



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

March 3, 2025

Honorable Alan Powell
Chairman, Regulated Industries
613-B Coverdell Legislative Office Bldg.
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill (LC 47 3346)

Dear Chairman Powell:

The bill would allow certain employees of county health departments to retain accrued annual and sick leave if they are hired by the Department of Public Health (DPH) with no break in service. Eligible employees are those employed by the county but recognized as state employees for purposes of eligibility for the Employees Retirement System.

The costs associated with the state acquiring the annual and sick leave balances of newly hired employees do not necessarily require additional state funding. The cost of leave may be incurred by the state in the following ways:

- Annual leave and sick leave taken by an employee does not require additional funds above the employee's salary. The cost to the state is a temporary reduction in productivity.
- Annual leave balances must be paid to an employee when they depart state service. In recent years, state employees with larger annual leave balances have been eligible to receive a payout for 40 hours, lowering their balances by that amount. The cost to the state is the additional funds above the employee's salary earned through the final day of employment.
- Sick leave balances are not paid to an employee when they depart state service in most cases. If an employee is retiring from the state and has a balance of sick leave and forfeited leave above 960 hours, the hours are converted to state service time for purposes of calculating retirement benefits. The cost to the state could be a slightly higher employer contribution to the Employees Retirement System to cover the higher retirement benefit.

We cannot provide an estimate of the potential cost of the bill without leave balances for transferring employees and information on likely leave usage of county health department employees; however, we can provide some basic information on the number and types of county boards of health employees hired by DPH.

In FY2024, twenty-three (23) employees of county boards of health transferred to state positions with DPH. The employees included nurses, epidemiologists, information technology staff, and business operations personnel. The salaries for these positions range from \$60,000 to \$98,000. Under this bill, if one of these employees transferred with a maximum annual leave balance of 360

hours and departed with the same leave balance, DPH would pay an annual leave payout of \$14,268 to \$23,242.¹

As noted above, annual leave has an additional cost to state agencies when individuals either opt for a payout of 40 hours recently offered by the state or receive a payout of their leave balance upon separation from state service. Employees who bring an annual leave balance from a county board of health would be more likely to have a balance that makes them eligible for an annual leave payout. Presumably, they would also likely have a higher leave balance owed at separation from state service.

It should be noted that multiple agencies contacted for assistance with the analysis pointed to Attorney General Opinion 84-38. The opinion concerned the constitutionality of crediting employees of county probation offices with their accrued leave when their offices became part of the state probation system.

Respectfully,



Greg S. Griffin
State Auditor



Richard Dunn, Director
Office of Planning and Budget

GSG/RD/mt

¹ The hypothetical annual leave amounts are based on the salary range shown above. The amount includes a payment to the employee, the FICA employer share, and the State Health Benefit Plan.