

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4653-01
Bill No.: SB 599
Subject: Employees-Employers; Labor and Industrial Relations Department; Labor and Management; State Employees.
Type: Original
Date: January 12, 2016

Bill Summary: This proposal modifies the law relating to public labor organizations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	\$0 or (\$160,713)	\$0 or (\$150,619)	\$0 or (\$152,643)
Total Estimated Net Effect on General Revenue	\$0 or (\$160,713)	\$0 or (\$150,619)	\$0 or (\$152,643)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	0 or 2 FTE	0 or 2 FTE	0 or 2 FTE
Total Estimated Net Effect on FTE	0 or 2 FTE	0 or 2 FTE	0 or 2 FTE

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Labor and Industrial Relations (DOLIR)** assume the information required by this legislation must be kept in a search format and will affect approximately 100,000 public employees. Each employee 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 records will be filed with the Labor and Industrial Relations Commission (LIRC) along with the reports from the public labor organizations. This will result in over 200,000 additional filings to the LIRC each year. These mass amount of filings must be received and stored in an organized and retrievable manner.

The present LIRC staff cannot take on the added responsibility nor is there adequate space within the LIRC offices to store these additional filings. LIRC will require two additional Senior Office Support Assistants (Clerical) to process forms, perform data entry, maintain files, and respond to inquiries. In addition to the standard expense and equipment for each FTE, additional file cabinets are included in the estimate cost to General Revenue.

Officials at the **Office of Administration - Personnel (OA)** assume Section 105.504.1 of the proposed legislation would prohibit all public employers that currently have or could have employees covered under a labor organization, from deducting from their employees' pay, any dues, fees, assessments, or other similar charges however denominated of any kind or amount, unless the employee has given written consent to do so on an annual basis.

Section 105.504.3 also prohibits labor organizations from using any portion of dues or fees paid by members or non-members of the labor organization to make political contributions or expenditures defined in section 130.011, unless the employee has given written authorization to do so on a specific form (Consent for Withholding Union Dues/Fees), noted in Section 105.504.4. Signing or refraining from signing the form shall not be made a condition of employment or continued employment.

The Office of Administration would have to ensure this provision is complied with during all future negotiations.

OA assumes the cost of this proposal could be absorbed with existing resources.

ASSUMPTION (continued)

Officials at the **Department of Health and Senior Services, Department of Social Services, and Department of Public Safety - Alcohol and Tobacco Control, and Department of Corrections** each defer to the Office of Administration for the fiscal impact from this proposal.

Officials at the **County of St. Louis** assume the costs associated with the production and dissemination of the form are anticipated to be \$1,200. There are approximately 1200 positions in St. Louis County government eligible for labor union membership. Estimating a cost of \$1 per form and processing.

Oversight assumes the costs associated with production and dissemination can be absorbed by existing resources.

Officials at the **Department of Transportation, Department of Conservation, Department of Mental Health, Department of Public Safety - Highway Patrol, Department of Public Safety - Missouri Veterans Commission, Department of Public Safety - Fire and Safety, Department of Public Safety - State Emergency Management Agency, Department of Public Safety - Capitol Police, Department of Public Safety - National Guard, and the Office of Attorney General** each assume this proposal would not have a fiscal impact on their respective organizations.

Officials at the **Kansas City and City of Columbia** assume this proposal would not have a fiscal impact on their organization.

Officials at the counties of **Callaway, Cole, and Mississippi** each assume this proposal would not have a fiscal impact on their organizations.

Officials at the **St. Louis Board of Election Commissions** assume this proposal would not have a fiscal impact on their organization.

Officials at the **Missouri State University, Jefferson College, State Technical College of Missouri, University of Central Missouri, University of Missouri, and Metropolitan Community College** each assume this proposal will not have a fiscal impact on their respective organizations.

ASSUMPTION (continued)

Officials at the school districts of **Brentwood, Eldon R-I, Grain Valley, Kansas City, Kearney R-I, Kennett #39, Macon County R-IV, Middle Grove C-I, Parkway, Pettis County R-12, Shelby County R-IV, St. Charles, St. Elizabeth R-IV, Sarcoxie R-II, Seymour R-II, Shell Knob #78, Smithville R-II, West Plains R-VII, Warren County R-III, and Wright City R-II** each assume this proposal would not have a fiscal impact on their organizations.

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) for costs associated with Personnel, office supplies and office space for FY17 and a full year cost for FY18 and FY19.

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

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Des Peres, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for fiscal impact.

Officials at the following board of election commissions: Kansas City Board of Election Commission, St. Louis City Board of Election Commission, Clay County Board of Election Commission, Jackson County Board of Election Commission, and Platte County Board of Election Commission did not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, Shelby, St. Charles, St. Louis, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

ASSUMPTION (continued)

Officials at the following colleges: Crowder, East Central Community College, Harris-Stowe, Lincoln University, Metropolitan Community College, Moberly Area Community College, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, Three Rivers Community College, and the Truman State University, did not respond to **Oversight's** request for fiscal impact.

Officials at the following school districts: Arcadia Valley R-2, Aurora R-8, Avilla R-13, Bakersfield, Belton, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Cassville R-4, Central R-III, Chilhowee R-4, Chillicothe R-II, Clarkton C-4, Cole R-I, Columbia, Concordia R-2, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, East Newton R-6, Everton R-III, Fair Grove, Fair Play, Fayette R-3, Forsyth R-3, Fox C-6, Fredericktown R-I, Fulton, Grain Valley, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, King City R-1, Kingston 42, Kirbyville R-VI, Kirksville, Laclede County R-1, Laredo R-7, Lee Summit, Leeton R-10, Lewis County C-1, Lindbergh, Lonedell R-14, Macon County R-1, Malta Bend, Mehville, Mexico, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, New Haven, Nixa, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osage County R-II, Osborn R-O, Pattonville, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Richland R-1, Riverview Gardens, Salisbury R-4, Scotland County R-I, Sedalia, Sikeston, Silex, Slater, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, Sullivan, Tipton R-6, Valley R-6, Verona R-7, Warrensburg R-6, Webster Groves, and the Westview C-6 did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (6 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Costs - DOLIR</u>	\$0 or	\$ 0 or	\$0 or
Personnel Services	(\$32,052)	(\$64,745)	(\$65,392)
Fringe Benefits	(\$25,577)	(\$37,872)	(\$38,049)
Equipment and Expenses	(\$55,769)	(\$35,382)	(\$36,266)
ITSD Consultants	<u>(\$47,315)</u>	<u>(\$12,620)</u>	<u>(\$12,936)</u>
<u>Total Costs - DOLIR</u>	<u>(\$160,713)</u>	<u>(\$150,619)</u>	<u>(\$152,643)</u>
 FTE Change - DOLIR	 0 or 2 FTE	 0 or 2 FTE	 0 or 2 FTE
 ESTIMATED NET EFFECT ON GENERAL REVENUE	 \$0 or <u>(\$160,713)</u>	 \$0 or <u>(\$150,619)</u>	 \$0 or <u>(\$152,643)</u>
 Net FTE Change on General Revenue	 0 or 2 FTE	 0 or 2 FTE	 0 or 2 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2017 (6 Mo.)	 FY 2018	 FY 2019
	 <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 act allows public employee labor unions to withhold fees from public employee paychecks only upon the annual written consent of the employee. The act also requires the public employee's annual 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 to be transferred to the labor union's continuing committee. Authorizing or refraining from authorizing any amount shall in no way affect employment.

FISCAL DESCRIPTION (continued)

The labor union must keep records of all authorizations for political contributions and submit them to the Labor and Industrial Relations Commission.

This act contains a referendum clause.

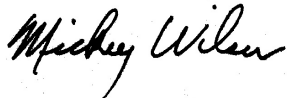
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations
Office of Administration
Department of Transportation
Department of Conservation
Department of Health and Senior Services
Department of Mental Health
Department of Corrections
Department of Public Safety - Highway Patrol
Department of Public Safety - Missouri Veterans Commission
Department of Public Safety - Fire and Safety
Department of Public Safety - State Emergency Management Agency
Department of Public Safety - National Guard
Department of Public Safety - Alcohol and Tobacco Control
Department of Public Safety - Capitol Police
City of Columbia
City of Kansas City
Brentwood
Eldon R-I
Kansas City
Kearney R-I
Kennett #39
Macon County R-IV
Middle Grove C-I
Parkway
Pettis County R-12
Shelby County R-IV

SOURCES OF INFORMATION (continued)

St. Charles, St. Elizabeth R-IV
Sarcoxie R-II
Seymour R-II
Shell Knob #78
Smithville R-II
West Plains R-VII
Warren County R-III
Wright City R-II
Missouri State University
Jefferson College
State Technical College of Missouri
University of Central Missouri
University of Missouri
Metropolitan Community College



Mickey Wilson, CPA
Director
January 12, 2016

Ross Strobe
Assistant Director
January 12, 2016