

House Research Act Summary

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SESSION: 2014 Regular Session

TOPIC: Women's Economic Security Act

Analyst: Anita Neumann
Mark Shepard

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Article 1: Women's Economic Security Act

Section

- 1 Citation.** Specifies that the act is to be known as the Women's Economic Security Act.

Article 2: Economic Security

- 1 Equal pay certificate of compliance.** Inserts a cross-reference in the data practices act, stating that access to data relating to equal pay certificates of compliance is governed by section 6 of this article.
- 2 Membership.** Adds a non-voting, advisory member to the Governor's Workforce Development Council to represent those with expertise in assisting women to obtain high-wage, high demand, nontraditional jobs.
- 3 Women in high wage, high demand, nontraditional jobs grant program.** Establishes a grant program to increase the number of women in high wage, high demand, non traditional occupations and sets the permitted use of grant funds which includes recruitment, preparation, placement, and retention of women in apprenticeship, education, and training programs and permanent employment.
- 4 Quit.** Adds sexual assault and stalking to the list of reasons that provide an exception to the denial of unemployment benefits to applicants that quit employment.
- 5 Employment misconduct defined.** Adds that conduct that was a consequence of sexual

assault and stalking are not employment misconduct.

6 **Equal pay certificate of compliance.**

Subd. 1. Certificate of compliance. (a) Provides that a state agency, the Metropolitan Council, and other metropolitan agencies may not execute a contract in excess of \$500,000 with a business having 40 or more full-time employees in Minnesota or in the state where the business has its primary place of business unless the business has an equal pay certificate of compliance or is exempt. Provides that a certificate is valid for four years.

(b) Provides that this section does not apply:

- if the commissioner of administration determines that application of this section would cause undue hardship to the contracting entity;
- to a contract to provide goods and services to individuals under chapters 43A, 62A, 62C, 62D, 62E, 256B, 256I, 256L, and 268A with a business that has a license, provider agreement, or similar document prerequisite to providing those goods and services;
- to contracts entered into by the State Board of Investment for investment options under the Minnesota State Retirement System deferred compensation plan.

Subd. 2. Application. Provides a \$150 fee for an equal pay certificate of compliance. Appropriates the proceeds to the Commissioner of Human Rights for purposes of this section. Requires the commissioner to issue an equal pay certificate of compliance if the business submits to the commissioner a statement signed by the chairperson of the board or chief executive officer of the business with specified contents. Among the requirements of this statement are: (1) that the business is in compliance with specified laws; and (2) that the average compensation for its female employees is not consistently below the average compensation for its male employees within each of the major job categories in the EEO-1 employee information report for which an employee is expected to perform work under the contract, taking into account factors such as length of service, requirements of specific jobs, experience, skill, effort, responsibility, working conditions of the job, or other mitigating factors. Also requires the business to indicate information about methods it uses in setting compensation.

Subd. 3. Issuance or rejection of certificate. Requires the commissioner to issue an equal pay certificate or a statement of why an application was rejected within 15 days of receipt of the application.

Subd. 4. Revocation of certificate. Specifies conditions for suspension or revocation of a certificate of compliance.

Subd. 5. Revocation of contract. Specifies provisions relating to potential voiding of a contract.

Subd. 6. Administrative review. Provides for hearings on potential termination of contracts, and revocation or suspension of certificates of compliance.

Subd. 7. Technical assistance. Requires the commissioner to provide technical assistance to businesses upon request.

Subd. 8. Audit. Provides that the commissioner may audit a business' compliance with this section. Requires that as part of an audit, a business must provide the commissioner with specified information.

Subd. 9. Access to data. Provides that data submitted to the commissioner related to equal pay certificates are private or nonpublic, but that the commissioner's decision to issue, not issue, revoke, or suspend an equal pay certificate is public.

Subd. 10. Report. Requires the Commissioner of Human Rights to report by January 31 of every even-numbered year on specified topics relating to this section.

This section is effective August 1, 2014, and applies to any solicitation made on or after that date.

7 High wage, high demand, nontraditional jobs program appropriation. Provides a \$500,000 onetime appropriation from the workforce development fund.

8 Women entrepreneurs business development appropriation. Provides a \$500,000 onetime appropriation from the general fund for a grant program to Women Venture and the Women's Business Center of Northeastern Minnesota to promote the creation and expansion of women-owned businesses in Minnesota. Specifies that grant funds may be used for the following purposes related to eligible women owned businesses: entrepreneurial training, mentoring and technical assistance for business startup or expansion; development of investor networks; recruitment and outreach activities; and compilation, development, and dissemination of resources, information and technical assistance on best practices, and program models that may be replicated in all areas of the state.

"Eligible women-owned businesses" are defined as for-profit entities which are at least 51 percent female owned, whose management and daily operations are controlled by women, are projected to generate at least \$500,000 in annual revenue and create at least 10 jobs each of which pay an annual income at least equal to 200 percent of the federal poverty guideline adjusted for a family size of four, and which are in the following fields: construction; transportation; warehousing; agriculture; mining; finance; insurance, professional, technical, or scientific services; or other industries that meet the revenue and job creation requirements specified in the section.

9 Women and high wage, high demand, nontraditional jobs apprenticeships; appropriation. Provides \$250,000 in onetime funding from the workforce development fund for apprenticeship program activities to educate, promote, assist and support women in high wage, high demand, nontraditional job apprenticeship programs.

10 Report; retirement savings plan. Directs the commissioner of management and budget to report to the legislature by January 15, 2015 on the potential for a state administered retirement savings plan for those without access to automatic enrollment payroll deduction

IRAs or other similar retirement savings plans.

- 11 **Retirement savings plan; appropriation.** Provides \$400,000 in onetime funding for the report required under section 10.
- 12 **Appropriation; pay equity.** Provides start up funding in fiscal year 2015 of \$674,000 and ongoing funding of \$426,000 per year to the department of human rights for implementing the pay equity provisions of the act.

Article 3: Labor Standards and Wages

- 1 **Employee.** Modifies the definition of employee to align with definitions under the federal family and medical leave act.
- 2 **Pregnancy and parenting leave.** Provides for 12 weeks of leave for pregnancy and parenting.
- 3 **Sick leave benefits; care of relatives.** Expands the use of personal sick leave to cover the care of a mother-in-law, father-in-law, or grandchildren; and for use in circumstances of domestic abuse, sexual assault, and stalking.
- 4 **Pregnancy accommodations.** Requires employers to provide reasonable accommodations for employees for health conditions related to pregnancy or childbirth if the employee requests accommodation with the advice of her licensed health care provider or certified doula, unless the accommodation would impose an undue hardship on the operation of the employer's business. Specifies that a pregnant employee is not required to obtain the advice of her health care provider or doula, and that an employer cannot claim undue hardship for the following accommodations: more frequent restroom, food, and water breaks; seating; and limits on lifting over 20 pounds. A reasonable accommodation includes temporary transfer to a less strenuous or hazardous position. Prohibits retribution.
- 5 **Relationship to other leave.** Specifies that parental or pregnancy leave may be reduced by any period of paid parental, disability, personal, medical or sick leave, accrued vacation, or leave taken for the same purpose under federal law.

Article 4: Employment protections

- 1 **Compliance orders.** Adds statutory provisions to the department of labor and industry (DOLI) enforcement activities under chapter 177.
- 2 **Wage disclosure protection.** Prohibits employers from requiring nondisclosure of a person's wages as a condition of employment, requiring an employee to sign a waiver of rights for disclosure of wage information, or from taking an adverse employment action for disclosing wages. Provides for safeguards for proprietary information, trade secret information, and other information. Provides for civil action by an employee against an employer for violations.

- 3 Nursing mothers.** Modifies language related to nursing mothers to add that the space an employer must make a reasonable effort to provide must be other than a bathroom, be shielded from view and free from intrusion from coworkers and the public, and must include access to an electrical outlet. Prohibits an employer from retaliating against an employee for asserting rights under this section.
- 4 Investigation.** Adds the provisions related to wage disclosure protections and nursing mothers to the items DOLI may investigate and requires the commissioner to contact an employer within two business days of receiving a complaint regarding a violation of the nursing mothers provision.
- 5 Individual remedies.** Adds wage disclosure protections and the nursing mothers sections to the list of sections under which a plaintiff may bring civil action.
- 6 Labor organization.** Prohibits labor organizations from discrimination on the basis of familial status.
- 7 Employer.** Prohibits employment discrimination on the basis of familial status.
- 8 Employment agency.** Prohibits discrimination on the basis of familial status.
- 9 Employer, employment agency, or labor organization.** Prohibits requests for information about a person's familial status.
- 10 Enforcement appropriation.** Provides \$100,000 in ongoing funding for DOLI enforcement activities.