

OFFICE OF FISCAL ANALYSIS

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sHB-6668

AN ACT MODERNIZING THE PAID SICK DAYS STATUTES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Labor Dept.	GF - Cost	171,562	324,402
State Comptroller - Fringe Benefits ¹	GF - Cost	62,330	127,776
Labor Dept.	GF - Potential Revenue Gain	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which expands paid or unpaid sick leave to approximately 1.6 million workers, results in a cost to (1) the Department of Labor (DOL) of \$171,562 in FY 24 (partial year cost) and \$324,402 in FY 25 and (2) the State Comptroller- Fringe Benefits account of \$62,330 (partial year cost) in FY 24 (partial year cost) and \$127,776 in FY 25, as well as a potential minimal revenue gain associated with civil penalties from violations.²

In order to administer the expanded sick leave provisions, DOL would require two Wage Enforcement Agents (\$89,177 for salary and \$38,186 for fringe benefits each) and one Staff Attorney (\$112,769 for salary and \$48,288 for fringe benefits) along with associated

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 42.82% of payroll in FY 24.

² Civil penalties for violations of the state's sick leave provisions range from \$100 to \$500 per violation.

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equipment/overhead costs of \$26,000.

Sections 5 allows that appeals to decisions made by the Labor Commissioner may be brought in Superior Court. This does not result in any fiscal impact to the state or municipalities. The court system disposes of over 250,000 cases annually and the number of cases is not anticipated to be great enough to need additional resources.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation. The ongoing revenue impact identified above would continue into the future subject to the number of violations found.