

State Employment Relations Board

House Agriculture and Development Subcommittee

*Terry Steele, Budget Analyst
Legislative Service Commission*

March 27, 2007

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LSC Redbook
for the
State Employment Relations Board

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March 27, 2007

State Employment Relations Board

- The IT initiatives funded in the FY 2005-2006 budget will all be fully implemented by FY 2008
- SERB had 2,309 cases filed in 2006, a 2% increase

OVERVIEW

The State Employment Relations Board (SERB) acts as a neutral in carrying out Ohio's Public Employees' Collective Bargaining Law, overseeing representation elections, and certifying exclusive bargaining representatives. Other important responsibilities include monitoring and enforcing statutory dispute resolution procedures, mediating collective bargaining negotiations, adjudicating unfair labor practice (ULP) charges, determining unauthorized strike claims, and providing information and training to parties in contract negotiations. SERB has 3 board members and 30 employees, 27 full-time and 3 part-time.

There are six main divisions and an administrative section that is responsible for fiscal and administrative services. The divisions and their responsibilities are as follows:

The **Hearings Section** consists of Administrative Law Judges (ALJs) whose role is to make factual findings and legal recommendations to the Board on unfair labor practice charges where the Board found probable cause to believe the law has been violated and on representation petitions. ALJs are also used to mediate cases, as needed.

The **Representation Section** investigates petitions concerning union representation, negotiates election arrangements between parties, and makes recommendations to the Board on matters such as whether an election should be directed, a hearing ordered, or an employee organization certified as the exclusive bargaining representation. This section oversees the election process and conducts representation elections.

The **Investigations Section** investigates facts within ULP charges, mediates disputes underlying ULP charges, and makes recommendations to the Board on whether there is a probable cause to believe the law has been violated and the case should be directed to the hearing. This section also assists with conducting elections.

The **Bureau of Mediation** oversees aspects of the collective bargaining impasse resolution procedures established under the Collective Bargaining Law. SERB mediators resolve impasses in contract negotiations and prevent or shorten the duration of costly public sector strikes. SERB mediators also encourage and train public employee organizations and public employers to use more cooperative methods for resolving collective bargaining problems before they escalate into full-fledged grievance filings or ULP investigations.

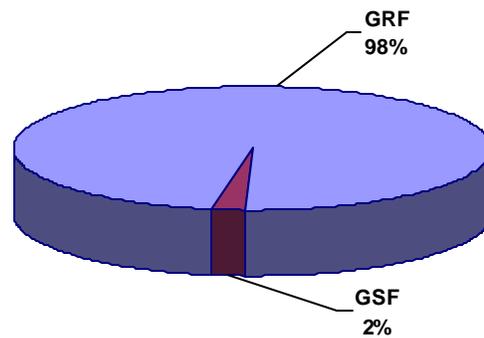
The **Research and Training Section** is statutorily responsible for managing Clearinghouse database of wage and benefit information from public employers across the state to assist parties in the collective bargaining process. The staff also trains employers and bargaining unit representatives on the 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.

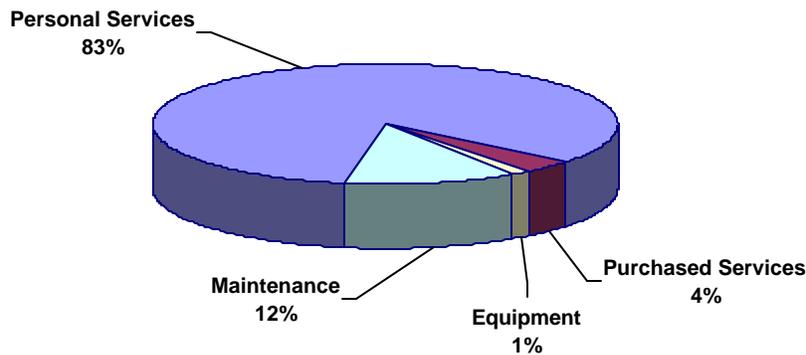
Summary of FYs 2008-2009 Budget Issues

The executive recommends \$3,334,344 in FY 2008 and 3.7% more, \$3,458,388, in FY 2009. The FY 2008 amount is 3% below estimated FY 2007 spending of \$3,438,900. As the pie charts below show, SERB is primarily funded through the GRF and the majority of its expenses are for payroll and employee benefits.

Total FYs 2008-2009 Budget by Fund Group



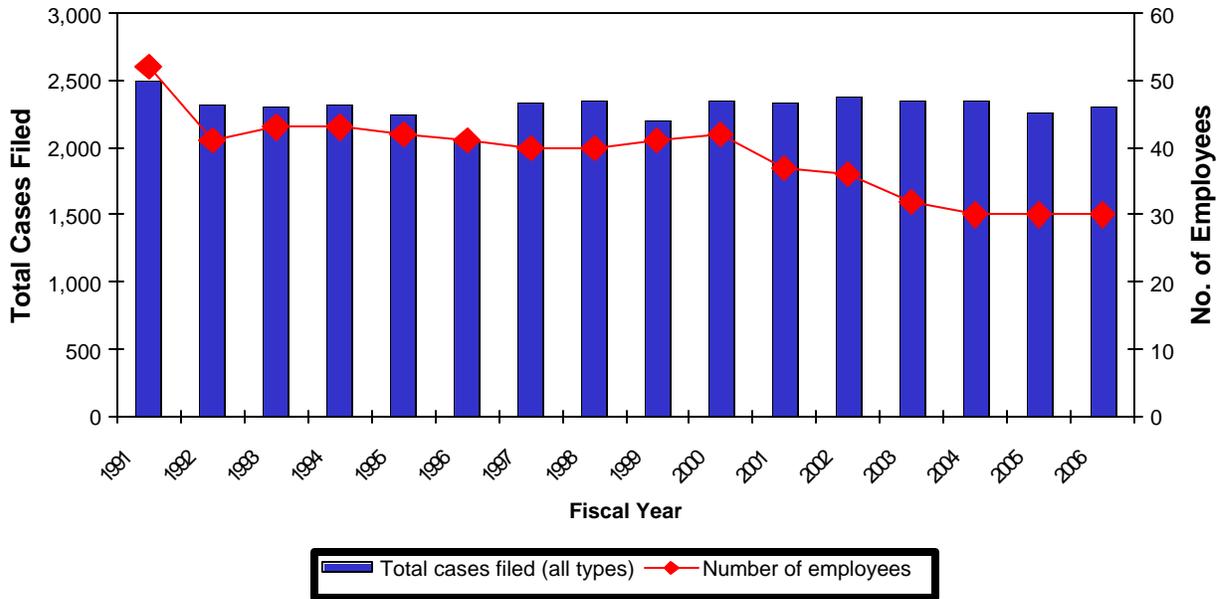
Total FYs 2008-2009 Budget by Object Code



Payroll Expenses for FYs 2008-2009

The Board had hoped to revive a vacant mediator position with an additional \$32,343 in both FY 2008 and FY 2009. The current recommendations will not permit for this position to be filled. SERB should be able to absorb the 3.5% parity wage increase and the estimated 18% increase in health insurance costs in FY 2008; however, the FY 2009 recommendations would make it very difficult to maintain staffing at current levels.

The chart below illustrates the number of cases SERB handles versus the total number of employees over the past 15 fiscal years. Despite a consistent caseload, SERB has seen a reduction of 10 employees over the last 6 fiscal years.



Staffing Levels

The State Employment Relations Board has 3 board members and 30 employees, 27 full-time and 3 part-time.

State Employment Relations Board Staffing Levels							
						Estimated	
Program Series/Division	2004	2005	2006	2007	2008	2009	
State Employment Relations Board Totals	30	28	30	30	27	27	

Note that the figures above account for filled positions and do not include the three board members.

ANALYSIS OF EXECUTIVE PROPOSAL

Single Program Series

Collective Bargaining Act Administration

Purpose: The State Employment Relations Board (SERB) monitors public employer compliance with the Ohio's Collective Bargaining Act.

The following table shows the line items that are used to fund the State Employment Relations Board, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	125-321	Operating Expenses	\$3,258,803	\$3,382,847
General Revenue Fund Subtotal			\$3,258,803	\$3,464,260
General Services Fund				
572	125-603	Training and Publications	\$75,541	\$75,541
General Services Fund Subtotal			\$75,541	\$75,541
Total Funding: Collective Bargaining Act Administration			\$3,334,143	\$3,539,801

The following programs are within the State Employment Relations Board:

- **1.01 Labor Disputes**
- **1.02 Research and Training**

Labor Disputes

Program Description: The State Employment Relations Board (SERB) acts as a quasi-judicial body in monitoring compliance of Ohio's Collective Bargaining Law. The four major functions that the Labor Disputes program performs are: reviewing employees' petitions, investigating, hearing unfair labor practice cases, and mediating to help prevent labor disputes, including strikes.

According to data provided in the agency's annual report for FY 2007, there were a total of 3,078 collective bargaining agreements, representing 1,457 out of 2,747 public employers statewide. These agreements covered 351,378 public employees. Issues stemming from these collective bargaining issues resulted in 2,309 cases that were filed over the FY 2006 period. The following table illustrates the total number of cases filed and the total number of SERB employees over the past ten years.

Funding Source: GRF for operating expenses

Line Items: GRF 125-321, Operating Expenses

Implication of Executive Recommendation: SERB requested \$2,711,892 in FY 2008 and \$2,782,697 in FY 2009 to continue current staffing. The executive's recommendation actually increases this amount, providing \$2,730,549 in FY 2008 and \$2,830,884 in FY 2009 for this program. However, this will not allow for SERB to fill a vacant mediator position. These recommendations will also permit SERB to absorb the increased payroll costs due to wage increases and health care cost increases in FY 2008, but it would be difficult to do so with the amount recommended for FY 2009.

Temporary and Permanent Law Provisions

None

Research and Training

Program Description: The Research and Training program provides statutorily required wage and benefit information for parties in bargaining negotiations and trains public employers and employee organizations in acceptable bargaining practices. SERB also publishes reports, such as the SERB Quarterly and the Quarterly Supplement. SERB charges \$18 for a subscription to the SERB Quarterly and \$30 for the SERB Quarterly and the Quarterly Supplement. In addition, SERB provides seminars each year. These conferences have historically included two sessions of the SERB Academy each year for labor and management practitioners who are new to Ohio public sector collective bargaining and agency practices. Applicants pay a \$275 registration fee to attend this seminar. There is also an annual Developing Labor Law conference and a bi-annual fact-finding conference to train members of the Roster of Neutrals. However, SERB requires all fact finders to attend this conference and, therefore, does not charge a fee for fact finders. All other attendees are charged a \$135 fee.

Funding Source: GRF for operating expenses, GSF revenue includes proceeds from training programs

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

Implication of Executive Recommendation: SERB requested \$748,250 in FY 2008 and \$757,104 in FY 2009 to continue this program. The executive's recommendations provide \$603,795 in FY 2008 and \$627,504 in FY 2009 for this program. This funding level may result in the loss of a position in FY 2009 as well as reduce the number of mediation and other training programs that the board could offer to constituents.

Temporary and Permanent Law Provisions

None

REQUESTS NOT FUNDED

The following program series was not fully funded by the executive's recommendation.

Program 1.02 Research and Training						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
GRF 125-321, Operating Expenses	\$672,709	\$528,254	(\$144,455)	\$681,563	\$551,693	(\$129,870)
GSF 125-603, Training and Publications	\$75,541	\$75,541	\$0	\$75,541	\$75,541	
TOTALS	\$748,250	\$603,795	(\$144,455)	\$757,104	\$627,504	(\$129,870)

SERB requested \$748,250 in FY 2008 and \$757,104 in FY 2009 to continue this program, while the executive's recommendations provide for \$603,795 in FY 2008 and \$627,504 in FY 2009. This overall funding level may result in the loss of a position in FY 2009 as well as reduce the number of mediation and other training programs that the board could offer to constituents.

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General Revenue Fund

GRF 125-321 Operating Expenses

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$3,087,838	\$3,031,994	\$3,002,699	\$3,363,359	\$3,258,803	\$3,382,847
	-1.8%	-1.0%	12.0%	-3.1%	3.8%

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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$32,279	\$32,419	\$51,975	\$75,541	\$75,541	\$75,541
	0.4%	60.3%	45.3%	0.0%	0.0%

Source: GSF: Sale of clearinghouse data, publications, and proceeds from training seminars; grants, donations, awards, bequests, and gifts; and reimbursements for the board's professional services

Legal Basis: ORC 4117.24

Purpose: Moneys in this line item support costs associated with compiling clearinghouse data, seminars, microfilming, equipment, and printing, as well as support for grant projects, innovative labor-management programs, and professional development.

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2006</i>	<i>Estimated 2007</i>	<i>Executive 2008</i>	<i>% Change 2007 to 2008</i>	<i>Executive 2009</i>	<i>% Change 2008 to 2009</i>
<i>ERB Employment Relations Board, State</i>								
GRF	125-321	Operating Expenses	\$ 3,002,699	\$3,363,359	\$ 3,258,803	-3.1%	\$ 3,382,847	3.8%
General Revenue Fund Total			\$ 3,002,699	\$ 3,363,359	\$ 3,258,803	-3.1%	\$ 3,382,847	3.8%
572	125-603	Training and Publications	\$ 51,975	\$75,541	\$ 75,541	0.0%	\$ 75,541	0.0%
General Services Fund Group Total			\$ 51,975	\$ 75,541	\$ 75,541	0.0%	\$ 75,541	0.0%
<i>Total All Budget Fund Groups</i>			\$ 3,054,674	\$ 3,438,900	\$ 3,334,344	-3.0%	\$ 3,458,388	3.7%