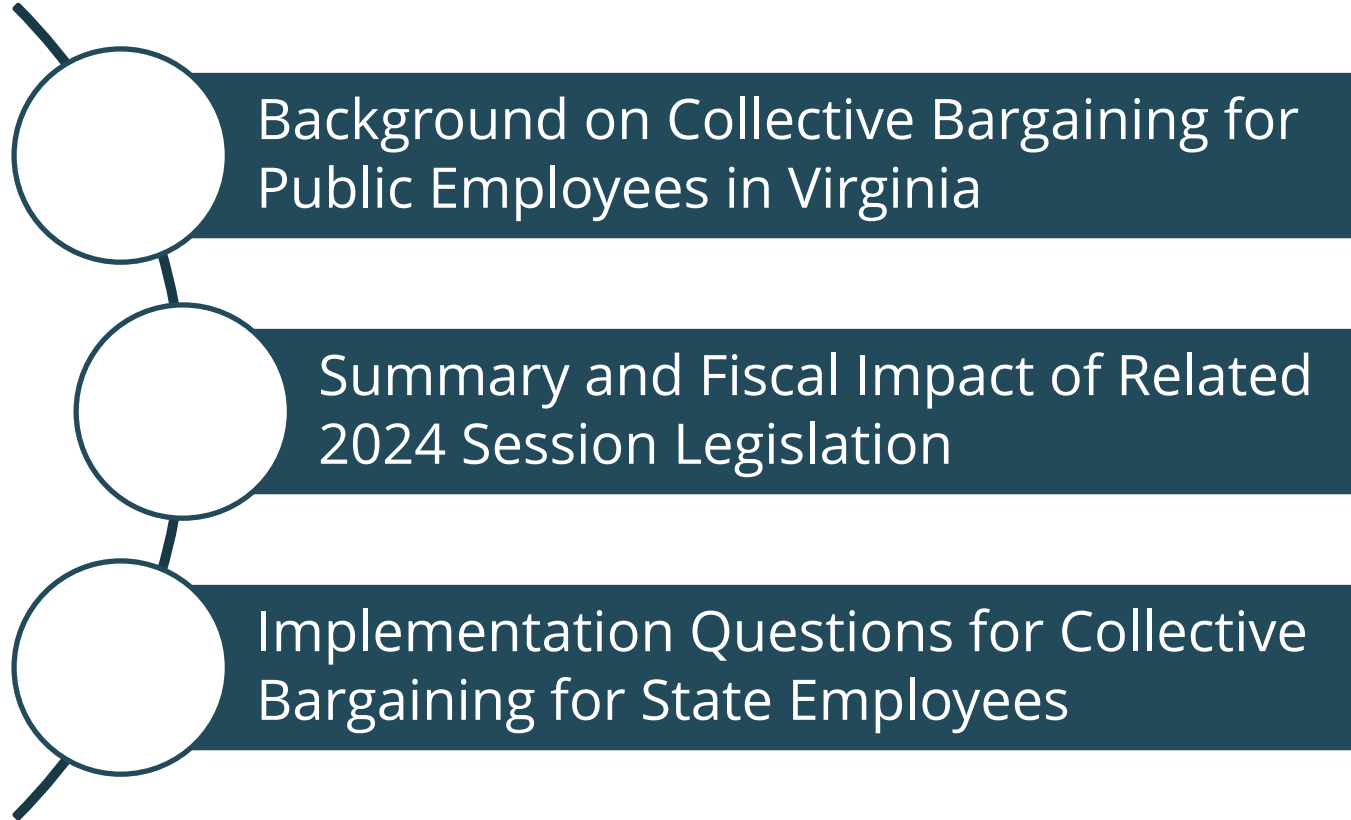


Discussion of Fiscal Impacts – Collective Bargaining Legislation in the 2024 Session

October 15, 2024

Outline



Collective Bargaining in Virginia for Public Employees

- In the 2020 Session, Chapters 1209 and 1236 of the 2020 Acts of Assembly allowed any county, city, or town (including local school boards) to implement collective bargaining by employees through local ordinance or by resolution.
 - Established a process for local governing bodies to take a vote on collective bargaining if a majority of the public employees in a unit seek to collectively bargain.
 - Maintained the prohibition on public employees from going on strike.
 - Does not require the locality to collectively bargain after passage of the ordinance.
 - Provides that no adopted ordinance or resolution restrict a governing body's authority to establish a budget or appropriate funds.
 - Became effective May 1, 2021.

Localities that have Adopted Collective Bargaining in Virginia for Public Employees

Locality	Ordinance/ Resolution Adopted
Alexandria	April 17, 2021
Arlington County	July 17, 2021
Fairfax County	October 19, 2021
Loudoun County	December 2, 2021
Prince William County	November 22, 2022
Richmond City	July 25, 2022
Charlottesville City	October 3, 2022
Portsmouth	November 15, 2023

Source: Various news articles and confirmation on the local government's website of the ordinance or resolution.

School Boards that have Adopted Collective Bargaining in Virginia for Employees

School Board	Ordinance/ Resolution Adopted
Richmond City	December 6, 2022
Prince William County	October 19, 2022
Charlottesville City	March 2, 2023
Fairfax County	March 9, 2023
Falls Church City	March 28, 2023
Arlington County	May 26, 2023
Alexandria City	February 29, 2024
Albemarle County	April 11, 2024
Loudoun County	August 13, 2024

Source: Various news articles and confirmation on the local government's website of the ordinance or resolution.

2024 Session Legislation - SB 623

Description

- SB 623 (Lucas) would authorize firefighters and emergency medical services providers employed by a political subdivision of the Commonwealth to engage in collective bargaining.
 - Would make collective bargaining mandatory for these groups.
 - Would allow collective bargaining regarding terms and conditions of employment, compensation, hours, working conditions, retirement, pensions, and other benefits.
- Would establish the Fire Service Cooperation Board, with three members, to administer the provisions set out in the bill.
- Would provide for the appointment of a three-member board of arbitration regarding any dispute arising between an employer and firefighters or emergency medical services providers.

Fiscal Impact

- Mainly impacts local governments with firefighters and EMS personnel.
- Fiscal impact on local government budgets due to changes in compensation and benefit costs and the administrative costs associated with collective bargaining.
 - Any impact would vary by local government, based on their size and the number of impacted employees that would be able to collectively bargain.
 - For example, Alexandria included an estimated cost to implement collective bargaining in their FY 2022 budget of \$850,000.*
- Fire Service Cooperation Board is created as a state board with Attorney General representation so there is a minor state cost of the bill.

* **Source:** City of Alexandria Approved Operating Budget for FY 2022.

2024 Session Legislation – SB 374

Description

- SB 374 (Boysko) would repeal the existing provisions of the Code of Virginia related to collective bargaining and make it mandatory for public employees (with certain exceptions).
 - Would allow state employees to collectively bargain.
 - Would include Medicaid personal care providers.
- Would provide for the provisions necessary to implement collective bargaining, which includes prohibited conduct, determination of bargaining units, election of exclusive bargaining representatives, union elections, and impasse procedures.
 - Would provide for 16 bargaining units for the executive branch.
 - Would maintain the existing prohibition on public employees from striking.
- Would establish the Public Employee Relations Board, with three members, to administer the provisions of the bill.

Fiscal Impact

State Budget Impact (GF \$ in millions)	FY 2025	FY 2026
Department of Labor and Industry	\$0.5	\$0.5
Department of Human Resource Management	1.5	1.0
Department of Accounts (GF)	3.3	-
Office of the Attorney General	0.4	0.4
<u>Agency Staffing Costs/ CBAs</u>	<u>TBD</u>	<u>TBD</u>
TOTAL	\$5.7	\$1.9

Source: Fiscal Impact Statement for SB 374 in the 2024 Session.

Note: The fiscal impact statement does not include costs for agency labor relations staff or the impact on state funding for programs that may result from collective bargaining agreements.

Implementation Questions for Collective Bargaining for State Employees

- **Fiscal Impact:**

- How does the state incorporate any costs resulting from collective bargaining agreements (CBAs) in its biennial budget process? Should CBAs be limited to funding as appropriated by the General Assembly?
- Should a specific timeline be set out to ensure appropriate consideration of the fiscal impact?
- How much funding would be required to ensure adequate administration of collective bargaining across all impacted state agencies?
- What is the scope of the collective bargaining agreement that it covers (i.e. compensation, benefits, working conditions, etc.?) Should certain aspects be excluded?

- **Other questions to consider:**

- How many collective bargaining units should be established?
- Which employees should be excluded from collective bargaining?
- What is the process to establish a fair process for determining the unit's bargaining representation?
- How will good faith negotiations between the parties be maintained and what is the process to resolve impasses in negotiations?

Appendix: Other State Resources

Links to other state information:

NCSL - [Unions and Collective Bargaining Legislation Database](#)

National Council on Teacher Quality - [Collective Bargaining Laws](#)

Economic Policy Institute - [2017 Map of States with Collective Bargaining Laws](#)

Ballotpedia - [Public-sector union policy in the United States, 2018-2023](#)