



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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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. 4934	Introduced on January 24, 2024
Author:	Mitchell	
Subject:	Paid Military Leave	
Requestor:	House Medical, Military, Public, and Municipal Affairs	
RFA Analyst(s):	Tipton	
Impact Date:	March 19, 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 45 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 30 days of leave allowed by the bill equates to approximately \$2,662,000 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 indicated that additional leave allotment would allow SC National Guard members who are state employees to complete all required training exercises, but also indicated that it is unlikely that all enlisted employees will use the entirety of the military leave allowed by the bill. 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.

This bill may have an undetermined increase on expenditures for state institutions of higher learning, depending upon the number of faculty members or employees enlisted in the SC National Guard or branch of the US military reserves, and the actual amount of additional leave used per year. Based on feedback from the University of South Carolina (USC), Clemson University (Clemson), Lander University (Lander), Coastal Carolina University (CCU), the College of Charleston (CofC), and Francis Marion University (FMU), this bill could impact between \$6,000 and \$100,000 in prorated annual faculty or employee salary and fringe costs per institution if each faculty member or employee uses the entirety of the allotted leave. Additionally, this bill may require institutions to bring on adjunct professors to cover courses impacted or provide temporary salary adjustments to current employees to manage additional workloads.

Based upon 18 responses from state school districts to a previous Department of Education (SDE) survey, this bill will increase substitute teacher expenses by between \$6,900 and \$10,200 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 30-day increase in military leave provided by the bill would be between \$3,450 and \$5,100 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 \$4,000 and \$206,000, depending on the number of teachers in a district enlisted in the SC National Guard or branch of the US military reserves.

This bill may have an undetermined increase on expenditures for state local governments, depending 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. Beaufort County indicated that this bill would impact approximately \$146,000 in prorated employee salary and fringe costs if each qualified employee uses the entirety of their allotted leave, while Kershaw County reports that five employees would qualify for the additional leave, and that the impact to the county would be minimal. We will update this fiscal impact statement if any additional responses from county governments or the Municipal Association of South Carolina (MASC) become available.

Explanation of Fiscal Impact

Introduced on January 24, 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 45 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 30 days of leave equates to \$2,662,000 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 indicated 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 45 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 will be 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 USC, Clemson, Lander, CCU, CofC, and FMU, the additional leave allowed by the bill would impact between \$6,000 and \$100,000 in prorated annual employee salary and fringe costs per institution if each qualified employee uses the entirety of their allotted leave. Any actual increase in expenditures for the institutions will depend upon the institution's ability to manage courses and other workflows while a faculty member or employee is using the additional leave. Lander indicated that temporary salary adjustments may be appropriate for current employees that will be required to manage the workload of employees using leave provided by the bill. Since the actual amount of leave that will be taken in a given year and the number of adjunct professors or other temporary employees that will be needed are currently unknown, this bill will have an undetermined impact on state institutions of higher learning.

State Revenue

N/A

Local Expenditure

This bill expressly includes school districts as entities of the state required to provide 45 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.

SDE previously 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 45-day allotment, this bill would increase substitute teacher expenses for school districts by between \$6,900 and \$10,200 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 30-day increase in leave allotment provided by the bill would be between \$3,450 and \$5,100 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 30 additional days of leave would be \$206,234 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 45 days ranging from approximately \$4,000 to \$48,000 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. Beaufort County reports that this bill could impact approximately \$146,000 in prorated employee salary and fringe costs if each qualified employee uses the entirety of their allotted leave, while Kershaw County reports that five employees would qualify for the additional leave, and that the impact to the county would be minimal. Since the actual amount of leave that will be taken in a given year and the number of temporary employees needed are currently unknown, this bill's impact on state local governments is undetermined. We will update this fiscal impact statement if any additional responses from county governments or MASC become available.

Local Revenue

N/A



Frank A. Rainwater, Executive Director