



SCOTT COUNTY ADMINISTRATION

200 FOURTH AVENUE WEST · SHAKOPEE, MN 55379-1220
(952)496-8100 · Fax (952)496-8180 · www.scottcountymn.gov

January 14, 2025

Chair Dave Baker and Committee Members
Workforce, Labor, and Economic Development Finance and Policy Committee
2840 Centennial Office Building
St. Paul, MN 55155

RE: Scott County Comments on Minnesota Family and Medical Benefit Insurance Program and Earned Sick and Safe Time

Thank you for the opportunity to comment on the Minnesota Paid Leave Program. First and foremost, Scott County supports strong paid leave programs for employees. We have negotiated and worked with our employees and their labor union representatives to develop a paid leave program that includes paid time off, short-term leave, long-term leave, sick and vacation time that all meet current federal and state requirements. We pride ourselves on being an employer of choice, supporting, encouraging, and engaging employees through focused employee investments and workplace programs and offerings that promote and foster individual and organizational well-being, the net result of which is public service excellence. Supporting employees via paid leave programs to ensure they can meet their personal and family needs is an essential part of our philosophy.

We sent the attached letter on the Department of Employment and Economic Development's (DEED) solicitation for comments on rulemaking to implement a new state program effectively, and in that letter, Scott County emphasized strong concerns regarding the administration and impacts of the program. Also attached is Scott County's one-pager on Paid Family Medical and Earned Sick and Safe Time.

Like other parties involved in this program, we do not want overly complicated, confusing, burdensome, and punitive processes; however, those qualities already exist and accurately describe the draft rules. Employers must be able to implement the rules and regulations through already existing pay systems and leave time processes. In the draft rules, carefully crafted and negotiated leave for public sector employers is displaced by rules and regulations that remain in flux. We support having a strong, employee- and employer-friendly paid leave program, and we believe more time is needed for employers to be consulted on the still developing administrative rules and then given equal time to the State to make sense of and implement those rules at a local level.

Our concerns on the draft rulemaking were grounded in two areas:

- From the perspective of an employer mandated to administer this program, there are too many unknowns among the draft rules for the program to be launched successfully by 1/1/26.
- The one-size-fits-all approach is burdensome, unclear, and must remain optional so employers have latitude.

Besides changes to rulemaking and the implementation date, we strongly recommend the following legislative changes to Paid Family Medical and Earned Sick and Safe Time outlined below.

For Paid Family Medical, we ask that the legislature mandate the 50/50 split of premiums to Employers and Employees. Employers should be permitted, **but not be required**, to negotiate premium payments with employees for a paid leave program the State mandated. It has been a long-standing practice for employers and employees to split new payroll taxes and/or benefits. Additionally, we ask that the annual premiums should not be increased beyond the current 1.2% max of payroll. Premium increases impact employers, employees, and product/services costs. Paid Leave is currently projected to have a **\$953,000** premium impact on Scott County as an Employer. This **unfunded mandate** is unsustainable, unacceptable, and can be absorbed by the county only

one of two ways: against our fund balance or by increasing the tax levy on our residents.

For Earned Sick and Safe Time (ESST), we ask the State to honor employers' already existing leave programs by removing ESST mandates on time that exceeds 80 hours annually. This allows 80 hours annually to follow the State mandate for ESST and it honors current programs, rules, practices, processes, and procedures in place for all employers who were already supporting employees with greater time off. Additionally, we ask removing public service and public safety professionals from the weather-related events and school closure portion of ESST. During COVID, State mandates included carve-outs for these types of workers because communities rely on them for safety. These are two instances when these classifications of workers are needed for the public good.

In our comment letter to DEED, we commented that we believe that the draft rules define a program that is well-intentioned but not ready for implementation. Beyond the benefitting employee, other employees, the employer, and taxpayer pieces in this equation are at a minimum understated and at a maximum completely unrecognized. This program is neither free nor an entitlement; it is a cost of living and a cost of doing business issue that will impact the employers across all sectors and, ultimately, the business climate of the State. This is why the program needs to be constructed and implemented appropriately.

We appreciate the opportunity to submit this letter on this important issue, and we hope your committee will work to ensure that the Minnesota Paid Leave Program is sustainable and implemented effectively and clearly for employers and employees alike.

Respectfully,



Leslie Vermillion
Scott County Administrator

cc: Senator Draheim
Senator Duckworth
Senator Lieske
Senator Port
Senator Pratt

Representative Bakeberg
Representative Hanson
Representative Koznick
Representative Pfarr
Representative Pursell
Representative Tabke