

## **2017 Employment Issues Summary**

Regulation of employment and labor issues was again a significant issue at the Minnesota legislature, but with a different objective as the Republican-controlled legislature focused on passing the Uniform Labor Standards Act. This bill would have prevented local units of government from enacting workplace restrictions, including the paid sick leave ordinances already passed (but not yet put into effect) in Minneapolis and St. Paul. The business community worked hard to pass the legislation, arguing that the "one size fits all" approach taken in many of these proposed ordinances doesn't recognize the varying benefits employers already provide or the vast differences between industries.

The House passed the bill early in the session and the Senate passed their version just after the April break, with a handful of DFL lawmakers voting with the Republican majorities. The bill remained in conference committee until the end of session without any further action. The special session agreement included passage of the Uniform Labor Standards Act, with the understanding Governor Dayton would veto it. As an "incentive" for the Governor to sign the bill, Republican leaders added state employee paid family leave, a wage theft provision, and the omnibus pensions bill. Combining these issues set off a firestorm of opposition from labor unions and other progressive groups, who staged protests and urged the Governor to veto the bill, and the Governor followed through on his promise to veto the bill.

As a result of the Governor's veto, the sick leave ordinances in Minneapolis and St. Paul will go into effect on July 1<sup>st</sup> and additional cities are likely to consider similar ordinances. In addition, the Minneapolis City Council moved quickly to announce their plans to enact a phased-in \$15 per hour minimum wage by the end of June.

There were a number of employment and labor bills introduced by DFL legislators, similar to past years, including paid family and medical leave, wage theft, and a state-run retirement savings program. The retirement program proposal received some attention in early April, with a press conference and a forum following the release of the report required by the 2013 WESA law, however there was no formal discussion on the legislation.

Additional issues of interest include passage of the Unemployment Insurance Advisory Council bill and the Workers Comp Advisory Council (WCAC) language was included in the Jobs bill. The WCAC bill was originally set to move on its own but it was pulled after the addition of a Senate floor amendment regarding coverage of PTSD because it had not been agreed to by the WCAC, a longstanding requirement for workers compensation bills.

Also, Real ID finally passed near the end of session. An issue considered to be a "must do" this year, it was needed to bring Minnesota into compliance with the federal Real ID drivers' license requirements. Without Real ID-compliant licenses, Minnesotans would be unable to board

airplanes or visit military or other federal facilities unless they had a valid passport. Despite plans to pass a bill early in the session, the bill was held up by the immigrant drivers' license issue. That issue was dropped from the bill due to pressure from the business community and the general public to pass Real ID, though it did reappear in the omnibus Public Safety bill. The Governor signed the bill and the Department of Public Safety must now work to meet the federal requirements.

Employment and workforce issues will remain in the political forefront for the foreseeable future at both the state and local levels, as the business community prepares for the impacts these first ordinances will have on their industries. It's uncertain how this will play out in the 2018 session, but is certain to be a topic of discussion.