

INITIAL POLICY REVIEW: Eligibility for Paid Parental Leave (File #260451)

Purpose

Pursuant to Section 12A.19(d)(4) of the Admin Code, the Office of Racial Equity (ORE) is required to provide an objective analysis to the Board of Supervisors about the racial equity impacts of pending ordinances.

The Board of Supervisors is considering a proposed ordinance – Eligibility for Paid Parental Leave (File #260451) – to reduce the minimum number of days that an employee in San Francisco must work before they can receive parental leave benefits. The proposed ordinance would reduce eligibility criteria from 180 days to 90 days of employment.

ORE has conducted a preliminary assessment of this ordinance, drawing on subject matter experts and current leading research in public health. This memo summarizes key findings and provides recommendations to support equitable implementation.

Initial analysis

Existing success. Data shows that government-mandated paid parental leave successfully improves health outcomes for families while maintaining manageable employer costs and producing little to no negative impact on business operations.

- Paid parental leave is universally accepted to create better health outcomes for both birthing people and babies.¹
 - In a study conducted across 6 million births among women from three populous states in America, California’s Paid Family Leave policy (PFL) was associated with a decreased risk of post-neonatal infant mortality.²
 - PFL implementation increased the health outcomes across several areas among parents, including self-rated health, psychological distress, weight, and alcohol consumption.³
- Evidence suggests that paid family leave policies do not impose significant negative business impacts for most employers.
 - A survey of California employers found that nearly 90% reported either positive or no noticeable effects on profitability, productivity, performance, or employee morale following implementation of California’s Paid Family Leave (PFL) program.⁴
 - Small firms experienced a reduction in labor costs when workers use PFL. Firms employing 25 or fewer workers experienced a 14 percent decrease on average in per worker wage costs when employees use PFL.⁵
- Even though SF PPLO is paid directly by the employer, the cost is relatively low. The SF PPLO model is equivalent to an employer “top-up” that is very common in other countries, such as Canada.

- PFL provides up to 8 weeks of partial wage replacement through state insurance, covering 70-90% of an employee's wages, up to a cap of \$1,765 per week in 2026.⁶
- Under SF PPLO, covered employers must pay any gap between the PFL and the employee's regular wages, up to a cap of an additional \$757 per week in 2026. Over 8 weeks of paid leave, an employer would pay a maximum of \$6,056 to an employee on parental leave.

Lack of coverage. Despite the success of the SF PPLO, disparities in employer coverage, eligibility, and awareness continue to limit access for Black and Latine families, lower-income workers, and employees of small businesses.

- The proposed legislation to shorten the eligibility period for SF PPLO from 180 days to 90 days will definitively expand paid parental leave for San Franciscans. However, it would only partially address existing racial disparities.
- Because the SF PPLO only applies to private sector firms with at least 20 employees, this disproportionately excludes low-income workers and workers of color in San Francisco.⁷
 - Researchers estimate that 70% of white parents are protected by the SF PPLO, in contrast to 58% of Black parents and 54% of Latine parents.⁸ Conversely, San Francisco has documented disparities in maternal and infant health outcomes, particularly for Black, Pacific Islander and Native American families.
 - Expanding SF PPLO to all private firms regardless of employer size would increase coverage to an estimated 73% of Black parents and 71% of Latine parents in San Francisco (see Appendix).⁹ A shorter waiting period cannot close this gap on its own, since employees at small firms would remain categorically excluded from coverage.
 - Compliance with SF PPLO is also lowest among low-wage firms; similarly, workers in the lowest income quartile are underrepresented among PFL claimants.¹⁰ The current limitations of SF PPLO worsen inequality and unaffordability in the Bay Area by contributing to a parental leave gap between smaller or low-wage firms that are not yet in compliance and large companies with generous additional leave packages.
- The current ordinance also does not require City departments to provide public education about the SF PPLO. This especially affects lower-income workers and workers of color in San Francisco, who are least likely to receive information from their employers about their parental leave rights.¹¹
 - According to the Bay Area Parental Leave Study of Mothers, fewer than 2 percent of lower-income mothers had accurate information about the SF PPLO; Black and Latine mothers were also the least likely to be given information by their employers, compared to white mothers.¹² Overall, while 55% of white mothers reported receiving some pay from their employers during leave, 68% of Black and 60% of Hispanic mothers did not receive any pay from their employers.¹³

Insufficient protected leave. Six months of protected parental leave per parent – for a combined total of one year – is a common international benchmark among high-income countries.

- UNICEF advocates for a minimum of six months of paid leave for parents.¹⁴
 - Having six months supports exclusive breastfeeding in the first months of a child's life, promotes healthy development by allowing both parents to provide consistent care, and improves parental health and family well-being through stronger parent-child bonding and better work-life balance.
- Expanding protected parental leave helps close the gender gap in the workforce. Many countries establish a minimum amount of leave per parent, ensuring that fathers take an active role in early childcare and allowing children to develop a closer relationship with both parents.
 - For example, Iceland reformed its parental leave policy in 2000 to allow fathers and mothers the right to leave for six to nine months. Each parent receives an exclusive, non-transferrable 6-month quota at 80% of their salary, with only six weeks transferrable between them.¹⁵
- Many countries have also established policies that allow parents to choose between receiving a higher amount of pay over a shorter period of parental leave vs. a lower amount of pay over an extended period of parental leave (see Appendix). This provides families with the flexibility to extend parental leave according to their specific circumstances, such as intensive neonatal care or other health needs.

Recommendations

Amend the ordinance to:

- **Require covered employers to provide job protected parental leave for six months for each parent**, inclusive of any leave taken under the California Family Rights Act and California Paid Family Leave.
- **Expand covered employers to all private firms regardless of employment size**, consistent with the requirements of California Paid Family Leave.
- **Expand public education by City departments to inform covered employees** of their rights to paid parental leave and job protections

See model amendments attached at the end of this memo for example language.

Summary

This ordinance takes a meaningful step toward expanding access to paid parental leave by shortening the waiting period for eligibility. However, eligibility timing is one of several documented challenges that limits equitable access to the PPLO's benefits.

Without complementary amendments addressing employer size, the ordinance is unlikely to close existing racial and socioeconomic gaps in paid parental leave access and job protections in San Francisco.

¹ Karasek, Deborah, et al. "Evaluating the effect of San Francisco's paid parental leave ordinance on birth outcomes." *International Journal of Environmental Research and Public Health*, vol. 19, no. 19, 22 Sept. 2022, p. 11962, <https://doi.org/10.3390/ijerph191911962>.

² Montoya-Williams, Diana, et al. "The impact of paid family leave in the United States on birth outcomes and mortality in the first year of life." *Health Services Research*, vol. 55, no. S2, 5 Apr. 2020, pp. 807–814, <https://doi.org/10.1111/1475-6773.13288>.

³ Lee, Bethany C., et al. "The effect of California's paid Family leave policy on parent health: A quasi-experimental study." *Social Science & Medicine*, vol. 251, Apr. 2021, p. 112915, <https://doi.org/10.1016/j.socscimed.2020.112915>.

⁴ Applebaum, Eileen, and Ruth Milkman. "Paid Family Leave and California Business." *Unfinished Business: Paid Family Leave in California and the Future of U.S. Work-Family Policy*, Cornell University Press, Ithaca, New York, 2013, pp. 42–59.

⁵ Cowan, Greer, and Patrick Kallerman. "The California Experience: Lessons From 20 Years of California's Paid Family Leave Program ." *Bay Area Council Economic Institute*, 2021, https://www.bayareaeconomy.org/files/pdf/BACEI_PFL_Sept2021.pdf

⁶ "First 5 California - Improvements to Paid Family Leave and Disability Insurance." *First 5 California*, 2025, www.ccfc.ca.gov/family/PaidFamilyLeave.html.

⁷ Karasek, Deborah, et al. "Evaluating the effect of San Francisco's paid parental leave ordinance on birth outcomes." *International Journal of Environmental Research and Public Health*, vol. 19, no. 19, 22 Sept. 2022, p. 11962, <https://doi.org/10.3390/ijerph191911962>.

⁸ Goodman, Julia M., and William H. Dow. "Expanded Job Protection Improves Racial and Socioeconomic Equity of Parental Leave Access." Issue Brief No. 4, UC Berkeley, July 2020, <https://www.populationsciences.berkeley.edu/PPLO>.

⁹ Goodman, Julia M., and William H. Dow. "Expanded Job Protection Improves Racial and Socioeconomic Equity of Parental Leave Access." Issue Brief No. 4, UC Berkeley, July 2020, <https://www.populationsciences.berkeley.edu/PPLO>.

¹⁰ Goodman, Julia M., et al. "Employer-reported access to paid parental leave: A study of San Francisco's paid parental leave ordinance." *SSM - Population Health*, vol. 11, Aug. 2020, p. 100627, <https://doi.org/10.1016/j.ssmph.2020.100627>.

¹¹ Goodman, Julia M., Connor Williams, et al. "Racial/ethnic inequities in Paid Parental Leave Access." *Health Equity*, vol. 5, no. 1, 1 Oct. 2021, pp. 738–749, <https://doi.org/10.1089/heap.2021.0001>.

¹² Goodman, Julia M., et al. "Among low-income women in San Francisco, low awareness of paid parental leave benefits inhibits take-up." *Health Affairs*, vol. 39, no. 7, 1 July 2020, pp. 1157–1165, <https://doi.org/10.1377/hlthaff.2020.00157>.

¹³ Goodman, Julia M., Connor Williams, et al. "Racial/ethnic inequities in Paid Parental Leave Access." *Health Equity*, vol. 5, no. 1, 1 Oct. 2021, pp. 738–749, <https://doi.org/10.1089/heap.2021.0001>.

¹⁴ "Why Family-Friendly Policies Are Critical to Increasing Breastfeeding Rates Worldwide." *Unicef*, www.unicef.org/press-releases/why-family-friendly-policies-are-critical-increasing-breastfeeding-rates-worldwide. Accessed 15 July 2026.

¹⁵ Chzhen, Yekaterina, et al. "Are the World's Richest Countries Family Friendly?" *Unicef*, 2019, www.unicef.org/media/55696/file/Family-friendly%20policies%20research%202019.pdf.

Comparison of government-mandated parental leave policies by jurisdiction – U.S.

Jurisdiction		Protected time off	Income reimbursement	Minimum work time for eligibility
San Francisco	ORE recommendation	24 weeks each parent	No change	No change
	Proposed paid parental leave ordinance (draft PPLO)	No change	No change	90 days (to be phased in over the next 3 years)
	Existing paid parental leave ordinance (PPLO)	Not applicable	100% for 8 weeks , up to an additional \$757/week	180 days
California	Existing state legislation	12 weeks each parent	70-90% for 8 weeks , up to \$1,765/week	12 months, with at least 1250 hours (32 weeks)
Colorado	Parental (bonding) leave	12 weeks each parent or caregiver	Up to \$1448/week	
	Neonatal care (neonatal intensive care unit) leave	Additional 12 weeks for parent or caregiver	Up to \$1448/week	
New York	Paid family leave (including but not limited to parental bonding)	12 weeks each parent or caregiver per year	67% , up to \$1228/week	

Notes: This chart does **not** include additional protected or paid leave that is available exclusively for the birthing parent (e.g., maternity leave, childbirth leave, disability leave),

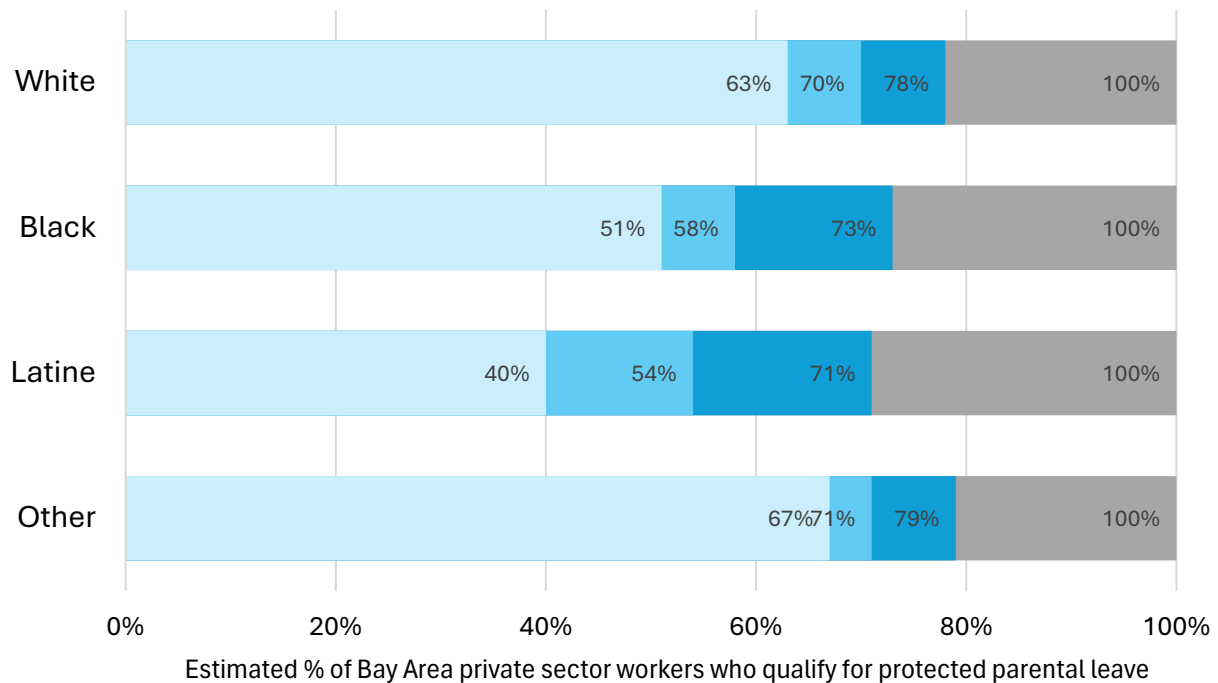
Comparison of government-mandated parental leave policies by jurisdiction – international

Jurisdiction		Protected time off	Income reimbursement	Minimum work time for eligibility
Canada	Standard version	40 weeks across both parents (35 weeks maximum for one parent)	55% , up to \$729 CAD/week	600 hours of insured work (15 weeks)
	Extended version	69 weeks across both parents (61 weeks maximum for one parent)	33% , up to \$437 CAD/week	600 hours of insured work (15 weeks)
Germany	Basic parental allowance	Three years each parent (12 months must be taken before the 3 rd birthday)	65% , up to €1800/month, for 14 months across both parents	No minimum requirement
	Parental allowance plus	Three years each parent (12 months must be taken before the 3 rd birthday)	Half the basic parental allowance, for up to 28 months across both parents	No minimum requirement
Norway	Standard version	49 weeks (includes minimum quota for each parent)	100% , up to 6G (819,294 NOK)	6 of the last 10 months
	Extended version	59 weeks (includes minimum quota for each parent)	80% of 6G (819,294 NOK)	6 of the last 10 months
United Kingdom	Shared parental version	50 weeks across both parents	90% for 37 weeks, up to £194/week	26 weeks
Iceland	Standard version	6 months each parent (transferable under certain circumstances)	80% , up to 700.000 ISK	25% employment in the last 6 months (43 hours/month)

Notes: With the exceptions of German, Norway and Iceland, this chart does **not** include additional protected or paid leave that is available exclusively for the birthing parent (e.g., maternity leave, childbirth leave, disability leave).

Parental leave protections for Bay Area private sector workers

Estimated coverage by race/ethnicity



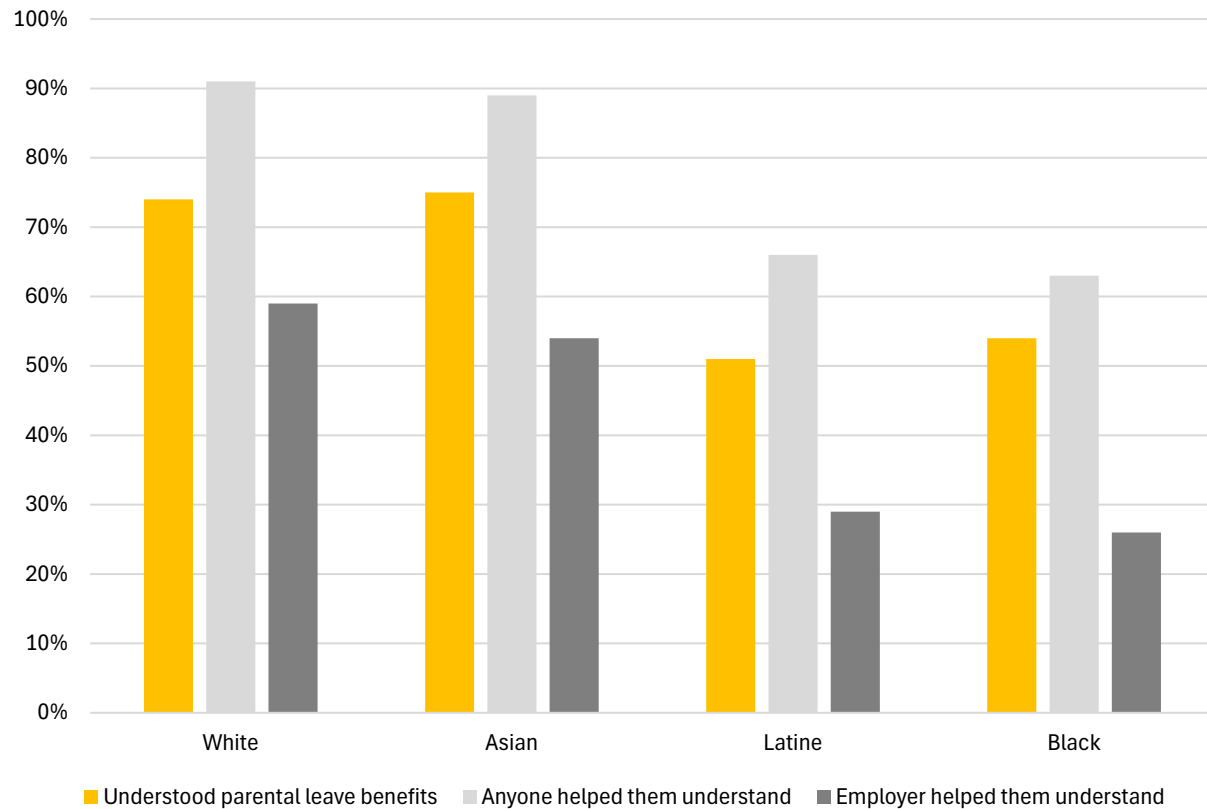
- Original California Family Rights Act (firms with 50+ employees; must be employed 1+ year and 24+ hours/week to qualify)
- 2018 New Parent Leave Act (firms with 20+ employees; must be employed 1+ year and 24+ hours/week to qualify)
- 2020 SB 1383 expansion (all firms; must be employed 1+ year and 24+ hours/week to qualify)
- Policy scenario: Adding newer and part-time workers (all firms and all workers qualify, regardless of employer size, job tenure, or hours per week)

This chart shows the proportion of Bay Area mothers who would have protected parental leave if coverage were extended to all workers, regardless of employer size, job tenure, or hour worked. The estimates were developed by researchers using data from the Bay Area Parental Leave Study of Mothers.

Source: Goodman, Julia M., and William H. Dow. "Expanded Job Protection Improves Racial and Socioeconomic Equity of Parental Leave Access." Issue Brief No. 4, UC Berkeley, July 2020, <https://www.populationsciences.berkeley.edu/PPLO>.

Knowledge about parental leave benefits among Bay Area mothers

Access to information by race/ethnicity



This chart shows access to information about parental leave benefits among Bay Area mothers, as estimated by researchers using data from the Bay Area Parental Leave Study of Mothers. The racial/ethnic composition of the sample is representative of mothers of young children in the Bay Area, with a distribution similar to the American Community Survey.

Source: Goodman, Julia M., Connor Williams, et al. "Racial/ethnic inequities in Paid Parental Leave Access." *Health Equity*, vol. 5, no. 1, 1 Oct. 2021, pp. 738–749, <https://doi.org/10.1089/heq.2021.0001>.

MODEL AMENDMENTS

Recommendation	Model language to amend the proposed legislation
Require covered employers to provide job protected parental leave for six months for each parent, inclusive of any leave taken under the California Family Rights Act and California Paid Family Leave.	<u>Job protected parental leave.</u> When a Covered Employee receives California Paid Family Leave for the purpose of New Child Bonding, a Covered Employer must provide a minimum of six months of job-protected leave. This may be inclusive of any leave taken under the California Family Rights Act.
Expand covered employers to all private firms regardless of employment size, consistent with the requirements of California Paid Family Leave.	<u>Definitions.</u> “Covered Employee” means any person, including but not limited to part-time and temporary employees, who is employed by a Covered Employer (1) who commenced employment with the Covered Employer at least 90 days prior to the start of the leave period, provided, however, the person must have commenced employment with the Covered Employer at least 180 days prior to the start of the leave period during the following time periods: (a) from the effective date of the ordinance in Board File No. 260451 through December 31, 2026, where the Covered Employer regularly employs 50 or more employees, regardless of location; (b) from the effective date of the ordinance in Board File No. 260451 through June 30, 2027, where the Covered Employer regularly employs 35 or more employees, regardless of location; (c) from the effective date of the ordinance in Board File No. 260451 through December 31, 2027, where the Covered Employer regularly employs 20 or more employees, regardless of location; (d) <u>from the effective date of the ordinance in Board File No. 260451 through June 30, 2028, where the Covered employer employs any amount of employees, regardless of location;</u>
Expand public education by City departments to inform covered employees of their rights to paid parental leave and job protections	<u>Outreach and Information Education.</u> Upon the effective date of the ordinance in Board File No. 260451, the Directors of the Department of Children Youth and their Families, Human Services Agency, Homelessness and Supportive Services, Agency for Human Rights, and Department of Public Health – MCAH Division, or their designee, shall commence outreach and education efforts to inform families, including but not limited to low-income families and parents of color, of their rights and eligibility under San Francisco’s Paid Parental Leave Ordinance.