



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
(803)734-3780 • RFA.SC.GOV/IMPACTS

This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: H. 4636 Introduced on January 9, 2024
Author: Pace
Subject: Paid Military Leave
Requestor: House Ways and Means
RFA Analyst(s): Tipton
Impact Date: January 23, 2024

Fiscal Impact Summary

This bill increases the paid leave allotted to employees of the state or its political subdivisions who are either enlisted or commissioned members of the South Carolina National Guard, the United States Army Reserve, the United States Air Force Reserve, the United States Naval Reserve, the United States Marine Corps Reserve, or the United States Coast Guard Reserve from 15 to 30 days per year for training purposes or other duties as required. The bill expressly includes school district employees as eligible for the paid military leave.

This bill may have an undetermined increase on expenditures for state agencies dependent upon whether an agency needs to hire additional personnel or use other resources to manage workflows of employees using additional military leave. According to the Department of Administration (Admin), there were 361 employees that used military leave in 2023. Based on the average annual salary for state employees of \$63,910, the additional 15 days of leave allowed by the bill equates to \$1,331,048 in prorated employee salary and fringe for all state agencies if each qualified employee uses the entirety of their allotted leave. The Adjutant General's Office reports that the 30-day leave allotment would allow SC National Guard members who are state employees to complete all required training exercises, but also noted that it is unlikely that all enlisted employees will use the entirety of their 30 days of military leave. Further, any actual increase in expenditures for state agencies as a result of this bill is currently unknown, as this will depend upon an agency's ability to manage workflows while an employee is using the additional leave.

Based upon 18 responses from state school districts to the Department of Education's (SCDE) survey, this bill will increase substitute teacher expenses by between \$3,450 and \$5,100 per year per full-time teacher enlisted in the SC National Guard or branch of the US military reserves if that district currently has no military leave policy. If a district has an existing 15-day military leave policy, substitute teacher costs associated with a 15-day increase in military leave provided by the bill would be between \$1,725 and \$2,550 per year per teacher enlisted in the SC National Guard or branch of the US military reserves. Further, prorated salary and fringe expenses for teachers using the paid military leave would be between approximately \$2,000 and \$103,000, depending on the number of teachers enlisted in the SC National Guard or branch of the US military reserves.

The expenditure impact for state institutions of higher learning and state local governments is dependent upon the number of employees of those entities enlisted in the SC National Guard or branch of the US military reserves, and the actual amount of additional leave used per year, and therefore, the impact on those entities is undetermined. We have contacted state local governments and institutions of higher learning and will update this impact statement if any additional information becomes available.

Explanation of Fiscal Impact

Introduced on January 9, 2024

State Expenditure

This bill increases the paid leave allotted to employees of the state or its political subdivisions who are either enlisted or commissioned members of the South Carolina National Guard, the United States Army Reserve, the United States Air Force Reserve, the United States Naval Reserve, the United States Marine Corps Reserve, or the United States Coast Guard Reserve from 15 to 30 days per year for training purposes or other duties as required. The bill expressly includes school district employees as eligible for the paid military leave.

Admin reports that there were 361 state employees who used military leave in 2023. Based on an average annual salary and fringe for state employees of \$63,910, the additional 15 days of ++leave equates to \$1,331,048 in prorated employee salary and fringe across all state agencies if each qualified employee uses all of the allotted leave. The actual amount will depend on the salaries of the qualifying employees using military leave and the amount of leave used. However, this may not directly result in an increase in expenditures for most agencies, unless an agency is required to hire additional personnel or use other resources to manage workflows for employees using their additional military leave. Therefore, the impact of this bill on state agencies is undetermined.

According to the Adjutant General's Office, there are currently 731 non-fulltime members of the Air National Guard and 8,481 non-fulltime members of the Army National Guard residing in the state. Under the bill, the office indicates that members who are state employees would be able to utilize the additional days to fully cover training requirements during regularly scheduled workdays and ensure that annual training requirements are satisfied. However, it is unknown whether each member authorized 30 days of military leave would utilize the entirety of this leave allotment during the year as that would depend on their individual work schedules. The Adjutant General's Office does not maintain records of the civilian employer of their non-fulltime SC National Guard members.

The impact of this bill on state institutions of higher learning is dependent upon the number of faculty members or other employees who will use the additional military leave as well as the institution's ability to manage course schedules and other workloads while employees are using leave. Based on feedback from the Governor's School for Science and Mathematics, if additional adjunct faculty members are required to manage the absence of those using paid military leave, institutions may incur an additional \$3,000 annual expense per faculty member per impacted course. The number of faculty members and other employees that will be qualified

to use the additional military leave and the actual amount of leave that would be used is currently unknown, and therefore, the expenditure impact of this bill on institutions of higher learning is undetermined. We have contacted the state institutions of higher learning and will update this fiscal impact statement if any additional information becomes available.

State Revenue

N/A

Local Expenditure

This bill expressly includes school districts as entities of the state required to provide 30 days of paid military leave to employees who are either enlisted or commissioned members of the South Carolina National Guard, the United States Army Reserve, the United States Air Force Reserve, the United States Naval Reserve, the United States Marine Corps Reserve, or the United States Coast Guard Reserve.

SCDE surveyed all school districts in the state and received 18 responses regarding the potential fiscal impact of paid military leave. Most responding districts indicated that the primary impact would be increased substitute teacher costs to cover the classrooms of teachers using their military leave. Some districts reported having an existing 15-day military leave policy, while others indicated this would be a new requirement. At a district-reported substitute teacher rate between \$115 and \$170 per day, assuming the teacher using military leave would use the entire 30-day allotment, this bill would increase substitute teacher expenses for school districts by between \$3,450 and \$5,100 per year per teacher enlisted in the SC National Guard or branch of the US military reserves if that district currently has no military leave policy. If a district has an existing 15-day military leave policy, substitute teacher costs associated with a 15-day increase in leave allotment provided by the bill would be between \$1,725 and \$2,550 per year per teacher enlisted in the SC National Guard or branch of the US military reserves.

Beaufort County School district reported the highest number of current teachers or employees who would qualify for the additional leave, indicating that aggregate salary and fringe benefits for 15 additional days of leave would be \$103,117 per year. Lexington - Richland School District 5, Spartanburg School District 3, Saluda County School District, Anderson School District 1, Anderson School District 3, Florence School District 1, and the Greenville County School District all indicate that there were some employees or teachers who would qualify for the leave under this bill, with prorated salary and fringe costs for 15 to 30 days ranging from approximately \$2,000 to \$24,000 per year. The Governor's School for Science and Mathematics indicates they would hire an adjunct faculty member to cover the additional leave at a cost of \$3,000 per impacted course or an estimated \$12,000 per year. Of the 18 respondents, 4 districts indicated that this bill would have no fiscal impact on the district's expenditures as there are no employees who qualify to use the leave or because the added leave and any ancillary costs will be managed within the district's current budget.

The local expenditure impact of this bill on state local governments is dependent upon the number of employees who will be able to use the additional military leave as well as the local governing entity's ability to manage workloads while the employees are using the additional

leave. The number of local government employees that will be qualified to use the additional military leave and the actual amount of leave that would be used is currently unknown, and therefore, the local expenditure impact of this bill is undetermined. We have contacted county governments as well as the Municipal Association of South Carolina (MASC) and will update this fiscal impact statement if any additional information becomes available.

Local Revenue

N/A



Frank A. Rainwater, Executive Director