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FISCAL IMPACT STATEMENT

LS 6160
BILL NUMBER: SB 102

NOTE PREPARED: Nov 21, 2012
BILL AMENDED:

SUBJECT: Release Time for Public Employee Union Activities.

FIRST AUTHOR: Sen. Banks
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill prohibits the granting of release time for labor organization activities for employees of the state or a political subdivision in order to perform activities related to a labor organization. Specifically, the bill provides that an employee of the state or a political subdivision (including schools) may be compensated only for the performance of duties and activities that directly and primarily benefit the employee's employer or the general public.

The bill further provides the state or political subdivision (public employer) may not enter into an employment contract (either with the employee or the labor organization) that provides compensation to a public employee or a third party for performing labor organization activities. The bill provides that a public employee or a labor organization may not enter into a formal or informal agreement with a public employer to provide compensation to a public employee or a third party for performing labor organization activities. The bill provides that the public employer may not provide compensation, and an employee may not knowingly receive compensation, for a leave given or taken for the purpose of performing labor organization activities.

The bill provides that the Attorney General or any taxpaying resident of the state may institute a civil action to enjoin violations of these provisions, as the bill provides that any taxpaying resident of the state has standing to intervene in an action challenging the validity of these provisions.

Effective Date: July 1, 2013.

Explanation of State Expenditures: Currently, the state does not allow paid release time or time allotted for labor organization activities for any state employees. Current employees who wish to engage in business related

to a labor organization must do so on their existing leave time, paid or unpaid, or during nonbusiness hours.

As the bill prohibits an employee from knowingly receiving compensation for a leave given or taken specifically for the purpose of performing labor organization activities, the bill precludes those employees from using anything but unpaid leave time or after-hours time in order to conduct labor organization business. Public employees who wish to perform labor organization activities must therefore perform such activities either during their accrued unpaid leave time or when they are not otherwise scheduled to work.

The net fiscal impact from the bill on the state is indeterminable but very likely small.

Note: This bill will impact employees of the legislative branch, the judicial branch, separately elected officials, separate bodies corporate and politic (quasi agencies), and the Indiana State Police Department that are not part of Indiana's Civil Service System (IC4-15-2.2). As a result, previous restrictions placed on most state employees regarding labor organizations have not typically applied to employees of these excluded agencies.

Definitions: Labor Organization: A labor organization is defined as an organization, agency, union, or employee representation committee that exists primarily to assist employees in negotiating with employers concerning grievances, labor disputes, wages, rates of pay, or other terms or conditions of employment.

Compensation: Defined as money, a thing of value, or an economic benefit conferred on or received by a person in return for services rendered or for services to be rendered.

Release Time: Release time commonly refers to time in which a public employer allows a public employee to engage in labor organization business or activity while at the same time receiving compensation from the public employer.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill affects all local units, including school corporations, firefighters, local public safety officers, and other local government employees. It is not possible to determine how many local units of government provide paid release time to employees in order to perform business on behalf of labor organizations, but the net fiscal impact from the bill on these local political subdivisions is likely very small. Employees of local political subdivisions are considered employees in unclassified service and do not fall under any other restrictions regarding labor organizations that are typically applied to employees within the classified service within Indiana's State Civil Service System.

Explanation of Local Revenues:

State Agencies Affected: All

Local Agencies Affected: All

Information Sources: Keith Beesley, State Personnel Department, kbeesley@spd.in.gov; *State Employee Handbook* (<http://www.in.gov/spd/2732.htm>); <http://www.in.gov/spd/2399.htm>.

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