

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 12
SHORT TITLE: Teacher Vacation Leave Enhanced
SPONSOR(S): Representatives Bowman, Smith, Warner and Jeffus

FISCAL IMPACT: **Expenditures:** **Increase (X)** **Decrease ()**
 Revenues: **Increase ()** **Decrease ()**
 No Impact ()
 No Estimate Available ()

FUND AFFECTED: **General Fund (X)** **Highway Fund ()** **Local Govt. ()**
 Other Funds ()

BILL SUMMARY: Increases the maximum number of accumulated annual leave days from 30 to 35 as of June 30 each year. The remainder of annual leave over 35 days is converted to sick leave to be used for salary in the event of illness or if not used can be accumulated for retirement purposes at retirement. The bill allows for the payment of accumulated annual leave from 30 days to 35 days to any teacher as a result of termination, death or retirement. The bill is effective for fiscal years 1993-94 and 1994-95 and sunsets as of June 30, 1995.

EFFECTIVE DATE: July 1, 1993 until June 30, 1995

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Public Schools System Teachers

FISCAL IMPACT

| | <u>FY</u> <u>1993-94</u> | <u>FY</u> <u>1994-95</u> | <u>FY</u> <u>1995-96</u> | <u>FY</u> <u>1996-97</u> | <u>FY</u> |
|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------|
| <u>1997-98</u> | | | | | |
| REVENUES: | | | | | |
| GENERAL FUND | \$1.1M to \$1.8M | \$1.1M to \$1.8M | -0- | -0- | -0- |
| HIGHWAY FUND | | | | | |
| HIGHWAY TRUST FUND | | | | | |
| LOCAL | | | | | |
| EXPENDITURES | | | | | |

POSITIONS: NA

ASSUMPTIONS AND METHODOLOGY:

Assuming 60% of retirees of public schools are teachers, with an annual salary of \$35,000 and using daily rate of pay for five additional days of annual leave, would equal \$1.8 million per year for two years. During 1991-92, the total payment of annual leave was \$6.7 million. By assuming that there were 1,076 occurrences of this, with maximum of 30 days, the five additional days would equal \$1.1 million per year for two years.

SOURCES OF DATA: Teachers' and State Employees' Retirement System

TECHNICAL CONSIDERATIONS:

Also impacts Retirement System with an additional cost of \$438,000 per year from the General Fund and \$37,500 from the Highway Fund. Actuarial note of March 9, 1993 attached.

FISCAL RESEARCH DIVISION

733-4910

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DATE: March 10, 1993

[FRD#001]



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