

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3324-02
Bill No.: Perfected HCS for HB 2059
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
 Department; Employees - Employers; Labor and Management; Teachers
Type: Original
Date: April 22, 2008

Bill Summary: Creates the Professional Relationships Between Teachers and School Districts Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(\$222,888)	(\$266,827)	(\$274,833)
Total Estimated Net Effect on General Revenue Fund	(\$222,888)	(\$266,827)	(\$274,833)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	3 FTE	3 FTE	3 FTE
Total Estimated Net Effect on FTE	3 FTE	3 FTE	3 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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** state this proposal has no fiscal impact on the Courts.

Officials from the **Office of the State Public Defender (SPD)** cannot assume existing staff will provide competent, effective representation for any new cases arising where indigent persons are charged with the proposed new crime of interfering with the state board of mediation - a class A misdemeanor. The costs escalate as the number of assists increase. While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional appropriations for this specific bill, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all its cases.

Oversight assumes the Office of the State Public Defender (SPD) could absorb the costs of the proposed legislation within existing resources. Oversight assumes any significant increase in the workload of the SPD would be reflected in future budget requests.

Officials from the **Office of Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact to the SOS office for Administrative Rules for this proposal is less than \$2,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume that at the state level, the costs would be similar to a public sector labor relations process, with a commission established to settle disputes and investigate unfair union or employer labor practices. DESE defers to the Department of Labor and Industrial Relations regarding such costs. DESE also defers to the local districts regarding costs to districts.

Officials from the **Office of Prosecution Services (OPS)** assume this proposed legislation purports to create a new criminal offense for anyone who "resists, prevents, impedes, or interferes with any member of the commission, or any of its agents in the performance of duties". Any new criminal law creates the potential for an increase in the number of cases referred for

ASSUMPTION (continued)

prosecution.

In the absence of any estimates of the number of additional criminal cases that would be referred to County Prosecutors for charges because of this proposed legislation, it is not possible to provide estimates concerning the extent of any fiscal impact. Additionally, OPS is not otherwise able to establish a workable estimate of the number of additional criminal cases that would be referred to County Prosecutors for charges.

It is assumed there would not be a significant number of additional criminal cases referred to prosecutors as a result of this proposed legislation and that any direct fiscal impact on County Prosecutors would not be significant.

It is assumed this proposal would not have a significant direct fiscal impact on the Office of Prosecution Services.

Oversight assumes the Office of Prosecution Services and county prosecutors could absorb any additional costs incurred as a result of the proposed legislation within existing resources.

In response to identical legislation (SCS/SB 1158 - FN 4822-05) from this session, officials from the **Department of Labor and Industrial Relations (DOLIR)** assumed this proposed legislation requires DOLIR to promulgate extensive regulations dealing with existing certifications, petition and election procedures, unfair labor practices and bad faith claims and hearings, impasse procedures, and mediation and arbitration procedures. DOLIR estimated this will take 120 hours of attorney time. This can be absorbed with existing staff.

DOLIR anticipated the additional deadline requirements, anticipated increase in petitions (because of the addition of teachers and police), increased filing and tickler requirements, increased checks of showings of interest and correspondence, large number of anticipated unfair labor practice and bad faith filings and written requests to negotiate, and the call-ins connected with these matters, will require at least one additional full-time employee. DOLIR previously had one full time administrative assistant to handle previous duties. The additional duties will require at least two full-time administrative employees. This is in addition to the Chair position.

DOLIR also estimated a full-time administrative law judge (ALJ) is needed due to the large number of anticipated unfair labor practice and bad faith claims and the hearings connected with these claims. The Chairman and ALJ, in turn, would need the services of at least one full-time attorney to help with elections, legal correspondence, contract bar reviews, decision writing and research.

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ASSUMPTION (continued)

DOLIR anticipates the in-person unit hearings will require an average of two nights per week travel and overnight expenses.

In response to identical legislation from this session (SCS/SB 1158 - FN 4822-05), officials from the **Department of Corrections (DOC)** stated that, currently, DOC cannot predict the number of extended commitments which may result from the creation of the offense outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, DOC will incur a corresponding increase in operational cost either through incarceration (FY05 average of \$39.13 per inmate, per day or an annual cost of \$14,282 per inmate) or through supervision provided by the Board of Probation and Parole (FY03 average of \$3.15 per offender, per day or an annual cost of \$1,150 per offender).

In summary, supervision by DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Kansas City Metropolitan Community College** state this proposal will have no direct fiscal impact on their institution.

Officials from the **Poplar Bluff School District** responded to the request for fiscal note but did not provide an estimate of fiscal impact.

Oversight assumes potential costs to school districts are speculative and for fiscal note purposes will not be assigned. **Oversight** assumes any monies received from fines that would be transmitted to the State School Moneys Fund are speculative and for fiscal note purposes will not be assigned.

This proposal was sent to several other school districts who did not respond to a request for fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE			
<u>Cost - Department of Labor</u>			
Personal Service (3 FTE)	(\$140,197)	(\$173,283)	(\$178,482)
Fringe Benefits	(\$61,995)	(\$76,626)	(\$78,925)
Expense and Equipment	<u>(\$20,696)</u>	<u>(\$16,918)</u>	<u>(\$17,426)</u>
Total Cost - Department of Labor	<u>(\$222,888)</u>	<u>(\$266,827)</u>	<u>(\$274,833)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$222,888)</u>	<u>(\$266,827)</u>	<u>(\$274,833)</u>
Estimated Net FTE Change for General Revenue	3 FTE	3 FTE	3 FTE
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<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.

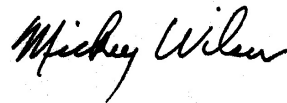
FISCAL DESCRIPTION

This proposed legislation creates the Professional Relationships Between Teachers and School Districts Act, which establishes procedures for collective bargaining between public school employers and public school employees.

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 State Courts Administrator
Department of Elementary and Secondary Education
Department of Labor and Industrial Relations
Department of Corrections
Office of Prosecution Services
Office of Secretary of State
 Administrative Rules Division
Office of State Public Defender
Kansas City Metropolitan Community College
Poplar Bluff School District



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Director
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