

TESTIMONY PRESENTED

BY:

W. Craig Zimpher, Chair
State Employment Relations Board

BEFORE:

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Finance Committee/Subcommittee on
Agriculture, Development and Natural Resources

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Mr. Chairman and members of the Subcommittee, good afternoon. I am Craig Zimpher, Chair of the State Employment Relations Board, or SERB; I'm pleased and honored to be with you today to discuss the proposed biennial budget for SERB and SPBR. As you know funding was consolidated several biennia ago. And while the mission and responsibilities of both remain distinct and separate, we have realized significant and productive cost efficiencies and economies of scale through maximizing staff support, facilities allocation, and administration. Collectively, however, the two Boards oversee practically all aspects of the employer/employee relationship in Ohio's public sector. SERB exercises jurisdiction over all aspects of Ohio's public sector collective bargaining process, while the State Personnel Board has jurisdiction over classified employees. Mr. Chairman, the mission of both agencies is to effectuate effective, efficient, fair, and objective administration of the employer/employee personnel and bargaining process.

In performing their duties, and achieving our mission, SERB's associates adhere to a statement of culture, developed several years ago, that provides for:

- Integrity and objectivity in the way we conduct ourselves;
- Teamwork as we act with civility and mutual respect, towards achieving the common goal of our Mission;
- Greatness achieved by never compromising our work, providing excellent performance in serving our stakeholders, and pursuing continual improvements; and
- Sharing and celebrating in each other's successes and viewing challenges as opportunities.

The maintenance of an efficient and high-quality civil service system is SPBR's mission. To that end, and in a quasi-judicial capacity, it hears appeals related to removals, suspensions, fines, reclassifications, job abolishments, layoffs, transfers, classified/unclassified status, whistleblowers, and investigation matters. Because the process is not subject to court and related evidentiary procedures, the Board provides an adjudicatory process less formalistic and expensive; more than 50% of the Appellants represent themselves. Another very important function of the SPBR is to assist Ohio's more than 225 municipal civil service commissions to assure consistent compliance with Ohio Civil Service Law.

Mr. Chairman, SERB's principal mission is to facilitate and promote orderly and constructive labor relations for our 2,742 public employers, and 323,000 state and local public employees; this mission must be understood to reflect the interests of all parties. SERB serves as the neutral, objective mediator or arbiter of matters arising in the collective bargaining process. Most importantly, however, our statutory mission of promoting orderly and constructive labor/management relations is designed to lessen or mitigate conflict through mediation, fact-finding and impartial adjudication.

SERB's responsibilities include investigating and adjudicating unfair labor practice charges, determining the size and appropriateness of bargaining units, conducting union representation elections, and providing the parties in 1,000 collective bargaining negotiations with comparative wage, benefits, and contract data. The Bureau of Mediation serves the critical preventative function of assisting employers and employees in negotiations to avoid work stoppages and, in every possible manner, to assist these interests in achieving mutually beneficial outcomes. During the past year our mediators were engaged in 203 mediation sessions involving the negotiation of 165 collective bargaining agreements. Additionally, they conducted "negotiation" training programs, or simulations, in which more than 100 labor or management practitioners participated.

During the last six years, we have implemented a process designed to reduce the friction costs of adjudication. The average annual filing of Unfair Labor Practice Charges is 328. Additionally, another 209 union representation motions were filed and adjudicated last year. The resolution of these cases requires thorough investigation, review and

analysis by our professional Investigations staff. I believe all labor/management stakeholders would agree that, given the regulatory and practical requirements inherent in a fair and thorough review, our “delivery” timeframes are in the “best practices” category. The Board finds probable cause to warrant a hearing in approximately 7.8% of the cases. However, we require the parties, in the majority of cases, to enter into a mediation process prior to the commencement of a formal, legalistic, and often expensive hearing process. In over 87% of such referrals the parties have been able to reconcile their differences and thereby avoid the expenses and contentions of an administrative law hearing.

In meeting these objectives, Mr. Chairman, we are absolutely committed to managing the agency in the most frugal and prudent manner possible.

Throughout the three previous biennia, SERB has proactively managed our budget challenges and maintained successful levels of service. Efficiencies have been realized by:

- Expanding use of personal service and intermittent contracts for Administrative Law Judges and Mediators;
- Discontinuing the production of hearing transcripts in all cases except those that are required by the Courts or specifically requested by the parties;
- Moving toward other paperless operations including: transmitting internal reports electronically, submitting investigation requests electronically, and using electronic correspondence wherever else appropriate;
- Implementing electronic contract filings on a voluntary basis, thereby saving significant staff time required to scan those documents;
- Gaining statutory authority to conduct mail-ballot representation elections instead of on-site elections;
- Eliminating travel reimbursement except for Mediators.

During this biennium SERB has continued its public education efforts through the conduct of labor/management relations seminars, attracting more than 1,000 labor or management participants. We will continue, for the twenty-fifth year, to publish the very

widely utilized *Report on the Cost of Health Insurance in Ohio's Public Sector*. This report is a compendium of the results of a survey of over 1,322 public employers and the various health insurance programs they provide their employees. A copy of the most recent report, along with our agency's 2018 Annual Report, are attached to this testimony. Our Research and Training (R&T) staff maintains a comprehensive web-based data system that contains relevant data from all collective bargaining agreements. This database, comprising our web site, is heavily used by practitioners, experiencing approximately 135,000 visits annually. Additionally, the staff prepares an average of 545 specialized reports every year. A copy of one such report is attached to this testimony.

SERB's priorities and the proposed appropriation are clearly presented on page D-189 of the Executive Budget, and do not need repeating here today.

The FY 2020/2021 budget as presented by the Executive Branch, for all intent and purpose a "status quo" budget, will allow SERB to continue to:

- Present cases to the SERB Board within 150 days of filing;
- Place representation cases on the SERB Board agenda well within our target of 180 days of filing;
- Support proactive mediation to intervene where/when necessary and appropriate in contract negotiations or other labor/management situations to avoid work stoppage or other issues;
- Continue to provide timely and responsive reports to stakeholder requests for information and analysis related to the collective bargaining process;
- Allow the State Personnel Board of Review to adjudicate caseloads without erosion of service and to assist in maintaining the integrity of the civil service systems;
- Allow SERB to continue educational and training programs for the labor/management stakeholders.

Mr. Chairman and members, the proposed FY 2020/2021 budget before you will permit SERB to continue to provide needed and mandated services. The past ten years since SERB and SPBR merged demonstrate a definite frugal and prudent management of resources.

A review of those 10 years reveals that our budgets have held steady; increases have been devoted to mandated parity wage increases (resulting from State Collective Bargaining Agreements) and staff longevity (not members') salary adjustments.

When SERB was established in 1984, there were 51 full time employees. Those early years were reflective of a time when office practices were paper driven, no computers, no "cut and paste" word processing and limited electronic resources. Over time, SERB created electronic and other office efficiencies that are still evolving today resulting in a 43% reduction in staffing over the last 10 years. The 10-year average of funding for SERB has been \$3,886,798. SERB has demonstrated a commitment to service, stewardship and economic oversight. In fact, our appropriation for the current biennium is about \$28,000 less than eight years ago!

A budget less than the proposed appropriation of \$4,225,239 has the potential impact of layoffs, and thus a major interruption and erosion of service to our stakeholders, seriously eroding our mission to promote orderly and constructive labor/management relations.

Mr. Chairman and members of the Committee, I appreciate the opportunity to appear before you today and commit that, within the proposed Executive Budget appropriation, SERB will continue to serve the interests of Ohioans fully and impartially.

Thank you.