



**152nd GENERAL ASSEMBLY
FISCAL NOTE *REVISED***

BILL:	HOUSE SUBSTITUTE NO. 1 TO HOUSE BILL NO. 17
AMENDED BY:	HA1
SPONSOR:	Representative Morrison
DESCRIPTION:	AN ACT TO AMEND TITLE 19 OF THE DELAWARE CODE RELATING TO SICK TIME AND SAFETY LEAVE.

Assumptions:

1. This Act becomes effective upon signature by the Governor. Upon signature, the provisions of this Act take effect January 1, 2027.
2. This Act requires all employers to provide employees with a minimum of one hour of earned sick and safety leave for every thirty hours worked. The Act specifies under what circumstances an employee may take the leave established in this Act. Provisions relevant to the fiscal projections include:
 3. Allowing an employer to cap the number of hours earned annually at 40 hours.
 4. Not requiring the payout of any unused leave upon the termination of employment of an employee.
 5. Charging the Department of Labor with the promulgation of regulations and enforcement of the provisions of this Act.
6. The State's leave provisions for full-time employees, as well as provisions for full-time educators in districts and charters, would be deemed sufficient and meet all requirements of this legislation. However, this Act would require the State to provide leave for casual/seasonal employees.
7. As defined in the bill, "employee" does not include a substitute education employee.
8. Studies from the National Bureau of Economic Research and the Washington Center for Equitable Growth concluded that newly covered employees take two additional sick days annually.
9. According to the State's personnel and payroll system, 2,146,457 casual/seasonal hours were accrued in state agencies for 2022. Applying the leave accrual ratio contained in the Act, the 40-hour cap on yearly accrual and applying a 2% inflation per year results in a projected accrual of 64,002 hours with a "value" of \$1,428,828. Assuming each employee would use up to 2 days per year results in a projected annual usage of 39,696 hours with a cost of \$902,618. Assuming 68% of Personnel Costs are General Fund would yield a General Fund cost of \$613,780.
10. The Department of Labor, Division of Industrial Affairs, anticipates the need for personnel to provide outreach, administration, and enforcement of the provisions of this Act. Recurring annual costs are estimated at \$598,407, and one-time costs are estimated at \$397,800 and are as follows:
 - a. \$479,428 in Personnel Costs, including Other Employment Costs (OECs) at a rate of 32.94%, for 3.0 FTE, Labor Law Enforcement Officers, 1.0 FTE, Administrative Specialist, 1.0 FTE Accountant, and 1.0 FTE Regulatory Specialist.
 - b. \$118,979 in Operating Costs for office space, supplies, travel, capital outlay and public outreach.
11. The Office of Management and Budget has estimated the one-time costs associated with the necessary changes to the State's personnel and payroll system to be \$93,383.

Cost:

	<u>One-Time Costs</u>	<u>Ongoing Costs</u>
Fiscal Year 2025		\$0
Fiscal Year 2026	\$491,183	\$290,545
Fiscal Year 2027		\$905,298

Prepared by Robert Scoglietti
Office of the Controller General