

**STATE and LOCAL  
FISCAL IMPACT**

**Drafting Number:** LLS 08-0470  
**Prime Sponsor(s):** Rep. Gardner B.  
 Sen. Spence

**Date:** January 23, 2008  
**Bill Status:** House Business Affairs and Labor  
**Fiscal Analyst:** Chris Ward (303-866-5834)

**TITLE:** CONCERNING THE PROHIBITION OF STRIKES AGAINST PUBLIC EMPLOYERS.

<b>Fiscal Impact Summary</b>	<b>FY 2008-2009</b>	<b>FY 2009-2010</b>
<b>State Revenue</b> General Fund	less than \$5,000	less than \$5,000
<b>State Expenditures</b>		
<b>FTE Position Change</b>	0.0 FTE	0.0 FTE
<b>Effective Date:</b> Upon signature of the Governor or upon becoming law without his signature		
<b>Appropriation Summary for FY 2008-2009:</b> None required.		
<b>Local Government Impact:</b> Possible impact on county jails.		

**Summary of Legislation**

The bill prohibits public employees and labor organizations from directly or indirectly inducing, instigating, encouraging, authorizing, ratifying, or participating in a strike against any public employer. It also prohibits a public employer from consenting to or condoning a strike.

Affected public employers may petition the district court for an injunction to prevent or stop a strike. Failure to comply with an injunction would constitute contempt of court punishable by a fine of \$500 per day per employee and \$10,000 per day for labor organizations. Employees found in contempt would also be subject to imprisonment for up to six months in county jail, immediate termination by their employer, and ineligibility for public employment for one year. Employee organizations found in contempt would be immediately decertified and would no longer be permitted to represent or receive dues from any public employee. School boards would be able to fire any teacher who is convicted of going on strike or who is found in contempt of court for failing to comply with an injunction against a strike.

**State Revenue**

The bill sets fines for employees and organizations that violate a court order enjoining a strike against a public employer, which may increase state revenue. The fines are \$500 per day per employee and \$10,000 per day for employee organizations. However, the bill also allows for the penalties to be suspended in certain circumstances. For this reason, and because strikes in Colorado

are infrequent and the courts have discretion to impose fines, the potential increase in fine revenue is expected to average less than \$5,000 per year. Fine revenue not otherwise appropriated is deposited into the Fines Collection Cash Fund.

### **State Expenditures**

The bill is not expected to significantly affect state expenditures, although it has implications for certain state functions, described below.

***State Agencies as Employers.*** The bill prohibits the state as an employer from authorizing or condoning a strike by employees and from agreeing to pay any employee for any day during which the employee participates in a strike. The state may seek an injunction in district court to prevent or stop an employee strike and must immediately terminate any employee found in contempt of a court order enjoining a strike. Since striking state employees would not be expected to receive their regular pay, a strike by state employees might otherwise reduce state expenditures during the strike. Besides prohibiting strikes, the bill prohibits the state from paying any employee for any day during which the employee participates in a strike. Overall, the bill is not expected to affect state payroll or the workload of any state agency.

***Division of Labor, Department of Labor & Employment.*** Under current law, the Director of the Division of Labor may intervene in a dispute between public employees and their employer. If the director intervenes, employees are prohibited from striking and employers are prohibited from locking employees out or otherwise altering the conditions of employment. By explicitly prohibiting strikes by state employees, the bill would appear to preclude any need in the future for the director to intervene. This change will not, however, significantly affect the workload of the Division of Labor.

***Providing Public Services.*** Although current law allows state employees to strike, except when the Director of the Division of Labor intervenes, no such situation has occurred in recent history in Colorado. During a strike, some state services might not be provided, or they might be provided through alternative means. This impact has not been estimated.

### **Local Government Impact**

The bill prohibits strikes against local government employers, including counties; municipalities; school districts; special districts; local improvement districts; public institutions; municipal, quasi-municipal, and public corporations; and agencies designated by law as a political subdivision of the state. It also prohibits these employers from authorizing or condoning a strike by employees and from agreeing to pay any public employee for any day during which the employee participates in a strike. Public employers may seek an injunction in district court to prevent or stop an employee strike. School boards may immediately fire any teacher without a hearing when the teacher is in contempt of court for failure to comply with an injunction against a strike.

The bill also sets penalties for people or organizations that are found in contempt of a court order prohibiting a strike. But, since courts have the discretion of incarceration or imposing a fine, the impact of the penalty at the local level cannot be determined. The cost to house an offender in county jails varies from \$45 to \$50 per day in smaller rural jails to \$62 to \$65 per day for larger Denver-metro area jails. For the current fiscal year, the state reimburses county jails a daily rate of \$49.69 to house state inmates. It is assumed that the impact of this new misdemeanor will be minimal and will not create the need for additional county jail space.

**Departments Contacted**

Higher Education  
Labor & Employment  
Personnel and Administration

Judicial  
Law