ERIC GARCETTI
MAYOR

October 2, 2019

Honorable Members of the City Council
c/o City Clerk
Room 395, City Hall

Re: <u>Paid Parental Leave Policy Phase I: Civilian Employees (Council File No. 15-1033)</u>

Dear Honorable Members:

Over the last year, members of my office, including the Innovation Team, convened a working group with the Personnel Department and the office of the City Administrative Officer, in collaboration with the offices of the City Attorney and Councilmember Paul Krekorian, to research and develop a new Paid Parental Leave policy for City employees. This benefit is long overdue. Councilmembers Nury Martinez and Krekorian first asked the City to explore this benefit in 2015. It is time for the City to lead by example and ensure a future-forward, equitable, and inviting workplace for those who dedicate their careers to serving our residents. This memorandum outlines my proposed policy and the research that supports the recommendation for a phased implementation beginning with civilian employees, and a subsequent expansion to all City employees.

The proposed policy would**:**

- Provide all eligible birthing and non-birthing parents[1] with up to six (6) weeks of paid leave within the first year of a child's delivery or in-home placement;
- Allow a pregnant employee to take paid parental leave before or after a child's delivery; and

Allow a non-pregnant parent employee to take paid parental leave on or after a child's delivery or placement date.

[1] Parent, as defined by the federal Family and Medical Leave Act, means a biological, adoptive, or foster parent, excluding step- and short-term foster; it is an individual who stands or stood *in loco parentis*.

Recommendations

It is requested that the City Council:

1. **Instruct** the CAO to:

    a. **Meet and confer** with civilian bargaining units to include a six (6) week Paid Parental Leave provision for eligible non-DWP City employees who have been employed with the City for twelve (12) months and who have worked at least 1,040 hours prior to the start of the leave;

    b. **Negotiate** a Letter of Agreement (LOA) with all sworn bargaining units for the future expansion of the Paid Parental Leave policy in accordance with the findings and details outlined in this report and the subsequent evaluation of the first phase;

2. **Refer** this matter back to the Executive Employee Relations Committee (EERC).

BACKGROUND

In 2015, Councilmember Krekorian and Councilmember Martinez introduced a motion (Council File No. 15-1033) directing the Chief Legislative Analyst (CLA) and the City Administrative Officer (CAO) to examine the feasibility of a four (4) week Paid Parental Leave benefit for City employees. The motion indicated a desire to ensure the City is competitive in "attract[ing] the most talented and skilled employees."

More recently, in January 2019, Councilmember Martinez and Councilmember David Ryu introduced a motion (Council File No. 19-0101) requesting the City Attorney to report back on the feasibility of a citywide ordinance that would require employers within the City boundary to provide employees who are receiving partial compensation through the State Disability Insurance and/or Paid Family Leave benefits with supplemental compensation for up to eighteen (18) weeks — such that the employee receives up to 100% of their wages. As directed by that motion, the CLA also recently procured a study to examine the effects of such a policy. This proposal would not apply to employees of the City of Los Angeles.

On June 27, 2019, Governor Newsom signed Senate Bill 83 — which, beginning on July 1, 2020, will extend the maximum duration of Paid Family Leave (PFL) benefits individuals may receive from California's State Disability Insurance (SDI) program from six (6) to eight (8) weeks. Under SB 83, the Governor must also create a task force to submit a proposal to increase PFL duration "to a full six (6) months by 2021–22."

At the federal level, three major parental leave policies have been proposed to date: (1) The FAMILY (Family and Medical Insurance Leave) Act proposed by Senator Gillibrand (D-NY) and Representative DeLauro (D-CT) in 2019 would create a national insurance program within the Social Security Administration, funded by a payroll tax, to enable

new parents to receive 66% of their salary (or $4,000 maximum) for up to twelve weeks. (2) Introduced in March 2019 by Senator Rubio (R-FL) and Senator Romney (R-UT), the New Parents Act would allow eligible persons to use a portion of their Social Security benefits to finance their paid parental leave after the birth or adoption of a child. (3) In his May 2017 budget proposal, President Trump, under an initiative led by White House Senior Advisor Ivanka Trump, proposed a six (6) week leave program for new mothers and fathers for recovery and bonding. Under this proposal, states would be required to develop a program based on unemployment insurance. To date, no further details on implementation or funding sources have been given.

It is important to note, however, that none of these state or federal programs would be available to City of Los Angeles employees, since they do not pay into Social Security or State Disability benefits.

Other large cities have begun offering paid parental leave to their employees, including, but not limited to New York, Seattle, San Francisco, Austin, Boston, and San Antonio. Appendix A: Paid Parental Leave Policies in Other Cities provides a comparison of these municipal parental leave policies.

PURPOSE

Improvements for Employees

The current City policy leaves parents with no other option than to use their accrued sick and/or vacation time in order to receive compensation while on leave to care for a new child (for a complete description of the current City policy, see the Policy Analysis section below). This disproportionately affects birthing mothers because their physical condition necessitates more time out of the office and longer recovery times.[2] The recommended Paid Parental Leave policy is expected to reduce the amount of accrued sick leave that birthing mothers need to use, on average, to 9.4 weeks instead of 15.4 weeks.

In addition to birthing mothers, the proposed policy would provide non-birthing parents with the same amount of paid parental leave. Studies show that when men are encouraged to take the same leave that women do, allowing them to shoulder similar responsibility for caregiving, it creates more equitable expectations for all employees and mitigates the impact on women's pay and advancement opportunities.[3]

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[2] Based on a survey of City departments conducted by the Mayor's Innovation Team, female City employees take an average of 15.4 weeks of leave for a new child while male employees take an average of 6.1 weeks.

[3] Want to improve gender equality at work? Help men take parental leave. (2019). Retrieved from https://www.mercer.com/our-thinking/want-to-improve-gender-equality-at-work-help-men-take-parental-leave.html

Improvements to Hiring and Recruitment
Competitive leave benefits and workforce flexibility are key deciding factors for new workers. Studies suggest that newer employees value these factors over retirement benefits when considering new employment.[4] In order to ensure competitive recruitment of a talented workforce, the City needs to provide benefits comparable to the private sector and other cities. This becomes important in the face of shifting workforce demographics — where 24% of the City workforce is eligible to retire in 2020[5].

Improvements to Data
The City's current systems alone do not enable departments to effectively track overtime or replacement costs incurred due to leave, the number of people who take leave for a new child, or the amount of time taken. While smaller departments can manually track this information, larger departments must piece together multiple datasets. The proposed policy would create a new leave type code and, for the first time, allow the City to track time used specifically for parental leave. This will also allow the City to track policy impacts and improve planning efforts going forward.

PROCESS OVERVIEW
In order to evaluate the feasibility of a more inclusive and equitable Paid Parental Leave policy, the Mayor's Innovation Team:

- Convened a working group with members of the Personnel Department, the Mayor's Budget Team, and the CAO, and collaborated with the offices of the City Attorney and Councilmember Krekorian to research and consider ways to legally and responsibly offer inclusive paid parental leave.
- Identified new and enhanced options for providing City employees with paid parental leave, as well as guiding principles for evaluating and proposing recommendations.
- Spoke to experts in the field of paid parental and family leave.[6]
- Spoke to representatives of cities that offer paid leave for new parents and/or general family leave, to learn about their implementation process and impact.
- Modeled a formula based on available and projected data to understand the anticipated cost and workforce impact.

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[4] Employers Alter Benefits to Attract, Retain Employees, SHRM Finds. (2019). Retrieved from https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/alter-benefits-attract-retain.aspx
[5] City of Los Angeles Personnel Department. (2019). Equitable Workforce and Service Restoration report. https://drive.google.com/file/d/1JOajsQaxSERXBAeYe4doznhoKE5aLbPu/view
[6] Advisory experts included Dr. Jody Heymann, MD, PhD, Director of Policy at Harvard's Center for Society and Health, former Dean of UCLA Fielding School of Public Health, and author of *Disability and Equity at Work*.

POLICY OPTIONS

Based on the research and input from experts, my office developed four possible Paid Parental Leave policy options for further analysis and consideration:

1. Paid parental leave for all employees
2. Partially-paid parental leave or a tiered approach
3. Enhancements to the City's Short Term Disability insurance
4. Supplemental or credited leave for new employees and employees without accrued PTO

Policy options and length of leave were analyzed based on the following guiding principles**:**

- Close alignment with the federal Family and Medical Leave Act (FMLA)
- Feasibility and ease of implementation and compliance monitoring
- Fiscal responsibility
- Minimal risk
- Improved equity within the workforce

POLICY ANALYSIS

IMPACT OF CURRENT POLICIES IN THE CITY OF LOS ANGELES

While the City of Los Angeles does not have a dedicated Paid Parental Leave policy, the City does provide up to 720 hours (18 weeks) of protected unpaid leave to parents for bonding time after the birth of a child. This is four (4) more weeks than is required by the federal Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA). All employees, whether or not they are the birthing parent, are allowed to use their sick and vacation time for the birth or placement of a new child, but the City does not offer fully paid leave specifically for parents (of any birthing status or gender) outside of accrued sick and/or vacation time or disability leave.

As previously noted, the State's Paid Family Leave provides up to six (6) weeks of partial (60-70%) wage replacement for California employees, regardless of birthing status, to bond with a new child.[7,8] This partially-paid leave is available to birthing and non-birthing parents, but the benefit is only available to employees who pay into the State's Disability Insurance, which City of Los Angeles employees do not. Instead, the City offers its own Short Term Disability insurance (STD) to civilian employees through Standard Insurance Company.

Under the current City STD guidelines, only birthing mothers are eligible to receive partially-paid, short term disability after exhausting all accrued sick time. STD allows the

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[7] DB101 California - State Disability Insurance (SDI): The SDI Benefit. (2019). Retrieved from https://ca.db101.org/ca/programs/income_support/sdi/program2a.htm

[8] Paid Family Leave Claim Process. (2019). Retrieved from https://www.edd.ca.gov/Disability/PFL_Claim_Process.htm

birthing parent to take six (6) weeks of protected medical leave for a natural birth and up to eight (8) weeks of protected medical leave for a caesarean section. In both cases, leave is taken at 50-66% of the employee's salary (depending on whether they have purchased supplemental insurance during open enrollment). Sworn employees are able to use their accrued 50% paid sick leave (which civilian employees do not accrue) after fully utilizing their accrued 100% and 75% paid sick leave.

ANALYSIS OF AVAILABLE POLICY OPTIONS

Option 1: Paid parental leave for all employees

Under this option, the City would provide all new parents, of any birthing status, with at least two (2) weeks of fully paid leave in addition to the current available benefits. This option would allow new parents to take this new type of leave before having to utilize any of their sick or vacation time, or short term disability. Most municipalities, including those comparable in size to Los Angeles, offer their employees full or partially-paid leave for six (6) weeks. Given the desire to offer a reasonable benefit to all City of Los Angeles employees, civilian and sworn, while being fiscally responsible, six (6) weeks is the proposed length of time for fully paid parental leave.

Cost considerations: Though this option has no added costs beyond the employees' budgeted salary, there are costs associated with the departments needing to pay for replacement staff and/or overtime (especially in service and safety roles), potential soft costs in lost productivity, and a potential reduction in salary savings. These costs were calculated based on the available data from City departments (see: Financial Impact below).

Option 2: Partially-paid parental leave or a tiered approach

The City could offer a partially-paid parental leave benefit for all new parents that is less than 100% of their salary. Offering 50%-70% salary for six (6) to eight (8) weeks is similar to California SDI and what some other large municipalities offer. This partially-paid benefit would likely limit an increase in the amount of leave taken (compared to offering fully paid leave), which could help limit replacement and overtime costs while still providing some form of paid support. However, the City would need to be prescriptive about how employees could use this partially-paid leave in combination with their available sick leave and would need to monitor compliance.

The benefit would be most beneficial to newer employees with a limited amount of accrued sick leave, while long-term employees could opt to take a longer period of time off by first using their accrued sick leave, then this partially-paid leave. This option is not as beneficial or impactful to employees as Option 1 and would be much more complex to administer with a minimal potential return on avoiding costs.

Cost considerations: This option should have no added new costs beyond employees' budgeted salary. It potentially allows the City to avoid increased department costs for

overtime and staff replacement if new parents are not inclined to take more leave than they already would have.

Option 3: Enhancements to the City's Short Term Disability insurance
This option would expand the City's Short Term Disability benefit program, administered by Standard Insurance Company, which currently allows non-sworn birthing mothers to receive 50% of their salary for six (6) to eight (8) weeks after full utilization of their accrued sick leave. Under this option, the City would give birthing mothers 100% of their salary for the same time period and coverage could be expanded to non-birthing parents. However, employees would still only be able to take this leave once they have fully utilized their accrued sick leave (both 100% and 75%).

The number of employees who would benefit from this policy would likely be very low as most employees have accrued sick time and only 300 City employees have used STD for birth in the last five years.[9] Given that the purpose of a paid parental leave policy is to offer a benefit that offsets birthing mothers' need for significant medical leave and allows all parents to bond, expanding STD while still forcing parents to exhaust their sick leave is counter to the intention of the policy. This option would also be complex to offer to both civilian and sworn employees given that they are on different types of short term disability programs.

Cost considerations: Costs would likely be very high in order to expand STD coverage, as additional policy premiums would need to be paid to Standard Insurance Company. Expanding short term disability coverage from 50% to 100% as well as expanding the benefit from birthing mothers to all parents would likely exceed several million dollars given that the City currently pays $6.2 million annually for the existing STD policy. This does not take into account the costs for sworn employees. Furthermore, the soft costs associated with this option could be significant given the additional administrative work needed, such as compliance monitoring, as well as the potential challenges in restructuring the financing mechanisms of the City's insurance policy.

Option 4: Supplemental or credited leave for new employees and employees without accrued PTO
Under this option, the City would provide employees who do not have sufficient paid time off (PTO) with pre-approved credit for sick leave or grant those employees the ability to petition for paid leave. If it were credited, the employee would be required to repay the leave through subsequent accrued PTO. If the employee petitioned, they could be given a bank of partially-paid time (which would give birthing mothers more partially-paid time in addition to what they receive through STD, and give non-birthing parents partially-paid time off for bonding, which they are not eligible for through STD). In practice, this benefit would likely be closest to Option 2, but would only benefit new parents who do not have six (6) weeks of accrued PTO. This option would be very

[9] City of Los Angeles Personnel Department.

complex to administer, the number of employees who would benefit from it would be low (estimated less than 60 per year), and it would not have the equitable impact intended for a paid parental leave policy.

Cost considerations: This option should have no added costs beyond employees' budgeted salary. There is a potential for overtime and staff replacement costs for employees who would not have otherwise taken leave — but given the low number of employees to whom this would apply, there would likely be little to no change from costs under the current policy.

Recommendation: Option 1 (Paid Parental Leave for All Employees)
My office recommends Option 1: Paid parental leave for all employees. Option 1 offers an impactful benefit that improves gender equity by reducing the amount of accrued sick leave birthing parents are required to use, while offering non-birthing parents time to share responsibility for caregiving.

Importantly, Option 1 most closely aligns with the federal Family and Medical Leave Act (FMLA) in terms of employee eligibility and with California State's Paid Family Leave policy in terms of length of leave — six (6) weeks — while offering full compensation during this time.

Option 1 is anticipated to be the least complex for City agencies in terms of implementation and monitoring compliance. It is therefore anticipated that employees could receive this benefit quickly.

While the first phase of this rollout only includes civilian employees, I recommend that this benefit be offered to sworn employees beginning in FY 2021–22. The phased approach is critical to ensuring appropriate program evaluation and accurate budget allocation. Option 1 is fiscally responsible while still meeting the goal of providing new parents with adequate bonding time.

DATA ANALYSIS AND FINANCIAL IMPACT

The City currently does not collect data specific to parental leave. To assess the financial impact of adding a new six (6) week Paid Parental Leave policy, survey data was collected from City departments and analyzed along with available anonymized dependent data to estimate how many City employees become parents annually.

Assuming the City's workforce follows a consistent age distribution over time, it is estimated that a total of 638 non-DWP City employees (139 female employees and 499 male employees) may be eligible for the Paid Parental Leave benefit each year.

FINANCIAL IMPACT

The primary financial impact of Paid Parental Leave depends on whether departments use temporary replacement staff and/or overtime while their employees are on leave.

Estimated Departmental Costs
To estimate costs, it was assumed that employees would add six (6) weeks (240 hours) to the total leave they would have taken without the Paid Parental Leave policy.[10] Assuming 333 non-sworn and non-DWP employees become parents next year and all take an additional six (6) weeks of leave on top of the time they would have already taken, the City can expect an additional 79,920 hours of leave. Based on a survey of current department practices, a total additional cost of $174,226–$516,283 per year in overtime and staff replacement is anticipated for non-sworn and non-DWP employees.[11]

Assuming 305 sworn employees take six (6) weeks of paid parental leave next year, a total additional cost of $1,748,840 in overtime and staff replacement is anticipated. This is particularly high due to the Los Angeles Fire Department's constant staffing model.[12]

For data methodology and additional financial analysis, see Appendix B: Overtime and Staff Replacement Data.

Additional Impact
If the proposed policy reduces the amount of unpaid or partially-paid sick time employees use, there could be some reduction in departmental salary savings.[13] Using detailed FMLA time data from the 333 non-sworn employees who had children last year, a total of approximately $515,000 in salary savings would be lost if employees replaced unpaid and partially-paid sick leave with paid parental leave. There would be little to no loss in salary savings for sworn employees as very few sworn employees take unpaid time off.

NEXT STEPS
It is requested that the City Council instruct the CAO to meet and confer with civilian bargaining units to include a six (6) week Paid Parental Leave provision, and negotiate a LOA with sworn bargaining units for future parental leave expansion, in accordance with the findings and details outlined in this report, and refer this matter back to EERC for consideration.

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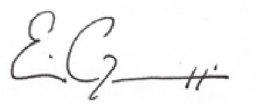
[10] Under the City's FMLA policy, birthing mothers are allowed a total of 8 months of protected Family Medical Leave (4 months for health related to childbirth and 4 months bonding), while non-birthing parents are allowed 4 months of bonding.
[11] This is a City-wide total, spread across the relative different departments that must incur overtime or staff replacement costs by applying cost rates of $2.18 per hour (low estimate) and $6.46 per hour (high estimate) of leave.
[12] For LAFD, it is anticipated that 80 sworn firefighters per year will have a new child, where a total of 19,200 hours would be allotted at $75/hr or $1.4 million per year. For sworn LAPD, it is anticipated that 225 sworn officers will have a new child, where a total of 54,000 hours would be allotted at $6.46 per hour or up to $348,840 per year.
[13] "Salary savings" in this context refers to the salary that departments currently save at the end of the year due to parents who take unpaid time to care for their children.

It is expected that the program will be fully operational in early CY 2020. After the first year of the program, my office will conduct a program evaluation and present the results and recommendations for improvements to EERC. It is our hope that the program can be incorporated in the budget and expanded to all sworn employees in FY 2021–22.

I look forward to working together to provide this critical benefit for our current and future workforce.

Sincerely,



ERIC GARCETTI
Mayor

cc: Rich Llewellyn, City Administrative Officer
Sharon Tso, Chief Legislative Analyst
Wendy Macy, General Manager, Personnel Department
The Honorable Mike Feuer, City Attorney
The Honorable Ron Galperin, City Controller

APPENDIX A: PAID PARENTAL LEAVE POLICIES IN OTHER CITIES

More and more organizations, including municipalities, are expanding leave policies to include paid parental leave for new parents. The following table provides an overview of some key municipal leave policies that helped guide our internal discussions about what the City of Los Angeles could potentially offer.

Paid Parental Leave Policies in Large American Cities			
City	**Key Elements**	**Cost**	**Nuances, Policy Implications**
Seattle	8-12 weeks of paid leave for all new parents. Eligible for paid parental leave if the employee is in regularly appointed position and/or temporary benefits-eligible assignment for at least six months.	Budgeted $2M from General Fund for backfilling positions or overtime for current employees.	Prior policy was 4 weeks paid leave for all parents. 12 week policy implemented in 2017. All new parents/guardians receive 8 weeks. 4 additional weeks are available to employees depending on the amount of leave remaining in their vacation and sick time balances.
San Francisco	Supplemental pay to ensure employees receive full salaries for up to 12 weeks while on qualifying approved leave following the birth, adoption, or placement of a child with the employee's family for foster care.	Not available.	Must exhaust all accrued paid leave (e.g. vacation, compensatory time, administrative or executive leave, floating holidays, in lieu holidays, etc.), with the exception of 40 hours of accrued sick leave, before receiving any supplemental compensation. Must be taken concurrently with FMLA protected leave.
Austin	6 weeks for eligible employees for the birth/placement of the child. Temporary employees and employees who are subject to collective bargaining or meet and confer agreements are not eligible.	Unclear if extra money was given, but any backfilling costs come out of departments' budgets.	Must be taken concurrently with FMLA protected leave.

City	Key Elements	Cost	Nuances, Policy Implications
Boston	Employees that qualify receive six (6) weeks paid leave. First 2 weeks are full wages, second 2 weeks are 75% wages, third 2 weeks are 50% wages for qualifying events (birth, adoption, foster placement, surrogacy, stillbirth).	No particular cost modeling, but now looking at usage rates to understand budget impact.	Must be taken concurrently with FMLA protected leave. Started with exempt/non-union employees, but as union contracts came up, negotiations happened to offer the benefit.
San Antonio	Full-time employees (not including uniformed positions) eligible to receive up to 6 continuous weeks of paid leave after the birth or initial placement of a new child in connection with adoption or foster. The leave must be used within the 12 calendar months following the birth or new placement of a child.	Did not budget new funds for program.	Must be taken concurrently with FMLA protected leave. An employee may elect to use Paid Parental Leave prior to, subsequent to or in lieu of any disability leave allowed.

Additional references for paid parental leave in other cities include:

- **"Paid Family/Parental Leave Policies for Municipal Employees"**: This table, published in May 2018 by the National Partnership for Women and Families, shows other U.S. cities' paid family leave policies. http://www.nationalpartnership.org/our-work/resources/workplace/paid-sick-days/paid-family-leave-policies-for-municipal-employees.pdf
- **"New York State Paid Family Leave"**: This breaks down the tiered benefits offered to all employees living in the State of New York, including City of New York employees. https://www.ny.gov/sites/ny.gov/files/atoms/files/PaidFamilyLeave_EmployeeFactSheet.pdf

APPENDIX B: OVERTIME AND STAFF REPLACEMENT DATA

Employee Population

For non-sworn employees, 333 anonymous personnel records were reviewed and the following breakdown was identified[14]:

- 108 children born to non-sworn female employees (32.4%) in the last year
- 225 children born to non-sworn male employees (67.6%) in the last year
- TOTAL: 333 children born to non-sworn employees

For sworn employees, a birth rate formula was applied in order to estimate the following breakdown[15]:

- 31 children born to sworn female employees (10.4%) in the last year
- 274 children born to sworn male employees (89.6%) in the last year
- TOTAL: 305 children born to sworn employees

Analysis of Overtime and Staff Replacement Data: Non-Sworn Employees

Departments representing about 62.5% of employees said they did not incur any overtime or replacement staff costs, while another 31.8% incurred a combination of overtime and replacement staff, and 4.6% used overtime only. Non-sworn survey respondents estimated a total of $165,423 in replacement staff costs and $44,525 in overtime costs last year for a total of $209,948 or $804.40 per employee.

Using reported average hours and total cost, an hourly replacement/overtime cost range was formulated based on two different assumptions. The first considers all departments that responded to the survey, regardless of whether or not they paid overtime/ replacement costs. As the majority of departments did not pay any overtime/ replacement costs, the total estimated hours taken divided by the total cost comes out to a low estimated overtime/replacement rate of $2.18 per hour taken for a new child. However, just because a department did not pay out replacement/overtime last year, it does not mean that they will continue to pay nothing in the future, especially as it is expected that any new benefit will increase the total time taken by employees. To determine the higher cost estimate, the hourly rate was calculated using only departments that currently pay overtime/replacement costs at an expected rate of $6.46 per hour.

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[14] Baseline sought to establish: the number of employees having children by gender, the average time out of office taken due to a new child, and the type of time taken (unpaid, vacation, sick). Employees in the analysis included all full-time LACERS members with 12 or more months of City service who had a dependent born between September 2017–August 2018.

[15] Since the available data analyzed only included LACERS employees, a birth rate was established for different 5-year age groups (e.g. 30-34 years) to estimate the number of sworn employees who became parents between September 2017–August 2018. The birth rate was separated by gender and applied to non-LACERS sworn employees.

Analysis of Overtime and Staff Replacement Data: Sworn Employees
Sworn employees, whose departments staff and replace employees differently than non-sworn departments, were also considered. For example, unlike other City departments, LAFD uses a constant staffing model that requires replacement staff and/or overtime for any firefighter who must miss a 24-hour shift. Thus, the projected costs of paid parental leave for sworn employees are much higher given that LAFD incurs a cost of approximately $75 per hour taken of leave for a new child.

The amount above does not represent the additional replacement/overtime costs of a new Paid Parental Leave policy but rather the current estimated costs. It is anticipated that the new Paid Parental Leave policy would increase the total replacement costs only if it leads employees to take more time off than they ordinarily would have.

Methodology for Financial Analysis
To estimate the financial impact of a Paid Parental Leave policy, it was important to understand how departments are currently impacted when an employee takes leave. City General Managers and payroll supervisors (not including DWP) were surveyed with questions about leave type and how frequently staff are replaced through overtime or temporary hires. Responses were received from thirty-one (31) non-sworn departments (representing 18,200 employees), Los Angeles Police Department (LAPD) (13,095 employees) and LAFD (3,764 employees).

Frequency and Length of Leave
Based on the non-sworn departments surveyed, it was found that 261 employees (1.4%) took time off for a new child, and that the vast majority (nearly 85.8%) took more than six (6) weeks[16]. Additional data from the analyzed personnel dependent sample show that employees took an average of 360 hours (9 weeks), with female employees taking an average of 618 hours (or 15.4 weeks) and male employees taking an average of 242 hours (6.1 weeks).

[16] When taking time off for a new child, 88.5% of employees use sick time and an additional 8.4% use vacation time. Only about 3% of employees represented use primarily unpaid leave.

APPENDIX C: PROPOSED PHASE I OF THE PAID PARENTAL LEAVE POLICY[17]

Eligibility	Any parent[18] who has been employed[19] by the City for 12 months[20] and worked at least 1,040 hrs in the year prior to the start of the leave. Coverage of this policy is limited to civilian City employees and does not include sworn or Department of Water and Power (DWP) employees.
Time	6 weeks (240 hours) of paid leave.
Conditions	A pregnant employee may take paid parental leave before or after a child's[21] delivery. The start of leave for a pregnant employee shall be at the beginning of the employee's pregnancy-related disability that a doctor certifies as necessary. A non-pregnant parent employee may take paid parental leave on or after the child's delivery or placement date. Like bereavement leave, paid parental leave is only available to City employees who meet the criteria, which is that they become a parent, and the six (6) week time allotment does not accrue across years. Leave shall be limited to six (6) weeks during a 12 month period, regardless of the number of incidents. A 12-month period shall begin on the first day of leave for each individual taking such leave. The succeeding 12 month period will begin the first day of leave taken under the FMLA provisions after completion of the previous 12 month period. The six (6) weeks do not need to be taken consecutively but must be planned with a supervisor.

[17] Subject to negotiation with civilian bargaining units.
[18] Parent, as defined by the FMLA, means a biological, adoptive, or foster parent, excluding step- and short-term foster; it is an individual who stands or stood *in loco parentis*.
[19] Employed means a person occupying a position in the classified civil service per Sec. 1.17 of The Rules of the Board of Civil Service Commissioners (https://per.lacity.org/documents/CSVCRules.pdf).
[20] Similar to the FMLA, this does not apply to full-time pregnant employees who would be eligible for leave regardless of length of employment with the City.
[21] Child means a biological, adopted, or foster child, a legal ward or a child of a person standing *in loco parentis*, who is either under age 18 or age 18 or older and incapable of self-care because of a mental or a physical disability.