

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4559-02  
Bill No.: SCS for SB Nos. 553 & 435  
Subject: Employees - Employers; Labor and Management  
Type: Original  
Date: January 27, 2012

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Bill Summary: This proposal requires authorization for certain labor unions to use dues and fees to make political contributions and bars them from withholding earnings from paychecks.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(\$125,942)	(\$74,664)	(\$75,412)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$125,942)</b>	<b>(\$74,664)</b>	<b>(\$75,412)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	2 FTE	2 FTE	2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Labor and Industrial Relations** assume that this proposal requires copies of all records maintained by the labor organizations to be sent to the Labor and Industrial Relations Commission. This is a new program to the LIRC, and therefore a new section would need to be set up internally to receive and maintain these records, including, but not limited to, staff, storage cabinets, storage space, computer program to track filings, etc. Per the United States Department of Labor, Bureau of Labor Statistics there are 275,000 Missourians who belong to a union or are represented by a union. Each union member will be required to fill out two forms: Consent for Withholding Union Dues/Fees and Consent for Political Use of Dues/Fees. Copies of these authorizations are to be filed with the LIRC – resulting in approximately 500,000 additional filings to this office each year. The mass amount of paper must be received and stored in an organized and retrievable manner. The LIRC staff cannot take on the added responsibility nor is there adequate space within the LIRC offices to store these additional filings. Therefore LIRC will require two Senior Office Support Assistant/Clerical.

Officials at the **Office of Administration's Information Technology Services Division** assume a cost of \$50,340. This cost would include system setup in an access database or 2E environment where other LIRC data is tracked. It would include the purchase and utilization of a scanner and develop item type in new Content Manager 8.0 environment. They would create the ability to scan documentation of images. The system would include data entry, update and view capability, as well as query, reports and print capability.

\$ 8,500 Kofax workstation license & volume license  
\$10,000 scanner  
\$ 800 computer & flat panel  
31,040 IT time: 640 hrs for system, 120 hrs item type CM & 16 hrs help desk setup (@ \$40 hr)  
\$50,340 total

**Oversight** has, for fiscal note purposes only, changed the starting salary for the Senior Office Support Assistant to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees and policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

The Department of Labor asked for rent space for the two new employees. **Oversight** has confirmed with the Office of Administration that there is space in one of the Department's building so Oversight will not include that cost in the fiscal note.

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ASSUMPTION (continued)

Officials at the **Office of Administration** assume they are responsible for maintaining the State's nine labor contracts which cover eleven bargaining units, as well as assisting agencies with union contract negotiations, union-related activities, and other union-related inquiries. This includes ensuring agencies comply with applicable statutes while assisting in these responsibilities. The Office of Administration would have to ensure this provision is complied with during all future negotiations.

Officials at the **City of Kansas City, Department of Conservation, Lincoln University, Linn State Technical College, Metropolitan Community College, Missouri Southern State University, Missouri State University, Missouri Western State University, Northwest Missouri State University, Parkway School District, Special School District, St. Louis County** and the **University of Central Missouri** assume that there is no fiscal impact from this proposal.

In response to the previous version of this proposal, officials at the **Missouri Department of Transportation** and the **University of Missouri** assume that there is no fiscal impact from this proposal.

Officials at the **Mexico School District** assume an impact can not be determined at this time.

Officials at the **Office of the Secretary of State** assume each year, a number of bills may be considered by the General Assembly that would refer to a vote of the people the issue in the legislation. Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people.

The SOS is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2011, at the

ASSUMPTION (continued)

August and November elections, there were 6 statewide Constitutional Amendments or ballot propositions that cost \$1.02 million to publish (an average of \$170,000 per issue). Therefore, the Secretary of State's office assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. However, because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly change the amount or eliminate the estimated nature of our appropriation.

**Oversight** assumes this proposal states it will be voted on at the August 2012 election. Since this is a regularly scheduled election the SOS will be able to absorb the cost of this proposal with existing resources.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>GENERAL REVENUE</b>			
<u>Cost - Department of Labor</u>			
Personal Service	(\$40,280)	(\$48,819)	(\$49,308)
Fringe Benefits	(\$21,324)	(\$25,845)	(\$26,104)
Equipment and Expenses	<u>(\$13,998)</u>	<u>\$0</u>	<u>\$0</u>
Total Costs - DOLIR	(\$75,602)	(\$74,664)	(\$75,412)
FTE Change	2 FTE	2 FTE	2 FTE
<u>Cost- Department of Labor</u>			
Computer and scanner costs	<u>(\$50,340)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$125,942)</u></b>	<b><u>(\$74,664)</u></b>	<b><u>(\$75,412)</u></b>
Estimated Net FTE Change on General Revenue	2 FTE	2 FTE	2 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2013 (10 Mo.)	 FY 2014	 FY 2015
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

Small businesses could be required to file the proposed form.

FISCAL DESCRIPTION

Upon voter approval, this act bars public employee labor unions from withholding fees from employee paychecks. The act requires the employee's consent for public employee labor unions to use fees and dues for political purposes. The employee must authorize the amount to be used for political contributions. The employee may also stipulate to which committee their fees will be paid. Authorizing or refraining from authorizing any amount shall in no way affect employment. The labor union must keep records of all authorizations and submit them to the Labor and Industrial Relations Commission.

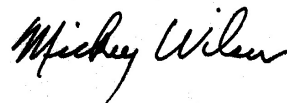
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FISCAL DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

City of Kansas City  
Department of Conservation  
Department of Labor and Industrial Relations  
Lincoln University  
Linn State Technical College  
Metropolitan Community College  
Mexico School District  
Missouri Department of Transportation  
Missouri Southern State University  
Missouri State University  
Missouri Western State University  
Northwest Missouri State University  
Office of Administration  
Office of the Secretary of State  
Parkway School District  
Special School District  
St. Louis County  
University of Central Missouri  
University of Missouri



Mickey Wilson, CPA  
Director  
January 27, 2012