

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0308-02
Bill No.: SCS for SB 29
Subject: Employees - Employers; Labor and Management
Type: Original
Date: February 15, 2013

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

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$139,713)	(\$84,484)	(\$85,471)
Total Estimated Net Effect on General Revenue Fund	(\$139,713)	(\$84,484)	(\$85,471)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 FTE

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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Labor and Industrial Relations (DOLIR)** assume per the United States Department of Labor, Bureau of Labor Statistics' February 4, 2011, news release, 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: 1) Consent for Withholding Union Dues/Fees and 2) Consent for Political Use of Dues/Fees. Copies of these authorizations are to be filed with the Labor and Industrial Relations Commission (LIRC) and will result in approximately 500,000 additional filings in the office each year. The large amount of paper must be received and stored in an organized and retrievable manner. Existing LIRC staff cannot absorb the additional filings, nor is there adequate space within the LIRC offices, to store the additional filings. Therefore LIRC will require two Senior Office Support Assistant/Clerical to do the additional filings and they will need a Kofax workstation license and Content Manage VI viewing machine for storing and retrieving the forms.

DOLIR estimates the fiscal impact of this proposal in FY 2014 as \$164,205, in FY 2015 as \$114,273 and in FY 2016 as \$115,659.

Oversight has, for fiscal note purposes only, changed the starting salary for the Senior Office Support Assistants 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 over the last six months and policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

DOLIR asked for rental space for the two new employees. **Oversight** checked with the Office of Administration and confirmed there is space in one of the DOLIR's buildings for the additional staff. Therefore, rental expense is not include in the fiscal note costs.

Officials at the **Office of Administration - Division of Personnel** assume they would be responsible for making sure the provisions of this proposal are complied with during all future negotiations. The additional responsibilities can be absorbed with existing resources.

Officials at the **City of Columbia, City of Kansas City, Department of Conservation, East Central College, Independence School District, Lincoln University, Linn State Technical College, Metropolitan Community College, Missouri Department of Transportation, Missouri Southern State University, Missouri State University, Missouri Western State University, Moberly Area Community College, Northwest Missouri State University,**

ASSUMPTION (continued)

Parkway School District, St. Louis County, University of Central Missouri and the University of Missouri each assume there is no fiscal impact to their agency from this proposal.

Officials at the **City of Richmond** responded to the fiscal note request, but did not indicate an impact.

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Neosho, O'Fallon, Pacific, Peculiar, Popular Bluff, Raytown, Republic, 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 schools: Blue Springs Public Schools, Branson Public Schools, Columbia Public Schools, Fair Grove Schools, Francis Howell Public Schools, Jefferson City Public Schools, Kirksville Public Schools, Lee Summit Public Schools, Mexico Public Schools, Nixa Public Schools, Raytown School District, Sedalia School District, Sikeston Public Schools, Silex Public Schools, Special School District of St. Louis County, Spickard School District, St Joseph School District, St Louis Public Schools, St. Charles Public Schools, and Sullivan Public Schools did not respond to **Oversight's** request for fiscal impact.

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

Officials at the following colleges: Crowder, Harris-Stowe, Jefferson College, Southeast Missouri State University, State Fair Community College, St. Charles Community College, Three Rivers Community College and Truman State University did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE			
<u>Cost- Department of Labor</u>			
Personal Service	(\$41,080)	(\$49,789)	(\$50,287)
Fringe Benefits	(\$20,846)	(\$25,265)	(\$25,518)
Equipment and Expenses	<u>(\$77,787)</u>	<u>(\$9,430)</u>	<u>(\$9,666)</u>
<u>Total Cost - DOLIR</u>	<u>(\$139,713)</u>	<u>(\$84,484)</u>	<u>(\$85,471)</u>
FTE Change -DOLIR	2 FTE	2 FTE	2 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$139,713)</u>	<u>(\$84,484)</u>	<u>(\$85,471)</u>
Estimated Net FTE Change on General Revenue	2 FTE	2 FTE	2 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2014 (10 Mo.)	 FY 2015	 FY 2016
	<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 bars public employee labor unions from withholding fees from employee paychecks and 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 and 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.

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 Columbia
City of Kansas City
City of Richmond
Department of Conservation
Department of Labor and Industrial Relations
East Central College
Independence School District
Lincoln University
Linn State Technical College
Metropolitan Community College
Missouri Department of Transportation
Missouri Southern State University
Missouri State University
Missouri Western State University
Moberly Area Community College
Office of Administration
 Division of Personnel
Northwest Missouri State University
Parkway School District
St. Louis County
University of Central Missouri
University of Missouri



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