



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

January 9, 2023

Honorable Dar'shun Kendrick
State Representative
404-F Coverdell Legislative Office Building
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill 1 (LC 33 9192)

Dear Representative Kendrick:

This bill intends to provide various forms of compensation to pregnant women who would choose to terminate pregnancy after six weeks but are prohibited by state law. The compensation includes living expenses, medical visits and coverage, automatic eligibility to public assistance benefits (e.g., Temporary Assistance for Needy Families Program (TANF)), reimbursements in the case of death or disability to either the woman or child, a college savings trust agreement, and a case manager. In addition, the bill would provide eligibility for federal and state income tax credits or deductions upon detectable heartbeat including the child tax credit, the child and dependent care tax credit, and earned income tax credit. A pregnant woman would be required to sign an affidavit indicating that she would have chosen to terminate the pregnancy but was prevented from doing so by Georgia laws.

We are unable to provide a definitive fiscal impact of the bill due to a number of unknown factors, most notably the number of women and children that would qualify for benefits. According to the Georgia Department of Public Health (DPH), there were 34,988 abortions in FY 2021. In 2019, approximately 40% of abortions occurred within the first six weeks of pregnancy and would still be allowed under Georgia law. These two data points suggest that about 21,000 pregnancies would be continued due to current Georgia law. However, we do not assume that the benefits included in this bill would be provided to 21,000 women/child combinations due to the following factors:

- Women may travel out of state to receive abortion services, which would reduce the number.
- Women continuing a pregnancy may be unwilling to sign the required affidavit.
- Women never intending to obtain an abortion may still sign an affidavit to ensure the financial benefits provided by doing so.

In addition to the difficulty estimating the number of individuals obtaining benefits, we are unable to determine the per individual costs of some benefits (e.g., lost wages). We have provided estimates of hypothetical cases in those instances.

Reasonable Living and Medical Compensation – 31-9C-2 (1)

The bill would require compensation to a woman for reasonable living, legal, medical, psychological, and psychiatric expenses directly related to prenatal, intrapartum, and postpartum¹ periods. To provide potential costs of this provision, we used data from the U.S. Department of Labor’s Bureau of Labor Statistics (BLS). BLS determined the average annual housing expenditure for 2021 to be 33.8% of an individual’s salary.² In addition, BLS calculated the average annual percent of an individual’s salary for food and healthcare costs to be 12.4% and 8.1%, respectively.

Table 1 shows potential compensation ranging from approximately \$10,000 to nearly \$42,000 for 15 months of living expenses using BLS averages for housing/food and medical expenses. However, legal, psychological, and psychiatric expenses will vary by individual. According to an American Journal of Public Health article, one study found that the cost of untreated perinatal mood and anxiety disorders in 2017 averaged \$31,800 per mother-child pair with postpartum illness.

Table 1: Examples of Reasonable Living and Medical Costs – 15-Month Total

Scenarios	Housing (33.8%)	Food (12.4%)	Healthcare (8.1%)	Total
<i>20 year old woman</i>				
No degree				
Minimum wage (\$7.25) at 40 hours/week	\$6,371	\$2,337	\$1,527	\$10,236
<i>25 year old woman</i>				
Bachelor’s degree	\$21,970	\$8,060	\$5,265	\$35,295
\$52,000 salary				
<i>30 year old woman</i>				
Master’s degree	\$26,195	\$9,610	\$6,278	\$42,083
\$62,000 salary				

Income Tax Credits or Deductions – 31-9C-2 (2)

Impact on Revenue

The bill states that an embryo or fetus may be claimed as a child for state tax purposes. This paragraph is similar to current law for state tax purposes; therefore, it has no fiscal impact.

Impact on State Expenditures

The Department of Revenue (DOR) will be able to make needed information system changes with existing funds; however, system modification of its Integrated Tax System will take 13 weeks and cost \$82,280 in staff time. DOR’s estimate includes the following assumptions: identification of a unique identifier for preborn dependents (not Social Security Number), updates of the calculation rules for dependents and deductions, Department of Human Services (DHS) provides documentation, and new validation rule to verify DHS documents.

Home Nurse Visits – 31-9C-2 (3)

The bill would provide home visits by specially trained DPH nurses to pregnant women from early pregnancy through the child’s second birthday. Based on a current grant program in the Southeast Health District, DPH estimated the cost to provide these services would be approximately \$217,950 per 100 women.

Public Assistance – 31-9C-2 (4)

The bill would provide public assistance to women and children until 18 years of age with automatic eligibility for and entitlement to public assistance benefits such as TANF, SNAP, and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). However, eligibility

¹ The postpartum period can last up to 6 months after childbirth when the body returns to prepregnant physiology.

² The average was determined using all consumer units including married couple only, married couple with children, other married couple, one parent and at least one child under 18, and single person and other.

requirements for TANF and SNAP are established by the federal government and cannot be changed by the state.

By contrast, DPH indicated that WIC benefits could be covered by state funds when women, infants, and/or children would not otherwise be eligible for the federal WIC Program (income greater than 185 percent of the federal poverty level and at risk for nutritional deficiencies). The agency estimated approximately \$750 in state funds annually would be required for each woman and each child. The length of eligibility varies by individual: infants are eligible up to their first birthday, children are eligible up to their fifth birthday, and women are eligible from pregnancy till their child’s first birthday (if they are breastfeeding).

Funeral and Burial Expenses – 31-9C-2 (5)

The bill would require the reimbursement of all associated funeral and burial expenses if the woman and/or fetus, or both, die during pregnancy or during labor and delivery. The CDC reported the U.S. pregnancy-related mortality rate of 17.3 per 100,000 live births in 2018, while DPH reported Georgia’s infant mortality rate was 8.2 per 1,000 in 2021.

Funeral and burial expenses can range from \$3,900 (infant only) to \$12,300 (woman and infant). While the Georgia Crime Victims Compensation Program provides financial assistance for funeral expenses up to \$6,000, the National Funeral Directors Association calculated the 2021 median cost of an adult cremation or burial to be \$7,070 and \$7,800, respectively, in the South Atlantic Region of the U.S. Additionally, the average funeral cost for an infant or stillborn baby starts at \$3,000 excluding burial costs between \$900 and \$1,500.

Compensation of Lost Earnings – 31-9C-2 (5)

The bill would require compensation for loss of future earnings should the woman die during pregnancy or labor and delivery. (As noted above, the CDC reported the U.S. pregnancy-related mortality rate of 17.3 per 100,000 live births in 2018.) Estimates shown in **Table 2** are based on examples and assumptions are included.

Table 2: Examples of Lost Future Earnings

Scenarios	Future Earnings ¹	Future Earnings Assumptions ²	Weekly Lost Income	Lost Income Assumptions
<i>15 year old woman</i> High school No job	\$498,479	Years lost = 52	\$290	40 hours/week at \$7.25 (minimum wage)
<i>20 year old woman</i> No degree Minimum wage	\$469,351	Years lost = 47	\$290	40 hours/week at \$7.25 (minimum wage)
<i>25 year old woman</i> Bachelor’s degree \$52,000 salary	\$1,507,772	Years lost = 42	\$1,000	N/A
<i>30 year old woman</i> Master’s degree \$62,000 salary	\$1,652,306	Years lost = 37	\$1,192	N/A

¹ Future earnings include a 2% annual growth rate.
² Years of work lost were calculated through age 67—the age required to qualify for full retirement for someone born in 1960 or later.

Disability Compensation – 31-9C-2 (6 and 7)

The bill would provide compensation to women who become disabled because of pregnancy, including medical expenses (e.g., hospitalizations, surgery, physical or occupational therapy), as well as medical costs for a child born with a congenital abnormality or disability.

It is difficult to estimate the potential compensation for a woman who becomes disabled due to pregnancy since circumstances can vary. For context, a state employee who goes through childbirth and elects short term disability benefits would be entitled to receive 60% of her pay for 6 weeks after a non-complicated delivery, while this extends to 8 weeks for additional recovery time due to Cesarean delivery or other complications. State employees are also eligible for long term disability coverage if the pregnancy- or childbirth-related injury resulted in an overall inability to work or a loss of at least 20% in pre-disability earnings. Long term disability through the state’s vendor has a maximum monthly benefit of \$5,000 before deductions such as worker’s compensation, social security, or retirement. Generally, long term disability coverage ends automatically once the employee is no longer disabled or reaches her maximum benefit period.³ Estimates shown in **Table 3** are based on examples.

Table 3: Maximum Disability Compensation Based on Salary

Scenarios	Short Term Disability (Standard birth)	Short Term Disability (Complications)	Long Term Disability (up to 24 months)	Long Term Disability (after 24 months) ¹
\$52,000 salary	\$6,500	\$9,100	\$62,400	\$31,200
\$62,000 salary	\$7,750	\$10,850	\$74,400	\$37,200

¹Unum Provident reduces an employee’s salary eligible for long term disability by 50% after 24 months of coverage.

The immediate and long-term costs of care for a child born with a congenital abnormality or disability can vary significantly. A 2017 Journal of the American Medical Association Article noted that 35% of hospitalizations of children younger than one was likely related to birth defects, as was 7% of hospitalizations of those aged 1 to 5. A study of California births found that a 3.1% of infants underwent surgery or had a severe congenital anomaly. Those requiring surgery had a cost of \$81,000. We were unable to determine long-term costs or the portion of these costs that may already be covered by state programs such as PeachCare or Medicaid.

Children’s Health, Dental, and Vision Coverage – 31-9C-2 (8)

This bill would provide compensation for health, dental, and vision insurance for the child (to 18 years of age), including coverage of premiums, copays, deductibles, and other expenses. The Department of Community Health reported the per member per month cost of \$180.60⁴ (\$2,167 annually) for PeachCare for Kids in FY 2021.

Child Support Compensation – 31-9C-2 (9 and 10)

The bill would require the state to provide child support in cases of rape, incest, or where the biological father cannot be located. The DHS Division of Child Support Services establishes child support orders and collects child support. The amount of compensation for child support varies depending on several factors such as gross income of both parents. In the situations proposed by the bill, the second parent’s income is unknown. We were unable to provide an estimate of the child support that would be paid by the state.

Savings Trust – 31-9C-2 (11)

The bill would provide fully funded savings trust agreement accounts (Path2College 529) for each child to apply toward qualified higher education expenses at eligible educational institutions. The bill does not define fully funded, but the maximum contribution to the Georgia 529 Plan is \$235,000 per beneficiary, according to the Office of the State Treasurer.

DHS Case Management – 31-9C-3 (1 and 2)

The bill would require DHS to collect affidavits from women stating that they intended to terminate their pregnancy if not for legislation and process compensation claims. In addition, DHS would

³ The maximum benefit period is 3.5 years for those 62 or younger.

⁴ This amount may include children up to their 19th birthday per PeachCare for Kids eligibility criteria.

assign a case manager to ensure that the women receive adequate prenatal care and assist in identifying any state-funded programs and/or services. Case managers and pregnant women would meet monthly through some period after the birth of the child.

DHS estimates each case manager would cost \$95,860 and be assigned 30 women, while a supervisor's total cost is estimated to be \$103,059—one supervisor per five case managers.

Respectfully,



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Kelly Farr, Director
Office of Planning and Budget

GSG/KF/sp