

HOUSE BILL REPORT

HB 2952

As Reported by House Committee On:
Local Government

Title: An act relating to leave sharing policies for local government employers.

Brief Description: Permitting leave sharing policies for local government employers.

Sponsors: Representatives Alexander, Schindler, Romero, McCoy and Edwards.

Brief History:

Committee Activity:

Local Government: 2/5/04 [DPS].

Brief Summary of Substitute Bill

- Permits any county, municipality, or other political subdivision of the state to establish a leave sharing policy that allows public employees to voluntarily transfer leave to a fellow employee who is suffering from, or has a relative suffering from, a severe illness or an impairment that is likely to cause the employee to take leave without pay or to terminate his or her employment.
- Requires that a local government employee who has been called into service in the uniformed services be eligible to receive shared leave under a shared leave policy adopted by a local government.
- Requires that state managed retirement systems for public employees include salaries or wages earned via a leave sharing program, as authorized under the bill, within the categories of compensation that are considered for the purpose of calculating retirement benefits.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Romero, Chair; D. Simpson, Vice Chair; Schindler, Ranking Minority Member; Jarrett, Assistant Ranking Minority Member; Ahern, Clibborn, Edwards, Ericksen, Mielke, Moeller and Upthegrove.

Staff: Thamas Osborn (786-7129).

Background:

State employee leave sharing program. In 1989, the Legislature created a leave sharing program for state employees. The leave sharing program permits state agency, school district, and educational service district employees to donate some of their annual or sick leave to a fellow employee who faces losing his or her job, or going on leave without pay, due to an extraordinary illness, injury, or impairment that has caused that employee to deplete his or her sick and annual leave reserves. The illness or injury may be to an employee, a relative, or a member of the employee's household.

Leave sharing with employees in the uniformed services. In 2003, the Legislature expanded the state's leave sharing program to include state employees who must take leave as the result of their membership in one of the uniformed services. Under this expanded program, an employee must be permitted to receive donated annual or sick leave if the employee has been called to service. This service includes voluntary or involuntary service in the armed forces, the National Guard, the commissioned public health services, the Coast Guard, or any other category of persons designated by the President of the United States in time of war or national emergency.

Leave sharing policies of local governments. State law does not currently regulate the leave sharing policies of counties, municipalities, or other local governmental entities. Accordingly, the implementation of such a policy is left to the discretion of a local government.

Summary of Substitute Bill:

A county, municipality, or other local governmental entity may establish a leave sharing policy that allows an employee to voluntarily transfer leave to another employee in need of additional leave in order to cope with severe physical or mental health problems. The policy must also be applicable to those employees who have been called into service in the uniformed services. If a local governmental entity chooses to adopt a shared leave policy, the policy must contain certain eligibility criteria, including:

- the employee, or a relative of the employee, must be suffering from an extraordinary or severe illness, injury, impairment, or other physical or mental condition, or the employee must have been called into service in the uniformed services; and
- the demands placed upon the employee as the result of the illness, injury, impairment, condition, or uniformed service requirement, must have caused, or be likely to cause, the employee to take leave without pay or terminate his or her employment.

Provides definitions of the terms "service in the uniformed services" and "uniformed

services" that are identical to those provided under the shared leave statutes applicable to state employees.

Amends chapter 41.35 RCW (Washington School Employees' Retirement System) and chapter 41.40 RCW (Washington Public Employees' Retirement System), so as to include salaries or wages earned via a leave sharing program, as authorized under the bill, within the categories of compensation that are considered for the purpose of calculating retirement benefits.

Substitute Bill Compared to Original Bill:

The substitute bill makes the following changes to the original bill:

- Requires that a local government employee who has been called into service in the uniformed services be eligible to receive shared leave under a shared leave policy adopted by a local government. This "service" includes voluntary or involuntary service in the armed forces, the National Guard, the commissioned public health services, the Coast Guard, or any other category of persons designated by the President of the United States in time of war or national emergency; and
- Provides definitions of the terms "service in the uniformed services" and "uniformed services " that are identical to those provided under the shared leave statutes applicable to state employees.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: The primary purpose of the bill is to require that the state managed retirement systems for public employees include salaries or wages earned by local government employees via a leave sharing program, as authorized under the bill, within the categories of compensation that are considered for the purpose of calculating retirement benefits.

(In support with concerns) Many cities and local governmental entities already have shared leave policies similar to the one authorized under the bill. The problem with the bill is that it would require local governments to allow employees to share sick leave as well as annual leave. Requiring the inclusion of sick leave could be very expensive for local governments and may act as a disincentive to local governments adopting leave sharing policies. Shared sick leave policies take money out of the pockets of employers,

whereas shared annual leave is tantamount to a gift from one employee to another. An amendment should be passed allowing local governments the option of including sick leave in a shared leave policy.

Testimony Against: None.

Persons Testifying: (In support) Representative G. Alexander, Prime Sponsor.

(In support with concerns) Jim Justin, Association of Washington Counties.

Persons Signed In To Testify But Not Testifying: None.