

By Representatives Harrington, Bitner, Bense, Tullis,
Arnall and Bainter

1 A bill to be entitled
2 An act relating to education; amending s.
3 231.40, F.S.; providing for payment into pretax
4 retirement accounts for accumulated sick leave
5 to certain employees of district school
6 systems; limiting the amount of pay certain
7 employees of district school systems may
8 receive for unused sick leave upon termination
9 of employment; amending s. 231.481, F.S.;
10 limiting the amount of pay certain employees of
11 district school systems may earn for unused
12 vacation leave upon termination of employment;
13 amending s. 240.343, F.S.; providing for
14 community college district boards of trustees
15 to adopt rules allowing payment for unused sick
16 leave into pretax retirement accounts; limiting
17 the amount of pay certain employees of
18 community college districts may receive for
19 unused sick leave upon termination of
20 employment; providing an effective date.

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22 WHEREAS, the taxpayers of Florida are faced with a \$2
23 billion unfunded liability for the payment of accrued leave in
24 the public education sector, and

25 WHEREAS, this financial burden is shared among all the
26 taxpayers in the state, and

27 WHEREAS, a redirection of our state education focus
28 must include a discussion of the appropriate combination of
29 salary and benefits, and

30 WHEREAS, an investment in the classroom for future
31 generations of citizens must balance the interest and needs of

1 children with the interest and needs of educators and
2 taxpayers, and

3 WHEREAS, the Legislature finds that in 1992-1993, the
4 total amount of terminal pay provided to administrative
5 employees was approximately \$8.4 million (29.3 percent of all
6 terminal pay), and, on average, administrative employees
7 received terminal pay in amounts equal to 67 percent of their
8 annual salary, and

9 WHEREAS, the Legislature finds that in 1992-1993, the
10 total amount of terminal pay provided to support staff was
11 approximately \$13 million (20.7 percent of all terminal pay),
12 and on average, support staff received terminal pay in amounts
13 equal to 24 percent of their annual salary, and

14 WHEREAS, the Legislature finds that the total terminal
15 pay for sick leave for school board employees in 1995-1996 was
16 \$23,979,970.45; in 1996-1997 the cost was \$33,082,494.47; in
17 1997-1998 the cost was \$27,364,388.59, and

18 WHEREAS, the Legislature finds that a 1993 report by
19 three Senate committees noted that the school district and
20 community college terminal sick leave payment schedules were
21 more generous than the terminal leave payment schedule for
22 state employees, and the report recommended that the terminal
23 sick leave payments remain more generous for instructional
24 staff than for administrative and other noninstructional
25 employees, and

26 WHEREAS, the Legislature concludes that in order to
27 better serve the funding needs for educating the children of
28 Florida, terminal pay for sick leave must be addressed in an
29 expeditious manner, NOW, THEREFORE,

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31 Be It Enacted by the Legislature of the State of Florida:

1 Section 1. Paragraph (a) of subsection (3) of section
2 231.40, Florida Statutes, is amended to read:

3 231.40 Sick leave.--

4 (3) PROVISIONS GOVERNING SICK LEAVE.--The following
5 provisions shall govern sick leave:

6 (a) Extent of leave.--

7 1. Each member of the instructional staff employed on
8 a full-time basis shall be entitled to 4 days of sick leave as
9 of the first day of employment of each contract year and shall
10 thereafter earn 1 day of sick leave for each month of
11 employment, which shall be credited to the member at the end
12 of that month and which shall not be used prior to the time it
13 is earned and credited to the member. Each other employee
14 shall be credited with 4 days of sick leave at the end of the
15 first month of employment of each contract year and shall
16 thereafter be credited for 1 day of sick leave for each month
17 of employment, which shall be credited to the employee at the
18 end of the month and which shall not be used prior to the time
19 it is earned and credited to the employee. However, each
20 member of the instructional staff and each other employee
21 shall be entitled to earn no more than 1 day of sick leave
22 times the number of months of employment during the year of
23 employment. If the employee terminates his or her employment
24 and has not accrued the 4 sick days available to him or her,
25 the school board may withhold the average daily amount for the
26 sick days used ~~utilized~~ but unearned by the employee. Such
27 leave shall be taken only when necessary because of sickness
28 as herein prescribed. Such sick leave shall be cumulative
29 from year to year. There shall be no limit on the number of
30 days of sick leave which a member of the instructional staff
31 or an educational support employee may accrue, except that at

1 least one-half of this cumulative leave must be established
2 within the district granting such leave.

3 2. A district school board may establish policies and
4 prescribe standards to permit an employee to be absent 6 days
5 each school year for personal reasons. However, such absences
6 for personal reasons shall be charged only to accrued sick
7 leave, and leave for personal reasons shall be noncumulative.

8 3. District school boards may ~~are authorized to~~ adopt
9 rules pursuant to ss. 120.536(1) and 120.54, permitting the
10 annual payment for accumulated sick leave that is earned for
11 that year and that is unused at the end of the school year,
12 based on the daily rate of pay of the employee multiplied by
13 up to 80 percent. Days for which such payment is received
14 shall be deducted from the accumulated leave balance. However,
15 for any full-time employee of the district school board other
16 than instructional staff or an educational support employee as
17 defined in this section, in lieu of such authorized cash
18 payment, that same amount may be contributed annually by the
19 employer, upon request by the employee, to an approved pretax
20 retirement account in the name of the employee, pursuant to
21 rules of the school board and in compliance with federal tax
22 laws and regulations ~~Such annual payment may apply only to~~
23 ~~instructional staff and educational support employees.~~

24 4. A district school board may establish policies to
25 provide terminal pay for accumulated sick leave to
26 instructional staff and educational support employees of the
27 district school board. If termination of employment is by
28 death of the employee, any terminal pay to which the employee
29 may have been entitled may be made to his or her beneficiary.
30 However, such terminal pay shall not exceed an amount
31 determined as follows:

- 1 a. During the first 3 years of service, the daily rate
2 of pay multiplied by 35 percent times the number of days of
3 accumulated sick leave.
- 4 b. During the next 3 years of service, the daily rate
5 of pay multiplied by 40 percent times the number of days of
6 accumulated sick leave.
- 7 c. During the next 3 years of service, the daily rate
8 of pay multiplied by 45 percent times the number of days of
9 accumulated sick leave.
- 10 d. During the next 3 years of service, the daily rate
11 of pay multiplied by 50 percent times the number of days of
12 accumulated sick leave.
- 13 e. During and after the 13th year of service, the
14 daily rate of pay multiplied by 100 percent times the number
15 of days of accumulated sick leave.
- 16 5. A district school board may adopt rules pursuant to
17 ss. 120.536(1) and 120.54 ~~establish policies~~ to provide
18 terminal pay for accumulated sick leave to any full-time
19 employee of the district school board other than instructional
20 staff or educational support employees as defined in this
21 section. If termination of the employee is by death of the
22 employee, any terminal pay to which the employee may have been
23 entitled may be made to the employee's beneficiary. However,
24 for such employees hired on or after July 1, 1995, terminal
25 pay shall not exceed an amount determined as follows:
- 26 a. One-fourth of all unused sick leave accumulated on
27 or after July 1, 1995; however, terminal pay allowable for
28 such accumulated sick leave shall not exceed a maximum of 60
29 days of actual payment, including the total amount of any
30 disbursements that have been made at the end of each year
31 pursuant to subparagraph 3.

1 b. For employees hired prior to July 1, 1995, unused
2 sick leave accumulated on or after July 1, 2000, may not
3 exceed a maximum of 60 days for purposes of terminal pay. Sick
4 leave accrued prior to July 1, 2000, may be added to the
5 60-day maximum sick leave allowed under this subsection for
6 employees hired prior to July 1, 1995. This limit does not
7 impair any contractual agreement established prior to July 1,
8 2000; however, a previously established contract renewed on or
9 after July 1, 2000, shall be considered a new contract.~~For~~
10 ~~unused sick leave accumulated prior to July 1, 1995, terminal~~
11 ~~payment shall be made pursuant to a district school board's~~
12 ~~policies which are in effect on July 1, 1995.~~

13 Section 2. Section 231.481, Florida Statutes, is
14 amended to read:

15 231.481 Terminal pay for accrued vacation leave.--A
16 district school board may adopt rules pursuant to ss.
17 120.536(1) and 120.54 ~~establish policies~~ to provide for a
18 lump-sum payment for accrued vacation leave to an employee of
19 the district school board upon termination of employment or
20 upon retirement, or to the employee's beneficiary if service
21 is terminated by death. Effective July 1, 2000 ~~1995~~, terminal
22 pay for accrued vacation leave may not exceed a maximum of 60
23 days of actual payment ~~for employees hired on or after that~~
24 ~~date.~~ This limit does not impair any contractual agreement
25 established before July 1, 2000. For unused vacation leave
26 accumulated before July 1, 2000, terminal payment shall be
27 made pursuant to the district school board's policies,
28 contracts, or rules that are in effect on June 30, 2000.

29 Section 3. Paragraph (e) of subsection (2) of section
30 240.343, Florida Statutes, is amended, and paragraph (f) is
31 added to that subsection, to read:

1 240.343 Sick leave.--Each community college district
2 board of trustees shall adopt rules whereby any full-time
3 employee who is unable to perform his or her duties at the
4 college on account of personal sickness, accident disability,
5 or extended personal illness, or because of illness or death
6 of the employee's father, mother, brother, sister, husband,
7 wife, child, or other close relative or member of the
8 employee's own household, and who consequently has to be
9 absent from work shall be granted leave of absence for
10 sickness by the president or by the president's designated
11 representative. The following provisions shall govern sick
12 leave:

13 (2) EXTENT OF LEAVE WITH COMPENSATION.--

14 (e) For full-time employees other than instructional
15 staff or educational support employees, the board of trustees
16 may, by rule, authorize accumulated sick leave that is earned
17 during the year and is unused at the end of that year to be
18 paid into an approved pretax retirement account. The amount
19 paid annually into a pretax retirement account may not exceed
20 an amount equal to 80 percent of the accumulated sick leave
21 multiplied by the employee's daily rate of pay for the time
22 the sick leave was accumulated. Such payments must be made
23 pursuant to the rules of the board of trustees and must comply
24 with federal tax law. An employee eligible under such rules
25 has the option to participate provided the amount of sick
26 leave for which payment is made into a pretax retirement
27 account shall be deducted from the employee's accumulated
28 unused sick leave balance.

29 (f) The ~~A~~ board of trustees may establish rules or
30 policies to provide terminal pay for accumulated sick leave to
31 any full-time employee of a community college other than

1 instructional staff or educational support employees ~~as~~
2 ~~defined in this section.~~ If termination of employment is by
3 death of the employee, any terminal pay to which the employee
4 may have been entitled may be made to the employee's
5 beneficiary. However, for such employees hired on or after
6 July 1, 1995, terminal pay shall not exceed an amount
7 determined as follows:

8 1. One-fourth of all unused sick leave accumulated on
9 or after July 1, 1995; however, terminal pay allowable for
10 such accumulated sick leave shall not exceed a maximum of 60
11 days of actual payment including the total amount of any
12 disbursements that have been made at the end of each year
13 pursuant to paragraph (e).

14 2. For employees hired prior to July 1, 1995, unused
15 sick leave accumulated on or after July 1, 2000, may not
16 exceed a maximum of 60 days for purposes of terminal pay. Sick
17 leave accrued prior to July 1, 2000, may be added to the
18 60-day maximum sick leave allowed under this subsection for
19 employees hired prior to July 1, 1995. ~~For unused sick leave~~
20 ~~accumulated prior to July 1, 1995, terminal payment shall be~~
21 ~~made pursuant to a board of trustees' policies which are in~~
22 ~~effect on July 1, 1995.~~

23 Section 4. This act shall take effect July 1, 2000.
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HOUSE SUMMARY

Provides for payment into pretax retirement accounts for accumulated sick leave for described employees of district school systems. Limits the amount of compensation described employees of district school systems may receive for unused sick leave upon termination of employment. Limits the amount of compensation described employees of district school systems may earn for unused vacation leave upon termination of employment. Provides similar requirements with respect to described employees of community college districts. See bill for details.