MEASURE NUMBER:HB 2265STATUS: OriginalSUBJECT:Transfer of unused sick leave between Department of Education and local education
agencies.GOVERNMENT UNIT AFFECTED:Department of Education; Local Education AgenciesPREPARED BY:Adrienne SextonREVIEWED BY:Daron HillDATE:January 26, 2007

2007-2009

<u>2009-2011</u>

EXPENDITURES: Indeterminate – See Comments.

EFFECTIVE DATE: July 1, 2007

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The Department of Education (ODE) policies regarding accrual of sick leave hours and the ability of an employee to transfer sick leave hours when transferring to another agency mirror those of the Department of Administrative Services (DAS). DAS Policy 60.000.01 provides that "when an employee transfers to another agency, the employee's unused sick leave hours shall transfer to the gaining agency."

State government accounting standards provide that employees accumulate earned but unused sick leave benefits and that there is no liability for unpaid accumulated sick leave since the state does not pay any amounts when employees separate from state service. However, some school district contracts may allow for the pay-out of some level of unused sick leave at retirement. Each individual would need to determine the benefit of a pay-out compared to utilizing accrued but unused sick leave in calculating Public Employment Retirement System benefits.

Because accrued sick leave hours are already paid employee time, neither ODE nor the school and education service districts would incur additional expenses above the individual's salary level that was already agreed to. On the other hand, if a transferring employee had little or no accrued sick leave or other paid time off, and had a need to take sick leave, the sick leave would be leave without pay, yielding nominal savings.