

FISCAL NOTE

HB 2050 - SB 2710

February 8, 2002

SUMMARY OF BILL: Allows a state employee to *cash out* unused sick days that are in excess of the maximum number of vacation days for that employee. The buy-out shall be at the option of the employee and may be paid in a lump sum or over the time which is accumulated.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$100,000,000

Estimate assumes:

- over 12,000 employees would be eligible to *cash out* unused sick leave.
- if all eligible employees in the executive branch took a *cash out* of unused sick leave, the total impact would exceed \$213,000,000 and will be a liability to the state.
- pension liability would be reduced by more than \$25,000,000 and amortized over 20 years would be a savings of \$2,500,000. Such savings are actually recognized over the life of the retiree in the form of a reduced benefit paid to the retiree.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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