

Employment Relations Board				
	2011-13 Actuals	2013-15 Leg. Approved*	2015-17 CSL LFO	2015-17 Governor's Recommended
General Fund	1,903,465	2,061,040	2,374,084	2,407,843
Other Funds	1,723,240	2,140,264	1,998,164	2,043,485
Total Funds	3,626,705	4,201,304	4,372,248	4,451,328
Positions	13	13	13	13
FTE	13.00	13.00	13.00	13.00
*includes Emergency Board and administrative actions through December 2014.				

Program Description

The Employment Relations Board’s (ERB) mission is to resolve disputes concerning labor relations. ERB provides four main services to help employers, employees, and labor organizations resolve their disputes: labor mediation; contested case hearings; state employee appeal cases; and union representation elections. The Board for ERB acts as the state’s “labor appeal court” for labor and management disputes within state and local government.

Over the last eight years, ERB has had on average 225 cases per fiscal year, with majority attributable to local government (71%) rather than state government (29%). For 2014, there were 159 hearing; 66 Board; 88 mediation; and 35 elections cases before the agency. The average for the last eight years has been 153 hearing; 54 Board; 100 mediation; and 43 elections cases before the agency. The timely disposition of all case-types has improved markedly in fiscal year 2014 as compared to the eight year average.

CSL Summary and Issues

The 2015-17 current service level budget for the agency totals \$4.4 million total funds (13.00 FTE). The CSL is \$170,866, or 4.3%, more than the 2013-15 legislatively approved budget of \$4.2 million (13.00 FTE). The budget is 82% personal services and 18% services and supplies.

In concept, ERB receives General Fund revenue and charges fees to support labor relations functions conducted on behalf of local government while state government-related activities are supported by an Other Funds assessment on state agencies. ERB is funded with approximately 54.3% General Fund, 40.3% state agency assessment, and 5.4% fee revenue.

The ERB state agency assessment is based on the number of covered employees, including non-unionized employees from the Executive, Legislative, Judicial branches as well as temporary employees. The employer rather than the employee pays the assessment. The projected state agency assessment revenue for 2015-17 is \$1,501,440, which is based on a \$1.84 assessment per month for approximately 33,000 state employees. State agency assessment revenue has a General Fund component since some agencies use General Fund to pay their assessment.

At CSL, ERB expects to have \$2.1 million in available revenue to support its \$2 million Other Funds budget. This includes a beginning balance of \$390,000 and an ending balance totals \$130,685, which represents an inordinately low 1.6 months of reserve. The agency finished the 2011-13 biennium with an actual cash balance of \$842,279.

ERB and the Department of Administrative Services – Chief Financial Office, at the request of the Legislative Fiscal Office, are in the process of reviewing and updating its state agency assessment calculation, including its beginning and ending balances.

ERB expects to receive \$90,100 in Other Funds from its statutory fees. The agency charges fees for the following services: filing fees for unfair labor practice complaints, contract mediations, arbitrator panel, and an hourly rate charged for mediation training. These fees are estimated to generate \$142,404.

The agency's CSL budget includes a fund shift of \$226,391 assessment funding to General Fund for SB 270 (2013), which exempts a university with an independent governing board from paying the ERB state agency assessment under ORS 240.167; however, ERB is still be required to provide services to such a universities, which will increase to a certain extent fee revenue for the agency. This package also adjusts the fund split among all 13 ERB employees, although that change was not required by SB 270.

Policy Issues

The agency request budget includes three policy option packages totaling \$114,854 (1 position/0.25 FTE):

1. Package 101 - Electronic Filing/Case Management System – Phase-I of build an electronic case management system that may eventually include a web-based electronic filing component (\$25,379 General Fund and \$19,941 Other Funds). Ongoing costs will also be approximately \$91,000 per biennia.
2. Package 102 - Limited Duration Temporary Training Position - Limited Duration Program Analyst 1 to improve mediation training (\$20,268 General Fund and \$15,925 Other Funds; one positions/0.25 FTE). ***NOTE:*** *The agency has requested that this policy package be withdrawn from consideration.*
3. Package 103 - Reclassification of Office Administrator - Reclassifies the agency's current Office Administrator (PEM-B) to a Principal Executive Manager D (\$7,961 General Fund and \$25,380 Other Funds). ***NOTE:*** *The funding split of this package*

needs to be modified to reflect the agency's proposed 56% General Fund, 40% state agency assessment, and 4% fee revenue splits.

Other Significant Issues and Background

During the Legislative session in 2014, ERB received supplemental funding for three items: (a) \$35,994 General Fund and \$111,579 Other Funds to pay for employee pay differentials; (b) \$55,289 General Fund and \$36,411 Other Funds to pay for unemployment benefits and vacation payouts; and (c) \$24,953 General Fund for mediator travel. The source of Other Funds is from the agency's state agency assessment (\$87,998) and fee revenue (\$60,022).

The Emergency Board in September of 2014, then approved compensation plan changes for the agency's Administrative Specialist 2; Legal Secretary; Administrative Law Judge; and Mediator positions. These changes incorporated the differentials into the compensation plan for these four classifications, thereby removing the need the differentials. Budgeted differentials can now be moved to the salary and wages line-item (\$187,515).

By budget note, the Legislature in 2013 directed that administrative law judges (ALJ) resume traveling to local jurisdictions. ERB intends to continue this practice through the 2015-17 biennium.

Co-Chairs' Budget Framework Discussion

No specific budget details or issues were identified in the Co-Chairs' budget framework for this agency.