



OFFICE OF MANAGEMENT AND BUDGET

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MEMORANDUM

January 7, 2021

TO: Board of County Commissioners

FROM: Norman Foster, Director *N.F.*
Office of Management and Budget

SUBJECT: Fiscal Impact Statement Re: A Resolution Pertaining to the Paid Parental Leave Policy

Summary

The resolution would modify the County's Administrative Code regarding paid parental leave to increase the maximum amount of paid parental leave an employee could receive from 180 hours to 240 hours. In addition, employees who are biological birth mothers would receive an additional two weeks of paid parental leave if it is deemed medically necessary for the biological birth mother to recover, as documented by a medical certification from the applicable health care provider. The definition of "eligible employee" for the purpose of the program would also be modified to include stepparents.

In addition, the Administrative Code would specify that any employee who voluntarily terminates employment with the County within six months of taking paid parental leave would be required to reimburse the County in an amount equivalent to the value of the paid parental leave taken by the employee. The amount would be deducted from the employee's remaining paychecks, reimbursed by the employee, or a combination thereof.

Fiscal Impact

Since the inception of the paid parental leave program in 2018, 233 employees have used the program. Based on an average countywide salary of \$55,000 and current fringe benefit rates, it is estimated that the total value of this leave was \$1.6 million, or approximately \$540,000 annually. Assuming that a similar number of employees are awarded paid parental leave in future years, increasing the number of hours awarded from 180 to 240 would result in an increase in the value of this leave of approximately \$180,000 annually. About half of employees eligible for paid parental leave are assumed to be birth mothers, based on initial experience, requiring additional medically deemed recovery time, the value of the additional two weeks of paid parental leave provided to those employees would be \$120,000 annually. In total, it is estimated that the proposed amendment would increase the estimated value of paid parental leave granted to employees by \$300,000, from \$540,000 under the current Administrative Code to \$840,000 under the proposal based on the above assumptions.

Due to insufficient information, there is no estimate of the revenue that could be gained from the recoupment of parental leave costs if an employee leaves within six months.

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