

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 1203

SHORT TITLE: School Employees May Convert Leave
June 30, 1993

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

SPONSOR(S): Representatives Nesbitt, Hackney & Bowman

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

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

BILL SUMMARY: This bill will allow employees of the public schools to convert an excess annual leave over 30 days to sick leave as of June 30 each year. Under the present law the excess annual leave over 30 days is cancelled. This converted sick leave plus sick leave earned could be used by these employees for salary continuation purposes in the event of illness or if not used, it can be accumulated to increase the creditable service at retirement.

EFFECTIVE DATE: 29-Jun-1993 June 30, 1993

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

FISCAL IMPACT

<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	
	1993-94	1994-95	1995-96	1996-97	1997-98
EXPENDITURES					
TOTAL EXPENDITURES	\$1,052,000	\$1,052,000	\$1,052,000	\$1,052,000	
\$1,052,000					
STATE FUNDS	\$936,000	\$936,000	\$936,000	\$936,000	
\$936,000					
FEDERAL FUNDS		\$ 53,000	\$ 53,000	\$ 53,000	\$
\$ 53,000	\$ 53,000				
LOCAL FUNDS			\$ 63,000	\$ 63,000	\$ 63,000
\$ 63,000	\$ 63,000				
OTHER FUNDS					
RECEIPTS/FEES					

POSITIONS: N/A

ASSUMPTIONS AND METHODOLOGY: 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. There is a special provision 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.

Based on data from Wake County Schools, twenty percent (20%) of the 4,864 teachers lost an average of 3.6 days of annual leave and 10% of the ones losing leave had sick leave balances of less than 10 days. Of the 20% who lost leave, all had more than 10 years of experience. Based on the number of total teachers in the State of about 73,000, (5%-federal, 6%-local & 89%-State), if 20% lose 3.6 days but only 10% of those had low sick leave balances, then it is assumed all those 3.6 days would be used by the 10% group. This would mean that 10% of 14,600 or 1,460 teachers would use 3.6 days at an average salary of \$196 per day would equal \$1.2 million rounds. The cost for substitutes teachers is estimated to be about \$250,000, but the State would have to pay for the substitute teacher in any event. The above cost only reflects teachers since all other employees with the exception of teacher assistants and bus driver are permitted to use annual leave for sick purposes. There would be additional cost for other personnel but can not be estimated because each individual employer maintains leave records.

SOURCES OF DATA: Wake County School System

TECHNICAL CONSIDERATIONS: There is also additional cost to the Teachers' and State Employee's Retirement System estimated at about \$5 million per year because members will be able to max out on sick leave accumulation of 12 days per year of service to increase their creditable service at retirement.

FISCAL RESEARCH DIVISION

733-4910

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