

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3440
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JULY 5, 2023

SUMMARY

Synopsis: Expands scope of school district employee sick leave.

Type of Impact: Potential annual expenditure increase for local school districts.

Agencies Affected: Local school districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
Local School District Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) determines that this bill may lead to an annual expenditure increase for a local school district to the extent that the school district would incur an increase in direct classroom instruction costs due to increased use of substitute teachers when sick leave is taken by school district employees for reasons permitted in the bill.
- Under a hypothetical scenario in which a school district has the average number of teaching staff members, pays substitute teachers the average salary of \$134 per day, and all teachers use one sick day that would not otherwise have been used, the increase in expenditures for that school district would be \$28,944. Under a hypothetical scenario in which a school district has the average number of teaching staff members, pays substitute teachers the average salary of \$134 per day, and all teachers use ten days of sick leave which is the minimum amount of sick leave a district is required to provide under current law, that would not otherwise have been used, the increase in expenditures for that school district would be \$289,440.
- There is no information available to indicate the number of teachers who would utilize additional sick leave days that would not otherwise have been used or how many additional sick leave days each teacher may use; thus, a specific estimate of the potential increased expenditures for each local school district cannot be made at this time.
- The bill may lead to an indeterminate long-term decrease in expenditures for local school districts due to potential reductions in sick leave supplemental compensation upon retirement.

BILL DESCRIPTION

This bill expands the scope of allowable uses of sick leave for school district employees. The bill amends current law to allow school district employees to take sick leave for the following reasons: for the care of a seriously ill member of the employee's immediate family including a parent or guardian, spouse or domestic partner, sibling, and child, for a reasonable period of time; for the diagnosis, care, or treatment of, or recovery from, a mental or physical illness, injury, or other adverse health condition, or for preventative medical care; to aid or care for a family member of the employee during diagnosis, care, or treatment of the family member's mental health, physical illness, injury, or other adverse health condition; due to circumstances relating to domestic or sexual violence; for seven days because of a death in the employee's immediate family; to attend a school-related conference, meeting, function, or other event for a child; or in connection with a closure of the school or place of care of a child of the employee.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that this bill may lead to an annual expenditure increase for a local school district to the extent that the school district would incur an increase in direct classroom instruction costs due to an increased use of substitute teachers when sick leave is taken by school district employees for reasons permitted in the bill.

The OLS notes, for the purposes of illustration only, that data from the federal Bureau of Labor Statistics indicates that the average daily wage for a substitute teacher in New Jersey, as of May 2021, is approximately \$118. Adjusted for inflation, the OLS estimates that the Statewide average daily salary for a substitute teacher is \$134. Additionally, data from the 2020-2021 New Jersey Public Schools Fact Sheet issued by the Department of Education indicates that on average, each school district in the State employs approximately 216 teaching staff members. Under current law, a school district employee is permitted sick leave with full pay for a minimum of 10 school days in any school year. The OLS shares these figures only to provide a sense of the potential magnitude of substitute teacher costs but recognizes that the actual cost of expanding the scope of school district employee sick leave may vary significantly by district depending on increased utilization of sick leave days among school district staff, substitute teacher salaries, and the size of the district.

Hypothetical:

Under a hypothetical scenario in which a school district has the average number of teaching staff members, pays substitute teachers the average salary of \$134 per day, and all teachers use one sick day that would not otherwise have been used, the increase in expenditures for that school district would be \$28,944. Under a hypothetical scenario in which a school district has the average number of teaching staff members, pays substitute teachers the average salary of \$134 per day, and all teachers use ten days of sick leave which is the minimum amount of sick leave a district is required to provide under current law, that would not otherwise have been used, the increase in expenditures for that school district would be \$289,440.

The OLS also notes, however, that the bill does not require a school district to allow an employee to use any more sick leave than the school district currently allows, and to the extent that an employee would not use any sick leave under the bill that would not have been used anyway, or to the extent that a school district currently allows an employee to use the sick leave for the reasons provided in the bill, the bill may not result in increased expenditures for a school district. The OLS also notes that a school district may budget to provide substitute teacher coverage for the maximum amount of sick leave possible for the district's employees.

There is no information available to indicate the number of teachers who would utilize sick leave days for reasons permitted in the bill or how many sick leave days each teacher would use; thus, a specific estimate of the potential increased expenditures for each local school district cannot be made at this time.

Finally, the bill may lead to an indeterminate long-term decrease in expenditures for local school districts. Under current law, a school district may provide supplemental compensation for accumulated sick leave up to \$15,000. While the bill is not explicit in this regard, the OLS assumes that upon implementation of expanded sick leave for school district employees, employees may have fewer accumulated sick leave days resulting in potential reductions in sick leave supplemental compensation upon retirement.

Section: Education

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).