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Shawn Sullivan, Director of the Budget

Sam Brownback, Governor

February 26, 2016

The Honorable Julia Lynn, Chairperson Senate Committee on Commerce Statehouse, Room 445-S Topeka, Kansas 66612

Dear Senator Lynn:

SUBJECT: Fiscal Note for SB 469 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 469 is respectfully submitted to your committee.

SB 469 would provide that no professional employees' organization that is designated or selected as the exclusive representative of an employee unit could continue to represent professional employees without the concurrence of a majority of all professional employees in the represented unit.

Beginning in FY 2017, the Secretary of the Kansas Department of Labor would be required to hold annual elections for the certification of majority support of professional employees' organizations. The elections would occur no earlier than August 1 and no later than December 1 each year. Upon the conclusion of a recertification election, if the professional employees' organization receives votes from a majority of all professional employees in the unit, the organization would continue to represent the unit. If the organization fails to receive votes from a majority, or if no election is held within the time period required, the professional employees' organization would no longer be recognized and the employees would not be represented.

If a professional employees' organization is no longer recognized after an election, the terms of agreement between the board of education and the professional employees would continue and remain in effect, except for any provisions involving the professional employees' organization, organization security, dues and fees and grievance and arbitration. A new professional employees' organization could be recognized provided it is not substantially similar to, or affiliated with, any organization that lost its recognition as the exclusive representative during the preceding 12 months. In addition, the bill would outline procedures if a group of employees would challenge the current representation for the purpose of professional negotiations.

| Estimated State Fiscal Effect |                |                      |                |                      |
|-------------------------------|----------------|----------------------|----------------|----------------------|
|                               | FY 2016<br>SGF | FY 2016<br>All Funds | FY 2017<br>SGF | FY 2017<br>All Funds |
| Revenue                       |                |                      |                |                      |
| Expenditure                   |                |                      | \$340,000      | \$340,000            |
| FTE Pos.                      |                |                      |                | 4.00                 |

According to the Department of Education, the bill would have no fiscal effect. According to the Kansas Department of Labor, enactment of SB 469 would require more than 300 elections to be held annually. The agency estimates that additional expenditures of \$340,000 from the State General Fund would be required to implement the bill's provisions, along with 4.00 FTE positions to prepare, conduct, certify, and handle any petitions filed from the elections. Of the total estimate, \$240,000 would be for salaries and wages for the 4.00 FTE positions, along with other operating expenditures of \$100,000 for rent, supplies, and equipment costs for the elections. Any fiscal effect associated with SB 469 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,

Shawn Sullivan,

Director of the Budget

cc: Dale Dennis, Education
Dawn Palmberg, Department of Labor