

## Department of Planning and Budget 2017 Fiscal Impact Statement

**1. Bill Number:** SB1412-H1

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Suetterlein

**3. Committee:** Appropriations

**4. Title:** Parental leave benefits.

**5. Summary:** Creates a new classification of paid parental leave benefits, beginning on and after July 1, 2018, for a state employee who adopts an infant under one year of age or is the natural father of an infant under one year of age. 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 parental leave benefits.

**6. Budget Amendment Necessary:** No. The new paid leave benefits would become effective on and after July 1, 2018 and if reenacted by the 2018 Session of the General Assembly; therefore, a budget amendment is not required.

The Senate approved budget amendment 84#1s, which provides \$70,000 general fund appropriation to the Department of Human Resource Management in fiscal year 2018 for a leave benefit for qualified employees who adopt an infant under the age of one pursuant to Senate Bill 1412. The House substitute of Senate Bill 1412 would also provide leave benefits to the natural father of an infant under one year of age. The new parental leave benefits would become effective on and after July 1, 2018 and if reenacted by the 2018 Session of the General Assembly; therefore, the budget amendment approved by the Senate would no longer be required.

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

**8. Fiscal Implications:** Because the Department of Human Resource Management (DHRM) cannot track adoptions separately from births, the fiscal impact of the proposed legislation is based on the number of health insurance enrollments for dependents under the age of one in fiscal year 2016, 1,798. For example, assuming 180 (10 percent) state employees are eligible for adoption leave benefits, the estimated costs range from \$503,496 (200 hours at 60 percent pay) for the lowest possible eligibility for benefits to \$839,160 (200 hours at 100 percent pay) for the highest possible eligibility for benefits. The estimates are based on the average state salary hourly rate of \$23.31 as of December 31, 2016.

The table below provides different scenarios using the same methodology mentioned above:

Health insurance enrollments for dependents under the age of one were for adoptions	State employees eligible for adoption leave benefits	Cost of adoption leave benefits at 60 percent	Cost of adoption leave benefits at 100 percent
2%	36	\$100,699	\$167,832
5%	90	\$251,748	\$419,580
10%	180	\$503,496	\$839,160

DHRM cannot track adoptions separately from births; therefore, it is possible that more than 10 percent of the 1,798 health insurance enrollments for dependents under the age of one were for adoptions.

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

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.