

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0722-01  
Bill No.: SB 126  
Subject: Labor and Management  
Type: Original  
Date: February 12, 2015

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Bill Summary: This proposal requires election of collective bargaining representative every two years.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	\$0	\$0 or (\$289,455)	\$0 or (\$407,509)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0 or (\$289,455)</b>	<b>\$0 or (\$407,509)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<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>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
General Revenue	0	0 or 4 FTE	0 or 4 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0 or 4 FTE</b>	<b>0 or 4 FTE</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Joint Committee on Administrative Rules**, the **Department of Mental Health**, the **Department of Corrections**, the **Department of Social Services**, the **Missouri Department of Conservation**, the **Office of Administration - the Division of Personnel**, the **Department of Health and Senior Services**, the **Department of Transportation**, the **Department of Public Safety** (the **Missouri National Guard**, the **Missouri Highway Patrol**, the **State Emergency Management Agency**, the **Missouri Gaming Commission**, the **Capitol Police**, the **Alcohol and Tobacco Control** and the **Fire Safety**), the **Platte County Board of Elections**, **St. Louis County**, the **City of Kansas City**, the **City of Columbia** and the **City of Jefferson** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Attorney General's Office** assume any potential cost arising from this proposal can be absorbed with existing resources.

Officials at the **Office of the Secretary of State (SOS)** assume each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the Governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, sub-section 115.063.2, RSMo, requires the state to pay the costs. The cost of the special election has been estimated to be \$7.1 million based on the cost of the 2012 Presidential Preference Primary. This figure was determined through analyzing and totaling expense reports from the 2012 Presidential Preference Primary received from local election authorities.

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 sections 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.

ASSUMPTION (continued)

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 2013, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$2.17 million to publish (an average of \$434,000 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.

Officials from the **Department of Labor and Industrial Relations (DOLIR)** assume this proposal directs the Board of Mediation (the Board) to conduct an election to certify the existing exclusive bargaining representative of all collective bargaining units of public employees (other than the police, deputy sheriffs, state highway patrol officers, National Guard members, and teachers, over whom the Board has no jurisdiction) every two year. The Board estimates that there are currently over 600 bargaining units that have been certified. Conducting an election for each of these units every two years will result in 300 additional elections each year, or more than one every work day. If voluntarily recognized units are also required to recertify every two years (because voluntary recognition does not require notification to the Board, the Board has no estimate on the number of such units), the Board will have to conduct those in addition to the 300 expected.

The Board's current staff of two (the chairman and an executive assistant) will not be able to handle the additional elections and hearings that will result from this proposal. In order to fulfill new responsibilities required by the proposal, the Board will need, at a minimum, four additional employees, three Executives II to assist in conducting the elections and one Senior Office Support Assistant to assist with the additional clerical duties that will result from the additional workload.

The occurrence of the elections will also result in an incentive for existing bargaining representatives or the public body employers to petition to clarify the makeup of their units or to amend their certifications to reflect changing circumstances. It is likely that some portion of these petitions will result in disagreements between public bodies and bargaining representatives, which will, in turn, result in a need for the Board to conduct additional hearings. Each additional hearing will also result in briefing and the need for a written decision.

ASSUMPTION (continued)

The Board members are unpaid, except for receipt of a per diem of up to \$50 for days they perform services for the Board, plus compensation for the expenses they incur in the performance of their duties. The services generally provided by Board members consist of preparing for hearings, hearing cases, and deciding cases. Given the relatively low level of compensation of Board members, who often have other jobs, they cannot be expected to take a significant role in conducting large number of additional elections that will be required. However, they will incur additional expenses for preparation and travel related to the additional hearings that are anticipated.

Bargaining units are located all across the state. With an average of more than one additional election to conduct each work day and with the elections to occur all over the state, travel and lodging expenses will be incurred daily (and for at least two individuals on many days). It will be less expensive to purchase vehicles for the exclusive use of the Board than to pay mileage rates.

**Oversight** assumes this proposal will be voted on at the next regularly scheduled general election in November 2016. Therefore costs could begin January 2017. Oversight will include a cost of six months (50% of full year cost) for FY 2017 and a full year cost for FY 2018.

Oversight will range the total cost to DOLIR as \$0 (the proposal does not pass the vote of the people) or the estimated cost provided by DOLIR.

<u>FISCAL IMPACT - State Government</u>	FY 2016	FY 2017 (6 Mo.)	FY 2018
<b>GENERAL REVENUE</b>			
<u>Cost- DOLIR</u>			
		\$0 or	\$0 or
Personal Service	\$0	(\$80,592)	(\$162,796)
Fringe Benefits	\$0	(\$41,106)	(\$84,662)
Equipment and Expenses	<u>\$0</u>	<u>(\$167,757)</u>	<u>(\$160,051)</u>
<u>Total Cost - DOLIR</u>	<u>\$0</u>	<u>(\$289,455)</u>	<u>(\$407,509)</u>
FTE Change -DOLIR	\$0	4 FTE	4 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>			
	<u>\$0</u>	<u>\$0 or (\$289,455)</u>	<u>\$0 or (\$407,509)</u>
Estimated Net FTE Change on General Revenue	0 FTE	0 or 4 FTE	0 or 4 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2016	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal requires the State Board of Mediation to conduct an election every two years to certify the exclusive bargaining representation of an appropriate collective bargaining unit. If a representative fails to receive 51% of the vote in favor certification or recertification, the State Board shall decertify the representative. If a representative is decertified, the affected employees may not be included in a substantially similar collective bargaining unit for twelve months from the date of decertification.

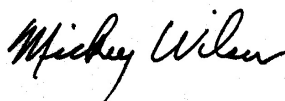
FISCAL DESCRIPTION (continued)

This proposal contains a referendum clause.

This legislation is not federally mandated and would not duplicate any other program.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Department of Corrections  
Department of Social Services  
Department of Mental Health  
Department of Health and Senior Services  
Office of Administration  
Department of Transportation  
Missouri Department of Conservation  
Attorney General's Office  
Department of Public Safety



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