



King County
Metropolitan King County Council

STAFF REPORT

Agenda Item No.:	12	Date:	Dec. 7, 2015
Proposed No.:	2015-0495	Prepared by:	Nick Wagner

SUBJECT

Proposed Ordinance 2015-0495 (Att. 1) would authorize the Executive to create a 2016 pilot program providing paid parental leave for certain county employees.

SUMMARY

The proposed ordinance would authorize the Executive to create a one-year pilot program providing 12 weeks of paid parental leave for certain county employees, subject to the terms contained in the ordinance. The program would be limited to leave-eligible employees who are either non-represented (and therefore governed directly by the ordinance) or represented by a union that had agreed to the terms contained in the ordinance.

An employee's participation in the pilot would be contingent on a "qualifying event" occurring during 2016. There are three qualifying events:

- The birth of the employee's child
- The employee's adoption of a child
- The foster-to-adopt placement of a child with the employee.

The permitted duration of the leave would be 12 weeks when combined with all but one week of the vacation that the employee has accrued as of the qualifying event and all but one week of the sick leave that the employee has accrued as of the qualifying event. An employee on paid parental leave would be compensated at the employee's base pay rate. Other terms of the program are spelled out in the proposed ordinance.

The Executive estimates the cost of the one-year pilot program to be about \$2.9 million. Whether the program will be extended beyond the pilot is subject in part to "total compensation" bargaining between the County and the King County Coalition of Unions and ultimately on whether the Council approves any extension.

There is a proposed striking amendment (Att. 2), with which the Executive concurs, that makes a number of changes in the ordinance, primarily for clarification. The analysis in this staff report applies to the striking amendment, rather than the original ordinance.

BACKGROUND

Proposed Ordinance 2015-0495 (Att. 1) was transmitted by the Executive in response to Council Motion 14348 (Att. 4), which declared that it is county policy to establish a paid family leave program for King County employees. The motion directed the Executive to develop and transmit to the Council: (1) a cost-benefit analysis and recommendations, (2) a work plan for implementing a paid family leave program, and (3) proposed legislation.

On September 15, 2015, the Executive transmitted the cost-benefit analysis and recommendations (2015-RPT0139). The Executive recommended creation of a one-year paid parental leave pilot program and further study of a broader paid family leave program. On November 12, 2015, the Executive transmitted Proposed Ordinance 2015-0495 (Att. 1), which included an attached work plan (Att. 1-A).

ANALYSIS

Motion 14348

Motion 14348 (Att. 4) provided in part:

- It is the policy of the county to provide paid family leave, including paid parental leave.
- Paid parental leave should include, beginning no later than January 1, 2016, barring exceptional burden, at least 12 weeks of one-hundred-percent paid leave within a 12-month period to eligible King County employees following the birth, adoption, or foster placement of a child.
- The county should provide flexible scheduling as reasonably needed by employees who are returning to work from paid parental leave.
- The implementation of the policy with regard to represented county employees is subject to collective bargaining.
- In developing a work plan and legislation, the executive shall consider how paid parental leave aligns with other leaves within the county and eligibility criteria.
- The work plan should include a recommended means to pay for any additional costs associated with the parental leave policy, which means may include: using existing resources; identified savings; a payroll deduction; another option or options; or a combination thereof.

Policy Basis of the Ordinance

The policy basis of the ordinance is set forth in the statement of facts at lines 4-63 of Striking Amendment S1, which is substantially similar to the statement of facts in

Motion 14348. The sources for the statement of facts are listed in the staff report on Motion 14348, a copy of which (without the attachments) is Attachment 5 to this staff report.

Operation of the Ordinance

The following description assumes adoption of Striking Amendment S1 (Att. 2).

1. Covered Employees

The pilot program would be limited to non-represented county employees and to those represented employees whose unions have entered a memorandum of agreement with the County containing the terms set forth in the ordinance. (Att. 1, lines 70-76, 83-85)

2. Eligibility

To participate in the pilot program an employee must be leave-eligible and must have at least six months of continuous service with the County at the time of the qualifying event. (Att. 1, lines 81-83)

3. Qualifying Events

There are three qualifying events: (a) birth of a child; (b) adoption of a child; or (c) foster placement of a child for adoption. (Att. 1, lines 68-69) An employee would be permitted to participate in the pilot program only once. (Att. 1, line 109)

4. Period of Coverage

The qualifying event must occur in 2016, and the leave must begin and end within 12 months after the qualifying event. The 12-month period will extend into 2017. (Att. 1, lines 86, 110-12)

5. Amount of Leave

The program is intended to provide 12 weeks of paid parental leave. (Att. 1, lines 79-80) Employees would be required to reserve one week of accrued vacation and one week of accrued sick leave, or whatever smaller amount of each the employee has accrued. (Att. 1, lines 87-89) All other accrued paid leave (including all executive leave) would be considered unreserved for the purpose of the program.

- An employee who has 12 or more weeks of unreserved accrued paid leave at the time of the qualifying event would be permitted to use up to 12 weeks of accrued paid leave as paid parental leave during the twelve months after the qualifying event. (Att. 1, lines 89-91)
- An employee who has less than 12 weeks of unreserved accrued paid leave at the time of the qualifying event would be granted supplemental paid leave in an amount sufficient, when combined with the employee's unreserved accrued

paid leave, to equal a total of 12 weeks of paid parental leave. (Att. 1, lines 91-95)

- Examples:
 - a. An employee with five weeks of accrued vacation and 10 weeks of accrued sick leave would a total of 15 weeks of accrued paid leave, two of which would be reserved—for a net total of 13 weeks of unreserved accrued paid leave. The employee would be permitted to use up to 12 weeks of accrued paid leave as paid parental leave.
 - b. An employee with two weeks of accrued vacation and three weeks of accrued sick leave would have a total of five weeks of accrued paid leave, two of which would be reserved—for a net total of three weeks of unreserved accrued paid leave. The employee would be granted nine weeks of supplemental leave and would be permitted to use the three weeks of unreserved accrued paid leave to bring the total paid leave to 12 weeks. (Att. 1, lines 95-98)

6. Use of Leave

An employee would be permitted to use supplemental paid leave and accrued paid leave in any order and would not be required to use any of the accrued paid leave as paid parental leave. (Att. 1, lines 99-100) For example, an employee with three weeks of unreserved accrued paid leave could choose to take a paid parental leave of only nine weeks (using the nine weeks of supplemental paid leave that the employee would receive under the pilot program) and save the accrued paid leave for the future.

7. Compensation Rate

While on paid parental leave, an employee would be compensated at the employee's base pay rate. (Att. 1, lines 101-02)

8. Notice

An employee would be required to provide the same notice to participate in the paid parental leave pilot program as is required for taking family and medical leave under federal law. (Att. 1, lines 103-06)

9. Scheduling of Leave

An employee and the employee's supervisor would need to agree on a schedule for taking paid parental leave that is consistent with the County's operational needs. (Att. 1, lines 113-14) For example, they might agree that the employee will take eight weeks of paid leave immediately after the qualifying event and the remaining four weeks at a specified time later in the year.

The leave could be taken on a part-time basis if that was consistent with the County's operational needs and was approved in writing by the employee's supervisor before the leave begins.

10. Concurrency

Paid parental leave under the pilot program would run concurrently with King County family and medical leave (KCFML) and with federal and state family and medical leave to the extent permitted by law. (The concurrency of KCFML with federal and state family and medical leave is the subject of Proposed Ordinance 2015-0496.

11. Job-protection

While an employee is on leave under the paid parental leave program, the employee's job would be protected to the same extent that an employee's job is protected while the employee is on family or medical leave under federal or state law. This would not protect the employee against layoffs due to budget cuts, as long as the employee's position was not eliminated on the basis of his or her participation or intent to participate in the pilot program.

12. Retaliation Prohibited

The proposed ordinance provides:

No retaliatory action may be taken against an employee for participating or planning to participate in the program or for exercising the employee's rights under this ordinance. In particular, permission to use accrued vacation or executive leave shall not be denied or delayed on the basis that the employee intends to participate in the program. This is a general statement of county policy that cannot form the basis of a private right of action.

13. Continuation of Health Benefits and Leave Accrual

An employee would continue to receive health benefits and accrue paid leave during the time that the employee was on paid parental leave.

14. No Cash-outs

An employee could not be compensated for declining to use the supplemental paid leave that is available under the proposed ordinance.

Reports

The proposed ordinance would require the Executive to monitor the usage and costs associated with the pilot program and to provide quarterly reports to the Council, beginning in July 2016. (Att.1, lines 134-44)

FISCAL IMPACT

The estimated fiscal impact of the one-year pilot program is about \$2.9 million. As described in the Fiscal Note (Att. 7), this estimate:

- Assumes a 1.0 backfill for all, knowing that certain employees may not need to be backfilled and others will need to be backfilled at 1.5 times their normal rate of pay;
- Does not include lost revenue from employees being off work;
- Does not include the costs of the system creation and implementation by central and agency staff;
- Does not factor in costs of coverage for foster-to-adopt instances, because it is difficult to estimate how many employees will participate in this program; and
- Assumes employee leave use behavior does not change prior to the addition of the new child.

In reference to the last point, the cost estimate assumes that employees will not make an effort to use up their accrued vacation and executive leave before beginning their paid parental leave (doing so would increase the amount of paid supplemental leave they would receive under the pilot). To the extent that this assumption is incorrect, the cost of the pilot could increase by up to about \$577,000.

No Requested Supplemental Appropriation

The Executive is not requesting a supplemental appropriation to cover the cost of the pilot program. It is assumed that any costs will be covered within the existing budgets of the departments and agencies whose employees participate in the program.

AMENDMENTS

Striking Amendment S1 would:

1. Substantially supplement the statement of facts, primarily with findings from Motion 14348. (Att. 1, lines 4-63)
2. Adds a new section 1, which explains the terms “accrued paid leave” and “qualifying event.” (Att. 1, lines 65-69)
3. In Sections 2 and 3, directs the Executive to take the prescribed actions, rather than merely authorizing him to do so. (Att. 1, lines 70-76)
4. Includes a new provision that an employee may use supplemental paid leave and accrued paid leave in any order and is not required to use any of the accrued paid leave as paid parental leave. (Att. 1, lines 99-100)

5. Includes a new provision that compensation while on leave in the program will be at the employee's base pay rate. (Att. 1, lines 101-02)
6. Includes a new provision requiring an employee to give notice of the employee's intent to participate in the program. (Att. 1, lines 103-06)
7. Includes a new provision that the employee and the employee's supervisor shall agree upon a schedule for taking paid parental leave that is consistent with the county's operational needs. (Att. 1, lines 111-12)
8. Includes a new provision barring retaliation against an employee for participating or intending to participate in the program or exercising the employee's rights under the program. (Att. 1, lines 121-26)
9. Requires the Executive to monitor and regularly report to the Council on the program. (Att. 1, lines 132-42)
10. Rearranges and rewords parts of the proposed ordinance to improve clarity and readability.
11. Deletes Attachment A (the Executive's work plan for implementing paid parental leave), which is not adopted by the ordinance and which differs in some respects from the ordinance.

Title Amendment T1 would conform the title to the body of the ordinance.

INVITED

Denise Pruitt, Senior Policy Advisor, Human Resources Division

ATTACHMENTS

1. Proposed Ordinance 2015-0495
 - a. Att. A: Work Plan for Implementing Paid Parental Leave
2. Striking Amendment S1
3. Title Amendment T1
4. Motion 14348
5. Staff report (without attachments) on Motion 14348
6. Transmittal letter
7. Fiscal Note



Signature Report

December 6, 2015

Ordinance

Proposed No. 2015-0495.1

Sponsors Dembowski

1 AN ORDINANCE establishing a paid parental leave pilot
2 program for leave-eligible employees.

3 STATEMENT OF FACTS:

4 1. Under federal and state law, eligible employees are entitled to take up
5 to twelve weeks of leave for the birth, adoption or foster placement of a
6 child. During that period, employees' jobs are protected and they continue
7 to receive employer paid health benefits; however, there is no requirement
8 that employers provide employees wage replacement during the leave.

9 2. The United States is the only industrialized nation in the world that
10 does not mandate paid parental leave.

11 3. As the only industrialized nation without a national paid parental leave
12 program, childbirth and adoption can cause a significant financial - and
13 emotional - toll on working parents.

14 4. Establishing a paid parental leave pilot program and monitoring its
15 effectiveness for one year is in the best interest of King County employees
16 and their families.

17 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

18 SECTION 1. The executive is authorized to create a pilot program that provides
19 leave-eligible employees paid parental leave to supplement paid sick leave, vacation

20 leave, executive leave and other forms of paid leave. The program should ensure that an
21 employee will receive the equivalent of the employee's salary for up to a total of twelve
22 weeks, when combined with the employee's accrued leave, except for one week of sick
23 leave and one week of vacation leave, while on a qualifying approved leave following the
24 birth, adoption or foster-to-adopt placement of a child with the employee.

25 SECTION 2. The executive is authorized to enter into paid parental leave
26 memorandum of agreements with the labor organizations that represent King County
27 employees, with terms that reflect the conditions of this ordinance, to provide a one-year
28 benefit to the county's represented employees.

29 SECTION 3. A. The pilot program for paid parental leave shall be available to
30 leave-eligible employees, who have been employed with the county for at least six
31 months of continuous service at the time of the birth, adoption or foster-to-adopt
32 placement of a child ("qualifying event"), and are either nonrepresented or represented by
33 a union that has signed a paid parental leave memorandum of agreement.

34 B. To be eligible for the program, the employee's qualifying event must occur in
35 2016.

36 C. Each employee is eligible for paid parental leave one time under the program.

37 D. Paid parental leave must be taken within twelve months of the qualifying
38 event.

39 E. An employee may use the paid parental leave on a part-time basis, if it
40 comports with an established, consistent schedule for the employee's workgroup, and is
41 approved by the supervisor before the leave.

42 F. Paid parental leave under this ordinance shall run concurrently with King
43 County family and medical leave, as well as federal and state family and medical leave
44 laws, to the fullest extent permitted by law.

45 G. Paid parental leave under this ordinance is protected leave and barring
46 required budget cuts or layoffs, an employee's job cannot be eliminated while the
47 employee is on leave.

48 H. Employees shall continue to receive all health benefits, and shall continue to
49 accrue vacation and sick leave, during the period of paid parental leave under this
50 ordinance.

51 I. While on paid parental leave under this ordinance, employees shall retain and
52 continue to accrue seniority in accordance with whatever is specified in their respective
53 collective bargaining agreements.

54 J. Paid parental leave under this ordinance is not subject to cash out.

55 SECTION 4. The pilot program and paid parental leave benefit adopted by this
56 ordinance may begin January 1, 2016, and shall end on December 31, 2016. Beginning
57 January 1, 2017, an employee shall not be eligible for the leave.

58 Paid parental leave granted under this ordinance to an employee during 2016 may
59 be taken into 2017, as long as the usage is completed within twelve months of the 2016
60 qualifying event.

61 SECTION 5. Severability. If any provision of this ordinance or its application to

62 any person or circumstance is held invalid, the remainder of the ordinance or the
 63 application of the provision to other persons or circumstances is not affected.
 64

KING COUNTY COUNCIL
 KING COUNTY, WASHINGTON

 Larry Phillips, Chair

ATTEST:

 Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, _____.

 Dow Constantine, County Executive

Attachments: A. Paid Parental Leave - A Work Plan for Implementing Paid Parental Leave at King County - November 12, 2015



Paid Parental Leave

*A Work Plan
for implementing Paid Parental Leave
at King County*

PAID PARENTAL LEAVE:
A Work Plan for Implementing Paid Parental Leave at King County

November 12, 2015

EXECUTIVE SUMMARY

On April 27, 2015, the King County Council passed Motion 14348, declaring that it is County policy to establish a Paid Family Leave program, including Paid Parental Leave, for King County employees. The motion directs the Executive to report on the costs and benefits of implementing and providing a Paid Family Leave program (which was transmitted September 15, 2015) and to develop and transmit a work plan for implementing a Paid Family Leave program. Initially due October 15, 2015,

Paid Family Leave

As outlined in the September 15, 2015 report to Council titled, "Paid Parental Leave and Paid Family Leave: A Report on the Costs and Benefits of Implementing and Providing a Paid Parental Leave Program, in addition to Paid Family Leave, at King County," the Executive is committed to ensuring employees have paid time off when they or their immediate family members suffer a serious illness or injury; however, the Executive does not recommend implementing Paid Family Leave at this time. King County currently has a competitive paid sick and paid vacation leave package that employees use for family and personal medical leave. To add additional employer-funded Paid Family Leave to the existing leaves package is cost prohibitive. More research is needed to understand if there is, in fact, a shortage of paid time off to reasonably address employee needs for medical leave. If research suggests additional leave offerings are advisable, then further study would be necessary to identify the means to best finance such leave to ensure it is both practicable and sustainable. Moreover, a Paid Family Leave program would be most effective if it were addressed at the state-level.

Paid Parental Leave

The County is about to begin total compensation negotiations with the Coalition of Unions and every other labor organization that represents County employees, for contracts to take effect on January 1, 2017. Total compensation includes wages, all leaves, medical and health benefits, and other rewards. The County and unions will use an interest-based approach to bargain predictable and sustainable total compensation.

Therefore, the Executive recommends addressing Paid Parental Leave through a pilot program in 2016, so that elements of the program can inform these negotiations. Partnering with the unions to pilot this option would allow the County to test the assumptions laid out in the report. A Paid Parental Leave benefit beyond 2016 would need to be bargained in the total compensation framework.

For the pilot, it is recommended that King County provide a supplemental leave to ensure that all leave-eligible employees have the ability to take up to a total of twelve weeks of paid time off to bond with a new child. Paid Parental Leave will supplement existing paid leaves to ensure that an employee will receive the equivalent of the employee's salary for up to a total of twelve weeks, while on a qualifying approved leave following the birth, adoption, or foster-to-adopt placement of a child. Employees must

exhaust all paid leaves, except one week of sick leave and one week of vacation leave, prior to receiving any supplemental Paid Parental Leave.

This recommendation comes after considering a number of options, as well an analysis of the administrative burden and costs associated with each. The necessary components of the implementation plan are outlined on the following pages.

COVERAGE AND BENEFIT DETAILS OF THE 2016 PAID PARENTAL LEAVE PILOT PROGRAM

Paid Parental Leave will supplement an employee's accrued paid leaves so that the employee will receive the equivalent of his or her full salary for up to a total of twelve weeks while on approved parental leave.

A. Eligibility

- The pilot will be available to all leave-eligible employees, who have been employed with the County for at least six months of continuous service at the time of the birth, adoption, or foster-to-adopt placement ("qualifying event").
- Participants must be either a non-represented employee, or an employee represented by a union that has signed the Paid Parental Leave Pilot Memorandum of Agreement.
- The qualifying event must have occurred in 2016.
- To receive any supplemental Paid Parental Leave, an employee must first exhaust all accrued paid leave, except one week of sick leave and one week of vacation leave (or the equivalent for Benefit Time).

B. Benefit Amount

- The supplemental Paid Parental Leave combined with the employee's accrued leaves at the time of the qualifying event (less one week of sick and one week of vacation) shall not exceed twelve weeks.
- Paid Parental Leave is not subject to cash out.

C. Benefit Period, Frequency, and Concurrency

- Paid Parental Leave must be used within twelve months of the qualifying event.
- Employees may use Paid Parental Leave on a part-time basis, so long as it comports with an established, consistent PeopleSoft schedule, is approved by the business unit prior to the leave, and is completed within twelve months of the qualifying event.
- Employees are eligible for Paid Parental leave once during the pilot period.
- Paid Parental Leave will run concurrently with the County's family and medical leave, as well as federal and state family and medical leave laws, to the fullest extent possible.

D. Job Protection, Benefits, and Seniority

- Paid Parental Leave is protected leave and, as is the case for Family Medical Leave, an employee's job cannot be eliminated while the employee is on leave. However, in the

case of required budget cuts or layoffs, an employee's job may be eliminated while on leave.

- Employees will continue to receive all benefits; additionally vacation and sick leave will continue to accrue during the period of Paid Parental Leave.
- Employees will retain and continue to accrue seniority pursuant to whatever is specified in their collective bargaining agreement.

E. Requesting Paid Parental Leave and Calculation of the Supplemental Leave

- In all but a small minority of cases, employees will have advance notice of their need for parental leave. Therefore, employees must provide at least thirty days' notice of their intent to use Paid Parental Leave. In the rare case when the need for leave is not foreseeable, employees must provide notice as soon as practicable.
- The amount of Paid Parental Leave that an employee is eligible for will be calculated at the time of the qualifying event. Any paid leave other than Paid Parental Leave taken subsequent to the qualifying event will reduce the employee's Paid Parental Leave allotment.

F. Required Forms

- All employees wishing to receive Paid Parental Leave must complete the *Protected Family and Medical Leave Request Form*, and provide a copy of the birth certificate, adoption paperwork, or foster-to-adopt placement paperwork.
- If an employee voluntarily separates from County employment within six months of returning to work after a Paid Parental Leave, the amount of supplemental compensation received will be treated as a loan. All employees who receive compensation under the Paid Parental Leave program must execute an agreement providing for repayment in the case of such voluntary separation.

HOW PAID PARENTAL LEAVE ALIGNS WITH CURRENT KING COUNTY LEAVES PACKAGE

With a competitive leave package that includes twenty-three different types of leaves, County employees currently have a range of leave opportunities. In 2011, the County asked our benefits consultant, Mercer, to conduct a study of the value of the benefits King County provides to its employees. The study compared the King County benefits package to other local governments, as well as the private sector. The study found that the County's benefits package is generous when compared to the private sector. It is comparable to other local governments, although there are differences depending on the type of benefit. King County was above the median in paid time off for both sick and vacation leave.

The current leaves plan is structured so that it provides wage replacement during significant life events and serious illness. Unlike most employers, King County employees are permitted to carryover 480 hours (twelve weeks) of vacation leave from year-to-year, and to accrue and carryover an unlimited amount of sick leave. Employees accrue twelve sick days per year. Additionally, it is the County's policy that employees are paid out the value of their vacation leave and compensatory time upon separation, and are paid out 35% of the value of accrued sick leave upon death or retirement. The County's total

liability for accrued paid leave subject to cash out at the end of 2014 was \$170,000,000. The current liability, or the amount estimated to be payable within one year, is \$15,000,000.

When examining the average year-end vacation and sick leave balances per capita from 2012-2014, the leave balances are very stable across the years. On average employees have large accruals. In fact, combined, the two leave (sick and vacation) accruals average nearly 480 hours (twelve weeks) of paid leave that is carried over each year.

Average Year-End Leave Balances (in hours)

	2012	2013	2014
Sick leave balance	291	286	287
Vacation leave balance	173	172	173
Totals	464	458	460

These high carry-over balances are not because employees do not take leave. On average, approximately 80% of the sick leave that is earned is taken each year. Additionally, employees are taking (or cashing out) approximately 172 hours (more than four and a half weeks) of vacation each year.

Average Annual Leave Taken or Cashed Out (in hours)

	2012	2013	2014
Sick leave usage	75.87	75.09	77.66
Vacation leave usage	172.09	171.11	176.72
Totals	247.96	246.20	254.38

Furthermore, even with the County's unusually high carryover allowance of 480 hours (twelve weeks) of vacation time, approximately 10,000 hours were deleted in 2014 because employees exceeded the 480-hour limit.

Paid Parental Leave will supplement these existing paid leaves to ensure that all leave-eligible employees have the option to receive the equivalent of their full salary for up to a total of twelve weeks to bond with a new child. Additionally, the County will continue to provide benefits and leave accruals during the period of Paid Parental Leave.

IMPLEMENTATION DATE

The Paid Parental Leave pilot program will take effect as soon as our systems groups are able to comply. Their current workload includes the heavy lift of implementing the new Affordable Care Act requirements, at the same time that they have to process benefits for Open Enrollment and Healthy Incentives. Despite all that, work is being done at this time to ensure that the Paid Parental Leave program is up and running as soon as possible in the first quarter of 2016.

Despite not being able to have the program fully functioning on January 1, 2016, we will devise a way to ensure that all employees who give birth, adopt a child or have a foster-to-adopt placement at any point in 2016 receive this important benefit.

FLEXIBLE RETURN-TO-WORK OPTIONS

According to the Council of Economic Advisors' June 2014 report,¹ many families face conflicts between their work and their personal lives due to the growing number of two-earner households. Women comprise nearly one-half of the labor force, and in more than sixty percent of households with children, all adults are working. This creates a need and a desire for more flexibility in the workplace. This is particularly true following the addition of a new child. Only a small percentage of professionals who quit their jobs after having a child had always intended to do so. The vast majority do so because they are forced out by inflexible or all-or-nothing schedules.

Flexibility can refer to when one works, where one works, or how much one works. Flexible return-to-work options allow new parents to continue making productive contributions to the workforce while also attending to family responsibilities. The benefits of adopting flexible return-to-work options for employees can outweigh the costs by reducing absenteeism, lowering turnover, improving the health of workers, and increasing productivity.

The Human Resources Division will work with the County's departments and divisions to figure out the most effective ways to prioritize flexible return-to-work options for employees returning to work from Paid Parental Leave, as it will vary by the type of work and line of business.

ESTIMATED COST

The estimated annual cost for this pilot is \$2,900,000. While not cost neutral, this proposal is the least expensive proposal that allows the County to provide all employees the ability to take up to a total of twelve weeks of paid leave to bond with a new child.

This cost is for an estimated 241 employees, which was determined using federal data on expected birth rates for the King County employee population, and confirmed by looking at the number of actual dependents added to employee benefits over the last three years. This assumes a 1.0 backfill for all employees, knowing that certain employees may not need to be backfilled and others will need to be backfilled at 1.5 times their normal rate of pay. However, this estimate does not include the cost of lost revenue from employees being off of work, and does not include the costs associated with creating and implementing a Paid Parental Leave program. Therefore, the actual annual cost will likely be higher. Because the pilot is being implemented mid-biennium, agencies will need to absorb the costs within their existing budgets for 2016.

The 2016 pilot program will allow the County to gather more information and test the usage and cost estimates laid out above. Actual participation in the program and the associated costs will be tracked in 2016. This information combined with a better understanding of the impact of this benefit will help inform the Total Compensation negotiations.

¹"Work-Life Balance and the Economics of Workplace Flexibility,"
https://www.whitehouse.gov/sites/default/files/docs/updated_workplace_flex_report_final_0.pdf

WORK PLAN TO IMPLEMENT PAID PARENTAL LEAVE PILOT

Implementation Steps	Timing
Determine the details of the Paid Parental Leave benefit to be provided.	COMPLETED
Work with County's systems administrators at BPROS and BRC to communicate what the payroll and PeopleSoft systems need to do and lay out timeline for implementation.	COMPLETED
Develop budget for PeopleSoft implementation and roll-out to employees.	COMPLETED
Draft Memorandum of Agreement (MOA) regarding Paid Parental Leave pilot participation for employees represented by labor organizations.	COMPLETED
Outreach to unions regarding participation in the Paid Parental Leave pilot.	COMPLETED
Completed MOA with signatures for represented employee participation in the 2016 pilot program.	COMPLETED
Legislation to Council for non-represented employee 2016 pilot program benefit.	COMPLETED
Draft Paid Parental Leave policy.	Q4 2015
Implement procedures for applying for, approving, and returning from Paid Parental Leave.	Q4 2015
Message new benefit to employees, including website, Frequently Asked Questions, and call line for questions.	Q4 2015 through Q1 2016
Provide training to supervisors, HR practitioners, and timekeepers.	Q4 2015 Through Q1 2016
Work with the County's departments and divisions to figure out the most effective ways to prioritize flexible return-to-work options for employees returning to work from Paid Parental Leave, as it will vary by the type of work and line of business.	Q4 2015 through Q1 2016
Implement Paid Parental Leave in payroll and PeopleSoft.	Q1 2016

WORK PLAN REGARDING PAID FAMILY LEAVE

Research Steps	Timing
Research whether there is a shortage of paid time off to reasonably address employee needs for medical leave.	Q4 2015 through Q1 2016
If the above research suggests additional leave offerings are advisable, then study means to best finance such leaves.	Q2 2016 through Q3 2016
Assess all current leaves with our labor partners to determine how we might restructure our leaves package to better meet the needs of our employees throughout their lifecycle, make it easier for our employees to understand and ease administration burdens.	Q4 2015 through Q1 2016

S1

Dec. 7, 2015

nw

Sponsor: Dembowski

Proposed No.: 2015-0495

1 **STRIKING AMENDMENT TO PROPOSED ORDINANCE 2015-0495, VERSION**

2 **1**

3 On page 1, beginning on line 3, strike everything through page 4, line 63, and insert:

4 "STATEMENT OF FACTS:

5 1. Under federal and state law, eligible employees are entitled to take up
6 to twelve weeks of leave for the birth, adoption or foster placement of a
7 child. During that period, employees' jobs are protected, and they
8 continue to receive employer paid health benefits; however, there is no
9 requirement that employees be paid during the leave.

10 2. The United States is the only industrialized nation in the world that
11 does not mandate paid parental leave.

12 3. Paid maternity leave can increase breastfeeding rates and duration,
13 reduce the risk of infant mortality and increase the likelihood of infants
14 receiving well-baby care and vaccinations.

15 4. Fathers who take time off from work around childbirth are likely to
16 spend more time with their children in the months following their

17 children's birth, which could reduce stress on the family and contribute to
18 father-infant bonding.

19 5. A 2012 U.S. Department of Labor survey found that the number of
20 employees who reported needing leave, but not using it, had doubled since
21 2000. The most-common reasons for not using leave were inability to
22 afford an unpaid leave and fear of losing one's job. Those who did not
23 take needed leave were disproportionately women, nonwhite, unmarried,
24 and earning less than \$35,000 per year.

25 6. The King County women's advisory board has issued a report,
26 Improving Wage Equity and Promoting Family Friendly Workplace
27 Policies throughout King County, that recommends that King County offer
28 paid parental leave to its employees.

29 7. Providing paid parental leave may help attract and retain employees
30 and may reduce employee turnover, which has been estimated to cost
31 twenty-one percent of an employee's annual salary.

32 8. Providing paid parental leave supports King County's commitment to
33 equity and social justice, in that it makes parental leave more affordable
34 for lower-paid employees.

35 9. Paid parental leave is associated with improved health outcomes for
36 infants and children, which may result in avoided healthcare costs for
37 King County, which is self-insured.

38 10. In the absence of a paid parental leave program, childbirth and
39 adoption can take a significant financial and emotional toll on working
40 parents and thereby can impair their ability to serve the public.

41 11. Establishing a paid parental leave pilot program and monitoring its
42 effectiveness for one year is in the best interest of King County
43 employees, their families and the public that the employees serve.

44 12. On April 27, 2015, the council passed Motion 14348, which declared
45 that it is county policy to establish a paid family leave program for King
46 County employees. The motion directed the executive to develop and
47 transmit to the council: a work plan and recommendations for
48 implementing a paid family leave program; a cost-benefit analysis; and
49 proposed legislation. The executive, on September 15, 2015, transmitted
50 the requested recommendations and cost-benefit analysis. The transmittal
51 of the original version of Proposed Ordinance 2015-0495 and an attached
52 work plan completed the executive's response to the council's motion.

53 13. In August 2014, the county and the King County Coalition of Unions
54 agreed to negotiate "a 'Total Compensation' agreement that will be
55 effective January 1, 2017 or later." The executive has indicated to the
56 council the executive's intention to begin "total compensation" bargaining
57 with the King County Coalition in January 2016. As provided in the
58 August 2014 agreement, "'Total Compensation' elements are wages,
59 premiums, incentives, and other monetary payments; and all forms of
60 leave and benefits." The pilot program that this ordinance directs the

61 executive to create serves the additional purpose of providing useful data
62 about paid parental leave for the county and the coalition to consider in
63 their "total compensation" bargaining.

64 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

65 SECTION 1. This section applies to sections 2 through 5 of this ordinance.

66 A. "Accrued paid leave" includes accrued vacation, executive leave and sick
67 leave.

68 B. "Qualifying event" means the birth of the employee's child, the employee's
69 adoption of a child or the foster-to-adopt placement of a child with the employee.

70 SECTION 2. The executive shall create a pilot program that provides to
71 nonrepresented employees, on the terms in this ordinance, paid parental leave following a
72 qualifying event.

73 SECTION 3. The executive is directed to enter into memoranda of agreement
74 with the labor organizations that represent King County employees, with the
75 organizations' consent, to provide to those employees paid parental leave on the terms in
76 this ordinance.

77 SECTION 4. The program for paid parental leave shall be subject to the
78 following terms:

79 A. The program is intended to provide leave-eligible employees with twelve
80 weeks of paid parental leave during the twelve months following a qualifying event;

81 B. Participation in the program shall be limited to leave-eligible employees who
82 have been employed with the county for at least six months of continuous service at the
83 time of the qualifying event and either are nonrepresented or are represented by a union

84 that has signed a paid parental leave memorandum of agreement under section 3 of this
85 ordinance;

86 C. The program is limited to qualifying events occurring in 2016;

87 D. An employee electing to participate in the program must reserve one week of
88 accrued vacation and one week of accrued sick leave, or whatever smaller amount of
89 each the employee has accrued. An employee with twelve weeks or more of unreserved,
90 accrued paid leave at the time of the qualifying event may use up to twelve weeks of
91 accrued paid leave as paid parental leave during the twelve months after the qualifying
92 event. An employee who has less than twelve weeks of unreserved, accrued paid leave at
93 the time of the qualifying event shall be granted supplemental paid leave in an amount
94 sufficient, when combined with the employee's unreserved accrued paid leave, to equal a
95 total of twelve weeks of paid parental leave. For example, if an employee has two weeks
96 of accrued vacation and three weeks of accrued sick leave at the time of the qualifying
97 event, the employee shall be granted nine weeks of supplemental paid leave, bringing the
98 total available paid parental leave to twelve weeks.

99 E. An employee may use supplemental paid leave and accrued paid leave in any
100 order and is not required to use any of the accrued paid leave as paid parental leave.

101 F. An employee on paid leave in the program shall be compensated at the
102 employee's base pay rate.

103 G. An employee should provide notice to the designated representative of the
104 employee's department that the employee intends to participate in the program. The
105 notice should meet the notice requirements for taking family and medical leave under
106 federal law.

107 H. An employee may participate in the program only once.

108 I. Paid parental leave under the program must begin and end within twelve
109 months after the qualifying event. The leave may be taken in 2017 as long as the leave is
110 completed within twelve months after the 2016 qualifying event.

111 J. The employee and the employee's supervisor shall agree upon a schedule for
112 taking paid parental leave that is consistent with the county's operational needs. An
113 employee may use the paid parental leave on a part-time basis as long as that is consistent
114 with the county's operational needs and is approved in writing by the supervisor before
115 the leave begins.

116 K. Paid parental leave under this ordinance shall run concurrently with King
117 County family and medical leave, as well as federal and state family and medical leave,
118 to the extent permitted by law.

119 L. During the time that an employee is on leave in the program, the employee's
120 job shall be protected to the same extent that an employee's job is protected while the
121 employee is on family or medical leave under federal or state law. No retaliatory action
122 may be taken against an employee for participating or planning to participate in the
123 program or for exercising the employee's rights under this ordinance. In particular,
124 permission to use accrued vacation or executive leave shall not be denied or delayed on
125 the basis that the employee intends to participate in the program. This is a general
126 statement of county policy that cannot form the basis of a private right of action.

127 M. Taking leave under the program shall not affect an employee's health benefits
128 or an employee's accrual of paid leave, which shall continue during the period of paid
129 parental leave.

130 N. Employees shall not be compensated in any manner for not using the
131 supplemental paid leave that is available under this ordinance.

132 SECTION 5. The executive shall monitor the usage and costs associated with the
133 program and shall report to the council, on July 29, 2016, October 31, 2016, and January
134 31, 2017, the most current available information on usage and costs, including but not
135 limited to the number, gender and compensation rate of employees who have used the
136 program, their distribution among the county's departments and divisions, whether their
137 positions have been backfilled, the costs of backfilling, and any other costs associated
138 with the program. The executive must file the reports in the form of a paper original and
139 an electronic copy with the clerk of the council, who shall retain the original and provide
140 an electronic copy to all councilmembers, the council chief of staff, the policy staff
141 director and the lead staff for the transportation, economy and environment committee, or
142 its successor.

143 SECTION 6. Severability. If any provision of this ordinance or its application to
144 any person or circumstance is held invalid, the remainder of the ordinance or the
145 application of the provision to other persons or circumstances is not affected."

146 Delete Attachment A.

147 **EFFECT:**

- 148 **1. Substantially supplement the statement of facts, primarily with findings**
149 **from Motion 14348, which established the policy on which this ordinance is**
150 **based. (Lines 4-63)**
- 151 **2. Adds a new section 1, which relocates the explanation of the terms “accrued**
152 **paid leave” and “qualifying event.” (Lines 65-69)**
- 153 **3. In Sections 2 and 3, directs the Executive to take the prescribed actions,**
154 **rather than merely authorizing him to do so. (Lines 70-76)**

- 155 **4. Includes a new provision that an employee may use supplemental paid leave**
156 **and accrued paid leave in any order and is not required to use any of the**
157 **accrued paid leave as paid parental leave. (Lines 99-100)**
- 158 **5. Includes a new provision that an employee on paid leave in the program**
159 **shall be compensated at the employee's base pay rate. (Lines 101-02)**
- 160 **6. Includes a new provision requiring an employee to give notice of the**
161 **employee's intent to participate in the program. (Lines 103-06)**
- 162 **7. Includes a new provision that the employee and the employee's supervisor**
163 **shall agree upon a schedule for taking paid parental leave that is consistent**
164 **with the county's operational needs. (Lines 111-12)**
- 165 **8. Includes a new provision barring retaliation against an employee for**
166 **participating or intending to participate in the program. (Lines 121-26)**
- 167 **9. Requires the Executive to monitor and regularly report to the Council on**
168 **the program. (Lines 132-42)**
- 169 **10. Rearranges and rewords parts of the proposed ordinance to improve clarity**
170 **and readability.**
- 171 **11. Deletes Attachment A (the Executive's work plan for implementing paid**
172 **parental leave), which is not adopted by the ordinance and which differs in**
173 **some respects from the ordinance.**

DRAFT ID

T1

Dec. 7, 2015

nw

Sponsor: Dembowski

Proposed No.: 2015-0495

1 **TITLE AMENDMENT TO PROPOSED ORDINANCE 2015-0495, VERSION 1**

2 On page 1, beginning on line 1, strike lines 1 and 2, and insert:

3 "AN ORDINANCE relating to a paid parental leave pilot
4 program for leave-eligible employees."

5 **EFFECT: *Conforms the title to the body of the ordinance.***



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104
Attachment 4

Signature Report

December 7, 2015

Motion 14348

Proposed No. 2015-0102.3

Sponsors Dembowski, Hague and Gossett

1 A MOTION declaring that it is county policy to
2 establish a paid family leave program for King
3 County employees and directing the executive to
4 develop and transmit a work plan for implementing a
5 paid family leave program and a report on the costs
6 and benefits of implementing and providing a paid
7 family leave program.

8 WHEREAS, the United States is the only advanced industrialized country without
9 a national law providing new parents with access to at least partially paid family leave,
10 and

11 WHEREAS, the 1993 U.S. Family and Medical Leave Act requires firms
12 employing at least fifty persons to offer eligible workers twelve weeks of job-protected
13 unpaid time off work to care for newborn or newly adopted children, to care for a child,
14 spouse or parent with a serious health condition, or to care for themselves when they are
15 unable to work because of a serious health condition. However, a 2012 U.S. Department
16 of Labor survey found that the number of employees who reported needing leave but not
17 using it doubled since 2000. The most common reasons for not using leave were inability
18 to afford it, given by forty-six percent of the respondents, and fear of losing their jobs,
19 given by seventeen percent of respondents. Those who did not take needed leave were

20 more likely to be women, nonwhite, unmarried and earning less than thirty-five thousand
21 dollars annually, and

22 WHEREAS, an Institute for Women's Policy Research report for the U.S.
23 Department of Labor found that paid maternity leave can affect breastfeeding rates and
24 duration, reduce the risk of infant mortality and increase the likelihood of infants
25 receiving well-baby care and vaccinations. The same report found that fathers who take
26 time off from work around childbirth are more likely to spend more time with their
27 children in the months following their children's birth, which could reduce stress on the
28 family and contribute to father-infant bonding, and

29 WHEREAS, twelve weeks of paid parental leave is recommended by Zero to
30 Three: National Center for Infants, Toddlers, and Families, and eighteen weeks of paid
31 maternity leave is recommended by the International Labour Organization, and

32 WHEREAS, the Bureau of Labor Statistics found in 2013 that sixty-four percent
33 of mothers with children under the age of six worked outside the home, and

34 WHEREAS, research by the National Institutes of Health in 2013 found that paid
35 maternity leave is correlated with an increase in the working hours of mothers with one-
36 to-three-year-old children, and, thus, with a likely increase in their earnings, and

37 WHEREAS, in January 2015, the King County women's advisory board issued a
38 report, entitled Improving Wage Equity and Promoting Family Friendly Workplace
39 Policies throughout King County, that recommended that King County offer paid family
40 leave to its employees, and

41 WHEREAS, according to a study of California's experience with paid family
42 leave, described in a book entitled "Unfinished Business: Paid Family Leave in California

43 and the Future of U.S. Work-Family Policy," by Ruth Milkman and Eileen Appelbaum,
44 the availability of paid family leave has led to an increase in the number of men taking
45 parental leave, which has the potential to reduce gender inequality in both the household
46 and the labor market, and

47 WHEREAS, King County seeks to become a model employer of the future, as
48 described in Attachment A to Motion 14129, entitled Creating the Employer of the Future
49 at King County, and family-friendly leave policies have been found to improve employee
50 recruitment and retention, which are key for the county's success in providing the highest
51 level of service to King County's residents, and

52 WHEREAS, increased employee retention would help King County avoid costs
53 associated with replacing employees, which the Center for American Progress estimates
54 at twenty-one percent of an employee's salary, and

55 WHEREAS, the cost of providing twelve weeks of paid parental leave to eligible
56 county employees has been estimated preliminarily by executive staff to be about \$4.46
57 million, and

58 WHEREAS, given the continuing, significant fiscal challenges facing King
59 County, the council will give strong consideration to meeting the costs of this new policy,
60 program and benefit through means that do not increase the financial expense or burden
61 to county government, and

62 WHEREAS, King County's general fund budget faces significant constraints,
63 requiring careful consideration of potential additional expenses in the budget, as well as a
64 continuous need to find savings, and

65 WHEREAS, paid parental leave has been shown to improve health outcomes for
66 infants and children, which may result in avoided healthcare costs for King County, and

67 WHEREAS, many of the reasons supporting paid parental leave apply also to
68 paid leave for an employee to address the employee's own serious health condition or the
69 serious health condition of the employee's child, parent, spouse or domestic partner, or
70 the child or parent of the employee's spouse or domestic partner;

71 NOW, THEREFORE, BE IT MOVED by the Council of King County:

72 A. It is the policy of the county to provide paid family leave, including paid
73 parental leave as described in this subsection. Paid parental leave should include,
74 beginning no later than January 1, 2016, barring exceptional burden, at least twelve
75 weeks of one-hundred-percent paid leave within a twelve-month period to eligible King
76 County employees following the birth, adoption or foster placement of a child. The
77 county should provide flexible scheduling as reasonably needed by employees who are
78 returning to work from paid parental leave. The implementation of this policy with
79 regard to represented county employees is subject to collective bargaining. The policy is
80 subject to the considerations listed in subsection B. of this motion. This motion shall not
81 be interpreted as conferring a right or benefit on any individual. It is intended that no
82 right or benefit shall be conferred unless and until an ordinance has been enacted
83 implementing the motion in whole or in part, and only to the extent that the ordinance
84 explicitly confers such a right or benefit.

85 B. The executive is requested to develop and transmit to the council: a work plan
86 for implementing a paid parental leave program as described in subsection A. of this
87 motion; a report on the estimated costs and benefits associated with implementing and

88 providing the leave program, including effects on employee recruitment and retention and
89 health outcomes of employees and their children; and the legislation necessary to
90 implement the leave program. In developing the work plan and the legislation, the
91 executive shall consider how paid parental leave aligns with other leaves within the
92 county and eligibility criteria. The work plan may include the costs and benefits of
93 offering up to sixteen weeks of paid parental leave, and may also provide the same
94 information for any other period of paid parental leave. Incremental increases may be
95 explored based on fiscal and administrative analysis. The work plan should include a
96 recommended means to pay for any additional costs associated with the parental leave
97 policy, which means may include: using existing resources; identified savings; a payroll
98 deduction; another option or options; or a combination thereof. Given the continuing,
99 significant fiscal challenges facing King County, the council will give strong
100 consideration to meeting the costs of this new policy, program and benefit through means
101 that do not increase the financial expense or burden to county government. If the
102 executive determines, after further analysis, that the cost of providing twelve weeks of
103 paid parental leave to eligible county employees is likely to materially exceed executive
104 staff's preliminary estimate, the council may find it necessary to reconsider the structure
105 or duration of a paid parental leave policy. If the executive determines that, due to
106 exceptional burden, the paid parental leave program provided for in subsection A. of this
107 motion cannot be implemented by January 1, 2016, the work plan should describe the
108 burden and identify the date on which the paid parental leave program will be
109 implemented. If the executive recommends a paid parental leave period different than

110 provided for in subsection A. of this motion, the work plan should describe the rationale
111 for the recommendation, and the costs and benefits of the alternative option or options.

112 The executive should transmit the report on the estimated costs and benefits of
113 paid parental leave by September 15, 2015, in the form of a paper original and an
114 electronic copy with the clerk of the council, who shall retain the original and provide an
115 electronic copy to all councilmembers, the council chief of staff, the policy staff director
116 and the lead staff for the transportation, economy and environment committee, or its
117 successor. The work plan and proposed legislation concerning paid parental leave should
118 be transmitted and distributed in the same manner by October 15, 2015, in order to be
119 considered in conjunction with a supplemental appropriation ordinance.

120 C. The executive is requested to develop and transmit to the council: a work plan
121 for implementing a paid family leave program that would provide leave for eligible
122 county employees to address the employee's own serious health condition or the serious
123 health condition of the employee's child, parent, spouse or domestic partner, or the child
124 or parent of the employee's spouse or domestic partner; a report on the estimated costs
125 and benefits associated with implementing and providing the program, including effects
126 on employee recruitment and retention and health outcomes of employees and their
127 families; and the legislation necessary to implement the program. In developing the work
128 plan, report, and legislation, the executive shall consider how this benefit aligns with
129 other leaves within the county and eligibility criteria. Given the continuing, significant
130 fiscal challenges facing King County, the council will give strong consideration to
131 meeting the costs of this new policy, program and benefit through means that do not
132 increase the financial expense or burden to county government.

133 The executive should transmit by September 15, 2015, in the same manner
134 described in subsection B. of this motion, the cost-benefit analysis of the paid family
135 leave options. The work plan and proposed legislation concerning paid parental leave

136 should be transmitted and distributed in the same manner by October 15, 2015, in order
 137 to be considered in conjunction with a supplemental appropriation ordinance.
 138

Motion 14348 was introduced on 3/2/2015 and passed as amended by the Metropolitan King County Council on 4/27/2015, by the following vote:

Yes: 6 - Mr. Phillips, Mr. Gossett, Ms. Hague, Ms. Lambert, Mr. McDermott and Mr. Dembowski
 No: 0
 Excused: 3 - Mr. von Reichbauer, Mr. Dunn and Mr. Upthegrove

KING COUNTY COUNCIL
 KING COUNTY, WASHINGTON

 Larry Phillips, Chair

ATTEST:

 Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, _____.

 Dow Constantine, County Executive

Attachments: None



King County

Metropolitan King County Council Transportation, Economy, and Environment Committee

STAFF REPORT

Agenda Item No.:	7	Date:	7 April 2015
Proposed No.:	2015-0102	Prepared by:	Nick Wagner

SUBJECT

Proposed Motion 2015-0102 would declare that it is County policy to establish a paid parental leave program for King County employees and direct the Executive to develop a work plan to implement a paid parental leave program and report on the costs and benefits of such a program.

UPDATE

The motion was considered and held in committee on March 17.

At the committee's April 7 meeting the prime sponsor of the motion is expected to propose a striking amendment that would expand the scope of the motion to include paid family leave and ask the Executive to propose an implementation plan for the Council to consider. An expected title amendment would conform the title to the changes made by the striking amendment.

The remainder of this staff report is the same as the March 17 staff report, except for a section on the expected amendments.

SUMMARY

Proposed Motion 2015-0102 would:

- Establish as a policy of King County that, "barring exceptional administrative burden," county employees should be eligible to use, within any twelve-month period, up to 12 weeks of parental leave, paid at 100 percent of the employee's compensation rate. Eligibility would begin on the employee's first day of employment with the County.
- Make the policy "subject to collective bargaining and the considerations listed in subsection B" of the motion, which include: the costs and benefits of "implementing and providing the leave program" and alignment of the program with "other leaves within the county and eligibility criteria."
- Ask the County Executive to develop and transmit to the Council by August 1, 2015:

- A work plan for implementing the paid parental leave program;
 - A report on the estimated costs and benefits, including “effects on employee recruitment and retention and health outcomes of employees and their children”; and
 - Legislation necessary to implement the leave program.
- Ask the Executive, if the program cannot be implemented by January 1, 2016, “due to exceptional administrative burden,” to describe that burden in the work plan and “identify the date on which the leave program will be implemented.”

BACKGROUND

This section is unchanged from the March 17 staff report.

Current Law and County Policy

King County currently does not provide paid parental leave to any of its employees, and neither the King County Code nor county labor policies address the subject of paid parental leave. Under the federal Family and Medical Leave Act (FMLA), the Washington Family Leave Act (WFLA), and the King County Family and Medical Leave (KCFML) ordinance, an employee is entitled to unpaid leave and job protection for reasons that include caring for a newborn, newly adopted, or newly placed child. The period of leave is up to 12 weeks under FMLA and WFLA and 18 weeks under KCFML.

Since King County requires available paid leave to be exhausted before beginning to use KCFML, whereas the leave period under FMLA begins running immediately, the leave period for an employee who uses both FMLA and KCFML can extend to 30 weeks or even longer (if the employee’s accrued sick and vacation leave exceed 12 weeks); however, this method of calculating the leave period under KCFML is subject to change based on legislation that the Council adopted last year.¹

To be eligible for leave under FMLA, WFLA, or KCFML an employee must have been employed by the employer for at least 12 months in the previous seven years and have worked the required hours within the 12-month period prior to the commencement of the leave, though there is variation among the three laws in that regard.

The provisions of FMLA, WFLA, and KCFML are summarized in Attachment 2 (“Protected Leave Information for King County Employees”) and Attachment 3 (“Leave Comparative Chart”), which were prepared by the Executive.

Also potentially related to parental leave are state regulations related to disability, including pregnancy-related disability, King County Code provisions concerning leave

¹ Ordinance 17916 (approving an agreement with the King County Coalition of Unions concerning cost-of-living adjustments and other subjects, including family and medical leave).

without pay, the federal Americans with Disabilities Act, and the Washington Law Against Discrimination. The operation of those laws is summarized in Attachment 3 (the second section).

Background Information Included in the Motion

Proposed Motion 2015-0102 includes the following background information:

- The United States is “the only advanced industrialized country without a national law providing new parents with entitlements to at least partially paid family leave” (Motion, lines 7-9)²
- The 1993 federal Family and Medical Leave Act requires covered firms to offer eligible employees 12 weeks of job-protected unpaid time off work to care for newborn or newly adopted children, to care a child, spouse, or parent with a serious health condition, or to care for themselves when they are unable to work because of a serious health condition. (Motion, lines 10-14) However:
 - A 2012 U.S. Department of Labor survey found that the number of employees who reported needing leave, but not using it, had doubled since 2000.³ (Motion, lines 14-16)
 - The most common reasons for not using leave were inability to afford an unpaid leave (46%) and fear of losing one’s job (17%).⁴ (Motion, lines 16-18)
 - Those who did not take needed leave were disproportionately women, nonwhite, unmarried, and earning less than \$35,000 per year.⁵ (Motion, lines 18-20)
- Paid maternity leave can increase breastfeeding rates and duration, reduce the risk of infant mortality, and increase the likelihood of infants receiving well-baby care and vaccinations.⁶ (Motion, lines 21-24)
- Fathers who take time off from work around childbirth are likely to spend more time with their children in the months following their children’s birth, which could reduce stress on the family and contribute to father-infant bonding.⁷ (Motion, lines 24-27)

² See Barbara Gault et al., *Paid Parental Leave in the United States* (Institute for Women’s Policy Research, March 2014), 2.

³ Jacob Klerman et al., *Family and Medical Leave in 2012: Technical Report* (prepared for the U.S. Department of Labor by Abt Associates, Sept. 7, 2012, revised April 18, 2014), p. 117 (Ex. 6.1.3).

⁴ *Ibid.*, 127 (Ex. 6.4.1).

⁵ *Ibid.*, 119-20 (Ex. 6.1.6).

⁶ Gault, *Paid Parental Leave*, 14.

⁷ *Ibid.*, 16.

- There is evidence that paid family leave is correlated with an increase in the weekly work hours of employed mothers of one-to-three year-old children by 10 to 17% and a corresponding increase in their incomes.⁸ (Motion, lines 30-32)
- The King County Women’s Advisory Board has issued a report, entitled “Improving Wage Equity and Promoting Family Friendly Workplace Policies throughout King County,” that recommends that King County offer paid parental leave to its employees.⁹ (Motion, lines 33-35)
- Providing paid parental leave may reduce employee turnover, which has been estimated to cost 21 percent of an employee’s annual salary.¹⁰ (Motion, lines 42-44)
- Paid parental leave is associated with improved health outcomes for infants and children,¹¹ which may result in avoided healthcare costs for King County. (Motion, lines 45-46)

ANALYSIS

Proposed Motion 2015-0102 would establish a policy that, subject to certain conditions, county employees should be eligible to use, within any twelve-month period, up to 12 weeks of parental leave, paid at 100 percent of the employee’s compensation rate. Eligibility would begin on the employee’s first day of employment with the County. The conditions are:

- The absence of “exceptional administrative burden”;
- The costs and benefits of “implementing and providing the leave program”; and
- Alignment of the program with “other leaves within the county and eligibility criteria.”

In requesting a work plan and legislation from the Executive, the motion implicitly calls upon the Executive to make proposals to the Council concerning certain policy issues. Those could include, for example: whether the program would be limited to caring for children or would extend to other family members; whether leave would have to be taken in a single block of time or could be taken intermittently; whether equal benefits would be provided to men as to women; and whether and to what extent the cost of leave would be paid by the County, rather than through employee contributions.

⁸ Maya Rossin-Slater et al., “Effects of California’s Paid Family Leave Program on Mothers’ Leave-Taking and Subsequent Labor Market Outcomes,” <http://1.usa.gov/18cToqc>

⁹ <http://1.usa.gov/1b2UvdH>

¹⁰ Heather Boushey and Sarah Jane Glynn, *There Are Significant Business Costs to Replacing Employees* (Center for American Progress, Nov. 16, 2012) 1, <http://ampr.gs/18cXjmP>

¹¹ Gault, *Paid Parental Leave* 14-15.

Upon receipt of the work plan and proposed legislation, the Council would conduct its own analysis and adopt the work plan and proposed legislation in whole or in part.

AMENDMENTS

Striking Amendment S1 was not yet in final form when this staff report was distributed. The amendment therefore is not included with the staff report. The amendment is expected to expand the scope of the motion to include paid family leave for eligible county employees to address the employee's own serious health condition or the serious health condition of the employee's parent, spouse, or domestic partner.

The amendment is also expected to ask the Executive to:

- Provide a report on the estimated costs and benefits associated with implementing and providing the program, including the effects on employee recruitment and retention and on the health outcomes of employees and their families;
- Consider eligibility criteria and the alignment of paid family leave with other forms of leave that are available to county employees; and
- Transmit proposed implementing legislation.

Title Amendment T1 would conform the title to the changes made by the striking amendment.

FISCAL IMPACT

It is early to make a definitive assessment of the fiscal impact of implementing the proposed policy. One of the requests that the motion would make to the Executive is to assess the probable costs and benefits of implementing the policy. Preliminarily, however, at the request of council staff, executive staff has made a rough estimate of the possible costs of implementing paid parental leave, which is summarized in Attachment 4. Much work remains to be done and many issues remain to be resolved before an accurate cost estimate can be provided, and the estimate may depend on decisions by the Council on policy recommendations made by the Executive in responding to the motion.

INVITED

Phillip Browning, Human Resources Systems Manager, Human Resources Division

ATTACHMENTS

1. Proposed Motion 2015-0102
2. King County Leave Comparative Chart
3. Protected Leave Information for King County Employees
4. Preliminary Cost Estimate

November 10, 2015

The Honorable Larry Phillips
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Phillips:

In September I transmitted to you a report on the costs, benefits and options for implementing a Paid Parental Leave program at King County. In that report, I recommended an approach that guarantees twelve weeks of 100% Paid Parental Leave. I also recommended that employees must first exhaust all but two weeks of their existing paid leave before receiving the supplemental benefit; this is consistent with best practices and keeps the program affordable.

In addition to being the right thing to do, providing Paid Parental Leave:

- permits parents to bond with their children during the first crucial stages of life, which is one of the most important ways we can support best starts for kids;
- will help attract and retain workers, especially workers in the millennial generation who are moving into prime child-bearing years and, in general, are looking for better integration between their work and family lives; and,
- supports the County's Equity and Social Justice guiding principles by reducing disparities between how low- and high-wage employees take leave.

Now it is time to move forward on that recommendation. This transmittal is the second part of the response to Motion 14348 and includes a work plan and implementing legislation for Paid Parental Leave.

Knowing that we will need to negotiate an on-going Paid Parental Leave benefit for 2017 and beyond, the attached legislation creates a pilot program for 2016. Starting with a pilot is the smart, lean way to approach this so that we can test our usage and cost assumptions, and

bring additional information into our negotiations with our labor partners. The attached legislation both enables the County to implement the pilot program, and approves a Memorandum of Agreement with the unions that sign on, so long as it is consistent with the details contained in the work plan and legislation.

At this time, I am also transmitting legislation that allows King County Family Medical Leave to run concurrently with protected leave under the federal Family Medical Leave Act. As I have shared with you before, this is important not only to enable our human resources staff to focus on higher value work, like employee development, it is also important in terms of treating our employees fairly. I encourage you to think of these two pieces of legislation as important cornerstones for how we approach employee benefits in a way that is efficient, cost effective and equitable. We have worked with our union partners on both and I believe they are an important step forward.

This plan advances the goals of the King County Strategic Plan by attracting, and retaining quality employees.

Thank you for your partnership on these important issues. I look forward to continuing this work together.

It took approximately 100 hours of staff time and cost approximately \$7,500 to prepare. If you have any questions concerning the attached work plan or legislation, please contact Nancy Buonanno Grennan, Director, Human Resources Division, at 206-477-3274.

Sincerely,

Dow Constantine
King County Executive

Enclosures

cc: King County Councilmembers
ATTN: Carolyn Busch, Chief of Staff
Anne Noris, Clerk of the Council
Carrie S. Cihak, Chief of Policy Development, King County Executive Office
Dwight Dively, Director, Office of Performance, Strategy and Budget
Caroline Whalen, County Administrative Officer, Department of Executive Services (DES)
Nancy Buonanno Grennan, Director, Human Resources Division (HRD), DES
Denise R. Pruitt, Senior HR Policy Advisor, HRD, DES



FISCAL NOTE

Title:	Paid Parental Leave		
Effective Date:	1/1/2016 – 12/31/16 (one-year pilot program)		
Affected Agency and/or Agencies:	All		
Note Prepared by:	Matthew McCoy, Labor Relations Analyst, Office of Labor Relations	Phone: 263-1995	
Department Sign Off:	N/A		
Office of Performance, Strategy and Budget Sign Off:	Helene Ellickson, Budget Manager	Phone: 263-9691	

EXPENDITURES FROM:					
Fund Title	Fund Code	Department	2016		
All		All	\$ 2,901,926		
TOTAL			\$ 2,901,926		

EXPENDITURE BY CATEGORIES:						
Expense Type	Dept Code	Department		2016		
Salaries				\$ 2,480,279		
OT						
PERS & FICA				\$ 421,647		
TOTAL				\$ 2,901,926		

ASSUMPTIONS:	
Assumptions used in estimating expenditure include:	
1. Pilot Program:	1/1/2016 – 12/31/16 (one-year pilot program).
2. Other Cost Factors:	<p>Paid Parental Leave will supplement other forms of paid leave to ensure that an employee will receive the equivalent of the employee’s usual salary for up to a total of twelve weeks while on a qualifying approved leave. Employees must first exhaust all accrued paid leave, except one week of sick leave and one week of vacation leave. The supplemental paid leave combined with the employee’s accrued leaves, less one week of sick leave and one week of vacation, shall not exceed twelve weeks.</p> <p>The estimated costs:</p> <ul style="list-style-type: none"> • Assume a 1.0 backfill for all, knowing that certain employees may not need to be backfilled and others will need to be backfilled at 1.5 times their normal rate of pay. • Do not include lost revenue from employees being off work. • Do not include the costs of the system creation and implementation by central and agency staff. • Do not factor in costs of coverage for foster-to-adopt instances, because it is difficult to estimate how many employees will participate in this program. • Assume employee leave use behavior does not change prior to the addition of the new child.