

Commission on Local Government

Estimate of Local Fiscal Impact

2022 General Assembly Session

Bill: HB1017

Special Session:

Patron: Guzman

Date: 2/1/2022

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

Bill Summary:

Overtime; compensable hours worked; compensatory time. Defines compensable hours worked, for the purposes of the Virginia Overtime Wage Act, as the amount of time an employee is on duty or at a prescribed place of work and any time an employee is suffered or permitted to work. The bill states that such time shall include work performed at home, travel time, waiting time, and training and probationary periods. Under the bill, an employee may elect, during any probationary period of employment, to receive compensatory time in lieu of overtime pay. As used in the bill, compensatory time is the time an employee works behind his regular schedule that is authorized by the employee's employer to be used as paid time off.

Executive Summary:

Localities have evaluated a negative fiscal impact ranging from \$0 - \$0.17 million; however, that estimate was for the value of compensatory leave for the past three months in that locality.

Most localities reported that the bill would produce no fiscal impact, as their locality already conforms to the requirements of the bill, or the requirements of the bill do not apply. Additionally, the most localities stated that offering compensatory leave instead of overtime would represent a savings to them. However, some localities noted there would be an indeterminate negative fiscal impact if the provisions of the bill broadened the eligibility of hours worked, or changed local discretion in offering overtime pay or compensatory leave.

Local Analysis:

Locality: Augusta County

Estimated Fiscal Impact: \$0.00

This change will not change any of our processes it will only fix what the issue was in the beginning of the enactment of the Virginia Overtime Wage Act were localities had to pay overtime instead of comp time. It is our understanding that the General Assembly will amend to be a permanent correction to the VOWA.

Locality: City of Alexandria..

Estimated Fiscal Impact: \$0.00

This proposed bill will have little impact on the City. Currently, City employees have the ability to request comp time in lieu of cash for overtime worked. What might differ is where the bill states, "An employee may elect" – currently, employees may request and be granted comp time in lieu of cash with the approval of their department head. If this statement takes away the organization's discretion to approve requests for comp time, the only impact may be that the requirement of an approval may no longer be a part of our internal process.

Locality: City of Danville

Estimated Fiscal Impact: \$0.00

No financial impact is estimated.

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**Locality:** City of Roanoke

**Estimated Fiscal Impact:** \$0.00

The City of Roanoke does not provide compensatory time but instead has chosen to pay overtime.

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Locality: City of Winchester

Estimated Fiscal Impact: \$10,000.00

This number would be the max amount.

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**Locality:** Montgomery County

**Estimated Fiscal Impact:** \$0.00

Based on our understanding of the bill, it would have no financial impact because we are already performing the requirements.

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Locality: Town of Blacksburg

Estimated Fiscal Impact: \$0.00

We currently pay overtime or offer compensatory time for these definitions. Our employees like the compensatory time off and were very unhappy when we had to pay overtime and not offer compensatory time. If this bill is reducing the offer of compensatory time only to probationary employees then we would have a fiscal impact.

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**Locality:** Town of Christiansburg

**Estimated Fiscal Impact:** \$0.00

The Town of Christiansburg allows compensatory time in lieu of overtime pay at the employee's discretion at current, therefore there would be no fiscal impact to the Town.

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Locality: Town of Leesburg

Estimated Fiscal Impact: \$0.00

We already do it this way. Our presupposition and caution on this bill is that the language should NOT be interpreted as paying for time commuting from and to home. Under FLSA that is not compensable time and the language of the bill should clarify that point.

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**Locality:** Town of Marion.

**Estimated Fiscal Impact:** \$165,000.00

Estimated impact is hard to estimate because the management side would have to limit it greatly to keep the cost down. For us, if we ran the way we do now and just paid overtime, based on the last 3 months of comp time earned, it would cost us about \$164,640 if the rate holds true. Right now, our system of comp time costs us nothing.

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