LMC LEAGUE of MINNESOTA CITIES

Association of Minnesota Counties

January 30, 2023

Chair Klein and Members of the Senate Commerce and Consumer Protection Committee,

We are writing on behalf of the League of Minnesota Cities and Association of Minnesota Counties regarding SF 2, a bill to provide a State Paid Family and Medical Leave program.

As public employers, counties and cities are proud of our commitment towards providing quality compensation and benefit packages that provide an assortment of health, retirement, and ancillary benefits including education, sick and paid leave banks, professional training reimbursements, and more.

It is common for local governments to engage in collective bargaining of benefits with multiple unions on behalf of several different employee groups and job classes. This collective bargaining process works well to differentiate unique needs among our employee groups and often means that counties and cities are able to best spend resources on what makes the most sense and provides an overall benefit to various groups of people. As this bill progresses, we hope that it can recognize the strong history of collective bargaining and generous benefits provided by local governments.

Specifically, the League of Minnesota Cities and Association of Minnesota Counties supports:

- **Authorizing employers to require a partial buy down of accrued leave** or allow accrued leave to be used in a substitution private employer plan. For example, several local governments allow storage of sick time over 1000 hours, which provides 25 works of leave. The current bill does not acknowledge the history and intent of collective bargaining or robust sick/leave/PTO banks already in existence and will cost significant taxpayer resources while providing duplicative benefits.
- **Clarifying language regarding the employee chargeback** to delineate that employees are responsible for 50 percent of the premium cost unless an employer opts to pay more. AMC/LMC have identified language to provide further clarity on this shared intent.
- **Specifying that future premium adjustments to employers be noticed to employers before preliminary levies are set**. Each year, local governments must set their preliminary levies at the end of September. Knowing that SF 2 will represent levy increases for local governments, it is critical that any increased costs due to premiums are communicated before the preliminary levy date to ensure that a local government's preliminary levy can account for increased program costs and do not require service reductions or impacts to operations.

We appreciate Senator Mann's willingness to meet with counties and cities on these issues and for her consideration of our requests. We hope to continue to work with the author to discuss these items further and work with the bill author as it moves forward.

Sincerely,

Alex Hassel

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