

## Department of Planning and Budget 2020 Fiscal Impact Statement

**1. Bill Number:** HB327

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Levine

**3. Committee:** Labor and Commerce

**4. Title:** Public employees; collective bargaining.

**5. Summary:** Authorizes state and local government officers, agents, and governing bodies to recognize any labor union or other employee association as a bargaining agent of any public officers or employees and to collectively bargain with any such union or association.

**6. Budget Amendment Necessary:** See Item 8.

**7. Fiscal Impact Estimates:** Preliminary; see Item 8.

**8. Fiscal Implications:** The fiscal impact of this bill is indeterminate and would depend on whether state and local employers elected to recognize any labor union or other employee association as a bargaining agent of any public officers or employees and collectively bargain with any such union or association.

If collective bargaining were to be implemented for state agencies, a central governance structure for collective bargaining would need to be developed and would be expected to require related training and infrastructure changes as described below.

Impact estimates are not presently available for the Department of Labor and Industry.

### Management and Employee Communications and Training

According to the Department of Human Resource Management, communications and training of managers would be needed, as managers would need to understand the collective bargaining processes and agreements. Additionally, communications with employees would be needed to ensure they understand their rights and related processes. It is further anticipated that human resources professionals would also require training to ensure a baseline of knowledge and understanding of collective bargaining rights and processes established. Costs for training and communication are unknown at this time.

### Infrastructure

Impacts to the Commonwealth's technology infrastructure have not yet been determined. Impacts would be expected to occur for systems that manage time, labor, payroll, and benefits offered. The Commonwealth is currently in the process of developing the new Cardinal Human Capital Management (HCM) system, which is expected to be deployed by October 2021. Therefore, any immediate changes necessary would be expected to cause significant disruption to the project schedule and cost.

The Department of Human Resource Management's Personnel Management Information System (PMIS) and the Department of Account's central payroll and leave system, CIPPS, will be decommissioned and are expected to be replaced by the new Cardinal HCM system in October 2021, based upon the current project schedule. Technology staff are currently dedicated to day-to-day operational systems maintenance and critical Cardinal transition tasks and labor-intensive system reconfigurations to these systems have been discontinued. Therefore, necessary systems changes are not expected to be able to be implemented in PMIS or CIPPS and would need to wait until the new Cardinal HCM system is implemented.

In addition to the statewide systems already discussed, there are also multiple state agencies that use their own systems for time, labor, payroll and benefits, including some that have a combination of state and self-purchased systems.

Any technology solution would potentially need to manage multiple collective bargaining units and agreements possible within the introduced legislation.

**9. Specific Agency or Political Subdivisions Affected:** The Department of Human Resource Management, Department of Labor and Industry, and all state agencies, and localities.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

Date: 1/28/2020