

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 405-01  
Bill No.: HB 64  
Subject: Labor and Management  
Type: Original  
Date: February 19, 2001

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON STATE FUNDS</b>                          |                                   |                                   |                                   |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| FUND AFFECTED   | FY 2002                           | FY 2003                           | FY 2004                           |
| General Revenue   | (\$316,972 to<br>Unknown)         | (\$338,467 to<br>Unknown)         | (\$350,162 to<br>Unknown)         |
| Highway   | (\$32,715)                        | (\$36,418)                        | (\$37,331)                        |
| <b>Total Estimated<br/>Net Effect on <u>All</u><br/>State Funds</b> | <b>(\$349,687 to<br/>Unknown)</b> | <b>(\$374,885 to<br/>Unknown)</b> | <b>(\$387,493 to<br/>Unknown)</b> |

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                          |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2002    | FY 2003    | FY 2004    |
| None  | \$0        | \$0        | \$0        |
| <b>Total Estimated<br/>Net Effect on <u>All</u><br/>Federal Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                                     |                                     |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| FUND AFFECTED                              | FY 2002                             | FY 2003                             | FY 2004                             |
| <b>Local Government</b>                    | <b>(\$5,050,000 to<br/>Unknown)</b> | <b>(\$6,942,200 to<br/>Unknown)</b> | <b>(\$8,943,562 to<br/>Unknown)</b> |

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Public Safety (DPS) - Division of Fire Safety, DPS - Division of Highway Safety, DPS - Veterans' Commission, DPS - Division of Liquor Control, DPS - State Emergency Management Agency, DPS - Director's Office, Central Missouri State University** and **Harris-Stowe State College** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Coordinating Board for Higher Education** assume the proposed changes would not present a fiscal impact to their agency. However, there will be an unknown fiscal impact on the state's institutions of higher education as professors and other teachers may choose to join labor organizations. The effect that such changes would have on the costs of institutional operations is unknown.

Officials from the **Department of Public Safety - Missouri State Highway Patrol (MSHP)** assume the Patrol's Human Resource Division would need one (1) FTE, a Personnel Analyst I, as a result of this proposal. The Analyst would be responsible for handling employee labor relations issues and would need to be familiar with union rules, protocols and procedures.

Officials from the **Department of Elementary and Secondary Education (DESE)** stated their department does not have a labor relations staff. Officials estimate they would need two (2) FTE, a Director and a Senior Secretary. Officials stated these FTE would be needed to handle the negotiations/arbitrations with the teachers employed by the 38 State Schools for Severely Handicapped, School for the Blind in St. Louis and School for the Deaf in Fulton. Supervisory personnel in the SSSH, MSB and the MSD would need training in supervising unionized personnel. This is assumed to be approximately 52 persons and the cost of the training for each is assumed to be \$200 per individual for a two-day training session (52 persons x \$200 = \$10,400). Subsequent year costs are assumed to be \$100 per year in training for updates (52 persons x \$100 = \$5,200).

The Director would coordinate DESE's negotiations activities with employee representatives and assist supervisory staff of the SSSH, MSB and MSD. The Director would prepare and present reports to the State Board of Education and provide technical assistance and act as a resource to districts where teachers form labor organizations. The Senior Secretary would provide clerical assistance to the Director, prepare department documents for purchasing and travel reimbursement, and maintain files and records as required by law.

ASSUMPTION (continued)

Officials from the **Office of Administration - Division of Personnel** assume, based on past experience in Missouri Labor Relations, they would need two (2) FTE, a Labor Relations Specialist and a Clerk Stenographer II as a result of this proposed legislation.

Officials from the **Department of Labor and Industrial Relation - State Board of Mediation (DOL)** assume they would have additional preliminary conferences, hearings, and representation elections to conduct. Officials stated that currently the Board of Mediation consists of three (3) FTE and they assume this proposal would require additional personnel and the related expenses. Officials stated the DOL would need an Attorney/Hearing Officer and a Clerk Typist II. In their fiscal estimate, DOL officials included costs for local assistance (Court Reporters). These costs for FY 02 were estimated to be \$3,600.

DOL officials noted that their fiscal note estimate does not include funds for development of data systems, educational training and professional development for new and current staff.

Officials from the **University of Missouri** assume the administrative and related expenses of this proposal could exceed \$100,000 annually.

Officials from **Truman State University** estimate the cost of collective bargaining at \$117,000 annually. This estimate would include additional staff, training, arbitration/mediation costs, and outside counsel.

Officials from **Southwest Missouri State University** assume the costs related to this proposal are unknown.

Officials from **Missouri Western State College** stated that some possible labor union negotiations would require funding. However, the exact category of costs is unknown at this time. Officials estimate costs at \$150,000 annually.

**Oversight** will reflect costs to State Colleges and Universities as unknown.

**Oversight** has eliminated the rent expense requested by the DOL assuming the two additional FTE would be located in existing facilities.

### **Local Government**

Officials of the **Department of Elementary and Secondary Education** have estimated fiscal ASSUMPTION (continued)

impact to school districts on a statewide basis as follows. Officials estimate costs for FY 02 at \$5,050,000, FY 03 at \$6,942,200 and FY 04 at \$8,943,562.

Officials of the **Board of Police Commissioners- City of St. Louis** stated that the costs of this proposal to the Metropolitan Police Department - City of St. Louis is indeterminable with any degree of certainty. Officials noted that the phase-in cost might be as much as \$12,000,000 to \$15,000,000 over a 2-3 year period plus an additional \$2,000,000 to \$3,000,000 per year thereafter in additional costs.

| <u>FISCAL IMPACT - State Government</u>  | FY 2002<br>(10 Mo.) | FY 2003           | FY 2004           |
|--|---------------------|-------------------|-------------------|
| <b>GENERAL REVENUE FUND</b>  |                     |                   |                   |
| <u>Cost</u> - Office of Administration (Division of Personnel)                     |                     |                   |                   |
| Personal Services ( 2 FTE )  | (\$56,590)          | (\$69,606)        | (\$71,346)        |
| Fringe Benefits  | (\$18,861)          | (\$23,200)        | (\$23,780)        |
| Expense and Equipment  | <u>(\$5,000)</u>    | <u>(\$1,000)</u>  | <u>(\$1,000)</u>  |
| Total <u>Cost</u> - Office of Administration (Division of Personnel)               | (\$80,451)          | (\$93,806)        | (\$96,126)        |
| <br><u>Cost</u> - Department of Labor and Industrial Relations - Mediation Board   |                     |                   |                   |
| Personal Service (2 FTE )  | (\$54,581)          | (\$67,135)        | (\$68,813)        |
| Fringe Benefits  | (\$18,192)          | (\$22,376)        | (\$22,935)        |
| Expense and Equipment  | <u>(\$32,547)</u>   | <u>(\$14,548)</u> | <u>(\$18,264)</u> |
| Total <u>Cost</u> - Department of Labor and Industrial Relations - Mediation Board | (\$105,320)         | (\$104,059)       | (\$110,012)       |
| <br><u>Cost</u> - Department of Elementary and Secondary Education                 |                     |                   |                   |
| Personal Service (2 FTE)   | (\$77,841)          | (\$95,745)        | (\$98,138)        |

| <u>FISCAL IMPACT - State Government</u>                                     | FY 2002<br>(10 Mo.) | FY 2003          | FY 2004          |
|---|---------------------|------------------|------------------|
| Fringe Benefits   | (\$25,944)          | (\$31,912)       | (\$32,709)       |
| Expense and Equipment   | (\$17,016)          | (\$7,745)        | (\$7,977)        |
| Other Costs - Training  | <u>(\$10,400)</u>   | <u>(\$5,200)</u> | <u>(\$5,200)</u> |
| <br>Total <u>Cost</u> - Department of Elementary<br>and Secondary Education | <br>(\$131,201)     | <br>(\$140,602)  | <br>(\$144,024)  |

|  |           |           |           |
|--|-----------|-----------|-----------|
| <u>Costs</u> - State Colleges and Universities |           |           |           |
| Costs related to labor organizations           | (Unknown) | (Unknown) | (Unknown) |

|   |  |  |  |
|---|--|--|--|
| <b>Estimated Net Effect on<br/>GENERAL REVENUE FUND</b> | <b><u>(\$316,972 to<br/>Unknown)</u></b> | <b><u>(\$338,467 to<br/>Unknown)</u></b> | <b><u>(\$350,162 to<br/>Unknown)</u></b> |
|---|--|--|--|

| <u>FISCAL IMPACT - State Government</u> | FY 2002<br>(10 Mo.) | FY 2003 | FY 2004 |
|---|---------------------|---------|---------|
|---|---------------------|---------|---------|

**HIGHWAY FUND**

|   |                  |                |                |
|---|------------------|----------------|----------------|
| <u>Cost</u> - Department of Public Safety<br>(MSHP) |                  |                |                |
| Personal Service                                    | (\$20,613)       | (\$25,354)     | (\$25,988)     |
| Fringe Benefits                                     | (\$8,404)        | (\$10,337)     | (\$10,595)     |
| Expense and Equipment                               | <u>(\$3,698)</u> | <u>(\$727)</u> | <u>(\$748)</u> |

|   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| <b>Estimated Net Effect on<br/>HIGHWAY FUND</b> | <b><u>(\$32,715)</u></b> | <b><u>(\$36,418)</u></b> | <b><u>(\$37,331)</u></b> |
|---|--------------------------|--------------------------|--------------------------|

| <u>FISCAL IMPACT - Local Government</u> | FY 2002<br>(10 Mo.) | FY 2003 | FY 2004 |
|---|---------------------|---------|---------|
|---|---------------------|---------|---------|

|                                      |               |               |               |
|--------------------------------------|---------------|---------------|---------------|
| <u>Cost</u> - School Districts       |               |               |               |
| Costs related to labor organizations | (\$5,050,000) | (\$6,942,200) | (\$8,943,562) |

|                                       |                  |                  |                  |
|---------------------------------------|------------------|------------------|------------------|
| <u>Cost</u> - City Police Departments |                  |                  |                  |
| Costs related to labor organizations  | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |

| <u>FISCAL IMPACT - Local Government</u>              | FY 2002<br>(10 Mo.)                        | FY 2003                                    | FY 2004                                    |
|--|--|--|--|
| <b>Estimated Net Effect on<br/>LOCAL GOVERNMENTS</b> | <b><u>(\$5,050,000 to<br/>Unknown)</u></b> | <b><u>(\$6,942,200 to<br/>Unknown)</u></b> | <b><u>(\$8,943,562 to<br/>Unknown)</u></b> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

Current law excepts police, state highway patrolmen, and teachers of schools, colleges, and universities from the right to form and join labor organizations. This bill repeals that exception.

This legislation is not federally mandated, would not duplicate any other program and would require additional capital improvements or rental space.

SOURCES OF INFORMATION

Coordinating Board for Higher Education  
Department of Elementary and Secondary Education  
Department of Labor and Industrial Relations - State Board of Mediation  
Department of Public Safety - Director's Office  
Department of Public Safety - Division of Fire Safety  
Department of Public Safety - Division of Highway Safety  
Department of Public Safety - Division of Liquor Control  
Department of Public Safety - Missouri State Highway Patrol  
Department of Public Safety - State Emergency Management Agency  
Department of Public Safety - Veterans' Commission  
Office of Administration - Division of Personnel  
Central Missouri State University  
Harris-Stowe State College

SOURCES OF INFORMATION (continued)

Missouri Western State College  
Southwest Missouri State University

L.R. No. 405-01  
Bill No. HB 64  
Page 7 of 7  
February 19, 2001

Truman State University  
University of Missouri  
Board of Police Commissioners - City of St. Louis

**NOT RESPONDING: Lincoln University, Northwest Missouri State University, Southeast Missouri State University, Missouri Southern State College and the Kansas City Police Department**

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA  
Director

February 19, 2001