

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0648-01
Bill No.: SB 129
Subject: Employees - Employers; Labor and Management
Type: Original
Date: February 11, 2015

Bill Summary: This proposal requires authorization for certain labor unions to use dues and fees to make political contributions and requires consent for withholding earnings from paychecks.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	\$0	\$0 or (\$64,479)	\$0 or (\$130,700)
Total Estimated Net Effect on General Revenue	\$0	\$0 or (\$64,479)	\$0 or (\$130,700)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on Other 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 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	0	0 or 2 FTE	0 or 2 FTE
Total Estimated Net Effect on FTE	0	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 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Conservation**, the **Department of Social Services**, the **Department of Public Safety - Missouri National Guard**, the **Department of Transportation**, the **City of Kansas City**, the **University of Missouri** and **Lincoln University** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Department of Public Safety - State Emergency Management Agency** and the **Missouri Highway Patrol**, the **Department of Corrections**, the **Department of Mental Health** and the **Department of Health and Senior Services** each defer to the Office of Administration to estimate the fiscal impact of the proposed legislation on their respective organization.

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 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 from the **Department of Labor and Industrial Relations** assume that the legislation's intent is for the information sent to the Labor and Industrial Relations Commission (LIRC) to be kept in a searchable format. It is also assumed that this legislation will affect approximately 100,000 public employees. Each public 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 LIRC along with the reports from the public labor organizations. Based on the assumptions stated, this will result in over 200,000 additional filings to the LIRC each year. This 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.

Officials from the DOLIR state OA-ITSD estimate this proposal will require computer programming will be bid out to IT consultants due to the OA-ITSD resources being at full capacity. DOLIR would incur 1,149 hours of programming and other cost such as workstations, scanners and software at a cost of \$105,817 in FY `16, \$28,534 in FY `17 and \$29,248 in FY `18.

ASSUMPTION (continued)

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) to the estimated cost provided by DOLIR.

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.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017 (6 Mo.)	FY 2018
GENERAL REVENUE			
<u>Cost- DOLIR</u>			
Personal Service	\$0	\$0 or (\$32,470)	\$0 or (\$65,588)
Fringe Benefits	\$0	(\$16,886)	(\$34,109)
Equipment and Expenses	<u>\$0</u>	<u>(\$15,123)</u>	<u>(\$31,003)</u>
<u>Total Cost - DOLIR</u>	<u>\$0</u>	<u>(\$64,479)</u>	<u>(\$130,700)</u>
FTE Change -DOLIR	\$0	2 FTE	2 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0 or (\$64,479)</u>	<u>\$0 or (\$130,700)</u>
Estimated Net FTE Change on General Revenue	\$0	0 or 2 FTE	0 or 2 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	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 bars public employee labor unions from withholding fees from employee paychecks without authorization from the employee 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.

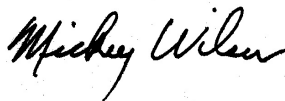
The labor union must keep records of all authorizations and submit them to the Labor and Industrial Relations Commission.

This proposal will be voted on at the next regularly scheduled general election in November 2016.

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
Missouri Department of Conservation
Department of Health and Senior Services
Department of Social Services
Department of Corrections
Office of the State Public Defender
Attorney General's Office
Department of Mental Health



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