

  
*Colorado Legislative Council Staff Fiscal Note*  
**STATE**  
**FISCAL IMPACT**

**Drafting Number:** LLS 09-0554  
**Prime Sponsor(s):** Rep. Miklosi

**Date:** January 29, 2009  
**Bill Status:** House SVMA  
**Fiscal Analyst:** Chris Ward (303-866-5834)

**TITLE:** CONCERNING THE EXPANSION OF THE ABILITY TO TRANSFER ANNUAL LEAVE BETWEEN EMPLOYEES IN THE STATE PERSONNEL SYSTEM.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
<b>State Revenue</b>		
<b>State Expenditures</b> Multiple Sources	See State Expenditures section.	
<b>FTE Position Change</b>	0.0 FTE	0.0 FTE
<b>Effective Date:</b> Upon signature of the Governor or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2009-2010:</b> None required.		
<b>Local Government Impact:</b> None		

**Summary of Legislation**

This bill expands the reasons for which a state employee may transfer a portion of his or her annual leave to another employee.

Under current law, annual leave may be transferred if an employee or a member of the employee's immediate family experiences a catastrophic, life threatening health condition and the employee has exhausted all accrued annual and sick leave. This bill expands the reasons for which leave may be transferred to include any unforeseeable life-altering event beyond the employee's control, but also requires that recipient employees exhaust all paid leave, including any compensatory time, prior to receiving the transfer.

**Background**

Under the authority provided by current law, the State Personnel Director in the Department of Personnel and Administration has established procedures for allowing the transfer of annual leave among employees (leave sharing). Leave sharing does not increase paid leave benefits, but simply allows one employee to voluntarily donate a portion of his or her accrued annual leave to another employee. In some cases, leave sharing is done through direct donations from one employee to another, and in others, employees donate their annual leave to a bank from which employees may draw upon as needed.

Comprehensive data on the use of leave sharing is unavailable, but a sample of data by executive branch agencies and higher education institutions indicates that it is used by only a small segment of the employee population in the state personnel system. For example, 154 of the state's estimated 30,000-employee workforce reported using donated leave in FY 2006-07. In addition, data reported between over the 10 years from 1990 to 2000 indicates that the average value of the leave for recipient employees was always less than the average value for donor employees.

### **State Expenditures**

The bill may reduce state expenditures from the current level, but the overall impact cannot be determined. Expanding the ability of employees to transfer leave will likely reduce the amount paid out to retiring employees for unused annual leave, because leave sharing has historically consisted of transfers from higher-paid and longer-term employees to lower-paid and newer employees. The actual impact on state expenditures will depend on the amount of annual leave transferred and the salary levels of transferring employees. This fiscal note assumes that any significant change in state expenditures will be addressed through the annual budget process.

### **Departments Contacted**

Personnel and Administration