



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** [Sub. H.B. 271 of the 128th G.A.](#)

**Date:** January 6, 2010

**Status:** As Passed by the House

**Sponsor:** Reps. Patten and Stewart

**Local Impact Statement Procedure Required:** Yes

**Contents:** Allows the employees of certain township fire departments to bargain collectively

### State Fiscal Highlights

- The State Employment Relations Board could incur new GRF costs for providing mediation, election oversight, and contract monitoring services to township fire departments that opt for collective bargaining under the bill. These costs would be paid from appropriation item 125321, Operating Expenses.

### Local Fiscal Highlights

- The bill could increase costs for township fire departments that opt for collective bargaining under the bill. This is because public employees with the ability to collectively bargain generally have higher salaries and benefit costs compared to employees that do not have this right.

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## Detailed Fiscal Analysis

### Background

The Public Employees' Collective Bargaining Law permits certain public employees to bargain collectively with their public employers concerning wages, hours, terms, and conditions of employment and the continuation, modification, or deletion of an existing collective bargaining agreement. For townships, this includes townships with a population of at least 5,000 in their unincorporated areas according to the most recent federal decennial census.

The bill modifies this provision to allow township fire department employees to collectively bargain if a township has a population of less than 5,000 in its unincorporated area, but has a population of at least 5,000 in both the incorporated and unincorporated areas of the township served by the fire department. The bill also allows a township to terminate such a collective bargaining agreement if a municipality currently served by the township fire department opts out of a fire service agreement, thereby causing the population served by the township fire department to fall below 5,000.

### Qualifying townships

Data from the 2000 Census indicate that roughly 196 (15%) of Ohio's 1,309 townships would meet the bill's population requirements. However, the actual number of townships directly affected by this bill would likely be considerably fewer, as many townships receive fire response services via special districts, which are already subject to collective bargaining. Although it is not entirely clear how many township fire departments would opt for collective bargaining, the Ohio Professional Firefighter's Association indicates that 13 township fire departments have expressed interest in doing so. Because public employees with the right to collectively bargain usually have higher salary and benefit costs than employees whom do not have the right to collectively bargain, the bill could result in increased salary and benefit costs to those townships whose fire departments qualify for collective bargaining under the bill.

### State Employment Relations Board

The bill could increase GRF costs for the State Employment Relations Board (SERB), which serves as a mediating body during the negotiations process and provides other services related to the oversight of public sector collective bargaining agreements. As mentioned previously, however, it is not immediately clear how many township fire departments are likely to pursue collective bargaining under the bill. Any new costs would be paid from GRF line item 125321, Operating Expenses, appropriated at \$3.86 million in each fiscal year of the FY 2010-FY 2011 biennium.