



# OHIO LEGISLATIVE SERVICE COMMISSION

Tom Wert

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 468 of the 132nd G.A.

**Status:** As Introduced

**Sponsor:** Reps. Perales and Boyd

**Local Impact Statement Procedure Required:** No

**Subject:** Provides paid leave for veterans to attend medical appointments provided through the United States Department of Veterans Affairs

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### State Fiscal Highlights

- If full-time permanent state employees who are veterans use the new leave benefit under the bill in place of regular sick leave, then these employees may carry an increased balance of unused sick and personal leave available for annual cash conversion. If so, there could be an increase in annual payments from the Accrued Leave Liability Fund (Fund 8060).

### Detailed Fiscal Analysis

The bill may result in an unknown increase in costs for the state to provide additional paid leave to full-time permanent state employees who are veterans. Specifically, the bill allows all full-time permanent state employees who are veterans to take up to 96 hours of paid leave from work each calendar year to attend medical examinations or treatments provided by the U.S. Department of Veterans Affairs (USDVA) in addition to their current vacation, sick, and personal leave allowances. As of late November 2017, there were 1,607 employees on state payroll who identified themselves as veterans. However, because an employee's veteran status is only voluntarily supplied to the state by an employee, it is likely that a greater number of employees are veterans and may be eligible for the additional paid leave under the bill.

If eligible state employees use the additional paid leave provided by the bill, then there may be an increase in amounts paid from the Accrued Leave Liability Fund (Fund 8060) to compensate employees for unused leave balances. This would be the case if eligible state employees use the additional paid leave provided by the bill in lieu of sick leave or personal leave that they might otherwise have used to attend their USDVA medical appointments. If so, these employees may have an increased balance of unused sick and personal leave that can be converted to cash payments during the annual unused leave conversion period each December or when they separate from state service. Because we do not know (1) the total number of veterans on state payroll who are full-time permanent employees, (2) the number of such employees who seek medical treatment through USDVA, and (3) the amount of unused sick and personal

leave that might be converted, it makes it difficult to provide an estimate of the fiscal impact on the state.

Fund 8060 is one of the major employee benefit funds overseen by the Department of Administrative Services. It is used to compensate state employees for unused leave hours during the annual leave conversion or upon termination from state employment. The fund is supported by payroll checkoff rates assessed to state agencies. For FY 2018, the rate is 2.4% of gross payroll for all employees eligible for sick, personal, or vacation leave. As of February 16, 2018, FY 2018 year-to-date expenses for leave conversion paid from the fund totaled approximately \$61.4 million. Fund 8060 revenue for the same period totaled slightly less than \$48.0 million. As of the same date, the cash balance available in Fund 8060 was approximately \$41.1 million.