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DEPARTMENT OF  
FINANCE

BUDGET DIVISION

CITY OF SACRAMENTO  
CALIFORNIA

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June 19, 1991

916-449-5845

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: Report Back on Cost of Parental Leave**

**SUMMARY**

This report is in response to a request by Council Member Mueller at the June 5, 1991 Operating Budget Hearing regarding the cost of the parental leave benefit.

**BACKGROUND**

The new labor agreements signed this fiscal year included a parental leave benefit. This benefit provides up to four weeks of paid time and up to six months total time (using accrued sick leave, vacation, etc.) for male and female career employees for the birth or adoption of a child. Council Member Mueller requested a report back on the cost of this benefit both in terms of the value of the loss of productivity and the out of pocket costs to replace the position during the leave.

The value of the loss of productivity results in having less staff available to perform their duties. For example, the Police Department is experiencing a sharp increase in the number of personnel off due to parental leave. The increase causes the Police Department to shift tasks to deploy proper patrol staffing. The minimum patrol staffing comes at the expense of other tasks such as problem oriented policing, uniform narcotic units, and delayed investigations.

Additional out of pocket costs occur when a department must fill the position during the parental leave such as for police patrol and fire stations. The increase in parental leaves in police patrol forces the cancelation of vacations and accrued holidays time of the remaining staff, and necessitates the use of call back overtime to achieve minimum staffing.

#### **FINANCIAL**

The costs associated with parental leave are difficult to estimate because there is no prior comparison data and several factors are involved. The cost of parental leave is dependent on the age of the work force, composition of the work force, length of the leave, and the salaries of those on parental leave. Current year-to-date figures can not be use to project costs due to different effective dates.

During the labor negotiations, the City had a consultant study performed. The consultant estimates the City should expect 3.06% of its career employees to be eligible for the parental leave benefit. Based on this statistic the value of the loss in productivity would total approximately \$300,000 citywide. Elimination of the parental leave benefit will not result in a savings of the value of the productivity loss. The elimination of the leave would result in the employees being paid for regular hours of work.

Additional costs are incurred when the position must be back-filled. This additional costs occurs most often in public safety. Using the consultant's eligibility factor, it is estimated that public safety overtime costs could reach \$200,000.

#### **POLICY ISSUES**

Parental leave is a negotiated benefit in the labor agreements. Any change would require the agreement of the employee organizations to begin discussions on this issue.

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**RECOMMENDATION**

This report is for informational purposes, no action is required.

Respectfully submitted,

  
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Sr. Management Analyst

APPROVED FOR COUNCIL INFORMATION:

  
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City Manager

June 19, 1990  
All Districts

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