

Berkeley City Council

Ad-Hoc Subcommittee on Paid Family Leave

February 25th, 2019, 12:30pm-2:00pm

Berkeley City Hall

2180 Milvia St. Berkeley, CA 94704, Redwood Room, 6th Floor

Committee Members

Councilmember Ben Bartlett, District 3, Subcommittee Chair

Councilmember Cheryl Davila, District 2

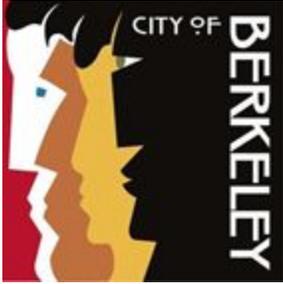
Councilmember Sophie Hahn, District 5

Councilmember Kate Harrison, District 4

Agenda

- A. Call to Order
- B. Public Comment
- C. Councilmember Bartlett's Paid Family Leave Proposal
- D. Discussion
- E. Adjournment

Pursuant to the City Council Rules of Procedure and Order, Chapter II, Section H, meetings of the Ad-Hoc Subcommittee must be open to the public and held in accessible locations that are open to the public. Public comment is permitted on agenda items, however the Chair may exercise a one-minute speaking limitation on public comments if necessary



Councilmember Ben Bartlett

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CONSENT CALENDAR

To: Honorable Mayor and Members of the City Council
From: Councilmember Ben Bartlett
Subject: **Amendments to Paid Family Leave Ordinance**

TITLE

Request for the Adoption of Paid Family Leave Policy to Supplement California's Paid Family Leave Program

RECOMMENDATION

That City Council adopt a Paid Family Leave policy in Berkeley to supplement the current California Paid Family leave plan in order to protect families working in Berkeley.

The Paid Family Leave Ordinance will require certain Berkeley employers to provide supplemental compensation to the California Paid Family Leave wage replacement program. This supplemental compensation is equal to 100% of the employee's gross weekly wage.

This ordinance will to apply 1) for profit businesses with more than 100 employees world wide; 2) for-profit employers owning five or more franchise businesses; 3) non-profit organizations with annual budgets greater than \$2 million.

This ordinance offers protections for "close friends", thus covering the LGBTQ+ community and other "non-traditional" families.

Berkeley's Paid Family Leave program includes non-retaliation protections after 90 calendar days of employment.

CURRENT SITUATION

The United States is the only industrialized nation that does not guarantee paid leave for new parents. Currently, California State law only replaces 60% to 70% of income for 6 weeks for parental leave, funded entirely by employee contributions. Numerous studies have linked longer parental leave to bond with newborns, foster children, and adopted children with a multitude of beneficial effects for both the child and the parents¹. This item will add a tax to employers over a certain size to make up the difference between the

¹ http://libres.uncg.edu/ir/uncg/f/C_Ruhm_Parental_2000.pdf,
https://moneydotcomvip.files.wordpress.com/2015/01/hipfactsheet_2011.pdf

coverage the state of California provides and an employee's actual compensation to enable new parents to bond with their children.

BACKGROUND

The United States is the only industrialized nation that does not guarantee paid leave for new parents. A 2012 survey by the US Department of Labor found that the main reason employees in the United States do not take unpaid leave under the federal Family Medical Leave Act is that they cannot afford to take it². Further, studies show that low-wage workers in particular would benefit from expanded paid family leave policies. Giving employees the freedom to take leave has important effects on quality of life – especially for new mothers. Babies whose mothers work during the first three months of the baby's life are less likely to be breastfed, taken to the doctor for well-baby visits, or be up to-date on immunizations³. According to a 2015 study, rates of breastfeeding through infancy in California increased by 10%-20% after California developed its Paid Family Leave program, which entitles employees to receive partial wage replacement while on leave⁴. Experts have found that it takes at least several months for a pattern of interaction to begin to develop between parent and child where they recognize and learn to respond to each other's distinct cues. Short-changing this time for parents to learn to be responsive caregivers may have impacts for children's cognitive as well as social and emotional development.

Giving employees the freedom to take leave also has enormous positive implications for families with sick children. Children in poor families are more likely to have longer health-related absences and studies show that children recover faster when cared for by their parents, which also reduces health expenditures. Surveys show that paid leave is the primary factor in their decisions about staying home when their children are sick. When parents cannot care for sick children and they must attend child care, it takes a toll on the health of the child, other children, and child care providers. Without access to paid leave, parents may postpone or skip the well-child visits recommended by physicians, and may interrupt necessary treatment. Children are therefore more vulnerable to preventable serious illness. In 2002, California became the first state in the United States to create the Paid Family Leave program – a family leave insurance program that provides income replacement to workers on leave for family caregiving or bonding with a new child. California's family leave insurance program entitles employees, who are on leave to bond with a new child or care for a seriously ill family member, to receive partial wage replacement of 60% to 70% of the employee's weekly wages. According to a 2014 report by the California Senate Office of Research, the number of California Paid Family Leave claims filed by individuals in the lowest income bracket consistently is much smaller than the number filed by those in the highest income bracket⁵. Moreover, claims in the two lowest income brackets decreased gradually over the prior nine years. Numerous factors may contribute to this declining participation rate, including the current California Paid Family Leave wage-replacement rate of about 60%, which may provide insufficient income, particularly for low-income households. This Ordinance is intended to supplement the California Paid Family Leave partial wage replacement so that employees on leave will receive 100% of their weekly salary for the six-week period, subject to a weekly maximum benefit amount.

The goal is to ensure that concern over loss of income does not preclude Berkeley employees from bonding with their new child or taking care of a seriously ill family member. This is based on San Francisco's Paid Parental Leave Ordinance which passed in April 2016 and became operative on January 1, 2017. We must follow San Francisco's lead in making progressive policies to protect mothers, families, and children.

² <https://www.dol.gov/asp/evaluation/fmla/fmla-2012-technical-report.pdf>

³ <http://cepr.net/documents/publications/paid-family-leave-1-2011.pdf>

⁴ <https://www.ncbi.nlm.nih.gov/pubmed/24508006>

⁵ https://sor.senate.ca.gov/sites/sor.senate.ca.gov/files/Paid_Family_Leave_FINAL_A1b.pdf

REVIEW OF EXISTING PLANS, PROGRAMS, POLICIES, LAWS

Currently the State of California offers a 6 week Paid Family Leave plan that covers 60% to 70% of an employee's income. The statewide Paid Family Leave plan covers for the birth of a child or care for a seriously ill family member and is funded entirely by employee contributions. San Francisco offers supplemental Paid Family Leave with several requirements: that the employee work 8 hours/week and have been employed for 180 days prior to the leave time. This item is modeled from the San Francisco Paid Family Leave supplemental plan.

ACTIONS/ALTERNATIVES CONSIDERED

This plan is modeled from San Francisco's Paid Family Leave Supplemental Program.

CONSULTATION/OUTREACH OVERVIEW AND RESULTS

The Ad-Hoc Subcommittee on Paid Family Leave has received proposals from the Commission on the Status of Women and the Commission on Labor.

RATIONALE FOR RECOMMENDATION

This Item complements California state Paid Family Leave law to ensure that qualified employees can receive 100% compensation when taking paid family leave. This will allow Berkeley residents more time to bond with their children or care for people close to them. We expect this to alleviate a number of social ailments.

IMPLEMENTATION, ADMINISTRATION AND ENFORCEMENT

The Paid Family Leave program will be financed through employers. Amounts to be determined by an Impact Study.

ENVIRONMENTAL SUSTAINABILITY No negative impact.

FISCAL IMPACTS

To be determined by an impact study. City will not face additional costs as this is funded by employers. We anticipate indirect benefits stemming from families having more time to bond, though these benefits will be difficult to measure at first.

OUTCOMES AND EVALUATION

To be determined by an impact study. It is expected that around 120 claims will be filed annually, based on the number of claims from the last few years. Note that previous years only compensated claimants for roughly 60% of compensation, so it is expected that 100% compensation will increase the number of claims.

CONTACT PERSON

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ATTACHMENTS/SUPPORTING MATERIALS