

Fiscal Estimate Narratives

OSER 3/4/2014

LRB Number	13-3900/1	Introduction Number	SB-558	Estimate Type	Original
Description Collective bargaining for public employees, prohibiting employees other than public safety employees from bargaining collectively on insurance contributions and employee required contributions to retirement, granting rule-making authority, and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

This bill restores the statutory framework allowing municipal and state employees to collectively bargain over wages, hours, and conditions of employment. It preserves the existing statutory framework for collective bargaining covering both municipal and state public safety employees, including certain present day provisions prohibiting collective bargaining on the subjects of the costs, payments, design, and selection of health care coverage plans, as well as employer payments of employee contributions to retirement systems.

The cost of this bill is indeterminate because it does not necessarily cause a return to all contract provisions applicable prior to passage of 2011 Act 10. In other words, this bill's provisions only partially reinstate the earlier statutory framework for collective bargaining, but do not mandate that any particular provisions find their way into any newly-negotiated collective bargaining agreements (CBA's) resulting from these new provisions.

For example, the State is presumably benefitting financially from the post-Act 10 shift from pay status-based premium overtime pay, to work status-based premium overtime pay. Similarly, the State is presumably benefitting from lower expenditures regarding employees' Professional Development costs.

In both of these examples, the pre-Act 10 provisions found in the then applicable CBA's are no longer in existence, and presently do not apply. New provisions would have to be re-negotiated, tentatively agreed to by the two parties, voted on by bargaining unit memberships, presented to and passed by JCOER, passed by both houses of the legislature, and signed into law by the Governor before any costs could be reasonably and accurately determined. For these reasons, costs associated with this bill are indeterminate.

It can be assumed that costs associated with the bargaining process itself would be significantly more than the historic norm, since the pre-Act 10 base CBA's no longer exist. Therefore, any new bargaining efforts would start anew, with no prior base provisions in place, but any increased costs remain indeterminate.

Finally, the Office of State Employment Relations (OSER) is responsible for personnel and employment relations policies for state government employees. It has neither the resources nor expertise to estimate the fiscal impact of the bill's provisions on any local units of government.

Long-Range Fiscal Implications