

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 7, 2007
POSITION: Oppose

BILL NUMBER: SB 180
AUTHOR: C. Migden

BILL SUMMARY: Agricultural Employees: Labor Representatives

This bill would allow an alternative method for agricultural employees to select their labor representatives, require the Agricultural Labor Relations Board (ALRB) to certify the alternative method petition, extend civil penalties to employers, and provide for collection of damages for employees, as specified.

FISCAL SUMMARY

The ALRB indicates that this bill could result in some level of savings which would be directly related to the size of the entities that utilizes the proposed alternative secret ballot election procedure. In addition, there may be additional workload to investigate and litigate complaints related to unfair labor practice charges. Based on historical data, each of these cases requires approximately 150 hours of staff work to resolve at the lowest level. Therefore, an increase of 10 cases would require at least one additional staff counsel position at an approximate cost of \$150,000 General Fund, although the volume of potential claims cannot be estimated at this time.

The anticipated savings from using an alternative secret ballot election procedure may not be sufficient to offset a potential increase in claims. Therefore, they ALRB may have a net increase in costs which cannot be absorbed. In addition, "due process" litigation would increase because of the ability of the ALRB to make a nonappealable administrative decision on the petition. Any request for resources as a result of this bill would be subject to review and approval through the annual budget process.

COMMENTS

The Department of Finance is opposed to this bill for the following reasons:

- It would spur litigation in relation to the lack of "due process" of the nonappealable administrative decision of the petition.
It shifts the focus and resources from the ALRB from conducting secret ballot elections to evaluating the validity of representation cards.
It increases the investigation and litigation of related unfair labor practice charges resulting in General Fund costs.

Existing law prohibits employers from engaging in unfair labor practices that would interfere with the election of labor representatives, includes criminal and civil penalties for any person or employer that engages in them, and provides for a secret ballot election for labor representatives.

This bill would:

- Provide an alternative method for agricultural employees to select labor representatives by submitting a petition to ALRB accompanied by representation cards signed by a majority.

Analyst/Principal (0243) K. Shelton Date Program Budget Manager Todd Jerue Date

Department Deputy Director Date

Governor's Office: By: Date: Position Approved Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

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- Require the ARLB to conduct an immediate investigation and make a nonappealable determination within five days whether to certify the labor organization as the exclusive bargaining representative for the particular agricultural employees.
- Require a witness signature to the employee signing the representation card.
- Increase the existing penalties from \$5,000 to \$20,000 for employers who engage in unfair labor practices with regard to a majority signup election.
- Expand the categories of unfair labor practices for agricultural employees and provides for liquidated damages up to double the amount of back-pay that is due.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2006-2007	FC	2007-2008	FC	2008-2009	
7300/Ag Labor Rel	SO	No		----- See Fiscal Summary -----					0001