

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 0005A                      Public Employees Relations Commission  
**SPONSOR(S):** Brummer  
**TIED BILLS:**    **IDEN./SIM. BILLS:**

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Appropriations	29 Y, 12 N	Kearney	Hansen
2)			
3)			
4)			
5)			

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**SUMMARY ANALYSIS**

House Bill 05A provides for the state to recoup the portion of expenses of operating the Public Employees Relations Commission attributable to local governments from local government sources. In addition, the registration fee for certified bargaining agents for public employees is increased to cover the cost of the registration program.

The bill effects an increase to the General Revenue Fund of \$1.6 million recurring. The sum of \$1.6 million annually would be contributed for the local government share of the cost of operating PERC.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |                              |                             |   |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government?                | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes?                      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom?        | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families?                 | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

#### B. EFFECT OF PROPOSED CHANGES:

The Public Employees Relations Commission (PERC) is an independent board housed for administrative purposes in the Department of Management Services. The Commission's function is to hear and dispose of employment cases between state agencies and their employees and, in some instances local governments and their employees. In addition, PERC handles labor disputes involving state and local governments. PERC's case load is virtually evenly divided among state and local government parties.

A December 2002 examination by the Office of Program Policy Analysis and Government Accountability on this subject reflects that services are provided to 32 state entities and over 1,675 local governments, comprised of 405 cities, 67 counties, 67 school districts, 11 state universities and colleges, and 1,125 special districts.

The primary source of funding (over 98%) for PERC is the General Revenue Fund. Although local government cases comprise half of the caseload and slightly greater than half of the cost of operations, local governments do not contribute any funds to support PERC. Further, while the cost of registering unions is \$39,208 per year, the registration fee of \$15 for bargaining agents results in collections of only \$4,215.

House Bill 05A provides for local government funding for approximately half of the cost of operating the Commission. Funds from sales tax collections that would otherwise be attributable to the Local Government Half-cent Sales Tax Clearing Trust Fund, in the amount of \$133,333 per month, are transferred to the Public Employees Relations Commission Trust Fund for the share of costs of operations by local governments.

In addition, the bill would increase the registration fee for those registering as certified bargaining agents for public employees from \$15 to \$140.

#### C. SECTION DIRECTORY:

- Section 1: Amends s. 212.20(6)(d), F.S., to transfer \$133,333 per month to the Public Employees Relations Commission Trust Fund from sales tax revenues attributable to the Local Government Half-cent Sales Tax Clearing Trust Fund.
- Section 2. Amends s. 447.305, F.S., increasing the registration fee charged to employee organizations to register as a certified bargaining agent for public employees.
- Section 3: Creates an effective date of July 1, 2003.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

\$1.6 million would be transferred to the Public Employees Relations Commission Trust Fund from sales tax collections that would have otherwise been deposited to the Local Government Half-cent Sales Tax Clearing Trust Fund.

An increase in collections for the registration of certified bargaining agents of \$35,125, for a total of \$39,340 will be deposited to the Public Employees Relations Commission Trust Fund to offset the cost of the registration program.

#### 2. Expenditures:

A recurring fund shift of \$1,640,388 from General Revenue to the Public Employees Relations Commission Trust Fund has been included in HB 1789, the General Appropriations Act.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

Local governments will absorb a decrease, in the aggregate, of \$133,333 per month, (\$1.6 million annually) to the Local Government Half-cent Sales Tax Clearing Trust Fund.

#### 2. Expenditures: None.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Labor organizations will pay an increased registration fee to cover program costs incurred by the Commission.

D. FISCAL COMMENTS:

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not appear to require counties or cities to spend funds or take an action requiring the expenditure of funds; does not reduce the authority that cities or counties have to raise revenues in the aggregate; and does not reduce the percentage of a state tax shared with cities or counties. In any event, the amount of funds is considered insignificant. The House of Representatives has used as a measure for determining the significance of the fiscal impact of a mandate whether it would amount to greater than \$.10 times the average statewide population for the relevant fiscal year. Currently, amounts less than \$1.7 million would be construed as insignificant for this purpose.

2. Other: None.

E. RULE-MAKING AUTHORITY: None.

F. DRAFTING ISSUES OR OTHER COMMENTS: None.

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**