

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 22, 2011

TO: Honorable Harold V. Dutton Jr., Chair, House Committee on Urban Affairs

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB40 by Menendez (Relating to collective bargaining by law enforcement officers and firefighters.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 174 of the Local Government Code to authorize an association representing fire fighters, police officers, or both, to elect at any time following expiration of a meet and confer agreement to pursue collective bargaining under Chapter 174. An exception would be if the association was to enter into a subsequent meet and confer agreement under another statute that authorizes meet and confer.

The bill would repeal Subchapter C, Chapter 174 of the Local Government Code which requires a political subdivision to which the chapter applies to order an election for the adoption of the chapter under certain circumstances.

The attorney general would be required to monitor the federal legislation and publish a notice in the Texas Register. The Office of the Attorney General reported the additional duties associated with the provisions of the bill could be reasonably absorbed with current resources.

The bill would take effect September 1, 2011, contingent upon the passage of the federal Public Safety Employer-Employee Cooperation Act of 2009 or similar legislation of the 112th Congress.

Local Government Impact

The fiscal impact of the changes to Chapter 174 regarding meet and confer agreements and collective bargaining would depend on decisions made in the applicable processes.

The City of Fort Worth reported there would be a moderate fiscal impact to implement the provisions of the bill for fiscal years (FY) 2012 to FY 2016. Costs would include salary increases for police (\$4.4 million for FY 2013 to FY 2016); firefighters (\$4.0 million for FY 2014 to FY 2016); and marshals (\$150,000 for FY 2013 to FY 2016). The City of Fort Worth's current fiscal year budget for the affected department is \$290,300,000.

The City of Houston reported the city currently has collective bargaining for municipal and fire department employees, but the provisions of the bill would extend the option for collective bargaining to police department employees. The city stated that the costs related to collective bargaining are difficult to quantify and that the primary costs would be for providing necessary resources for collective bargaining. If the city provides relevant staff internally, other employees will not be available for their regular duties. However, if the city chose to contract for services to assist with collective bargaining, additional costs would be incurred.

The repeal of Subchapter C would result in a savings of election costs to a political subdivision; however, those savings would vary depending on the size of the locality and are not anticipated to be significant.

Source Agencies: 302 Office of the Attorney General

LBB Staff: JOB, KKR, SD, TP, JM