

HOUSE BILL NO. 569

Introduced: 01/29/83

Referred to Committee on Labor & Employment Relations: 01/29/83

Hearing: 2/10/83

Report: 02/17/83, Do Pass

Rereferred to Committee on Labor & Employment Relations: 02/19/83

Died in Committee

1 *House* BILL NO. *569*  
2 INTRODUCED BY *J. Brown*  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW STATE  
5 EMPLOYEES TO POOL A PORTION OF THEIR COMPENSATED SICK LEAVE  
6 DAYS IN A FUND AND TO DRAW UPON THE FUND IF ABSENCE DUE TO  
7 EXTENSIVE ILLNESS OR AN ACCIDENT EXHAUSTS THEIR SICK LEAVE;  
8 CREATING A STATE EMPLOYEE SICK LEAVE ADVISORY COUNCIL;  
9 AMENDING SECTION 2-18-618, MCA."

10  
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 2-18-618, MCA, is amended to read:

13 "2-18-618. Sick leave. (1) Each permanent full-time  
14 employee shall earn sick leave credits from the first day of  
15 employment. For calculating sick leave credits, 2,080 hours  
16 (52 weeks x 40 hours) shall equal 1 year. Sick leave credits  
17 shall be credited at the end of each pay period. Sick leave  
18 credits shall be earned at the rate of 12 working days for  
19 each year of service without restriction as to the number of  
20 working days that may be accumulated. Employees are not  
21 entitled to be paid sick leave until they have been  
22 continuously employed 90 days.

23 (2) An employee may not accrue sick leave credits  
24 while in a leave-without-pay status exceeding 15 working  
25 days.

1 (3) Permanent part-time employees are entitled to  
2 prorated leave benefits if they have worked the qualifying  
3 period.

4 (4) Full-time temporary and seasonal employees are  
5 entitled to sick leave benefits provided they work the  
6 qualifying period.

7 (5) An employee who terminates employment with the  
8 agency is entitled to a lump-sum payment equal to one-fourth  
9 of the pay attributed to the accumulated sick leave. The pay  
10 attributed to the accumulated sick leave shall be computed  
11 on the basis of the employee's salary or wage at the time  
12 he terminates his employment with the state, county, or  
13 city. Accrual of sick leave credits for calculating the  
14 lump-sum payment provided for in this subsection begins July  
15 1, 1971. The payment therefor shall be the responsibility of  
16 the agency wherein the sick leave accrues. However, no  
17 employee forfeits any sick leave rights or benefits he had  
18 accrued prior to July 1, 1971. However, where an employee  
19 transfers between agencies within the same jurisdiction, he  
20 shall not be entitled to a lump-sum payment. In such a  
21 transfer the receiving agency shall assume the liability for  
22 the accrued sick leave credits earned after July 1, 1971,  
23 and transferred with the employee.

24 (6) An employee who receives a lump-sum payment  
25 pursuant to this section and who is again employed by any

1 agency shall not be credited with any sick leave for which  
2 the employee has previously been compensated.

3 (7) Abuse of sick leave is cause for dismissal and  
4 forfeiture of the lump-sum payments provided for in this  
5 section.

6 (8) An employee may contribute any portion of his  
7 accumulated sick leave to a nonrefundable sick leave fund  
8 for state employees and thereby become eligible to draw upon  
9 the fund if extensive illness exhausts his accumulated sick  
10 leave. The department of administration shall, in  
11 consultation with the sick leave advisory council provided  
12 in [section 2], administer the sick leave fund and may adopt  
13 rules to implement this subsection."

14 NEW SECTION. Section 2. State employee sick leave  
15 advisory council. (1) There is a state employee sick leave  
16 advisory council, appointed by the governor.

17 (2) The advisory council consists of a representative  
18 of the participating employees of each state executive  
19 branch department, elected officer of state government, and  
20 major entity within the judicial and legislative branches of  
21 state government and the university system. Appointees may  
22 be nominated by the participating employees of each such  
23 department, officer, or entity or of the university system.

24 (3) Each member serves at the pleasure of the  
25 governor.

## STATE OF MONTANA

REQUEST NO. 301-83

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 1, 19 83, there is hereby submitted a Fiscal Note for House Bill 569 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 569 is an act to allow state employees to pool a portion of their compensated sick leave days in a fund to draw upon the fund if absence due to extensive illness or accident exhausts their sick leave and creates a state employee sick leave advisory council.

ASSUMPTIONS:

- 1) The major costs of the sick leave bank would be the difference between full payment for leave taken from the bank and the 25% cashout currently provided for unused leave. Currently, state employees use about 2/3's of accrued sick leave and save 1/3. Therefore, a minimum of 1/3 of the sick leave used from the bank at full value would otherwise have been cashed out at 1/4 of value. This cost would be a reduction in vacancy savings for all state agencies.
- 2) Actuarial information may be needed to devise a sound system of use; cost of a consultant for this purpose is unknown.
- 3) Other administrative costs are based on 1/2 FTE, grade 10 to handle day-to-day administration; modification of existing leave recording for the Payroll/Personnel/Position Control System; costs of the advisory council (could vary depending on whether a new council is formed or an existing advisory council can be used for this purpose); forms design and printing; costs of administrative rule adoption (currently \$13.50 per page.)

FISCAL IMPACT:

<u>Expenditures:</u>	<u>FY 84</u>	<u>FY 85</u>
Personal Services		
Under Current Law	\$ -0-	\$ -0-
Under Proposed Law	212,044 to 409,752	219,466 to 424,093
Increase	<u>212,044 to 409,752</u>	<u>219,466 to 424,093</u>

Continued  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-2-83

-2-

Operating Expenses	\$	-0-	\$	-0-
Under Current Law		-0-		-0-
Under Proposed Law	\$	10,000	\$	2,000
Increase	\$	<u>10,000</u>	\$	<u>2,000</u>
Total Increase				
To General Fund		<u>\$222,044 to 419,752</u>		<u>\$221,466 to 426,093</u>

FISCAL NOTE 11:I/2

Approved by Committee  
on Labor & Employment  
Relations

*House* BILL NO. *569*

INTRODUCED BY

*J. Brown*

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(2) An employee may not accrue sick leave credits while in a leave-without-pay status exceeding 15 working days.

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