

Department of Planning and Budget 2016 Fiscal Impact Statement

1. **Bill Number:** SB271

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Garrett

3. **Committee:** General Laws and Technology

4. **Title:** Adoption leave benefit.

5. **Summary:** Creates a new classification of paid leave for a state employee who adopts an infant. The amount of leave would be equivalent to the amount of paid leave awarded to an employee pursuant to short-term disability for maternity leave. The Department of Human Resource Management is directed to develop guidelines and policies for implementing the adoption leave benefit.

6. **Budget Amendment Necessary:** Indeterminate – see Item 8.

7. **Fiscal Impact Estimates:** Preliminary – see Item 8.

8. **Fiscal Implications:** Due to Section 125 of the Internal Revenue Service regulations and Health Insurance Portability and Accountability Act special enrollment rules for parity in health benefits for birth, adoption, and placement for adoption, health insurance enrollment data must be combined into one category for births and adoptions. Based on the data provided by the Department of Human Resource Management (DHRM), 1,983 health insurance enrollments for birth/adoption in fiscal year 2015 were for dependents under the age of one.

Because DHRM cannot track adoptions separately from births, the fiscal impact for this bill is based on the assumption that 10 percent of the 1,983 health insurance enrollments for dependents under the age of one were for adoptions. Based on this assumption, 198 state employees would be eligible for adoption leave benefits. The estimated costs assuming 198 state employees would be eligible for adoption leave benefits were projected based on the lowest possible eligibility for benefits (200 hours at 60 percent pay) and the highest possible eligibility for benefits (200 hours at 100 percent pay), using the average state salary hourly rate of \$23.18 as of December 31, 2015. The estimated costs would range from \$550,757 for the lowest possible eligibility for benefits to \$917,928 for the highest possible eligibility for benefits.

As previously mentioned, DHRM cannot track adoptions separately from births; therefore, it is possible that more than 10 percent of the 1,983 health insurance enrollments for dependents under the age of one were for adoptions and the number of state employees

eligible for adoption leave benefits would increase along with the costs for adoption leave benefits.

9. Specific Agency or Political Subdivisions Affected: All state agencies.

10. Technical Amendment Necessary: No.

11. Other Comments: None.