



Oregon

Kate Brown, Governor

Department of Human Services

Office of the Director

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December 9, 2019

The Honorable Senator Elizabeth Steiner Hayward, Co-Chair
The Honorable Senator Betsy Johnson, Co-Chair
The Honorable Representative Dan Rayfield, Co-Chair
Interim Joint Committee on Ways and Means on Human Services
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048



Re: Request for funding for estimated costs of bargained salary selectives and other costs

Dear Co-Chairpersons:

Nature of the Request

DHS requests the Committee acknowledge receipt of this report and recommend an increase of \$4,959,109 General Fund and \$3,093,632 in Federal Funds expenditure limitation due to bargained costs.

Agency Action

Salary Selectives

During the 2019 Legislative Session, a Special Purpose Appropriation (SPA) of \$200 million General Fund was created for state employee bargaining. As part of bargaining, some classifications receive salary selectives which increase the salary range of those classifications. While bargained with the cost of living adjustments and steps, these salary selectives are generally not considered in the distribution of the salary pot to agencies to help defray the costs of bargaining.

A number of salary selectives will impact DHS, but there are two large specific salary selectives that DHS will have to manage through vacancy or other currently unidentified savings if not funded.

The first salary selective is for the Social Service Specialist 1 (SSS1) and Social Service Specialist 2 (SSS 2) classifications which are the main classifications of

"Assisting People to Become Independent, Healthy and Safe"

child welfare caseworkers. For context, DHS has almost 1700 SSS1s and over 100 SSS2s. However, the implementation of the salary selective is a “least cost” implementation, meaning it won’t impact employees until their salary eligibility date for those at top step currently or for those employee’s whose salary is within the new range. Of the total of just over 1800 positions, 431 were impacted. The cost of this implementation is estimated to be \$2,985,636 General Fund and \$1,511,131 of Federal Funds limitation.

The second major salary selective is in the Intellectual and Developmental Disabilities (I/DD) Stabilization and Crisis Unit (SACU) for the Mental Health Therapy Technicians (MHTTs). For context, DHS has over 600 MHTTs, of which 171 will be impacted in 2019-21 by the salary selective. Estimated costs to SACU are \$465,796 General Fund and \$936,354 in Federal Funds.

In total the two salary selectives are estimated to cost DHS a total of \$3,451,432 General Fund and \$2,447,485 in Federal Funds.

Child Welfare Bargained Differentials and one-time payments

During bargaining at the SEIU Central table, it was agreed to have an expedited bargaining session related to child welfare staff. After several months of negotiations, final agreement was reached on the following two items on December 4, 2019.

- 1) Effective upon signature of the agreement, employees working in the Child Welfare program at the Department of Human Services classified as Social Service Specialist 1 or Social Service Specialist 2 shall be eligible for Shift Differential. The differential is \$1.00/hr for work done after hours (6pm-6am) or work done on Saturday or Sunday. The estimated cost for this agreement is \$345,601, which equates to \$241,921 General Fund and \$103,680 Federal Funds.
- 2) SEIU represented employees working in the Child Welfare program at the Department of Human Services will receive a one-time \$500 retention and continued dedication to public services payment during the Child Welfare system crisis. This payment is applicable to all current SEIU represented employees in Child Welfare who were employed on or before July 1, 2019. The estimated cost, not including management, is \$1,808,223 TF or \$1,265,756 GF and \$542,467 FF.

Action Requested

DHS requests the Committee acknowledge receipt of this report and recommend an increase of \$4,959,109 General Fund and \$3,093,632 in Federal Funds expenditure limitation.

Legislation Affected:

PROGRAM	PROPOSED LEGISLATION / SECTION	FUND TYPE	REQUESTED ADJUSTMENTS
Child Welfare	Ch. 668 1(3)	General	\$4,493,313
	Ch. 668 3(3)	Federal	\$2,157,278
Aging and people with disabilities and intellectual/developmental disabilities programs	Ch. 668 1(4)	General	\$ 465,796
	Ch. 668 3(4)	Federal	\$936,354

If you have questions, please contact Eric Moore at 503-884-4701.

Sincerely,



Eric Luther Moore
DHS Chief Financial Officer

cc: Laurie Byerly, Legislative Fiscal Office
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George Naughton, Department of Administrative Services
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