

BDR 23-646
AB 182

LOCAL GOVERNMENT
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 5, 2015

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

See attached.

Name Michael Nakamoto

Title Deputy Fiscal Analyst

The following responses from local governments were compiled by the Fiscal Analysis Division. The Fiscal Analysis Division can neither verify nor comment on the figures provided by the individual local governments.

Local Government Responses
AB182 / BDR 23 - 646

City/County: City of Henderson Approved by: Mike Cathcart, Business Operations Manager Comment: The bill would not have a direct fiscal impact because any employees being paid for union activities would simply go back to their former positions if this bill were to pass.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: City of Las Vegas Approved by: Michelle Thackston, Administrative Secretary Comment: BDR 23-646 Revises provisions relating to collective bargaining by local government. The bill prohibits the city from deducting union dues from an employee which would save us some administrative time and expense in the payroll work unit. The elimination of city paid union positions would have the following annual cost savings:: Payroll: \$5,000 (non-recurring cost to change payroll deductions) City Employees' Association (CEA): \$200,000 savings (2 CEA FTE's) \$40,000 savings (Paid CEA Board Representatives at CEA labor management meetings; grievance hearings; training; voting) International Association of Firefighters (IAFF): \$120,000 savings (1 IAFF FTE) Police Officers Association (POA)(City Marshals): \$90,000 savings (1 POA FTE) Any comments that may relate to the financial impact associated with the passage of this bill. Section 6.2 of this bill may result in savings, but it is undetermined.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$650,000	\$650,000	\$650,000

City/County: City of Reno Approved by: Ryan High, Budget/Strat. Initiatives Mgr. Comment: Cannot be determined				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: Carson City				
Approved by: Nickolas A. Providenti, Finance Director				
Comment: This would have a fiscal impact, but the amount is undeterminable at this time.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: Churchill County				
Approved by: Eleanor Lockwood, County Manager				
Comment: BDR 23-646 is a wide-ranging bill with major impacts on collective bargaining. It gives the employer much more freedom in the bargaining process. A brief summary of changes are:				
1. A local government employer can no longer deduct dues for an employee in a bargaining unit.				
2. A local government employer can't agree to pay wages for an employee in a bargaining unit to perform bargaining unit tasks.				
3. It restricts who can be included in a bargaining unit.				
4. It allows more freedom to authorize a reduction in force or layoffs.				
5. An employer cannot give a pay or benefit increase beyond the agreement's expiration date.				
6. It gets rid of a fact-finding panel and allows an employer to indicate that the fact-finding will not be final and binding.				
7. Final offers in negotiations, mediation and fact-finding must be noticed publicly and a public meeting must be held to inform the public of the offers.				
8. It restricts 16.6% from total budgeted expenditures from being subject to collective bargaining.				
Any significant change to collective bargaining that favors the employer will have a positive fiscal impact on the employer. The exact amount of the savings would be difficult to determine. Much of the savings will be realized through allowing the employer more flexibility to make changes and preserve the ending fund balance from being impacted by collective bargaining.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: Clark County				
Approved by: David Dobrzynski, Assistant Director of Finance				
Comment: No increased fiscal impact to the County anticipated.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: Elko County				
Approved by: Cash A. Minor, Assistant County Manager/CFO				
Comment: No Impact				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: Humboldt County				
Approved by: Sondra Schmidt, Comptroller				
Comment: Bill could reduce costs of employer on several fronts including collection of dues, provide greater flexibility in difficult financial times to reduce workforce and reduce or eliminate cost of collective bargaining in general.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: Washoe County				
Approved by: Liane Lee, Government Affairs Manager				
Comment: There will be a fiscal impact, but cannot be determined.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: White Pine County				
Approved by: Elizabeth Frances, Finance Director				
Comment: These changes in NRS provide more cost-saving options to the County. The exact amount cannot be readily determined but this does have the potential to have a positive impact on the County in the form of reduced expenditures.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: Las Vegas Metropolitan Police Department				
Approved by: Rich Hoggan, Chief Financial Officer				
Comment: The provision prohibiting payment of compensation for employees on union business will save LVMPD approximately \$2.3m in annual value attributed to salaries and benefits for employees engaged in union activities. The amount of the potential savings from other provisions cannot be determined as it is difficult to project what financial outcome that will have.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$2,300,000	\$2,400,000	\$5,000,000

School District: Clark County School District

Approved by: Nikki Thorn, Deputy CFO

Comment: The bill provides for numerous changes to collective bargaining. Section 1- employees currently have their dues deducted through the district system, however, this is little extra work for CCSD staff. It should be noted that the associations provide all inputs for employees to have dues deductions entered in our system. No financial impact. Section 1 also indicates that local government shall not provide to employees paid leave or monetary compensation for union business. There could be potential savings to the district between \$350,000 and \$400,000 for not having to provide paid leave to their staff members for union business, however, that does not necessarily mean that the unions would not request to have those dollars made available for salaries or benefits. Financial impact uncertain. Sections 4&5-regarding additional criteria for a RIF - These additional criteria give CCSD additional flexibility to reduce its budget when needed. No financial impact. Section 6-regarding changes to evergreen clauses in the contracts – This provision will be helpful to local governments by providing an incentive to the unions to negotiate early so that any financial impact to employees will be in place before the start of the fiscal year. In the current environment, roll-ups are provided at the beginning of the fiscal year which is much less of an incentive to negotiate early. There could potentially be savings in staff time regarding retro pay adjustments and the possible elimination of them due but cannot definitively determine financial impact. Sections 8-10-Public notice of final offers during negotiations would provide transparency to the process. Existing staff would be able to post the required documents without financial impact. Section 13- Removing 16% of budgeted ending fund balance from negotiations would be beneficial to CCSD in maintaining a healthy fund balance and protecting one-time funds from being used to justify the ability to pay recurring compensation provision

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: **Douglas County School District**

Approved by: HOLLY LUNA, CFO, BUSINESS SERVICES

Comment: Fiscal impact cannot be determined at this time. The BDR makes reference to ability of supervisors and confidential employees to belong to collective bargaining units. Depending upon clarification as to whom must be a confidential employee, there is potential impact of redefining employees that currently exist in a bargaining unit yet under the revised definition would be required to be a confidential employee.

There would be a beneficial impact when eliminating arbitration, but historically the amount has varied and is dependent upon the nature of the arbitration.

From an operations perspective, eliminating the processing of dues would be a gained efficiency in the business services and human resource departments.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Esmeralda County School District**

Approved by: Monie L. Byers, Superintendent

Comment: Unable to determine impacts.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Lyon County School District**

Approved by: Philip Cowee, Director of Finance

Comment: Allowing districts to carry a higher fund balance would be helpful in times of economic recession and offer flexibility in times of need. The reduction in force language would also be a helpful tool in being able to reduce without regard to seniority. The finance department would also be appreciative if the union collected dues on behalf of there own members.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

<p>School District: Lincoln County School District Approved by: Steve Hansen, Superintendent Comment: Revenue from savings from "evergreen payments or recollections temporarily. So not really savings. However, there are savings from not paying for leave for substitute costs. That is the \$2000. The Reduction in Force (RIF) saves dollars in Salaries if needed, but unknown quantity.</p>				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$2,000	\$2,000	\$2,000

<p>School District: Nye County School District Approved by: Kerry Paniagua, Executive Secretary Comment: No Impact</p>				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

<p>School District: Pershing County School District Approved by: Dan Fox, Superintendent Comment: There would be a cost savings, however, there is insufficient information to determine what that might be.</p>				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

<p>School District: Storey County School District Approved by: Robert Slaby, Superintendent Comment: Unable to determine cost.</p>				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

<p>School District: Washoe County School District Approved by: Lindsay E. Anderson, Director of Government Affairs Comment: Washoe County School District cannot forecast the fiscal impact of this legislation.</p>				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **White Pine County School District**

Approved by: Paul Johnson, CFO

Comment: Additional notices and publications may result in added costs but should be nominal. Section 13 (3) that provides exemption of 16.6% of fund balance from negotiations, may help stabilize local government operations and preserve fund balances.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
No Impact	\$0	\$0	\$0	\$0

The following cities, counties and school districts did not provide a response: Boulder City, City of Elko, City of Mesquite, City of North Las Vegas, City of Sparks, Douglas County, Esmeralda County, Eureka County, Lander County, Lincoln County, Lyon County, Mineral County, Nye County, Pershing County, Storey County, Carson City School District, Churchill County School District, Elko County School District, Eureka County School District, Humboldt County School District, Lander County School District, and Mineral County School District.