

Local Government Sick-Leave Practices: An Exploratory Study

Thom Reilly¹ and Michael Thom²

Abstract

The purpose of this study was to examine paid sick leave (PSL) practices among large municipal governments in the United States. Results of a national survey suggest that over 90% of these governments offer PSL. Few reported making any post-recession changes, and in fact, most governments continue to allow employees to rollover unused sick leave from year to year, cash out unused sick leave upon termination, and/or include unused sick leave in pension calculations despite the sometimes significant cost of such policies. Documentation is required in 70% of governments, but formal auditing of PSL occurs in less than one third of responding governments. Type of government, employee classification (e.g., public safety vs. general staff), collective bargaining, and whether the government requires public hearings for public employee benefit changes were significant factors in determining certain PSL practices.

Keywords

paid sick leave practices, public pay

Introduction

Absenteeism due to employee illness can have a significant effect on productivity, morale, and organizational performance. Although there are no federal or state laws requiring that employers in the United States provide paid sick leave (PSL), nearly all full-time public sector employees receive some form of sick pay (Bureau of Labor Statistics [BLS], 2014a). This is in stark contrast with the private sector, where approximately 40% of employees do not (BLS, 2014b). PSL is a conventionally accepted part

¹Arizona State University, Phoenix, USA

²University of Southern California, Los Angeles, USA

Corresponding Author:

Thom Reilly, Director, Morrison Institute for Public Policy/Professor, School of Public Affairs, Arizona State University, 411, North Central Avenue, Suite 900, Phoenix, AZ 85004, USA.

Email: thom.reilly@asu.edu

of public sector benefits packages, along with health insurance, pension, vacation time, and other paid time-off (PTO). Diverse benefits within public sector compensation, including PSL, have been an important incentive to improve organizational performance (Behn, 1995).

Employers that offer sick leave must choose whether or not to pay employees for accrued leave time upon separation. In many public sector organizations, PSL can be accrued and rolled over from year to year with no limit and either cashed out at termination and/or used in pension calculations. In fact, over 42% of state and local government organizations allow employees to apply unused leave hours to years-of-service calculations for the purpose of pension benefit calculations (Kuhn, Fitch, & Morris, 2012). Such calculations are typically performed at the end of the employee's career at their highest rate of pay. In other words, although sick leave may have been earned during years in which the employee had a lower salary, payouts at termination and for pension determinations are calculated at the highest salary levels. For employers that elect to compensate for unused leave time, the cost can be substantial. In fact, employer costs associated with PSL are ranked behind only costs for medical and retirement benefits (Society for Human Resource Management, 2009).

The recent recession, along with unfunded liabilities for pension and other post-employment benefits (Eucalitto, 2012; Novy-Marx & Rauh, 2011; The Pew Center of the States, 2011), has placed public sector spending in the spotlight. As local governments struggle to preserve critical services in the face of workforce reductions, they have been under increasing pressure to reduce operating costs.

Nevertheless, a growing number of cities and states in the United States have enacted laws that provide some access to PSL (Gould, Filion, & Green, 2011). California Governor Jerry Brown recently signed the Healthy Workplaces, Healthy Families Act of 2014. This law allows all employees in California who work more than 30 days per year access to sick leave. The majority of the state's workers will receive up to 3 paid sick days per year. California has followed other states, including Connecticut, Hawaii, New Jersey, New York, and Rhode Island, and cities such as New York, Portland, San Francisco, Washington, D.C., and Seattle, which have passed similar laws mandating sick leave to all workers in some form (Maynard, 2013; Office of the Governor, Edmund G. Brown Jr., 2014).

But while some states have moved toward a more liberal stance on PSL, others have moved in the opposite direction. In 2013, employees in 10 states—Georgia, Wisconsin, Louisiana, North Carolina, Tennessee, Mississippi, Kansas, Indiana, Florida, and Arizona—lost access to PSL as those states prevented local governments from enacting laws mandating sick leave and in some cases required that existing laws be rescinded (Lafer, 2013). These bills or policies were dubbed PSL “preemption legislation” (Smith, 2014). Other states that are enforcing preemption laws prohibit cities, counties, and municipalities from passing their own sick leave legislation. In some cases, like Wisconsin, the state has moved to preempt cities' previously enacted laws (Perkins, Conroy, & Seidman, 2014).

This study reports the prevalence of sick leave restrictions and sick leave incentive programs in local governments across the United States and explores whether local

governments were making the types of reforms post-recession that we have seen in the area of pensions and retiree health care. We explore whether type of government (city or county), collective bargaining status, dominant party of the elected body, and whether the government allowed for public hearings for the adoption of wage and benefits affect sick leave policy.

Background

PSL is defined as a paid leave of absence measured in hourly increments that relates to personal illness, doctor or dentist visits, or illness of immediate family members (Rhodes & Steers, 1990). "Use or lose" leave is PSL or other leave time that, if not used by a specific date, is forfeited without compensation (Camp & Lambert, 2006). To regulate PSL use, employers often implement a policy of expectations and standards as well as absence control and management rules (Johnson, Holley, Morgeson, LaBonar, & Stetzer, 2011). Monetary rewards and other incentive programs have also been used to both discourage the abuse of sick leave and reward employees for not misusing PSL (Rickert, Duncan, & Ginter, 1995). There also exists ample empirical evidence that both monetary and non-monetary incentive programs reduce absenteeism (Camp & Lambert, 2006; Duflo, Hanna, & Ryan, 2012).

The principal-agent model can assist in understanding the use of employer incentives such as those used to manage the inappropriate use and non-use of PSL. Agency theory explains why behavior or decisions vary between members of a group (Eisenhardt, 1989). In organizations, the principal is the employer who wishes to affect the actions of its employee, the agent. The theory sets out how different parties involved in the same situation with the same goal will often have different motivations. These different motivations can sometimes lead to widely varying results. Agency theory assumes both the principal and the agent are motivated by self-interest. This self-interest inevitably leads to inherent conflicts. To determine when an agent does (or does not) act in their principal's interest, the standard of "agency loss" is used. Agency loss is the difference between the best possible outcome for the principal and the consequences of the acts of the agent.

In the context of PSL, employers (or principals) attempt to manage the usage of employees (agents) PSL through various incentive programs and policies. The employer may include incentives to reduce presenteeism and/or to control costs; however, the end result may have the opposite effect because the employee might have different motivations for using (or not using) PSL. For example, the employer may institute PSL policies that allow employees to accrue and carry over unlimited PSL hours from year to year to reduce presenteeism and prevent a reduction in productivity. However, the employee may be motivated to not use PSL even if they are sick to accumulate hours that they can eventually either cash out or apply toward their pension calculations at retirement. Accrual and unlimited carryover policies may have the unintended consequences of increased cost and presenteeism.

Management theory and research can also guide our empirical investigation in understanding the problem of PSL use and abuse. Rickert et al. (1995) suggested most approaches fall under three broad categories. The traditional bureaucratic approach

threatens punitive action to employees who choose to abuse sick leave policies. The “appeals” approach highlights employee loyalty and responsibility of workers to use PSL in the intended manner. The “enlightened” approach examines the cause of the sick leave abuse as opposed to looking at the symptomology. While all three approaches are designed to reduce employer costs, the enlightened approach attempts to positively reinforce and reward PSL when needed rather than punishing its abuse. Reward approaches or generosity programs can include compensation-based incentive programs, paid leave banks, and programs for absenteeism reduction. Restriction programs include punitive activities such as audits and requiring physician approvals for taking prolonged PSL.

Organizations clearly face significant challenges in designing competitive and attractive PSL programs for their employees while managing the related costs, administration, and operation of these programs, especially in the current economic climate. For example, a major objective of PSL is to ensure that employees stay at home when they have contagious illnesses so as not to pass them on to other employees, which decreases productivity. But some employers have issues with presenteeism—that is, when sick employees with PSL coverage go to work anyway, thus increasing the chances of disease contagion (Pichler & Ziebarth, 2015). One reason why employees may not be utilizing their PSL every year is the potential for employees to accrue leave. According to the BLS (2013a), 44% of all private workers with PSL benefits were allowed to carry over sick days. In the same year, 92% of all local government workers were able to carry over PSL (BLS, 2013b).

Both state and local governments have begun to calculate the back-end costs associated with PSL accrual policies. For example, the average PSL payout for public safety workers in San Jose, California, was US\$84,973 in 2010. The top 10 police and fire workers in that city collected a total of US\$2,149,652 the same year. In fact, all 10 employees received payouts over US\$100,000 and 7 received payments in excess of US\$200,000 (Herhold, 2011). The phenomenon is not unique to California; in New Jersey, some 428 municipal governments face liabilities of over US\$825 million for accumulated PSL and vacation time (Dopp, 2011).

Conceptual Framework

To better manage the inappropriate use and non-use of PSL, and to encourage employees to use their PSL in a responsible way, some public and private organizations have implemented payouts and/or cash-incentive programs to reward employees who do not abuse sick leave. However, balancing incentives to reduce presenteeism while simultaneously controlling costs leads to a series of complex choices for managers.

This study explores the prevalence and determinants of two categories of PSL policy among large municipal governments in the United States. First, “sick leave generosity programs” include practices such as allowing PSL for family use, paying accrued leave upon termination, allowing unused sick leave to be used for service credits for pension calculations, sharing programs, or converting unused sick leave to vacation. Second, “sick leave restriction programs” include such practices as requiring a doctor’s note and auditing usage.

Local governments have adopted an array of post-recession budgetary saving initiatives. One area that has received a good deal of attention is the considerable pension and retiree health care obligations that have significantly contributed to their financial problems. In 2013 alone, over 1,200 bills were introduced in state legislatures to fix the array of problems with pensions (Oakely & Kenneally, 2013). Most states have recently passed some type of pension reform in the last several years. Lawmakers have enacted changes to increase employee contributions, increase age and service requirements for retirement, limit cost-of-living increase, and cap benefits for new employees (Snell, 2012).

While the extent that local governments have enacted similar far-reaching cost saving programs for PSL is unclear, some public organizations have implemented cash and non-monetary-incentive programs as well as cost containment programs geared toward encouraging employees to use PSL in a responsible way. Other cost containment practices include providing sick leave payouts for a fixed amount paid annually instead of accumulating it all until retirement; converting some sick leave costs to wellness expenses; limiting the hours employees can accrue per year as well as the number they can carryover; offering integrated PTO programs which gives employees a single block of time to accrue various banks of leave for vacation, illness, and bereavement; and ending the practice of allowing unused sick leave hours to be calculated for retirement benefits (Barrett & Greene, 2012; Kerrigan, 2011). This leads to our first hypothesis about what municipal governments may have done following the recession:

Hypothesis 1 (H1): Local governments will reduce their liabilities by enacting budget savings reforms for sick leave practices post-recession. Specifically, sick leave generosity programs will be less prevalent in local governments than sick leave restriction programs.

We expect that sick leave policies are shaped by endogenous characteristics of the municipality in question, including government type, the role of public hearings to change compensation, unionism, and political party control. We discuss these factors below.

Government Type

Reilly, Schoener, and Bolin (2007) found that county governments tended to have fewer budget shortfalls than city governments. The authors suggest this pattern may exist because counties usually contain wider geographical areas and therefore receive tax revenues from more diverse sources relative to cities and that cities miss tax revenues from more affluent areas outside their jurisdiction that would, however, be captured by county governments. We therefore expect to find that cities are more likely than counties to enact budget saving reforms that alter PSL.

Hypothesis 2 (H2): Cities will be more likely than counties to adopt budget saving reforms for PSL practices post-recession and in general.

Public Hearings

In an effort to increase civic engagement, many local governments pursue strategies that foster connections between citizens and public officials. Officials report a preference for micro-level opportunities, such as budget meetings, where citizens can receive information on financial matters and provide feedback (Franklin, Ho, & Ebdon, 2009), although such meetings' actual budget impact is unclear (Ebdon & Franklin, 2004). We predict that among municipal governments where public hearings are required to change employee compensation policies, less generous sick leave policies will result, as public accountability serves as a "check" on PSL that could be more generous than what citizens receive from private sector employers.

Hypothesis 3 (H3): Municipal governments that require public hearings for the adoption of wage and benefits programs will be more likely to adopt budget savings reforms for sick leave practices post-recession and in general.

Collective Bargaining

A broad collection of studies links unionism and collective bargaining with higher costs of government (e.g., Anzia & Moe, 2015; Folke, Hirano, & Snyder, 2011; Vallenta, 1989; Zax & Ichniowski, 1988). Hunter and Rankin (1988) suggested that the political power of public sector unions has a greater impact on fringe benefits than on wages, and collectively bargained environment has been associated with enhanced pension coverage of employees (Freeman, 1985; Norcross, 2011). As such, we surmise that municipal governments with collective bargaining agreements will have more generous PSL practices and be less likely to enact reforms.

Hypothesis 4 (H4): Municipal governments with no collective bargaining agreements will be more likely than those with collective bargaining agreements to adopt budget savings reforms for sick leave practices post-recession and in general.

Political Party Control

Finally, we wanted to explore the impact of partisan versus non-partisan governing board may have on PSL. Research suggests that Republican majority governments are more likely to pursue personnel deregulation policies (Coggburn, 2000), so we anticipate the possibility of party effects on PSL changes.

Hypothesis 5 (H5): Republican majority elected bodies are more likely than majority Democratic and non-partisan bodies to adopt PSL reductions.

Employee Classification

But we also expect PSL practices may differ between general government employees and public safety employees. Sick leave is more prevalent with white-collar than

blue-collar occupations (Van Giezen, 2013). Some 86% of workers in the top wage decile received PSL while 19% of those in the bottom 25% received some PSL benefits (Gould et al., 2011). However, PSL policies may differ because public safety employees often have more influential labor representation (Chandler & Gely, 1995; Wilson, Zhao, Ren, & Briggs, 2006). For example, most recently, pension reform legislation in Illinois, Michigan, and Wisconsin has exempted police and fire employees.

Hypothesis 6 (H6): Public safety workers will less likely than non-public safety workers to be impacted by budget savings reforms to sick leave practices post-recession and in general.

Our Survey

Background

We contacted 400 human resource directors representing the largest 200 cities (populations more than 160,000) and the largest 200 counties (populations more than 360,000) regarding a survey involving their jurisdictions' PSL practices. A link to an electronic survey was sent via email with a cover letter that explained the purpose of the survey and highlighted the voluntary and confidential nature of participation. Recipients who did not respond to the email were sent a physical copy along with consent information and a return envelope. Data collection began in February 2014 and ended in July 2014. The survey was divided into questions related to predictor variables and questions related to outcome variables. We explain both categories below.

Outcome Variables

The survey contained several binary questions regarding PSL practices within each jurisdiction. For each of the following, a "yes" answer was recorded as a "1" and each "no" was recorded as a "0":

- Does your city/county offer sick leave to employees?
- Can sick leave be used for family?
- Has your city/county made any changes to sick leave policy since the most recent recession?
- Does your city/county pay accrued sick leave upon employee termination?
- Can unused sick leave be used for purposes of calculating the employees' service credits used in computing retirement annuities?
- Does your city/county offer sick leave incentive programs to discourage absenteeism and/or reward employees who maintain excellent attendance records?
- Are sick leave sharing/leave banks available to employees?
- Can sick leave be converted to vacation time for employees?
- Are doctor's notes ever required for use of unexplained sick leave?
- Is sick leave usage audited?

We asked directors to answer these questions for four broad employee groups: management employees, general staff, fire protection, and police employees. To obtain adequate sample sizes, we later combined these four groups into “staff” (management and general staff employees) and “service” (police and fire employees).

Predictor Variables and Controls

The survey also contained a number of binary questions that serve as independent variables and controls. For each of the following, a “yes” answer was recorded as a “1” and each “no” was recorded as a “0”:

- Is the jurisdiction a city or county government?
- Whether the government allowed collective bargaining
- Whether the government allowed for public hearings for adoption and/or changes to wages and benefits

Finally, we queried each jurisdiction about the partisan nature of their primary governing body—for example, Democrat, Republican, or Non-partisan—and asked human resource directors to indicate how much PSL (in terms of annual hours) could be accrued and/or rolled over.

Results

Panel Characteristics

Of the 400 survey recipients, 140 replied yielding a response rate of 35%, very close to the response rate of studies in the field (e.g., Berman & West, 2003; Rangarajan & Rahm, 2011). As we show in Table 1, cities (59%) were more likely to respond than counties (37%) and consolidated governments (4%). Political party affiliation of the relevant elected body was usually non-partisan (65%) followed by Republican (20%) and Democrat (15%). Seventy-two percent of the local jurisdictions had collective bargaining and 63% allowed for public hearings over the adoption of wage and benefits.

Summary of PSL Practices

Table 2 provides a summary of PSL practices reported by survey participants. Ninety-two percent of municipal governments offered PSL but few (14%) made changes after the Great Recession. Among governments that did change PSL after the recession, most changes affected staff rather than public safety employees (19% vs. 9%). The ability to use an employee’s sick leave for family members was widespread (89%).

More importantly to budgetary concerns, 54% of respondents allowed accrued sick leave to be paid upon termination and 40% allowed unused sick leave to be used for calculating employee service credits and pension benefits. Few (28%) require audits of PSL usage. Although most (70% overall) require employees to provide doctor’s notes, there is a significant difference between staff and public safety employees (82% vs. 59%). Twenty-five percent offered sick leave incentive programs to discourage

Table 1. Summary Statistics.

	<i>n</i>	%
Type of government		
City	88	62.9
County	50	35.7
Combined	2	1.4
All	140	100.0
Political party		
Democrat	19	14.7
Non-partisan	84	65.1
Republican	26	20.2
All	129	100.0
Collective bargaining		
Yes	95	72.5
No	36	27.5
All	131	100.0
Public hearings		
Yes	64	62.7
No	38	37.3
All	102	100.0

absenteeism and/or to reward employees with strong attendance records. Sick leave sharing programs were available in 42% of the jurisdictions. Few (13%) reported allowing PSL to be converted to vacation time.

Table 3 provides a summary of the number of hours in all employee groups that can be accrued annually and how many hours can be rolled over from year to year. Just over 52% of local government employees were allowed to carry over 120 hr or more per year. And 77% governments had no limit on the number of hours that could be rolled over from year to year.

Differences by Government Type, Political Party Control, Collective Bargaining, and Public Hearings

Four of our hypotheses (H2, H3, H4, and H5) surmised that PSL practices may differ between cities and counties and could depend on political party control, the presence of collective bargaining, and a requirement for public hearings before public sector compensation changes. We examined these possibilities by performing a Chi-square analysis to determine whether elements of PSL practices (e.g., whether sick leave was offered, if family use was allowed, if doctor's notes were required, etc.) were significantly different across government types, party control, bargaining, and public hearing requirements. If the Chi-square statistic was statistically significant (i.e., $p < .05$), then the differences were considered meaningful. We report these results in Tables 4, 5, 6, and 7.

Table 2. Summary Statistics by Type of Employee.

	Public safety	Staff	All	%	Public safety %	Staff %
Offers sick leave	96	102	198	91.7	88.9	94.4
No sick leave	12	6	18	8.3	11.1	5.6
All	108	108	216	100.0	100.0	100.0
Recession change	10	22	32	14.0	8.8	19.0
No recession change	104	92	196	86.0	91.2	81.0
All	114	114	228	100.0	100.0	100.0
Family use	77	85	162	89.0	88.5	89.5
No family use	10	10	20	11.0	11.5	10.5
All	87	95	182	100.0	100.0	100.0
Pay accrued	57	66	123	53.9	50.0	57.8
No pay accrued	57	48	105	46.1	50.0	42.2
All	114	114	228	100.0	100.0	100.0
Service credits	42	49	91	39.9	36.8	42.9
No service credits	72	65	137	60.1	63.2	57.1
All	114	114	228	100.0	100.0	100.0
Incentive programs	25	31	56	24.6	21.9	27.2
No incentive programs	89	83	172	75.4	78.1	72.8
All	114	114	228	100.0	100.0	100.0
Sharing programs	42	54	96	42.1	36.8	47.4
No sharing programs	72	60	132	57.9	63.2	52.6
All	114	114	228	100.0	100.0	100.0
Converting	13	17	30	13.1	11.4	14.9
No converting	101	97	198	86.9	88.6	85.1
All	114	114	228	100.0	100.0	100.0
Doctor's note	48	67	115	70.1	58.5	81.7
No doctor's note	34	15	49	29.9	41.5	18.3
All	82	82	164	100.0	100.0	100.0
Auditing	28	35	63	27.6	24.6	30.7
No auditing	86	79	165	72.4	75.4	69.3
All	114	114	228	100.0	100.0	100.0

As hypothesized, cities were more likely than counties to make post-recession changes to their PSL policies (see Table 4). Cities were also more likely than counties to offer incentive programs, sharing programs, require doctor's notes, and audit PSL usage. A relationship between governing board partisanship and compensation practices did not materialize (Table 5). However, governments run by partisan bodies were less likely to seek recession changes than their non-partisan counterparts and were more likely to require audits. Employees without collective bargaining were more

Table 3. Summary Statistics by Accrued and Rollover Hours.

	How much accrued?	<i>n</i>	%
0 hr	3		3.0
1-95 hr	7		6.9
96-119 hr	38		37.6
120 hr or more	53		52.5
		101	100.0

	Rollover	<i>n</i>	%
0 hr	1		1.0
1-79 hr	1		1.0
81-160 hr	4		3.8
160 hr or more	18		17.3
No limit	80		76.9
		104	100.0

Table 4. Type of Government.

	χ^2	Significance
% offering sick leave	3.332	.343
% recession change	19.390	.000*
% family use	5.307	.151
% pay accrued	0.256	.968
% service credits	3.454	.327
% incentive programs	9.190	.010*
% sharing programs	10.385	.016*
% vacation converting	1.365	.714
% require doctor's notes	19.421	.000*
% auditing	14.784	.000*

p* < .01. *p* < .05.

Table 5. Political Party.

	χ^2	Significance
% offering sick leave	10.839	.055
% recession change	20.553	.000*
% family use	12.443	.002*
% pay accrued	3.035	.695
% service credits	5.506	.138
% incentive programs	12.045	.034**
% sharing programs	13.031	.011*
% vacation converting	4.225	.518
% require doctor's notes	15.941	.007*
% auditing	20.312	.000*

p* < .01. *p* < .05.

Table 6. Collective Bargaining.

	χ^2	Significance
% offering sick leave	5.928	.115
% recession change	15.996	.000*
% family use	0.107	.991
% pay accrued	0.303	.960
% service credits	4.122	.127
% incentive programs	4.301	.231
% sharing programs	7.390	.060
% vacation converting	4.564	.207
% require doctor's notes	10.559	.014*
% auditing	9.511	.002*

* $p < .01$. ** $p < .05$.

Table 7. Public Hearings.

	χ^2	Significance
% offering sick leave	2.245	.523
% recession change	11.545	.009*
% family use	4.290	.232
% pay accrued	4.701	.195
% service credits	5.159	.161
% incentive programs	2.231	.526
% sharing programs	9.928	.007*
% vacation converting	7.970	.047**
% require doctor's notes	8.255	.041**
% auditing	6.621	.010*

* $p < .01$. ** $p < .05$.

likely to see changes to their sick leave policies after the recession (Table 6). In addition, requiring doctor's notes for those suspected of sick leave abuses were less likely in cities and counties that have collective bargaining, although audits were more likely with collective bargained environments. Finally, sharing programs and vacation converting policies were more likely in jurisdictions that require public hearings for changes (Table 7). Audits of sick leave were more likely without public hearings.

Factors Shaping Elements of PSL Policy

Our next analysis was a logistic regression including all predictors to estimate independent effects. Results are presented in Table 8, which reports coefficients and standard errors as well as an odds ratio to gauge effect size. In some cases, the predictors were highly collinear, meaning that their coefficients could not be estimated. These are marked "NE" in the table. We fit our models using logistic regression with very

few covariates, all of which were dichotomous. In cases in which there was strong collinearity, our analysis software removed the offending variables.

While some of the logit models are not significant overall, the others suggest several interesting findings with respect to the factors that shape PSL practices. For example, city governments were over 4 times more likely than county governments to require employees provide a doctor's note to receive PSL. Jurisdictions that require public hearings were over 4 times more likely to allow public employees to use sick leave to care for ill family members.

The models also indicate a number of differences with respect to public safety employees. For example, public safety employees were about 70% less likely to be required to show a doctor's note. They were also much less likely to see PSL changes after the recession and have access to PSL sharing programs. These findings are generally consistent with H6. While many cities and 48 states have cut workers' retirement benefits due to rising costs from 2009 to 2014 (Martel & Rivale, 2014), many public safety employees have been exempt (Morrissey, 2014).

Discussion

Access to PSL is critical to the economic security of employees and their families. However, sick leave policy in many local governments can lead to unexpected costs and potentially significant unfunded liabilities. As local governments recover and balance their budgets after the Great Recession, and grapple with underfunded pension and retiree health care programs, focus will undoubtedly turn to other cost drivers, including PSL.

The preceding study of PSL across large local governments in the United States produced several interesting findings. Contrary to our central hypothesis, few local governments have sought to reform sick leave practices since the recession. Only 14% of responding human resource directors indicated that their jurisdiction had sought to reduce cost exposure by enacting sick leave reforms. Given increased media attention focused on unfunded liabilities for accrued sick leave, it would seem that reforms in this area would follow. Thus far, such reforms have not significantly materialized among large city and county governments.

PSL practices also appear quite generous. Fifty-three percent of survey respondents allow employees to accrue over 120 hr of PSL annually and 77% have no limit on the number of hours that could be rolled over from year to year. Over 50% of the governments we surveyed allowed accrued sick leave to be paid upon termination. And 40% allowed unused PSL to be used for calculating employees' service credits for pension purposes, otherwise known as "pension spiking."

Our findings produced mixed results for other components of H1. Sick leave generosity programs such as allowing sick leave for family members were widespread (89%), but other practices such as sharing programs and converting unused sick leave vacation time were not as prevalent in most jurisdictions (42% and 13%, respectively). Likewise, restriction programs such as requiring a doctor's note for prolonged sickness were quite high (over 70%) but auditing sick leave was infrequent (less than 20%). Incentive programs to avoid use of sick leave were infrequent (less than 25%).

H2 was partially supported. While a chi-square analysis found that cities were more likely to make post-recession changes to their sick leave policies as well offer an array of generosity and restrictive programs, our logistic regression only found that cities were more likely to require doctor's notes for unexplained absences. No other budget related reforms were found. With regard to political parties (H5), a relationship between partisanship and compensation practices did not materialize. This may be due to a lesser amount of partisanship at the local level; indeed, many issues confronting local government elected officials tend not to be non-partisan in nature.

Our chi-square analysis found employees with no collective bargaining were more likely to see changes to their sick leave policies after the recession (H4); however, our predictive analysis found no effect. Our logistic regression analysis did find that collective bargaining was predictive of service credits thus partially validating H4. Where bargaining is strong, local governments were perhaps more likely to allow employees to apply unused sick leave hours to year-of-service calculations for purpose of pension benefit calculations, but the overall model was not significant. It has been suggested that political power of public sector unions have a greater impact on post-retirement benefits such as pensions rather than on wages (Hunter & Rankin, 1988). However, our findings suggest additional research should be conducted to better resolve the linkage between collective bargaining and benefit generosity, especially given evidence that incentive programs formed jointly with employees tend to be more effective than programs imposed by managers (Mowday, Porter, & Steers, 1982; Robins & Lloyd, 1984).

It is important to note that the local governments that responded to the survey had workforces that were more unionized than the latest figures from the BLS on local government union membership. BLS (2014c) reported that 41% of local governments were unionized compared with our sample of 72%. This higher rate of unionization could be a result of surveying larger local governments where collective bargaining practices may be more common.

Public safety employees were far less likely to be affected by budget saving reforms to sick leave practices after the recession than those of staff, were more likely to have sharing programs, and were less likely to be required to have doctor's note for prolonged absences. While the exclusion of public safety from pension reform efforts may be popular, labor experts contend there is little justification for excluding public safety from reform efforts (Scheiber, 2015). This dynamic—that is, the special treatment of public safety classifications—is another field deserving additional research.

With regard to public hearings, allowing employees to take sick leave for family use and the ability to convert unused sick leave to vacation time were more likely when public hearings were required for the adoption of wage and benefit. The findings do not support H3. It could be that sick leave policies could have been adopted years ago and have little to do with current practices and policies.

In light of this discussion, it is important to consider limitations to this study. First, data collection methods in this study relied on self-reports that may be susceptible to response bias. In addition, the survey sample focused on larger local governments. The extent that smaller local governments have similar or different experiences and practices is not clear. Finally, the survey did not capture all aspects of sick leave practices, and this may have influenced the choice regarding some responses. Despite these

limitations, this research offers important insight into public sector sick leave practices in the United States.

Conclusion

PSL policies enacted by local governments are important for employee security and overall organizational performance. They can also have significant hidden costs, and the unfunded liabilities are not trivial issues. These costs can have a negative impact on state and local governments, especially at times when budgets are tight and scrutiny is high. Balancing the human resources needs of employees and their families as well as the organization is not always easy.

In this national survey of large city and county human resource professionals, we found that most local governments offered generous sick leave policies including the ability to carry over sick leave balances from year to year, cash out unused sick leave upon termination, and convert unused sick leave balances for enhanced pension calculations. Relatively few local governments made any changes to sick leave policies post Great Recession. Collective bargaining status, type of government (city or county), type of employee (public safety vs. non-public safety), and whether the government allowed public hearings for the adoption of benefits were all found to be significant factors in determining sick leave practices.

Local governments should give serious consideration to cost containment practices already in place in many public and private organizations such as ending the practice of using unused hours to be calculated for retirement, limiting the amount of hours employees can accrue per year as well as the number they can carry over, and maintaining sick leave payouts that allow for a nominal or fixed amount paid annually instead of accumulating it all until retirement. Further research is needed to identify evidence-based strategies that can better assist local governments in managing the process which permits employees to accrue sick days from year to year and then turn them in for cash value when nearing retirement. Specifically, research is needed to address the costs associated with using PSL to enhance or “spike” pensions. Finally, local government organizations should work with employees and their unions to adopt more sustainable, fair, and innovative sick leave policies that will incentivize employees to avoid unnecessary absenteeism and benefit both the employee and the organization.

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Author Biographies

Thom Reilly is director of the Morrison Institute for Public Policy and professor in the School of Public Affairs at Arizona State University. Previously, he served as county manager for Clark County, Nevada. He is a fellow with the National Academy of Public Administration (NAPA).

Michael Thom is an assistant professor at the Sol Price School of Public Policy at the University of Southern California. His research focuses on pension reform, public finance, and public policy.