ADDENDUM MATERIAL
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SEIU ARIZONA

February 14, 2016

SEIU Arizona Paid Parental Leave Proposal

Our Meet and Confer team recently reviewed the County Administrator's memorandum dated February 10, 2016, outlining the estimated cost of a Paid Parental Leave program in Pima County. We were pleased to see the cost analysis was corrected to reflect the SEIU Arizona's actual proposal of 6 weeks of paid parental leave. However, we have serious concern over the omitting of important factors from the cost analysis, as well as the inaccurate inclusion of factors not included in our proposal. None the less, SEIU Arizona stands behind our proposal for Paid Parental Leave. Paid Parental Leave is a vital investment Pima County can make and would result in far greater returns in health benefits to employees and their families able to take advantage of such a policy, reducing turnover and improving employee retention, improving employee morale and productivity, and closing counterproductive and costly incentives for employees to drain their leave totals before having or adopting a child.

The cost analysis indicated a 6 week Paid Parental Leave program would cost $1.1 million annually, with an additional $530,000 in employee leave obligations. The inclusion of these leave obligations in the cost analysis is inaccurate and speculative. These hours are earned by employees, and would be obligations regardless of a paid parental leave policy. Furthermore, the current system incentivizes the use of these hours in order to request hours from the CAT bank, something our proposal seeks to fix.

CAT leave hours used for parental leave were estimated at costing approximately $150,000 annually. However, our proposal clearly indicates we would recommend removing parental leave from the CAT bank if the Paid Parental Leave Policy was adopted by the County. This would make the CAT bank more solvent, as 25% of CAT bank hours last year were used for Parental Leave - an amount which may prove unsustainable. More importantly, it would also correct the current incentive for employees to drain their leave balances before the birth or adoption of a child, as current CAT bank policy requires an employee to have used all sick, vacation and comp time prior to being eligible to receive CAT bank hours. Having a standalone Paid Parental Leave policy, along with removing parental leave from the CAT bank, may very well reduce the use of the sick, vacation and comp time hours used in the County's projections.

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Most concerning from the cost analysis presented by the County, was the omitting of the cost the County already pays in turnover. Training and replacing workers who leave the County due to unsatisfactory parental leave circumstances is costly, especially as more young women enter the County workforce. Studies have regularly shown that employers with strong paid leave policies do better at retaining employees after the birth or adoption of a child. Providing leave is much less expensive than replacing these experienced workers with untrained new employees.

According to the memorandum, the average employee took 3.5 weeks of leave, which included many unpaid leave hours. The high usage of unpaid leave indicates a need for a more robust leave policy. Employees taking unpaid leave are forced to make the decision between earning a paycheck or taking the necessary time they need to recover physically and emotionally and care for their new child. Unfortunately, taking unpaid leave amounts to a pay cut for employees, most often for women, widening the earning gap women in the workforce already face.

On February 12, 2016 Mr. Huckelberry released a memorandum regarding employee compensation in which he wrote, "This inability to afford employee pay adjustments is beginning to impact the County's ability to recruit and retain employees in the current recovering job market." As a public entity, Pima County may not always be able to compete with the private sector in employee salaries, but we should be able to stay competitive in regards to employee benefits. A Paid Parental Leave program is a step the County can take to update its policies to reflect the demographics and values of the current workforce and positively impact employee retention.

We understand recent budgetary circumstances makes adopting a new benefit difficult, however we believe this Paid Parental Leave policy is fiscally sound and will have far-reaching benefits for employees, County operations, and County taxpayers. As the budget process for Fiscal Year 2016-2017 continues, SEIU Arizona looks forward to discussing the adoption of a Paid Parental Leave policy with you further.

In Unity,

SEIU Arizona Meet and Confer Team

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