



February 11, 2022

Representative Richardson,

I am writing on behalf of the League of Minnesota Cities’ 837 members regarding HF 1200, which would establish a statewide paid family and medical benefit insurance program.

In the past several years, various iterations of this bill have been introduced and the League has appreciated the opportunity to work with the Legislature and stakeholders on this proposed program. We believe that HF 1200 is an improvement to previous versions of this language. However, we continue to have several concerns regarding the proposed legislation and have outlined them below along with suggestions for revisions that would make the law more feasible for our member cities to administer.

We would welcome the opportunity to meet with you, additional members, and staff to discuss these concerns and suggestions further. If you have any questions, please contact League of Minnesota Cities Intergovernmental Relations Representative Alex Hassel at [ahassel@lmc.org](mailto:ahassel@lmc.org) or (651) 281-1261.

Issue Description	Suggested Revision
<p><b><u>Opt-out provision</u></b> does not provide for a subgroup of city employees to opt out. Cities negotiate with multiple collective bargaining units and one unit may want to opt out while another may want to utilize the program and subsequently pay the full tax to do so.</p>	<p>Add language which allows a bargaining unit of employees to opt out of the program if their benefits meet the requirements of the bill.</p>
<p><b><u>Requirement to use employer-provided paid leave before applying to DEED.</u></b> An employee who uses the leave provided by this program could return to employment and immediately take additional paid leave or vacation, thereby extending beyond the 12 (or 24) weeks allowed by this proposal. Additionally, many employees would prefer to utilize accrued paid leave benefits first as they will often be closer or equal to their standard wages than benefits under this chapter.</p>	<p>Add language which allows employers the option to require the use of all or most of an employee’s accrued paid leave before utilizing the state program.</p>
<p><b><u>Total paid leave should not exceed average weekly wage.</u></b> It is important that language be included to prohibit the ability to be paid more when utilizing state paid leave than an employee would earn when not on leave. This language appeared in prior legislative proposals of similar programs.</p>	<p>Add language to prohibit an employee from earning more than their average weekly wage when using an employer’s paid leave program to supplement family and medical leave, by clarifying the definition of “any insurance or trust fund paid in whole or in part by an employer” includes paid leave programs, in Sec. 10 Subd. 6 of the bill.</p>

<p>The <b>penalty provisions</b> of this bill are severe considering the time and resources that will be required to implement the program and adjust current leave programs. Small cities have very few resources and will require time and support to effectively implement the program.</p>	<p>Amend penalty language to allow for reduced penalties during the first three years of implementation so that there is additional time to educate cities about the provisions of this bill and assist in implementation. Require attorney fees only when there is a willful violation of the law.</p>
<p><b>Job protections for probationary employees.</b> The bill job provides the right to leave ninety days from the date of hire. This is in conflict with many cities that have longer probationary periods.</p>	<p>Amend the language so that the right to leave begins once an employee is no longer in a probationary period.</p>
<p><b>Total of 24 weeks of paid leave.</b> The bill allows an employee to take both 12 weeks of medical leave and 12 weeks of paid parental leave in the same year. This may make it very difficult to provide essential city services by police and fire.</p>	<p>Amend the bill to allow an employer to deny leave in situations that create “undue hardship,” similar to the undue hardship standard in the American Disability Act when providing for “reasonable accommodations.”</p>
<p><b>Two week waiting period for notification from the DEED.</b> It will be very difficult for an employer to assist an employee needing to take leave and accommodate the leave if neither the employee nor employer know whether the application has been approved by DEED for two weeks after leave has been applied for.</p>	<p>Amend the bill to require DEED to respond within five working days to an application for paid leave.</p>
<p><b>Timing for implementation.</b> 18 months is not enough time for cities to make necessary adjustments in collective bargaining agreements and policies to coordinate these benefits with their existing programs and apply for any needed exclusions.</p>	<p>The bill should be amended to give employers two years to comply with this legislation.</p>

We appreciate the opportunity to comment on HF 1200 and would be happy to discuss this legislation and suggested language.

Sincerely,



Alex Hassel  
Intergovernmental Relations Representative