

AFSCME Local 3580 Factsheet

August 2020 Furlough and schedule reduction LOA

Document purpose: Provide information to AFSCME Local 3580 members in preparation for a ratification vote. The ratification vote is to approve a letter of agreement for mandatory furlough, schedule reductions and voluntary separation terms for the bargaining unit through Dec. 31, 2020. Voluntary schedule reductions can be applied through June 30, 2021. The letter of agreement is in response to budget shortfalls due to the COVID-19 pandemic.

AFSCME Local 3580 Executive board ratification statement – YES vote

The executive board of AFSCME Local 3580 recommends a YES vote of membership to approve the letter of agreement for furlough and schedule reductions.

Signed by members of 2018-20 AFSCME Local 3580 Executive Board

Elizabeth Goetzinger, President; Angela Houck, Chief steward; Laura Garlie, Secretary; Zackariah Sloane, Treasurer; Frank Culbertson, Katie Hentges, Bill Stein and Enrique Vargas, Site representatives. Note, Rob Nathan, Vice president was absent from the recommendation vote for this LOA.

BACKGROUND

In May 2020, AFSCME local 3580 approved a 2.5% cost of living increase as part of a one-year contract extension of the current collective bargaining agreement. Later in June, the local also approved an approximate two month schedule reduction through July 25 using Oregon's Work Share program to offset wage loss through unemployment compensation. The additional CARES Act \$600 pandemic unemployment compensation was available to impacted employees during the term of that agreement.

OVERVIEW OF LETTER OF AGREEMENT (LOA)

In late June 2020, management approached AFSCME Local 3580 to discuss further budget saving measures and requested the local consider a wage freeze of the newly ratified 2.5% wage increase and step increases. Because this freeze of wages impacts future wage growth, the elected body of member leaders representing the local rejected the request and asked to bargain on further schedule reductions for the bargaining unit. A defined list of classifications are exempt from the agreement. All Metro departments and venues must participate in this letter of agreement and department directors cannot exempt their workgroups from participation.

Health insurance and vacation and sick leave accruals remain unchanged from employee's regular status during the term of this agreement. Employer PERS contribution are reduced, however, since those are based on the employee's actual earned wages.

The LOA has three main components:

1. Mandatory furlough hours: Employees represented by AFSCME Local 3580 must take a furlough of 80 hours for full time 1.0 FTE positions beginning after Sept. 7, 2020 and ending by Dec. 31, 2020. The number of furlough hours is prorated for those who work less than 1.0 FTE.

2. Temporary reduced schedule: With approval from their manager, AFSCME represented employees may reduce their schedule beyond the required furlough hours. The schedule reduction can be taken for any duration of length so long as the mandatory furlough hours required are met.

3. Voluntary separation incentive: Qualifying employees may request a separation from employment and receive either 6 months of current health insurance benefits or a separation stipend of \$9,000.

If the letter of agreement is ratified, instructions and forms will be provided to AFSCME represented employees to confirm furlough schedules and other details.

DETAILED REVIEW

Pages 1 to 3: Furloughs

With the exception of classifications outlined under Section 1 B, all AFSCME represented employees must take leave without pay, or furlough as follows:

1.0 FTE = 80 hours .75 to .874 FTE – 60 hours .50 to .74 FTE = 40 hours

Furlough hours begin after Sept. 7, 2020 and the total furlough hours must be met by Dec. 31, 2020. Desired schedule must be provided to supervisors by Sept. 16, 2020.

Work Share and unemployment compensation

Employees who qualify can have unemployment compensation filed on their behalf through Work Share to offset a portion of wage loss. Generally speaking, to qualify for Work Share, an employee must have worked at least 6 months at 1.0 FTE status or 12 months at .50 FTE status. Work Share eligible employees are limited to furlough hour schedules that do not reduce their normal schedules more than 40% per work week. In other words, a Work Share eligible employee at 1.0 FTE can only reduce their schedule by 16 hours per work week. Due to the CARES Act, when employees receive unemployment compensation under Work Share, Metro can increase its savings.

Section H. Employees who do not qualify for Work Share must still take furlough hours. However, because an employee must make less than \$648 a week to qualify for Oregon unemployment without Work Share, those ineligible for Work Share may take a greater amount of furlough hours each week, including an entire work week, to ensure they qualify for some unemployment benefit.

Oregon provides unemployment compensation for 26 benefit weeks each benefit year. A benefit year begins the first claim week that is filed for a 12 month period. To retain unemployment benefit weeks, any impacted employee may choose to not participate in Work Share or otherwise not file for unemployment compensation.

Note: Despite the Governor eliminating the waiting week for unemployment, the first week of a benefit year a person files is still not being paid.

Work week schedules with furlough hours

While not all these schedule options are explicit in the agreement, several are available for the furlough hours. The following examples considers a 1.0 FTE which would normally work 40 hours each work week, Monday through Sunday.

One day each week, consecutively: Employee furloughs one, 8-hour day each work week for 10 consecutive weeks.

One day each week, two sets of time: Employee furloughs one, 8-hour day each work week for 5 consecutive weeks, resumes 40 hour work weeks for several weeks and then takes the second “set” of 5 consecutive weeks. Allows for a resumption of regular pay, and if desired use of vacation or other accrued time off during the time between the furlough weeks.

Two days each week for five weeks: Employees furlough two 8-hour days each week for 5 consecutive weeks.

Two days each week, with a break between weeks: Employees furlough two days a week for two weeks, then take a week of regular pay, then take three weeks of furlough. (Or furlough for three weeks, then take a week of regular pay, then take two furlough weeks.)

Reduce work hours each day: Employees can reduce hours worked some or all work days by two or four hours until the 80 furlough hours are met.

Consecutive days: Employees who do not qualify for Work Share may exceed the 40% reduction of hours limit and take all 80 hours of furlough in entire work weeks, including two consecutive weeks.

Note: Department directors may designate preferred days for furlough hours. If members are experiencing schedule issues due to these designations we will work hard and fight for what you need!

Page 3: Temporary reduced schedule

With approval from their manager and Department director, employees may temporarily reduce their schedules by 20 to 40% each work week through June 30, 2021 or for a lesser period of time so long as the furlough hours outlines in Section 1 are met.

Employees who are eligible can seek unemployment compensation through Work Share for available benefit weeks while on a temporary reduced schedule.

Pages 3 to 4: Modifications to Collective bargaining Agreement

Because this agreement does impact items outlined in our current contract, this section outlines those impacts and the temporary agreements under the LOA to address those impacts:

Overtime and exempt status

During furlough hour weeks, employees will be considered non-exempt and cannot exceed hours worked beyond the agreed furlough and are ineligible for overtime.

Benefits

Health insurance and vacation and sick leave accruals remain unchanged from employee’s regular status during the term of this agreement. Employer PERS contribution are reduced however since those are provided at employee’s actual wages earned.

Unemployment benefits

Oregon laws govern a person’s eligibility for unemployment insurance.

Advance payments available

As needed, employees may apply for a payroll advance to meet household budget needs while awaiting unemployment compensation.

Pages 4 to 5: Voluntary separation incentive

Regular status employees who work 0.75 FTE or greater and who were hired before July 1, 2012 and/or are within five years of retirement from PERS “early retirement” can choose to voluntarily separate from employment. Employees can choose to receive 6 months of medical benefits or a payment of \$9,000 (taxable).

This option is a separation from employment and those who chose this option will waive recall and return to work rights.

Terms used in this document/process

Collective Bargaining Agreement, CBA: our negotiated union contract with our employer. Currently, AFSCME Local 3580 has a CBA with Metro with 36 different articles covering wages, wage increases, insurance premiums, paid leave, representation and other working conditions.

Letter of Agreement, LOA: a letter of agreement generally limited to a specific issue or several, similar issues. May sometimes be used to resolve grievances or clarify existing contract terms.

Ratification: process to approve an agreement.

Tentative agreement, TA: when an agreement is reached during negotiations it is called a tentative agreement until it is put into effect and/or each side ratifies or votes to approve it.