



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	SB0253
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Title:	Require public employee unions to file annual report & recertify every 3 years
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Primary Sponsor:	Taylor, Janna
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Status:	As Introduced
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| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
Expenditures:				
State Special Revenue	\$444,713	\$145,231	\$147,410	\$149,621
Revenue:				
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Description of fiscal impact: This bill would require every labor organization representing public employees operating in the State of Montana to file an annual report with the Board of Personnel Appeals (administratively attached to the Department of Labor and Industry). The reports and supporting material would be retained for the purpose of public inspection and audit scrutiny upon request. This section of the bill is effective upon approval and passage. Additionally the bill provisions require that beginning January 1, 2014, and in five year increments, the Board of Personnel Appeals shall conduct an election to certify each labor organization acting as an exclusive representative of every collective bargaining unit that represents public employees.

FISCAL ANALYSIS

Assumptions:

1. The database development that would create a stored, secure, and reportable roster of active and compliant labor organizations would require two part time (six months) computer systems analysts contracted by the department. The total estimated cost of the development would be \$180,960.
2. The database administration requirement would consist of one part time (6 months) database analyst contracted by the state. The estimated cost for administration would be \$90,480.

3. 1.00 FTE would be required to manage the communication, collection, and certification for the annual report requirements. Ongoing personal services of the FTE would be \$51,438, operating expenses would be \$3,127, and one-time costs would be \$1,600.
4. The estimated costs of stored and archived annual reports for the 600 plus labor organizations would be \$186 per year.
5. Beginning on January 1, 2014 and in five year increments, the temporary staffing to support the elections required for re-certification would consist of 6 election judges temporarily 4 months with an estimated cost of \$57,600.
6. Temporary office space is estimated to cost \$8,500.
7. Equipment costs are estimated at \$9,600.
8. Beginning on January 1, 2014 and in five year increments the election process for labor organizations would consist of a mailing distribution and pre-paid return items including paper, envelopes, and stamps at an estimated cost of \$41,222.
9. A 1.5% inflation factor was applied in FY 2016 and FY 2017.
10. **The Employer Security Account (ESA) may not have sufficient revenue to accommodate additional expenses. In the future, a rate increase would be required or the services would need to be funded by the general fund.

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	1.00	1.00	1.00	1.00
<u>Expenditures:</u>				
Personal Services	\$51,438	\$51,438	\$52,210	\$52,993
Operating Expenses	\$393,275	\$93,793	\$95,200	\$96,628
TOTAL Expenditures	<u>\$444,713</u>	<u>\$145,231</u>	<u>\$147,410</u>	<u>\$149,621</u>
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$444,713	\$145,231	\$147,410	\$149,621
TOTAL Funding of Exp.	<u>\$444,713</u>	<u>\$145,231</u>	<u>\$147,410</u>	<u>\$149,621</u>
<u>Revenues:</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	(\$444,713)	(\$145,231)	(\$147,410)	(\$149,621)

Technical Notes:

1. The bill title indicates a recertification every three years, which is inconsistent with the bill language.

Sponsor's Initials

Date

Budget Director's Initials

Date