MEMORANDUM

Date: January 21, 2016

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

Re: Projected Costs of Service Employees International Union (SEIU) Recommended Parental Leave Policy and Promotion Probation

Parental Leave Policy

At the Board of Supervisors December 15, 2015 meeting where the Meet and Confer Agreement for Fiscal Years 2015 through 2017 was entered into with SEIU as the County’s union representative, a request was made to provide financial information related to SEIU’s parental leave proposal. Information was also requested with regard to what other counties or jurisdictions provide regarding parental leave.

Attachment 1 is a December 24, 2015 memorandum from the Finance and Risk Management Director regarding the estimated cost and the methodology used to calculate the estimated cost. This cost is based on a review of data related to births and adoptions for County employees over a nearly four-year period. Based on this data, the annual estimated cost to provide the parental leave benefit recommended by SEIU would be $2.1 million.

The Board also requested information about what other governmental jurisdictions provide with regard to parental leave. Attachment 2 is a December 9, 2015 memorandum regarding what other jurisdictions provide for parental leave. Among Arizona’s 15 counties, it appears no county provides parental leave. Of the Arizona cities surveyed, it appears no city provides parental leave.

The discussion of this issue included the fact that The University of Arizona (UA) has provided parental leave. The information we received from UA indicates they provide six weeks of paid parental leave.

Promotional Probation

Also addressed at the same time was the issue of the County requiring a one-year promotional probation. This promotional probation period was primarily requested by other elected officials and has been concurred with by County Administration. To determine
whether there was a high percentage of individuals failing promotional probation, I asked the Human Resources Department for the actual failure rate. It would appear that in the past year we have had 33 individuals on promotional probation, and only one individual has failed probation. Therefore, it appears this is not an issue, and I recommend the promotional probation period remain unchanged.

CHH/lab

Attachments

c:  The Honorable Chris Nanos, Pima County Sheriff  
    Thomas Weaver, Chief Civil Deputy County Attorney  
    Tom Burke, Deputy County Administrator for Administration  
    Ellen Wheeler, Assistant County Administrator  
    Keith Dommer, Director, Finance and Risk Management  
    Allyn Bulzomi, Director, Human Resources
Date: December 24, 2015

To: C.H. Huckelberry  
   County Administrator

From: Keith Dommer  
   Director

Re: Projected Cost of SEIU-recommended Parental leave

For a January 2016 discussion with the Board of Supervisors, your memo dated November 18, 2015 requested a more detailed analysis of the direct impact of providing parental leave similar to that proposed by Service Employees International Union (SEIU). This more detailed analysis was to supplement the preliminary information provided by Tom Burke’s October 29, 2015 memo.

Providing parental leave similar to that proposed by SEIU is estimated to cost the County $2.1 million each year. This is consistent with the preliminary estimate of $2 to $2.5 million.

For the previous 41 months, Pima County employees welcomed 495 new babies into their lives – an average of 145 each year. Using this historical information, under SEIU’s recommended plan, on average Pima County would pay $192 in salaries and wages each day for 60 days (12 work weeks) for each of the 145 annual events for an annual total of $1.6 million. In addition, Pima County would pay an additional $0.5 million in county-paid benefits bringing the annual estimated cost to $2.1 million. Details of this analysis can be found on the attached spreadsheet.

KD/sm

cc: Tom Burke, Deputy County Administrator  
   Allyn Bulzomi, Director – Human Resources Department
Pima County Arizona
SEIU Recommended Parental Leave
Projected Annual Cost
prepared: December 2015

<table>
<thead>
<tr>
<th>Number of Parental Events</th>
<th>SEIU Recommended 12 Weeks Paid Leave</th>
<th>Total Leave Days</th>
<th>Average Daily Rate</th>
<th>Total Employee Compensation</th>
<th>FICA 71% in ASRS</th>
<th>29% in PSPRS</th>
<th>Pima County Paid Benefits</th>
<th>Total Employee Compensation and Pima County Paid Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoptions/Fosters</td>
<td>20</td>
<td>60 days</td>
<td>1,200</td>
<td>$192.32</td>
<td>$230,784</td>
<td>7.65%</td>
<td>11.35%</td>
<td>53.69%</td>
</tr>
<tr>
<td>Births</td>
<td>475</td>
<td>60 days</td>
<td>28,500</td>
<td>$192.32</td>
<td>$5,481,120</td>
<td>7.65%</td>
<td>11.35%</td>
<td>53.69%</td>
</tr>
<tr>
<td>Total Events</td>
<td>495</td>
<td></td>
<td></td>
<td>$5,711,904</td>
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</tr>
</tbody>
</table>

average annual employee compensation $1,671,777
average annual county-paid benefits $522,908

Average Cost Per Parental Event $15,149
Average Parental Events Per Year 145
Average Annual Cost $2,194,685

1. Source: Human Resources - 41 month historical information for employees who applied for FMLA - July 2012 through November 2015
2. Source: Human Resources - Average hourly rate of $24.04 for an 8 hour day
3. Source: Human Resources - 29% of covered parents participated in PSPRS; ASRS rates were used to estimate the remainder
MEMORANDUM

Date: December 9, 2015

To: C.H. Huckelberry
   County Administrator

Via: Tom Burke
     Deputy County Administrator

From: M. Allyn Bulem, Director
      Human Resources

Re: Parental Leave – Other Jurisdictions

Per your request staff has surveyed Arizona Counties and Cities concerning Parental Leave programs. Of the fourteen (14) counties surveyed 12 responded that they do not provide parental leave. Of the ten (10) largest cities contacted, seven (7) responded that they do not provide employees parental leave. None of the jurisdictions contacted responded that they provide paid parental leave.

The University of Arizona is the only public agency contacted that responded that they provide parental leave. The University provides six (6) weeks, paid parental leave, within the first twelve (12) weeks after the birth or adoption of a child.

<table>
<thead>
<tr>
<th>Arizona Counties</th>
<th>Arizona Cities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COUNTY</strong></td>
<td><strong>CITY</strong></td>
</tr>
<tr>
<td>Apache</td>
<td>Phoenix</td>
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<tr>
<td>Cochise</td>
<td>Tucson</td>
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<td>Coconino</td>
<td>Mesa</td>
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<td>Gila</td>
<td>Chandler</td>
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<td>Graham</td>
<td>Gilbert</td>
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<td>Greenlee</td>
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<td>La Paz</td>
<td>Tempe</td>
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<td>Maricopa</td>
<td>Peoria</td>
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<td>Mohave</td>
<td>Surprise</td>
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<td>Navajo</td>
<td>Yuma</td>
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<tr>
<td>Santa Cruz</td>
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<tr>
<td>Yavapai</td>
<td></td>
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<tr>
<td>Yuma</td>
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It should be noted that most jurisdictions responded that they allow parental leave; however, the employee must use their individual leave banks, vacation and/or sick leave.

AB/ mp