

State Employment Relations Board

House Agriculture and Development Subcommittee

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Legislative Service Commission

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LSC Redbook
for the
State Employment Relations Board
House Agriculture and Development Subcommittee

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<i>Attachment: LSC Budget Spreadsheet By Line Item</i>	

March 20, 2003

Note: The estimated General Revenue Fund (GRF) spending for FY 2003 used in this LSC Redbook reflects the 2.5% reduction made as a result of the Governor's January 22, 2003 budget cut order. The executive reduction was applied across-the-board to FY 2003 GRF appropriations, subject to certain exceptions. Subsequent to such reductions (and not reflected in the Redbook), state agencies were permitted to reallocate the amount that each of their GRF appropriation line items was reduced, while still absorbing the 2.5% budget cut within the total amount of their GRF appropriations.

State Employment Relations Board

- Executive recommends flat-funding of \$3,343,879 each year
- Continuation funding at current service levels with reduced staffing

OVERVIEW

The State Employment Relations Board (SERB) acts neutral in carrying out Ohio’s Collective Bargaining Law, overseeing representation elections, and certifying exclusive bargaining representatives. Other important responsibilities include monitoring and enforcing statutory dispute resolution procedures, adjudicating unfair labor practice (ULP) charges, and determining unauthorized strike claims. The three board members oversee 35 employees, 32 full-time and three part-time employees.

There are five main divisions and an administrative section that is responsible for fiscal and administrative services:

The **Hearings** unit consists of Administrative Law Judges (ALJs) whose role is to resolve factual disputes and settle issues of law relating to representation issues, bargaining impasses, and so forth.

The **Labor Relations Section** handles filings for representation and oversees the election process. This section also investigates the facts underlying Unfair Labor Practice (ULP) filings.

The **Bureau of Mediation** oversees aspects of the collective bargaining impasse resolution procedures established under the Collective Bargaining Law. The State Employment Relations Board has been trying to encourage public employee representatives and public employers to use more cooperative methods for resolving collective bargaining problems before they escalate into full-fledged grievance filings or ULP investigations.

The **Research and Training Section** is statutorily responsible for managing a data “warehouse” of wage and benefit information from public employers across the state. The staff also trains employers and bargaining unit representatives on the accepted practices in the collective bargaining process.

The **Clerk’s Office** handles the scheduling of cases before the Board and maintains the automated docketing system.

The Executive recommends flat-funding of \$3,343,879 in each fiscal year of the FY 2004-2005 biennium. The FY 2004 amount is 3.2% lower than estimated FY 2003 spending of \$3,453,879.

ANALYSIS OF EXECUTIVE PROPOSAL

State Employment Relations Board

Purpose: The agency monitors public employer compliance with the Ohio's Collective Bargaining Act.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
GRF	125-321	Operating Expenses	\$3,268,338	\$3,268,338
572	125-603	Training and Publications	\$75,541	\$75,541
Total funding: State Employment Relations Board			\$3,343,879	\$3,343,879

This agency is funded through a single program series.

Program Description: The State Employment Relations Board (SERB) acts as a quasi-judicial body in monitoring compliance of Ohio's Collective Bargaining Law for over 345,000 public employees that are labor union members. The four major functions that SERB performs are: review of employees' petitions, investigation, mediation, and hearing of collective bargaining cases and investigation of claims.

According to data provided in the agency's annual report for FY 2002, there were a total of 3,086 separate labor contracts governing 1,450 public workplaces statewide. These agreements covered 356,737 employees in state agencies, local governments, and school boards. Issues stemming from these collective bargaining agreements resulted in 2,379 cases that were filed over the FY 2002 period.

Revenue sources include fees from training programs for local government and bargaining unit officials.

Funding Source: GRF for operating expenses, GSF revenue includes proceeds from training programs and the sale of publications

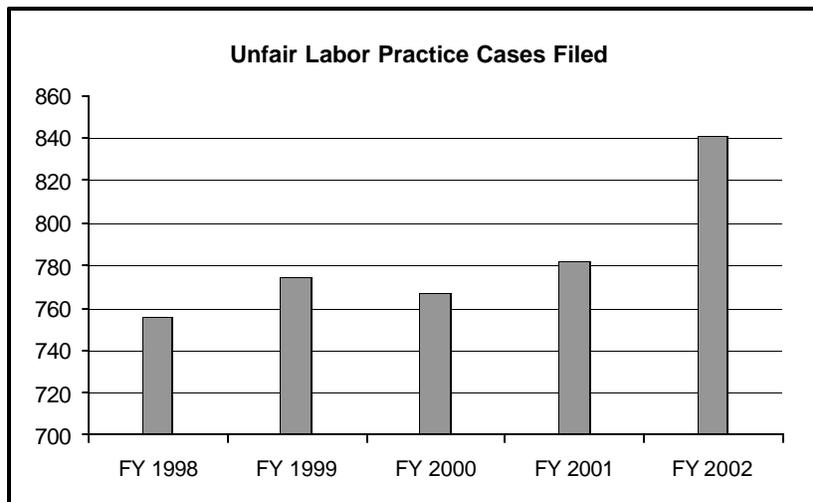
Line Items: GRF 125-321, Operating Expenses; Fund 572 125-603, Training and Publications

Implication of the Executive Recommendation: The recommendations would appear to allow for continuation funding at current service levels, but may not support current staffing levels. Recommended GRF funding of \$3.26 million in FY 2004 is equivalent to estimated FY 2003 GRF expenditures. Recommended FY 2005 GRF appropriations of \$3.26 million are equal to FY 2004 levels.

ADDITIONAL FACTS AND FIGURES

State Employment Relations Board: Staffing Levels						
State Employment Relations Board	FY 2000	FY 2001	FY 2002	FY 2003	Estimated	
					FY 2004	FY 2005
State Employment Relations Board	40.5	38.5	37.25	34.5	34.5	34.5
Totals	40.5	38.5	37.25	34.5	34.5	34.5

Note that the figures above include three board members. Fiscal years 2000 and 2001 include two part-time employees and FY 2002 includes three part-time employees. Fiscal year 2004-2005 projections include full and part time permanent staff.



- The State Employment Relations Board investigates three types of cases: unfair labor practice cases, employee organization reporting complaints, and jurisdictional work disputes. Unfair labor practice cases make up the majority of the cases filed and investigated.
- The number of unfair labor practice charges filed increased in FY 2002 because of the economic environment, especially involving the issue of changing health care benefits and costs. In addition, there was an increase in cases filed when the Orient Correctional Institution was closed, displacing many employees.

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the Board's activities and spending decisions during the next biennium.

Permanent Law Provisions

Appointment and Cost of Fact-Finding Panels for Collective Bargaining (R.C. section 4117.14)

This permanent law provision specifies that either party to a collective bargaining agreement may request a fact-finding panel any time after a mediator is appointed and requires the State Employment Relations Board to appoint a panel within fifteen days of receiving such a request. This provision also requires the parties to share the cost of the fact-finding panel in a manner agreed to by the parties, instead of requiring the state to pay half the cost of each party, to pay one quarter of the cost. This will result in a savings to the state, but an increase in costs for political subdivisions that utilize a fact-finding panel.

Duties of the Chairperson and Executive Director of the State Employment Relations Board (R.C. section 4117.02)

This permanent law provision establishes specific duties of the State Employment Relations Board's Chairperson in statute, including the duty to prepare the Board's biennial budget and to employ, promote, supervise, and remove certain board employees. This provision also shifts some of the Board's duties directly to the Chairperson, including the duty to appoint attorneys and attorney-trial examiners and, with the consent of one other board member, to appoint an Executive Director. In addition, this provision establishes specific duties of the State Employment Relations Board's Executive Director in statute, including the duty to ensure that all board employees comply with board rules. This will have no fiscal effect.

The executive proposal does not contain any temporary law provisions that would affect the agency.

REQUESTS NOT FUNDED

SERB Request—Agency Operations						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 125-321	\$3,521,214	\$3,268,338	(\$252,876)	\$3,664,051	\$3,268,338	(\$395,713)
Fund 572125-603	\$75,541	\$75,541	(\$0)	\$75,541	\$75,541	(\$0)
Total	\$3,596,755	\$3,343,879	(\$252,876)	\$3,739,592	\$3,343,879	(\$395,713)

In total, the agency submitted three requests for additional GRF funding for the following over the biennium:

- (1) \$844,473 in FY 2004 and \$973,890 in FY 2005 for 12 FTEs, to maintain current staffing levels of 34.5 FTEs; the executive recommendation only funded \$456,597 in each fiscal year;
- (2) \$25,000 in FY 2004 and \$20,000 in FY 2005 to replace three vehicles in FY 2004 and one vehicle in FY 2005 through the Department of Administrative Services' Lease Program; this is not funded; and
- (3) \$18,420 in FY 2005 to replace six desktop computers and for Microsoft operating system software license upgrades; this is not funded.

The recommendations do not fully fund any of these desired requests. However, since retaining the current staffing level is a key priority, the agency will redirect and reprioritize the funding granted in the four other areas to retain these staff. Overall, the implication of the recommended funding levels is that the recommended funding levels likely do not support current staffing levels.

General Revenue Fund

GRF 125-321 Operating Expenses

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$3,586,019	\$3,499,301	\$3,291,722	\$3,268,338	\$3,268,338	\$3,268,338
	-2.4%	-5.9%	-0.7%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 4117.02

Purpose: The line item funds the operating expenses of the State Employment Relations Board.

General Services Fund Group

572 125-603 Training and Publications

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$59,098	\$49,025	\$55,440	\$185,541	\$75,541	\$75,541
	-17.0%	13.1%	234.7%	-59.3%	0.0%

Source: GSF: Sale of clearinghouse data and publications and proceeds from training seminars

Legal Basis: ORC 4117.24

Purpose: Supports costs associated with compiling clearinghouse data, seminars, microfilming, equipment, and printing.

LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2002</i>	<i>Estimated 2003</i>	<i>Executive 2004</i>	<i>% Change 2003 to 2004</i>	<i>Executive 2005</i>	<i>% Change 2004 to 2005</i>
<i>ERB Employment Relations Board, State</i>								
GRF	125-321	Operating Expenses	\$ 3,291,722	\$3,268,338	\$ 3,268,338	0.0%	\$ 3,268,338	0.0%
General Revenue Fund Total			\$ 3,291,722	\$ 3,268,338	\$ 3,268,338	0.0%	\$ 3,268,338	0.0%
572	125-603	Training and Publications	\$ 55,440	\$185,541	\$ 75,541	-59.3%	\$ 75,541	0.0%
General Services Fund Group Total			\$ 55,440	\$ 185,541	\$ 75,541	-59.3%	\$ 75,541	0.0%
<i>Total All Budget Fund Groups</i>			\$ 3,347,162	\$ 3,453,879	\$ 3,343,879	-3.2%	\$ 3,343,879	0.0%