

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3444-02
BILL NO.: SB 939
SUBJECT: Collective Bargaining: Public Safety Employees
TYPE: Original
DATE: February 15, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$914,233)	(\$906,592)	(\$905,827)
Conservation Commission Fund	(\$86,282)	(\$92,490)	(\$94,835)
Total Estimated Net Effect on <u>All</u> State Funds *	(\$1,000,515)	(\$999,082)	(\$1,000,662)

*Unknown costs related to collective bargaining agreements are not included.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	(\$1,667,633)	(\$4,147,283)	(\$4,507,767)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of the State Courts Administrator** assume there could be some increase in litigation as a result of the proposal, but they would not expect any increase to be significant.

Officials of the **Department of Public Safety (DPS)** assume they would need a bargaining unit to represent public safety officers which are listed as a separate class in this legislation and the remainder of their employees. DPS would require seven FTE (one General Counsel, two Labor Relations Specialists, three Clerk Typist III's, and one Computer Information Technician). The General Counsel would conduct collective bargaining negotiations and work with unions. The Labor Relations Specialists would handle administrative duties for public safety employees and the remainder of department employees, assist the General Counsel in negotiations, compile data for negotiations, etc. The Clerk Typist and Computer Information Technician would provide support for this new unit. Personal services, fringe benefits, and equipment and expense would approximate \$625,573 for FY 2001, \$567,239 for FY 2002, and \$586,421 for FY 2003.

Officials of the **Department of Conservation (MDC)** would request a Labor Relations Specialist and Administrative Secretary to work with management, union representatives, supervisors, employees and others involved in labor issues regarding collective bargaining. They also assume they would incur arbitration and appeal costs of \$5,500 per month, or \$66,000 annually. Total costs for MDC would approximate \$201,197 for FY 2001, \$165,844 for FY 2002, and \$170,386 for FY 2003.

Officials of the **Department of Natural Resources (DNR)** assume the Office of Administration will be responsible for administration and negotiations and that the department would not be fiscally impacted in these areas. If a labor organization is formed for State Park Rangers and is successful in negotiations, there may be additional costs associated with increased salaries and expenses related to other conditions of employment. However, these costs cannot be estimated.

Officials of the **Department of Labor and Industrial Relations (DOL)** assume the State Board of Mediation (which currently consists of three FTE) would require six additional FTE (two Hearing Officers, one Investigator II, one Clerk Stenographer III, one Clerk Typist II, and one Computer Information System Specialist). The Hearing Officers would hold hearings in prohibited practice cases and take evidence on which to base a decision. The Investigator II would investigate questions of representation, conduct investigations concerning disputes or certification or decertification, present findings to the Board when necessary, hold elections and investigate objections to elections. The Clerk Stenographer III and Clerk Typist II will perform all clerical functions for the Board, and the Computer Information System Specialist will develop

ASSUMPTION (continued)

all data systems needed to carry out the legislation. DOL officials assume there would be an increase in per diem costs for board members of approximately \$3,000 annually. **Per diem costs are not included in fiscal impact per a previous Oversight Subcommittee's decision.** DOL also included estimates for local assistance costs in the form of court reporters. They did not include estimates for mediation expenses, as they noted that the Board could use the services of the Federal Mediation and Conciliation Service (FMCS) provided free of charge. However, **Oversight** notes that in other collective bargaining proposals DOL has assumed they would incur significant mediation expenses. In response to a proposal providing for collective bargaining for all public employees, DOL assumed they would employ mediators 480 days @ \$721 per day, or total costs of \$346,080 annually. DOL notes that while they are currently able to obtain this service free from the FMCS, there is no guarantee or written contract providing that such services will continue in the future. Therefore, **Oversight** assumes mediation expenses could be incurred by DOL. The amount is unknown, but is assumed to be less than what would be incurred if the proposal covered all public employees rather than just public safety employees. Based on U.S. Bureau of the Census information from 1995, state and local police employees only comprise 10% of all state and local government employees in Missouri. Therefore, Oversight assumes mediation expenses could approximate 10% of the amount DOL assumed for all public employees of \$346,080, or approximately \$34,608 annually. This is likely a conservative figure, since the proposal also covers conservation agents, state park rangers, and public safety radio dispatchers or telecommunicators for all public bodies.

Officials of the **Office of Administration (OA)** assume the proposal provides for collective bargaining for all state workers, including police. Therefore, they provided the same cost estimates as they provided for a similar bill that covered all public employees. OA assumes that it would provide the primary representation for the sixteen agencies (possibly excluding the CTS) under the jurisdiction of the Governor with regard to labor relations activity. This assumption is based on the data obtained from Iowa and Illinois. Each agency would handle their own day-to-day contract administration and grievance arbitration. OA assumes that in order to provide the best representation, it would need to enhance its central labor relations staff since the Division of Personnel would be in a position to handle all labor relations matters before the Board for all state agencies; act as chief spokesperson concerning wages, fringe benefits and those matters which have uniform applicability to state employees; provide presentation during contract negotiations; represent agencies involved in contract arbitration; coordinate training for state supervisors and managers; and coordinate the labor relations efforts in general for state agencies.

OA assumes that staffing would need to be completed on the effective date of the proposal in order to fully prepare to handle the new issues and cases which could arise. The Division of

ASSUMPTION (continued)

Personnel would be staffed with professionals to serve as negotiators, case presenters, arbitration

representatives, training coordinators and budget specialists. In order to perform these tasks, OA assumes it would need an additional 23 FTE with 9 being located in the Employee/Labor Relations Section. The classifications needed were based on established staffing patterns in Iowa, Michigan and Ohio where the central labor relations functions have been designated for state coordination.

Missouri currently has one Employee Relations Manager dealing full time with the seven unions and eleven agreements in place. These eleven agreements affect over 26,000 employees. These agreements were not collectively bargained, but were the result of meet and confer requirements. Under collective bargaining, approximately 15,000 to 20,000 additional employees, for a total of over 40,000 employees, could be unionized. Therefore, it was assumed that six new labor relations specialists and three support staff would be working full time with the union representatives and management. The staff attorney and one support staff would be advising on legal matters including presenting cases before the Boards, contract arbitration and the courts. The attorney would work for the General Counsel and would be doing background work on a year round basis. The budget analyst, two personnel analysts and one support staff would be preparing cost proposals while the other personnel analysts and one support staff would be following up on requests. The six training technicians would train the department trainers and employees. After three years, only three training technicians would be required to continue the process. Based on an Oversight Subcommittee decision in a previous session, OA's request for a proposal covering all public employees was reduced to nine FTE (four Labor Relations Specialists, three Staff Attorneys, one Paralegal Assistant, and one Clerk Stenographer III). However, **Oversight** assumes that this proposal pertains only to public safety employees as defined in the proposal. Therefore, cost estimates have been adjusted to reflect six FTE plus related expenses (two Labor Relations Specialists, two Staff Attorneys, one Paralegal Assistant, and one Clerk Stenographer III).

Officials of the **St. Louis Metropolitan Police Department** assume they would incur additional expenses as a result of the proposal. The additional costs would be from attorneys, mediation and arbitration fees, police officer representatives, education, and concessions to union negotiations. They assume the proposal may cover civilian employees of the police department as well.

Oversight has reflected local government costs based on amounts reflected for all local governments in a proposal that covers all public employees. Oversight assumes based on U.S. Census Bureau information for 1995 that approximately 7% of local government employees are police officers. Costs for local governments for the proposal that includes all public employees
ASSUMPTION (continued)

were \$23,823,333 for FY 2001, \$59,246,900 for FY 2002, and \$64,396, 671 for FY 2003. Therefore, for this fiscal note, costs are assumed to be approximately \$1,667,633 for FY 2001,

\$4,147,283 for FY 2002, and \$4,507,767 for FY 2003.

For purposes of this fiscal note, Oversight adjusted the agency responses received to reflect the decision of the Oversight Subcommittee on a proposal allowing collective bargaining in a prior session. DPS, DNR, and MDC were allowed two FTE (Labor Relations Specialist and Clerk Typist II). Both OA and DOL were allowed six FTE. Oversight assumed the average salary for the positions noted and calculated a standard equipment and expense cost that is reflected for each agency, except for additional expenses for OA and DOL.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE			
<u>Costs - DPS, DNR, MDC</u>			
Increased Personnel Costs Resulting from Collective Bargaining Agreement	(Unknown)	(Unknown)	(Unknown)
<u>Costs-Department of Public Safety (DPS)</u>			
Personal Service (2 FTE)	(\$53,254)	(\$65,527)	(\$67,165)
Fringe Benefits	(\$16,376)	(\$20,150)	(\$20,653)
Expense and Equipment	(\$16,652)	(\$6,813)	(\$7,017)
Total <u>Costs-DPS</u>	(\$86,282)	(\$92,490)	(\$94,835)
<u>Costs-Department of Natural Resources (DNR)</u>			
Personal Service (2 FTE)	(\$53,254)	(\$65,527)	(\$67,165)
Fringe Benefits	(\$16,376)	(\$20,150)	(\$20,653)
Expense and Equipment	(\$16,652)	(\$6,813)	(\$7,017)
Total <u>Costs-DNR</u>	(\$86,282)	(\$92,490)	(\$94,835)
<u>Costs-Department of Labor & Industrial Relations (DOL)</u>			
Personal Service (6 FTE)	(\$165,400)	(\$164,738)	(\$170,941)
Fringe Benefits	(\$50,861)	(\$50,657)	(\$52,564)
Expense and Equipment	(\$136,291)	(\$113,034)	(\$116,038)
Total <u>Costs-DOL</u>	(\$352,552)	(\$328,429)	(\$339,543)
<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		
<u>Costs-Office of Administration (OA)</u>			
Personal Service (6 FTE)	(\$194,387)	(\$239,190)	(\$245,170)
Fringe Benefits	(\$59,774)	(\$73,551)	(\$75,390)

Expense and Equipment	<u>(\$134,956)</u>	<u>(\$80,442)</u>	<u>(\$56,054)</u>
Total <u>Costs</u> -OA	<u>(\$389,117)</u>	<u>(\$393,183)</u>	<u>(\$376,614)</u>

PARTIAL ESTIMATED NET EFFECT ON GENERAL REVENUE FUND*	<u>(\$914,233)</u>	<u>(\$906,592)</u>	<u>(\$905,827)</u>
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***Unknown costs related to collective bargaining agreements not included in total.**

CONSERVATION COMMISSION FUND

<u>Costs-Department of Conservation (MDC)</u>			
Personal Service (2 FTE)	(\$53,254)	(\$65,527)	(\$67,165)
Fringe Benefits	(\$16,376)	(\$20,150)	(\$20,653)
Expense and Equipment	(\$16,652)	(\$6,813)	(\$7,017)
Total <u>Costs</u> -MDC	<u>(\$86,282)</u>	<u>(\$92,490)</u>	<u>(\$94,835)</u>

	FY 2001	FY 2002	FY 2003
<u>FISCAL IMPACT - Local Government</u>	(10 Mo.)		
LOCAL GOVERNMENTS	<u>(\$1,667,633)</u>	<u>(\$4,147,283)</u>	<u>(\$4,507,767)</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

The proposal allows state and local law enforcement personnel to form unions and engage in collective bargaining concerning wages and working conditions.

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

Office of Administration
 Department of Labor and Industrial Relations
 Department of Conservation
 Department of Natural Resources

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Department of Public Safety
Office of State Courts Administrator
St. Louis Metropolitan Police Department

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
February 15, 2000