

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB1042 makes changes relating to the findings and orders of the Commission of Industrial Relations (CIR) and would apply to all public employers and employees. The changes are as follows.

- In making finding and orders, the CIR is to establish “reasonable” rates of pay and conditions of employment.
- In establishing wages rates the CIR is to weigh, compare and adjust for any economic dissimilarity shown to exist which has a bearing on prevalent wage rates.

The CIR is predicting an increase in workload as a result of the provisions of LB1042 as follows.

- LB1042 would result in a landslide of cases filed.
- The length of the trials would be longer due to the multitude of statistical evidence presented by the parties to prove the new “reasonable” standard and, parties would have to prove how economic dissimilarities affect the wages and working conditions.

The CIR does not project the dollar impact associated with the increase workload due to LB1042. The CIR does however indicate that if LB1040, LB1041 and LB1042 are enacted into law, they would need to hire additional staff to assist the commissioners in handling the increased workload. In FY2010-11, the CIR indicates the need to hire an additional Attorney and a Para-legal (\$135,884). In FY2011-12 the CIR indicates the need to hire an additional Paralegal (195,406). This would increase the current staff of 3.0 FTE to 6.0FTE.

The change in the CIR’s workload as a result of LB1042 is difficult to predict. The CIR estimates a significant increase in workload based on the assumption that most public employers would not settle but would take their cases to the CIR for a ruling. An alternate assumption could be that under the provisions of LB1042 the labor organizations may be less inclined to go to the CIR and would therefore settle. Under this assumption, there would be no increase in workload for the CIR. Any change in the CIR’s workload cannot be projected.

The Department of Administrative Services indicates their costs to be the cost to hire a consultant to perform analysis and to provide CIR testimony.

The University of Nebraska indicates no fiscal impact and the State College System indicates that the fiscal impact cannot be determined.