

**Legislative
Fiscal Office**

Oregon State Capitol
900 Court Street NE, H-178
Salem, OR 97301
503-986-1828



**Joint Committee on
Ways and Means**

Sen. Betsy Johnson, Senate Co-Chair
Sen. Elizabeth Steiner Hayward, Senate Co-Chair
Rep. Dan Rayfield, House Co-Chair

Sen. Jackie Winters, Senate Co-Vice Chair
Rep. David Gomberg, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

Ken Rocco, Legislative Fiscal Officer
Paul Siebert, Deputy Legislative Fiscal Officer

To: General Government Subcommittee
From: John Borden, Legislative Fiscal Office
Date: March 6, 2019
Subject: SB 5509 – Employment Relations Board
Work Session Recommendations

Employment Relations Board

	2015-17 Actual	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 LFO Recommended
General Fund	2,368,937	2,556,694	2,982,956	2,981,151
Other Funds	1,842,428	2,556,456	2,420,716	2,422,521
Total Funds	4,211,365	5,113,150	5,403,672	5,403,672
Positions	13	13	13	13
FTE	13.00	13.00	13.00	13.00

* Includes Emergency Board and administrative actions through December 2018.

Attached are the recommendations from the Legislative Fiscal Office for the Employment Relations Board. The recommendation is for a budget that is \$5.4 million, or 5.7%, more than the 2017-19 legislatively approved budget of \$5.1 million (13.00 FTE).

The recommendation includes:

- The 2019-21 ERB state agency assessment is \$2.34 per covered employee per month, which is a \$0.20, or 8.5%, increase from the 2017-19 assessment of \$2.14. The assessment will raise an estimated \$2.1 million.
- Policy Package #100 Hearing Assistant Labor Cost Split- \$36,419 General Fund and <\$36,419 Other Funds> to adjust the fund split on one position from 30% General Fund and 70% Other Funds to 56% General Fund and 44% Other Funds to conform to the agency’s overall fund split.
- Policy Package #801 LFO Analyst Adjustments - A one-time fund shift of \$38,224 General to Other Funds to fund Policy Package #100.

Adjustments to Current Service Level

See attached “Work Session Presentation Report.”

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5509 (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5509, with modifications. (VOTE)

Performance Measures

See attached "Legislatively Proposed 2019-21 Key Performance Measures."

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)

Recommended Changes

LFO recommends a budget of \$2,981,151 General Fund and \$2,422,521 Other Funds, and 13 positions (13.00 FTE), which is reflected in the -1 amendment.

MOTION: I move adoption of the -1 amendment to SB 5509. (VOTE)

Final Subcommittee Action

LFO recommends that SB 5509, as amended by the -1 amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move SB 5509, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	2,491,749	-	2,500,764	-	-	-	4,992,513	13	13.00
2017-19 Ebds, SS & Admin Act	64,945	-	55,692	-	-	-	120,637	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	2,556,694	-	2,556,456	-	-	-	5,113,150	13	13.00
2017-19 Leg Approved Budget (Base)	2,556,694	-	2,556,456	-	-	-	5,113,150	13	13.00
Summary of Base Adjustments	133,221	-	134,064	-	-	-	267,285	-	-
2019-21 Base Budget	2,689,915	-	2,690,520	-	-	-	5,380,435	13	13.00
010: Non-PICS Pers Svc/Vacancy Factor	11,210	-	9,297	-	-	-	20,507	-	-
020: Phase In / Out Pgm & One-time Cost	242,358	-	(314,557)	-	-	-	(72,199)	-	-
030: Inflation & Price List Adjustments	39,473	-	35,456	-	-	-	74,929	-	-
2019-21 Current Service Level	2,982,956	-	2,420,716	-	-	-	5,403,672	13	13.00
Adjusted 2019-21 Current Service Level	2,982,956	-	2,420,716	-	-	-	5,403,672	13	13.00
Total LFO Recommended Packages	(1,805)	-	1,805	-	-	-	-	-	-
2019-21 Legislative Actions	2,981,151	-	2,422,521	-	-	-	5,403,672	13	13.00
Net change from 2017-19 Leg Approved Budget	424,457	-	(133,935)	-	-	-	290,522	-	-
Percent change from 2017-19 Leg Approved Budget	16.6%	0.0%	(5.2%)	0.0%	0.0%	0.0%	5.7%	0.0%	0.0%
Net change from 2019-21 Adj Current Service Level	(1,805)	-	1,805	-	-	-	-	-	-
Percent change from 2019-21 Adj Current Service Level	(0.1%)	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2017-19 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	-	-	-	-	-	-	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description REVENUE ONLY: 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. The recommended budget for the 2019-21 biennium is based on an assessment of \$2.34 per employee/per month for 37,000 employees. The assessment will generate an estimated \$2.1 million in Other Funds revenue, which includes a three month reserve of \$279,296. The 2017-19 biennium's assessment was \$2.14 per employee/per month for 37,000 employees. The recommended assessment represents an increase of \$0.20, or 8.5%, per employee/month for an increase of \$175,573. A reduction of \$140,415 Other Funds revenue for Charges for Services reconciles ERB's State Agency Assessment revenue in ORBITS.

In addition, this package 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.

LFO Recommendation Approve an ERB State Agency Assessment rate of \$2.34 per employee/per month for the 2019-21 biennium.

LFO Analyst Notes SB 5509 (2019)

LFO Recommended - - - - -

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	1,183,687	-	1,172,648	-	-	-	2,356,335	5	5.00
2017-19 Ebds, SS & Admin Act	16,090	-	12,643	-	-	-	28,733	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	1,199,777	-	1,185,291	-	-	-	2,385,068	5	5.00
2017-19 Leg Approved Budget (Base)	1,199,777	-	1,185,291	-	-	-	2,385,068	5	5.00
Summary of Base Adjustments	69,658	-	54,745	-	-	-	124,403	-	-
2019-21 Base Budget	1,269,435	-	1,240,036	-	-	-	2,509,471	5	5.00
010: Non-PICS Pers Svc/Vacancy Factor	4,643	-	3,777	-	-	-	8,420	-	-
020: Phase In / Out Pgm & One-time Cost	271,098	-	(42,911)	-	-	-	228,187	-	-
030: Inflation & Price List Adjustments	37,418	-	33,116	-	-	-	70,534	-	-
2019-21 Current Service Level	1,582,594	-	1,234,018	-	-	-	2,816,612	5	5.00
Adjusted 2019-21 Current Service Level	1,582,594	-	1,234,018	-	-	-	2,816,612	5	5.00
Total LFO Recommended Packages	(38,224)	-	38,224	-	-	-	-	-	-
2019-21 Legislative Actions	1,544,370	-	1,272,242	-	-	-	2,816,612	5	5.00
Net change from 2017-19 Leg Approved Budget	344,593	-	86,951	-	-	-	431,544	-	-
Percent change from 2017-19 Leg Approved Budget	28.7%	0.0%	7.3%	0.0%	0.0%	0.0%	18.1%	0.0%	0.0%
Net change from 2019-21 Adj Current Service Level	(38,224)	-	38,224	-	-	-	-	-	-
Percent change from 2019-21 Adj Current Service Level	(2.4%)	0.0%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description 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. After this action, ERB will have a projected ending balance of \$504,400 or 4.8 months of reserves.

LFO Recommendation Approve the package.

LFO Analyst Notes SB 5509 (2019)

LFO Recommended	(38,224)	-	38,224	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	633,438	-	751,451	-	-	-	1,384,889	4	3.50
2017-19 Ebds, SS & Admin Act	23,807	-	18,707	-	-	-	42,514	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	657,245	-	770,158	-	-	-	1,427,403	4	3.50
2017-19 Leg Approved Budget (Base)	657,245	-	770,158	-	-	-	1,427,403	4	3.50
Summary of Base Adjustments	36,486	-	28,667	-	-	-	65,153	-	-
2019-21 Base Budget	693,731	-	798,825	-	-	-	1,492,556	4	3.50
010: Non-PICS Pers Svc/Vacancy Factor	3,077	-	2,417	-	-	-	5,494	-	-
020: Phase In / Out Pgm & One-time Cost	(28,740)	-	(271,646)	-	-	-	(300,386)	-	-
030: Inflation & Price List Adjustments	1,346	-	1,236	-	-	-	2,582	-	-
2019-21 Current Service Level	669,414	-	530,832	-	-	-	1,200,246	4	3.50
Adjusted 2019-21 Current Service Level	669,414	-	530,832	-	-	-	1,200,246	4	3.50
2019-21 Legislative Actions	669,414	-	530,832	-	-	-	1,200,246	4	3.50
Net change from 2017-19 Leg Approved Budget	12,169	-	(239,326)	-	-	-	(227,157)	-	-
Percent change from 2017-19 Leg Approved Budget	1.9%	0.0%	(31.1%)	0.0%	0.0%	0.0%	(15.9%)	0.0%	0.0%
Net change from 2019-21 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2019-21 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	674,624	-	576,665	-	-	-	1,251,289	4	4.50
2017-19 Ebds, SS & Admin Act	25,048	-	24,342	-	-	-	49,390	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	699,672	-	601,007	-	-	-	1,300,679	4	4.50
2017-19 Leg Approved Budget (Base)	699,672	-	601,007	-	-	-	1,300,679	4	4.50
Summary of Base Adjustments	27,077	-	50,652	-	-	-	77,729	-	-
2019-21 Base Budget	726,749	-	651,659	-	-	-	1,378,408	4	4.50
010: Non-PICS Pers Svc/Vacancy Factor	3,490	-	3,103	-	-	-	6,593	-	-
030: Inflation & Price List Adjustments	709	-	1,104	-	-	-	1,813	-	-
2019-21 Current Service Level	730,948	-	655,866	-	-	-	1,386,814	4	4.50
Adjusted 2019-21 Current Service Level	730,948	-	655,866	-	-	-	1,386,814	4	4.50
Total LFO Recommended Packages	36,419	-	(36,419)	-	-	-	-	-	-
2019-21 Legislative Actions	767,367	-	619,447	-	-	-	1,386,814	4	4.50
Net change from 2017-19 Leg Approved Budget	67,695	-	18,440	-	-	-	86,135	-	-
Percent change from 2017-19 Leg Approved Budget	9.7%	0.0%	3.1%	0.0%	0.0%	0.0%	6.6%	0.0%	0.0%
Net change from 2019-21 Adj Current Service Level	36,419	-	(36,419)	-	-	-	-	-	-
Percent change from 2019-21 Adj Current Service Level	5.0%	0.0%	(5.6%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 100 Hearing Assistance Labor Cost Split

Package Description This policy package adjusts the fund split on one position from 30% General Fund and 70% Other Funds to 56% General Fund and 44% Other Funds to conform to the agency's overall fund split. The cost would be \$36,419 General Fund.

LFO Recommendation Approve the package.

LFO Analyst Notes SB 5509 (2019)

LFO Recommended	36,419		(36,419)						
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2017-19 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget (Base)	-	-	-	-	-	-	-	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2019-21 Base Budget	-	-	-	-	-	-	-	-	-
2019-21 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-
2019-21 Legislative Actions	-	-	-	-	-	-	-	-	-
Net change from 2017-19 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percent change from 2017-19 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net change from 2019-21 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2019-21 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Legislatively Proposed 2019 - 2021 Key Performance Measures

Published: 2/16/2019 7:56:59 AM

Agency: Employment Relations Board

Mission Statement:

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

Legislatively Proposed 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:

SB 5509-1
(LC 9509)
2/18/19 (DFY/ps)

Requested by JOINT COMMITTEE ON WAYS AND MEANS

**PROPOSED AMENDMENTS TO
SENATE BILL 5509**

- 1 In line 6 of the printed bill, delete "\$3,011,424" and insert "\$2,981,151".
- 2 In line 7, delete "\$289,563" and insert "\$327,787".
- 3 In line 13, delete "\$2,089,472" and insert "\$2,094,734".

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