



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0338	Title:	Paid leave for certain state employees for disaster and emergency
Primary Sponsor:	Cohenour, Jill	Status:	As Introduced

- | | | |
|---|---|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$2,000	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>(\$2,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of Fiscal Impact:

The fiscal impact from HB 338 will come from lost productivity from work that is not completed due to an employee's absence for volunteer service, and/or the cost to the state of hiring short-term replacement workers while the employee is gone on paid volunteer leave time. Due to the inability to predict which employees would be taking the voluntary leave, what requirements their normal job fulfills, and the frequency of situations qualifying as disasters or emergencies, it is not possible to project and quantify the fiscal impact from HB 338.

FISCAL ANALYSIS

Assumptions:

1. An agency is budgeted for personal services for the total FTE it employs. There will be no fiscal impact as a result of an employee receiving up to 15 days paid leave of absence for volunteer service as this pay is already part of the agency budget.
2. Agencies will have a fiscal impact from lost productivity on jobs that are left vacant during the term of an employee's paid volunteer leave of absence. This cost will vary depending upon the specific job that is left undone. It is very likely that critical, time-sensitive tasks will be covered by other employees during the absence at no additional cost to the agency and other tasks that are not necessarily related to the

current continuation of business will be caught up on when the employee has returned from the leave of absence.

3. In certain situations it is possible that an agency will need to hire temporary replacement workers for jobs that are critical to the health and safety of the public and the continuity of government, at an additional cost to the state. It could also be the case that other employees would have to be paid for overtime to cover shifts of the worker on leave. There is no way to project which situations these would be or how frequently they would arise, and therefore no way to project the fiscal impact from this action. The likelihood exists that many jobs in rural locations have incumbents with a high degree of skills which would be desirable in disaster and emergency volunteers. Therefore, rural Montana could be more susceptible to the temporary loss of its skilled workforce and may incur higher costs to obtain replacement labor to temporarily fill vital positions.
4. Costs for developing a tracking system to track the days of paid leave for employees would be absorbed into current state operations.
5. A statewide biennial appropriation of \$2,000 from the general fund to distribute to agencies when personnel are granted paid leave pursuant to section 1(1)(b) of HB 338, would cover approximately 108 hours, or 13.50 days of the total fiscal impact to the state from one average state employee responding to a qualifying disaster and emergency. Additional costs would need to be covered by the agency directly employing the volunteer and funding would be allocated depending upon the employing program's funding.

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$2,000	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$2,000	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$2,000)	\$0	\$0	\$0

Sponsor's Initials

Date

Budget Director's Initials

Date