

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 2869 - HB 2961**

March 4, 2010

**SUMMARY OF BILL:** Authorizes public safety employees to organize and bargain collectively to resolve disputes regarding wages, hours, and other terms and conditions of employment between public employers and public safety organizations. Defines “public safety employee” as an employee of a public safety agency who is a law enforcement officer or emergency medical services personnel and includes employees who are temporarily transferred to a supervisory or management position. Creates a three member Public Safety Employee Board who will serve full-time and receive a salary. Requires there to be a General Counsel to the Board who will be an employee of the Board. Requires the Board to maintain an office.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Exceeds \$110,000/One-Time  
Exceeds \$48,129,800/Recurring**

**Increase Local Expenditures – Exceeds \$100,000\***

Assumptions:

- Based on information provided by the Department of Human Resources, total recurring state expenditures for three board members, one general counsel, and one administrative assistant will be \$594,900 (\$405,000 salaries, \$74,900 benefits, and \$115,000 operational costs for office space, travel, office supplies, and other).
- One-time costs associated with opening an office and creating five positions will be \$10,000 for equipment and supplies.
- According to the Department of Finance and Administration, the total salaries for state safety employees is estimated to be \$713,306,100 for FY09-10.
- The average union wage in Tennessee is 13.3 percent higher than the average non-union wage. It is estimated that state employees will negotiate an increase of at least one-half of that average difference or 6.65 percent.
- Based on information provided by the Department of Finance and Administration, it is estimated that there will be an increase to recurring state expenditures exceeding \$47,434,900 ( $\$713,306,100 \times 6.65\%$ ).
- The Attorney General’s office will require one additional attorney to handle an increase in litigation. The total recurring state expenditure for one additional attorney will be \$100,000 (\$72,000 salary, \$24,500 benefits, \$3,500 operational).

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- There would be a one-time administrative cost exceeding \$100,000 associated with updating a large volume of salary and benefit information for initial negotiation agreements.
- Many municipal safety officers are currently members of labor organizations.
- The precise amount or terms of any municipal negotiations cannot be reasonably determined. The increase to local expenditures as a result of litigation, arbitration, proceedings, and any applicable salary and benefit enhancements will exceed \$100,000 per year.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with a large initial "J" and "W".

James W. White, Executive Director

/jaw