

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2544**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Requires issue subject to collective bargaining during term of collective bargaining agreement that is not resolved through negotiation or mediation to be resolved through binding arbitration.

Government Unit(s) Affected:

Cities, Counties, Employment Relations Board, BOLI, Statewide

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

This bill modifies the process for interim collective bargaining, which occurs when management proposes a change during the term of an agreement that affects a mandatory subject of bargaining and the union files a demand to bargain. Under current law, parties have up to 90 days to negotiate a resolution through bargaining or mediation, but if an agreement is not reached within that timeframe, management may implement the proposed change and unions then have the right to strike. This measure would change this process by eliminating management's authority to implement proposed changes after 90 days and instead requiring mediation for a period of up to 15 days and, if an agreement is still not reached, requiring the matter to go to binding interest arbitration.

The fiscal impact is indeterminate because it is unknown how many issues will arise in any given biennium, and of those that do arise, how many will not be resolved within 90 days and will go through the process proposed in the measure. The Department of Administrative Services (DAS) reports that since January 1, 2013, there have been 57 demands for interim bargaining (this number does not include interim bargaining conducted by the Oregon University System, Oregon Corrections Enterprise, Office of Public Defender Services or any non-state units, such as local government). Costs to state and local government would be due to a number of reasons, including the following:

- Increased number of matters going to binding interest arbitration. For state government, there is the potential addition of up to 22 bargaining units that would gain the right to mid-term binding interest arbitration. (Currently there are 36 collective bargaining agreements in state government, 14 of which are non-strikeable.)
- Interest arbitration can be lengthy and could extend the current 90 day process to a process that can take up to six to twelve months. DAS reports that an interest arbitration case costs \$20,000 to \$40,000.
- ERB may be required to perform additional mediation work. In addition, there may be a need for more Board involvement to determine if an issue is a mandatory or permissive subject of bargaining.