



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: SB0094 R: Generally revise public sector unions law

Primary Sponsor: John Fuller Status: As Introduced - Revised

☐ Included in the Executive Budget      ☒ Needs to be included in HB 2      ☒ Significant Local Gov Impact

☐ Significant Long-Term Impacts      ☒ Technical Concerns      ☐ Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<b>Expenditures</b>				
General Fund (01)	\$0	\$7,517	\$0	\$7,744
State Special Revenue (02)	\$58,176	\$55,376	\$56,428	\$56,110
<b>Revenues</b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
<b>Net Impact</b>	<u>\$0</u>	<u>(\$7,517)</u>	<u>\$0</u>	<u>(\$7,744)</u>
<b>General Fund Balance</b>				

#### Description of fiscal impact

SB 94 defines labor organization activities and prohibits the use of public funds and resources for labor organization activities, and prohibits certain employee/labor organization activities while receiving compensation. The bill may increase after-hours work for Department of Administration managers and labor relations staff when negotiating with union employees, if the union employees are prohibited from performing those union duties during work time. The Department of Labor and Industry Dispute Resolution (DR) Unit would also require additional resources to implement the bill.

### FISCAL ANALYSIS

#### Assumptions

##### Department of Labor and Industry (DLI)

- SB 94 will result in an increase in Unfair Labor Practice (ULP) filings within the Dispute Resolution (DR) unit.
- The DR unit is currently at capacity for investigations and do not have a dedicated ULP investigator that can work on any additional filings as it pertains to SB 94.
- Starting July 1, 2025, DLI would need to hire 0.50 FTE for a Compliance Investigator located in Helena. A Compliance Investigator 0.50 FTE annual salary and benefits would be \$49,887 for FY 2026 and FY 2027, \$50,781 for FY 2028, and \$50,491 for FY 2029.
- The Department of Labor and Industry estimates operating costs such as telephone, copiers, scanners, utilities, minor equipment, and supplies will total \$8,289 for FY 2026, \$5,489 for FY 2027, \$5,647 for FY 2028, and \$5,619 for FY 2029. One-time-only operating expenditures for the FTE include \$1,600 for office supplies and equipment and \$1,200 for a computer are included in FY 2026.

**Department of Administration**

5. SB 94 may increase after-hours work for managers and labor relations staff when negotiating with union employees, if the union employees are prohibited from performing those union duties during work time. This would result in overtime pay for the department's labor relations employees who would need to meet after work hours.
6. There are three labor relations employees that would see an estimated 40 hours in overtime over the course of the labor negotiations time frame which take place from April through October in every odd calendar year. This would result in an estimated \$7,517.46 for FY 2027. This amount has been inflated by 1.5% for FY 2029.
7. Leave donations are not currently allowed for union activities.
8. If the agency were to bill a union for time spent by state employees during working hours, that may require agency tracking to invoice hours.
9. Other state agencies with unions would have estimated average paid hours spent by their employees for union activities and employee salaries as well.

**Office of Public Instruction**

10. HB 94 does not allow a public employer to expend public funds on behalf of or on activities in support of a labor organization.
11. Section 3 removes attending state meetings of teacher organizations as an allowable activity for pupil-instruction-related days. Section 3 does not change the number of pupil-instruction-related days so there is no fiscal impact to the OPI.
12. Section 4 removes the ability for school districts to close the schools of the district for the annual instructional and professional development meetings of teacher's organizations. The removal of the ability for school districts to close schools for teacher's organization meetings has no fiscal impact on the OPI.

## Fiscal Analysis Table

Department of Administration				
	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<b><u>Fiscal Impact</u></b>				
<b><u>Expenditures</u></b>				
Personal Services	\$0	\$7,517	\$0	\$7,744
<b>TOTAL Expenditures</b>	<b>\$0</b>	<b>\$7,517</b>	<b>\$0</b>	<b>\$7,744</b>
<b><u>Funding of Expenditures</u></b>				
General Fund (01)	\$0	\$7,517	\$0	\$7,744
<b>TOTAL Funding of Expenditures</b>	<b>\$0</b>	<b>\$7,517</b>	<b>\$0</b>	<b>\$7,744</b>
<b><u>Revenues</u></b>				
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u></b>				
General Fund (01)	\$0	(\$7,517)	\$0	(\$7,744)
Department of Labor and Industry				
	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<b><u>Fiscal Impact</u></b>				
FTE	0.50	0.50	0.50	0.50
<b>TOTAL Fiscal Impact</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>
<b><u>Expenditures</u></b>				
Personal Services	\$49,887	\$49,887	\$50,781	\$50,491
Operating Expenses	\$8,289	\$5,489	\$5,647	\$5,619
<b>TOTAL Expenditures</b>	<b>\$58,176</b>	<b>\$55,376</b>	<b>\$56,428</b>	<b>\$56,110</b>
<b><u>Funding of Expenditures</u></b>				
State Special Revenue (02)	\$58,176	\$55,376	\$56,428	\$56,110
<b>TOTAL Funding of Expenditures</b>	<b>\$58,176</b>	<b>\$55,376</b>	<b>\$56,428</b>	<b>\$56,110</b>
<b><u>Revenues</u></b>				
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u></b>				
State Special Revenue (02)	(\$58,176)	(\$55,376)	(\$56,428)	(\$56,110)
STATEWIDE SUMMARY				
	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<b><u>Fiscal Impact</u></b>				
FTE	0.50	0.50	0.50	0.50
<b>TOTAL Fiscal Impact</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>
<b><u>Expenditures</u></b>				
Personal Services	\$49,887	\$57,404	\$50,781	\$58,235
Operating Expenses	\$8,289	\$5,489	\$5,647	\$5,619
<b>TOTAL Expenditures</b>	<b>\$58,176</b>	<b>\$62,893</b>	<b>\$56,428</b>	<b>\$63,854</b>

**Funding of Expenditures**

General Fund (01)	\$0	\$7,517	\$0	\$7,744
State Special Revenue (02)	\$58,176	\$55,376	\$56,428	\$56,110
<b>TOTAL Funding of Expenditures</b>	<b>\$58,176</b>	<b>\$62,893</b>	<b>\$56,428</b>	<b>\$63,854</b>

**Revenues**

<b>TOTAL Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
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**Net Impact to Fund Balance (Revenue minus Funding of Expenditures)**

General Fund (01)	\$0	(\$7,517)	\$0	(\$7,744)
State Special Revenue (02)	(\$58,176)	(\$55,376)	(\$56,428)	(\$56,110)

**Effect on County or Other Local Revenues or Expenditures**

1. Section 4 removes the ability for school districts to close the schools of the district for the annual instructional and professional development meetings of teacher's organizations. The removal of the ability for school districts to close schools for teacher's organization meetings may have a fiscal impact on K-12 public schools.

**Technical Concerns**

1. There are existing collective bargaining agreements that have provisions for paid release time for union activities. SB 94 would conflict with the agreements.



Sponsor's Initials

4/27/25

Date



Budget Director's Initials

1/26/2025

Date