

# The Oregon State Workforce Crisis

**SEIU Local 503**

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## Executive Summary

The State of Oregon is currently facing a workforce crisis, with far-reaching consequences for its ability to deliver essential services to its residents. In the aftermath of the COVID-19 pandemic, numerous examples of this crisis have become evident, including delays in important state projects, extended wait times and delays for Oregonians trying to access services, unsatisfactory outcomes of IT initiatives, office closures, and more. These issues have had a profound impact on the lives of Oregonians, but the blame is often misplaced on the government or bureaucracy, while overlooking the underlying problem: uncompetitive pay at the state means it is unable to attract and retain a sufficient workforce to meet the needs of Oregonians.

## Introduction

The impacts of Oregon's workforce crisis are evident in everyday service delivery throughout the state: DMV offices operating on reduced schedules. Delays in highway cleanup. Longer wait times for phone calls. The inability to deliver programs within the expected timeframe. As Oregon's largest employer, with a workforce of nearly 45,000 individuals, the repercussions of the state's failure to address this crisis are broad, deep, and affect Oregonian families in every community in our state. Given the scale of the problem, this should not come as a surprise; any business or organization experiencing the high turnover and vacancy rates observed in the state's workforce would undoubtedly face a similar crisis in fulfilling its core functions.

Oregon's state workforce crisis manifests in various indicators, including high vacancy and turnover rates, unsuccessful job searches, excessive use of overtime, and wages significantly lower than other employers in its labor market. Unfortunately, even as the pandemic recedes, the state's workforce crisis shows no signs of improvement and may even be worsening. Failed recruitment attempts increased in 2022 compared to the previous year.

Oregonians rely on the state to provide essential services that impact communities, families, and workers. To fulfill these obligations, the state must become an employer of choice—a standard it is currently failing to meet. This means agency directors, legislators, and the Governor must prioritize the critical issues of state worker recruitment and retention.

The data presented in this report has been evaluated by the SEIU 503 research team and comes from data provided by the state. SEIU 503 represents 55% of the state workforce and over 60% of frontline non-managerial positions. Often, discussions about state workers overlook a significant portion of the workforce, as trends related to managers and higher-paid positions obscure the realities faced by those who directly provide services to Oregonians. The narrative surrounding state workers often fails to show the pressures and challenges faced by frontline employees, the people who Oregonians interact with

most when receiving state services. Many of these frontline workers earn less than \$25 per hour and struggle to meet their basic needs – and as a result are leaving state employment.

## Vacancies

Thousands of vacant jobs are a cause and a consequence of the state workforce crisis. Out of 46,253 budgeted positions, 8,643 (19%, 1 in 5) were vacant in April 2023. These vacancies create unsustainable workloads at state agencies, contributing to burnout and high turnover. Low wages fail to attract qualified applicants, leaving jobs open for many months. When agencies don't have the staff to get their work done, they end up contracting out state services for more money and lower quality.

The state tracks budgeted and non-budgeted positions and vacancies. "Non-budgeted positions" (also known as double-fills) are positions a state agency fills, usually on a temporary basis, that are not accounted for in the base budget. "Budgeted positions" are those positions the legislature authorizes in agency budgets to meet program needs. Non-budgeted positions are not transparent and are not intended to be permanent replacements for vacant budgeted jobs<sup>1</sup>. If non-budgeted positions were replacements, the agencies would have rebalanced their budget requests to include them.

Vacant positions at State agencies			
	Filled	Vacant	Total
Budgeted	37,610	8,643	46,253
Non-budgeted	5,770	3,002	8,772
Grand Total	43,380	11,645	55,025

*Data from Oregon Department of Administrative Services, April 2023*

SEIU represents the frontline workers in field offices serving Oregonians directly, and those budgeted positions are more likely to be vacant (26%) than those not represented by SEIU (18%).<sup>2</sup>

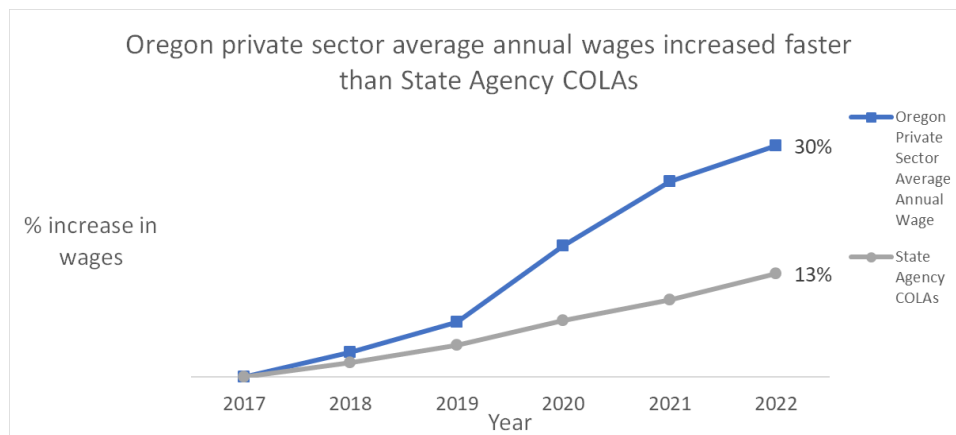
In some classifications, the vacancy crisis is especially acute. In the Public Service Representative 3 classification, 286 out of 407 budgeted positions are vacant (70%). 21 of 45 budgeted Administrative Law Judge 1 positions are vacant (47%). 62 of 179 budgeted Licensed Practical Nurse positions are vacant (35%). 17 of 49 budgeted Psychiatric Social Worker positions are vacant (35%). 39 of 134 budgeted Natural Resource Specialist 1 positions are vacant (29%).

Even when the analysis accounts for non-budgeted positions, agencies still see unsustainable vacancies. For instance, DHS has the most non-budgeted positions (2,646), 20% of all budgeted and non-budgeted positions combined. This leads to higher workloads, more overtime, and more turnover. DHS workers will be the first to tell you that their workloads are not sustainable and it is not possible for them to adequately deliver services to Oregonians who are in need without an aggressive campaign to recruit and fill vacancies across the state.

In 2022, there were 4,316 budgeted positions vacant for more than 6 months. \$610 million budgeted for these jobs went unspent or was used by agencies for other purposes.

## Low Wages

Over the last 3 years, [private sector wages increased dramatically](#) as employers fought to attract and retain workers. Between 2017 and 2022, the average annual wage in Oregon’s private sector increased by 30%. During this same period of time, cost of living adjustments for state workers increased by just 13%. Even professions with historically low salaries—often paying at or near the minimum wage—have outpaced state pay increases. For example, average pay for retail workers in Oregon rose 21% between 2017 and 2022, 60% faster than the state agency trend.<sup>3</sup>



### *Quarterly Census of Employment and Wages; SEIU Collective Bargaining Agreements*

While wage increases have fallen behind private sector peers, we have also seen that wage increases have fallen behind the state’s most direct competitors for workforce—large cities and counties in Oregon. Since cities and counties are a part of PERS in Oregon, workers can transfer there from the state while protecting their retirement and retaining access to quality health care benefits.

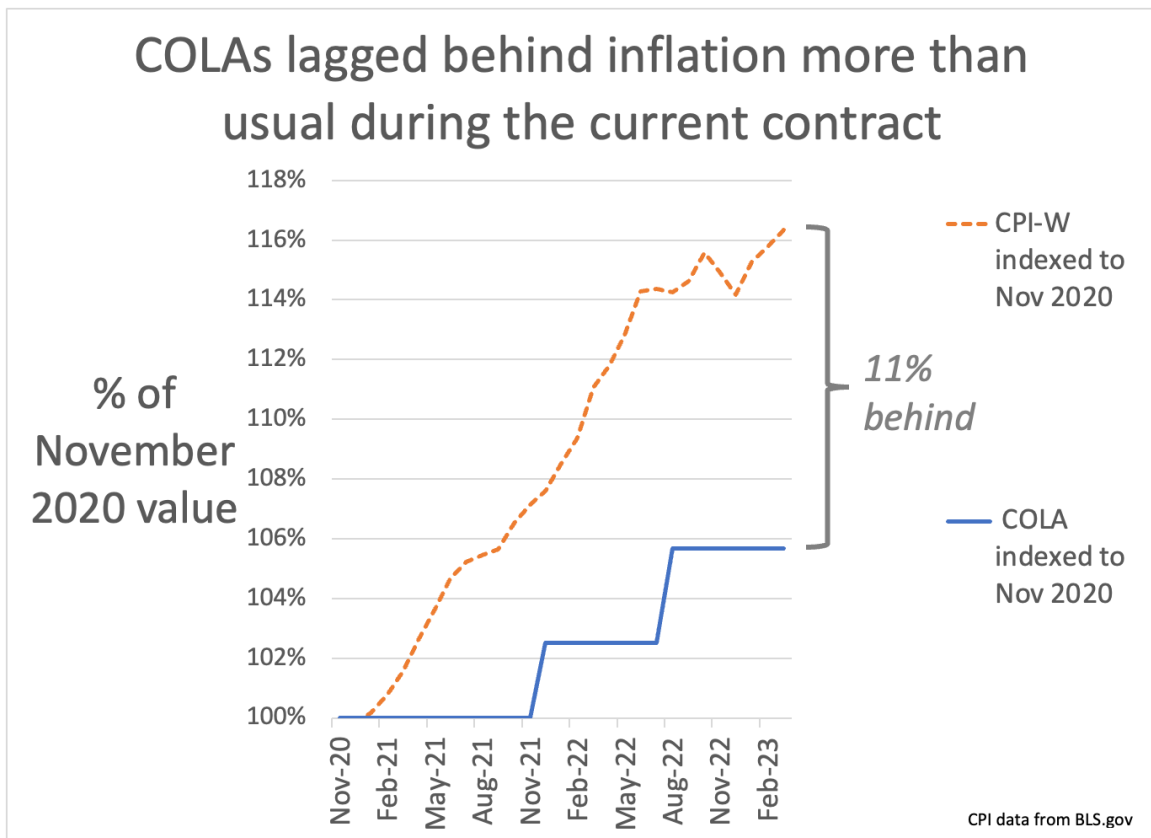
Over the last two years, cost of living adjustments and other wage benefits in labor contracts settled at some of the largest counties and cities have outpaced the state:

	2022	2023	Other wage benefits (2022-2023)
State of Oregon	2.3%	Pending negotiations	
City of Portland	5%	5%	\$3000 ratification bonus
Multnomah County	5%	5%	2022: \$2500 bonus, 2023: \$2000 bonus
City of Beaverton	5%	5%	
Marion County	5%	5%	2022: \$1,500 bonus

Lane County	2%	2%	
City of Eugene	4%	4%	
Jackson County	5%	5%	
Deschutes County	3.5%	4%	

*\*Information came from publicly available labor contracts*

One reason private companies have increased wages is to keep up with inflation, which has skyrocketed to levels not seen for 40+ years. Wages for the state have not kept pace with inflation, so workers have seen their paychecks not cover increases in their day-to-day expenses. And it is the day-to-day costs of living that have seen some of the highest rates of inflation. Since the end of 2020, the cost of housing has increased 12% and overall inflation increased 16.5%. During that time, workers represented by SEIU received cost of living adjustments totaling 5.6%.

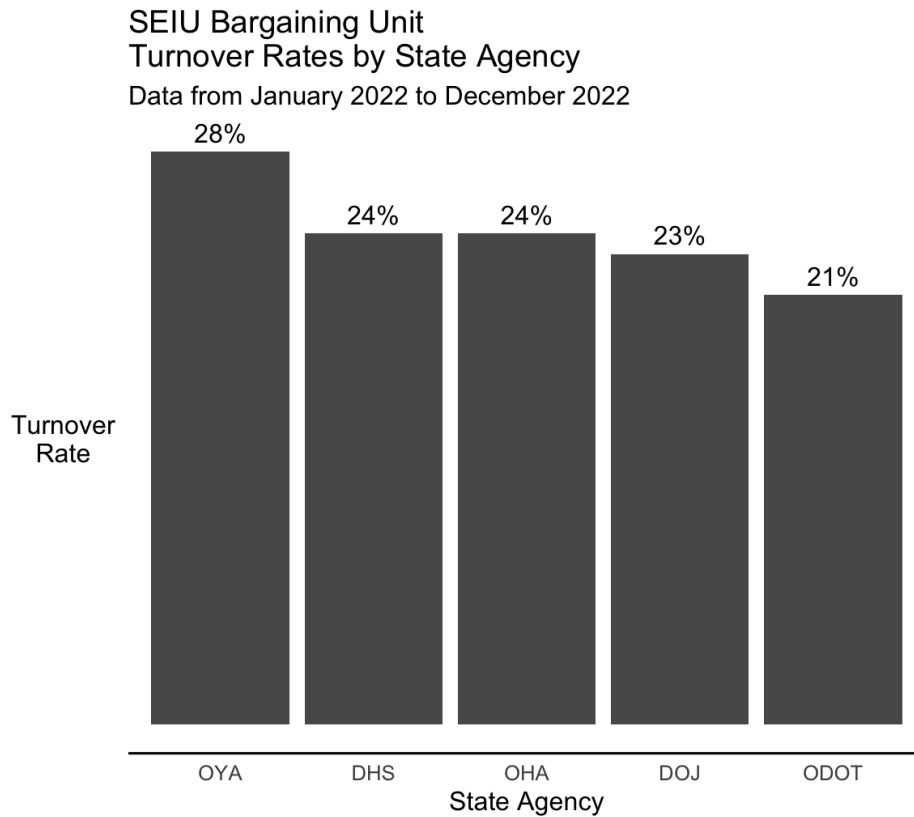


## High Turnover Rates at State Agencies

Employee turnover is a critical issue for any organization; the State of Oregon is no exception. High turnover rates among state workers are costly and can be disruptive for state agencies. A study conducted by the Society for Human Resource Management found turnover leads to losses in productivity during the recruitment and training of new employees. Furthermore, failure to see a bright future within an organization damages employee morale and organizational culture.<sup>4</sup>

Additionally, the process of recruiting, hiring, and training employees is a significant expense. According to data, the total cost of bringing on a new employee can range from three to four times their salary.<sup>5</sup> This expense encompasses both direct costs related to hiring as well as indirect costs, such as the time and effort that managers and departmental leaders must devote to supporting the hiring process, which may divert resources away from achieving organizational objectives.

In the SEIU bargaining unit, one in four people (25%) who were working in January 2022 had left their jobs by December of the same year.



*SEIU analysis of monthly Workday exports*

Among the largest agencies in January 2022, the Oregon Youth Authority (OYA) had the highest turnover rate at 28%. At OYA, 101 Group Life Coordinator 2s left during the year, meaning that one in four working in January 2022 left by the end of the year. Office Specialist 2s within OYA had a turnover rate of 30%. Across all agencies, Office Specialist 2s, a position held mostly by women, experienced the highest number of departures in 2022, with 392 individuals leaving their positions throughout the year.

The Department of Human Services (DHS) has more employees than any other agency. Among the 7,781 SEIU-represented workers in January 2022, 1,877 (24%) left by December. Within the span of five months, from December 2022 to April 2023, 296 workers left the agency. The Social Service Specialist 1

job is the most common at DHS in the SEIU bargaining unit; 336 left during 2022 for a turnover rate of 22%.

In 2022, the Oregon Health Authority (OHA) encountered a significant amount of turnover, evidenced by a 24% turnover rate and 805 individuals departing from the agency. The primary cause of the high turnover rates at OHA can largely be attributed to the high turnover rates at the Oregon State Hospital (OSH). At OHA, turnover is high among workers who work with patients. Out of 430 Mental Health Therapy Technicians working in January 2022, 146 (34%) left by December. One in five Mental Health Therapist 2s, Mental Health Security Technicians, and Mental Health Therapy Coordinators also left in 2022, along with 29% of the Mental Health Therapist 1s.

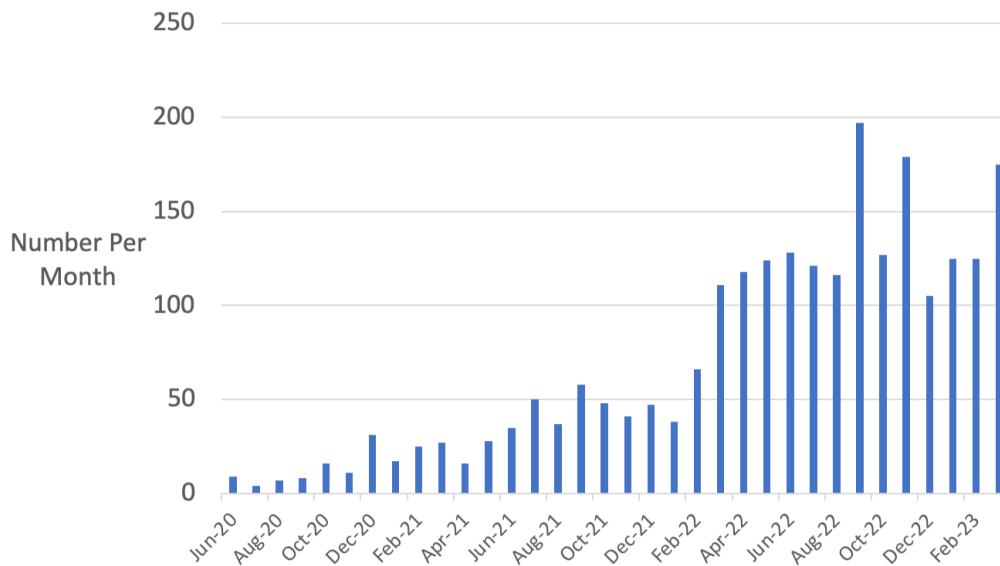
## Failed Recruitments at State Agencies

Another sign that the state is not a competitive employer is the uptick in failed searches in the last six months. The most common reason for a failed recruitment was an inadequate applicant pool, meaning these job postings didn't draw enough applicants.

Across state agencies, there were 6,049 failed recruitments in 2022, and the trend has continued in 2023 with 2,100 failed searches in the first four months of the year. There were 1,401 failed recruitments for SEIU-represented jobs in 2022 due to insufficient applicant pools, up from 429 in 2021.

Oregon Health Authority had 949 failed recruitments in 2022, more than any other agency. DHS was in second place with 754, followed by the Department of Corrections with 547 and the Department of Transportation with 511.

## Failed Recruitment Attempts Due to Insufficient Applicant Pool



*SEIU-represented positions. Data from Oregon Department of Administrative Services*

The SEIU-represented position with the most failed recruitments in 2022 (158) was [Group Life Coordinator 2](#), a job at the Oregon Youth Authority that oversees daily living activities, cares for and guides youth offenders or at-risk youth assigned to a cottage, camp or other living unit. This is a hard job, with an inflexible schedule, in-person requirement and a lot of mandated overtime. The job pays \$3,780-\$5,754/month, or \$21.80-33.20/hour. This is the same job classification that saw 25% turnover in the previous year, creating a crisis when people are leaving and the agency has difficulty recruiting candidates to take these positions.

[Information Systems Specialist 7s](#) had the second most failed recruitments (151) in the SEIU bargaining unit. The Information Systems Specialist series has 8 levels, and includes responsibility for planning, coordination, analysis and technical support functions related to state computer systems. The lack of ability to recruit ISS positions will make it nearly impossible for the state to improve upon its experience in rolling out technology changes.

### Overtime

In the first nine months of 2022, workers at state agencies clocked more than 2 million hours of overtime and comp time. Though agencies are short staffed, dealing with thousands of vacancies, critical services must be delivered. For example, there are hundreds of patients in residence at the Oregon State Hospital, and the facilities must be staffed 24/7. When there aren't enough workers, employees end up burdened with heavier workloads and overtime.

The continued use of overtime in the state workforce makes many jobs inflexible, especially when the overtime in agencies is mandated to make sure the work can be covered.

DHS, OHA, the Department of Corrections (DOC), and the Oregon Department of Transportation (ODOT) were the agencies with the most total overtime and comp time hours worked. Together, these four agencies accounted for 76% of all overtime and comp time hours worked at the state.

Agency	Position	Total OT and Comp Time Hours	Job Count	FTE positions commensurate with Total OT and Comp Time Hours
DHS	Social Service Specialist 1	148,877	1,714	95
DHS	Human Services Specialist 3	141,660	1,700	91
DHS	Human Services Case Manager	30,371	782	19
DHS	Social Service Assistant	29,091	407	19
DHS	Human Services Specialist 4	12,990	125	8
DHS	Office Specialist 2	11,001	665	7
DHS	Human Services Specialist 1	7,291	491	5
DHS	Social Services Specialist 2	6,936	122	4
DHS	Compliance Specialist 2	4,338	172	3
DHS	Administrative Specialist 2	4,249	173	3

The SEIU bargaining unit worked more than 400,000 overtime and comp time hours, accounting for 81% of DHS totals. SEIU workers at DHS averaged 50 hours of overtime and comp time over nine months. Social Service Specialist 1s worked the most total overtime and comp time hours at DHS and averaged 87 hours in the first nine months of 2022. The state would need to hire 95 new full-time Social Service Specialist 1s to account for all the overtime and comp time hours they worked over nine months.

Our bargaining unit at OHA worked over 200,000 hours of total overtime and comp time and were responsible for 87% of all such hours worked at the agency. Workers in our bargaining unit at OHA averaged 56 hours of total overtime and comp time over nine months.

Agency	Position	Total Overtime and Comp Time Hours	Job Count	FTE positions commensurate with Total OT and Comp Time Hours
OSH	Mental Health Therapy Technician	72,005	528	46



OSH	Mental Health Therapist 2	36,127	213	23
OSH	Mental Health Security Technician	11,908	76	8
OSH	Licensed Practical Nurse	11,848	139	8
OSH	Mental Health Therapist 1	7,161	25	5
OSH	All Other Classifications	45,496	896	4

Workers at the Oregon State Hospital (OSH) accounted for 79% of all overtime and comp time hours worked at OHA. Within OSH, frontline staff, such as Mental Health Therapy Technicians, Mental Health Therapist 2's, Mental Health Security Technicians, LPNs, and Mental Health Therapists were the classifications which worked the most total overtime and comp time. The state would need to hire 46 new full-time Mental Health Therapy Technicians to fulfill the 72,005 hours of total overtime and comp time hours they worked in the first nine months of 2022.

Like with any crisis, the issues build off of each other. The Mental Health Therapy Technicians that have the highest use of overtime at OSH also saw a 34% turnover rate in 2022. **Understaffing and mandatory overtime lead underpaid workers to seek employment elsewhere, further worsening the staffing shortage.**

## Conclusion

The thousands of vacant jobs at the state mean agencies are underspending their budgets. In 2022, State agencies saved \$610 million on 4,300 budgeted jobs that were vacant for 6 months or more. This money represents services going undelivered to Oregonians and increased workload for frontline state workers trying to make up for short staffing. These hundreds of millions of unspent agency dollars should be reinvested in the workforce.

The workforce crisis facing the state of Oregon demands immediate attention and action from decision-makers in state government. Failure to address these challenges will continue to impede the state's ability to meet the needs of its citizens and fulfill its core functions. By prioritizing recruitment and retention efforts, improving wages, and creating a work environment that attracts and retains talented individuals, the state can position itself as an employer of choice and provide the level of service that Oregonians deserve.