



Employees of cities with more than 50 employees may also be covered under the federal Family and Medical Leave Act (FMLA), which provides up to 12 weeks **unpaid** leave for birth of a child. Kentucky cities require the employee use accrued leave simultaneously with FMLA leave. Once accrued paid leave runs out the employee has the option of taking the rest of the 12 weeks as FMLA leave without pay, or returning to work.

HB 48 is unclear whether it 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 maternity leave, including whatever leave the employee has accrued. If an additional 6 weeks, the city would be obligated to pay for the hypothetical 4.4 weeks of accrued leave plus an additional 6 weeks of paid leave, for a total of 10.4 weeks paid leave. An employee making \$30,000 a year would be paid approximately \$3,500 for 6 weeks of maternity leave, not counting payments into retirement, Social Security, etc. on behalf of the employee. If the bill requires a total of 6 weeks paid maternity leave an employer would be responsible for paying only the difference, if any, between the paid leave the employee had accrued and the 6 week maximum. Of course, these are amounts already budgeted for the employee's salary so would not represent an additional cost. Additional cost could be incurred if the employer hires a temporary replacement for the employee, or must pay for overtime earned by co-workers covering the duties of the employee on maternity leave. Most research and anecdotal evidence indicates that local government employers do not typically hire temporary workers when employees are on leave, but rather assign their work to other employees or otherwise "make do" while temporarily less than fully staffed.

A compilation of research demonstrates that paid maternity leave has a positive fiscal impact on employers. The research indicates that paid maternity leave increases the likelihood that workers will return to work after childbirth, improves employee morale, has no effect or a positive effect on workplace productivity, and reduces costs to employers due to better employee retention. It may also reduce government spending on public assistance and increase labor force participation, resulting in economic gains that generate a larger tax base and increased consumer spending. The cities to which the bill would apply that have statutory authority to impose an occupational license tax may see an increase in tax collections since women employees on maternity leave would be receiving a paycheck rather than being on leave without pay.

HB 48 could require local governments incur costs to publish, hold hearings on, pass and print new personnel ordinances.

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

The Part II section above pertains to the bill as drafted and there are not any prior versions of the bill to complete the Part III section.

**Data Source(s):** Missoula County Montana human resources; Kentucky Department for Public Health; Kentucky League of Cities

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