Los Angeles’ Paid Parental Leave Initiative Policy Proposal

**Background**

Childcare for an infant in Los Angeles costs more than $14,300 per year¹, making it one of the largest household expenses for Angelenos, even exceeding the cost of in-state college tuition at a public four-year institution. Not surprisingly, more than half of working parents have reported finding it difficult to balance their job and family responsibilities².

Understanding that the early years of a child’s development lay the foundation for success, several cities and states, including San Francisco³ New York⁴, Washington⁵ and New Jersey⁶ have passed or expanded paid family leave policies. Recently, Governor Gavin Newsom announced a task force to study expanding California’s Paid Family Leave program to up to six months of partially paid leave so parents or other family members can care for a newborn, newly adopted or recently placed foster child.

Knowing the challenges that exist for working parents in Los Angeles – juggling responsibilities at work and home, an increase in the cost of living and a crisis of affordability, and a lack of wage parity and workplace advancement for people who chose to take parental leave to care for a child, amongst others – the City of Los Angeles should implement a program to supplement the State’s parental leave benefits, ensuring that parents are no longer required to choose between work and caring for their children.

**Policy Proposal**

The City of Los Angeles should implement an Ordinance that would require employers in the City of Los Angeles to supplement State Disability Insurance and/or Paid Family Benefits for parents who choose to take time away from work to care for a newborn, adopted or foster child.

- **Duration of Leave:** The State of California provides up to four weeks of Disability Insurance benefits for a normal pregnancy before an expected due date, up to six weeks (for normal delivery) or eight weeks (for Cesarean section) of Disability

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³ City and County of San Francisco (2019), Retrieved from https://sfgov.org/olse/paid-parental-leave-ordinance


Insurance benefits after delivery to recover from childbirth, and six weeks of Paid Family Leave benefits to bond with a newborn child after pregnancy. We propose that the City implement a Paid Parental Leave program that would run concurrently with the State Disability Insurance and/or Paid Family Leave benefits for up to a total of 18 weeks, which would include a scenario in which four weeks of leave is taken before the birth of a child, a Cesarean section is performed allowing for up to eight weeks of recovery leave after the birth of a child, and up to 6 weeks of newborn bonding time.

• **Level of Compensation:** The State of California\(^7\) provides partial pay (60-70 percent, depending on income, of wages earned during the previous 5-18 months) to employees who decide to take time off before an expected due date, for recovery after the birth of a child, and/or for time to bond with a new child entering the family through birth, adoption, or foster care placement. We propose that employers within the City of Los Angeles provide for supplemental compensation (30-40 percent depending on income) in an amount such that the California State Disability Insurance and/or Paid Family Leave wage replacement, plus the supplemental compensation equals 100 percent of the employee’s gross weekly wage, up to a total compensation amount equal to the annually adjusted cost of living for one parent and one child in Los Angeles.

• **Eligibility:** Employees working within the City limits, whose employers withhold a percentage of employee earnings for annual State Disability Insurance Tax payments, and have satisfied the State eligibility requirements for prepartum and/or postpartum leave will be eligible to receive supplemental compensation under the City’s program.

• **Implementation:** Understanding the initial administrative and financial challenges such a program may create, we propose that the implementation of the program be phased in over a period of 3 years, with large businesses implementing supplemental compensation requirements in year one, medium size businesses implementing in year two, and small-to-mid-size businesses implementing in year 3.

• **Small Business Exemption or Creation of a Risk Pool:** While a small business exemption or risk pool will need to be studied further, our initial proposal would provide either an exemption from the law for small businesses, a deduction from the City’s business tax, or a risk pooling program that small businesses could enter into that would help mitigate any unanticipated one-time costs associated with an employee taking time away from work prior to the birth of a child, for recovery after the birth of a child, or for bonding time with a newborn, adopted or recently placed foster child.

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