

**FISCAL NOTE
PUBLIC COST**

- I. Department Title: Office of Administration
Division Title: Personnel Advisory Board and Division of Personnel
Chapter Title: Working Hours, Holidays and Leaves of Absence**

Rule Number and Name:	1 CSR 20-5.020 Leaves of Absence
Type of Rulemaking:	Proposed Amendment

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Office of Administration	\$1,832.22 annually
Dept. of Agriculture	\$353.56 annually
Dept. of Commerce and Insurance	\$854.98 annually
Dept. of Conservation	\$1,277.70 annually
Dept. of Corrections	\$6,250.84 annually
Dept. of Economic Development	\$238.00 annually
Dept. of Elementary and Secondary Education	\$1,435.28 annually
Dept. of Health and Senior Services	\$1,527.85 annually
Dept. of Higher Education and Workforce Development	\$286.38 annually
Dept. of Labor and Industrial Relations	\$587.17 annually
Dept. of Mental Health	\$4,971.17 annually
Dept. of Natural Resources	\$1,484.44 annually
Dept. of Public Safety	\$4,848.36 annually
Dept. of Revenue	\$852.27 annually
Dept. of Social Services	\$4,514.29 annually
Dept. of Transportation	\$4,618.61 annually
Total	\$35,933.11 annually

III. WORKSHEET

227,267 Average number of bereavement leave hours used statewide in fiscal years
2019-2021 (217,972, 224,157, 239,672)
*
0.03 See Assumption 1
=
6,818.01 Expected additional bereavement leave hours per year

6,818.01 Expected additional bereavement leave hours per year
*
0.5 See Assumption 5
*
0.5 See Assumption 6
=
1,704.5 Reduced annual leave usage per year as a result of bereavement leave
expansion

1,704.5 Reduced annual leave usage per year
*
0.98 See Assumption 7
=
1,670.41 Total cost in annual leave hours

Explanation: Annual leave hours that would have been taken absent this policy change, and that would not have lapsed at some later time, represent hours that must be liquidated and paid out to employees upon separation from state employment. In the absence of bereavement leave expansion, these annual leave hours would have been used by the employee and would not have been paid out upon separation, so they represent the projected public cost per year of bereavement leave expansion.

State Agency	Employees	Avg. Salary	Estimated Cost of Compliance
Office of Administration	1,684	\$24.34	\$1,832.22
Dept. of Agriculture	361	\$21.91	\$353.56
Dept. of Commerce and Insurance	693	\$27.60	\$854.98
Dept. of Conservation	1,459	n/a	\$1,277.70*
Dept. of Corrections	8,250	\$16.95	\$6,250.84
Dept. of Economic Development	232	\$22.95	\$238.00
Dept. of Elementary and Secondary Education	1,511	\$21.25	\$1,435.28
Dept. of Health and Senior Services	1,578	\$21.66	\$1,527.85
Dept. of Higher Education and Workforce Development	317	\$20.21	\$286.38

Dept. of Labor and Industrial Relations	607	\$21.64	\$587.17
Dept. of Mental Health	6,199	\$17.94	\$4,971.17
Dept. of Natural Resources	1,472	\$22.56	\$1,484.44
Dept. of Public Safety	4,827	\$22.47	\$4,848.36
Dept. of Revenue	1,104	\$17.27	\$852.27
Dept. of Social Services	5,623	\$17.96	\$4,514.29
Dept. of Transportation	5,115	\$20.20	\$4,618.61
Total	41,032	n/a	\$35,933.11

Explanation: Estimated cost is calculated by multiplying the agency's average salary amongst employees who took bereavement leave in fiscal year 2021 by the 2% COLA effective January 1, 2022, by the agency's percentage share of total state employment, by the total annual leave hours figure calculated above, and then by 1.0765 to account for the additional employer share of Medicare and Social Security taxes. Annual leave payouts made upon separation from state employment do not include employer contributions to any other fringe benefits.

** Department of Conservation bereavement leave usage data is not available to the Office of Administration in the SAM II system. The estimate for this state agency has been calculated using the average per capita estimated cost at the other 15 state agencies.*

IV. ASSUMPTIONS

A. Demographic Assumptions

- 1) The 13 existing categories of deaths causing an employee to be eligible to take bereavement leave (employee's spouse, child, sibling, parent, step-parent, grandparent, or grandchild; spouse's child, parent, step-parent, grandparent, or grandchild; or a member of the employee's household), on average, have larger populations and higher mortality rates than the three new categories of eligibility (employee's step-sibling and spouse's sibling and step-sibling). This expanded eligibility will result in no more than three percent more eligible deaths per year.
- 2) The frequency of the occurrence of an eligible death and the average length of bereavement leave taken per eligible death will be the same going forward across all state agencies.
- 3) Average salary was calculated by averaging the salary of the employees who took bereavement leave at each state agency in fiscal year 2021. This average is a better estimate than using the agency-wide average salary or the statewide average salary.

B. Leave Usage Assumptions

- 4) Employees will be equally likely to take bereavement leave for the death of a step-sibling or spouse's sibling or step-sibling as they are to take bereavement leave for the 13 existing categories of deaths eligible for bereavement leave and will take, on average, an equal number of leave hours.
- 5) Prior to this expansion of bereavement leave, employees would have had to take annual leave in instances of death of a step-sibling or spouse's sibling or step-sibling

- because bereavement leave was unavailable. With bereavement leave now available, employees will be twice as likely to decide to take leave time.
- 6) Prior to this expansion of bereavement leave, employees would have had to take annual leave in instances of death of a step-sibling or spouse's sibling or step-sibling because bereavement leave was unavailable. With bereavement leave now available, those employees who would have decided to take annual leave previously would have used 50% fewer hours of leave per eligible death than they will going forward with bereavement leave now available.
 - 7) 2% of annual leave that is retained because of this bereavement leave expansion will ultimately lapse pursuant to the leave sweep provision of 1 CSR 20-5.020(1)(D).
 - 8) State agencies will not hire part-time employees and will not incur additional overtime costs in absorbing the duties of employees taking bereavement leave that would not have been taken prior to this expansion.
 - 9) The possession of more annual leave that previously would have been used to take time off for an ineligible death will not impact future annual leave usage by an employee.

C. General Assumptions

- 10) The average employee salaries used for these calculations is adjusted for the 2% cost-of-living adjustment effective January 1, 2022 but is not adjusted for any other salary adjustments or in anticipation of uncertain future salary adjustments.
- 11) Employee headcount data in total and at each state agency is taken from the SAM II Talent Management Dashboard as of November 30, 2021. Future employee headcount is not adjusted in anticipation of uncertain future increases or decreases in staffing.
- 12) The provisions of 1 CSR 20-5.020 relating to bereavement leave apply to all 16 executive agencies pursuant to section 36.350, RSMo. Any elected officials or other branches of government that choose to follow this regulation do so voluntarily, and the fiscal impact of those choices is not part of the fiscal impact of this proposed amendment.