

FISCAL NOTE

Return in triplicate)

Bill/Resolution No.: SB 2502 Amendment to: \_\_\_\_\_

Requested by Legislative Council Date of Request: 2-15-93

- Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, and cities.

Narrative:

SB2502 provides for a State Employee Relations Board. This fiscal note estimates the salaries and operating expenses for that state board only. The note also estimates the costs associated with the office of the Executive Director. It is estimated that an Executive Director and an Administrative Assistant would be hired full-time. The services of two negotiators, one attorney, a mediator, and an arbitrator were also estimated for the biennium. Operating expenses and equipment for the Executive Director's office is included.

- State fiscal effect in dollar amounts:

<u>1991-93</u> <u>Biennium</u>		<u>1993-95</u> <u>Biennium</u>		<u>1995-97</u> <u>Biennium</u>	
<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>

Revenues:

Expenditures:	None	\$515,234	\$495,234
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- What, if any, is the effect of this measure on the appropriation for your agency or department:

- For rest of 1991-93 biennium: None
- For the 1993-95 biennium: None
- For the 1995-97 biennium: None

- County and City fiscal effect in dollar amounts:

<u>1991-93</u> <u>Biennium</u>		<u>1993-95</u> <u>Biennium</u>		<u>1995-97</u> <u>Biennium</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>
None		None		None	

If additional space is needed, attach a supplemental sheet.

Signed Brian McClure

Typed Name Brian McClure

Department Director, Central Personnel Div.

Phone Number 224-4735

Date Prepared: February 16, 1993

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STATE EMPLOYEE RELATIONS BOARD

1. Salaries for 3 Board members. \$14,250

Assumes the Board meets for one week each in the first two months in a biennium, and then for three days a month for the remaining twenty-two months in that biennium. Rate of reimbursement \$62.50 a day.

2. Operating Expenses

Operating expenses are estimated and calculated at 1/3 of the annual salaries line, less fringes, times 2 for the two years of the biennium. \$4,700

OFFICE OF THE EXECUTIVE DIRECTOR

1. Salaries and fringe benefits. \$377,152

- 1 Executive Director @ \$45,000 yr.
- 1 Admin. Asst. @ \$19,200 yr.
- 2 Negotiators for 1 yr. each @ \$35,000 yr.
- 1 Attorney\* - Negotiations (\$800 a day for 40 days during negotiations) - \$32,000
- 1 Mediator\* - Assume 10 days of service @ \$200 a day - \$1000
- 1 Arbitrator\* - Assume 3 days of service @ \$200 a day - \$600

\* No fringe benefits  
Note: Fringe benefits are calculated at 28%.

2. Operating Expenses \$99,132

Operating expenses are estimated and calculated at 1/3 of the annual salaries line, less fringes, times 2 (for the two years in the biennium)

3. Equipment \$20,000

Estimate of cost for 93-95 biennium \$515,234

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STATE EMPLOYEE RELATIONS BOARD

1. Salaries for the three Board members. This assumes that the Board will spend two weeks in the first two months in active session performing the following functions:
  - a. Adopting rules.
  - b. Advertising, recruiting and interviewing for the Executive Director, Administrative Assistant, Attorneys, Mediators and Arbitrators.

Following the initial period, the Board may be able to meet for three days a month to resolve appeals regarding the bargaining units, and to hear any matters referred to the Board as unfair labor practices.

2. Operating Expenses. Costs of operating the Board assume that office space is not available in the Capitol. Costs of the Board include:

Employee travel  
Printing (notices of elections, ballots, rule drafts, etc.)  
Data Processing (programming, recurring reports, rosters, lists of those in bargaining units)  
Postage  
Advertising and Legal Notices (employment ads)  
Office Supplies  
Rent

OFFICE OF THE EXECUTIVE DIRECTOR

1. Salaries. A skilled and experienced Executive Director who will conduct the day-to-day operations of this office is a specialist. Individuals who would function at this level would possibly have an advanced degree, and would be likely to have 10 years experience.

An Administrative Assistant would be required for record keeping, preparing correspondence and contract proposals, typing negotiation minutes and minutes of meetings for the Board, etc.

It would be necessary to retain an attorney to assist the agencies in negotiation preparation and actual negotiations. The Executive Director would also assist agencies in preparation for and in actual negotiations.

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Because it is assumed there will be from 12 to 20 successfully formed bargaining units, negotiations will need to be conducted with more than one unit at a time. It is essential that two negotiators be employed for the biennium so that negotiations can be concluded on a timely basis.

2. Operating Expenses. It is assumed there will not be space in the Capitol to house this activity.

Operating expenses will generate costs in the biennium largely due to the need to travel to various parts of the state frequently and conduct negotiations. Additionally, merely determining the bargaining units and hearing an appeal will generate costs. Costs will be incurred for:

Travel (meals, lodging, mileage, air fares)	@	\$25,000
Office Supplies	@	4,000
Data Processing (programming, recurring reports)	@	5,000
Telephone	@	4,000
Printing (labor contracts, proposals, transcripts)	@	8,000
Arbitration Costs	@	1,000
Mediation Costs	@	1,000
Postage	@	7,000
Equipment Rental/Repair/Maintenance	@	4,400
Computer Software Products	@	1,500
Reference Material	@	1,000
Temporary Professional Services	@	5,000
Rental of Office Space	@	33,600

3. Equipment. Equipment needed will include desks, phones, chairs, file cabinets, word processing equipment and the like.
4. Items not included as costs.
  - a. Wages paid to employees to attend meetings.
  - b. Materials used for employee meetings prior to elections.
  - c. Costs for an appeal to District Court from a decision by the Board.
  - d. Added costs to the State for negotiations if an arbitrator's order is rejected by the Legislature (Bill Section 14, item 13).

ESTIMATE FOR THE 95-97 BIENNIUM

The estimate for the 95-97 biennium is the same as the previous biennium, less the cost of equipment.

\$495,234