

Department of Planning and Budget 2019 Fiscal Impact Statement

1. Bill Number: SB1581-H1

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

2. Patron: Suetterlein

3. Committee: Appropriations

4. Title: Parental leave; providing leave to state employees.

5. Summary: Requires the Department of Human Resource Management (the Department) to implement and administer eight 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 six months of a child's birth or adoption and provides that if two employees are eligible for benefits for the same child, each parent shall receive parental leave, which may be take concurrently, consecutively, or at different times. The bill provides that if an employee is eligible for both parental leave and maternity leave as a short-term disability benefit for the same child, parental leave covers the first eight 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: Indeterminate; see Item 8.

8. Fiscal Implications: The fiscal impact of the proposed legislation is indeterminate.

The bill would provide eight 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 six months 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 eight weeks of leave and, if unable to work upon expiration of parental leave, subsequently receive income replacement under short-term disability benefits. If two state employees are eligible for parental leave for the same child, both 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.

Compared to the current Parental Leave Policy, the proposed legislation would no longer allow VSDP participants the option to use parental leave benefits subsequent to VSDP benefit eligibility and would require parental leave to cover the first eight weeks of leave and allow the use of short-term disability benefits after the eight weeks of leave, if unable to work. Given that the reported average of six weeks of paid VSDP protection, the average VSDP protection would be shorter than the eight weeks of parental leave provided. The proposed legislation also does not provide parental leave for the foster or custodial placement of a child, which is provided under current policy.

Since employee salaries and benefits are funded in state agencies' operating budgets, agencies do not incur additional costs to provide income replacement for employees out on parental leave or short-term disability. 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 leave. Any impact to state agencies from the proposed legislation is indeterminate and would depend on any changes in the length of unpaid time off requested by employees and periods of short-term disability coverage compared to that under current policy and if the agency had to incur expenses for overtime or temporary staff to continue operations while an employee was on leave.

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.