

**76<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: SB 5510-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House: Rep. Nathanson  
Carrier – Senate: Sen. Johnson**

---

**Action:** Do Pass as Amended and as Printed A-Engrossed

**Vote:** 23 – 2 – 0

House – Yeas: Beyer, Buckley, Cowan, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Whisnant  
– Nays: Freeman, Thatcher  
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters  
– Nays:  
– Exc:

**Prepared By:** Bill McGee, Department of Administrative Services

**Reviewed By:** John Borden, Legislative Fiscal Office

**Meeting Date:** May 27, 2011

---

**Agency**  
Employment Relations Board

**Budget Page**  
I-7

**LFO Analysis Page**  
224

**Biennium**  
2011-13

## Budget Summary\*

	2009-11	2011-13	2011-13	2011-13	Committee Change from 2009-11 Leg Approved	
	Legislatively Approved Budget (1)	Current Service Level	Governor's Budget	Committee Recommendation	\$ Change	% Change
General Fund	\$ 1,623,327	\$ 1,965,370	\$ 0	\$ 932,803	\$ (690,524)	-42.5%
Other Funds	\$ 1,758,626	\$ 1,873,772	\$ 3,745,109	\$ 1,864,507	\$ 105,881	+6.0%
Total	\$ 3,381,953	\$ 3,839,142	\$ 3,745,109	\$ 2,797,310	\$ (584,643)	-17.3%

## Position Summary

Authorized Positions	13	13	13	13	0
Full-time Equivalent (FTE) Positions	12.50	12.50	13.00	13.00	0.00

(1) Includes adjustments through March 2011.

\* Excludes Capital Construction expenditures

## Summary of Revenue Changes

The Employment Relations Board (ERB) generates the majority of its Other Funds revenue through an assessment to state agencies based on the number of covered employees. ERB also receives fees for services including contract mediation fees to local governments, interest based bargaining training fees, and filing fees for Unfair Labor Practice complaints and answers.

ERB receives General Fund revenue to support labor relations functions conducted on behalf of local governments. The Subcommittee approved an appropriation of \$932,803 for local government labor relations, a reduction of 42.5 percent from the 2009-11 Legislatively Approved Budget through March 2011. This amount is expected to be sufficient to support local government services in the first year of the biennium. The cost of local government services in the second year is dependent on an assessment-based model to be developed by a workgroup consisting of public employers and employee bargaining units. If the workgroup is successful, an Other Funds expenditure limitation will be established during the 2012 legislative session.

The Subcommittee increased Other Funds revenues by \$23,250 in anticipation of fee increases included in Senate Bill 5556. Senate Bill 5556 increases the fees to file and to respond to unfair labor practice complaints from \$250 to \$300. The bill also changes fees charged for mediation of disputes between local public employers and their collective bargaining units. Current law allows the Board to charge up to \$1,000 regardless of the number of mediation sessions conducted. Senate Bill 5556 allows the Board to charge \$1,000 for the first two mediation sessions, \$500 for the third session, \$750 for the fourth session, and \$1,000 for each additional session. Mediation fees, under current law and Senate Bill 5556, are split equally between the public employers and bargaining units.

## **Summary of General Government Subcommittee Action**

The mission of the ERB is to resolve labor relations disputes for an estimated 3,000 employers and 250,000 employees in public and private employment in the state. The agency is responsible for administering specific portions of Oregon law: the Public Employee Collective Bargaining Act, which governs collective bargaining in state and local government; the State Personnel Relations Law, which creates appeal rights for non-union state employees who believe they were treated unfairly in the workplace; and the private sector labor-management relations law, which addresses collective bargaining for private sector employers who are not covered by federal law.

The Subcommittee approved a budget of \$932,803 General Fund, \$1,864,507 Other Funds, and 13.00 full-time equivalent positions. General Fund is reduced from the 2009-11 Legislatively Approved Budget (LAB) through March 2011 by 42.5 percent while Other Funds and FTE are increased by 6 percent and 4 percent respectively. Total funds are reduced 17.3 percent from LAB.

The Governor's proposal to replace ERB's entire General Fund appropriation with an assessment on local governments was not approved. Instead, the Subcommittee restored sufficient General Fund to allow the agency to provide services to local governments in the first year of the biennium. Funding for local government services in the second year of the biennium is not included in the budget. Establishment of an Other Funds expenditure limitation during the 2012 legislative session for second year funding is dependent on development of an assessment methodology by a workgroup of employers and employee representatives. ERB was directed to prepare plans to operate in the second year of the biennium serving only those jurisdictions that provide funding, as a contingency for the possibility that the workgroup is unsuccessful. The following budget notes were adopted to direct the development of the assessment.

### **Budget Note #1:**

The Governor's Office is requested to convene a workgroup on the Employment Relations Board to develop options and make recommendations to the Joint Committee on Way and Means and the appropriate policy committee at the beginning of the February 2012 Legislative Session on the following:

- (a) Agency wide process improvements;
- (b) Improved timely disposition of cases;
- (c) Limiting the filing of frivolous actions;
- (d) Management input into nominations to the Employment Relations Board;
- (e) An assessment-based model to fund services provided to local governmental entities and its employees.

The workgroup shall be equally represented by management and labor and include a representative from each of the following entities: League of Oregon Cities; Oregon Education Association; Association of Oregon Counties; American Federation of State, County, and Municipal Employees; Special districts; Oregon State Firefighter Council; Oregon School Boards Association; American Federation of Teachers; Portland Public Schools; Confederation of Oregon School Administrators, and the Oregon School Employees Association.

## **Budget Note #2:**

As a contingency, the Employment Relations Board is to develop a budget plan for the second fiscal year of the biennium that is based exclusively on providing services to those entities that provide funding to the Board. The budget plan is to be submitted to the 2012 Legislative Session.

The Subcommittee took the following additional actions:

- Approved the base budget and essential packages.
- Approved Package 070 that reduces Other Funds expenditure limitation for which revenue is not available.
- Approved Package 086 that eliminates funding for inflation and approved Package 087 that reduces Personal Services by 5.5 percent.
- Approved Package 092 that restores General Fund for local government services during the first year of the biennium.
- Modified Package 100 that increases the amount of state assessment revenue that will be used to fund a mediator position by a lesser amount than was recommended in the Governor's budget.
- Approved Package 101 that increases an administrative law judge position from three-quarters time to full-time to address workload needs.
- Modified Package 102 that increases a mediator position from three-quarters time to full-time to address workload needs with a lesser amount of state assessment revenue and a greater amount of fee revenue than was proposed in the Governor's budget

## **Summary of Performance Measure Action**

The Subcommittee approved the Key Performance Measures and targets. See attached Legislatively Adopted 2011-13 Key Performance Measures form.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**SB 5510-A**

**Employment Relations Board  
Bill McGee 503-378-2078**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$1,623,327	\$0	\$1,758,626	\$0	\$0	\$0	\$3,381,953	13	12.50
2011-13 ORBITS printed Current Service Level (CSL)*	\$1,965,370	\$0	\$1,873,772	\$0	\$0	\$0	\$3,839,142	13	12.50
2011-13 Governor's Recommended Budget *	\$0	\$0	\$3,745,109	\$0	\$0	\$0	\$3,745,109	13	13.00
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
<u>SCR 030 Administration</u>									
Package 092: Fund Shifts sweeps									
Personal Services	440,125	0	(880,249)	0	0	0	(440,124)	0	0.00
Services and Supplies	131,407	0	(262,814)	0	0	0	(131,407)	0	0.00
<u>SCR 040 Mediation</u>									
Package 092: Fund Shifts sweeps									
Personal Services	155,382	0	(310,764)	0	0	0	(155,382)	0	0.00
Services and Supplies	4,207	0	(8,413)	0	0	0	(4,206)	0	0.00
<u>SCR 050 Hearings</u>									
Package 092: Fund Shifts sweeps									
Personal Services	166,100	0	(332,199)	0	0	0	(166,099)	0	0.00
Services and Supplies	4,367	0	(8,733)	0	0	0	(4,366)	0	0.00
<u>SCR 060 Elections</u>									
Package 092: Fund Shifts sweeps									
Personal Services	31,215	0	(62,430)	0	0	0	(31,215)	0	0.00
Services and Supplies	0	0	0	0	0	0	0	0	0.00
Package 103: Roll over of One Time Funding									
Personal Services	0	0	(3,100)	0	0	0	(3,100)	0	0.00
Services and Supplies	0	0	(11,900)	0	0	0	(11,900)	0	0.00
TOTAL ADJUSTMENTS	<u>\$932,803</u>	<u>\$0</u>	<u>(\$1,880,602)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$947,799)</u>	<u>0</u>	<u>0.00</u>
SUBCOMMITTEE RECOMMENDATION *	<u><u>\$932,803</u></u>	<u><u>\$0</u></u>	<u><u>\$1,864,507</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$2,797,310</u></u>	<u><u>13</u></u>	<u><u>13.00</u></u>

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
% Change from 2009-11 Leg Approved Budget	-42.54%	0.00%	6.02%	0.00%	0.00%	0.00%	-17.29%	0.00%	4.00%
% Change from 2011-13 Current Service Level	-52.54%	0.00%	-0.49%	0.00%	0.00%	0.00%	-27.14%	0.00%	4.00%
% Change from 2011-13 Governor's Recommended Budget	100.00%	0.00%	-50.21%	0.00%	0.00%	0.00%	-25.31%	0.00%	0.00%

\* Excludes Capital Construction Expenditures

## Legislatively Approved 2011-2013 Key Performance Measures

**Agency: EMPLOYMENT RELATIONS BOARD**

Mission: The Mission Of The Employment Relations Board Is To Resolve Disputes Concerning Labor And Employment Relations.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 a - Union representation -- Average number of days to resolve a petition for union representation when a contested case hearing is required.		Approved KPM	215.00	225.00	225.00
1 b - Union representation -- Average number of days to resolve a petition for union representation when a contested case hearing is not required.		Approved KPM	58.00	79.00	79.00
2 a - Administrative Law Judge (ALJ) hearings -- Average number of days from the date of filing of a contested case to the first date an ALJ is available to hear the case.		Approved KPM	89.00	60.00	60.00
2 b - Administrative Law Judge (ALJ) hearings -- Average number of days from the date of filing of a contested case to the actual date of the hearing.		Approved KPM	161.00	90.00	90.00
3 - Settling cases -- Percentage of cases assigned to an ALJ that are settled or withdrawn prior to hearing.		Approved KPM	35.00	40.00	40.00
4 - Recommended orders -- Average number of days for an Administrative Law Judge to issue a recommended order after the record in a contested case hearing is closed.		Approved KPM	123.00	60.00	60.00
5 - Final Board orders -- Average number of days from submission of a case to the Board until issuance of a final order.		Approved KPM	135.00	70.00	70.00
6 - Process complaints in a timely manner -- Average number of days to process a case that involves a hearing, from the date of filing to the date of the final order.		Approved KPM	485.00	300.00	300.00
7 a - Appeals -- Percentage of Board Orders which are appealed.		Approved KPM	21.00	15.00	15.00
7 b - Appeals -- Percentage of Board Orders which are reversed on appeal.		Approved KPM	0.00	10.00	10.00
8 a - Mediation effectiveness -- Percentage of contract negotiations disputes that are resolved by mediation for strike-permitted employees.		Approved KPM	94.00	94.00	94.00

**Agency: EMPLOYMENT RELATIONS BOARD**

Mission: The Mission Of The Employment Relations Board Is To Resolve Disputes Concerning Labor And Employment Relations.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
8 b - Mediation effectiveness -- Percentage of contract negotiations disputes that are resolved by mediation for strike-prohibited employees.		Approved KPM	40.00	80.00	80.00
9 a - Mediator availability -- Average number of days following a request for mediation assistance in contract negotiations to the date a mediator is available to work with the parties.		Approved KPM	46.00	30.00	30.00
9 b - Mediator availability -- Average number of days following a request for mediation assistance in contract negotiations to the date the first mediation session occurs.		Approved KPM	66.00	45.00	45.00
10 - Customer Satisfaction - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Accuracy	Approved KPM	90.00	95.00	95.00
10 - Customer Satisfaction - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Availability of Information	Approved KPM	73.00	95.00	95.00
10 - Customer Satisfaction - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Expertise	Approved KPM	98.00	95.00	95.00
10 - Customer Satisfaction - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Helpfulness	Approved KPM	95.00	95.00	95.00
10 - Customer Satisfaction - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Overall	Approved KPM	68.00	95.00	95.00
10 - Customer Satisfaction - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Timeliness	Approved KPM	30.00	95.00	95.00

**LFO Recommendation:**

The Legislative Fiscal Office recommends approval the Employment Relations Board 2011-13 Key Performance Measures and targets.

**Sub-Committee Action:**

The Subcommittee approved the Legislative Fiscal Office recommendations.