

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4430-03
Bill No.: HCS for HB 1905
Subject: Education, Elementary and Secondary Education Department; Teachers
Type: Original
Date: March 9, 2010

Bill Summary: This proposal establishes the Professional Relationships Between Teachers and School Districts Act which specifies the procedures under which local school boards can meet and negotiate with employee organizations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(Unknown - Not expected to exceed \$100,000)	(Unknown - Not expected to exceed \$100,000)	(Unknown - Not expected to exceed \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Unknown - Not expected to exceed \$100,000)	(Unknown - Not expected to exceed \$100,000)	(Unknown - Not expected to exceed \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ 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 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Officials from the **Department of Corrections and the Office of State Public Defender** state this proposal will have no fiscal impact on their respective agencies.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. 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 for this fiscal note to the SOS for Administrative Rules is less than \$2,500.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

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.

The **Department of Labor and Industrial Relations (DOLIR)** estimates an increase in the number of petitions filed and hearings held. There are currently 523 school districts and 28 charter schools that will be affected by the proposed legislation. DOLIR estimates an increase in travel costs and administrative expenses, such as envelopes and postage. It is not possible to determine the exact fiscal impact at this time due to the uncertainty of workload.

Officials from the Office of Prosecution Services (OPS) did not respond to a request for fiscal note. In response from an identical proposal from last year (HB 805 - FN 1867-01) OPS stated this proposal would have no measurable fiscal impact on OPS or elected prosecuting attorneys.

Officials from the **Parkway School District** anticipate no fiscal impact from this proposal.

ASSUMPTION (continued)

Officials from the **Francis Howell School District** were unable to calculate a fiscal impact to their district resulting from this proposed legislation.

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 2011 (10 Mo.)	FY 2012	FY 2013
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GENERAL REVENUE

Cost - Department of Labor and Industrial
 Relations - Administrative and hearing
 costs

(Unknown - Not expected to exceed <u>\$100,000</u>)	(Unknown - Not expected to exceed <u>\$100,000</u>)	(Unknown - Not expected to exceed <u>\$100,000</u>)
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**EXPECTED NET EFFECT ON
 GENERAL REVENUE**

<u>(Unknown - Not expected to exceed \$100,000)</u>	<u>(Unknown - Not expected to exceed \$100,000)</u>	<u>(Unknown - Not expected to exceed \$100,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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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 establishes the Professional Relationships Between Teachers and School Districts Act which specifies the procedures under which local school boards can meet and negotiate with employee organizations.

Provisions of the proposal include stipulations that employees may not strike, and employers may not lock out employees. Teachers face dismissal or the loss of tenure and a \$250 fine for each day of an illegal strike, while an employee organization may be fined each day at an amount based on the school district enrollment.

Employee organizations sponsoring strikes will lose their authority to represent employees for two years and to have dues deducted from employee paychecks for one year. School employers will be fined up to \$5,000 a day for an illegal lock out, and each member of the public school employer's governing board and school superintendent will be fined \$250 per day for an illegal lock out.

Every local school board must adopt and publish a policy that establishes a time line to begin negotiations in sufficient time before the adoption of the final budget to allow for an agreement to be reached. The scope of negotiation is limited to wages, hours, and other terms of employment as specified in the proposal, but nothing prohibits the parties from mutually agreeing to discuss other terms of employment

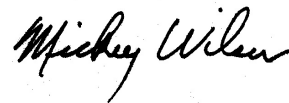
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Labor and Industrial Relations
Office of State Courts Administrator
Department of Corrections
Office of State Public Defender
Office of Secretary of State
 Administrative Rules Division
School Districts
 Parkway
 Francis Howell

NOT RESPONDING

**Office of Prosecution Services
School Districts**

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 9, 2010