

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0270-01
Bill No.: SB 87
Subject: Boards, Commissions, Committees, and Councils; Labor and Management; State Employees
Type: Original
Date: January 17, 2017

Bill Summary: This proposal modifies the law relating to collective bargaining representatives.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(\$399,371)	(\$367,808)	(\$373,031)
Total Estimated Net Effect on General Revenue	(\$399,371)	(\$367,808)	(\$373,031)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	4 FTE	4 FTE	4 FTE
Total Estimated Net Effect on FTE	4 FTE	4 FTE	4 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 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Labor and Industrial Relations (DOLIR)** state:

The State Board of Mediation (SBM) estimates that there are currently over 600 certified bargaining units in Missouri. 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 re-certify every two years, the SBM would have to conduct those elections in addition to the estimated 300. (Because voluntary recognition does not currently require notification to the board, the SBM has no estimate on the number of such units.)

The SBM's current staff of two (the chairman and an executive assistant) will not be able to handle the additional elections and hearings that would result from this bill. In order to fulfill the new responsibilities, the board will need four additional FTE, three Executives II (Range 22, Step G) to assist in conducting the elections and one Senior Office Support Assistant (Range 12, Step F) 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 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 result in a need for the board to conduct additional hearings. Each additional hearing will result in briefing and the need for a written decision.

The SBM members are not compensated for their service; however, they do receive a per diem of up to \$50 for days they perform services for the board and reimbursement for any expenses incurred while performing those duties. The services include preparation for hearings and hearing and deciding cases. It is expected that board members will incur additional expenses for preparation and travel related to the additional hearings.

In addition to the standard expense and equipment for each FTE, additional expenses including a printer mobile telephones, file cabinets, voting booths and ballot boxes will be required. With the additional elections that will be required by this bill, additional travel expenses will also be required because bargaining units are located throughout the state. DOLIR has determined that it would be less expensive to purchase vehicles for the exclusive use of the board than to pay mileage rates.

ASSUMPTIONS - (continued)

Oversight will show a fiscal impact to DOLIR for the costs of additional staff, related fringe benefits, equipment and expenses that would be incurred should this proposal be implemented.

Oversight notes this proposal does not contain the stipulation it must be submitted to the qualified voters of this state for approval or rejection at an election as did a similar proposal from 2016 (SB 668).

Officials at the **Attorney General's Office, Office of Administration - Personnel, Department of Conservation, Department of Corrections, Department of Mental Health, Department of Health and Senior Services, Department of Public Safety - Highway Patrol, Department of Transportation** each assume this proposal will not have a fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE			
<u>Costs - DOLIR</u>			
Personnel	(\$120,510)	(\$145,983)	(\$147,368)
Fringe Benefits	(\$70,248)	(\$84,706)	(\$85,118)
Equipment & Expenses	<u>(\$208,613)</u>	<u>(\$137,119)</u>	<u>(\$140,545)</u>
Total Costs - DOLIR	<u>(\$399,371)</u>	<u>(\$367,808)</u>	<u>(\$373,031)</u>
FTE Change - DOLIR	4 FTE	4 FTE	4 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$399,371)</u>	<u>(\$367,808)</u>	<u>(\$373,031)</u>
Net FTE Change on General Revenue	4 FTE	4 FTE	4 FTE
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<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.

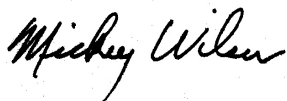
FISCAL DESCRIPTION

This act requires the State Board of Mediation to conduct an election every two years to certify the exclusive bargaining representation of a collective bargaining unit. If a representative fails to receive 51% of the vote in favor of certification or re-certification, 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.

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
Attorney General's Office
Office of Administration - Personnel
Department of Conservation
Department of Corrections
Department of Mental Health
Department of Health and Senior Services
Department of Public Safety - Highway Patrol
Department of Transportation



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January 17, 2017

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January 17, 2017