



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 17, 2003

### **S. 606**

### **Public Safety Employer-Employee Cooperation Act of 2003**

*As reported by the Senate Committee on Health, Education, Labor, and Pensions  
on October 2, 2003*

#### **SUMMARY**

S. 606 would establish federal standards regarding the collective bargaining and conflict resolution measures available to public safety personnel employed by state and local governments, the District of Columbia, and any U. S. territory or possession that employs such personnel. CBO estimates that implementing S. 606 would cost about \$44 million over the 2004-2008 period, subject to appropriation of the necessary funds. Enacting S. 606 would not affect direct spending or revenues.

S. 606 contains several intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). Because of uncertainties about how employees would exercise the collective bargaining rights that would be authorized by the bill and, consequently, how state and local employers would be affected, CBO cannot estimate whether the costs of the intergovernmental mandates would exceed the threshold established in the act (\$59 million in 2003, adjusted annually for inflation). In addition, CBO estimates that the direct costs of the private-sector mandates would be well below the annual threshold specified in UMRA (\$117 million in 2003, adjusted annually for inflation).

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 606 is shown in the following table. The costs of this legislation fall within budget function 800 (general government). For this estimate, CBO assumes that the legislation would be enacted near the start of fiscal year 2004, that the necessary amounts will be appropriated for each fiscal year, and that outlays will follow historical trends for similar activities.

	By Fiscal Year, in Millions of Dollars					
	2003	2004	2005	2006	2007	2008
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Federal Labor Relations Authority Spending						
Under Current Law						
Estimated Authorization Level <sup>a</sup>	29	30	31	32	34	35
Estimated Outlays	29	30	31	32	34	35
Proposed Changes						
Estimated Authorization Level	0	3	10	10	11	11
Estimated Outlays	0	3	9	10	11	11
Federal Labor Relations Authority Spending						
Under S. 606						
Estimated Authorization Level <sup>a</sup>	29	33	41	42	45	46
Estimated Outlays	29	33	40	42	45	46

a. The 2003 level is the amount appropriated for that year to the Federal Labor Relations Authority (FLRA). A full-year appropriation for fiscal year 2004 has not yet been enacted for the FLRA; amounts shown here are from CBO's baseline.

## **BASIS OF ESTIMATE**

S. 606 would extend collective bargaining rights to public safety personnel under certain conditions and would provide for federal administration of those rights in states that do not comply with the minimum standards in the bill. It would authorize the appropriation of such sums as may be necessary for the Federal Labor Relations Authority (FLRA) to adopt regulations implementing the bill, determine state compliance with the standards, and administer and enforce the standards where necessary. The bill would allow for judicial review of the FLRA's determinations and judicial enforcement of the new standards.

CBO estimates that the FLRA would spend about \$3 million in 2004, subject to the availability of appropriated funds, to develop the regulations, determine state compliance with the standards, and respond to any judicial review of its determinations. Preliminary information from the FLRA suggests that about half of the existing state programs would not be in substantial compliance with the bill's standards. If the final determinations confirm that analysis, about 500,000 public safety officers would come under the FLRA's jurisdiction, which would increase the agency's workload by about 45 percent. CBO estimates that a workload increase of that magnitude would cost \$10 million a year. Costs could be lower if states modify their laws and practices to comply with the standards in the legislation, but CBO has no basis for predicting whether states would make such changes.

## **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

S. 606 would preempt state authority to regulate the collective bargaining rights of its state and local public safety employees. The bill would require the FLRA to develop and implement regulations that grant certain public safety employees the right to collectively bargain in states where that authority does not meet a minimum level of coverage as determined by the FLRA. Such a preemption of state authority is a mandate under UMRA. As a result of the mandate, costs to states, if any, would be minimal because the FLRA also would be required to enforce the regulations.

As employers, certain state and local governments would be required to meet and bargain with the employees' exclusive representative should the employees choose to be represented by a collective bargaining unit. Such a requirement would be a mandate because these employers, under current law, are not required to meet and bargain with employees. The costs of complying with the mandate would include administrative activities that support the collective bargaining process and would vary by state depending on the level of collective bargaining rights currently extended to public safety employees in each state. Because we cannot predict how employees would respond to this new authority—that is, whether they would choose to organize a collective bargaining unit and what employment conditions they might ultimately negotiate—CBO cannot estimate the administrative costs that would result from this mandate.

Section 5 of the bill would require state or local governments, if subpoenaed, to provide testimony and documentary evidence to the FLRA as it enforces the collective bargaining system. Such a requirement would be a mandate as defined by UMRA. Based on conversations with the FLRA, CBO is unable to predict the degree to which this subpoena power would be exercised. As a result, we are unable to estimate the costs of complying with the mandate though the total cost is not likely to be significant.

Section 6 would prohibit public-sector employers from engaging in lockouts or any other actions designed to compel a public safety officer or labor union to agree to terms of a proposed contract. This prohibition would not impose costs on any state or local government because it would maintain regular staffing levels during instances of disagreement between labor and management.

Section 8 would prohibit states from preempting any local laws or ordinances that provide collective bargaining rights that are equal to or greater than the rights provided in the bill. This preemption, also a mandate under UMRA, would not impose any costs on state governments.

Because of the uncertainties about how the FLSA regulations would be implemented and how many public-sector employees would exercise their new rights to enter into collective bargaining agreements, CBO cannot determine whether the aggregate costs of the mandates contained in the bill would exceed the annual thresholds established by UMRA (\$59 million in 2003, adjusted annually for inflation).

## **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

S. 606 contains two private-sector mandates as defined by UMRA. Section 5 would require public safety officers or other private-sector entities, if subpoenaed, to provide testimony and evidence related to matters the FLRA would be empowered to investigate. Such a requirement would be a private-sector mandate as defined by UMRA. Although the precise number of individuals likely to be subpoenaed under this provision is uncertain, CBO expects that the direct cost of the mandate to private-sector entities would be well below the annual threshold established by UMRA (\$117 million in 2003, adjusted annually for inflation).

Section 6 would prohibit public safety officers and labor organizations from engaging in sickouts, work slowdowns, or strikes or any other action designed to compel an employer to agree with terms of a proposed contract. Although this mandate ultimately could affect the strength of a public safety union's bargaining power, CBO estimates that the mandate would impose no direct cost on private-sector entities.

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