

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1895

Bill Subtitle: TO ALLOW CERTAIN EMPLOYEES TO DONATE ACCRUED SICK LEAVE OR ACCRUED ANNUAL LEAVE TO ANOTHER EMPLOYEE WHO IS EMPLOYED BY THE SAME STATE EMPLOYER AND HAS A SEVERE ILLNESS OR HAS AN IMMEDIATE FAMILY MEMBER WHO IS SEVERELY ILL.

Basic Change :

Representative Catlett

This bill provides for "shared leave" and states that it means an employee will be allowed to donate their earned sick leave or earned annual leave to another employee from the same agency if that other employee is suffering from a severe illness or has an immediate family member suffering from a severe illness. The leave donation must be approved in writing by the donating employee's employer.

This bill defines "immediate family member" and "employee". It provides the requirements for an employee to be eligible to receive shared leave as well the requirements for an employee to be eligible to donate shared leave. The bill provides that if shared leave is granted to an employee it will be used after the employee uses the following:

1. Earned sick leave;
2. Earned annual leave; and
3. Earned compensatory leave.

This bill provides that except with maternity leave, absences for sick leave will be charged in the following order:

1. Earned sick leave;
2. Earned annual leave;
3. Shared leave, when authorized;
4. Catastrophic leave, when authorized; and
5. Leave without pay, when authorized.

This bill provides that an employee donating shared leave may donate only the amount of earned sick or annual leave that will not cause the donating employee's cumulative earned sick or annual leave to be less than 80 hours.

Revenue Impact :

None

Taxpayer Impact :

The perception by taxpayers of another manner in which state employees receive time off with pay.

Resources Required :

\$56,000 --- Initial analysis has concluded that AASIS system enhancements will be required in areas of the system which are complex customization. A new system wage type, new absence type, new quota type, and time and payroll system schema changes will be required. This can be done with existing staff UNLESS the effective date is July 1. If the effective date is July 1, state resources will have limited availability because of fiscal year-end; therefore a consultant may be required.

Unknown --- An employee could potentially stay on the payroll for an indefinite period of time while the state maintains the matching portion.

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Time Required :

AASIS programming is estimated at 320 hours.

OPM policy development is estimated at 20 hours

Procedural Changes :

Additional rules will need to be adopted to implement shared leave as an option for an employee. The configuration of an additional leave category in AASIS would be needed.

Other Comments :

This bill allows an employee to choose which specific employee they want to receive their sick or annual leave. This will impact the current catastrophic leave bank which does not allow an employee to dictate to whom their earned sick or annual leave will be given. It would be more efficient to revise the catastrophic leave program than to create another type of leave above and beyond it.

Legal Analysis :

Section 1, 21-4-203. This bill does not define or reference what a 'severe illness' means. It also does not require a medical certification from a health care provider supporting the severe illness need for absence and prognosis. Further, there is no statement regarding eligibility as it relates to a recipient's leave abuse. There is no mention of a severe illness as it relates to workers' compensation regulation.

There is no limit on the number of employees that can donate to one recipient; therefore, an employee may be on shared leave for an indefinite amount of time. There is also no limit as to the amount of shared leave or time frame a recipient may receive/use. Further, there is no requirement for a recipient to have to his or her credit a minimum combined sick and annual leave at the onset of the illness.

The state currently has a catastrophic leave bank program which is in the process of being revised to better define the process and comply with HIPAA guidelines. As such, there is no need to create an additional program on top of one that already exists. The current catastrophic leave bank program maintains sufficient leave for distribution and utilizes a consistent review and determination of applications. At present, the leave balance is 111,000 hours available to be utilized by 35 different agencies. The majority of the larger agencies, such as DHS, DOC, DCC, ADEQ, ASP, DWS, and AID, individually administer and maintain their own catastrophic leave bank program in accordance with the statewide catastrophic leave policy.