

**SB 5509 BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

**Prepared By:** Dustin Ball, Department of Administrative Services

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

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**Employment Relations Board**

**2019-21**

PRELIMINARY

**Budget Summary\***

	2017-19 Legislatively Approved Budget <sup>(1)</sup>	2019-21 Current Service Level	2019-21 Committee Recommendation	Committee Change from 2017-19 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 2,556,694	\$ 2,982,956	\$ 2,981,151	\$ 424,457	16.6%
Other Funds Limited	\$ 2,556,456	\$ 2,420,716	\$ 2,422,521	\$ (133,935)	-5.2%
Total	\$ 5,113,150	\$ 5,403,672	\$ 5,403,672	\$ 290,522	5.7%

**Position Summary**

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

<sup>(1)</sup> Includes adjustments through December 2018

\* 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, including employees from the Executive, Legislative and Judicial branches and temporary employees. For the 2019-21 biennium, the state agency assessment will increase from \$2.14 per month to \$2.34 per month. The assessment is estimated to generate \$2.1 million in Other Funds revenue.

It is important to note the assessment built into agency budgets was at a higher amount than the level approved by the General Government Subcommittee. However, because the ERB rate change to each individual agency is relatively small when compared to the overall budget of the agency, the individual agency budgets were not adjusted for this change.

In addition to revenue collected from state agencies, ERB is expected to collect \$250,890 from fees for services including contract, grievance and Unfair Labor Practice mediation fees to local governments, interest based bargaining training fees to local governments, and filing fees for Unfair Labor Practice complaints and answers.

The budget for ERB includes a beginning balance adjustment (increase) of \$32,521 for a projected beginning balance of \$561,065 (\$437,768 State Agency Assessment and \$123,297 fees and other revenue) and a projected ending balance of \$504,400. The ending balance represents 4.8 months of reserves, before any anticipated compensation plan adjustments.

The Board will receive \$2,981,151 General Fund revenue to support labor relations functions conducted on behalf of local governments.

## **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 Board 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 some personnel actions regarding certain non-union state employees; 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 \$5,403,672 total funds; \$2,981,151 General Fund, \$2,422,521 Other Funds expenditure limitation and 13 positions (13.00 FTE). This represents a total fund increase of 5.7 percent from the 2017-19 Legislatively Approved Budget, as of December 2018. The agency position count and full-time equivalent positions are unchanged.

### **Administration Program**

The three-member board acts as a “labor appeals 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 \$2,816,612 total funds; \$1,544,370 General Fund, \$1,272,242 Other Funds limitation, and five positions (5.00 FTE). The Subcommittee approved Package 801, LFO Analyst Adjustments; ERB can fund, on a one-time basis, Policy Package 100 – Hearing Assistance Labor Cost Split, by fund shifting \$38,224 General Fund Services and Supplies to \$38,224 Other Funds Services and Supplies. The revenue to support this fund shift is from surplus or unneeded Other Funds ending balance.

### **Mediation and Conciliation Services Program**

The Mediation and Conciliation Services Program provides 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 designated for specific needs of the parties. These training services are non-mandatory.

The Subcommittee approved a budget of \$1,200,246 total funds; \$699,414 General Fund, \$530,832 Other Funds limitation, and four positions (3.50 FTE).

### **Hearings Office**

The Hearings Office is comprised of Administrative Law Judges (ALJs) that hear unfair labor practice complaints filed by state and local government labor and management representatives, state personnel appeals, and representation matters referred by the Election Coordinator, which require a contested case hearing. All proposed decisions are forwarded to the three-member Board for automatic review and the issuance of a final order. Parties who disagree with the ALJ's proposed decision have the right to file specific objections with the Board.

The Subcommittee approved a budget of \$1,386,814 total funds; \$767,367 General Fund, \$619,447 Other Funds expenditure limitation, and four positions (4.50 FTE). The Subcommittee approved Package 100, Hearing Assistance Labor Cost Split, to ERB's current service level. This policy package adjusts the fund split on one position from 30 percent General Fund and 70 percent Other Funds to 56 percent General Fund and 44 percent Other Funds to conform the agency's overall fund split. The cost of this package is \$36,419 General Fund.

### **Summary of Performance Measure Action**

See attached "Legislatively Approved 2019-2021 Key Performance Measures."

PRELIMINARY

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

Employment Relations Board  
Dustin Ball -- 503-378-3119

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2017-19 Legislatively Approved Budget at Dec 2018 *	\$ 2,556,694	\$ -	\$ 2,556,456	\$ -	\$ -	\$ -	5,113,150	13	13.00
2019-21 Current Service Level (CSL)*	\$ 2,982,956	\$ -	\$ 2,420,716	\$ -	\$ -	\$ -	5,403,672	13	13.00
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 030 - Administration</b>									
Package 801: LFO Analyst Adjustments									
Services and Supplies	\$ (38,224)	\$ -	\$ 38,224	\$ -	\$ -	\$ -	-		
<b>SCR 050 - Hearings</b>									
Package 100: Hearing Assistance Labor cost Split									
Personal Services	\$ 36,419	\$ -	\$ (36,419)	\$ -	\$ -	\$ -	-	0	0.00
<b>TOTAL ADJUSTMENTS</b>	<b>\$ (1,805)</b>	<b>\$ -</b>	<b>\$ 1,805</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>0</b>	<b>0.00</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 2,981,151</b>	<b>\$ -</b>	<b>\$ 2,422,521</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>5,403,672</b>	<b>13</b>	<b>13.00</b>
% Change from 2017-19 Leg Approved Budget	16.6%	0.0%	-5.2%	0.0%	0.0%	0.0%	5.7%		
% Change from 2019-21 Current Service Level	-0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%		

\*Excludes Capital Construction Expenditures

PRELIMINARY

# Legislatively Approved 2019 - 2021 Key Performance Measures

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**Agency:** Employment Relations Board

**Mission Statement:**

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

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
1. Union representation - Average number of days to resolve a petition for union representation when a contested case hearing is not required.		Approved	35	60	60
2. 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	94	100	100
3. Final Board orders - Average number of days from submission of a case to the Board until issuance of a final order.		Approved	27	50	50
4. Mediation effectiveness - Percentage of contract negotiations disputes that are resolved by mediation for strike-permitted employees.		Approved	93%	95%	95%
5. Appeals - Percentage of Board Orders which are reversed on appeal.		Approved	0%	5%	5%
6. Mediation effectiveness - Percentage of contract negotiations disputes that are resolved by mediation for strike-prohibited employees.		Approved	96%	85%	85%
7. 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	93%	95%	95%
	Helpfulness		93%	95%	95%
	Accuracy		100%	95%	95%
	Timeliness		93%	95%	95%
	Overall		96%	95%	95%
	Availability of Information		82%	95%	95%

**LFO Recommendation:**

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

**SubCommittee Action:**

The General Government Subcommittee adopted the Legislative Fiscal Office recommendaion.