

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: SB1412

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

2. Patron: Suetterlein

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: 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.