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## Collective Bargaining between Oregon Public Universities and SEIU

### FACT SHEET

August 23, 2019

#### **What is the current bargaining status between Oregon Public Universities and SEIU?**

On Aug. 16, SEIU declared impasse, which is the next step in the process allowed under the state of Oregon's public employee collective bargaining law. Final offers and cost summaries are due to the Employment Relations Board (ERB) on Aug. 23. After filing final offers, the bargaining parties will enter the required 30-day cooling-off period, and will continue to negotiate. The parties have set Sept. 11, 12, and 13 as their next negotiation session. At the end of the cooling-off period, the Union can strike, provided it issues a 10-day notice, and the Universities can implement all or a portion of their final offer at that time.

#### **What is the compensation increase being offered by the Universities in the new SEIU contract (2019-2021), and what is it in the existing contract (2017-2019)?**

SEIU classified staff receive pay increases through a combination of Cost of Living Adjustments (COLA) and what are called "step increases." Together, these make up annual pay increases. Step increases are provided for satisfactory or better job performance, but are not a "merit" increase. The vast majority of classified staff receive their step increases, unless their performance is in the category of "not satisfactory."

Over the two-year period of the new contract (2019-'21), the Universities are offering eligible employees (e.g., those who are not "topped out" at the last step in their job classification; they receive only the COLA) a combination compensation increase of 12% (approximately 6% each year, made up of a two-year total of 2.5% in COLA increases and 9.5% in step increases). The Universities believe strongly that the package offering 12% total increases in wages paid over two years is a fair offer for classified staff, especially compared to increases provided unclassified university employees, and wage increases provided in the general marketplace.

**Existing contract:** The current contract (2017-19) provides classified employee an 11.50% increase over two years (two steps at 4.75% each and 2% COLA).

**If the Universities received \$100 million more in state funding for the current biennium, why can't they provide higher increases in their proposal to the SEIU?**

The \$100 million increase in state funding goes toward two major areas in the Universities' budget: reducing the impact of tuition increases for students and their families; and covering major annual increases in employee public pension (PERS) and healthcare costs (PEBB) that are paid by the Universities and mandated by the state of Oregon; as well as other critical operational needs. If approved, the SEIU's current proposal would cost about \$55 million over two years, leaving less than half of the increase granted by the legislature to address the impacts of increased tuition, employee benefits costs and operational needs, such as student support services. Meanwhile, all Oregon Universities have made budget cuts at different levels of severity, based on their own financial situations, to balance costs demands against revenues. Other cost increases borne by the Universities that have increased operating costs include mandated regulatory requirements, which often requires new employee hiring and other costs (see study quantifying these<sup>1</sup>).

**Tuition:** Since state budgets have decreased significantly from previous biennia<sup>2</sup> – any additional pay provided University employees must be balanced against how much those increases will result in higher student tuition costs. It is important that the universities weigh impacts when making pay and contract offers that directly affect our primary stakeholders: students. Universities used a portion of the state funding increase to reduce tuition rates previously approved by their respective Boards of Trustees. For example, Oregon Tech was able to reduce its 9% approved tuition increase to 6%. These changes have significant impacts on students who are low- and moderate income. Reduced tuition also assists students who face borrowing to cover college costs, housing expenses, as well as address other issues, such as food insecurity. Tuition is the major source of revenues to operate Oregon's public Universities, including employee compensation, in addition to state funding and other sources, like donor funds, which vary greatly by campus.

**Benefits:** Over the next two years, the cost of state-required employee pension and healthcare will increase for the Universities by 31.4% (22.1% for PERS, and 9.3% for PEBB). Because Oregon's Legislature does not provide the public Universities set-aside funds for salaries and benefit cost increases as other state agencies receive, funding for these must be covered by increasing tuition. Thus, any decision on increases in pay and sharing of benefit costs directly impacts student tuition rates, as well as the Universities' ability to provide support services to students, teaching and learning investments, including hiring of faculty and student advisors for example, and basically any investment made in students.

**Do SEIU classified employees all earn less than \$2,177 per month (about \$12.58/hour), or an average of \$36,136 per year, as the SEIU has stated?**

SEIU jobs cover a range of positions within Oregon's public Universities, including lower paid positions such as custodial or food service employees, and higher paid positions for information technology employees, nurses and other highly skilled positions. Some classified employees earn more than salaried University employees working in the same departments. The range of annual classified pay, with

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<sup>1</sup> [The Cost of Federal Regulatory Compliance in Higher Education: A Multi-Institutional Study](#)

<sup>2</sup> In 1997 the State of Oregon covered 43% of the cost of students' public higher education and even higher amounts in earlier periods; between 2013 to the present time the state support has fluctuated from a low of 19% to a high of 26%. Student tuition covers the bulk of the rest of those costs, so student costs have increased significantly overtime with declining state support.

additional employee pension and medical care benefits, is from \$33,087 to \$141,507. The total of compensation – pay plus benefits – averages \$57,000 a year.

**What is the offer currently on the table from the Universities for healthcare costs for classified staff?**

The Universities proposal is to retain the healthcare package currently provided, in which classified employees pay 3% to 5% of the monthly healthcare premium or an average of \$67 per month. If employees take proactive healthcare measures to address any issues that they have (e.g., smoking cessation or signing up for Weight Watchers) then their monthly cost for healthcare premium can be as low as \$0.

Oregon’s public employee healthcare package is the best in the western states (CA, WA, ID, NV, OR), based on a recently published study<sup>3</sup>. Oregon’s public pension system (PERS) is considered among the most generous, if not the best, nationally.

**What are the other benefits proposals which differ between the SEIU and the Universities?**

**Vacation:** The Universities offer is to retain current contract language which is to enable the accrual of up to 250 hours (6.25 weeks) of vacation within a year. And the ability to “cash out” up to 40 hours a year (receive cash value for those hours).

**Personal leave:** The Universities offer is to retain current contract language, which is personal time benefit of 24 hours (3 days) per year, to be used in any way the employee wishes.

**Tuition Discounts:** As is provided to employees of all Universities, SEIU employees receive a 70% subsidy on tuition costs for themselves or their dependents.

**How are the universities preparing to handle a strike by classified employees should that occur?**

The Universities have contingency plans for covering services provided by classified staff in the event of a strike, and will have those plans ready to implement as needed. The Universities recognize the union often threatens to strike on the first day of fall term classes if a strike is enacted.

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<sup>3</sup> 2019 Milman Study on State Employee Healthcare costs in the West.