocation.

To make decisions about compensation levels, the Classification and Compensation Unit gathers market compensation and benefits data from relevant labor markets. The "market" includes other western states and regional public and private employers. Specific market definitions are adjusted based on recruitment and retention information. Where we recruit management employees from and where the employers go when they leave the state are considerations in defining the market. In some cases, nationwide market data will be looked at for high-level or specialized jobs. The market compensation data will be evaluated by Kenning Consulting, a nationally recognized compensation consulting firm. Kenning Consulting is on contract to help the state structure the new compensation plan.

We anticipate the work to be complete and implementation to begin in early 2016. Each manager whose position will move into a new classification will be formally notified by his or her agency. The notification will include any salary changes, effective dates and any applicable appeal rights. No employee's salary will be reduced.

Up-to-date project information including the new and proposed class specifications can be located at [Management Classification and Compensation Review](#) and [The Oregon Management Project](#) websites.

### Life of a Policy

The CHRO Policy team is currently updating all of the [state HR policies](#). We wanted you to be aware of our process and how long it can take to get through all the channels. Following is our timeline for each policy:

- 1) Policy assigned to consultant – updates, changes made
- 2) **1st** draft to Policy team and the Chief HR Officer (if impacts represented to LRU) (2 week review)
- 3) Edits made by consultant, if any
- 4) Draft sent to statewide HR Directors for comment (2 week review)
- 5) Edits made by consultant, if any
- 6) **2nd** draft sent to Policy team and the Chief HR Officer (2 week review)
- 7) Edits made by consultant, if any
- 8) Draft sent for plain language review (1 week review)
- 9) Edits made by consultant, if any
- 10) **3rd** draft sent to Policy team and the Chief HR Officer (1 week review)
- 11) Draft sent to DOJ for legal review, if necessary (2 week review)
- 12) Edits made by consultant, if any
- 13) **4th** draft sent to Policy team and the Chief HR Officer (1 week review)
- 14) Draft sent to Executive Policy Team for review (2 week review)
- 15) Edits made by consultant, if any
- 16) **5th** draft sent to Policy team and the Chief HR Officer
- 17) **Final** draft sent to the unions, if policy applies to represented staff (2 week review)
- 18) **Final** draft to DAS Director for signature, signed copy posted to website and an email notification.

## Legislative Process

The CHRO Policy team will be tracking all of the human resources bills. Once all of the bills are reviewed we will be dividing them up amongst the team for tracking (Susan Hoeye, Twyla Lawson, Bridget Otto, and Susan DeJooede). The bills will be sorted based on knowledge of the subject or by whomever is assigned the applicable HR policy. We have a new tracking system for bills, [BillTracker](#). It is a very user friendly system that allows us to assign and prioritize easily. However, we are learning a new system please bear with us as we transition to a new process.

The [Oregon State Legislative](#) website has made some updates to their page. You are now able to listen to audio and video for hearings. If you want to watch the video after the hearing, you are able to skip to the content you want to listen to rather than listening to the entire clip because they have it broke down by subject (e.g., bill). This makes use of your time more efficient, because you are able to watch only the content that is needed rather than listening to the entire video. Check out their [website](#) for details.

There a lot of bills to be reviewed and we will do our best to keep you informed. Look for updates in HR Directors meetings and on GovSpace. CHRO will also be providing training on GovSpace, you should have an email soon regarding available dates. If you have a question or see a bill that you think we should be tracking please email the [CHRO Policy box](#).

# Work-out-of-Class and Lateral Classification Assignment Differential

## Background

Several employees in a SEIU-represented agency worked out of class in management positions, whose salary ranges were the same as the employees' current salary range. One employee had been doing so for two years. The employees requested the 5.0% WOC pay differential per Article 26, Section 10(a). The agency denied the differential based on the DAS interpretation of the phrase at a higher level classification, which we indicated meant a higher numbered salary range.

SEIU filed a grievance, and it resulted in an arbitration hearing on October 12, 2012. Arbitrator Ronald Miller issued his decision on January 11, 2013.

## Arbitration Decision

The State prevailed in its interpretation that WOC is to be paid for performing the duties of a position at a higher level classification, and the phrase higher level classification means a higher salary range number. The arbitrator reached his decision by validating the structured method used by the State to assign salary ranges. The State used the Hay method of evaluating the content of duties and responsibilities which employees perform and used those results to assign a salary range number. Thus, salary range numbers measure the level of duties and responsibilities.

SEIU argued that because the individual steps of management salary ranges are often higher than the same steps in the same salary range number for represented employees, the higher intrinsic pay meant greater responsibilities. However, Arbitrator Miller rejected that argument saying union salary step amounts are subject to negotiations, whereas management salary steps are subject to unilateral decisions imposed without negotiations. Thus, the Hay analysis prevails over the dollar amount. Since the salary range numbers are the same and no additional payment is warranted. It also doesn't matter whether the salary range number has different alpha prefixes, such as SR 28i, 28x, or 28m. The only relevant measure is the salary range number.

## 2013-2015 Bargaining

As a result of the arbitration decision, SEIU proposed language to address this issue.

While the State did not accept the language they initially proposed, we did propose alternate language which was agreed to in negotiations and is in the contract today.

This language can be found under Article 26, Section 12 of the SEIU Collective Bargaining Agreement. The language states, "When an employee is temporarily assigned for a period of ten (10 or more consecutive calendar days) to a lateral classification within the same salary range base number and the salary is a higher salary schedule, the employee shall be paid at the lowest step in the new schedule that provides the employee an increase in his/her base rate of pay."

## Please find a few examples of how to apply the language below:

1) A represented Program Analyst 3, SR 29, begins a rotation as a represented Information System Specialist 6, SR 29I. In the past, this employee would not receive any additional compensation because the base salary range number is the same (29). With the new language, the employee would receive the lowest step in the new schedule that provides the employee with an increase.

\* PA3, SR 29, Step 5 =5098. The next lowest step that provides the employee with an increase would be ISS 6, SR 29I, Step 5= \$5,226. The employee would receive a fixed differential of \$128 /mo during the assignment.

2) A Program Analyst 4, SR 31, begins a rotation as a management service PEM/D, SR 31X. In the past, this employee would not receive any additional compensation because the base salary range number is the same (31). With the new language, the employee would receive the lowest step in the new schedule that provides the employee with an increase.

\* PA4, SR 31, Step 5 =5604. The next lowest step that provides the employee with an increase would be PEM/D, SR 31X, Step 5=5839. The employee would receive a fixed differential of \$235 /mo during the assignment.

# Statewide - Hire Data (2014)

Data\* collected for applicants/hires from December 2013—December 2014.

Applicant Data	Total	%	Race/Ethnicity of Applicants	Total	%
Total Applicants	<b>266,485</b>		Asian	8,159	3%
Women	166,228	61%	American Indian/Alaskan Native	5,717	2%
Men	98,498	37%	Black/African American	8,437	3%
Declined to Answer	4,181	2%	Hispanic/Latino	11,093	4%
Unknown	2,578	1%	Pacific Islander	21,015	8%
Veterans	23,685	9%	White	194,469	73%
Applicants that met MQ's	190,885	71%	Two or more Races	12,267	5%
Total Requisitions	7,513		Declined to Answer	2,749	1%
			Unknown	2,579	1%

  

Hires	Total	%	Race/Ethnicity of Hires	Total	%
Total Hires	<b>379</b>		Asian	16	4%
Represented	264	70%	Black	12	3%
Exec / Management	109	29%	Hispanic	15	4%
Unrepresented	6	1%	American Indian/Alaskan Native	9	2%
Women	190	50%	White	317	84%
Men	180	47%	Declined to Answer	10	3%
Unknown	9	3%			

\*Data collected from Oregon eRecruit System (NeoGov) and HRIS PBED. Due to system reporting limitations there may be a margin of error. This data does include duplicates.

## The 2014 Oregon Salary & Benefit Report

The Department of Administrative Services, Chief Human Resources Office reached consensus with three labor organizations (SEIU, AFSCME, and AEE) regarding the general purpose, scope and methodology of the 2014 State of Oregon Salary & Benefits Report for Executive Branch. The report represents a collaborative effort to promote good will and limit public disputes between the parties over compensation matters.

The primary objectives of the report are to:

- Provide the Governor with an estimate of the State’s relative position to the market
- Provide Executive Branch leadership data to make compensation decisions and plan budgets
- Provide bargaining teams and the employer with compensation data for use in negotiations
- Fulfill contractual obligations for specific market compensation studies.

The report covers approximately 650 current Executive Branch job classifications. The report does not analyze compensation for management classifications under development in the “Oregon Management Project.” The re-

port also does not include the Judicial or Legislative branches, the Oregon Lottery, the Oregon University System or other entities exempted by statute.

The state uses the maximum base salary of a classification as a market and policy point comparison. Ideally, the maximum base rate and benefits should be 100% of market, but is considered “competitive” when ranging between 95% and 105% of market. Generally, the greater the number of market matches found, the more reliable the data. For some state classifications, there is not sufficient data to either report a market figure or base recommendations for adjusting salaries.

While adjustments may be made to certain classification based on market information, there may be appropriate reasons for a class of positions to be paid outside the competitive range. Reasons a classification may be paid over market include: recruitment and/or retention problems relative to the labor market; the result of collective bargaining; and, administrative or legislative priorities.

You can access the full report at: [2014 State of Oregon Salary and Benefit Report](#).

*“The state uses the maximum base salary of a classification as a market and policy point comparison.”*



## Incident Weather

It's that time of year when we need to worry about the weather.

The central [Building Closure Notices / State Offices](#) web page provides the following information:

- Current building closure announcements
- An employee's ability to receive text messages or emails about certain building closures
- Resources which include sample posters an agency may customize for printing and posting in the worksite, and a link to the Temporary Interruption of Work policy

Agency directors and human resource staff should contact CHRO policy unit via [email](#) for policy questions and your DAS Labor Relations Manager for Collective Bargaining Agreement questions.

## Classified Service Classification Studies

In collaboration with agency teams who generously give their knowledge and energy, Senior Human Resource Consultants, are managing five separate projects to review or revise the current classification specifications for Geologist 1-3 (ODOT-AEE), Physical Electronic Security Technician 1-3 (multiple agencies and bargaining units), Juvenile Parole and Probation Officers and Assistants (OYA-AFSCME) and Office Coordinators (Parks & Recreation). A new classification specification, Denturist, has also been developed as an agency specific classification for the Department of Corrections.

Each of the classification study teams for the Geologists, PEST, JPPO and JPPAs, Parks OC's and, Denturist have met several times and have been working on evaluating the current classifications. Where appropriate, each team has recommended revisions to the current classifications. The next step in the review process is to send the draft classifications with the proposed revisions to the appropriate agency management members for review and comment. The proposed classifications specification drafts will then be sent to the appropriate bargaining units for a review and comment period. Each class study team will review the comments and suggestions from management teams and the bargaining units and adopt the suggestions as appropriate. Once the class study teams have completed their reviews of all the comments, the "Final Draft" of the classification specification is adopted and ready to be presented to the Central Evaluation Team for a Hay Evaluation. The CET's work is the first step in making decisions about any necessary salary range adjustments.

One development as a result of the Physical Electronic Security Technician study is the decision to write a new, specific classification to describe the work performed by employees at the Oregon State Police Fleet Operation to "outfit" the vehicles for state troopers. New vehicles arrive at the Salem fleet location without the Oregon State Police logo, lights, sirens, computers, or any of the necessary communication equipment our troopers need to safely and successfully perform their jobs. All the additional equipment is added by the staff at OSP Fleet.

We expect to have these classification studies completed by March 2015. Please visit our website for a full listing of classification specifications under review through 2016.

You can access the full report at [2014-2016 Classification Studies](#).

## Word Scramble

Unscramble the words below. All the words are located in this newsletter.

1) nuhma rsroceus \_\_\_\_\_

6) emganmtnea ctejpor \_\_\_\_\_

2) eelmtnnic eraewht \_\_\_\_\_

7) rtali evciser \_\_\_\_\_

3) rrasionetto sirhgt \_\_\_\_\_

8) aanegemmnt evrsiec \_\_\_\_\_

4) aitcoficilnass uesstid \_\_\_\_\_

9) Aaonibrtrti \_\_\_\_\_

5) liydna ikze \_\_\_\_\_

10) ianeoscntmop \_\_\_\_\_

*Word Scramble Answers: 1) human resources; 2) incident weather; 3) restoration rights; 4) classification studies; 5) madilyn zike; 6) management project; 7) trial service; 8) management service; 9) arbitration; 10) compensation*

**Thank you for reading our first edition of CHRO News. Look for the next edition in April 2015. If you have questions or suggestions for future articles please [email](#) us.**