

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 81** SLS 15RS 228
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 6, 2015 7:22 PM	Author: PETERSON
Dept./Agy.: Statewide/LA Workforce Commission	Analyst: Patrice Thomas
Subject: Paid Sick Leave	

EMPLOYMENT OR INCREASE SG EX See Note Page 1 of 1
 Requires employers to give workers paid sick leave. (gov sig)(2/3-CA7s2.1)

Beginning Jan. 1, 2016, the proposed law requires all Louisiana employers that employ 5 or more full-time employees to provide paid sick leave to full time employees; and all Louisiana employers that employ less than 5 employees to provide unpaid sick leave benefits to all full-time employees. Under proposed law, employees earn 1 hour of sick leave for every 40 hours worked; a maximum of 52 sick leave hours per year. Under proposed law, employees may carry forward unused sick leave hours. Under proposed law, employers are not required to pay an employee for unused sick leave hours upon separation from employment; but if an employee is rehired within 12 months of separation, all previously unused sick leave hours are reinstated. If an employer provides sick leave benefits that are the same as or greater than the benefit required in proposed law, proposed law does not require the employer to provide any greater benefit to the employee. Proposed law requires the LA. Workforce Commission (LWC) to promulgate rules to carry out the provisions of proposed law. Proposed law provides for civil fine (between \$20 - \$200) to be levied by and paid to LWC for violations of proposed law.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

LA Workforce Commission

The proposed legislation is anticipated to increase state general fund expenditures by \$453,364 within the LA Workforce Commission (LWC) in FY 16 to monitor the provisions of this measure. The LWC anticipates this measure will require the creation of a new division within the LWC consisting of six new positions to enforce compliance of over 100,000 employers in the state to this proposed legislation. The expenditures are reflected in the table below. The Legislative Fiscal Office (LFO) cannot ascertain the level of staff required to monitor and investigate the compliance of over 100,000 businesses, agencies and local entities. However, the LFO anticipates the need for some level of additional staff.

LWC Projected Operating Budget Impact*

EXPENDITURES	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Personal Services	\$393,264	\$408,994	\$425,354	\$442,368	\$460,063
Operating Services	\$47,500	\$47,500	\$22,500	\$22,500	\$22,500
Equipment	<u>\$12,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	\$453,364	\$456,494	\$447,854	\$464,868	\$482,563
T.O.	6	6	6	6	6

*The personnel services category includes six new positions that consist of five Enforcement Officers and one Administrative Assistant as well as 4% increase in subsequent years for the possibility of merit increases. The operating services category includes travel (\$35,000) and educational training (\$12,500). The equipment category is for the purchase of six new computers.

Local Governments Units

To the extent a local governmental entity is not providing full-time employees with sick leave benefits that are the same of greater than the benefit required under this measure, this proposed legislation may increase local governmental expenditures by an indeterminable amount as a result of providing sick leave benefits to full-time employees.

REVENUE EXPLANATION

The proposed legislation allows the Louisiana Workforce Commission (LWC) to assess a civil penalty on noncompliant employers from \$20 to \$200 each day. The LFO anticipates all revenue generated from civil fees collected from employers pursuant to this measure will be retained by LWC. The LFO cannot determine the number of employers that will be assessed civil fines or anticipate the amount of revenue collected by LWC from civil fines in future fiscal years.

Senate	<u>Dual Referral Rules</u>	House	<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	 John D. Carpenter Legislative Fiscal Officer
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}		
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}		