Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2016 Regular Session

Part I: Measure Information

Bill Request #: 1547	
Bill #: HB 627	
Bill Subject/Title:	AN ACT relating to employment provisions for employees on maternity leave.
Sponsor: Representative James Kay	
Unit of Government:	XCityXCountyXUrban-CountyXCharter CountyXConsolidated LocalXGovernment
Office(s) Impacted:	All of them.
Requirement: X	_ MandatoryX_ Optional
Effect on Powers & Duties:	Modifies Existing Adds New Eliminates Existing
Part II: Purpose and Mechanics	
employees to provide	section of KRS Chapter 337 to require employers with 50 or more six weeks of paid leave for maternity leave for an employee who or at least one year and allows an employee to waive the paid

maternity leave.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The fiscal impact of HB 627 on local government is expected to be minimal to moderate impact on larger cities with no impact on smaller cities.

The Kentucky League of Cities (KLC) states that HB 627 is a potentially costly personnel measure for Kentucky cities; however, they also state that the legislation would apply only to about one in six Kentucky cities because of the minimum employee requirement.

As an example, KLC submits that if an administrative assistant/receptionist gave birth, cities would pay an average of \$3,333 in salary costs (excluding associated benefits) for the six weeks of maternity leave. That would be in addition to any overtime or temporary

work used to cover the time off. Of course, that wouldn't affect the individual's leave time balances, which would result in more costs for the employer once taken after the maternity leave. This assumes cities do not currently provide at least six weeks of paid maternity leave, which is not something KLC has data on (though they are unaware of any cities that provide this paid leave). KLC notes that the bill does not distinguish among different types of employment: full-time, part-time, temporary or permanent.

Additional costs would be associated with personnel policy/employee handbook changes and training of supervisors.

KLC has no data on how many current or future city employees are female, are of child bearing age, or are capable of and willing to give birth. They also have no data on how many new birth mothers would choose to waive any or all of the maternity leave time. KLC acknowledged that it doesn't have specific examples from cities at this time.

Data Source(s): Kentucky League of Cities

Preparer: John V. Ryan **Reviewer:** JWN **Date:** 3/14/16