

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB1014

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

2. Patron: Comstock

3. Committee: General Laws

4. Title: State employee associations; payroll deductions.

5. Summary: This bill prohibits the Department of Accounts (DOA) and all state agencies, departments, boards, commissions, or institutions that operate their own payroll system, from establishing, supporting, or administering payroll deductions regarding a state employee's membership fees, dues, or similar payments for or to any state employee association.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate.

8. Fiscal Implications: This bill prohibits state payroll systems from incorporating payroll deductions for any "state employee association." The bill defines this as any nonprofit organization in which membership is voluntary and that provides programs or services of general benefit to member state employees within the context of their employment. Such organizations may either be sponsored or associated with a specific state agency, or open to all state employees.

This bill would disallow state entities from administering a payroll deduction for costs associated with membership in any state employee association falling within the purview of this bill. It is not known how many payroll deductions are currently being processed that would be prohibited by this bill. In situations when a state agency would need to supplement membership fees that had previously been supported through payroll deductions, this bill may result in a fiscal impact to the state. However, the bill does not speak to whether or not reimbursement to a state entity from an employee is acceptable for these payments. As such, any fiscal impact resulting from this bill is indeterminate at this time.

According to the Department of Human Resources Management, this bill is not anticipated to have an impact on the agency.

9. Specific Agency or Political Subdivisions Affected: Department of Accounts, all state agencies that operate their own payroll system.

10. Technical Amendment Necessary: No.

11. Other Comments: As listed by the bill, DOA and all state agencies, departments, boards, commissions or institutions who operate their own payroll system are prohibited from establishing, supporting or administering payroll deductions related to payments for or to state employee associations. The bill does not extend the provision to state authorities or to political subdivisions.

Additionally, DOA recently implemented a policy, as approved by the Governor, which authorizes payroll deductions regarding a state employee's membership fees, dues, or similar payments for or to any state employee association. As such, the bill would prohibit the current operating practice.

Date: 1/24/2012