



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0997	Introduced on January 14, 2020
Author:	Jackson	
Subject:	Family Leave	
Requestor:	Senate Finance	
RFA Analyst(s):	Gallagher	
Impact Date:	March 9, 2020	

Fiscal Impact Summary

This bill provides any person employed by the State, its departments, agencies, or institutions with twelve weeks of leave for the birth of a child or the placement of a child with the employee for adoption or foster care. State agencies may face increased expenditures associated with managing the workload from employees taking an additional twelve weeks of leave. As such, agencies may experience an increase in General Fund, Federal Funds, or Other Funds expenditures if it is necessary to hire temporary employees or offer current employees a temporary salary increase to manage the workload resulting from an increase in available leave under the bill. However, as this will vary widely by agency and job description, the potential impact of this bill is undetermined.

Under this legislation, employees would not be required to use accrued sick and annual leave and instead would use paid parental leave for qualifying events. As such, agencies may experience an increase in expenses resulting from employees accruing additional leave if an employee separates from covered employment. In 2019, 757 state employees took leave for the birth or placement of a child. Assuming an average state employee salary of \$43,774 and a maximum of 45 days of accrued annual leave for 757 state employees per year, this bill may increase state expenditures by up to \$5,735,000 annually beginning in FY 2020-21. However, this impact will vary depending on the number of employees that use parental leave, the average salary of those who take parental leave, whether those employees are paid for the maximum amount of annual leave upon separation from state employment, and if they separate from state employment.

Explanation of Fiscal Impact

Introduced on January 14, 2020

State Expenditure

This bill provides any person employed by the State, its departments, agencies, or institutions with twelve weeks of leave for the birth of a child or the placement of a child with the employee for adoption or foster care. This leave must be taken within twelve months of birth or placement, is with pay, and is not annual leave or sick leave.

The federal Family and Medical Leave Act requires employers to allow employees twelve weeks of unpaid maternity or paternity leave for up to one year after the birth or placement of a child. This unpaid leave may be taken concurrently with any accrued sick and annual leave by state employees. Under this legislation, employees would not be required to use accrued sick and

annual leave and instead would use paid parental leave for qualifying events. This would allow employees to retain twelve weeks of accrued leave they may have otherwise used. Further, state agencies may face increased expenditures associated with managing the workload from employees taking an additional twelve weeks of leave.

As such, agencies may experience an increase in General Fund, Federal Funds, or Other Funds expenditures if it is necessary to hire temporary employees or offer current employees a temporary salary increase to manage the workload resulting from an increase in available leave under the bill. However, as this will vary widely by agency and job description, the potential impact of this bill is undetermined.

Additionally, agencies may experience an increase in expenses resulting from employees accruing additional leave if an employee separates from covered employment. State agencies expend appropriated funds for employee salaries when an employee is at work or on paid leave. However, when an employee separates from state employment, they forfeit accrued sick leave but are paid up to 45 days of unused annual leave. Under this bill, employees may retain annual leave that would have otherwise been used for parental leave. Since employee salaries are currently a part of agency expenditures, the impact resulting from the change in available leave would only be experienced when an employee separates from state employment and the agency must pay out accrued leave. In 2019, 757 state employees took leave for the birth or placement of a child. Assuming an average state employee salary of \$43,774 and a maximum of 45 days of accrued annual leave for 757 state employees per year, this bill may increase state expenditures by up to \$5,735,000 annually beginning in FY 2020-21. However, this impact will vary depending on the number of employees that use parental leave, the average salary of those who take parental leave, whether those employees are paid for the maximum amount of annual leave upon separation from state employment, and if they separate from state employment.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director