

**Colorado State Employee Shared Annual Unpaid Leave Improvement Bill**  
**for Eligible Employees by Rep. Joe Miklosi (HB 1008)**

**Summary**

Annual leave donated by one Colorado state employee to another can help save jobs, families and incomes. Under current statute, however, the annual leave donation system does not work as effectively as it could to help the state to retain hard-working individuals and help employees when they are faced with unforeseen circumstances, like rehabilitative medical treatment or chronic disease management, that cause the employee to miss multiple days of work. This bill corrects this problem by empowering the Colorado State Department Executive Directors, or an equivalent position, to *voluntarily* decide to implement an annual leave sharing program for their respective department that involves either a collective "pool" or direct transfer of earned, but unused, annual leave to an employee facing unpaid leave.

The proposal would expand the reasons for leave sharing to a life-altering event beyond the employee's control. This will allow employees and departments greater flexibility in approving voluntary annual leave donations for circumstances that may not involve just a catastrophic life-threatening health condition. Additional reasons include natural disasters, death of an immediate family member, or similar situations. When Department of Personnel and Administration Director Rich Gonzalez conducted statewide, town hall meetings, this lack of flexibility was one of the main concerns raised by Colorado state employees. Governor Ritter supports this bill.

**Additional Background Information**

It is important to emphasize that the annual leave that is accrued belongs to the state employees. This bill just improves how the unused, unpaid annual leave days are utilized. Under this legislation, a maximum of 520 hours per employee could be inserted into the statute or be part of the implementing rulemaking process conducted by the State Personnel Director. A state employee's sick, vacation, and earned compensatory time must be exhausted first, the donated leave runs concurrent with unpaid family medical, and *these donated annual leave days would only be used as a last resort*.

In 2007, there were 154 state employees out of approximately 30,000 that needed to use their co-workers' donated annual leave. Other employees applied but, were denied because the condition did not qualify. During the past 10 years, more experienced employees have donated their annual leave days at a greater rate than newer employees. There is no fiscal impact to this bill. Leave sharing is a discretionary program dependent upon voluntary donations by employees to a small population of fellow employees (e.g., 154 employees in FY 06-07 out of a workforce of 33,000). In addition, a Colorado state department must create a leave sharing policy before the policy can be implemented, and the unpaid annual leave days are donated anonymously according to the department's specified policy. Finally, this bill can be an additional tool that the state can use to encourage quality state employees to remain in the State's employment.

**Why This Proposed Bill is Necessary**

Current C.R.S. 24-50-104 (7) (c) limits an employee's ability to donate annual leave to an employee with a "catastrophic, life threatening health condition". The State is shifting its philosophy from a paternalistic relationship with employees to broadening the choice for employees to manage their own

earned annual leave. Broadening the circumstances also allows the State, as an employer, the opportunity to provide flexibility while still having some control over leave management in a very large, diverse organization that has no system-wide leave system.

There is significant support within the workforce for expanding the circumstances under which employees may share their earned annual leave with fellow employees who have exhausted all other benefits and are now facing unpaid leave for circumstances beyond their control. DPA has also received requests from various departments to broaden the reasons employees can donate their annual leave so good employees, with compelling cases, who are out of options do not have to be denied. For example, employees have asked for leave sharing to cover unforeseen serious health conditions similar to FMLA that are not necessarily life threatening (e.g., MS, complications from joint replacement surgery), or for other life-altering events that are not health related (e.g., loss of a home to a fire or a tornado).

While these unforeseen circumstances are not catastrophic enough to qualify for donated leave, they are definitely life-altering. The "safety net" of leave sharing helps the State retain employees. With a small amount of additional help from co-workers, we can help relieve some of the stress of the situation and the valued employee may be able to return to full productivity sooner or stay employed, which avoids turnover costs.

DPA supports this initiative as part of an integrated total rewards package that is a small but significant gesture that shows employees they are valued as well as trusted with more control over earned annual leave.

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