AGN. NO.____

MOTION BY SUPERVISOR HOLLY J. MITCHELL June 6, 2023

<u>Implementing Paid Family Leave as a Gender Equity and Poverty Alleviation Strategy for the County of Los Angeles to Remain an Employer of Choice</u>

On June 28, 2022, the Board of Supervisors (Board) unanimously adopted a motion to ensure that Los Angeles County (County) employees have the opportunity to access Paid Family Leave (PFL) beyond the current set of benefits as a strategy to alleviate poverty and address gender and racial equity. In November 2022, the Director of the Department of Human Resources returned with a report stating that PFL was a fringe benefit subject to labor negotiations and would have to be discussed as part of a total compensation package. Labor negotiations concluded in September 2022 for Service Employees International Union 721 and in December 2022 for Coalition of County Unions, and PFL was not included as a bargained-for benefit.

While the County complies with the Family and Medical Leave Act and the California Family Rights Act by offering County employees protected leave for the purposes specified in those laws, the leave is unpaid. Employees can put together a package of time utilizing available benefits and accrued time, but it may not cover 100% of employee pay while they are on leave. For represented employees, the County's Part-Pay Sick Leave (PPSL) benefit is a form of short-term disability; however, the benefit is structured based on seniority. Longer tenured employees are allotted more PPSL hours annually. New employees have few PPSL hours, and the benefit is an income replacement of 65% and 50% only after the employee has exhausted all accrued 100% sick leave hours.

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California is one of nine states, in addition to the District of Columbia, to administer a statewide program for PFL. California law allows employers to supplement the State's partial wage replacement to cover 100% of an employee's salary during their leave. However, the County's recent discussions with labor partners have not resulted in concrete agreements about PFL benefits for the County's represented workforce.

While the County has been rated by Forbes as one of the best large employers of 2022, and prides itself on offering good pay, good benefits, and the opportunity for a robust pension, the County inherently cannot provide a family-friendly workplace that promotes gender and racial equity without offering PFL. Moreover, as the labor market has tightened in the post COVID-19 economic recovery, PFL policies level the competitive playing field and allow the County to recruit top talent. Short-term PFL also increases the likelihood that parents will remain in the labor force after childbirth or adoption. PFL improves the physical and mental health of new parents, with the strongest impacts on single mothers and mothers with lower incomes, who are disproportionately women of color.

Under state law, working Californians can receive up to eight weeks of PFL to care for a seriously ill loved one; however, the County does not provide PFL for its employees. Moreover, PFL is critical for those caring for ill family members, who are oftentimes placed under additional stress when they are trying to care for young children while also trying to care for an aging parent. Classified as the "sandwich generation," nearly half (47%) of adults in their 40s and 50s have a parent aged 65 or older and are either raising a young child or financially supporting a grown child (age 18 or older), according to the Pew Research Center.

However, approximately 15 percent of County employees are considered non-represented employees and have benefits not subject to labor negotiations. While the Chief Executive Officer (CEO) continues to work with labor to include PFL as a fringe benefit for represented employees, the County should lead by example and work to provide PFL to non-represented Megaflex and Flex employees with all deliberate speed. Ultimately, to be responsible fiscal stewards of the County's budget, the CEO and Department of Human Resources should work to develop benefit coverage options for employees. However, for the purposes of determining Countywide costs and other impacts, the County should consider PFL at 100% of the employee's salary in a limited pilot program for non-represented employees.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Direct the Chief Executive Officer (CEO) to report back in writing in 30 days with an implementation framework for a pilot program, to commence January 1, 2024, that provides eight weeks of Paid Family Leave (PFL) annually for employees receiving Flex or Megaflex benefits who take leave under the federal Family and Medical Leave Act or California Family Rights Act. The framework should identify potential costs and the funding source for the pilot.
2. Direct the CEO to work with the County's Joint Labor-Management Committee to, upon mutual agreement, re-open discussion regarding adding PFL as a benefit to County employees.
3. Direct the CEO to report back in writing in 90 days with a plan to implement a system to track employee retention and attrition rates by tracking separation numbers in eHR that accurately reflects the demographics of those voluntarily separating from the County and the reason for separation. The report should include the cost associated with employee attrition.

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(CT/KD/KS)