

Companion Report Supplemental Paid Family Leave

April 3, 2018



City Existing Benefit – 1-Year Parental Leave

Negotiated City benefit in place since the early 1970's.

❖ **Benefit Description:**

- **1-Year Parental Leave:** Allows benefitted City employees to take up to one (1) year unpaid parental leave within 25-months of the birth or adoption of a child and can be taken continuously or on an intermittent basis.
- **Insurance Coverage:** During the 1-year parental leave, the City continues to pay monthly insurance premiums (medical, dental, and life insurance) on behalf of employee.
- **Seniority:** Seniority is not affected by any time off taken on parental leave.

City Existing Benefit (continued)

- **Pay:** Employees entitled to use their accrued leave (up to 200 days of sick leave as well as all their accrued vacation; compensatory time; floating holidays; and paid administrative leave) during their 1-year parental leave. Employees also continue to accrue sick leave and vacation during their paid time off.
- **SDI Integration:** Employees integrate their accrued leave with their SDI benefit so that employees receive the 100% of their weekly earnings (no loss in pay).
- **Job Protection:** Employees have full job protection while on parental leave, i.e., cannot be disciplined or fired for using parental leave.
- **Simultaneous Leave:** When both parents are employed by the City, both employees may take parental leave simultaneously with the same benefits and protection.

Commission Proposal – Paid Family Leave Ordinance

❖ **Benefit Description**

- 6-weeks of wage coordination with CA SDI (City pays 40% of employee salary).
- Applies to all employees, including part-time and temporary employees, who work at least 8-hours of work a week and eligible to receive Paid Family Leave from the state.
- Job Protection.

Commission Proposal – Paid Family Leave Ordinance (PFLO)

- ❖ **Estimated additional annual City cost associated with Commission PFLO of paid 6-weeks of wage integration with SDI: \$1,156,034***
 - Cost estimate includes anticipated increased utilization by eligible part-time and temporary employees or “Hourly employees”.

Total Estimated Annual Cost		
<p>*Estimate based on data from 3-year average at 40% wage replacement. Since CA PFL provides wage replacement of 60-70% for up to 6 weeks with a weekly benefit capped at \$1216, which means an annual based salary of \$105,386 or an hourly based salary of \$50.66, the City will have to pay a higher wage replacement cost for employees whose salary exceeds that amount.</p>	Estimated Annual Cost for Hourly Employees	\$148,016
	Estimated Annual Cost for Regular Employees	\$1,008,018
	Total Estimated Annual Cost for Eligible Hourly & Regular Employees	\$1,156,034

**Reflects current 60% SDI benefit; proposed 40% PFLO Wage Replacement.*

Cost Estimate for Eligible Hourly Employees

- Eligible part-time and temporary employees or “Hourly employees”.

	2015	2016	2017	3-year Average
# Eligible Hourly Employees	164	181	170	172
Average Hourly Salary	\$ 22.09	\$ 23.47	\$ 25.32	\$ 23.63
Average # Hours Worked per Year	789	787.5	795.6	790.7
Average # Hours Worked per Week	15.17	15.14	15.30	15.21
40% of Average # Hours worked for 6 weeks at Average Salary based on Average # Hourly Employees	Estimated Paid Family Medical Leave Cost for Eligible Hourly Employees			\$ 148,016

Cost Estimate for Regular Employees

- Regular, career employees. The estimate is based on an assumed 40-hour work week.

	2015	2016	2017	3-year Average
# Regular Employees	1365	1368	1366	1366
# Regular Employees on FMLA	178	150	162	163
# Regular Employees on Parental Leave	51	49	53	51
# Regular Employees on Leave (FMLA/Parental)	229	199	215	214
% of Regular Employees on Leave	16.78%	14.55%	15.74%	15.69%
Average Hourly Salary of Regular Employees on Leave				\$ 48.99
40% of Average Salary of Average # Regular Employees on Leave	Estimated Paid Family Medical Leave Cost for Regular Employees			\$ 1,008,018

City-Wide Implementation, Compliance & Enforcement

Current Workforce Standards & Enforcement

<https://www.cityofberkeley.info/labor/>

Assigned to **1.0 FTE Community Development Project Coordinator***

- Living Wage Ordinance
- Minimum Wage Ordinance
- Paid Sick Leave Ordinance
- Berkeley Family Friendly & Environment Friendly Ordinance (BFFEFWO)
- Community Workforce Agreement

*This position also oversees the Relocation Ordinance & provides supports to Employment Programs i.e., First Source & YouthWorks

Cost Estimate for Implementation, Compliance & Enforcement

Activity	Estimated Cost
<p>Program Set-up: Research and understand the program, develop policies & procedures, create forms for all steps of the process - one time expenditure</p>	<p>160 Hours</p>
<p>Outreach to Businesses: Mailing information with Business license renewals, education materials, translation of materials, website updates - one time expenditure</p>	<p>80-100 Hours \$1000 for Translation More education upfront = less enforcement later.</p>
<p>Outreach to local workers: create education materials, website updates, outreach to local agencies, etc. - one time expenditure</p>	<p>160 Hours Minimum</p>

Cost Estimate for Implementation, Compliance & Enforcement

Activity	Estimated Cost
Management Support and supervision	
Respond to inquiries, receive complaints, conduct investigations, negotiate informal resolution, coordinate/track cases until closed	
Quarterly coordination meeting with East Bay cities labor standards enforcement administrators	.5 FTE Annually
Coordinate with State of CA Department of Labor Standards Enforcement as needed	
Legal consultation w/ City Attorney	50 Hours Year 1 10-20 Hours/Year After
Legal consultation w/ outside counsel as needed	10-20 Hours/Year

Questions