

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sHB-6537

AN ACT CONCERNING EXPANSION OF PAID SICK DAYS AND DOMESTIC WORKER COVERAGE.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Social Services, Dept.; Department of Developmental Services	GF - Cost	At least 4.2 - 8.4 million	At least 4.2 - 8.4 million
Labor Dept.	GF - Cost	287,942	319,529
State Comptroller - Fringe Benefits ¹	GF - Cost	114,955	127,588
Social Services, Dept.; Department of Developmental Services	GF - Potential Revenue Loss	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which expands the state's current paid sick leave law and establishes a new paid sick leave requirement for leave specifically related to COVID-19, results in: 1) a cost of at least \$4.2 million and up to \$8.4 million in each of FY 22 and FY 23, 2) a cost to the Department of Labor (DOL) of \$402,897 in FY 22 and \$447,117 in FY 23, and 3) a potential loss of federal revenue.

Expanding those covered under the paid sick leave law, as well as expanding the covered leave itself, results in an additional cost to the

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.3% of payroll in FY 22 and FY 23.

DOL to administer.² Specifically, the DOL would need two additional Wage Enforcement Agents and one Staff Attorney for a total cost of \$393,297 in FY 22 and \$436,517 in FY 23, including salaries and benefits. There are also associated overhead costs estimated at \$9,600 for FY 22 and \$10,600 for FY 23 for computers, office supplies, etc.

The bill also results in a cost to the Departments of Social Services (DSS) and Developmental Services (DDS) associated with paid sick leave for personal care attendants (PCAs). Cost components include (1) payment to PCAs for sick leave, (2) payment to PCAs to provide necessary services to Medicaid consumers while another PCA is taking sick leave, and (3) enhanced contract costs for the PCA Workforce Council to administer paid sick leave benefits.

There are approximately 13,000 active PCAs supporting DSS and DDS Medicaid consumers paid a rate of approximately \$16.25 per hour. Assuming between 50% to 100% of active PCA's use at least 40 hours of paid sick leave per year, it will increase state costs by approximately \$4.2 million to \$8.4 million, annually.

The bill also requires the PCA Workforce Council to act on behalf of consumer employers of PCAs for purposes of the bill. This is anticipated to increase state contract costs to support the administration of paid sick leave benefits through fiscal intermediaries.

Additionally, since most DSS and DDS consumers with funding for PCAs are enrolled in a Home and Community-Based Medicaid waiver, the bill may also result in a potential federal revenue loss to the extent the bill's provisions conflict with Medicaid waiver requirements.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

² The current paid sick leave law covers employers with over 50 employees (excluding manufacturers and some non-profits) and only applies to 69 job classifications. The bill expands coverage to all private-sector employers, which includes an estimated 110,000 employers and 1.6 million workers.