

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **S.B. 303** DATE: **December 3, 2008**
STATUS: **As Introduced** SPONSOR: **Sen. Stivers**
LOCAL IMPACT STATEMENT REQUIRED: **Yes**
CONTENTS: **To increase military leave for firefighters and other public employees who do not work a traditional workweek of 40 hours**

State Fiscal Highlights

STATE FUND	FY 2009 – FUTURE YEARS
Adjutant General - General Revenue Fund and federal funds	
Revenues	- 0 -
Expenditures	Annual increase in payroll costs for additional leave benefit, depending on number of eligible firefighter employees, hourly wage, and additional military leave used

Note: The state fiscal year is July 1 through June 30. For example, FY 2009 is July 1, 2008 – June 30, 2009.

- The only state department that employs firefighters is the Adjutant General (ADJ), of which 35 are currently members of a military reserve unit. If the additional benefit for these 35 eligible employees had been in place at the beginning of FY 2009, the added payroll cost would be approximately \$157,000.
- Future ADJ payroll expenses would depend on the number of qualifying employees, their pay rates, and the amount of the new military leave benefit used.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2009 – FUTURE YEARS
Municipalities, Counties, and Townships	
Revenues	- 0 -
Expenditures	Payroll increases dependent upon number of eligible employees, hourly wage, and additional military leave used

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The added military leave would increase payroll costs for municipalities, townships, and certain counties that operate a county-wide emergency response system. The actual cost to each local government will vary according to a number of variables, including the number of eligible employees and local salaries. These new costs could exceed several thousand dollars for affected political subdivisions.



Detailed Fiscal Analysis

Provisions of the bill

The bill requires the state and its political subdivisions to allow employees who work a nontraditional schedule to use up to 408 hours of compensated leave for the fulfillment of military reserve requirements, such as yearly training and monthly weekend duty for members of the Ohio National Guard. Under the bill, only firefighters and other permanent public employees who do not work a traditional workweek of forty hours are eligible for this added benefit. Firefighters and emergency medical responders appear to be the only type of state employees that work nontraditional schedules encompassed by the bill. Other public employees who work nontraditional shifts, such as members of the highway patrol, would appear not to qualify for the additional leave under the bill, as they work a standard 40-hour week. Overall, the bill would likely result in payroll cost increases for the Adjutant General (ADJ), fire departments, and counties that operate countywide emergency medical services.

Difference between existing leave benefit and the bill's expanded leave benefit

For employees that qualify, the bill allows for up to 408 hours of military leave compared to the 176 hours under current law, a difference of 232 hours. Expressed differently, the bill increases the allowable military benefit time for public employees by approximately 2.3 times. The 176 hours allotted for military reserve leave corresponds to National Guard requirements for employees who work a standard shift of 8 hours: two weeks of annual training (80 hours) combined with weekend duty once a month during the year (96 hours). Expanding the leave to 408 hours would cover the five shifts that public employees who work a 24-hour shift miss as a result of their two-week training (120 hours) and the one shift for the 12 days of annual weekend duty (288 hours).

State costs

Currently, the state directly employs 95 firefighters through the Adjutant General (ADJ) to protect the National Guard armories and compounds from fire. The state does not employ any emergency medical responders, as they are under local jurisdiction. Of the 95 firefighters in ADJ, 35 are active military reserve members. Under the bill, ADJ would incur costs to pay for the additional leave of these 35 firefighters.

Assuming no changes in staffing, and assuming the added benefit had been in place for all of FY 2009, the ADJ would incur up to \$157,000 in increased payroll if all eligible employees take all of the 408 hours of leave. In future years, the amount spent on the additional leave would vary according to the number of eligible firefighters and their salaries. The pay range for state-employed firefighters is currently between \$16.09 and \$23.76 an hour. If all 35 eligible employees take all the additional leave hours permitted by the bill, ADJ payroll expenses could increase in the range of \$131,000 (232 hours of additional leave x \$16.09 x 35 employees) to \$193,000 (232 hours of additional leave x \$23.76 x 35 employees). ADJ's payroll costs are borne by the GRF and federal funds.

Local government costs

Municipalities and townships would incur the greatest costs associated with this bill, as they employ the majority of firefighters and emergency responders. Counties that employ Emergency Medical Service (EMS) responders would also incur higher payroll costs, as 26 of the 88 counties operate a county-wide emergency response system. LSC was not able to compile payroll data from county EMS's in time for this analysis, but will include this information when available. Firefighter and emergency responder salaries are paid from the respective local subdivision's general fund.

Municipal fire department examples

To illustrate the potential added payroll costs on fire departments, the table below displays current payroll and staffing data for fire departments in five cities. The calculations compare the cost differences between the current leave requirements and those in the bill and assume that all eligible employees at the lowest end of the pay scales and the highest use all permitted leave time. The difference is the net new cost that these municipal fire departments would incur with the added military leave benefit.

Cost of Additional Firefighter Military Leave by City for FY 2009					
City	Eligible Firefighters	Hourly Wage Rate (\$)	Current Cost at 176 Hours Used (\$)	S.B. 303 Cost if 408 Hours Used (\$)	Difference (\$)
Columbus	31	15.02 – 23.00	81,949 – 125,488	189,973 - 290,904	108,024 – 165,416
Toledo	8	18.06 – 27.14	25,428 – 38,213	58,947 – 88,585	33,519 – 50,371
Dayton	8	17.45 – 23.28	24,569 – 32,778	56,956 – 75,985	32,387 - 43,207.7
Bowling Green	5	15.94 – 22.74	14,027 – 20,011	32,517 – 46,389	18,490 – 26,378

Variables affecting any net increase in payroll costs would be the number of military-leave eligible firefighters, their wages, and the amount of leave they would use.

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