



Ohio Legislative Service Commission

Bill Analysis

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H.B. 430

128th General Assembly
(As Introduced)

Reps. Goodwin and Morgan, Baker, Blair, Blessing, Boose, Combs, Grossman, Huffman, J. Adams, Stebelton

BILL SUMMARY

- Provides for state administrative departments to adjust employee salaries or wages based on variations in Ohio's Gross Domestic Product (OGDP).
- Requires the Legislative Service Commission to calculate and publish OGDP variations biennially.

CONTENT AND OPERATION

Administrative department employee salaries

(R.C. 124.16(A) and (C))

The bill requires each administrative department to decrease the total amount it spends on employee salaries or wages by the amount Ohio's Gross Domestic Product (OGDP) decreased for the preceding two-year period. If the OGDP increased during the relevant time period, the department may choose to increase its spending on employee salaries and wages by a percentage not larger than the OGDP increase. Any change must take effect on July 1 of each odd-numbered year. For purposes of the bill, "salaries or wages" do not include employee benefits, such as paid leave, insurance coverage, or retirement benefits.

The bill's requirements apply to the following departments only:

Office of Budget and Management	Department of Commerce
Department of Administrative Services	Department of Transportation
Department of Agriculture	Department of Natural Resources
Department of Health	Department of Job and Family Services
Department of Public Safety	Department of Mental Health

Department of Developmental Disabilities	Department of Development
Department of Insurance	Department of Rehabilitation and Correction
Department of Youth Services	Department of Aging
Environmental Protection Agency	Department of Veterans Services
Department of Alcohol & Drug Addiction Services	

Legislative Service Commission calculations

(R.C. 124.16(B))

The bill requires the Legislative Service Commission (LSC) to calculate and publish, not later than June 1 of each odd-numbered year, the increase or decrease in OGDG for the two-year period ending on the immediately preceding December 31. LSC must also calculate and publish the increase or decrease for each calendar year of the two-year period. The OGDG figure must be calculated using "chained 2000 dollars." A "chained dollar" is a method of calculating and comparing the value of the dollar from one point in time to another that allows for adjustments based on inflation.¹ The "chained dollar measure" is based "on the average weights of goods and services in successive pairs of years."²

COMMENT

The Public Employees' Collective Bargaining Law (R.C. Chapter 4117.) governs collective bargaining between public employers and employees. Public employees have the right under that law to collectively bargain to determine wages and other terms of employment. As a result, changes to salaries or wages of many public employees under the bill may be subject to collective bargaining before they can take effect.

HISTORY

ACTION

DATE

Introduced

01-28-10

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¹ U.S. Bureau of Economic Analysis, "NIPA Tables Help: Caution on the use of chained-dollar NIPA estimates," *available at*: http://www.bea.gov/national/nipa_under2009/NIPAHelp.htm, last visited October 28, 2010.

² U.S. Energy Information Administration, "Chained Dollars," *available at*: <http://www.eia.doe.gov/emeu/consumptionbriefs/recs/natgas/chained.html>, last visited October 28, 2010.

