

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 56<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB1581</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Rep. Osborn/Sen. Floyd</b>
<b>Date:</b>	<b>4/19/2018</b>
<b>Impact:</b>	<b>OMES-HCMD:</b>
	<b>Start-up costs: \$200,000,</b>
	<b>Ongoing costs: 2 FTE: \$100,000/yr.</b>

**Research Analysis**

The measure has a stricken title. The bill would create the state leave bank to be administered by the Human Capital Management Division of the Office of Management and Enterprise Services.

The leave bank would consist of accrued and annual sick leave voluntarily donated by state employees and awarded to eligible qualifying state employees.

Prepared By: Kyle Meade

**Fiscal Analysis**

SB 1581 in its current form replaces the existing state leave sharing program with a Leave of Last Resort program. The Leave of Last Resort program (LLR program) differs from the existing program in numerous ways, primarily: the LLR program requires pre-enrollment in the leave bank and leave hour donations before an employee would be eligible to receive donated leave; the LLR program limits the supply of awarded leave to the hours balance in the leave bank; the LLR program expands the types of instances where employees are eligible to apply for donated leave, in comparison to the existing program; and the LLR program transfers the responsibility and authority to administer donated leave from the chief administrative officers of employing agencies to the Human Capital Management Division of the Office of Management and Enterprise Services, (OMES-HCMD).

***Program Impact***

The state experiences a cost saving when annual leave is utilized as opposed to being paid out at the end of an employee's employment. It is currently undeterminable whether the transition from the existing state leave sharing program to the LLR program will result in more or less annual leave being donated and utilized. It is also unknown which specific agencies will see growth or decrease in the number of hours donated or accepted by their employees. The actual changes in leave donation activity for each individual agency under the LLR program will determine whether each individual agency does or does not experience savings or costs as a result of the LLR program.

***Administrative Impact***

OMES-HCMD is tasked with significant administrative duties under the provisions of SB 1581, such as accepting, reviewing, and acting upon donation leave requests; monitoring leave bank balances; managing the leave donation process; and coordinating program enrollment with the Benefit Open Enrollment Period and its online enrollment portal. OMES-HCMD anticipates significant costs related to such additional duties, including the estimated need to employ 2

additional FTEs, with salary and benefits totaling approximately \$100,000 per year, and \$200,000 in program start-up costs associated with developing online enrollment and leave bank tracking systems. The measure includes no provisions that would offset costs associated with the administration of the program by OMES-HCMD.

Prepared By: John McPhetridge

**Other Considerations**

None.

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