

# **LSC Redbook**

**Analysis of the Executive Budget Proposal**

**State Employment Relations Board**

Nick Thomas, Budget Analyst  
Legislative Service Commission

March 2011

**TABLE OF CONTENTS**

**OVERVIEW..... 1**  
**Agency Overview..... 1**  
**Appropriation Overview ..... 1**  
    Savings Yielded from PBR Consolidation ..... 2  
**ANALYSIS OF EXECUTIVE PROPOSAL..... 3**  
    Operating Expenses (125321) ..... 3  
    Training and Publications (125603) ..... 5

**ATTACHMENTS:**

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

# State Employment Relations Board

- Executive recommended funding of approximately \$3.85 million in FY 2012 and FY 2013
- An estimated \$340,000 in annual savings achieved by consolidating operations
- Changes in collective bargaining law could generate increased demand for services

## OVERVIEW

### Agency Overview

The State Employment Relations Board (SERB) acts as a neutral party in carrying out Ohio's collective bargaining laws as they pertain to public employers and employees. Its responsibilities include overseeing representation elections, certifying exclusive bargaining representatives, monitoring and enforcing statutory dispute resolution procedures, mediating collective bargaining negotiations, adjudicating unfair labor practice charges, determining unauthorized strike claims, and providing information and training to parties in contract negotiations.

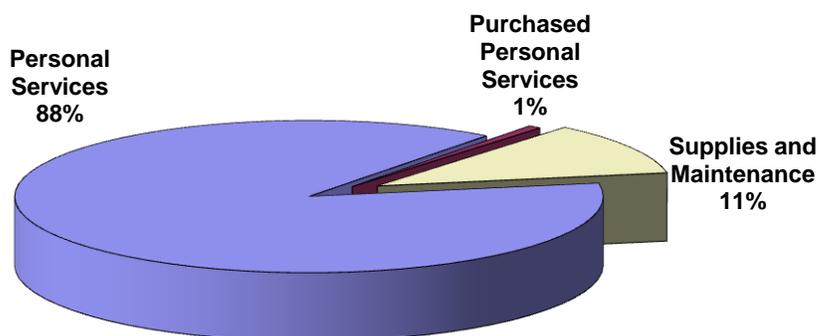
H.B. 1, the main budget act for the FY 2010-FY 2011 biennium, consolidated the operations of the State Personnel Board of Review (PBR) under the administrative structure of SERB. While SERB is responsible for dealing with matters concerning the Public Employees' Collective Bargaining Law, PBR is an appeals body that hears cases filed by classified exempt employees at the state and local levels but whose jurisdiction extends to other specific civil service matters. While many of the office functions have been consolidated and reorganized, SERB and PBR retain their own boards. Each board has three appointed members. Together, there is a staff of 27 permanent employees, as well as four intermittent employees. Both boards are primarily supported by GRF funding.

### Appropriation Overview

The executive recommends funding of \$3.85 million in each fiscal year of the FY 2012-FY 2013 biennium, a 2.7% reduction in overall funding compared with estimated FY 2011 spending of \$3.95 million. Given this level of funding, it may be that vacant positions will remain unfilled.

Chart 1 below shows the recommended funding levels for the FY 2012-FY 2013 biennium by object of expense. Like many smaller state agencies, personnel costs are SERB's biggest expense and account for 88.1% of the total recommended appropriation for the FY 2012-FY 2013 biennium. The remaining amounts are slated for supplies and maintenance (11.2%), and purchased personal services (0.7%).

**Chart 1: Biennial Executive Budget Recommendations  
by Expense Category, FY 2012-FY 2013  
(\$7.69 million)**



### **Savings Yielded from PBR Consolidation**

As previously mentioned, H.B. 1 of the 128th General Assembly consolidated PBR under SERB's administrative umbrella. The objective was to reduce the combined operating costs of both entities. Previously, each board occupied adjacent spaces spread across two floors in the same building in downtown Columbus. Under the new arrangement, both boards are housed on one floor. Under a renegotiated lease, SERB was able to reduce rent expenses and obtain tenant improvements to accommodate both boards at no additional cost to the state. Substantial savings were also derived by reorganizing staff between the two boards. Overall, SERB estimates that the consolidation has produced \$340,000 in annual savings. The largest share of savings comes from the staff reorganization and cutting three positions, including an administrative law judge, one fiscal specialist, and one receptionist. These actions have yielded an estimated \$240,000 savings in staffing costs. Lease costs have been reduced by \$90,000 annually. Finally, about \$10,000 in savings was obtained by sharing office equipment.

## ANALYSIS OF EXECUTIVE PROPOSAL

Governor's Recommended Amounts for SERB				
Fund		ALI and Name	FY 2012	FY 2013
<b>General Revenue Fund</b>				
GRF	125321	Operating Expenses	\$3,758,869	\$3,761,457
<b>General Revenue Fund Subtotal</b>			<b>\$3,758,869</b>	<b>\$3,761,457</b>
<b>General Services Fund Group</b>				
5720	125603	Training and Publications	\$87,075	\$87,075
<b>General Services Fund Group Subtotal</b>			<b>\$87,075</b>	<b>\$87,075</b>
<b>Total Funding: SERB</b>			<b>\$3,845,944</b>	<b>\$3,848,532</b>

### Operating Expenses (125321)

This line item covers the combined operating expenses of SERB and PBR. The executive recommends funding of \$3.76 million for FY 2012 and FY 2013, a 2.7% decrease from estimated FY 2011 spending of \$3.95 million. Overall, there are 37 employees between the two boards, including the six appointed board members. Funding at these levels may require the Board to leave positions that are currently vacant unfilled.

Proposed changes to the state's collective bargaining laws in S.B. 5, currently pending in the General Assembly, could have a significant effect on both SERB and PBR. State and local government funding constraints could also affect workload for both of these boards. While S.B. 5 is still in flux, SERB foresees a greater need for mediation and other services if those collective bargaining law changes are implemented. For PBR, budget constraints that trigger substantial layoffs or staff restructuring in the public sector could increase the demand for hearings involving disputes arising from these actions.

In addition to the consolidation of SERB and PBR offices discussed in the **Overview**, H.B. 1 included statutory changes that enabled SERB to conduct a representation election by secret ballot—cast either by mail, electronically, or in person—rather than requiring these elections to be conducted in person. SERB estimates that this has resulted in savings of approximately \$35,000 to \$40,000 annually. Previously SERB incurred substantial expenses, primarily related to travel, in administering these elections in person. The Board conducted approximately 66 such elections in FY 2009 and 57 in FY 2010. Of the FY 2010 elections, 12 were conducted on site and 45 were conducted by mail ballot.

### Collective Bargaining and Labor Relations Operations

SERB is involved at every stage of the labor management relationship, administering the Ohio Public Employees' Collective Bargaining Act by mediating contract negotiations, investigating allegations of unfair labor practices, and resolving representation issues. The agency oversees 3,290 contracts covering 358,276 bargaining unit employees in the state of Ohio. Table 1 below shows the year-end case status of matters handled by the Board in FY 2009 and FY 2010.

<b>Action</b>	<b>FY 2009</b>	<b>FY 2010</b>
Cases Filed	2,279	2,393
Fact Finder Report	126	133
Unfair Labor Charge	660	527
Representation Elections	66	57

Cases filed with SERB represent all levels of labor issues, including mediation, strike determinations, representation, unfair labor practices, and so forth. During FY 2010, 2,393 new cases were filed with SERB, as compared to 2,279 in FY 2009. Additionally, SERB issued 133 fact finder reports, oversaw 527 unfair labor charges, and conducted 57 representative elections.

SERB attempts to investigate and process unfair labor practice charges within 150 days of filing. Likewise, representation election petitions are to go to the Board within 180 days of being filed. For FY 2009 and FY 2010, SERB met the benchmark for dealing with unfair labor practice cases 80% of the time and the elections benchmark 85% of the time. This was a deterioration compared to prior years, when the unfair labor practice benchmark was achieved 97% of the time and the elections benchmark was achieved 85% of the time. The decline in both benchmarks measures can be attributed to reduced staffing levels. With regard to the elections benchmark, representation elections were delayed until rules related to mail-ballot elections could be implemented, accounting for the slow down in that area.

### PBR Operations

PBR hears appeals pertaining to suspensions, removals, fines, separations, reclassifications, abolishments, layoffs, and classified/unclassified status at the state and local government level. PBR generally hears appeals from state, state university, county, and general health district employees whose positions are not covered by a collective bargaining agreement. Additionally, PBR has jurisdiction over whistleblower cases, whether in the classified or unclassified civil service, as well as certain Occupational Safety and Health Administration (OSHA) matters. Another of PBR's major responsibilities is to assist the 225 municipal civil service commissions and

personnel boards in dealing with such personnel matters. PBR maintains this data for the interest of not only the affected municipalities, but also for the public at large and for the General Assembly. PBR conducted a total of 202 hearings during FY 2010.

### **Training and Publications (125603)**

The recommended funding for this line item is \$87,075 in FY 2012 and FY 2013, the same level of funding as estimated for FY 2011. This line item is used to pay for SERB's research and training programs and for PBR's costs to produce administrative records and to refund security deposits. These activities are supported by the sale of various types of employee data collected by SERB, receipts from training seminar, security deposits paid by people with cases before PBR, and other sources revenue deposited into the Training and Publications Fund (Fund 5720). For FY 2010, receipts from these sources totaled \$149,199, the majority of which came from training seminars put on by SERB.

SERB's data collection and training functions are mandated by statute. The goal is to provide both employers and employee organizations with the ability to assess labor-management conflicts and resolve problems before they escalate into serious labor disputes. Overall, SERB organizes several informational conferences each year to train employers and unions on using SERB services and to provide training for impartial fact finders. During FY 2010, SERB held four conferences and expects to hold a total of six conferences in FY 2011. Conference charges are generally around \$150, with attendance ranging from between 50-100 participants.

*ERB.docx / rs*

## State Employment Relations Board

---

### General Revenue Fund

#### **GRF 125321 Operating Expenses**

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$3,105,963	\$3,181,458	\$3,599,902	\$3,863,612	<b>\$3,758,869</b>	<b>\$3,761,457</b>
	2.4%	13.2%	7.3%	<b>-2.7%</b>	<b>0.1%</b>

**Source:** General Revenue Fund

**Legal Basis:** ORC 4117.02; Section 273.10 of Am. Sub. H.B. 1 of the 128th G.A.

**Purpose:** The line item funds the operating expenses of the State Employment Relations Board, including those related to the State Personnel Board of Review, which was placed under the administrative structure of the State Employment Relations Board in H.B. 1 of the 128th General Assembly.

### General Services Fund Group

#### **5720 125603 Training and Publications**

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$87,075	\$63,445	\$6,572	\$87,075	<b>\$87,075</b>	<b>\$87,075</b>
	-27.1%	-89.6%	1224.9%	<b>0.0%</b>	<b>0.0%</b>

**Source:** General Services Fund Group: 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; Section 273.10 of Am. Sub. H.B. 1 of the 128th G.A.

**Purpose:** Moneys in this line item support 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. This line item is also used to pay costs incurred by the State Personnel Board of Review to produce administrative records and to refund overpaid security deposits.

# FY 2012 - FY 2013 Introduced Appropriation Amounts

# All Fund Groups

Line Item Detail by Agency			FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Introduced</b>					
<b>ERB State Employment Relations Board</b>								
GRF	125321	Operating Expenses	\$ 3,599,902	\$ 3,863,612	\$ 3,758,869	-2.71%	\$ 3,761,457	0.07%
<b>General Revenue Fund Total</b>			<b>\$ 3,599,902</b>	<b>\$ 3,863,612</b>	<b>\$ 3,758,869</b>	<b>-2.71%</b>	<b>\$ 3,761,457</b>	<b>0.07%</b>
5720	125603	Training and Publications	\$ 6,572	\$ 87,075	\$ 87,075	0.00%	\$ 87,075	0.00%
<b>General Services Fund Group Total</b>			<b>\$ 6,572</b>	<b>\$ 87,075</b>	<b>\$ 87,075</b>	<b>0.00%</b>	<b>\$ 87,075</b>	<b>0.00%</b>
<b>State Employment Relations Board Total</b>			<b>\$ 3,606,474</b>	<b>\$ 3,950,687</b>	<b>\$ 3,845,944</b>	<b>-2.65%</b>	<b>\$ 3,848,532</b>	<b>0.07%</b>