

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2786

**STATE OF NEW JERSEY
219th LEGISLATURE**

DATED: AUGUST 31, 2020

SUMMARY

- Synopsis:** Allows long-term care facility employees to accrue paid sick leave.
- Type of Impact:** State and local expenditure increases.
- Agencies Affected:** Department of Military and Veteran Affairs; certain county governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	Indeterminate
Local Cost Increase	Indeterminate

- The Office of Legislative Services (OLS) estimates that nursing homes operated by the Department of Military and Veterans Affairs (DMAVA) and certain county governments may incur indeterminate increases in annual operating expenditures under the bill, to the extent that facilities who do not provide or provide less favorable earned sick leave benefits to their employees will have an increased cost in their employee benefits.
- The OLS notes that the bill's impact on the nursing home industry will put upward pressure on the Medicaid per diem rate set by the State.

BILL DESCRIPTION

This bill allows employees in long-term care facilities to earn paid sick leave. Current law requires employers to provide their employees with accumulated paid sick leave at a rate of one hour for every 30 hours worked. However, the requirement does not apply to per diem health care employees, other than certified homemaker-home health aides. The bill revises this exception to provide that long-term care facilities will also be required to provide their employees with accumulated paid sick leave.

The paid sick leave will begin to accrue on the effective date of the bill, but long-term care facility employees will be credited with earned sick leave for any hours worked between March 9, 2020, which is the date the state of emergency and public health emergency were declared in response to the coronavirus disease 2019 pandemic, and the effective date of the bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that nursing homes operated by the DMAVA and certain county governments may incur indeterminate increases in annual operating expenditures under the bill, to the extent that facilities who do not provide or provide less favorable earned sick leave benefits to their employees will have an increased cost in their employee benefits. Currently, the DMAVA operates three facilities, while there are nine county facilities: three in Bergen County; two in Middlesex County; and one each in Atlantic County, Cape May County, Gloucester County, and Passaic County. The OLS does not have access to information regarding the existing sick leave policies or staff data at these facilities. Therefore, the fiscal impact of the bill on these entities is indeterminate. For reference, according the United State Bureau of Labor Statistics, the average cost to employers for sick leave policies was \$0.42 per employee hour worked in March 2019. The OLS notes that the bill's impact on the nursing home industry will put upward pressure on the Medicaid per diem rate set by the State.

Section: Human Services

*Analyst: Sarah Schmidt
Senior Research Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).