

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1201

SHORT TITLE: Sick Leave Banks/School Employees

SPONSOR(S): Representatives Nesbitt, Hackney and Bowen

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

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

BILL SUMMARY:

The bill provides that each local board of education may adopt rules establishing a sick leave bank whereby an employee can elect to be a member by donating sick leave according to the rules. After exhausting all personal sick leave, the members may withdraw sick leave from a bank which has been donated by members of the sick leave bank. The bill further provides that any employees donating sick leave shall be notified of the consequences relating to retirement service credits which, under current law, one month of creditable service is allowed for each 20 days or portion thereof standing to the member's credit at retirement. The result of the legislation could be that each school system could establish a sick leave bank. Sick leave banks would result in employees remaining on the payroll at a cost to the State, who under present conditions, would be placed on a leave of absence without pay.

EFFECTIVE DATE: July 1, 1993

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Public School Systems

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>
EXPENDITURES					
TOTAL EXPENDITURES					
STATE FUNDS	\$2,009,000	\$2,009,000	\$2,009,000	\$2,009,000	\$2,009,000
FEDERAL FUNDS	93,000	93,000	93,000	93,000	93,000
LOCAL FUNDS	127,000	127,000	127,000	127,000	127,000
OTHER FUNDS					
(Highway)	5,000	5,000	5,000	5,000	5,000
RECEIPTS/FEES					

POSITIONS:

ASSUMPTIONS AND METHODOLOGY:

Background

Employees of the Public Schools earn sick leave at the rate of one day per month of full-time employment. Sick leave may be used for a temporary disability caused by personal illness or injury or for the illness or injury of a member of the immediate family, death in the immediate family, or for medical appointments for the employee only. The immediate family for illness or injury purposes is defined as spouse, children, parents and other dependents living in the household. There is a special provision only for teachers in which after all sick leave is exhausted salary, less substitute pay, may be allowed to continue by the superintendent for up to 20 teaching days. After this provision is used, teachers are placed on a leave of absence without pay. In the case of employees other than teachers, they are placed on leave without pay at the time the accumulated sick leave is exhausted.

Methodology

The cost estimates are based on the experience of two large school systems in Florida that have established sick leave banks that only covers teachers. The experience indicates that an average of .34 days are withdrawn by each participant. Since the North Carolina State Board of Education has implemented the voluntary shared leave program that allows employees to donate annual leave to co-workers, other than teachers and teacher assistants, the above cost estimates apply only to teachers and teacher assistants. Using the average salary in North Carolina of \$27,455 for teachers and \$14,069 for teacher assistants and assuming that 50% will participate in sick leave banks and that each participant will use an average of .34 days, it is estimated that teachers and teacher assistants will withdraw 11,270 and 2,392 days respectively from the sick leave banks.

SOURCES OF DATA: Broward and Dade County School Systems in Florida

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION

733-4910

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DATE: May 5, 1993

[FRD#002]



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