



Department of Administration  
Budget and Management Division

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MEMORANDUM

To: Common Council  
City of Milwaukee  
Room 205, City Hall

From: Dennis Yaccarino  
Budget and Management Director

Subject: Parental Leave

Common Council Ordinance 211166 implements a parental leave policy for general city employees. The policy would provide employees with 12 weeks of paid leave for adoption, birth, or stillbirth at 20 plus weeks. For a birth with complications, there could be another 4 weeks of paid leave. For miscarriages, there would be paid leave of 4 weeks. The Department of Employee Relations will be providing comment and suggested revisions on the overall policy. This response will focus on the cost estimate.

There are many studies available that try to estimate the cost of parental leave, but they vary dramatically in results. Some reports conclude that all of the leave pay is already in the budget because the employee’s wage is part of the budget. They conclude that there is only cost if their position needs to be backfilled with overtime. There does exist the possibility that an employee could take leave and eventually leave the City with the City being responsible to payout any remaining vacation balance. In other words, the policy creates a liability to the City that could be equivalent to the weeks taken off.

A number of assumptions are being used to calculate the potential cost for parental leave. The number of annual births was calculated as the number of dependents added that were less than one year old. It is possible that this number could also include adoptions, but since the benefit is the same, there was no need to separate the two. Unfortunately, adoptions occurring after one year of age were unable to be collected. There was also no way to estimate adoptions or foster care using other empirical data because of the lack of a connection to births. Miscarriages were able to be estimated since they make up 10-15% of births. Table 1 shows the annual numbers assumed to be births and miscarriages from 2016 through 2021. It does not include an estimate for births and miscarriages for those without City health insurance which could be as high as another 15% in births and miscarriages.

Assumptions were also needed to estimate the wages. It was thought that the most representative wage would be the average of those individuals 41 years old and younger. The average wage for those individuals is \$53,723 which is \$1,033 per week.

Table 1

General City Employees		
Year	Births	Miscarriages
2021	41	5
2020	51	6
2019	59	7
2018	61	7
2017	75	8
2016	76	8
Average	61	7



Table 2 provides the estimate of the cost using 12 weeks for births and 4 weeks for miscarriages. As shown in the table, the cost on average for births is \$750,059 and \$27,780 for miscarriages, bringing the total to \$777,839. In 2021, births leave would have costed \$508,305 and miscarriages \$18,826 for a total of 527,131.

**Table 2**

General City Employees									
Year	Births	Number of Weeks	Weekly Wage	Birth Leave Cost	Miscarriages	Number of Weeks	Weekly Wage	Miscarriage Leave Cost	Total Cost
2021	41	492	\$1,033.14	\$508,304.88	5	18	\$1,033.14	\$18,826.11	\$527,130.99
2020	51	612	\$1,033.14	\$632,281.68	6	23	\$1,033.14	\$23,417.84	\$655,699.52
2019	59	708	\$1,033.14	\$731,463.12	7	26	\$1,033.14	\$27,091.23	\$758,554.35
2018	61	732	\$1,033.14	\$756,258.48	7	27	\$1,033.14	\$28,009.57	\$784,268.05
2017	75	900	\$1,033.14	\$929,826.00	8	33	\$1,033.14	\$34,438.00	\$964,264.00
2016	76	912	\$1,033.14	\$942,223.68	8	34	\$1,033.14	\$34,897.17	\$977,120.85
Average	61	726	\$1,033.14	\$750,059.64	7	27	\$1,033.14	\$27,779.99	\$777,839.63

Costs related to adoptions and foster care are not provided since it is too difficult to determine without reasonable estimators. There will likely be higher costs related to the policy given the possibility of the City experiencing employee adoptions and foster care.

No cost estimate is provided for the possibility of backfilling for employees on leave with overtime and/or contracting for services. Based on Madison’s leave experience of no cost for general city employees, it is likely no backfilling would be needed. However, during snow operations, there may be a need to provide more contracting with private vendors. Also unknown is the impact on services like street lighting repair.

An alternative parental leave policy is being provided that would reduce the leave from 12 weeks to 6 weeks for births, adoptions, and foster care. Miscarriages would receive 2 weeks of leave instead of the originally proposed 4 weeks. It would further set an age range for adoptions and foster care of 1 to 5 years of age. These modifications would reduce the cost estimate in half. More importantly, the risk facing the City from other unknowns would be reduced.

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