

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2017 REGULAR SESSION**

MEASURE

2017 BR NUMBER **1602**

HOUSE BILL NUMBER **418**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to adoption assistance.**

SPONSOR **Representative Schamore**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: **Any Executive Branch agency with Merit System employees; Department of Military Affairs**

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES		\$24,000	\$24,000
NET EFFECT		(\$24,000)	(\$24,000)

() indicates a decrease/negative

MEASURE'S PURPOSE: The measure raises the reimbursement maximums from \$5,000 to \$6,000 for the adoption of a child with special needs, and from \$3,000 to \$4,000 for the adoption of any other child, for Merit System employees and members of the Kentucky National Guard.

PROVISIONS/MECHANICS: Section 1 amends KRS 18A.202 to codify the existing Adoption Benefit Program (101 KAR 2:120) for state employees and establishes the reimbursement maximums at \$6,000 for the adoption of a child with special needs and \$4,000 for the adoption of any other child. Section 1 also mandates, rather than permits, the operation of the existing Employee Suggestion System and Adoption Benefit Program for Merit System employees.

Section 2 amends KRS 36.477 to raise the reimbursement maximums from \$5,000 to \$6,000 for the adoption of a child with special needs and from \$3,000 to \$4,000 for the adoption of any

other child in the Kentucky National Guard Adoption Assistance Program administered by the Kentucky Department of Military Affairs.

FISCAL EXPLANATION: Over the past five years, adoption grants administered by the Personnel Cabinet have averaged 18 per year. Adding \$1,000 to the maximum allowable reimbursement amount would result in an increase in expenditures of up to about \$18,000 per year. These expenditures would be paid from the Merit System employee's state agency.

Since February 2013 (the Kentucky National Guard Adoption Assistance Program commenced in the summer of 2012), adoption grants administered by the Department of Military Affairs have averaged six per year. Adding \$1,000 to the maximum allowable reimbursement amount would result in an increase in expenditures of up to about \$6,000 per year. These expenditures would be paid from the Military Family Assistance Trust Fund, which received initial transfers from the General Fund (last one of \$500,000 was in fiscal year 2007). With a current balance of approximately \$370,000, General Fund support is unlikely to be needed for the Military Family Assistance Trust Fund for at least ten years.

DATA SOURCE(S): Personnel Cabinet; Department of Military Affairs

PREPARER: Katherine L. Halloran **NOTE NUMBER:** 75 **REVIEW:** JRS **DATE:** 2/23/2017