A member of the Association of Governmental Employees (AGE), which includes over 500,000 public employees

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Legislature OK's $50 Million Pay Package

The $50 million pay and fringe benefits package negotiated with the Executive Department by OSEA for some 24,000 state employes has been adopted virtually intact by the 1973 legislature.

The pay portion of the contract and many of its important fringe benefit provisions were not adopted by lawmakers until the final hours of the session, the longest on record.

"A session which looked bleak after defeat of the May 1 tax measure turned out to be the greatest ever for public employes," Executive Secretary Thomas C. Enright said.

He said the reason for that can be attributed to the "solid leadership of Senate President Jason Boe (D-Reedsport) and House Speaker Richard Eymann (D-Springfield), who kept the legislature working despite criticisms of a long session until there was a recovery in attitude and accomplishments could be made."

"The responsible leadership in both parties should be congratulated on a very productive session," Enright commented.

The pay raises and increased fringe benefits approved for state employes by the legislature amount to more than 16 per cent of payroll for the next biennium.

In addition, the state's work force will benefit from enactment of the Occupational Safety and Health Act, which Enright said will "create a new world in the area of working conditions for thousands of employes."

He called the new collective bargaining law for public employes "the best in the country."

Pay increases for classified employes and the new salary administration procedure adopted by the legislature was, except for some minor changes, the same as negotiated between OSEA and the Executive Department. The contract was printed in the February issue of The OSEA News.

Increases were made in retirement, health insurance, travel and vacation leave benefits for state employes. In addition, employes will be paid for one-half the value of their accrued sick leave in the form of an increased PERS pension. That new benefit also was contained in the negotiated pay package.

This issue of The OSEA News was delayed in order to include a summary of pay and fringe benefit bills passed by the legislature. It appears below. The next issue will contain a detailed description of state employe legislation passed by the legislature.

Action Taken on State Employe Bills by the '73 Session Summarized

CLASSIFIED SALARIES: Classified employes will receive salary increases **averaging** 6.24 per cent effective July 1, 1973. In addition, a sum of money equal to 5.5 per cent of the state's payroll has been earmarked for classified employe compensation on July 1, 1974—the mid-point in the biennium. About 18,000 employes will get a 5.5 per cent pay hike, and some 5,000 employes in pay ranges one through seven will receive a $30 a month pay raise. The percentage amount of that increase ranges from 9.8 per cent for employes on the first step of pay range one to 5.7 per cent for employes on the top step of pay range seven.

ACADEMIC SALARIES: Academic employes will get salary increases averaging slightly more than 5 per cent in each year of the biennium. Increases of more than that amount may be granted, but they must have approval of the State Board of Higher Education and be reported to the Emergency Board.

SALARY ADMINISTRATION: The 75 per cent limitation on merit pay increases has been abandoned. The Joint Ways and Means Committee did not approve the incentive award program negotiated by OSEA and the Executive Department. That program would have allowed 10 per cent of the employes in an agency to be granted a lump sum bonus equal to 3 per cent of their annual salary.

MEDICAL-HOSPITAL INSURANCE: The state's contribution to employe health insurance was raised from $10 to $15 a month. If the monthly contribution of $15 exceeds an employe's premium, the excess may be applied to family coverage.

SICK LEAVE PAYMENT: The cash value of half of an employe's accrued sick leave upon termination or retirement will be added to the "final average salary" to increase the PERS benefit.

TRAVEL: The mileage allowance for private automobiles used on state business was increased from 9-cents to 10-cents. In addition, the state's per diem rate was increased $2.00 a day—from $15 to $17—as a result of contract negotiations between OSEA and the Executive Department.

VACATION LEAVE: Vacation leave was increased one day a year at each step of the state's vacation schedule, and the maximum vacation leave accrual was increased from 200 to 250 hours. Vacation leave now will accrue after six months of employment instead of one year.

RETIREMENT: The percentage factor in the formula used to compute retirement benefits was increased from .84 to 1.00. The factor was raised from 1.15 to 1.35 for policemen and firemen. Employes will be allowed to retire at age 60 after 30 years of service, or at age 62 after 25 years of service, with no reduction in benefits. Policemen and firemen will be permitted to retire at age 55 after 25 years of service, or at age 57 after 20 years of service, with no reduction in benefits. Employes may invest 75 per cent of their retirement contribution in the variable annuity program. The annual cost of living adjustment was increased from 1.5 to 2 per cent. In addition, employes who retired before 1968 will get a 25 per cent increase in benefits, and those who retired after January 1, 1968 will get a 20 per cent boost. Effective date of the retirement legislation is July 1, 1973.

COLLECTIVE BARGAINING: All public employes in Oregon, including school teachers, now will come under the same collective bargaining law. It specifies unfair labor practices and gives the Public Employe Relations Board authority to enter orders and secure court enforcement. "Fair share" agreements in which non-members of certified representative organizations may be required to pay a service fee are authorized by the law. It removes the prohibition against strikes by public employes, except for policemen, firemen and guards at the prisons and mental hospitals, or in instances where the public health, safety, or welfare is involved. Binding arbitration is provided in those instances where strikes are prohibited.

POLITICAL RIGHTS: An amendment to Oregon's constitution allowing state employes to serve in the Legislative Assembly will be submitted to the people for a vote next year. Public employers now will be required to post notice of employe political rights in work areas.

DISCRIMINATION IN EMPLOYMENT: The Personnel Division is required to review all job classifications, qualification requirements and tests to remove all discriminatory elements. In addition, the Bureau of Labor was given a $50,000 appropriation to advise and monitor the Executive Department's affirmative action program.

WORKMEN'S COMPENSATION: State employes were given increased workmen's compensation benefits. Survivor rights were extended to the spouse of a deceased worker, and employer's will be required to provide jobs for injured workers who cannot perform their former jobs.

UNEMPLOYMENT COMPENSATION: State employes were granted increased unemployment compensation benefits. Future benefits will be adjusted to an average wage, and the employes will have a shorter time to wait before establishing eligibility for benefits.

SAFETY AND HEALTH: Public employes in Oregon, for the first time, will come under the Occupational Safety and Health Act. It will be administered by the Workmen's Compensation Board.

HOLIDAYS: Celebration of Veterans' Day was changed back to November 11. All other holiday bills died, including one negotiated by the AFSC&ME with the Executive Department which would have provided Friday celebration of holidays falling on Saturday.

PERS INVESTMENTS: Authority of the State Investment Council to invest PERS funds in common stock was increased from 25 per cent to 35 per cent of the fund.

PERB Vetoes New State Rental Rules

The Public Employe Relations Board has said it will not approve new rules issued by the Department of General Services to establish uniform rental rates for all state-owned housing.

The 1971 legislature enacted a law requiring each state agency to base rental charges on the fair market rental value of the housing less reductions for invasion of privacy, agency need for an employe to live in the housing, isolation and so forth.

The rules drafted by General Services provided for reductions of up to 40 per cent in instances where agencies needed employes to live in the housing, and up to 20 per cent for invasion of privacy. The rules also provided a total of all reductions could not exceed 75 per cent of the fair market rental.

In addition, the rules established fixed charges for utilities, lawn care and for furnishing sheets, towels and other laundry items.

OSEA staff attorney John S. Irvin represented the Association in opposing the rules.

He told the board OSEA opposed the establishment of charges for utilities, lawn care and laundry on the basis that the Department of General Services does not have authority to set such rates for the various agencies.

Irvin also voiced the Association's opposition to the 40 per cent limitation on agency need for employe occupancy. "That is an arbitrary figure," he said, "considering the fact that standby time and other work time for which employes are not paid could amount to far more than 40 per cent of the fair market rental of the housing."

Irvin objected to the 75 per cent ceiling placed on all reductions and to the lack of any reduction for those cases in which an employe is housed in a dwelling that is in excess of his needs. As an example, he mentioned a family who were placed in a four bedroom house because no two bedroom homes were available.

The announcement that the board would not approve the proposed rules was made following the hearing.

The rules were first distributed by the Department of General Services last December. OSEA immediately contacted Leander Quiring, director of the agency, and pointed out the fact that the law requires the PERB to review and hold a public hearing on the rules before they can be adopted and implemented. Quiring then filed the rules with the board for a hearing.