

LSC Greenbook

Analysis of the Enacted Budget

State Employment Relations Board

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ATTACHMENT:

Budget Spreadsheet By Line Item

State Employment Relations Board

- Funding of \$2.95 million in FY 2010 and FY 2011
- Consolidation of State Personnel Board of Review within State Employment Relations Board

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 merges the operations of the State Personnel Board of Review (SPBR), an entity that reviews appeals filed by classified exempt employees in the civil service at the state and local levels and certain other public employees, with those of SERB.

Appropriation Overview

As shown in the table below, H.B. 1 provides funding of approximately \$3.0 million in each fiscal year of the FY 2010-FY 2011 biennium. Combined FY 2009 expenditures for SERB and SPBR were approximately \$4.4 million, meaning that the FY 2010 appropriation is a 32.7% reduction in overall spending when compared with FY 2009 expenditures for both boards. At this funding level, it is unclear how SERB would be able to maintain the combined staff of roughly 42 employees and current service levels. As a potential new funding source, SERB is currently exploring possible legislation that would supplement funding through a type of charge-back system.

Appropriations by Fund Group, FY 2010-FY 2011					
Fund Group	FY 2009	FY 2010	% change, FY 2009-FY 2010	FY 2011	% change, FY 2010-FY 2011
General Revenue	\$3,181,458	\$2,863,613	(9.99%)	\$2,863,613	0%
General Services	\$63,445	\$87,075	37.25%	\$87,075	0%
Total	\$3,244,902	\$2,950,688	(9.07%)	\$2,950,688	0%

*FY 2009 figures represent actual expenditures.

Consolidation of the Two Boards

H.B. 1 includes provisions that retain the functions of SPBR but absorb it within SERB. SPBR's Board will continue to exercise its statutory functions, but its eight support employees will become part of SERB. Under the new arrangement, the boards have consolidated their two offices, previously spread across two floors, onto one floor. This physical merger is essentially complete: all staff have been moved into the consolidated office space, but a few remaining renovations have yet to be finished. Savings in rent from the consolidation are expected to be approximately \$80,000 per year. Construction costs to rearrange office spaces and upgrade SERB's space to meet SPBR's security requirements is expected to total approximately \$120,000 once all renovations are complete. Part of the integration has also involved Information Technology resources and making upgrades as necessary to accommodate the increased staff.

Representative Elections

H.B. 1 also includes statutory changes that enable SERB to conduct representative elections by secret ballot – cast either by mail, electronically, or in person – rather than requiring these elections to be conducted in person, as under current law. Often in such situations, SERB can incur substantial expenses, primarily related to travel, administering these elections in person. As a result of this added flexibility, SERB may realize some savings. The Board conducted 61 representation elections in FY 2008, the most recent data available to LSC.

ANALYSIS OF ENACTED BUDGET

The following table shows H.B. 1 appropriations for SERB. Note that the amounts listed in the table below also include funding for SPBR, which was integrated within SERB as a result of H.B. 1.

Appropriations for State Employment Relations Board				
Fund		ALI and Name	FY 2010	FY 2011
General Revenue Fund				
GRF	125321	Operating Expenses	\$2,863,613	\$2,863,613
General Revenue Fund Subtotal			\$2,863,613	\$2,863,613
General Services Fund Group				
5720	125603	Training and Publications	\$87,075	\$87,075
General Services Fund Subtotal			\$87,075	\$87,075
Total Funding: State Employment Relations Board			\$2,950,688	\$2,950,688

Operating Expenses (125321)

H.B. 1 funds this line item at \$2.9 million for FY 2010 and FY 2011. This includes payroll and other operating expenses for the staff of both SERB and SPBR, which combined total roughly 42 full-time, part-time, and intermittent employees. Both entities anticipate a rise in demand for their services in the upcoming biennium due to the impact of the weak economy on public sector employment. With regard to SERB, contract negotiations will most likely be more contentious and require greater levels of mediation. For SPBR, budget constraints that trigger substantial layoffs of state employees will most likely increase the demand for adjudicatory hearings involving disputes arising from these actions.

Collective Bargaining and Labor Relations

SERB is involved at every stage of the labor management relationship, administering the Ohio Public Employee's Collective Bargaining Act by mediating contract negotiations, investigating allegations of unfair labor practices, and resolving representation issues. The agency oversees approximately 3,241 contracts covering 359,950 bargaining unit employees in the state of Ohio.

Cases filed with SERB represent all levels of labor issues, including mediation, strike determinations, representation, unfair labor practices, etc. During FY 2008, 2,117 new cases were filed with SERB. Additionally, SERB issued 119 fact finder reports, oversaw 614 unfair labor charges, and conducted 61 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.

Personnel Board of Review

SPBR hears appeals pertaining to suspensions, removals, fines, separations, reclassifications, abolishments, layoffs, classified/unclassified status, whistleblowers, Occupational Safety and Health Administration (OSHA), and investigatory matters. These appeals come from state, state university, county, and general health district employees whose positions are not covered by a collective bargaining agreement. It conducted 683 hearings on these various issues in FY 2008.

SERB also monitors and assists 225 municipal civil service commissions and personnel boards in carrying out their responsibilities. In this role, SPBR requests from all applicable civil service commissions a report of each commission's activities, a copy of each civil service commission's rules, and a copy of the city charter, where applicable. SPBR maintains this data for the interest of not only the affected municipalities, but also for the public at large and for the General Assembly.

Training and Publications (125603)

Previously, this line item was used to pay for research and training operations from SERB's Training Publications and Grants Fund (Fund 5720). Under H.B. 1, this fund absorbs SPBR's Transcripts and Other Documents Fund (Fund 6360). H.B. 1 appropriations for this line item are \$87,075 in FY 2010 and FY 2011, a 27.0% increase in comparison with FY 2009 spending from both funds of \$69,941.

SERB is required by statute to provide public employers and employees with the information and training needed to comply with the Ohio Employee's Collective Bargaining Act. To accomplish this, the board collects and analyses data relating to conditions of public employment. This enables both employers and employee organizations to assess a situation and resolve potentially problematic issues before they escalate into labor disputes. With regard to SPBR, this line item will also be used to pay costs associated with producing administrative records and for refunding overpaid security deposits.

For FY 2009, revenues were \$148,423 to Fund 5720 and \$4,950 to Fund 6360. The majority of revenue to Fund 5720 came from training seminars put on by SERB. However, SERB also received a payment of \$61,730 in FY 2009 related to its participation in recent collective bargaining negotiations that occurred at the state level. Revenues to Fund 6360, which, as mentioned above is now absorbed within Fund 5720, consisted of security deposits and other payments made by appellants.

FY 2010 - 2011 Final Appropriation Amounts

All Fund Groups

<i>Line Item Detail by Agency</i>			<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010 Appropriations</i>	<i>% Change FY09 - FY10</i>	<i>FY 2011 Appropriations</i>	<i>% Change FY10 - FY11</i>
Report For: Main Operating Appropriations Bill			Version: Enacted					
ERB State Employment Relations Board								
GRF	125321	Operating Expenses	\$ 3,105,963	\$ 3,181,458	\$ 2,863,613	-9.99%	\$ 2,863,613	0.00%
General Revenue Fund Total			\$ 3,105,963	\$ 3,181,458	\$ 2,863,613	-9.99%	\$ 2,863,613	0.00%
5720	125603	Training and Publications	\$ 87,075	\$ 63,445	\$ 87,075	37.25%	\$ 87,075	0.00%
General Services Fund Group Total			\$ 87,075	\$ 63,445	\$ 87,075	37.25%	\$ 87,075	0.00%
State Employment Relations Board Total			\$ 3,193,038	\$ 3,244,902	\$ 2,950,688	-9.07%	\$ 2,950,688	0.00%