

IMPACT STATEMENT

Legislation title: Add a provision to allow six weeks of paid parental leave for eligible employees under Human Resources Administrative Rule - 6.05 Family Medical Leave (Ordinance)

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Purpose of proposed legislation and background information:

The direct cost of providing six weeks of paid parental leave to City employees for birth, adoption, or placement of a foster child includes 5,719 hours of paid leave, as opposed to unpaid leave, which equates to about \$217,000. Additional cost includes projected increase in backfills due to employees taking greater time off under this program. It is estimated that had this provision been implemented in FY 2014-15, the overtime earned by substitute employees would have increased personal services cost by between \$195,000 and \$285,000. The data used to arrive at these estimates was from FY 2013-14 parental leave data and payroll file, and includes 185 employees who took parental leave in FY 2014-15.

Financial and budgetary impacts:

The full-year fiscal impact is estimated to range from \$413,000 to \$502,000, depending on backfill costs. Of this amount, the General Fund portion is between \$248,000 and \$337,000, with the remaining \$165,000 to be absorbed by non-General Fund bureaus.

In addition to above costs, vacation and sick leave represent accrued liability that are expected to materialize when the employee takes his/her retirement. These expenses may not have immediate budgetary impact but would impact long term personal services costs. These long term costs were computed as follows:

- Vacation leave (5,471 hours), deferred holiday (1,032 hours), and comp time (497 hours) are considered as new additional liability since liability is accrued for vacation leave that has been earned and eventual payment to the employee is considered probable. According to parental leave data, there were 7,000 hours of vacation leave, deferred holiday, and comp time leave that were taken in FY 2014-15, which equates to about \$278,000.
- Sick leave taken for public employees to be considered as new additional liability, since public safety employees shall be entitled to accrued unused paid sick leave up to 2000 hours. According to parental leave data there were 9,113 hours of sick leave in FY 2014-15 for public safety employees, which equates to about \$370,000.

It is difficult to predict these two long term impacts, because there is a twenty-year gap between employee requesting parental leave and employee retiring and cashing out unused vacation. The average age of an employee requesting parental leave in FY 2014-15 was 35.7 and the average retirement age for those employees is expected to be at least 55.

Community impacts and community involvement: N/A

Budgetary Impact Worksheet

Does this action change appropriations?

☐ **YES:** Please complete the information below.

☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount