

PREPARED BY:
DATE PREPARED:
PHONE:

Kathy Tenopir
February 04, 2011
471-0058

LB 664

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(214,952)	(3,837)	(309,981)	(3,837)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(214,952)	(3,837)	(309,981)	(3,837)

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB664

- Repeals the Industrial Relations Act
- Repeals the State Employees Collective Bargaining Act
- Prohibits public employers from recognizing labor unions
- Prohibits public employers from entering into collective bargaining contracts
- Prohibits public employees from striking, from instigating strikes, slow downs or other forms of work stoppage and creates a Class 1 misdemeanor for doing so.

The impact of LB664 to the State would be the elimination of the Commission of Industrial Relations (CIR). The CIR indicates some activity and costs for FY2011-12 for a savings of \$214,952. FY2012-13 would be a full year's savings at \$309,981

The Department of Education and the State College System are indicating a minimal fiscal impact. The Department of Administrative Services – Employee Relations Division indicates some cost savings but no specific dollar amount. The University indicates considerable savings but, not specific dollar amount.

The fiscal impact to state agencies (excluding the CIR) and political subdivisions could range from minimal to significant and could depend on how each decides to handle the issue of employee salaries and benefits in the future.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Elton Larson	DATE	2/3/11	PHONE	471-2526
COMMENTS					
DEPT. OF EDUCATION – Concur.					
STATE COLLEGE SYSTEM – Concur.					
UNIVERSITY OF NEBRASKA – Concur.					
ADMINISTRATIVE SERVICES – No basis to disagree with agency analysis.					
INDUSTRIAL RELATIONS – Concur.					

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LB 664 FISCAL NOTE

State Agency OR Political Subdivision Name: Education

Prepared by: Joel Scherling Date Prepared: 01/28/11 Phone: 1-4736

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	0	_____	0	_____

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

Less staff time would be devoted to the collective bargaining process by HR & Legal staff members. However, this work time would be spent on other matters and no savings would be realized.

MAJOR OBJECTS OF EXPENDITURES

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2011-12	2012-13
	11-12	12-13	EXPENDITURES	EXPENDITURES
Benefit	_____	_____	_____	_____
Operating	_____	_____	_____	_____
Travel	_____	_____	_____	_____
Capital outlay	_____	_____	_____	_____
Aid	_____	_____	_____	_____
Capital improvements	_____	_____	_____	_____
TOTAL	_____	_____	0	0

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Please complete ALL (5) blanks in the first three lines.

LB⁽¹⁾ 664 FISCAL NOTE

State Agency OR Political Subdivision Name: University of Nebraska
⁽²⁾

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 28, 2011 Phone: ⁽⁵⁾ 472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2011-2012</u>		<u>FY 2012-2013</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 664 would repeal both the IRA and the SECBA altogether and states that collective bargaining between governmental employers and employees is against public policy. It also prohibits governmental bodies from even recognizing labor unions.

Not having negotiations, union dues to track, salary increases that exceed funding and other administrative duties would save the University considerable amounts of money, but it is difficult to determine what that amount would be with any accuracy.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2011-2012</u>	<u>2012-2013</u>
	<u>11-12</u>	<u>12-13</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

2011 Legislative Bill Proposal Fiscal Note

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Bill #: LB 664

State Agency: Administrative Services – Employee Relations

Prepared by: Jeannie O'Meara Date Prepared: 1-26-11 Phone: 402-471-8292

Approved by:

Estimate of Fiscal Impact – State Agencies

	FY 2011-12		FY 2012-13	
	Expenditures	Revenue	Expenditures	Revenue
General Funds	0		0	
Cash Funds				
Federal Funds				
Other Funds				
Total Funds	0		0	

Explanation of Estimate: LB 664 would repeal the Industrial Relations Act and the State Employees Collective Bargaining Act. Public employers and employees would be prohibited from collective bargaining and from striking. If this legislation were enacted and the Employee Relations Division did not perform collective bargaining with the unions, it is likely the Division would not need the funding level that currently exists after the contracts expire that take effect July 1, 2011 and expire June 30, 2013. However, other duties performed by this Division would still need to be performed such as conducting grievance hearings, advising employees and employers on discipline issues and responding to questions from both employers and employees on the Family Medical Leave Act. Any possible changes in the Program's General Fund request if Employee Relations did not perform collective bargaining with the unions after the current contracts expire on June 30, 2013 would be reflected in the next biennium budget request.

Major Objects of Expenditure

Personal Services:

Position Title:	Number of Positions			2011-12	2012-13
	11-12	12-13		Expenditures	Expenditures
Benefits					
Operating					
Travel					
Capital Outlay					
Aid					
Capital Improvements					
TOTAL					

FISCAL NOTE LB664

Commission of Industrial Relations

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Prepared By	Hord, Annette
Date Prepared	1/31/2011
Prepared Phone	402-471-2934

Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds	-\$214,952	-\$3,837	-\$278,983	-\$3,837
Cash Funds				
Federal Funds				
Other Funds				
Total Funds	-\$214,952	-\$3,837	-\$278,983	-\$3,837

Explanation of Estimate:

This fiscal note represents the best estimate of costs related to this bill, based upon the experience of the Commission in handling cases in the past. LB 664 would eliminate the Commission of Industrial Relations.

In arriving at the reductions to be realized should LB 664 be adopted, the following assumptions were used:

1. Since the bill as written doesn't include the emergency clause, it is assumed that the bill would be signed on or about June 1, making it effective on or about August 29, 2011.
2. Any cases not completed by August 29, 2011 would not be resolved.
3. All accrued vacation leave, and sick-leave payout for retiring employees, would be paid.
4. Per Diem estimates for July and August are based on a 14-year average, per year costs/12 months x 2 months.
5. Two trials would be held in July or August, 2011, based on historical numbers.
6. Lost revenue estimates are based on historical filing fees and CIR reporter subscription fees.

Major Objects of Expenditure

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
Per Diem Commissioners			-\$51,180	-\$61,000
Staff Employees	3	3	-\$89,802	-\$126,555
		Benefits	-\$40,850	-\$50,985
		Operating	-\$29,513	-\$36,503
		Travel	-\$3,652	-\$3,940
		Capital outlay		
		Aid		
		Capital improvements		
		Total	-\$214,952	-\$278,983