

Michelle Mahowald

Subject: FW: City of Northfield MN Family & Parental Leave implementation question

Hi Michelle,

Thanks for asking about our family & parental leave policies.

We have recently had a similar inquiry from another city. I am going to forward to you the same information and responses, including the questions they were asking. If this doesn't answer your questions or you would like to chat in person please let me know. As you probably we know, we are a very large employer, so not sure if our numbers will make any sense in comparison to your city. Our PFCL program is newer than our PPL program and we do require employees to have paid time off balances of less than 80 sick and 40 vacation as an eligibility criteria. This significantly lowers the amount of employees that are eligible for the program, yet allows for retention of some of their paid time off.

I am from the Leave Administration side of things. The data that I am providing you is from our budget office. And just for your reference Susan Coskey is no longer with our city. The information from this point down is what was shared with the other city.

Attached is a document which is an update on our Paid Parental Leave (PPL) and Paid Family Care Leave (PFCL) benefits, which was prepared in March on this year (these sections are appendixes from a larger report on Workforce Equity). The data are now 7 months old, but will hopefully give you some sense of our usage and costs. We have not updated these numbers since then, but will create this report again this coming March.

Questions include:

1. **How many people take PPL and for how many weeks on average?**
Please see attached. Important to note that we changed our PPL policy starting in 2017 (went from 4 weeks to 12 weeks, with the final 4 being subject to leave balances). The numbers are separated by event year for this reason.
2. **What percent of your staff is this?**
See attached.
3. **What is the yearly cost?**
See my long-winded explanation below for the PPL program. The table shown there is taken directly from the attachment. The rules and caveats mentioned apply equally to the PFCL program, so you could view the same table in the PFCL section with those in mind.
4. **Any trends your team has found for better predicting yearly cost?**
See my explanation below. We will run our numbers again in March.
5. **Has the program/costs changed since Washington state implemented their policy?**
Not yet, but they will. We are still deciding how to integrate our existing policy with the State's upcoming insurance program (and negotiating this with our Labor unions), which starts collecting premiums 1/1/19 and distributing benefits 1/1/20.
6. **Do you find turnover after leave to be lower?**
We have not studied this issue as yet, but may do so in the future. If nothing else, our numbers show that employees (women particularly) are taking much less unpaid time off, as expected. But we have not presented this finding anywhere as yet.

Some details re: cost of the PPL program:

Essentially, the City put aside \$2million from its General Fund to pay for backfill of employees taking leave under Paid Parental Leave. However, that money is only available to departments who are paid from the GF (or proportional to their total costs paid from GF for those whose costs are partially paid from the GF), which are allowed to submit Q4 supplemental requests to be compensated for these costs. For departments whose wages are not paid from GF, they are expected to absorb the cost.

In terms of costs for the first year of the 12-week policy, we don't yet have a full picture yet because employees who welcome a new child have one year from the event date to use the benefit, meaning that some 2017 events may still have time available. That said, below is a picture of our expenses as of March 6, 2018, which should be most of the costs (assuming employees use this benefit immediately, which most do). I would pay attention to the 4th column (GF costs) specifically since there's some messiness in the data for non-GF departments (because they aren't eligible to be reimbursed for these costs, they have no incentive to get backfilling employees to code their timesheets properly, which can be complicated). To give you a sense of scale, 37% of the City's labor costs were paid from the General Fund as of this data.

Keep in mind that costs may be subject to change in future years as knowledge of the program among employees increases.

Figure 1: Estimated Backfill Costs for PPL by Department, 2017 Events (12-week policy)**

Department*	Hours	Backfill Costs, Total	Backfill Costs, General Fund	Backfill Costs, Other Funds
Dept. of Finance & Administrative Services	480	\$31,675	\$3,163	\$28,512
Fire Department	12,006	\$1,148,003	\$1,148,003	\$0
Human Services	3,220	\$121,274	\$44,222	\$77,052
Law Department	323	\$9,879	\$9,879	\$0
Municipal Court	8	\$254	\$254	\$0
Parks Department	3,345	\$106,389	\$72,201	\$34,187
Seattle Dept. of Human Resources	72	\$4,209	\$4,209	\$0
Seattle Dept. of Transportation	347	\$25,055	\$2,687	\$22,368
Seattle Public Library	2,940	\$88,268	\$68,896	\$19,372
Grand Total	22,740	\$1,535,005	\$1,353,514	\$181,491
*Department refers to the department to which the backfilling employee charged their work hours. This may not be the same as the department of the leave-taking employee for whom the person is backfilling. In certain cases, departments may make arrangements to reimburse other departments for employees backfilling via out-of-class assignments. **Data for 2017 events cannot be considered final as of the publication of this report, as the 12-month window for use the leave has not yet closed for the majority of beneficiaries.				

Thanks,



Shauna Fitzner

Leave Administrator

City of Seattle, Department of Human Resources

O: 206-684-7818 | shauna.fitzner@seattle.gov