



MEMORANDUM

Date: August 18, 2023

To: Assembly Human Resources Committee

Thru: Duncan Rorie Watt
City Manager

From: Dallas Hargrave
Human Resources & Risk Management Director

Re: Paid Parental Leave

Over the last year, the City and Borough of Juneau (CBJ) has experienced unprecedented recruitment and retention issues. We are not alone. Employers across the city, state and nation are facing similar challenges with a “tight” labor market that generally has more open jobs than applicants willing to take the jobs. Recently, the CBJ has implemented a sign-on bonus program, a new online recruitment system, an employer contribution to a dependent care flexible spending account and an employer matching contribution to the 457 deferred compensation plan in an effort to improve recruitment and retention of employees. Additionally, the Assembly Finance Committee was presented with a paid parental leave benefit proposal at the May 10, 2023 meeting where funding for a paid parental leave program to be implemented in fiscal year 2024 was approved by the committee. The estimated program costs of \$170,000 in FY2024 were eventually approved by the whole Assembly when the FY2024 budget considered and passed. At the Finance Committee, the City Manager committed to bringing further details of the paid parental leave program forward to the Assembly for consideration in future meetings.

Review of Information Previously Presented

In the packet of the May 10, 2023 Finance Committee Meeting information regarding the benefits of paid parental leave, the status of paid parental leave at the national and state level, an employee usage estimate to estimate costs, and the basic outline of a proposed CBJ paid parental leave program were presented. The purpose of this memorandum is not to restate what has been presented, but to provide additional detail and a program proposal through drafted changes to the Personnel Rules.

New Information Requested by the Assembly

The Finance Committee requested more information regarding the total leave benefits packages of the other municipalities that have recently implemented paid parental leave policies. In March 2023, the Municipality of Anchorage and the City of Soldotna implemented paid parental leave policies, granting a benefit of four and six paid weeks (respectively) of parental leave. I was able to obtain information regarding the Municipality of Anchorage leave accrual rates and have provided a comparison to the CBJ leave accrual in the tables below.

CBJ Personal Leave Accrual Rates for 40 hour workweek	
Years of Service	Hours of leave accrued per biweekly pay period
Less than 1 year	6.5
1-2 years	7.4
2-5 years	8.3
5-10 years	9.3
More than 10 years	11.1

Muni Annual Leave Accrual Rates for 40 hour workweek for AMEA		
Years of Service	Hours of cashable annual leave accrued per pay period	Hours of non-cashable annual leave accrued per pay period
0-2 years	6.15	
3-5 years	6.77	
6-10 years	7.38	1.86
11-19 years	9.23	2.62
20+ years	9.23	3.27

No two employers tend to treat leave benefits exactly the same, and a comparison of CBJ and the Muni leave benefits supports this premise. The CBJ offers personal leave and does not distinguish between whether the leave is used for illness or vacation. Additionally, CBJ personal leave holds a cash value. The Muni designates annual and sick leave to be used for different purposes and allows some annual leave to be converted to sick leave. Additionally, the Muni distinguishes between annual leave that can be cashed out and annual leave that cannot be cashed out.

Paid Parental Leave Policy

The CBJ paid parental leave policy has been drafted as a change to the CBJ Personnel Rules and is attached to this memorandum. Personnel Rule 11, Leave, has been modified to include a new section on paid parental leave, 11 PR 135. Below is a summary of the terms of the proposed personnel rule changes.

Leave Entitlement: Eligible employees are entitled to six (6) weeks of paid parental leave following the birth, adoption, or foster placement of a child. The paid parental leave benefit will be reduced on a pro-rated basis for an employee in a part time benefitted position.

Eligibility: All full-time and part-time employees who have completed at least 12 months of continuous service with the CBJ are eligible for paid parental leave benefits.

Leave Usage: Paid parental leave can be taken concurrent with FMLA/AFLA within six (6) months after the qualifying event (birth, adoption, or foster placement). The leave must be taken over one continuous period, not intermittently.

Compensation: During the paid parental leave period, employees will receive 100% of their regular base wages or salary. Employees shall continue to accrue personal leave and maintain benefits during paid parental leave. Paid parental leave has no cash value and will terminate if not used.

Two CBJ Parents: If two parents are CBJ employees who may be eligible for paid parental leave based on the same qualifying event, only one parent will receive the leave benefit.

Recommended Action

The Manager's office recommends that if the Human Resources Committee agrees with the terms of the paid parental leave policy and has been provided with the information necessary to make a decision, a motion can be made to pass the proposed changes to the CBJ Personnel Rules out of the Committee to be considered by the whole Assembly. Once the changes to the CBJ Personnel Rules move out of the Committee, a resolution proposing the changes to the CBJ Personnel Rules will be scheduled at the next regular assembly meeting on the consent agenda.