

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6944
BILL NUMBER: SB 538

NOTE PREPARED: Jan 30, 2015
BILL AMENDED:

SUBJECT: Teacher collective bargaining.

FIRST AUTHOR: Sen. Yoder
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

Model Salary Schedule: The bill provides that the Indiana Education Employment Relations Board (IEERB) must publish a model salary schedule that a school corporation may adopt. (Current law requires the Department of Education to publish a model salary schedule.) It removes requirements that a school corporation submit its local salary schedule to the department for posting on the department's Internet web site.

Professional Employee Organization: The bill adds a definition of "professional employee organization". It requires a school corporation to establish and maintain procedures or policies that provide equal treatment of and equal access for professional employee organizations.

Affidavit: The bill provides that a school employer shall submit a copy of the affidavit submitted by the exclusive representative indicating the number of teachers who are members of the exclusive representative to the IEERB. It provides that if the IEERB determines that the affidavit indicates that the exclusive representative does not represent a majority of the employees, the IEERB shall investigate the affidavit.

It provides that after investigation by the IEERB, the IEERB may, if necessary, hold a hearing concerning representation by the school employee organization, and, based on the results of the hearing, direct an election by secret ballot within the bargaining unit to determine representation. It provides that an election based on the investigation of an affidavit may be held only once in a five year period.

Factfinder: The bill provides that factfinding by a factfinder may not last longer than 30 days. It provides that the IEERB must rule on an appeal of a factfinder's decision within 60 days of receipt of the notice of

appeal.

Collective Bargaining Agreement: The bill provides that the IEERB shall appoint an individual or an ad hoc panel to review each collective bargaining agreement and make a recommendation regarding its compliance with collective bargaining requirements. It authorizes the IEERB to take certain actions for collective bargaining agreements that do not comply with collective bargaining requirements. It provides that the public hearing for a collective bargaining impasse proceeding may begin not earlier than October 1 in the first year of the state budget biennium and must be concluded by February 1 of the year following the commencement of bargaining.

Employee's Rights and Protections: The bill requires the IEERB to develop and maintain a form summarizing a school employee's rights and protections. It requires a school corporation, beginning in the 2016-2017 school year, to distribute the form to the school corporation's employees.

Election: The bill requires a bargaining unit to have an election before July 1, 2017, to certify an employee organization as an exclusive representative.

Effective Date: July 1, 2015.

Explanation of State Expenditures: (Revised) *IEERB* - The cost to the IEERB of holding the elections required by this bill is estimated at \$700,000. This assumes the elections would be held over a two-year period.

The IEERB could require up to 3 additional employees to evaluate collective bargaining agreements for compliance with current law. Annual salary and fringe benefit costs are estimated to be \$225,000.

The total cost to the IEERB would be approximately \$925,000 in FY 2016 and FY 2017 and \$225,000 annually thereafter.

The bill's requirements represent an additional workload [and/or expenditure] on the IEERB outside of the agency's routine administrative functions, and existing staffing and resource levels, if currently being used to capacity, may be insufficient for full implementation. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

In 2014, approximately 304 collective bargaining agreements were submitted to the IEERB. The number of appeals to the IEERB could increase adding to the costs associated with hearing appeals. The Department of Education currently evaluates collective bargaining agreements for compliance with current law.

Model Salary Schedule - The provision requiring the IEERB to publish a model salary schedule is within the IEERB's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Local salary schedules are included in the teacher contracts that are currently posted on the IEERB's web site. As a result, there would be no impact requiring the IEERB to post these salary schedules. On the other hand, the workload of the Department of Education in designing compensation models, posting salary schedules on its web site, and reviewing these schedules would decrease.

Affidavit - Under current law, the exclusive representative has to certify by affidavit to the school employer the number of teachers who are members of the exclusive representative. Under this bill, the school employer has to forward a copy of the affidavit to the IEERB. The IEERB could incur additional administrative cost if it has to investigate whether the information in the affidavit is true; having to hold a hearing, if necessary, would add to the cost. The impact would depend on the number of affidavits that are filed under this provision that the IEERB believes warrants further investigation.

(Revised) *Factfinder* - The provision doubling the amount of time for factfinding could give the IEERB more time to settle differences between the school corporation and the exclusive representative. Doubling the amount of time for the IEERB to rule on an appeal could give the IEERB more time to consider all appeals without allocating additional resources to the appeal process.

(Revised) *Collective Bargaining Agreement* - Publishing a rubric for collective bargaining agreements should be within the IEERB's existing resources. The IEERB has published a guide for collective bargaining on its website which might fulfill the requirements of this bill.

Employee's Rights and Protections - The provision for the IEERB to develop and maintain a form summarizing a school employee's rights and protections should be within the IEERB's existing resources. The form would be posted on the IEERB's web site.

Explanation of State Revenues:

Explanation of Local Expenditures: *Model Salary Schedule* - School corporations would not have to forward their salary schedules to the Department of Education saving on the administrative cost of doing so. Currently, corporations submit their teacher contracts to both the IEERB and the Department of Education.

Professional Employee Organization - The provision requiring a school corporation to establish and maintain procedures or policies that provide equal treatment of and equal access for professional employee organizations should be accomplished within existing resources.

Affidavit - School corporations may have to adjust schedules to accommodate their workers taking part in an election directed by the IEERB under this bill. Since an election under this bill would be held at most once every five years, the overall impact would probably be minor.

Factfinder - Extending the time for factfinding may increase the cost. Under current law, the cost would be borne equally by both parties. Factfinders are paid \$1,200 per day; financial consultants are paid \$500 per day. The provision to double the amount of time the IEERB will take to hear an appeal should have minimal impact on school corporations.

Collective Bargaining Agreement - If the IEERB appoints a monitor to provide guidance regarding compliance with the collective bargaining requirements, the parties would have to reimburse the IEERB for its share of the cost. The amount would be equally divided between the parties.

Employee's Rights and Protections - The provision for a school corporation to distribute the form summarizing a school employee's rights and protections to its employees should be within its existing resources.

Election - School corporations may have to adjust schedules to accommodate their workers taking part in the

election directed by this provision. The impact would probably be minor.

Explanation of Local Revenues:

State Agencies Affected: IEERB; Department of Education

Local Agencies Affected: School corporations

Information Sources: IEERB website: www.in.gov/ieerb; Patrick Mapes, Chairman, IEERB, 317-233-6617.

Fiscal Analyst: David Lusan, 317-232-9592.