




THE PRINCE GEORGE'S COUNTY GOVERNMENT
Office of Audits and Investigations

February 11, 2020

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

FROM: Josh Hamlin 
Senior Policy Analyst

RE: Fiscal and Policy Note
CB-001-2020, Parental leave expansion

CB-001-2020 (*sponsored by: Councilmember Dernoga*)
Assigned to Government Operations and Fiscal Policy Committee

AN ACT CONCERNING PERSONNEL for the purpose of expanding the amount of parental leave to County employees eligible for family and medical leave.

Fiscal Summary

Direct Impact:

Expenditures: Approximately \$210,100 in additional parental leave paid.

Revenues: None.

Indirect Impact:

Potentially positive.

Bill Summary:

CB-001-2020, sponsored by Councilmember Dernoga, was presented on February 4, 2020. CB-001-2020 would expand the maximum amount of paid parental leave available to County employees from five days to 10 days.

Current Law/Background:

Section 16-225.01 of the County Code provides for parental, family, and medical leave for County employees. With regard to parental leave, §16-225.01(a) entitles eligible employees to five (5) days of paid parental leave. An eligible employee, for the purpose of parental leave, is an employee who is eligible to earn annual leave, regardless of the employee's length of service with the County. An employee may be granted paid parental leave (1) because of the birth of a child of the employee and in order to care for such child; and (2) because of the placement of a minor child with the employee for adoption or foster care. Approval of parental leave, under §16-225.01(c), is non-discretionary: an appointing authority must determine whether the employee's request meets the eligibility requirements, and the employee's request must be granted if it meets the requirements. Parental leave: (1) must be used within twelve (12) months of the birth of the child or placement of the child with the employee for adoption or foster care; (2) is subject to a thirty (30) day advance notice requirement if the necessity for leave is foreseeable; and (3) may be taken under a method involving a reduced workday or workweek, an intermittent basis, or any combination thereof.

Discussion/Policy Analysis:

The United States is one of the only industrialized nations that doesn't offer paid parental leave at the national level. The federal Family and Medical Leave Act (FMLA) took effect in 1993 and requires covered employers to provide employees with job-protected and *unpaid* leave for qualified medical and family reasons.¹ The federal government is currently considering extending 12 weeks of paid family leave to federal employees.² In May 2018, Maryland Governor Larry Hogan signed Senate Bill 859 into law.³ The new law gives up to 60 days of paid parental leave to an employee in the Executive Branch of State government who is the primary caregiver responsible for the care and nurturing of a child to care for the child immediately following either the child's birth or the adoption of a child who is younger than age six. In June 2018, Virginia Governor Ralph Northam signed an executive order to provide eight weeks of paid time off for state employees for the birth or adoption of a child.⁴

¹For further discussion of the FMLA, see <https://www.dol.gov/whd/fmla/>

²<https://www.govexec.com/pay-benefits/2019/10/close-call-paid-parental-leave-chance-share-your-views-benefits-and-more/160321/>

³<http://mgaleg.maryland.gov/webmga/frmMain.aspx?pid=billpage&stab=02&id=sb0859&tab=subject3&ys=2018RS>

⁴https://www.washingtonpost.com/local/virginia-politics/with-executive-order-va-governor-expands-paid-family-leave-for-state-employees/2018/06/26/0882a05a-7967-11e8-93cc-6d3becdd7a3_story.html

- *Why provide paid parental leave?*

The primary justification for providing paid family leave to public sector employees is that it, like other government benefits, gives government employers a competitive advantage against private-sector employers that do not provide such leave, but often pay higher salaries. By offering paid family leave, government employers position themselves as more attractive workplaces to employees prioritizing work-life balance over direct compensation. In addition to helping government employers attract quality employees, benefits such as paid family leave may improve employee retention, improve morale, and increase productivity. Evidence on *state-level* paid family leave programs, summarized in the May 2017 Urban Institute publication, *Paid Family Leave in the United States: Time for a New National Policy*,⁵ indicates that:

1. paid leave policies were less onerous on employers than they expected;
2. employers also can benefit from family-friendly policies through greater employee satisfaction and reduced turnover;
3. evidence is mixed on whether paid family leave improves or reduces overall employment rates of young women; and
4. evidence is also mixed on how paid leave affects the nature of women's employment.

Beyond the benefits for public-sector employers offering paid family leave, there is evidence that paid family leave programs also benefit women and children, and families. This evidence is also summarized in the Urban Institute publication, with a focus on outcomes related to mother's leave-taking and employment decisions, and health and developmental outcomes. The summarized research indicates that:

1. state programs have encouraged leave-taking among mothers and increased the likelihood that they return to work after having a child;
2. the positive effects of paid leave appear strongest for less-advantaged mothers;
3. paid leave may improve health and developmental outcomes, though evidence is still emerging -whether paid parental leave has long-term benefits on children's outcomes past infancy remains unanswered, in part because of the recent implementation of such laws in the United States.

- *Other local jurisdictions offering paid parental leave:*

The number of local governments offering paid parental leave to their employees has been growing in recent years. The National Partnership for Women and Families has compiled a list, most recently updated in May 2018, of local jurisdictions that provide paid family leave to their employees.⁶ Austin, TX; Boston, MA; Seattle and King's County, WA; Minneapolis, MN; and Washington, D.C., among others, have all begun offering paid parental leave in the last several years. While CB-001-2020 only applies to "parental" leave, many of these jurisdictions offer extended paid leave for other family- and medical-related purposes as well. For example, in

⁵ https://www.urban.org/sites/default/files/publication/90201/paid_family_leave_0.pdf

⁶ <http://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/paid-family-leave-policies-for-municipal-employees.pdf>

addition to parental leave, Washington, DC provides employees with up to eight weeks of paid leave to care for a family member with a serious health condition. Aside from Washington, DC, Fairfax County is our only regional neighbor with a policy similar to Prince George's County. Fairfax provides its employees with up to 80 hours paid leave (*per qualifying event*) for eligible employees for the birth, adoption, or foster placement of a child.⁷

Fiscal Impact:

Direct Impact

Enactment of CB-001-2020 will likely result in some negative fiscal impact on the County related to a loss in productive time for those utilizing the expanded time frame for parental leave. According to the Office of Management and Budget, the three-year average (2016-2018) payout by the County for parental leave under the current five-day program is approximately \$210,900 per year. Based on this average, and assuming that the same number of employees would use the full 10 days of available parental leave, the estimated annual payout for parental leave would increase to approximately \$421,000 under CB-001-2020's provisions, with the annual impact of the increase being approximately \$210,100. OMB's estimate of the full cost of the parental leave program, should CB-001-2020 be enacted and inclusive of the impact of COLAs, merits and various bargaining agreement changes would be in the range of \$425,000 to \$430,000 going forward. The actual monetary impact however would depend on whether the loss of productive time could be absorbed within the affected agencies or if additional resources such as overtime would be required to back fill necessary functions.

Indirect Impact

Enactment of CB-001-2020 may have a positive indirect impact on the County by enhancing the benefits of current employees, attracting prospective employees to County government, and promoting a positive work/life balance for the County's governmental workforce.

Appropriated in the Current Fiscal Year Budget

No.

Issues for Committee Consideration:

1. *What would increasing the amount of parental leave from five to ten days cost the County?*

As discussed above, the cost of increasing the amount of paid parental leave from five to 10 days would have a relatively modest cost: roughly \$210,100 annually (increasing over time with employee salary adjustments).

⁷ <https://www.fairfaxcounty.gov/hr/sites/hr/files/assets/documents/hr/chap10.pdf>

2. *Would the increase in available parental leave have an operational impact due to longer employee absences on parental leave?*

OHRM has indicated that it does not anticipate that the enactment of CB-001-2020 will have a significant operational impact. Personnel Procedure 284 requires requests for parental leave to be submitted 30 days prior to the expected use, unless waived by the appointing authority. Additionally, all parental leave must be used within twelve months of the birth, placement or adoption of the child. These parameters will allow appointing authorities to manage any operational impact the additional five days will have on their agency.

Additional Information

Information Source(s):

Stanley Earley, Director, OMB
Shawn Stokes, Director, OHRM
