

Department of Planning and Budget 2019 Fiscal Impact Statement

1. **Bill Number:** HB2234

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

2. **Patron:** Robinson

3. **Committee:** Appropriations

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

5. **Summary:** Requires the Department of Human Resource Management (the Department) to implement and administer 12 weeks of paid parental leave benefits for a state employee who becomes the parent of a child either by adoption or by birth of a child. To be eligible, an employee must be a full-time employee with at least one year of continuous state employment. The bill requires employees to take leave within one year of a child's birth or adoption and provides that if two employees are eligible for benefits for the same child, only one shall claim benefits. The bill provides that if an employee is eligible for both parental leave and maternity leave for the same child, parental leave covers the first 12 weeks of leave; thereafter, if the employee provides notification to her employer from her physician that she is unable to return to work, she may receive short-term disability benefits.

6. **Budget Amendment Necessary:** No.

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

8. **Fiscal Implications:** The fiscal impact of the proposed legislation cannot be determined, as any costs incurred will vary for each state agency. State agencies are not expected to incur additional costs to provide income replacement for employees out on parental leave or subsequent short-term disability because the employees' salaries and benefits are funded in the state agency's operating budget. However, state agencies may incur overtime expenses or have to hire temporary staff to continue agency operations while an employee is out of the office on parental leave.

The bill would provide twelve weeks of paid parental leave for full-time state employees with at least one year of continuous employment with the Commonwealth to be used within one year of the birth or adoption of a child. It also requires employees that are also eligible for short-term disability benefits under the Virginia Sickness and Disability Program (VSDP) as birth mothers to use the available family leave to cover the first twelve weeks of leave and, if unable to work upon expiration of parental leave, subsequently receive income replacement under short-term disability benefits. Further, if two state employees are eligible for parental leave for the same child, only one may claim parental leave benefits.

According to the Department of Human Resource Management (DHRM), the state's current Parental Leave Policy, which took effect July 1, 2018, provides eligible employees with up to eight weeks (320 hours) of paid leave to be used within six months of the birth of an infant or adoptive, foster, or custodial placement of a child under the age of eighteen. An employee who is not eligible for parental leave on the date of birth or placement may become eligible during the following six months and access parental leave once he or she meets the eligibility requirements. If both parents work for the Commonwealth and meet the eligibility criteria, each is entitled to up to 320 hours of parental leave. Virginia Sickness and Disability Program (VSDP) participants may use parental leave to supplement reduced income replacement disability benefits following the birth of a child and/or after the VSDP benefits related to the birth cease or in parental leave benefits in full following the birth of a child. This means that most birth mothers have access to up to fourteen weeks of paid leave based on an average of six weeks of paid VSDP protection and eight weeks of parental paid leave.

Because the current eight week family leave benefit was implemented so recently and required reconfiguration of DHRM's Time, Attendance, and Leave (TAL) system in addition to the independent time and attendance systems operated by other agencies, colleges, and universities to include this new leave category, usage data for this new benefit is currently is not yet available. The 65 agencies that utilize TAL are currently in the process of recording usage now. DHRM anticipates initial data regarding usage of the current parental leave benefit will be available after February 1, 2019, for TAL agencies and most independent systems. This statement will be updated with additional benefit use information, once available.

9. Specific Agency or Political Subdivisions Affected: Department of Human Resource Management and all other state agencies.

10. Technical Amendment Necessary: No.

11. Other Comments: None.