

LSC Greenbook

Analysis of the Enacted Budget

State Employment Relations Board

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Budget Spreadsheet By Line Item

State Employment Relations Board

- Funding of approximately \$3.85 million in FY 2012 and FY 2013
- Almost entirely supported by the GRF
- Proposed changes in collective bargaining law under S.B. 5 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 Public Employees' Collective Bargaining Law. The Board's 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. Whereas 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 and other specific civil service matters. While many of the office functions have been reorganized under this consolidation, SERB and PBR retain their own boards. Each board has three appointed members. In addition to these six appointed members, there are 28 employees.

Appropriation Overview

As the table below shows, FY 2012-FY 2013 funding for SERB is approximately \$3.85 million in each fiscal year. Almost all of this amount, \$3.76 million (97.8%) in each fiscal year, comes from the GRF and is appropriated under line item 125321, Operating Expenses. The remaining appropriation, approximately \$87,000, or 2.2% of funding in each fiscal year, is supported by income from labor relations training program fees, the sale of various types of employee data collected by the Board for research purposes, and receipts for handling administrative records and related charges. These proceeds are deposited into the agency's Training and Publications Fund (Fund 5720) within the General Services Fund Group and appropriated in line item 125603, Training and Publications. FY 2011 and previous year expenditures for these purposes were primarily related to SERB publications and deposits refunded by PBR. The FY 2012-FY 2013 appropriations are intended to cover these costs as well as any costs associated with SERB's training seminars, which have been paid for from SERB's main GRF

operating line item in recent years. This explains the sizable increase in FY 2012 and FY 2013 appropriations when compared to prior fiscal year spending in line item 125603.

Table 1. Agency Appropriations by Fund Group, FY 2012-FY 2013					
Fund Group	FY 2011*	FY 2012	% change, FY 2011-FY 2012	FY 2013	% change, FY 2012-FY 2013
General Revenue	\$3,527,218	\$3,758,869	6.57%	\$3,761,457	0.07%
General Services	\$10,987	\$87,075	692.54%	\$87,075	0.0%
TOTAL	\$3,538,205	\$3,845,944	8.70%	\$3,848,532	0.07%

*FY 2011 amounts reflect actual spending in that fiscal year.

ANALYSIS OF ENACTED BUDGET

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

Operating Expenses (125321)

This GRF line item covers the lion's share of the combined operating expenses of SERB and PBR. The appropriations for this line item are roughly \$3.76 million in each fiscal year of the FY 2012-FY 2013 biennium. The FY 2012 appropriation is approximately 6.6% higher than FY 2011 spending of \$3.53 million. Overall, there are 34 employees between the two boards, including the six appointed board members.

Proposed changes to the state's collective bargaining laws in S.B. 5, which was enacted by the General Assembly in the spring of 2011 but is likely to face voter referendum later this fall, could have a significant effect on SERB. While S.B. 5 is still in flux, SERB foresees a greater need for mediation and other services if the collective bargaining law changes are implemented. State and local government funding constraints could also affect workload for both of these boards. 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.

As previously mentioned, H.B. 1 of the 128th General Assembly consolidated PBR under SERB's administrative umbrella. This has yielded some appreciable cost savings, primarily from staff reorganization and the elimination of three positions. Rent costs were also substantially reduced after offices were consolidated onto the same floor at the downtown Columbus headquarters, as were office equipment expenses. Overall, SERB estimates that the consolidation produced \$340,000 in annual savings during the FY 2010-FY 2011 biennium.

In addition to the consolidation of SERB and PBR operations, H.B. 1 included statutory changes that enabled SERB to conduct a representation election by either mail, electronic means, 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.

SERB's Collective Bargaining and Labor Relations Operations

SERB is involved at every stage of the labor management relationship, administering the Ohio Public Employees' Collective Bargaining Law 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 2 below shows the year-end case status of matters handled by the Board in FY 2009 and FY 2010.

Table 2. SERB Case Statistics, FY 2009 and FY 2010		
Action	FY 2009	FY 2010
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's 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 funding for this line item is \$87,075 in each fiscal year of the FY 2012-FY 2013 biennium, substantially greater than actual expenditures from this line item of \$10,987 during 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 seminars, security deposits paid by people with cases before PBR, and other sources of revenue deposited into the Training and Publications Fund (Fund 5720). For FY 2011, receipts from these sources totaled \$62,057, the majority of which came from training seminars put on by SERB. FY 2011 and previous year expenditures from this line item were primarily related SERB publications and deposits refunded by PBR. The FY 2012–FY 2013 appropriations, however, are intended to cover these costs as well as any costs associated with SERB's training seminars, which have been paid for from SERB's main GRF operating line item in recent years.

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. SERB held six such conferences in FY 2011. Conference charges are generally around \$150, with attendance ranging from between 50-100 participants.

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FY 2012 - FY 2013 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	FY 2011	Appropriations FY 2012	FY 2011 to FY 2012 % Change	Appropriations FY 2013	FY 2012 to FY 2013 % Change
Report For Main Operating Appropriations Bill			Version: Enacted					
ERB State Employment Relations Board								
GRF	125321	Operating Expenses	\$ 3,599,902	\$ 3,527,218	\$ 3,758,869	6.57%	\$ 3,761,457	0.07%
General Revenue Fund Total			\$ 3,599,902	\$ 3,527,218	\$ 3,758,869	6.57%	\$ 3,761,457	0.07%
5720	125603	Training and Publications	\$ 6,572	\$ 10,987	\$ 87,075	692.54%	\$ 87,075	0.00%
General Services Fund Group Total			\$ 6,572	\$ 10,987	\$ 87,075	692.54%	\$ 87,075	0.00%
State Employment Relations Board Total			\$ 3,606,474	\$ 3,538,205	\$ 3,845,944	8.70%	\$ 3,848,532	0.07%