

# **LSC Redbook**

**Analysis of the Executive Budget Proposal**

**State Employment Relations Board**

Tom Wert, Budget Analyst  
Legislative Service Commission

February 2015

# TABLE OF CONTENTS

<b>OVERVIEW</b> .....	<b>1</b>
Agency Overview.....	1
Appropriation Overview .....	1
SERB Operations .....	2
SPBR Operations .....	2
<b>ANALYSIS OF EXECUTIVE PROPOSAL</b> .....	<b>4</b>
Operating Expenses (125321) .....	4
Training and Publications (125603) .....	4
<b>ATTACHMENTS:</b>	
Catalog of Budget Line Items	
Budget Spreadsheet By Line Item	

# State Employment Relations Board

- Executive recommended funding of approximately \$3.8 million in both FY 2016 and FY 2017
- Over 2,100 cases managed in FY 2014
- Hosted six training conferences attended by approximately 600 people during the current biennium

## 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 (SPBR) under the administrative structure of SERB. While SERB is responsible for dealing with matters concerning the Public Employees' Collective Bargaining Law, SPBR 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 SPBR retain their own boards. Each board has three appointed members. As of January 2015, the boards employed 21 full-time permanent employees and six others on a part-time basis in addition to the members who are appointed to a fixed term. Both boards are supported almost entirely by GRF funding.

### Appropriation Overview

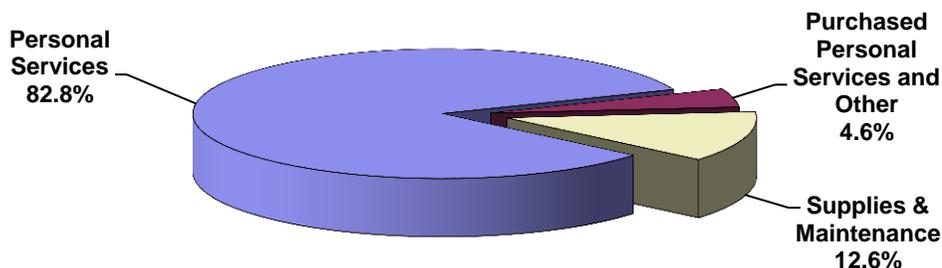
**Table 1. Executive Budget Recommendations by Fund Group, FY 2016-FY 2017**

Fund Group	FY 2015*	FY 2016	% change, FY 2015-FY 2016	FY 2017	% change, FY 2016-FY 2017
General Revenue	\$3,761,457	\$3,761,457	0.0%	\$3,761,457	0.0%
Dedicated Purpose	\$85,000	\$75,000	-11.8%	\$75,000	0.0%
<b>TOTAL</b>	<b>\$3,846,457</b>	<b>\$3,836,457</b>	<b>-0.3%</b>	<b>\$3,836,457</b>	<b>0.0%</b>

\*FY 2015 figures represent estimated expenditures.

As Table 1 above shows, the executive recommends funding of \$3.8 million in each fiscal year of the FY 2016-FY 2017 biennium to cover the operating expenses of SERB and SPBR, unchanged from estimated FY 2015 spending for the combined operations of both boards. Chart 1 below shows the recommended funding levels for the FY 2016-FY 2017 biennium by object of expense. Like many smaller state agencies, personnel costs constitute the largest expense for SERB and SPBR and account for 82.8% of the total recommended appropriation for the FY 2016-FY 2017 biennium. The remaining amounts are slated for supplies and maintenance (12.6%), and purchased personal services and other expenses (4.6%).

**Chart 1: Biennial Executive Budget Recommendations by Expense Category, FY 2016-FY 2017 (\$7.7 million)**



**SERB 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 3,249 contracts covering 323,029 bargaining unit employees in the state of Ohio. Table 2 below summarizes the year-end case status for the prior two fiscal years.

Table 2. SERB Caseload Statistics, FY 2013 and FY 2014		
Action	FY 2013	FY 2014
Cases Filed	2,108	2,163
Fact Finder Report	104	100
Unfair Labor Charge	356	289
Representation Elections	52	59

**SPBR Operations**

SPBR hears appeals pertaining to suspensions, removals, fines, separations, reclassifications, abolishments, layoffs, and job classification status at the state and local government level. SPBR generally hears appeals from state, state university, county, and general health district employees whose positions are not covered by a collective bargaining agreement. Additionally, SPBR has jurisdiction over whistleblower cases,

whether in the classified or unclassified civil service, as well as certain Occupational Safety and Health Administration matters. Another of SPBR's major responsibilities is to assist the 225 municipal civil service commissions and personnel boards in dealing with such personnel matters. In FY 2014, SPBR adjudicated 429 cases that were filed with the Board.

## ANALYSIS OF EXECUTIVE PROPOSAL

Governor's Recommended Amounts for SERB and SPBR				
Fund	ALI and Name		FY 2016	FY 2017
<b>General Revenue Fund</b>				
GRF	125321	Operating Expenses	\$3,761,457	\$3,761,457
<b>General Revenue Fund Subtotal</b>			<b>\$3,761,457</b>	<b>\$3,761,457</b>
<b>Dedicated Purpose Fund Group</b>				
5720	125603	Training and Publications	\$75,000	\$75,000
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$75,000</b>	<b>\$75,000</b>
<b>Total Funding: SERB and SPBR</b>			<b>\$3,836,457</b>	<b>\$3,836,457</b>

### Operating Expenses (125321)

This line item covers the combined operating expenses of SERB and SPBR. The executive recommends funding of \$3.8 million in both years for operations, no change compared to estimated FY 2015 spending for this purpose. As noted before, the majority of funding is budgeted for payroll costs of board members, administrative law judges, labor relations specialists and mediators, researchers, and administrative staff working among the two boards. In all, the total amount of funding recommended for payroll is approximately \$3.2 million in each fiscal year, or about 82.8% of the total amount provided for both boards under the executive proposal.

### Training and Publications (125603)

The recommended funding for this line item is \$75,000 in FY 2016 and FY 2017, 11.8% less than FY 2015 estimated expenditures of \$85,000 in this area. This line item is used to pay for research and training programs among the two boards. These activities are supported by the sale of various types of employee data collected by SERB, receipts from training seminars, and other sources of revenue deposited into the Training and Publications Fund (Fund 5720). Receipts from these sources totaled \$63,917 in FY 2014.

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. SERB organizes several informational conferences each year to train employers and unions on using SERB services and to provide training for impartial fact finders. Through the current biennium, SERB has held six conferences attended by a combined total of 578 people. Admission fees for these conferences ranged from \$150 to \$275. In addition, SPBR produces a manual on civil service law and procedures for municipal civil service commissions.

# State Employment Relations Board

## General Revenue Fund

### GRF 125321 Operating Expenses

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$3,573,718	\$3,349,615	\$3,394,842	\$3,761,457	<b>\$3,761,457</b>	<b>\$3,761,457</b>
	-6.3%	1.4%	10.8%	<b>0.0%</b>	<b>0.0%</b>

**Source:** General Revenue Fund

**Legal Basis:** ORC 4117.02; Section 271.10 of Am. Sub. H.B. 59 of the 130th G.A.

**Purpose:** The line item funds the operating expenses of the State Employment Relations Board (SERB), including those related to the State Personnel Board of Review (SPBR). SERB acts as a neutral party in carrying out Ohio's public employee collective bargaining law. These responsibilities include overseeing representation elections, monitoring and enforcing statutory dispute resolution procedures, and mediating collective bargaining negotiations, among other matters. SPBR is an appeals body that hears cases filed by classified exempt employees at the state and local levels, but its jurisdiction extends to other specific civil service matters.

## Dedicated Purpose Fund Group

### 5720 125603 Training and Publications

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$11,158	\$24,763	\$29,020	\$85,000	<b>\$75,000</b>	<b>\$75,000</b>
	121.9%	17.2%	192.9%	<b>-11.8%</b>	<b>0.0%</b>

**Source:** Dedicated Purpose Fund Group: Sale of clearinghouse data, publications, and proceeds from training seminars; grants, donations, awards, bequests, and gifts; reimbursements for professional services

**Legal Basis:** ORC 4117.24; Section 271.10 of Am. Sub. H.B. 59 of the 130th G.A.

**Purpose:** This line item is used to pay for the cost of compiling clearinghouse data, hosting seminars, and producing printed materials concerning public sector labor relations and collective bargaining law. In addition, the line item provides funding for grant projects, as well as labor-management and professional development programs. This line item is also used to pay costs incurred by the State Personnel Board of Review for producing administrative records and refunding overpaid security deposits.

# FY 2016 - FY 2017 Introduced Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			Estimate	Introduced	FY 2015 to FY 2016	Introduced	FY 2016 to FY 2017	
			FY 2014	FY 2015	FY 2016	FY 2017	% Change	
					% Change		% 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	\$ 3,394,842	\$ 3,761,457	\$ 3,761,457	0.00%	\$ 3,761,457	0.00%
<b>General Revenue Fund Total</b>			<b>\$ 3,394,842</b>	<b>\$ 3,761,457</b>	<b>\$ 3,761,457</b>	<b>0.00%</b>	<b>\$ 3,761,457</b>	<b>0.00%</b>
5720	125603	Training and Publications	\$ 29,020	\$ 85,000	\$ 75,000	-11.76%	\$ 75,000	0.00%
<b>Dedicated Purpose Fund Group Total</b>			<b>\$ 29,020</b>	<b>\$ 85,000</b>	<b>\$ 75,000</b>	<b>-11.76%</b>	<b>\$ 75,000</b>	<b>0.00%</b>
<b>State Employment Relations Board Total</b>			<b>\$ 3,423,862</b>	<b>\$ 3,846,457</b>	<b>\$ 3,836,457</b>	<b>-0.26%</b>	<b>\$ 3,836,457</b>	<b>0.00%</b>