

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

LB1041 makes changes relating to the findings and orders of the Commission of Industrial Relations (CIR) and would apply to all public employers and employees. The changes are as follows.

- LB1041 requires the CIR to compare wages/benefits/conditions of employment of public workers to both public and nonpublic workers in the same labor market unless evidence establishes that substantial differences exist which preclude limiting the comparison to the same labor market.
- If substantial differences exist in the same labor market, the CIR is to limit its comparison to those labor markets in which the population of the labor market is not less than one-half nor more than twice the population of the labor market of the employer involved in the dispute.
- LB1041 also provides that in establishing wages/benefits/conditions of employment, the CIR is to require a job match comparative analysis be done and shall limit it to those jobs that have 85% match or more.

The CIR is predicting an increase in workload as a result of the provisions of LB1041 as follows

- Filings would increase dramatically based on the assumption that nearly every first class city, as well as Lincoln and Omaha, would seek a new determination of wages.
- The length of trial would be longer based upon the magnitude of evidence that would be presented to prove whether or not an employer was substantially different than the subject entity.

The CIR does not project the dollar impact associated with the increase in workload.

The change in the CIR's workload as a result of LB1041 is difficult to predict. The CIR estimates a significant increase in workload based on the assumption that most first class cities, as well as Lincoln and Omaha, would not settle but would take their cases to the CIR for a ruling. An alternate assumption could be that under the provisions of LB1041 the labor organizations may be less inclined to go to the CIR and would therefore settle. Under this assumption, there would be no increase in workload for the CIR. Any change in the CIR's workload cannot be projected.

The Department of Administrative Services indicates their costs to be the cost to hire a consultant to determine if there are substantial differences in the same labor market and to provide CIR testimony.

The University of Nebraska and the State College System indicate that the fiscal impact cannot be determined.