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REVISED AGENDA MATERIAL

Meeting Date: **October 15, 2024**

Item Number: **26**

Item Description: **Study: Sabbatical Leave for City of Berkeley Employees**

Submitted by: **Councilmember Hahn**

Submitting updated version for inclusion in agenda packet.

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To: Honorable Mayor and Members of the City Council
From: Councilmember Sophie Hahn (Author)
Subject: Study: Sabbatical Leave for City of Berkeley Employees

RECOMMENDATION

Refer to the City Manager study of a potential Sabbatical Leave policy for all City of Berkeley employees, modeled after the City's existing agreements with several bargaining units.

Consult with labor partners and City employees to explore a variety of terms and options, and the costs/benefits of unpaid, partially paid, and paid Sabbatical Leaves. Report findings to Council, outlining possible options and their financial impacts as well as potential benefits to recruitment, morale, longevity of tenure, and wellbeing.

SUMMARY STATEMENT

A nationwide municipal worker shortage threatens the ability of local governments to address the needs of their constituents and deliver services to the community. To address this shortage, exacerbated by a wave of Baby Boomer retirements, and the pandemic's "great resignation," the City of Berkeley is working to both retain long-time employees and attract new talent.

In an increasingly competitive job market, and with neighboring cities also vying for skilled workers, Berkeley must consider new and innovative approaches. While the City already utilizes traditional strategies such as digital marketing and recruitment campaigns, expanding the benefits available to employees can increase the City's overall competitiveness and demonstrate appreciation for long-term employees.

Sabbatical leave is already included in Memorandums of Understanding (MOUs) between the City of Berkeley and SEIU Local 1021, representing Community Services and Part-Time Recreation Activity Leaders, and Local One, the Public Employees Union.

This item refers to the City Manager to evaluate options and consider the benefits and costs of adopting a Sabbatical Leave policy across the organization, including possible paid and partially paid sabbatical leaves, enabling long-term employees to enjoy periodic "work breaks" to pursue outside interests, spend time with family, travel, gain skills, or simply rest, recharge and refresh.

BACKGROUND

Sabbaticals are periods of extended leave – paid or unpaid – traditionally granted to university professors and more recently to other workers for study, travel, or personal growth. Employees take their leaves with a commitment to return to work. The modern sabbatical originated in academia – Harvard University in 1880 became the first to offer its professors time off from teaching duties to conduct academic research. Since then, the sabbatical has become more commonplace in the modern work environment, with companies like Microsoft, Intel, Deloitte, McDonalds, AARP, and many more now offering sabbaticals to their employees.

Sabbaticals offer many benefits and can be an important asset in attracting labor, reducing burnout – a major driver of high turnover – and increasing productivity. They allow employees to recharge while offering opportunities for both personal and professional growth. A rigorous study of professionals across private, public, and nonprofit sectors who took sabbaticals, conducted by the Harvard Business Review, found that “people largely experienced significant, positive changes in their work and life” and that sabbaticals could be viewed as “relatively easy-to-implement, preventative investments.”¹

According to a survey by the Society for Human Resource management, in 2019 only 11% of companies offered sabbaticals, and even less – just 5% offered paid sabbaticals.² The rarity of sabbaticals makes it a competitive benefit and a way for companies – and cities – to be ahead of the curve. The Harvard Business Review found that sabbaticals, as a benefit, are growing exponentially and Adecco, the world’s largest Human Resources company, identified them as one of the top five workplace trends.³ Experts say this trend is driven by a shift in how work fits into our lives, with workers increasingly prioritizing work-life balance, and wellbeing.

According to the National League of Cities, between March 2020 and March 2022, local government employment declined by more than 300,000 workers – threatening municipalities’ abilities to perform essential functions and deliver critical services to residents.⁴ Action is needed to address this shortage and ensure appropriate levels of staff are secured, and talented staff with unique skills and experiences are retained.

¹ Schabram, K., Bloom, M., & DiDonna, D. (2023, February 23). Research: The Transformative Power of Sabbaticals. Harvard Business Review. <https://hbr.org/2023/02/research-the-transformative-power-of-sabbaticals>

² Sammer, J. (2023, December 21). Sabbaticals could be the solution to employee burnout. SHRM. <https://www.shrm.org/topics-tools/news/benefits-compensation/sabbaticals-solution-to-employee-burnout>

³ Hall, R. (2024, August 27). Workers prioritising employers that offer sabbaticals in work-life balance shift. The Guardian. <https://www.theguardian.com/money/article/2024/aug/27/workers-prioritising-employers-that-offer-sabbaticals-in-work-life-balance-shift>

⁴ Municipal Workforce Labor Shortage. National League of Cities. (2023, January 26). <https://www.nlc.org/resource/improving-opportunities-and-boosting-economic-mobility/challenges/municipal-workforce-labor-shortage/>

While the City of Berkeley has employed many different strategies to attract new employees, it has struggled to fill vacancies in multiple agencies and departments. According to 2024 presentations before the Budget Committee, Berkeley's Finance Department had a 25% vacancy rate.⁵ IT had an 18% vacancy rate.⁶ Health, Housing, and Community Service had an 18% vacancy rate.⁷ Many departments have utilized traditional means of recruitment including digital campaigns, landing page ads, and social media outreach. However, traditional methods have fallen short. To fill these vacancies, the City must become a more attractive employer to workers – and workers are changing.

Younger generations work differently, and they are more likely to value work-life balance and mental health. In a survey conducted by Handshake, 80% of undergrads expressed concern about burnout and almost 9 in 10 said work-life balance, mental health, and overall well-being are “very important” to them at work.⁸

In addition to appealing to young people, sabbaticals are a means of fostering talent, and workers who took sabbaticals “reported greater self-clarity and confidence in their managerial skills” and “those who filled in during the sabbatical-taker’s absence had their own experiences of self-discovery and were able to showcase hidden talents.”⁹

The Sabbatical Project, an organization researching the transformative power of sabbaticals, has found that sabbaticals can be a “peak-life experience,” providing a space for “transitions, healing, discovery, and growth.”¹⁰ Testimonials collected from sabbatical takers detail stories of spending time with loved ones, reconnecting with one’s culture and the natural world, taking up cooking, learning a new language and skill, healing one’s body and mind, and more. A full collection of testimonials from the Sabbatical Project can be found at thesabbaticalproject.org/stories.

REVIEW OF EXISTING PLANS, PROGRAMS, POLICIES, AND LAWS

Currently, two city employee unions have bargained for sabbatical leave – SEIU Local 1021 representing Community Services and Part-Time Recreation Activity Leaders as well as Local One, the Public Employees Union.

⁵ Finance Department. (2024, May 8). Proposed Budget Fiscal Years 2025 & 2026: Finance. [PowerPoint slides]. City of Berkeley. <https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/Item%2003f%20Finance%20FY25-26%20Department%20Budget%20Presentation.pdf>

⁶ Information Technology Department. (2024, May 8). Proposed Budget Fiscal Years 2025 & 2026: Information Technology. [PowerPoint slides]. City of Berkeley. https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/Item%2003e%20IT%20FY25-26_Department%20Budget%20Presentation.pdf

⁷ Department of Health, Housing, and Community Services. (2024, May 8). Proposed Budget Fiscal Years 2025 & 2026: Health, Housing and Community Services. [PowerPoint slides]. City of Berkeley. <https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/Item%2003b%20HHCS%20FY25-26%20Department%20Budget%20Presentation.pdf>

⁸ *How gen Z is changing the conversation around mental health at work*. Handshake. (2024, May 21). <https://joinhandshake.com/blog/network-trends/gen-z-mental-health-at-work/>

⁹ Schabram, K., Bloom, M., & DiDonna, D. (2023, February 23). Research: The Transformative Power of Sabbaticals. Harvard Business Review. <https://hbr.org/2023/02/research-the-transformative-power-of-sabbaticals>

¹⁰ Schabram, K., Bloom, M., & DiDonna, D. *Our research*. The Sabbatical Project. (n.d.). <https://thesabbaticalproject.org/research/>

PEU 24.10:¹¹

After eight (8) consecutive years of employment with the City, an employee may apply for a sabbatical leave without pay for up to six (6) months. Such leave may be granted by the appropriate authority upon the recommendation of the employee's department head but such leave shall not be unreasonably denied. There shall be no requirement that the employee exhaust paid leave balances prior to such sabbatical leave. Life and Health insurances shall be paid by the City for the duration of an approved Sabbatical Leave.

Every Sabbatical Leave shall require an employee commitment of two (2) years service following return from leave. In the event the full two year service commitment is not performed, the employee shall repay a pro rata amount of the life and health insurance premium paid by the City during the sabbatical leave based on the percentage of the two year service commitment not performed.

SEIU/CSU 1021 24.4:¹²

After eight (8) consecutive years of employment with the City, an employee may apply for a sabbatical leave without pay of up to six (6) months. Sabbatical leave is not intended to be used for the six-month period immediately prior to retirement. . . . There shall be no requirement that the employee exhaust paid leave balances prior to such sabbatical leave. Life and Health insurance shall be paid by the City for the duration of an approved Sabbatical Leave. For employees who fail to return to work at the expiration of the approved Sabbatical Leave or fail to return for the equivalent amount of time he or she was approved for Sabbatical Leave, such employee shall reimburse the City or the City may deduct the cost of the Health and Life Insurance premiums paid by the City on behalf of the employee from the employee's payout of their accrued leave balance due at termination.

Berkeley's Strategic Plan identifies the long-term goals and short-term priorities that the City government will focus on to benefit the Berkeley community. One of these key priorities includes attracting and retaining a talented and diverse City government workforce.¹³ The recommendations in this item support that key strategic goal.

¹¹ City of Berkeley, Public Employees Union - Local One. (29 July, 2021). Memorandum of Understanding between City of Berkeley and Public Employees Union - Local One. <https://berkeleyca.gov/sites/default/files/documents/PEULocal1MOU.pdf>

¹² City of Berkeley, Service Employees International Union Local 1021. (29 July, 2021). Memorandum Agreement between City of Berkeley and Service Employees International Union Local 1021. <https://berkeleyca.gov/sites/default/files/documents/SEIU-CSU-Local1021-MOU.pdf>

¹³ *Strategic plan*. City of Berkeley. (n.d.). <https://berkeleyca.gov/your-government/our-work/strategic-plan>

ACTIONS/ALTERNATIVES CONSIDERED

The City has employed various traditional tactics to attract new talent. However, despite some success, most City departments continue to struggle with high vacancy rates. With fewer dedicated employees, the City will struggle to achieve its strategic goals, administer forward-thinking programs and initiatives, and serve the community.

RATIONALE FOR RECOMMENDATION

Our staff are the City of Berkeley's greatest assets. Many employees are experts in their field and provide indispensable services. A report from the City Auditor titled "Staff Shortages: City Services Constrained by Staff Retention Challenges and Delayed Hiring," recommended the City take additional steps to address employee dissatisfaction and detailed several key findings including:¹⁴

- ***Berkeley's staff shortages constrained city services***, but the City did not have a clear strategy to improve retention during our audit period. ***More employees left the City than were hired in each year*** of the audit period, contributing to the staff shortage.
- Employee dissatisfaction made it harder for the City to retain staff. Surveyed employees reported dissatisfaction with workloads, professional development opportunities, pay, and communication and support from city leadership.

IMPLEMENTATION, ADMINISTRATION, AND ENFORCEMENT

The City Manager should review studies and expert opinions about sabbatical policies and their potential structures, review the City's two existing sabbatical leave policies, consult with labor and employees, and return to the City Council a report including the costs/benefits of adopting a policy for all City of Berkeley employees. Evaluation of satisfaction with the two existing policies can provide additional information. Additionally, before official adoption of any policy, the City Manager should study the fiscal impacts and feasibility of providing paid or partially paid sabbatical leave.

Because this referral is for a study, and no implementation will take place until further Council action, this referral does not include discussion of how a potential Sabbatical Leave policy could be implemented and administered.

ENVIRONMENTAL SUSTAINABILITY

N/A

¹⁴ Wong, J., Palmer, C., Mullin, E., Kuechle, K., & Miller, P. (2023, June 22). Staff Shortages: City Services Constrained by Staff Retention Challenges and Delayed Hiring. Berkeley City Auditor. https://berkeleyca.gov/sites/default/files/documents/Staff%20Shortages%20--%20City%20Services%20Constrained%20by%20Staff%20Retention%20Challenges%20and%20Delayed%20Hiring_0.pdf

FISCAL IMPACTS

Currently, the limited sabbatical leave options offered to certain City employees are partially benefitted, but unpaid. There are costs to the organization even when an unpaid Sabbatical Leave is taken, including extra work for colleagues, and the potential need for short term fill-in labor. This item asks the City Manager to evaluate the costs of adopting a city-wide paid, partially paid or unpaid sabbatical leave policy, and return to Council to report on the benefits and costs of such a policy

OUTCOMES AND EVALUATION

The City Manager should periodically consult with labor partners to learn why employees have or have not taken/considered taking advantage of the City's Sabbatical Leave policy. A study of employees who have taken Sabbatical Leave should consider whether employees are reporting higher levels of satisfaction following their leave, and how it impacts their interest in staying with the City for the long term. The City Manager's report should include some metrics to evaluate whether a policy that may be adopted successfully meets the policy's goals.

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