

Senate Bill 5: An Update on Ohio's Collective Bargaining Law

For more information regarding the potential application or scope of the law or any other employment-related issue, please contact your Vorys attorney or a member of the Vorys Labor and Employment Group by calling 614.464.6400.

Following almost two months of contentious hearings and passionate public protests, Governor John Kasich signed Senate Bill 5 on March 31. Governor Kasich's signature came less than a day after S.B. 5 cleared the Ohio General Assembly.

The legislation overhauls Ohio's 28-year-old collective bargaining law. Just a few of the noteworthy provisions from S.B. 5 include:

- **No Fair Share Fee** - A collective bargaining agreement may not require non-union members to pay the union a fee for representation services.
- **Easier to Decertify** - To obtain a SERB-sponsored election seeking decertification of a public employee union requires petition signatures from only 30% of workers in the collective bargaining unit, as opposed to the previous requirement of 50%.
- **No Automatic Pay Increases for Longevity** - Instead, the bill institutes a performance pay system for all public workers and requires that layoffs no longer be based solely on seniority.
- **Scope of Bargaining Narrowed** - Bargaining about health care, sick leave and pension benefits is

limited. For public school teachers, the law removes additional issues from collective bargaining.

- **No Strikes** - It is unlawful for any public employee to strike.
- **Employee Health Care Cost Minimum** - The bill requires public workers to pay at least 15% of their health care costs.
- **Eliminates Binding Arbitration** - The bill eliminates binding arbitration as a means of resolving bargaining disputes. Instead, in all public collective bargaining negotiations, the bill adopts mediation and fact-finding as the means to resolve negotiating disputes. However, if either the employer or the union rejects the fact finder's recommendation, then the last, best offers made by both sides are presented at a public hearing. At the hearing's conclusion, the legislative body of the employer is required to accept either its final offer or the union's.

Now that Governor Kasich has signed the bill, opponents of S.B. 5 have launched a voter referendum effort to overturn it. To put a referendum on the November 8, 2011 statewide election ballot, labor groups and their allies must engage in a multi-step

signature collection effort. Ultimately, bill opponents must obtain a sufficient number of verified signatures from registered voters by no later than June 30, 2011. If the Secretary of State determines that the requisite number of signatures was collected, the bill will be put on hold until voted on in November. Absent a referendum, the bill will become law on July 1, 2011.

We will continue to monitor developments related to S.B. 5 and post updates regarding the law to our blog www.vorysonlabor.com, where we also track a range of other labor law developments.

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