

BUDGET REPORT AND MEASURE SUMMARY

Joint Committee On Ways and Means

Action:

Action Date:

Vote:

Prepared By: Michelle Lisper, Department of Administrative Services

Reviewed By: John Borden, Legislative Fiscal Office

Agency: Employment Relations Board

Biennium: 2015-17

Budget Summary*

	2013-15 Legislatively Approved Budget ⁽¹⁾	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 2,061,040	\$ 2,374,084	\$ 2,399,463	\$ 338,423	16.4%
Other Funds Limited	\$ 2,140,264	\$ 1,998,164	\$ 2,018,105	\$ (122,159)	-5.7%
Total	\$ 4,201,304	\$ 4,372,248	\$ 4,417,568	\$ 216,264	5.1%

Position Summary

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

⁽¹⁾ Includes adjustments through December 2014

* Excludes Capital Construction expenditures

Revenue Summary

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, including employees from the Legislative and Judicial branches and temporary employees. For the 2015-17 biennium, the state agency assessment will increase from \$1.65 per month to \$1.92 per month. The assessment is expected to generate \$1,658,880.

ERB is expected to receive \$237,409 in Other Funds fees for services including contract mediation fees to local governments, grievance and Unfair Labor Practice fees, interest based bargaining training fees, and filing fees for Unfair Labor Practice complaints and answers.

ERB will receive \$2,399,463 in General Fund revenue to support labor relations functions conducted on behalf of local governments.

The Subcommittee approved Package 801, a revenue-only package, that increase the agency's 2015-17 beginning balance by \$154,736 Other Funds to reflect an updated estimate of carryover funds from the 2013-15 biennium. With this adjustment, the estimated 2015-17 ending balance is \$265,480, equivalent to three months of operating reserves.

Summary of General Government Subcommittee Action

The mission of 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 total funds budget of \$4,417,568; \$2,399,463 General Fund, \$2,018,105 Other Funds, and 13 positions (13.00 FTE). This represents a total fund increase of 5.1 percent from the 2013-15 Legislatively Approved Budget as of December 2014. The agency position count and FTE are unchanged.

During the September 2014 meeting of the Emergency Board, a compensation plan change was approved. The agency's differential line-item is eliminated, as position costs are now fully budgeted under salary and wages.

Administration Program

The three-member Board acts as a "labor appeal court" for labor and management disputes within state and local governments. The Board is appointed by the Governor and is responsible for issuing final agency orders in declaratory rulings, contested case adjudications of unfair labor practice complaints, representation matters, and appeals from state personnel actions. Board orders can be appealed to the Oregon Court of Appeals.

The Subcommittee approved a budget of \$2,153,451 total funds; \$1,217,269 General Fund and \$936,182 Other Funds and five positions (5.00 FTE).

The Subcommittee approved the following adjustments to the Board's current service level budget:

- Package 101: Electronic Filing/Case Management System. This package increases the budget by \$45,320 total funds; \$25,379 General Fund and \$19,941 Other Funds. Specifically this request will allow the Board to procure a vendor that will design, develop, maintain and host an electronic case management system. The agency will be charged an annual licensing and hosting fee estimated at \$45,320 beginning July 2016. The project will be managed internally by the agency.

Additionally, this package represents costs for phase one of a two phase project. Phase 2 would provide stakeholders with the ability to electronically file documents and make e-payments through a web-based portal. Phase 2, if approved by the Legislature in 2017, is expected to begin and be implemented during the 2017-19 biennium, with an estimated cost ranging from \$10,000 to \$15,000. Once both phases of the project are completed, the cost to maintain and license the new system is estimated at an upward range of \$60,320 annually.

Mediation and Conciliation Services Program

The Mediation and Conciliation Services Program provides mediation and conciliation services to resolve a variety of disputes, including those related to collective bargaining, contract grievances, unfair labor practice allegations, State Personnel Labor Relations Law appeals, and representation matters. Mediation and Conciliation Services also provides training in interest-based bargaining, labor/management problem-solving, and other similar programs designed for specific needs of the parties. These services are non-mandatory.

The Subcommittee approved a budget of \$1,017,397 total funds; \$526,586 General Fund, \$490,811 Other Funds and four positions (3.50 FTE).

The Subcommittee approved the following adjustments to the Board's current service level budget:

- Package 801: LFO Analyst Adjustments. This package is a technical adjustment which moves \$24,953 General Fund for Instate Travel to the Mediation Program from the Hearings Office in order to align the budgeted expenditures with program activity. This adjustment will have a net zero impact to the budget.

Hearings Office

The Hearings Office is comprised of Administrative Law Judges (ALJ's) that hear all unfair labor practice complaints filed by state and local government labor or management representatives, hear all state personnel appeals, and hear representation matters referred by the Elections Coordinator that require a contested case hearing. All proposed decisions are forwarded to the Employment Relations Board for automatic review and the issuance of a final order. Parties, who disagree with the ALJ's proposed decision, have the right to appeal the decision as it is being reviewed by the Employment Relations Board.

The Subcommittee approved a budget of \$1,246,720 total funds; \$655,608 General Fund, \$591,112 Other Funds and four positions (4.50 FTE).

The Subcommittee approved the following adjustments to the Board's current service level budget:

- Package 801: LFO Analyst Adjustments. This package is a technical adjustment which moves \$24,953 General Fund for Instate Travel from the Hearings Office to the Mediation Program in order to align the budgeted expenditures with program activity. This adjustment will have a net zero impact to the budget.

Summary of Performance Measure Action

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

Michelle Lisper-- 503-378-3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at Dec 2014 *	\$ 2,061,040	\$ -	\$ 2,140,264	\$ -	\$ -	\$ -	\$ 4,201,304	13	13.00
2015-17 Current Service Level (CSL)*	\$ 2,374,084	\$ -	\$ 1,998,164	\$ -	\$ -	\$ -	\$ 4,372,248	13	13.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 030 - Administration									
Package 101: Electronic Filing/Case Management System									
Services and Supplies (IT Professional Services)	\$ 25,379	\$ -	\$ 19,941	\$ -	\$ -	\$ -	\$ 45,320		
SCR 040 - Mediation									
Package 801: Analyst Adjustment									
Services and Supplies (Instate Travel)	\$ 24,953	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,953		
SCR 050 - Hearings									
Package 801: Analyst Adjustment									
Services and Supplies (Instate Travel)	\$ (24,953)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (24,953)		
TOTAL ADJUSTMENTS	\$ 25,379	\$ -	\$ 19,941	\$ -	\$ -	\$ -	\$ 45,320		
SUBCOMMITTEE RECOMMENDATION *	\$ 2,399,463	\$ -	\$ 2,018,105	\$ -	\$ -	\$ -	\$ 4,417,568	13	13.00
% Change from 2013-15 Leg Approved Budget	16.4%	0.0%	-5.7%	0.0%	0.0%	0.0%	5.1%		
% Change from 2015-17 Current Service Level	1.1%	0.0%	1.0%	0.0%	0.0%	0.0%	1.0%		

*Excludes Capital Construction Expenditures

Legislatively Approved 2015-2017 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 2016	Target 2017
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	54.00	79.00	79.00
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	100.00	110.00	110.00
5 - Final Board orders -- Average number of days from submission of a case to the Board until issuance of a final order.		Approved KPM	49.00	60.00	60.00
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	97.00	94.00	94.00
8 b - Mediation effectiveness -- Percentage of contract negotiations disputes that are resolved by mediation for strike-prohibited employees.		Approved KPM	64.00	80.00	80.00
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	81.00	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	96.00	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	83.00	95.00	95.00

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
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	87.00	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	78.00	95.00	95.00

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the proposed key performance measures and targets.

Sub-Committee Action:

The General Government Subcommittee adopted the Legislative Fiscal Office recommendations.