

BILL SUMMARY & FISCAL NOTE

Department:	Contact Person/Phone:	Executive Contact/Phone:
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1. BILL SUMMARY

Legislation Title: ..title An ORDINANCE relating to City employment; adding a new Chapter 4.27 to the Seattle Municipal Code to provide a Paid Parental Leave Benefit to eligible city employees; amending Seattle Municipal Code Subsection 4.20.055 to provide the Paid Parental Leave benefit to eligible temporary workers; and establishing other conditions of implementing the new benefit.

Summary and background of the Legislation: City employees, who have been employed at least six months, are entitled to four weeks of Paid Parental Leave, upon the birth or placement of a child for adoption or foster care. Paid Parental Leave must be taken within 12 months of the child's birth or placement, and employees may only use this benefit once per 12 month period. An employee need not exhaust his or her paid or unpaid leave prior to requesting and taking Paid Parental Leave, and may take the leave on a reduced schedule or intermittent basis upon agreement with the City. Employees may be required to submit documentation to certify the leave, and the City retains the right to recover the value of the leave should the employee not return to work. Employees who use this benefit will have the same benefit and job protections as provided to employees who take family medical leave. The benefit will be pro-rated for part-time employees and will be available to benefits eligible temporary employees.

This legislation applies to eligible non-represented employees, and employees represented by a union who agree to the provisions of this legislation. This ordinance applies to Seattle Public Library (SPL) employees, subject to the approval of the SPL Board of Trustees and the conditions and administration of SPL's personnel system.

City departments, via the City's payroll system, shall track data related to employees who utilize the Paid Parental Leave provided in this ordinance. The data should include employee gender, tenure with the city, hours of Paid Parental Leave used, job title, and employing City department at the time the leave was used. In addition, information on the approximate backfill cost to the City, by department, should be identified.

An annual report containing the above information shall be submitted to the Mayor and City Council. The first report is due on July 1, 2016, and shall be submitted every year thereafter unless the Mayor and Chair of the City Council's Parks, Seattle Center, Libraries and Gender

Pay Equity committee, or its successor, agree an annual report is no longer necessary. Such agreement shall be in writing and filed with the City Clerk.

2. SUMMARY OF FINANCIAL IMPLICATIONS

Please check one:

- ☐ This legislation has direct financial implications.
- ☒ This legislation does not have direct financial implications.

3. OTHER IMPLICATIONS

a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?

The City hired the consultant firm of Towers Watson to review Paid Parental Leave programs in other jurisdictions and to evaluate the current access to paid time off City employees had at the time of birth or adoption of a newborn child. The Towers Watson report indicates that approximately 230 City employees a year add newborn children to their family either through birth or adoption; the average tenure of these employees at the City is six years; women take more than twice as much total time off as men (18 weeks for women as compared to 7 weeks for men); and men take only paid time off, whereas women take both paid and unpaid time off and take an average of eight weeks of unpaid time off. If this two year sample is an accurate reflection of patterns at the City, Towers Watson estimated the annual cost of providing a four week Paid Parental Leave benefit to be approximately \$1.35 million.

The actual annual costs of the Paid Parental Leave benefit are unknown at this time and will vary from year to year. Towers Watson estimated the annual cost of \$1.35 million based on the need to backfill all positions for employees out on leave. Every department's situation will be different; not all positions will need to be backfilled and departments will vary in their ability to absorb costs.

There is \$250,000 appropriated in Finance General in the 2015 Adopted Budget and \$250,000 in the 2016 Endorsed Budget. CBO will administer this funding and will work with departments to appropriately fund the costs associated with this benefit. Should the \$250,000 not be sufficient to cover these additional costs, the Executive will put together a supplemental proposal to submit for City Council approval.

b) Is there financial cost or other impacts of not implementing the legislation?

Increasing employee engagement and morale reduces costly employee turnover and helps ensure a diverse and inclusive workforce.

c) Does this legislation affect any departments besides the originating department?

Yes, all city departments

d) Is a public hearing required for this legislation?

No

e) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No

f) Does this legislation affect a piece of property?

No

g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

This legislation will help ensure city employees have at least four weeks of paid leave to bond with a new child. While the City Family Medical Leave policy provides up to 90 calendar days of unpaid leave and employees can use their accrued sick leave, compensation and vacation time, not all employees have accrued leave and not all employees can afford to take unpaid time off. A study by Towers Watson found that while both men and women took leave after the addition of a new child, women took over twice as much time off as men and took unpaid as well as paid time off averaging eight weeks of unpaid time off.

h) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.

Providing time off for parents to bond with a new child strengthens families, helps women return to the workplace and supports other city initiatives such as the Seattle Preschool Program which seeks to strengthen early childhood experiences.

i) Other Issues:

List attachments below: