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AT A GLANCE

- Beginning July 1, 2017, the Minnesota Public Employment Relations Board (PERB) will receive, investigate and resolve unfair labor practice charges for all public employers and their employees across the State of Minnesota.
- Unfair labor practices are defined as violations of the Minnesota Public Employment Labor Relations Act ⁽²⁾. This law gives certain rights to public employees throughout the State of Minnesota. It prohibits certain conduct by public employers and the labor organizations that represent public employees that interferes with these rights.
- The PERB has three members: one member represents public employees and is appointed by the governor; one member represents public employers and is also appointed by the governor; and the third represents the public at large and is appointed by the other two members. The board selects one of its members to serve as chair July 1st of each year.

PURPOSE

- The Minnesota Public Employment Relations Board (PERB) was created by the Legislature in 2014 to investigate, hear, and resolve unfair labor practice charges and complaints in the public sector. ⁽¹⁾
- The PERB will promote orderly and constructive relationships between all public employers and their employees.
- Prior to creation of the PERB, parties pursuing or defending unfair labor practice charges in the public sector proceeded in litigation in state district court.
- The PERB appoints hearing officers to hear unfair labor practice allegations.
- Upon appeal, the PERB reviews unfair labor practice decisions for the public sector ⁽³⁾, for those involving charitable hospitals ⁽⁴⁾ ⁽⁵⁾, and from the Commissioner of Bureau of Mediation Services ⁽⁶⁾.

BUDGET

Funding in FY 2015 through FY 2017 was appropriated to the Bureau of Mediation Services for purposes of the PERB in the amount of \$125,000 per year from the general fund.

STRATEGIES

- Adopted rules governing the procedures of investigations, hearings, and appeals of unfair labor practices
- Will provide training to labor and management representatives on existing Minnesota labor law and procedures for investigations and hearings before the PERB
- Will provide training to Hearing Officers on hearings before PERB and PERB procedure
- Unfair labor practices may be filed with the PERB in person, by mail, facsimile or an attachment to an e-mail. The PERB has adopted an unfair labor practice form and case numbering system.
- The PERB will conduct a prompt investigation of charges, and issue complaints and conduct hearings in those cases where it determines that the charge involves a material issue of law or fact.
- Hearings will be conducted within 5-20 days of the date the complaint is served on the parties to a case.
- Hearing Officers will issue prompt decisions and recommended orders, either that the complaint be dismissed or finding that the Respondent had engaged in unfair labor practices and recommending certain action to remedy those practices.
- The PERB will issue prompt decisions on the appeal of Hearing Officer recommendations.
- The PERB will place strong emphasis on the voluntary resolution of unfair labor practice cases by the parties involved.

RESULTS

Results will be measured after the first year of implementation.

- (1) MS 179A.041 (<https://www.revisor.mn.gov/statutes/?id=179A.041>)
- (2) MS 179A.01 (<https://www.revisor.mn.gov/statutes/?id=179A.01>)
- (3) MS 179A.13 (<https://www.revisor.mn.gov/statutes/?id=179A.13>)
- (4) MS 179.11 (<https://www.revisor.mn.gov/statutes/?id=179.11>)
- (5) MS 179.12 (<https://www.revisor.mn.gov/statutes/?id=179.12>)
- (6) MS 179A.12, Subd. 11 (<https://www.revisor.mn.gov/statutes/?id=179A.12>)

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecasted Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	0	0	0	0	0	0	525	525
Total	0	0	0	0	0	0	525	525
<i>Biennial Change</i>				0		0		1,050
<i>Biennial % Change</i>				0		0		
<i>Governor's Change from Base</i>								1,050

Expenditures by Program

Program: Public Employment Relations Board	0	0	0	0	0	0	525	525
Total	0	0	0	0	0	0	525	525

Expenditures by Category

Compensation							469	469
Operating Expenses							56	56
Total	0	0	0	0	0	0	525	525
Total Agency Expenditures							525	525
Expenditures Less Internal Billing	0	0	0	0	0	0	525	525

Full-Time Equivalents

							3.0	3.0
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1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Direct Appropriation	0	0	0	0	0	0	525	525
Expenditures	0	0	0	0	0	0	525	525
<i>Biennial Change in Expenditures</i>				0		0		1,050
<i>Biennial % Change in Expenditures</i>				0		0		
<i>Gov's Exp Change from Base</i>								1,050
Full-Time Equivalents		0	0	0	0	0	3.0	3.0

Public Employment Labor Relations Board

FY18-19 Biennial Budget Change Item

Change Item Title: Public Employment Labor Relations Board Operations

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	400	400	400	400
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	400	400	400	400
FTEs	3	3	3	3

Recommendation:

The Governor recommends \$400,000 each year from the general fund to support the operations of the Public Employment Labor Relations Board (PERB).

Rationale/Background:

Since the 1971 adoption of the Public Employment Labor Relations Act (PELRA), unfair labor practices have been adjudicated by Minnesota's District Courts. This process is slow and costly. By Laws of Minnesota 2014, Chapter 211, the Minnesota Legislature amended PELRA to create PERB, a citizen board appointed by the Governor to hear and resolve unfair labor practices. Chapter 211 did not allocate funds directly to the PERB but instructed BMS to "assist" the Board, appropriating \$125,000 per year for this purpose. During FY 2015 the PERB was formed, Board members were appointed, procedures were developed and part-time staff (Interim General Counsel/Executive Director and a clerical) were hired. In FY 2016 the Board established operating Rules through the administrative hearing process and selected Hearing Officers through an RFP process.

Beginning in FY 2018, the PERB will receive, investigate and resolve unfair labor practice charges for all public employers and their employees across the State of Minnesota. In order to provide adequate services, an increased appropriation would be used for costs related to full-time General Counsel, clerical, and investigator staff; for Hearing Officers; for transcription services; and for lease and IT expenditures.

Proposal:

Current statute requires that the PERB be operational and ready to hear cases on July 1, 2017, which is the beginning of FY 2018. This additional appropriation of \$400,000 per year represents an estimate based upon the judgment of the Board of the cost to operate the PERB when it begins operations in FY 2018. The current base appropriation provides for BMS to act as fiscal agent for the PERB; instead, PERB seeks stand-alone status with regard to its fiscal accounts. This \$400,000 increase is above the current base of \$125,000 per fiscal year.

IT Related Proposals:

N.A

Results:

Performance measures will be adopted by the PERB and will be measured with the first year of implementation.

Statutory Change(s):

N.A

Public Employment Labor Relations Board

FY18-19 Biennial Budget Change Item

Change Item Title: Move PERB's Base Appropriation to PERB

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	125	125	125	125
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	125	125	125	125
FTEs	0	0	0	0

Recommendation:

The Governor recommends moving the ongoing Public Employment Relations Board (PERB) base allocation of \$125,000 per year from the Bureau of Mediation Service's (BMS) base to PERB's base. This proposal's impact to the general fund is net zero.

Rationale/Background:

Beginning July 1, 2017, the PERB will receive, investigate and resolve unfair labor practice charges for all public employers and their employees across the State of Minnesota. Funding in FY 2015 through FY 2017 was appropriated to BMS for purposes of assisting the PERB in the amount of \$125,000 per year from the general fund. Beginning in FY 2018, PERB will begin implementation, utilizing the rules it has adopted governing the procedures of investigations, hearings and appeals of unfair labor practices.

Proposal:

Beginning in FY 2018 and each year thereafter, the \$125,000 base appropriation will be moved from BMS to PERB, in order to support PERB in its first year as an operational agency and each year thereafter.

IT Related Proposals:

N.A.

Results:

Performance measures will be adopted by the PERB and will be measured with the first year of implementation.

Statutory Change(s):

N.A.