

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2283 S HB	<b>Title:</b> Shared leave/disasters
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## Estimated Cash Receipts

NONE

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Military Department	Fiscal note not available											
SWF Statewide Fiscal Note - OFM	Non-zero but indeterminate cost and/or savings. Please see discussion.											
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Military Department	Fiscal note not available								
SWF Statewide Fiscal Note - OFM	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Val Terre, OFM	<b>Phone:</b> (360) 280-3973	<b>Date Published:</b> Preliminary 2/ 8/2024
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2283 S HB	<b>Title:</b> Shared leave/disasters	<b>Agency:</b> 105-Office of Financial Management
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/05/2024
Agency Preparation: Keith Thunstedt	Phone: 360-810-1271	Date: 02/06/2024
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 02/06/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/06/2024

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

This substitute version altered the program for disaster-related shared leave, from the previous version, such that employees donate to a shared leave pool rather than donating to a specific individual and narrowed the availability of shared leave from employees who "live in an area affected by an emergency or disaster" to those "adversely affected by a major disaster." These changes did not affect OFM's fiscal impact assumptions from the previous version.

S HB 2283:

Section 1 creates a major disaster shared leave pool to allow employees to donate leave to be used as shared leave for any employee where a major disaster has caused severe hardship to the employee or a family member of the employee that requires the employee to be absent from work. The military department, in consultation with OFM, shall administer the shared leave pool.

The bill requires an update to civil service rules and relevant portions of collective bargaining agreements. This work can be absorbed within existing resources. There is no fiscal impact to OFM.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2283 S HB	<b>Title:</b> Shared leave/disasters	<b>Agency:</b> SWF-SWF Statewide Fiscal Note - OFM
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/05/2024
Agency Preparation: Kathy Cody	Phone: 360-480-7237	Date: 02/07/2024
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 02/07/2024
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 02/08/2024

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

SHB 2283 fiscal note summary:

The substitute creates a shared leave pool for employees adversely affected by a major disaster. The leave pool is to be administered by the Military Department in consultation with the Office of Financial Management.

This substitute version altered the program for disaster-related shared leave, from the previous version, such that employees donate to a shared leave pool rather than donating to a specific individual and narrowed the availability of shared leave from employees who "live in an area affected by an emergency or disaster" to those "adversely affected by a major disaster."

Previous fiscal note summary (HB 2283):

Shared leave is permitted for an employee who lives in an area affected by an emergency or disaster, generally an "event or set of circumstances which: (i) Demands immediate action to preserve public health, protect life, protect public property, or to provide relief to any stricken community overtaken by such occurrences; or (ii) reaches such a dimension or degree of destructiveness as to warrant the governor proclaiming a state of emergency."

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

SHB 2283 Fiscal Note Assumptions:

Like the original bill, the substitute bill allows for leave to be shared with employees affected by natural disasters. The original statewide fiscal note discusses how the expansion of shared leave can result in a cost to the state if it changes overall leave utilization (see analysis below). The statewide costs of the original bill that would result from changes in leave utilization is indeterminate because there is not data to quantify the extent to which leave would be used under the terms of the bill and would not have been used otherwise. The cost of the substitute is indeterminate for the same reason.

Although the cost is indeterminate, differences in the substitute may have fiscal impacts. For example, the substitute bill uses a "leave pool" rather than direct sharing. This may make the provisions more accessible since it does not require a direct connection between the individual sharing and the individual receiving leave. However, some individuals may only want to share on an individual basis and that would not be permitted under the substitute bill. Other changes apply specific constraints on use of the leave pool. The substitute excludes school districts and educational service districts, uses a different definition of natural disasters, and has different provisions regarding eligibility. Because details of how the original bill would have been implemented are less clear, the overall cost difference between the original and the substitute cannot be determined.

HB 2283 Fiscal Note Assumptions:

The bill has potential statewide costs to the extent that leave utilization increases if it can be shared under more circumstances. The considerations are slightly different for vacation leave and sick leave. Either may be shared under the provisions addressed by this bill.

Before earned vacation leave is used, it may be forfeited, and forfeited leave generates some savings to the state. This can happen, for example, when an individual has more than 240 hours of leave on their anniversary date. Non-forfeited vacation leave is paid out on separation. In contrast, sick leave is not forfeited above a specific number of hours earned, but unused sick leave is not paid out on separation at full value. Therefore, an increase in the ability to use either vacation leave or sick leave has some cost.

Several current collective bargaining agreements have provisions that limit sharing leave that is about to be forfeited. This would limit the cost impact.

However, the cost is indeterminate for this bill because data is not available to quantify how much shared leave may be used for emergencies or disasters and would not have been used for other qualifying reasons.

Data on vacation forfeitures is available as follows:

Fiscal Year and Hours Forfeited:

FY23 (Jan-June) 34,601.65

FY24 (July-Dec) 30,482.08

For illustrative purposes, assuming a standard work year of 2088 hours, these numbers equate to approximately 31 FTEs (65,084 / 2088 hours in a standard work year = 31.17). According to OFM's State Human Resources Workforce Data and Trends, the median employee rate of pay for 2023 was \$77,460/year. Multiplying this salary by 31 FTEs implies that the total savings from all forfeited leave in a year is approximately \$2.4 million.

### Part III: Expenditure Detail

#### III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

#### III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

#### III. D - Expenditures By Program (optional)

NONE

### Part IV: Capital Budget Impact

#### IV. A - Capital Budget Expenditures

NONE

#### IV. B - Expenditures by Object Or Purpose

NONE

#### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

## **Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*