

Department of Planning and Budget 2020 Fiscal Impact Statement

1. **Bill Number:** HB582

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Guzman

3. **Committee:** Labor and Commerce

4. **Title:** Collective bargaining for public employees.

5. **Summary:** This bill repeals the existing prohibition on collective bargaining by public employees. The bill creates the Public Employee Relations Board, which will determine appropriate bargaining units and provide for certification and decertification elections for exclusive bargaining representatives of state employees and local government employees. The measure requires public employers and employee organizations that are exclusive bargaining representatives to meet at reasonable times to negotiate in good faith with respect to wages, hours, and other terms and conditions of employment. The measure repeals a provision enacted in 2013 that declares that, in any procedure providing for the designation, selection, or authorization of a labor organization to represent employees, the right of an individual employee to vote by secret ballot is a fundamental right that shall be guaranteed from infringement.

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

7. **Fiscal Impact Estimates:** Preliminary, see item 8.

8. **Fiscal Implications:** This fiscal impact estimate is preliminary and will be updated as information becomes available.

Impact estimates are not presently available for the Department of Labor and Industry. The potential impact to the Department of Human Resources Management (DHRM) is indeterminate.

This bill establishes the Public Employee Relations Board as a supervisory board within the executive branch. The bill provides for the payment of compensation and expenses of the members by the Department; the bill does not identify the department. Additionally, the bill provides for the Board to employ staff and for any such staff to be compensated from the Board's funds, for the Office of the Attorney General to provide legal services to the Board, and establishes a procedure for the Board to investigate alleged violations of conduct prohibited by the bill. Also, the bill provides that any party aggrieved by any decision or order of the Board may appeal to the circuit court. Estimates of these costs are not available.

Management and Employee Communications and Training

According to the Department of Human Resource Management, communications and training of managers will be needed, as managers will need to understand the collective bargaining processes and agreements. Additionally, communications with employees will 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. Cost for training and communication are unknown at this time.

Infrastructure

Impacts to the Commonwealth's technology infrastructure have not yet been determined. Impacts are 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 are 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 will be needed to manage the potential multiple collective bargaining units and agreements possible within the introduced legislation. Cost associated with these requirements have not been determined. Payroll processes for member dues collection, distribution and termination of payments will need to be established.

9. Specific Agency or Political Subdivisions Affected: Department of Labor and Industry; Department of Human Resource Management; state agencies; courts; localities; Office of the Attorney General.

10. Technical Amendment Necessary: No.

11. Other Comments: None.