

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2361 S HB	<b>Title:</b> Collective bargaining
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## Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
<b>Total \$</b>						

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

## Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Public Employment Relations Commission	1.3	218,504	218,504	1.3	213,504	213,504	1.3	213,504	213,504
Higher Education Coordinating Board	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Community and Technical College System	Non-zero but indeterminate cost and/or savings. Please see discussion.								
<b>Total</b>	1.3	\$218,504	\$218,504	1.3	\$213,504	\$213,504	1.3	\$213,504	\$213,504

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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<b>Prepared by:</b> Theo Yu, OFM	<b>Phone:</b> 360-902-0548	<b>Date Published:</b> Final 3/19/2007
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID: 17422

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2361 S HB	<b>Title:</b> Collective bargaining	<b>Agency:</b> 275-Public Employment Relations Comm
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

<b>FUND</b>					
<b>Total \$</b>					

### Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	1.3	1.3	1.3	1.3	1.3
<b>Fund</b>					
General Fund-State 001-1	111,752	106,752	218,504	213,504	213,504
<b>Total \$</b>	111,752	106,752	218,504	213,504	213,504

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/12/2007
Agency Preparation: Jim Lohr	Phone: 360-570-7310	Date: 03/13/2007
Agency Approval: Cathy Callahan	Phone: 360 570-7312	Date: 03/13/2007
OFM Review: Theo Yu	Phone: 360-902-0548	Date: 03/13/2007

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

SHB 2361 allows certain employees who are exempted from civil service at Universities and Community Colleges to engage in collective bargaining activities.

PERC provides four types of dispute resolution services under this legislation.

- Representation cases which involve the creation, modification and termination of bargaining relationships.
- Unfair labor practice cases which involve enforcement, by PERC, of the “rules of the game” established by the law.
- Mediation cases involve PERC assisting parties to resolve impasses in contract negotiations.
- Arbitration cases involve PERC staff members or referring private arbitrators from the PERC “Dispute Resolution Panel” to resolve grievances or interest arbitration cases.

It is estimated between 6,000 to 8,000 employees would receive the right to bargain for wages, benefits, and working conditions for the first time at 34 community colleges and 6 universities.

Those employed in the higher ed industry for Washington State are highly organized by labor organizations: In 2002 HB 2540 passed granting an estimated 2,500 student employees at the University of Washington the rights to collectively bargain.

HB 2403 passed in 2002 granting faculty at universities the rights to bargain collectively.

The 2002 Personnel System Reform Act allowed existing classified employees at community colleges and universities to bargain for wages for the first time.

Therefore, the likelihood of exempt employees at the 40 institutions being organized (represented) by labor organizations is extremely high.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

At community colleges, PERC assumes no more than two new bargaining units (one for supervisory employees, the other for special assistants/secretaries) may be created. The Universities have a much larger exempt staff and estimating the number of new bargaining units that are likely to be created is less certain, but extremely likely to exceed 2 units at each institution.

To create a bargaining unit, the employees would petition PERC to conduct an election (Representation case) to determine which, if any, labor organization shall represent these employees. Up to 80 new bargaining units (2 at each institution) would be created in the next 6 years.

Once a bargaining unit has been certified, the employer and labor organization will begin negotiating a collective bargaining agreement. PERC would “mediate” any impasses which could occur during these negotiations.

PERC would be called upon to enforce the “rules of the game” by processing unfair labor practice cases. These cases can

arise at any time, but particularly tend to arise during initial organizing of bargaining units, bargaining of initial contracts, and bargaining of successor contracts. Most employees covered by this bill have no experience with full scope collective bargaining, so their potential to contribute to or allege an unfair labor practice has occurred is greater than normal.

With these factors in mind, PERC estimates the workload generated by this bill would require an ongoing full time Labor Relations Adjudicator/Mediator and .3 FTE of support staff.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	1.3	1.3	1.3	1.3	1.3
A-Salaries and Wages	67,110	67,110	134,220	134,220	134,220
B-Employee Benefits	20,420	20,420	40,840	40,840	40,840
C-Personal Service Contracts					
E-Goods and Services	18,222	13,222	31,444	26,444	26,444
G-Travel	6,000	6,000	12,000	12,000	12,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
<b>Total:</b>	\$111,752	\$106,752	\$218,504	\$213,504	\$213,504

#### III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2008	FY 2009	2007-09	2009-11	2011-13
Labor Relations	60,036	1.0	1.0	1.0	1.0	1.0
Adjudicator/Mediator						
Office Assistant 3	28,296	0.3	0.3	0.3	0.3	0.3
<b>Total FTE's</b>		1.3	1.3	1.3	1.3	1.3

### Part IV: Capital Budget Impact

### Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2361 S HB	<b>Title:</b> Collective bargaining	<b>Agency:</b> 343-Higher Education Coordinating Board
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

<b>FUND</b>					
<b>Total \$</b>					

### Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/12/2007
Agency Preparation: Patty Mosqueda	Phone: 360-753-7863	Date: 03/12/2007
Agency Approval: Jim Reed	Phone: 360-753-7865	Date: 03/16/2007
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 03/16/2007

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This fiscal note reflects all public four-year higher education institutions.

This bill would extend collective bargaining to employees of higher education institutions who are exempt from civil service pursuant to RCW 41.06.070 (2). Exceptions include: governing board, presidents, vice presidents, deans, directors, chairs, head of divisions; managers as specified in the bill; employees with specific assistant duties; and confidential employees.

Areas subject to bargaining are specified in the bill.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

This fiscal note reflects all public four-year higher education institutions.

This bill would extend collective bargaining opportunities to a number of exempt professional staff at each institution who do not currently participate in collective bargaining.

Institutions have estimated that this bill could have significant fiscal impacts -- depending on the size of the institution (i.e. number of eligible employees) and depending on whether exempt professional employees choose to form collective bargaining units. Therefore, expenditure estimates are indeterminate at this time. Tentatively, estimates of fiscal impact could range from \$50,000 to over \$2 million per year. The following are examples of potential costs at two institutions.

EXAMPLE - UW:

As an example, at the largest institution, the University of Washington, over 4,500 employees would be eligible and would have the opportunity to participate if they chose to do so. The UW finds that the following activities would be needed:

- Conducting legal research and analysis;
- Planning, staffing and conducting inaugural and full scope collective bargaining with a currently unknown number of unions;
- Conducting salary and benefit surveys to inform local bargaining positions;
- Preparing costing analyses for a variety of economic issues;
- Tracking, managing and responding to a high volume of information requests;
- Administering grievance processes and providing representation in arbitrations;
- Providing employee relations support in interpreting and administering new and variable contract provisions across varied and complex organizational units;
- Redesigning business processes to align with various negotiated terms and conditions of employment;
- Training, advising and supporting staff and faculty supervisors charged with day to day contract administration;
- Managing and facilitating resolution of employee relations issues for staff covered by a variety of new personnel programs/bargaining agreements;
- Designing, programming, testing, implementing and maintaining systems changes required to implement terms of

collective bargaining agreements; and

- Developing and maintaining contract-related data bases, reports and correspondence.

If all eligible employees at UW chose to participate, UW estimates that an additional 23 FTEs (professional staff) would be needed in the 2007-09 biennium to support start-up and implementation if all 4,500 eligible employees participate. Professional staff would be needed for labor relations, training, computer design and programming, etc. On an ongoing basis, 11 professional staff would be needed along with 1 FTE support staff. Total expenditures for the UW in the first biennium are estimated at \$2.7 million; in subsequent biennia, the estimate would be about \$1.2 million.

#### EXAMPLE - WSU:

WSU has approximately 1,500 additional employees who would become eligible to participate in collective bargaining. There is a baseline cost for any new collective bargaining unit that is formed -- regardless of the number of employees represented. Beyond the initial costs, there would be added costs to manage the collective bargaining agreements.

To cover administrative/system costs, the following is estimated:

For the first biennium, implementation costs would be about \$400,000 per year. Subsequently, costs are estimated at \$300,000 per year.

In addition to administrative costs, there would be expenditures resulting from specific collective bargaining agreements which are indeterminate at this point; these would be submitted to the legislature for funding.

### **Part III: Expenditure Detail**

### **Part IV: Capital Budget Impact**

### **Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2361 S HB	<b>Title:</b> Collective bargaining	<b>Agency:</b> 699-Community/Technical College System
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

FUND					
Total \$					

### Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

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- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/12/2007
Agency Preparation: Deborah Frazier-LM	Phone: 360-704-4350	Date: 03/12/2007
Agency Approval: Mary Alice Grobins	Phone: 360-704-4388	Date: 03/12/2007
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 03/12/2007



Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

This bill allows exempt and professional/technical employees at the community and technical colleges to participate in collective bargaining, the same as is current practice for faculty ("academic employees") and classified staff.

This substitute version of the bill excludes exempt employees in positions of principal assistants, administrative assistants, or personal assistants to managers of policy, personnel, financial, or physical areas from collective bargaining.

II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Impacts at the community/technical colleges are indeterminate, but could be sizable. If everyone eligible to bargain collectively under this bill chose to, there would be about 1,000 affected employees. The administrative burden added by this bill could not be absorbed in current resources, even scattered across 34 colleges. Staffing at each college could cost \$4 million per year for the system.

This substitute version of the bill excludes exempt employees in positions of principal assistants, administrative assistants, or personal assistants to managers of policy, personnel, financial, or physical areas from collective bargaining. These positions in the CTC system are not exempt, but classified, and are already subject to collective bargaining, so impacts remain the same.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*