PREPARED BY: DATE PREPARED: PHONE:

Kathy Tenopir February 04, 2011 471-0058

LB 482

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

FY 2012-13

EXPENDITURES
REVENUE
EXPENDITURES
REVENUE

GENERAL FUNDS
See Below
See Below
See Below

CASH FUNDS
See Below
See Below
See Below

FEDERAL FUNDS
OTHER FUNDS
Image: Colspan="2">Image: Colspan="2" Image: Colspan="2" Ima

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

LB482 amends the Industrial Relations Act as it relates to disputes involving municipal corporations. Changes in LB482 would include mandating a number of items that the Commission of Industrial Relations (CIR) is to consider in determining comparability, using Metropolitan Statistical Areas, using both public and private employers, using instate and out-of-state employers, and the consideration of median family income. LB482 would make health insurance and retirement benefits permissive rather than mandatory subjects of bargaining.

The CIR indicates that the number of cases would increase in the first several years and the average days at trial would also increase. This appears to be a reasonable assumption. The CIR is estimating that the average cost of a 1-day trial would increase from \$4,448 to \$7,500 and there would be an additional 10 to 25 new cases. The estimated increase in additional cases may be high.

The city of Bellevue indicates the fiscal impact would be difficult to determine.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Elton Larson	2/3/11	PHONE 471-2526			
COMMENTS						
COMM. ON INDUSTRIAL RELATIONS – No basis to disagree with agency estimate.						
CITY OF BELLEVUE – Concur.						

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JAN 2 8 2011 LEGISLETIVE MISU Date Prepared By Date Prepared **FISCAL NOTE Commission of Industrial Relations**

Hord, Annette 1/27/2011 Prepared Phone 402-471-2934

Estimate Provided By State Agency or Political Subdivision

	FY 201	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue	
General Funds					
Cash Funds					
Federal Funds					
Other Funds					
Total Funds					

Explanation of Estimate:

This fiscal note represents the best estimate of costs related to this bill, based upon the experience of the Commission in handling cases in the past. There is no way to be certain as to the exact increase in caseload related to the passage of this bill, but this is our attempt to predict the fiscal impact upon our agency.

LB 482 would more clearly mandate a large number of items that must be considered by the Commission in determining comparability with regard to municipalities. Many of these standards are already used by the Commission, but many more are being mandated. Primarily, the new mandates concern the required use of Metropolitan Statistical Areas, the use of both public and private employers, both in-state and out-state, and the requirement to consider median family income in some situations. LB 482, if passed as it is currently written, would make both health insurance and retirement benefits permissive subjects of bargaining, thus removing these subjects from order by the Commission. Since in the past, health insurance benefits have always been considered a part of employee compensation, it could be assumed that there would be cases filed to clarify these exceptions.

With the passage of this bill, it is the consensus of the commissioners that the number of cases filed would go up dramatically. Most likely in the first several years after adoption, the Commission would have wage cases from almost all of the First Class Cities in Nebraska, in addition to Lincoln and Omaha. Some of these cities have more than one certified bargaining unit. Grand Island, for example has five certified units, while Omaha has at least six (not to mention the recognized, but not certified, bargaining units). The portion of the bill allowing or requiring a comparison to private employers could involve almost any municipality in the state with public employee bargaining units, since this is not something that has normally been done in the past.

Based upon the new rules contained in the bill, the Commission estimates that the average days at trial (necessary to hear all of the additional evidence) would be greater than our "average" under the current system. The Commission could also see fewer stipulations between the parties and this would also increase the amount of time spent at trial. Currently, the cost of a 1-day trial, including per diems, travel, court reporter, and other incidentals, is approximately \$4,448. It is estimated that this cost could go to approximately \$7,500 per case tried, due to the greater amount of time spent hearing evidence, as well as weighing and deciding upon the evidence presented (of which no precedent exists).

For the purposes of this fiscal note, the Commission feels that anywhere from 10 new cases to 25 new cases could be filed the first year after the bill's enactment. The second year might be somewhat less, and in the following years, once the new case law has been more settled, the number of cases filed should decrease back to more normal levels.

	Number	of Positions	FY 2011-2012	FY 2012-2013	
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures	
	-				
· ·		Benefits			
		Operating			
		Travel			
		Capital outlay			
		Aid			
		Capital improvements			
		Total			

Major Objects of Expenditure

	REGEIVED
Please complete <u>ALL</u> (5) blanks in the first three lines.	FEB 0 3 2011 2011
LB ^{an} <u>482</u> FISCAL NOTE	LEGISLATIVE FISS
State Agency OR Political Subdivision Name: (2)	Billoure
Prepared by: (3) Grey TRaihnan Date Prepared: (4) 2,	11/11 Phone: (5) 402-293-3023

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2011-2012		<u>FY 2012-2013</u>		
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE	
GENERAL FUNDS	- D	- 0-	-0-	-0-	
CASH FUNDS	- 0 -	-0-	-0-	-0-	
FEDERAL FUNDS	- 0 -	-0-	-0	-0-	
OTHER FUNDS	-0-	-0-	- D -	-0-	
TOTAL FUNDS	-0-	-0.	-0-	-0-	

<u>Return by date specified or 72 hours prior to public hearing, whichever is earlier.</u> Explanation of Estimate:

The City of Bellevice has determined that for the next
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Only anticipate affect of this legislation after some
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have been established Further which could be applied to Cost3
MAJOR OBJECTS OF EXPENDITURE
Personal Services:

POSITION TITLE	NUMBER (<u>11-12</u>	DF POSITIONS <u>12-13</u>	2011-2012 EXPENDITURES	2012-2013 EXPENDITURES
			- 0-	-0-
			-0-	- 0
Benefits	•••		-0	-0-
Operating			-0-	- 0 -
Travel			-0-	-0-
Capital outlay.			-0-	-0-
Aid			-0-	-0-
Capital improvements			-0-	-0-
TOTAL			-0-	-0-

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