



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 4982	Introduced on February 16, 2022
Author:	Rose	
Subject:	Family Sick Leave	
Requestor:	House Medical, Military, Public, and Municipal Affairs	
RFA Analyst(s):	Coomer	
Impact Date:	March 7, 2022	Updated for Additional Agency Response

Fiscal Impact Summary

This bill allows employees who earn sick leave annually to use an additional sixty days of accrued sick leave to care for an immediate family member with a serious health condition.

Depending on certain factors such as the amount of sick leave an employee has, the amount of annual leave an employee has, the amount of FMLA leave an employee actually takes, and the length of time the employee remains in his or her position after returning from sick leave, this bill may increase General Fund, Other Funds, and Federal Funds expenditures by an amount up to \$8,784,000 in FY 2022-23 and each year thereafter. Additionally, there could be additional costs for agencies to temporarily fill certain positions. However, final impact of this bill will depend upon the individual circumstances of each employee using leave.

Explanation of Fiscal Impact

Updated for Additional Agency Response on March 7, 2022

Introduced on February 16, 2022

State Expenditure

This bill allows employees who earn sick leave annually to use an additional sixty days of accrued sick leave to care for an immediate family member with a serious health condition as recognized by the Family Medical Leave Act (FMLA). Serious health conditions under the FMLA include conditions which require overnight hospitalization or continuing treatment, as well as Alzheimer's disease, cancer, diabetes, severe depression, pregnancy, and so forth.

Currently, employees can use up to ten days of accrued sick leave annually to care for ill members of their immediate families, which include an employee's spouse, children, mother, father, brother, sister, grandparent, legal guardian, and grandchildren. After those ten days, the employee may use accrued annual leave to cover any additional days needed. If the employee does not have sufficient annual leave to cover all days needed, the additional leave is unpaid. However, this bill allows sixty days of accrued sick leave to be taken in addition to the ten days of accrued sick leave allowed under current law.

Because funds are already appropriated to State agencies to cover the salaries of employees, and because these funds would be expended for salaries whether the employee is at work or on paid

leave, Admin reports that generating a fiscal impact for this legislation is imprecise. However, the agencies could incur additional costs under two scenarios: either when an employee is paid sick leave when they otherwise would have been on leave without pay, or when the agency, upon the employee's separation from employment, is required to pay out accrued annual leave that otherwise would have been exhausted. Under either scenario, the actual fiscal impact would depend on an individual employee's salary and the number of additional days of leave that are paid when the leave would have otherwise been unpaid or paid out of the employee's separation when the leave would have otherwise been exhausted.

The average salary for a State employee is \$45,396, which equates to approximately \$174.60 per workday. For the average employee, an agency would incur a fiscal impact of \$174.60 per day under either of the aforementioned scenarios. Admin reports that the annual average of State employees who took FMLA leave to care for a family member between 2017 and 2021 was 1,118. Admin additionally assumed that all employees have and take seventy days of sick leave and that all employees are able to retain forty-five days of annual leave, the maximum allowed for calculating employee payoff. Using these assumptions, the fiscal impact is equal to 1,118 employees multiplied by forty-five days of sick leave at the average daily salary rate of \$174.60. Therefore, this bill could increase General Fund, Other Funds, and Federal Funds expenditures under these assumptions by an amount up to \$8,784,000 for FY 2022-23 and each year thereafter. However, the individual circumstances of each employee using leave would influence the final impact of this bill. These factors include the total amount of sick leave an employee has, the total amount of annual leave an employee has, the amount of FMLA leave the employee actually takes, and the length of time the employee remains in his or her position after returning from the use of sick leave. As an example, this bill would have no fiscal impact to agencies for employees having ten or fewer days of accrued sick leave at the time the employee engages FMLA to care for an ill family member. Further, there could be additional costs to agencies to temporarily fill certain positions. However, final impact of this bill will depend upon the individual circumstances of each employee using leave.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A

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State Expenditure

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Currently, employees can use up to ten days of accrued sick leave annually to care for ill members of their immediate families, which include an employee's spouse, children, mother, father, brother, sister, grandparent, legal guardian, and grandchildren. This bill allows sixty days of accrued sick leave to be taken in addition to the ten days of accrued sick leave allowed under current law.

The expenditure impact of this bill is pending, contingent upon a response from Admin.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director