

BDR 23-1020
AB 395

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 2, 2009

Agency Submitting: Department of Personnel

Items of Revenue or Expense, or Both	Fiscal Year 2008-09	Fiscal Year 2009-10	Fiscal Year 2010-11	Effect on Future Biennia
Staff (Salary and Fringe) (Expense)		\$571,389	\$574,379	\$1,142,870
Building & Equipment (Expense)		\$105,389	\$49,203	\$98,406
Operating Expenses (Expense)		\$126,444	\$125,494	\$81,470
Training & Professional Development (Expense)		\$52,663	\$11,140	\$1,640
Total	0	\$855,885	\$760,216	\$1,324,386

Explanation

(Use Additional Sheets of Attachments, if required)

Exhibits 1-4 display the calculations for the projected expenses. Exhibit 5 summarizes the assumptions made.

Name Shelley D. Blotter

Title Division Administrator

DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date Tuesday, March 24, 2009

The agency response appears reasonable.

Name Andrew K. Clinger

Title Director

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Assumptions

The bill provides for changing the name of the Local Government Employee-Management Relations Board to the Public Employment Relations Board and for the Board to establish ten bargaining units based on occupational groups within State Government.

Each unit would have the right to exclusive representation for the purpose of establishing workplace relations agreements. Supplemental agreements may be established based on unique characteristics of a group of employees within a unit.

When necessary, the Board would direct an election to determine the exclusive representative of each bargaining unit. It is understood that groups seeking the right to be the exclusive representative would assume the cost of the election.

New personnel required to staff a Labor Relations unit within the Department of Personnel includes:

- 1 - Division Administrator
- 1 - Supervisory Personnel Analyst
- 4 - Personnel Analysts IIIs
- 2 - Administrative Assistant IIs

Professional and clerical staff would be split equally between offices in Las Vegas and Carson City. The Division Administrator would be located in the Carson City Office and the Supervisory Personnel Analyst in the Las Vegas Office. Each staff member requires office space, furniture, equipment, and supplies.

Labor Relations unit staff would be responsible for training, advising, and supporting agency staff in labor disputes. Additionally the Labor Relations unit would be responsible for contract negotiation on behalf of the State, maintaining the contracts, and tracking labor disputes.

The executive and professional staff would attend Labor Relations Certification training in the first year and continuing education in FY 11 and in future biennia.

It is assumed that annually 2 employee-management contract disputes, which are not resolved internally or by mediation, will be resolved through arbitration by the Federal Mediation and Conciliation Service.

No costs have been factored in to reflect potential costs due to the terms of negotiated contracts such as additional leave time. Indirect costs associated with existing staff creating and maintaining compensation schedules for each unit, making or updating the

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IFS system to implement and maintain agreement changes, or providing training to key Personnel Officers and managers within the agencies are not included in the fiscal note.

The cost of additional attorneys' fees cannot be determined and not included in the fiscal note. Attorneys' fees may be awarded by the Board or the Department could experience an increased assessment from the Attorney General's Office due to increased representation during contract negotiation, for consultation, and representation for issues requiring judicial review.

DESCRIPTION OF FISCAL EFFECT

BDR/Bill/Amendment Number: BDR 23-1020/AB 395

Name of Agency: Department of Personnel

Division/Department:

Date: 3/20/09

Division of Labor Relations - Staff

	FY10	FY11	Future Biennia
Total Salary and Fringe for Labor Relations Staff	\$571,389	\$574,379	\$1,142,870

Division Administrator - Unclassified Position (North)

	Cost Detail	FY10	FY11	Future Biennia
Salary ⁽¹⁾	1 Position - New Class	\$87,773	\$87,773	\$175,546
Group Insurance	FY10 - \$549/month FY11 - \$596.75/month	\$6,588	\$7,161	\$14,322
REGI	FY10 - .0117 FY11 - .0096	\$1,027	\$843	\$1,685
Medicare	FY10 - .0145 FY11 - .0145	\$1,273	\$1,273	\$2,545
Retirement	FY10 - .1125 FY11 - .1125	\$9,874	\$9,874	\$18,432
Unemployment	FY10 (Jul- Dec) - .0047 FY10 (Jan-Jun) - .0035 FY11 - .0035	\$360	\$307	\$614
Workers' Comp	FY10 (Jul- Dec) - .026 FY10 (Jan-Jun) - .0273 FY11 - .0273	\$959	\$983	\$1,966
Total Salary plus Fringe⁽²⁾		\$107,854	\$108,214	\$215,111

Supervisory Personnel Analyst - Grade 38, Step 5 (South)

	Cost Detail	FY10	FY11	Future Biennia
Salary ⁽¹⁾	1 Position	\$61,951	\$61,951	\$123,902
Group Insurance	FY10 - \$549/month FY11 - \$596.75/month	\$6,588	\$6,588	\$14,322

REGI	FY10 - .0117 FY11 - .0096	\$725	\$595	\$1,189
Medicare	FY10 - .0145 FY11 - .0145	\$898	\$898	\$1,797
Retirement	FY10 - .1125 FY11 - .1125	\$6,969	\$6,969	\$13,010
Unemployment	FY10 (Jul- Dec) - .0047 FY10 (Jan-Jun) - .0035 FY11 - .0035	\$254	\$217	\$434
Workers' Comp	FY10 (Jul- Dec) - .026 FY10 (Jan-Jun) - .0273 FY11 - .0273	\$959	\$983	\$1,966
Total Salary plus Fringe⁽²⁾		\$78,345	\$78,201	\$156,619

Personnel Analyst III - Grade 36, Step 5 (2 North, 2 South)

	Cost Detail	FY10	FY11	Future Biennia
Salary ⁽¹⁾	4 Positions	\$226,506	\$226,506	\$453,012
Group Insurance	FY10 - \$549/month FY11 - \$596.75/month	\$26,352	\$28,644	\$57,288
REGI	FY10 - .0117 FY11 - .0096	\$2,650	\$2,174	\$4,349
Medicare	FY10 - .0145 FY11 - .0145	\$3,284	\$3,284	\$6,569
Retirement	FY10 - .1125 FY11 - .1125	\$25,482	\$25,482	\$47,566
Unemployment	FY10 (Jul- Dec) - .0047 FY10 (Jan-Jun) - .0035 FY11 - .0035	\$929	\$793	\$1,586
Workers' Comp	FY10 (Jul- Dec) - .026 FY10 (Jan-Jun) - .0273 FY11 - .0273	\$3,838	\$3,931	\$7,862
Total Salary plus Fringe⁽²⁾		\$289,041	\$290,815	\$578,232

Administrative Assistant II - Grade 25, Step 5 (1 North, 1 South)

	Cost Detail	FY10	FY11	Future Biennia
Salary ⁽¹⁾	2 Positions	\$70,950	\$70,950	\$141,900
Group Insurance	FY10 - \$549/month FY11 - \$596.75/month	\$13,176	\$14,322	\$28,644

REGI	FY10 - .0117 FY11 - .0096	\$830	\$681	\$1,362
Medicare	FY10 - .0145 FY11 - .0145	\$1,029	\$1,029	\$2,058
Retirement	FY10 - .1125 FY11 - .1125	\$7,982	\$7,982	\$14,900
Unemployment	FY10 (Jul- Dec) - .0047 FY10 (Jan-Jun) - .0035 FY11 - .0035	\$291	\$248	\$170
Workers' Comp	FY10 (Jul- Dec) - .026 FY10 (Jan-Jun) - .0273 FY11 - .0273	\$1,891	\$1,937	\$3,874
Total Salary plus Fringe⁽²⁾		\$96,149	\$97,149	\$192,908

⁽¹⁾Salary is based on Employee/Employer paid Retirement.

⁽²⁾Positions within the Department of Personnel do not have Personnel or Payroll

DESCRIPTION OF FISCAL EFFECTBDR/Bill/Amendment Number: BDR 23-1020/AB 395Name of Agency: Department of Personnel

Division/Department: _____

Date: 20-Mar-09**Division of Labor Relations - Building and Equipment**

	FY10	FY11	Future Biennia
Total Building and Equipment	\$105,389	\$49,203	\$98,406

Rent - Non-State Owned Building

	Cost Detail	FY10	FY11	Future Biennia
Rent North ⁽¹⁾	Office Space - 720 sq. ft.	\$13,055	\$13,444	\$26,888
Rent South ⁽¹⁾	Office Space - 866 sq. ft.	\$18,144	\$18,685	\$37,370
Non B&G Property Insurance	.00121 per \$1 insured x Office Space	\$38	\$39	\$78
B&G Lease Assessment	.0067 per \$1 x Office Space	\$209	\$215	\$431
Total Rent		\$31,446	\$32,383	\$64,766

Furniture

	Cost Detail	FY10	FY11	Future Biennia
Office Furniture - Executive	6 Positions @ \$3,297	\$19,782	\$0	\$0
Office Furniture - Secretarial	2 Positions @ \$2,351	\$4,702	\$0	\$0
Additional Furniture	2 Conference Tables	\$1,188	\$0	\$0
Additional Furniture	8 Side Chairs @ \$283	\$2,264	\$0	\$0
Total Furniture		\$27,936	\$0	\$0

DOIT/Telephone

	Cost Detail	FY10	FY11	Future Biennia
DOIT Assessments	Infrastructure and Security Assessment - FY10 8 FTE x \$123.35 & FY11 8 FTE X \$126.29	\$987	\$1,010	\$2,021
DOIT Long Distance	\$36/line/year x 8 FTE	\$288	\$288	\$576
State Phone Line	8 FTE x 12 months x FY10 - \$1.36/line/month FY11 - \$11.28/line/month	\$1,091	\$1,083	\$2,166

Voice Mail	8 FTE x 12 months x FY10 - \$4.23/account/month FY11 - \$4.25/account/month	\$406	\$408	\$816
Telephone & Data Wiring	8 FTE x \$1000	\$8,000	\$0	\$0
Voice System Administration	8 FTE x 12 months x FY10 - \$8.82/line/month FY11 - \$9.05/line/month	\$847	\$869	\$1,738
Total DOIT/Telephone		\$11,618	\$3,658	\$7,316

Office Equipment/Hardware/Software

	Cost Detail	FY10	FY11	Future Biennia
Copier Leases ⁽²⁾ (1 in Las Vegas and 1 in Carson City)	FY 10/11 - \$545.76/month x 12 months x 2 copiers	\$13,098	\$13,098	\$26,196
Fax Machines (1 in Las Vegas and 1 in Carson City)	FY 10 - 2 @ \$431	\$862	\$0	\$0
Network Laser Jet Printer - Med (1 in Las Vegas and 1 in Carson City)	2 x \$2,042	\$4,084	\$0	\$0
Hardware	FY 10 - 6 laptops with docking stations @ \$1,889 2 desktop PC's @ \$1,229	\$13,792	\$0	\$0
Software	FY10 - 8 @ \$319 FY11 - 8 @ \$8	\$2,552	\$64	\$128
Total Office Equipment Hardware & Software		\$34,388	\$13,162	\$26,324

⁽¹⁾Assumes rent at \$1.746 (FY10) and \$1.797 (FY11) per square foot in the South and \$1.511 (FY10) and \$1.556 (FY11) per square foot in the North based on existing lease agreements. Included in these calculations are 10 square feet per person for a reception area, 20 square feet per person for conference areas, and an additional 20% for common areas.

⁽²⁾Copier Lease Is based on \$260.26 per month lease and 7,500 black and white copies @ \$0.0084 ea and 2,500 color copies @ \$0.089 ea

DESCRIPTION OF FISCAL EFFECTBDR/Bill/Amendment Number: BDR 23-1020/AB 395Name of Agency: Department of Personnel

Division/Department: _____

Date: 20-Mar-09**Division of Labor Relations - Unit Operations**

	FY10	FY11	Future Biennia
Total Unit Operations	\$126,444	\$125,494	\$81,470

Operating Expenses

	Cost Detail	FY10	FY11	Future Biennia
Supplies	FY10 \$250/employee FY11 \$150/employee	\$2,000	\$1,200	\$2,400
State Printing/Business Cards	Business cards for executive and professional staff	\$150	\$0	\$0
Labor Relations Staff Travel Costs - Initial Agreement Discussions	See Travel Breakout Below	\$104,728	\$104,728	\$58,406
Off-site meeting rooms for Initial Agreement Discussions	Temporary office space consisting of 3 meeting rooms (720 sq. ft. x \$1.35 x 12)	\$11,664	\$11,664	\$4,860
Contract Disputes that go to FMCS Arbitration ⁽¹⁾	2 Disputes Annually	\$4,171	\$4,171	\$8,342
Labor Relations Staff Travel Costs - Arbitration	See Travel Breakout Below	\$2,660	\$2,660	\$5,320
Total Operating Expenses		\$125,373	\$124,423	\$79,328

Miscellaneous Insurance Rates

	Cost Detail	FY10	FY11	Future Biennia
Employee Bond	\$2.76 per employee/year x 8	\$22	\$22	\$44
Employee Tort	\$131.08 per employee/year x 8	\$1,049	\$1,049	\$2,097
Total Associated Expenses		\$1,071	\$1,071	\$2,141

Travel Breakout

Labor Relations Staff - travel for initial agreement FY10 and FY11⁽³⁾		
Comm Air Trans In-State	2 employees per trip x \$189	\$378
MP Daily Rental In-State	2 employees x 5 days x \$25	\$250

Lodging	2 employees x 4 nights x \$70	\$560
Per Diem In-State ⁽²⁾	2 employees x 5 days x \$64	\$640
Parking	2 employees x 5 days x \$12	\$120
Personal Car - Round trip Carson City to Reno Airport	2 employees x .055/mile x 60 miles	\$66
Subtotal		\$2,014
Total Travel for each year	52 trips x \$2,014	\$104,728

Labor Relations Staff - travel for initial agreement in future		
Comm Air Trans In-State	2 employees per trip x \$189	\$378
MP Daily Rental In-State	2 employees x 5 days x \$25	\$250
Lodging	2 employees x 4 nights x \$70	\$560
Per Diem In-State ⁽²⁾	2 employees x 5 days x \$64	\$640
Parking	2 employees x 5 days x \$12	\$120
Personal Car - Round trip Carson City to Reno Airport	2 employees x .55/mile x 60 miles	\$66
Subtotal		\$2,014
Total Travel for each year	29 trips x \$2,014	\$58,406

Labor Relations Staff - travel for arbitration		
Comm Air Trans In-State	2 employees per trip x \$189	\$378
MP Daily Rental In-State	2 employees x 3 days x \$25	\$150
Lodging	2 employees x 2 nights x \$70	\$280
Per Diem In-State ⁽²⁾	2 employees x 3 days x \$64	\$384
Parking	2 employees x 3 days x \$12	\$72
Personal Car-Carson City to Reno Airport	2 employees x .55/mile x 60 miles	\$66
Subtotal		\$1,330
Total Travel for year	2 trips x \$2,660	\$2,660

⁽¹⁾This calculation is based on the average cost of arbitration by the Federal Mediation and Conciliation Service for FY 2008 (\$4,171.06 per arbitration). Arbitration costs are shared equally between the Executive Department and the exclusive representative.

⁽²⁾Per Diem includes incidental expenses

⁽³⁾Assumes that the Supervisory Personnel Analyst and 1 Personnel Analyst III from Las Vegas would travel to Carson City for discussions for 10 agreements. The discussions will take place in Carson City with each discussion lasting an average of 66 days. Assuming 258 working days per year, staff would travel 258 days (52 weeks) in FY10 and FY11 and 144 days (approximately 29 weeks) in the future biennia.

DESCRIPTION OF FISCAL EFFECTBDR/Bill/Amendment Number: BDR 23-1020/AB 395Name of Agency: Department of Personnel

Division/Department: _____

Date: 20-Mar-09**Office of Labor Relations - Training and Professional Development**

	FY10	FY11	Future Biennia
Total Training & Professional Development	\$52,663	\$11,140	\$1,640

Training for Labor Relations Staff

	Cost Detail	FY10	FY11	Future Biennia
Labor Relations Professional Certification ⁽¹⁾	FY10 - 6 @ \$4,800	\$28,800	\$0	\$0
Advanced Labor Relations Professional Certification	FY11 - 2 @ \$3150	\$0	\$6,300	\$0
Travel, Lodging, and Per Diem for Training	See Travel Breakout Below	\$23,043	\$4,020	\$0
Professional Memberships	SHRM for 1 Executive and 1 Supervisory Staff	\$320	\$320	\$640
Publications & Periodicals		\$500	\$500	\$1,000

Travel Breakout

FY 10

2 classes- Washington, DC - 2 consecutive days		
Round Trip Airfare	3 emp from LV @ \$800.40; 3 emp from CC x \$820.40	\$4,862
Rental Car	2 cars x \$278	\$556
Lodging	6 employees x 3 nights x \$233	\$4,194
Per Diem (GSA rate)	6 emp x 4 days x \$64	\$1,536
Parking	6 employees x 3 x \$12	\$216
Personal Car - Round trip from Office to Airport	3 employees x 60 miles (CC to Reno) and 3 emp x 6 Miles (LV) x \$0.55/mile	\$109
1 class -Dallas, TX - 4 days		
Round Trip Airfare	3 employees x \$725.50 (LV to Dallas) & 3 employees x \$799.10 (Reno to Dallas)	\$4,574
Rental Car	2 cars x \$476.67	\$953

Lodging	6 employees x 5 nights x \$115	\$3,450
Per Diem Out-of-State ⁽²⁾	6 employees x 6 x \$59	\$2,124
Parking	6 employees x 5 days x \$12	\$360
Personal Car - Round trip from Office to Airport	3 employees x 60 miles (CC to Reno) and 3 emp x 6 Miles (LV) x \$0.55/mile	\$109
Total FY 10		\$23,043

FY 11

2 Advanced Certification Classes - Washington, DC - 3 Days		
Round Trip Airfare	1 employee x \$725.50 (LV to Dallas) & 1 employee x \$799.10 (Reno to Dallas)	\$1,525
Rental Car	1 Car x \$379	\$379
Lodging	2 employees x 4 nights each x \$165	\$1,320
Per Diem Out-of-State	2 employees x 5 days x \$64	\$640
Parking	2 employees x 5 days x \$12	\$120
Personal Car	1 employee x 60 miles (CC to Reno) and 1 emp x 6 Miles (LV) x \$0.55/mile	\$36
Total FY 11		\$4,020

⁽¹⁾Certification offered by HR Policy Association - Washington, D.C.

⁽²⁾Per Diem includes daily incidental expenses