

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2018 Regular Session**

Part I: Measure Information

Bill Request #: 1143

Bill #: HB 197

Document ID #: 2180

Bill Subject/Title: AN ACT relating to employment provisions for employees on maternity leave.

Sponsor: Representative James L. Kay

Unit of Government: City County Urban-County
 Charter County Consolidated Local Unified Local
Government

Office(s) Impacted: all offices in local governments that have 50 or more employees

Requirement: Mandatory Optional

Effect on Powers & Duties: Modifies Existing Adds New Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

HB 197 would create a new section of KRS Chapter 337 to establish that an employer with 50 or more employees shall provide 6 weeks of paid leave for an employee who gives birth to a child, if the employee has been employed by the employer for at least 1 year.

HB 197 would apply to approximately 10 percent of Kentucky cities. Kentucky League of Cities reports the bill would have a minimal to moderate negative fiscal impact on those cities. These cities provide paid accrued vacation, sick, and (some) personal leave but not maternity leave; however, their employees are covered under the federal Family and Medical Leave Act (FMLA). That Act provides up to 12 weeks unpaid leave for birth of a child. The cities require the employee use accrued leave simultaneously with FMLA leave. Once their accrued paid leave runs out they have the option of taking the rest of the 12 weeks of FMLA leave without pay, or returning to work. KLC reports that the median leave time accrued for an employee in year 5 of service is 80 vacation hours, 96 sick hours,

and 0 PTO/personal hours, for a total of 176 hours, or 4.4 weeks (based on a 40-hour workweek).

It is unclear from the wording of the bill whether HB 197 would require an employer who provides paid accrued leave to provide an additional 6 weeks paid maternity leave, or a total of 6 weeks paid leave, including whatever leave the employee has accrued. If an additional 6 weeks, the city would be obligated to pay for the 4.4 weeks of accrued leave plus an additional 6 weeks of paid leave, for a total of 10.4 weeks paid leave. For an employee making \$30,000 a year, the additional 6 weeks would cost nearly \$3,500 in salary alone, plus additional costs for retirement, Social Security, etc. KLC estimates that if 1 percent of the employees of these cities took maternity leave in a year, the total direct cost would be around \$500,000. This estimate does not include peripheral costs – such as overtime worked by other employees or temp services – that the city might incur to cover the duties of the employee on maternity leave.

Of the 7 counties contacted, all of them offer paid earned sick leave to full-time employees, and one county offered maternity leave to full-time employees. Some of the counties also offered paid earned sick leave to part-time employees on a pro rata basis. County employees are also eligible for unpaid leave under the federal FMLA. These counties reported that all accrued leave (sick, vacation, and personal) may be used for maternity leave.

HB 197 could require local governments to incur costs to publish, hold hearings on, pass and print new personnel ordinances.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II pertains to the bill as introduced and there are no prior introduced versions of the bill.

Data Source(s): Kentucky League of Cities; county human resources or fiscal court offices

Preparer: Mary Stephens **Reviewer:** KHC **Date:** 1/23/18