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

Part I: Measure Information

Bill Request #: 191					
Bill #: SB7 SCS					
Bill Subject/Title: AN ACT relating to the use of public resources					
Sponsor: Senator Max M. Wise					
Unit of Government: City X County X Urban-County X Charter County Consolidated Local Government					
Office(s) Impacted: Local health departments, local fiscal courts					
Requirement: X Mandatory Optional					
Effect on Powers & Duties: X Modifies Existing Adds New Eliminates Existing					

Part II: Purpose and Mechanics

The purpose of SB 7, as introduced, is to prohibit the giving of any public funds to any entity or facility that offers abortion services or that is an affiliate of an entity or facility that offers abortion services. KRS 311.715 currently prohibits use of public funds to obtain or to pay for an abortion. SB 7, Section 2 would amend KRS 311.715 to also prohibit use of public funds to support abortion *services*. SB 7, Section 1 would amend KRS 311.720 to define "abortion services" to include providing referrals to or information about facilities/individuals that perform abortions, and providing counseling, advice, material or other information that encourages or promotes abortion. The bill would also prohibit public money for other, non-abortion-related medical services going to any entity that offers abortion or abortion services or that affiliates with such entity. The bill would amend the definition of "public funds" in KRS 311.715 to provide that any money that comes to the Commonwealth and to any political subdivision of the Commonwealth, "regardless of the original source of the money" is public funds which may not be applied to obtain or pay for an abortion *or* for abortion services.

SB 7 SCS retains the original SB 7 Section 1 as introduced and creates a new Section 2.

SB 7 SCS would remove any definition of "public funds" from KRS 311.715 but would retain the original bill's prohibition that public funds shall not be given to any entity that provides abortion services or that is an affiliate of such entity. Section 2 (3)(a) of the

Committee Substitute would prohibit specifically state or local funds being given to any entity that provides abortion services or that is an affiliate of such entity; Section 2 (3)(b) of the Committee Substitute would address state *and* federal funding specifically for family planning services provided by contractors and would establish a hierarchy for distribution of state and federal funding for family planning services, in the following descending order:

- 1. Public entities that directly provide family planning services, such as state, county, and local community health clinics and federally qualified health centers;
- 2. Nonpublic entities that directly provide comprehensive primary and preventive health services in addition to family planning services, and
- 3. Nonpublic entities that directly provide family planning services, but don't provide comprehensive primary and preventative services.

Unlike the original bill, the prohibitions in the Committee Substitute would also apply to funding available through Medicaid (KRS 205.510 to 205.560) and to funding for hospitals, medical schools, or universities. This would appear to mean that no state money could be distributed to a state Medicaid provider or Kentucky hospital, medical school or university that provides information about facilities or individuals that perform abortions, or that provide counseling regarding pregnancy termination.

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

SB 7 SCS would not directly increase local government expenditures or revenues and so would have no direct fiscal impact on local government

Kentucky's sixty-one (61) local health departments are largely funded by federal grant and local property taxes and not by state funds. The Kentucky Department for Public Health (DPH) distributes approximately \$5.6 million in federal Title X funds for family planning services to local health departments in the state. In accordance with federal law 42 CFR 59.5(a)(5), Title X recipients (including local health departments, the University of Kentucky, and two Kentucky Planned Parenthood sites) shall "...[n]ot provide abortion as a method of family planning." However, 42 CFR 59.5 requires that projects receiving Title X funding must offer pregnant women the opportunity to get information and counseling regarding pregnancy termination. DPH and the local health departments must adhere to the federal law or risk losing Title X funding. Since Section 2 (3)(b) of the Committee Substitute does not on its face prohibit *federal* money going to entities that provide counseling or referrals regarding pregnancy termination, then 42 USC 59.5 may not be violated. If federal funding were to be discontinued, then local tax dollars would have to fully support all family planning services at local health departments throughout the state.

Data Source(s): Kentucky Department of Public Health; LRC staff

Preparer: Mary Stephens	Reviewer:	JWN	Date:	1/26/16
-------------------------	------------------	-----	-------	---------