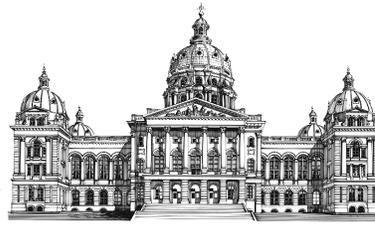


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State Capitol
Des Moines, IA 50319
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Use of Vacation and Sick Leave by State Employees

ISSUE

Use of vacation and sick leave by State employees, excluding Board of Regents institutions.

AFFECTED AGENCIES

All, except Board of Regents Institutions.

BACKGROUND

The purpose of this **Issue Review** is to summarize State employees' vacation and sick leave usage during FY 1995. To ensure accurate comparisons between departments, only employees considered full-time have been considered.

Vacation Leave

Vacation accrues to State employees based on years of service. The following table summarizes the vacation accrual rates for full-time employees:

Table 1
Vacation Accrual Rates

<u>Years of Service</u>	<u>Amount of Vacation (hours)</u>
Up to 4	80
5 through 11	120
12 through 19	160
20 through 24	176
25 and beyond	200

In addition to the amounts stated above, each employee receives 16 hours of unscheduled holidays annually, which are added to the vacation totals stated above.

Employees are eligible to convert sick leave to vacation if the employee has accrued a minimum of 240 hours of sick leave. The conversion is based on three hours of sick leave for one hour of vacation. Administrative rules restrict this conversion to 48 hours of vacation

annually, and an employee's maximum vacation balance can increase due to sick leave conversion by up to 96 hours.

Vacation leave has a maximum balance of twice the employees annual rate of accrual, excluding sick leave conversion. For example, if an employee is eligible to earn 80 hours of vacation annually, the maximum vacation balance the employee may accrue would be 160 hours. If the employee was eligible for sick leave conversion, the maximum balance the employee would be able to accumulate would be 256 hours.

At the time an employee leaves State employment, all accrued vacation is paid in a lump sum at the employee's hourly payment rate.

Sick Leave

Sick leave accrues for all permanent and probationary employees at the same rate, regardless of years of service. Each employee receives 12 hours of sick leave per month. When the employee leaves State employment, most sick leave is lost and is not paid out except to members of the State Police Officers Council (SPOC) bargaining unit, which may receive payment for unused sick leave. Employees not in the SPOC union are limited to a payment of up to \$2,000 upon retirement.

CURRENT SITUATION

Vacation Usage

During FY 1995, a total of 3.4 million hours of vacation was earned by full-time State employees. Over the same period, a total of 3.2 million hours of vacation was used. Vacation usage includes time taken by employees as vacation leave and vacation used as part of the vacation buyback program. A total of 21,867 employees were included in the calculations, representing 21,619.0 FTE positions. These numbers may be slightly larger than actual end-of-year FTE position counts because persons leaving employment during the fiscal year have their usage counted.

The largest employers, the Department of Human Services (DHS) and the Department of Transportation (DOT), have the largest amount of vacation balances outstanding. The DHS has 908,000 hours of vacation balance and the DOT has 756,000. This is approximately 45.0% of the total amount of vacation hours which are due employees.

As discussed in the next section, employees may exchange three hours of sick leave for one hour of vacation, once a certain maximum amount of sick leave is reached. Slightly over 1.0 million hours of vacation were accrued in this manner.

The average State of Iowa employee used 145.9 hours of vacation (approximately 3.6 weeks) during FY 1995 and earned 155.6 hours during the same time period. The largest per employee usage of vacation was by the Department of Elder Affairs at 173.7 hours of vacation, with the lowest average being the General Assembly at 66.1 hours. It should be noted that although the General Assembly has the lowest, this is due to legislators being counted as full-time employees, even though they do not earn vacation. Attachment A shows the average vacation hours used by department. Attachment B shows the total vacation hours used by department.

The vacation buyback program was initiated during FY 1994. The program allows employees, at the discretion of the employing agency, to sell back up to 40 hours of vacation annually if the employee has a minimum of 160 hours of accrued vacation. The payment is made to the employee during the last pay period in June. Of the 41 agencies and departments, 23 had

employees who participated in the FY 1995 vacation buyback program. For FY 1995, 1,826 employees participated in the program, selling back a total of 66,157 hours of vacation. On average, each employee sold back 36.2 hours of vacation. The total dollar value of the vacation repurchased by departments was \$1.2 million, with the average payout being \$676.31 per employee.

Sick Leave Usage

The figures in the following table are used to develop the sick leave usage, payouts, and balance statistics reported in the remainder of this Issue Review. Each line is explained in the following paragraphs.

	All Employees	Full-time Employees
Regular Hours	45,094,005	42,738,920
Number of Employees	25,783	21,867
Sick Leave Used	1,495,965	1,464,669
Sick Leave Converted	781,378	776,917
<u>Total Sick Leave (Hours)</u>	<u>2,277,343</u>	<u>2,241,586</u>
Sick Leave Earned (Hours)	2,798,786	2,746,929
Sick Leave Balance (Hours)	11,180,093	11,047,300
Sick Leave Payout	\$ 775,065	\$ 691,566

Number of Employees and Regular Hours

The number of employees (25,738) represents all individuals who received a salary from the State some time during FY 1995. This number excludes those with specific employment conditions such as inmates and board/commission members. The number of full-time employees (21,867) represents the same employees, but limited to those positions classified as full-time.

Regular hours represent the number of hours worked by the employees as reported in the State payroll system.

Sick Leave Used

Sick leave used includes all hours recorded as sick leave, with the exclusion of sick leave converted to vacation. Sick leave includes hours away from work for personal illness, death in the immediate family, or the temporary care of an immediate family member.

The State's 21,867 full-time employees used a total of 1.5 million hours of sick leave during FY 1995. The employees' regular hours (which include time taken as sick leave), totaled 42.7 million hours. Therefore, the State's full-time employees took sick leave an average of 3.4% of the total regular hours worked. On average, this equates to approximately 71.3 hours for a person employed full-time for the entire fiscal year.

The highest number of sick leave hours used by an individual during FY 1995 was 1,327.3. Of the 16,049 employees that worked the entire year (2,080 hours or more), and earned sick leave, 1,582 (9.9%) used no sick leave.

By department, sick leave used by full-time employees, as a percentage of hours worked was highest (5.1%) for the 759 employees of the Veterans Affairs Commission, while it was lowest for

the employees of the Office of State-Federal Relations (0.8%). See Attachment C for a listing by Department.

Sick Leave Converted

Sick leave converted represents those employee sick leave hours converted to vacation. State employees are allowed to convert three hours of sick leave to one hour of vacation each month, as long as that employees sick leave balance exceeds 240 hours, and no sick leave was taken that month.

During FY 1995, 9,613 State employees converted a total of 781,378 hours of sick leave to vacation. At the 12 hours of sick leave for four hours of vacation ratio, approximately 260,000 hours of vacation were created by sick leave conversion. The employees utilizing the sick leave conversion option averaged 81.3 hours of converted sick leave, or about 27.1 additional hours of vacation.

Total Sick Leave

Sick leave total includes sick leave used and sick leave converted.

Sick Leave Earned

State employees earn up to 144 hours (12 hours per month) of sick leave each year.

Sick Leave Balance

Sick Leave Balance represents the total amount of sick leave available to State employees at the end of FY 1995. There is no cap on the number of sick leave hours an employee may accumulate. Nine employees have balances in excess of 3,200 hours, with the largest accumulated balance being 4,963 hours. The average sick leave balance for full-time employees was 505.2 hours at the end of FY 1995.

Sick Leave Payout

Employees retiring from State employment may be eligible for up to \$2,000 in payment for unused sick leave.

During FY 1995, 445 State employees received a total of \$775,065 in payments for unused sick leave; an average of \$1,742 per recipient. Twenty-four State departments paid one or more individuals for unused sick leave.

ALTERNATIVES

This is presented as an informational item only.

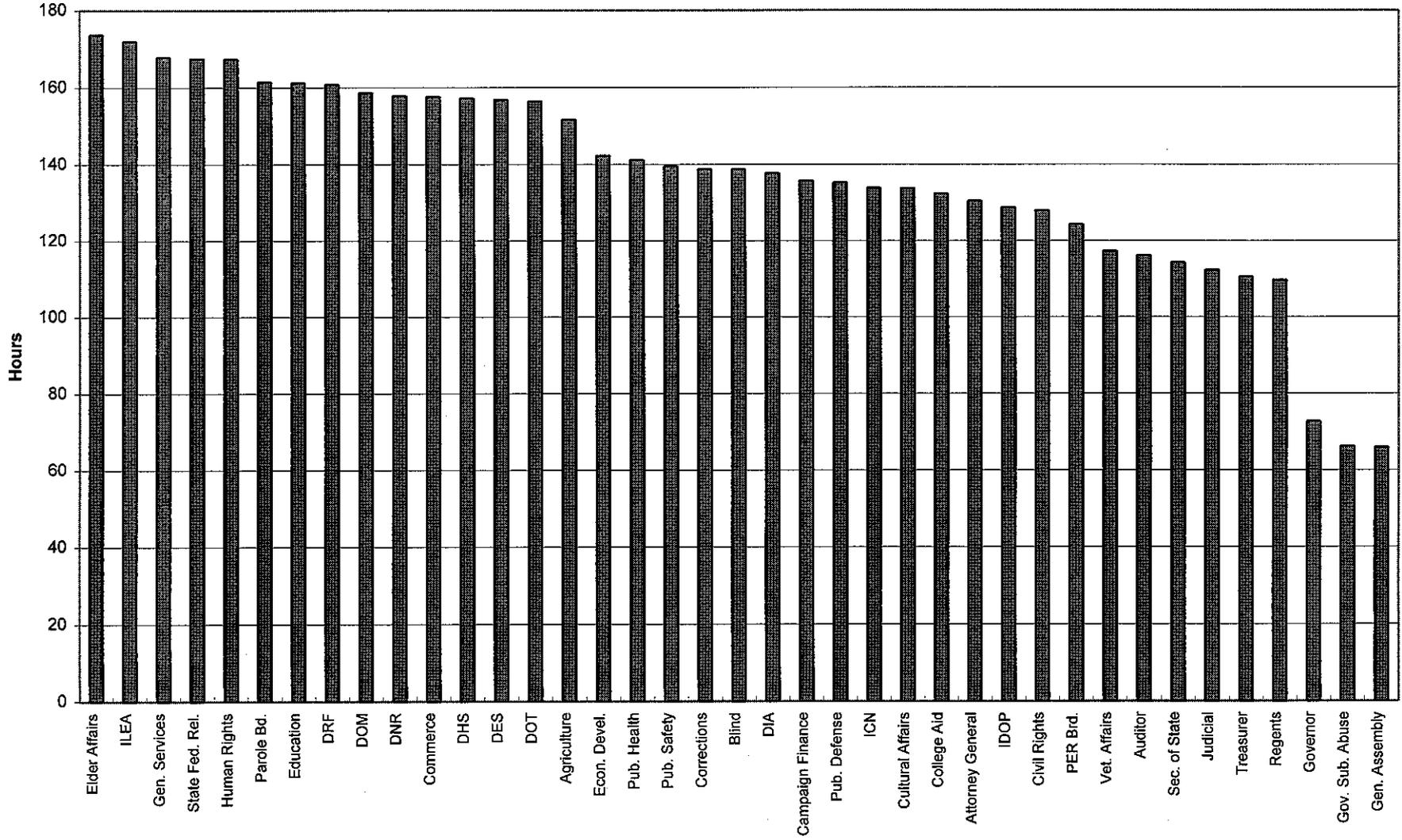
BUDGET IMPACT

The estimated value of outstanding vacation balances is estimated at \$64.4 million (all funding sources) for FY 1995.

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Use of Vacation & Sick Leave by State Employees

FY 1995 Average Hours of Vacation Used



1995 Total Hours of Vacation Used by Department

Department	Hours of Vacation Used
Human Services	912,361
Transportation	581,200
Corrections	285,206
Judicial	215,781
Employment Services	154,358
Natural Resources	121,978
Education	121,761
Public Safety	121,667
Revenue and Finance	101,293
Veterans Affairs	89,067
Agriculture	67,022
General Services	60,771
Inspections and Appeals	54,316
Commerce	49,497
Public Health	41,348
Public Defense	30,451
Attorney General	28,588
Economic Development	25,170
General Assembly	23,848
Personnel	18,554
Blind	13,596
Auditor	13,010
Cultural Affairs	10,036
Human Rights	8,367
College Aid	5,033
Elder Affairs	4,863
Secretary of State	4,799
Law Enforcement Academy	4,127
Management	3,967
Civil Rights	3,712
Governor	3,055
Treasurer	2,876
Board of Regents Office	2,084
Parole Board	1,614
Public Employment Relations Board	1,493
Iowa Communications Network	1,473
Campaign Finance	1,087
Governor's Substance Abuse Coordinator	662
State-Federal Relations	335
	3,190,425

FY 1995 Sick Leave Used Per 100 Hours Worked

Attachment C

