AGN. NO.

REVISED MOTION BY SUPERVISOR HOLLY J. MITCHELL January 23, 2024

Implementing A Paid Family Leave Pilot Program As a Step Toward Full Gender Parity for County Employees

Paid Family Leave (PFL) is a critical employee benefit that has proven to address gender and racial equity, particularly for lower wage workers. According to a study for the March of Dimes Center for Social Science Research and conducted by the Institute for Women's Policy Research, employers in the United States that have implemented PFL policies have found a 20% reduction in the number of female employees leaving their jobs in the first year after giving birth—and up to a 50% reduction after five years.[1] The Center for American Progress reports data from 2009 to 2018 providing evidence that there is a financial cost to workers carrying the burden of unpaid leave. The data showed that without affordable childcare, PFL, and medical leave, there is a total loss of $31.9 billion in wages.

The Board of Supervisors (Board) has repeatedly elevated the importance of establishing PFL in the County of Los Angeles (County). In June of 2022, the Board instructed the Director of the Department of Human Resources, in coordination with the Chief Executive Officer (CEO), and other relevant departments, to report back to the Board on recommendations for implementing a PFL program for all potentially eligible

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1 https://econpapers.repec.org/paper/amuwpaper/2019-07.htm

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MOTION

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County employees. 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; PFL was not included as a benefit in the bargaining agreements.

The Board passed a second motion on June 6, 2023 directing the CEO to create an implementation framework for a pilot program to provide 8 weeks of PFL annually for County Flex and Megaflex employees. The motion also asked the CEO to implement a system to monitor employee retention and attrition rates by tracking separation numbers in eHR that accurately reflects the demographics of those voluntarily separating from County service along with the reason for separation, including the cost associated with employee attrition as the Board works to identify options to provide a competitive advantage as an employer in a tight labor market. On October 16, 2023, the CEO provided a report back with four cost-effective models for the County to implement PFL – four being voluntary program models and four being mandatory models that resemble the current disability paid leave plan. In the mandatory model, all employees will pay a small percentage of their salary for PFL benefits. All employees would be entitled to the benefit, and the County could choose to fully replace an employee’s salary for a defined period. The CEO’s report provided options for 8 weeks of PFL. Finally, the CEO also collected surveys from non-represented Flex and MegaFlex employees to capture interest in a PFL program. Of those who responded, about 75% were interested in a PFL program.

As the employer of over 110,000 individuals, the County must lead by example in providing benefits that lead to greater gender equity. Women have historically assumed caregiving roles, a trend exacerbated during the onset of the pandemic, when more women exited the workforce to care for a child. Women, and more often women of color, are more likely than men to take time off for a newborn child or to care for a family member which results in higher wage losses compared to men. Short-term PFL increases the likelihood that parents will remain in the labor force after childbirth or adoption. The County is attempting to recruit quality employees in a tight labor market and PFL is a benefit that provides a competitive advantage. 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. According to new research, more men are taking PFL, resulting in more and more employers normalizing PFL for male employees.[2] These increased trends will continue to increase domestic equality in the home and begin to chip away at the gender pay gap.

Additionally, PFL is critical for those caring for ill family members, who are oftentimes placed under additional stress when caring 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.

In October 2020, the Federal Employee Paid Leave Act (FEPLA) was expanded to grant up to 12 weeks of paid time off for certain qualifying federal employees to welcome a new child to the family, including a child through adoption or foster care. The City of Los Angeles created a Paid Parental Time (PPT) Pilot Program to run from 2021 to 2025. This program provides eligible full-time, part-time, and temporary employees up to six weeks of 100% paid time off for pregnancy disability or to bond with a new child. The Los Angeles Unified School District participates in the State Disability Insurance program and is therefore able to provide PFL to their employees. The City of New York has opted into the State of New York’s PFL Program, which offers 12 weeks of PFL to employees at 67% of their pay, up to a cap.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Direct the Chief Executive Officer (CEO), working with the Department of Human Resources (DHR) and the Office of the Auditor-Controller, to ~~initiate~~ design and implement a two-year, ongoing cost-neutral pilot program to provide eight weeks annually of Paid Family Leave (PFL), for non-represented flex and megaflex employees as outlined in option 2A of the CEO’s October 16, 2023 report to the Board, including:
    a. Adopt a replacement of 70% of pre-tax employee salary under the PFL

[2] https://californiahealthline.org/multimedia/dads-fathers-paid-family-leave-bonding-increase/

Income Replacement Benefit Program;

b. Implement a program that will provide for eight (8) weeks of PFL benefits a year to eligible employees;

c. ~~b.~~ Implement a pilot program for County Megaflex Employees to commence coverage on January 1, 2025 to coincide with the start of the 2025 Flex and MegaFlex benefits plan year, and will sunset on December 31, 2026, unless the pilot is either extended or terminated sooner by the Board; and

~~c. Negotiate and enter into a contract with a third party administrator to implement the PFL program; and~~

d. Report back to the Board in writing with progress on implementation of the pilot and recommended metrics to inform the development of a Countywide program in 60 days.

2. Authorize the Director of DHR to amend an existing contract or enter into a new contract with a third-party administrator to implement and administer the PFL program.
3. ~~2.~~ Direct the Director of DHR and ~~the~~ CEO to, within 120 days, develop and disseminate communications to raise awareness of and educate employees on the new PFL Income Benefit Replacement Program, including providing information related to the impact to employee benefits and the availability of the benefits, in addition to information about the PFL program in the annual open enrollment materials prepared and disseminated for non-represented Flex and MegaFlex employees.

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