

# 2018 State Legislative Questionnaire Issue Background

## **1 Corporate Interference – Preemption**

Corporate or local interference, a.k.a. “Preemption”, is designed to strip local governments of the authority to enact ordinances related to the minimum wage or any other benefit, term of employment, working condition, or attendance or leave policy that exceeds state or federal law.

The push to enact Local Interference laws in Minnesota is part of an alarming effort around the country in which powerful corporate interests, including the Koch Brothers and the American Legislative Exchange Council (ALEC), are interfering with the democratic process in order to stop people in local communities from improving basic, minimum workplace standards.

The effort in Minnesota is to stop improvements being made at the Metropolitan Airports Commission, in Minneapolis, Saint Paul, and Duluth, as well as in other communities.

State legislators should be defenders of local control, not defenders of corporate special interests. The state legislature should protect local control and democracy. State law sets a floor and local communities should have the freedom to improve on state standards. Every community is different. Local communities should have the freedom to set standards that work for their local families.

This attack on local democracy would have far-reaching and lasting impacts on families, communities, workers, and their local representatives, including:

- Working families in cities across the state would see basic workplace standards suppressed.
- Low-income workers who have been stepping into leadership positions in municipal policy development commissions around the state would have their voices silenced.
- Without the authority to make workplaces safer for workers, consumers, or the public, local government’s ability to promote public health and the safety of their residents would be curtailed.
- Mayors, City Council Members, County Commissioners, School Boards Members, Park District Commissioners, members of the Metropolitan Airports Commission and the Metropolitan Council, and other local elected officials would be stripped of basic powers they have had for decades.

The Minnesota AFL-CIO opposes any attempt by the state legislature to interfere with or preempt local governments’ democratic authority to enact local community ordinances.

## **2 Transportation Funding**

Without long-term action on transportation, Minnesota will continue to fall behind - businesses and families will have higher costs, companies will lose top workers to other markets, and communities will struggle to ensure access to jobs, services, and opportunity for all residents, from seniors to new arrivals to the next generation.

Transportation projects require planning, design and construction that can take a number of years. The Minnesota legislature needs to focus on the need for ongoing, dedicated funding for highways, bridges and transit throughout Minnesota. In order for the state achieve our goal of a safer and more effective transportation system a comprehensive funding package with stable, dedicated funding is needed

To succeed in the 21st century, Minnesota communities need strong employment bases, productive workers who can get to jobs affordably, and ways for residents of every age and ability to access opportunity. Transportation underpins all of these.

Better transportation options, including more transit access, and reliable roads and bridges, are essential to growing jobs, spurring economic development, and improving quality of life across the state.

### **3 Wage Theft**

Wage theft occurs when workers are denied overtime pay, refused pay for hours worked, or paid less than the minimum wage. This provision would crack down on wage theft by increasing penalties for wage theft, extending the statute of limitations on all wage theft to 6 years, and protecting workers from employer retaliation.

In the 2017 legislative funding was provided to hire wage theft investigators. The Minnesota Department of Labor sought policy provisions at the legislature to be able to obtain employers' payroll records, have the ability to assess penalties, and to put a definition of wage theft into law. These policy provisions didn't pass.

The Minnesota AFL-CIO is committed to pass policy legislation and increase funding to help end wage theft in the state.

### **4 Prevailing Wage**

The Davis-Bacon Act, at both the federal and state levels, is designed to outlaw wage exploitation in public construction contracts by preventing the undercutting of local standards.

Under current state law, prevailing wages must be paid only on state-contracted work for a building or facility in which a public agency will rent, lease or purchase at least 50% of the project. But there are many types of Public Private Partnerships (PPPs) that don't meet that threshold – organized labor supports requiring that prevailing wage standards be expanded to apply to all PPPs.

There is no evidence that prevailing wage laws result in higher costs for government. In fact, research by the Economic Policy Institute, reviewing dozens of studies of prevailing wage laws, refutes the claims that prevailing wage laws raise the cost of government public works projects. That research concludes that prevailing wage laws also help to reduce occupational injuries and fatalities, increase the pool of skilled construction workers, and actually enhance state revenues. When our tax dollars are spent on public construction – whether independently or with participation from the private sector – family-supporting wage jobs should be created or maintained and superior work should be expected.

The Minnesota AFL-CIO will aggressively oppose attempts to weaken our state's prevailing wage law or to exempt certain public projects from prevailing wage standards. When contractors compete on the basis of skill and productivity, we all benefit. When they compete to have the lowest wages or labor standards, we all lose.

### **5 Capital Investment - Bonding**

Bonding bills, the process the state uses to pay for capital projects, requires, by state constitution, a three-fifths majority vote in each chamber of the Legislature to pass - that means 81 votes in the House and 41 votes in the Senate.

Simply stated, bonds are a form of debt that's very similar to a loan. Government agencies borrow money by selling bonds to investors. In return, investors get a regular stream of interest payments from the state and the promise of a full refund at the end of the bond's life. The maximum term of Minnesota bonds is 20 years, according to the constitution, but many don't last that long. There are several different types of bonds, but Minnesota issues general obligation bonds for infrastructure, which guarantees repayment to investors.

Substantial bonding bills create thousands of good-paying jobs while making critical investments statewide in projects. **Examples include** higher education projects to make buildings more energy efficient and improve the education and job training for students, transportation and transit projects that improve and expand access and modes, housing, and basic infrastructure.

The Minnesota AFL-CIO supports large bonding bills to address the ever growing backlog of aging infrastructure in the state.

## **6 Defined Benefit Plans**

A defined benefit pension plan is a type of pension plan which an employer/sponsor promises a specified pension payment, lump-sum (or combination thereof) on retirement that is predetermined by a formula based on the employee's earnings history, tenure of service and age, rather than depending directly on individual investment returns. A traditional pension plan that *defines a benefit* for an employee upon that employee's retirement is a defined benefit plan. A defined benefit plan is 'defined' in the sense that the benefit formula is defined and known in advance. In the private sector, defined benefit plans are often funded exclusively by employer contributions.

Conversely, for a "defined contribution retirement saving plan", the formula for computing the employer's and employee's contributions is defined and known in advance, but the benefit to be paid out is **not known in advance**. The most common type of formula used is based on the employee's terminal earnings (final salary). Under this formula, benefits are based on a percentage of average earnings during a specified number of years at the end of a worker's career.

The Minnesota AFL-CIO supports defined benefit pension plans. These plans best provide a dignified retirement for workers.

## **7 Minimum Wage**

In 2014, low-wage workers finally received a pay raise when the legislature passed an increase to our state's minimum wage from \$6.15 to \$9.50/hour, despite fierce opposition and attempts to weaken the proposal from business groups including the State Chamber of Commerce, the Grocer's Association, and Hospitality Minnesota. The wage was also indexed. The first increase of the minimum wage due to indexing took place January 1, 2018. The minimum wage increased to \$9.65/hour.

The result of the 2014 law passage means Minnesota is no longer one of a handful of states with a minimum wage lower than the federal minimum wage. The higher wage means low-wage workers will regain lost purchasing power and find it easier to make ends meet. And since Minnesota has also joined a growing number of states that index their minimum wages to inflation, the wage will better keep up with increases in the cost of living.

The Minnesota AFL-CIO will actively oppose ANY attempts to weaken the new minimum wage law by eliminating indexing, implementing a tip penalty on workers who earn gratuities, or by adding more worker exemptions.

## **8 Paid Family and Medical Leave**

Only 13% of Minnesotans have access to paid family leave, meaning workers are often forced to choose between their families and their jobs. This provision would create an insurance program to provide all Minnesota employees with a percentage of their wages for up to 12 weeks so they can afford to take time off to bond with a new child, care for an elder or seriously-ill family member, or deal with pregnancy-related health concerns.

The Minnesota AFL-CIO, the Children's Defense Fund and ISIAIH are co-chairs of the effort to pass Paid Family and Medical Leave in Minnesota.

## **9 Earned Sick and Safe Time**

More than 1 million working Minnesotans lack access to paid sick time. This provision would guarantee Minnesota workers have access to earned sick and safe time to care for themselves, a sick child, or a loved one, or to seek services due to domestic violence, stalking, or sexual assault.

The Minnesota AFL-CIO supports earned sick and safe time legislation. It is right and humane to allow workers time off to care for a child or get help due to domestic abuse or sexual assault.

## **10 Renewable Energy Projects and Jobs**

Wind, solar, and other sources of renewable energy account for a rapidly growing share of energy production in Minnesota and across the country. Unions affiliated with the Minnesota AFL-CIO have assisted with the growth of the renewable energy industry. In fact, union members affiliated with the Minnesota AFL-CIO have invested in the growth of renewable energy through affiliated pension plans.

Wind, solar and other renewable energy projects can create family supporting jobs and careers for local construction workers – especially in Greater Minnesota – where jobs that offer family-supporting pay and benefits. These benefits are evident on many renewable energy projects where the developers and owners selected responsible contractors, employing union labor. However, benefits to workers and communities are lost when developers and owner of renewable energy projects select non-union contractors relying on out-of-state workers.

The Minnesota AFL-CIO supports renewable energy projects but also calls on renewable energy developers, project owners and investors to commit to hiring local skilled union workers and employ responsible contractors that provide area standard wages and benefits with safe workplaces.

## **11 Staffing Level Requirements**

Hospital nurse staffing has an important relationship to patient safety and quality of care. Research shows that hospitals with low nurse staffing levels tend to have higher rates of poor patient outcomes such as pneumonia, shock, cardiac arrest, and urinary tract infections.

When people are hospitalized, in a nursing home, having a baby, or learning to manage a chronic condition in their own home - some of their most vulnerable moments - nurses are the health care providers they are most likely to encounter; spend the greatest amount of time with; and, along with other health care providers, depend on for their recovery.

Research is now beginning to document what physicians, patients, other health care providers, and nurses themselves have long known: how well we are cared for by nurses affects our health, and sometimes can be a matter of life or death. As physicians in the American College of Critical Care Medicine have noted: “Critical care nurses do the majority of patient assessment, evaluation, and care in the ICU [intensive care unit]” (Brilli et al., 2001:2011).

Many hospital restructuring and redesign initiatives that have been widely adopted over the last two decades have changed the ways in which licensed nurses and nurse assistants are organized to provide patient care. Many of these changes have been focused largely on increasing efficiency and done in a way that damaged trust between nursing staff and management. Changes were poorly managed so that intended results were not achieved, rarely involved nurses in decision making pertaining to the redesign of their work, and did not employ practices that encouraged the dissemination of knowledge throughout the organization.

The Minnesota AFL-CIO supports legislation that requires patient assignment limits for all direct care nurses in hospitals, clinics, and long-term care facilities.

## **12 Minnesota Miracle 2.0 – Education**

Prior to 1971, Minnesota school districts were financed through property taxes. This caused egregious disparities in the quality of education between property-tax-rich and property-tax-poor districts. Laws enacted to resolve those issues came to be known as the Minnesota Miracle of 1971. The Minnesota Miracle survived, relatively unchanged, for more than 30 years until 2002.

Between 2002 and 2011 state funding for education fell behind the rate of inflation and school districts began to rely on voter approved property tax levies for their basic needs. Not surprisingly, inequities between districts began to increase again.

In addition to these increasing geographic disparities, Minnesota is home to some of the largest racial disparities in test outcomes, graduation rates, and disciplinary actions. This represents both a moral failing and a threat to the vitality of an increasingly racially and ethnically diverse state.

A high school diploma doesn't provide the same fulfilling and secure future that it did in 1971. Skyrocketing tuition costs at our post-secondary institutions are locking many into crippling debt while closing the doors to higher learning for many others. These trends further exacerbate Minnesota's economic and racial disparities.

That's why we need another Minnesota Miracle that embraces our growing diversity. By providing universal, public Pre-K; by expanding and supporting full-service, community schools with wrap around services; by equitably and sustainably funding education; and by providing free public college we can ensure our public education system will power Minnesota's future prosperity.

### **13 Licensing Standards**

Over the last several legislative session attacks on professional licensure has been rampant. In the 2017 Legislative Session alone electricians' and teachers' licenses were attacked. While the attacks on electricians was fought back, teacher licensure was adversely changed. The legislature set up a very flawed, tiered licensure system which will lead to unprepared individuals teaching our children. The new system will allow a pathway to full licensure without completing a teacher preparation program.

The Minnesota Nurses Association (MNA) has also been attacked at the legislature in recent years. The MNA was created to protect the professional practice of nursing and has continued to be a leader in defining and promoting nursing practice for over 100 years. Because of its potential to erode the practice and endanger patients, MNA opposes the National Council of State Boards of Nursing (NCSBN) Interstate Nurse Licensure Compact in any form. This Compact poses threats to the safety and quality of patient care; to the fiduciary and consumer protection responsibilities of the state; and to the oversight and accuracy verification of the publicly available data on nurses.

The Minnesota AFL-CIO opposes any changes to professional licensure standards without the affected unions' approval.

### **14 Public Employee Contracts**

The state workers from the American Federation of State, County and Municipal Employees (AFSCME) and Minnesota Association of Professional Employees (MAPE) and a variety of other unions (MNA, Government Engineers, etc.) negotiate contracts with the Governor's Administration every two years. When there is agreement and the contracts are ratified by union members the contracts take effect on an interim basis. The legislature must, however, approve the contracts. If the legislature does not approve the contracts by the end of the legislative session workers' wages and/or benefits revert to the old contract. The 2017-18 legislature has been very anti public employee and in October 2017 the Subcommittee on Employee Relations recommended to the full legislature that the contracts negotiated between the unions and State of Minnesota be rejected.

In early 2016 SEIU Healthcare Minnesota and the State negotiated a contract for self-directed homecare workers which cost \$24 million for FY18-19 and the same for FY20-21. Instead of approving the funding and ratifying the contract, the legislature passed a budget that appropriated half the funding and allowed the executive branch to ratify the contract without legislative approval. While a new contract has been negotiated and ratified with the half-funding, SEIU Healthcare Minnesota will introduce legislation to restore a fully funded contract.

## **15 Health Care**

People making between 233 – 400% of poverty are eligible for MN Sure. More than 250,000 Minnesotans have gained access to health insurance since 2014 – who did not have insurance previously. Minnesota has the second lowest uninsured rate in the nation, however, for too many in the state, health insurance options are limited and costs are steep.

Governor Dayton is proposing a “MinnesotaCare Buy-In” plan to offer Minnesotans better health care choices and lower prices with no cost to taxpayers. The plan would allow anyone who earns 200 percent of the federal poverty level (\$24,280 for one person/larger for a larger family) to buy-into Minnesota Care. The cost would vary with family size.

The Minnesota AFL-CIO supports the Governor’s buy-in plan but would support increasing the poverty level percentage to allow more working people to access this buy-in should it become law.

MinnesotaCare is funded via a two percent tax on gross revenues of health care providers. The tax is set to sunset on January 1, 2020. The Minnesota AFL-CIO supports extending the provider tax – removing the sunset language.

The affiliated unions of the National AFL-CIO passed a resolution at the 2017 National AFL-CIO Convention, entitled “Making Health Care For All a Reality.” The resolution proposes steps to get to a single payer, Medicare for All. The resolution states that before single payer is realized we must strengthen worker health plans take on excessive prices – including prescription drug prices, defend public health programs and tackle the opioid epidemic.

## **16 Immigration**

Allowing undocumented workers to obtain Minnesota Drivers’ Licenses should not be political. Everyone has to take a written exam and a road test before a driver’s license is issued by the state. Undocumented workers would go through the same process to get a driver’s license. Naturally after obtaining a drivers’ license a person must obtain car insurance. It is better for public safety when drivers have a license and insurance. Besides allowing undocumented workers to obtain drivers’ licenses is the right thing to do. The Minnesota AFL-CIO is not alone in this belief. Law enforcement, business, faith groups, immigrant organizations and many others have testified at the Minnesota Capitol in favor of undocumented workers obtaining driver’s licenses.

Law enforcement and public safety advocates have also argued against asking an immigrant’s status when responding to crimes. Many immigrants are afraid to talk to police and do not seek help for fear that their legal status will be questioned. Law enforcement contends by asking an immigrant about his/her status hinders criminal investigations. A “separation ordinance” at the state level would allow law enforcement officers to do their jobs – enforcing Minnesota public safety laws and not federal immigration laws.

The Minnesota AFL-CIO agrees with our affiliated unions, law enforcement, business, faith groups and numerous others on both of the above issues. On the federal level the Minnesota AFL-CIO agrees with the AFL-CIO on protections for “dreamers” by re-authorizing DACA and supports a path to citizenship for undocumented workers.

## **17 Responsible Mining**

Mining has a long and important place in the history of Minnesota. Northern Minnesota's "Iron Range" is named after the large deposits of iron ore and taconite found there. For over a hundred years, workers have been mining iron ore and turning it into the materials that have built our country.

From miners (members of United Steelworkers) to construction workers (members of the Building Trades unions), the operation of the mines directly creates thousands of high-wage union jobs. In addition, the mining industry supports thousands of spin-off jobs in Iron Range communities. Public employees, educators, health care workers and others are all affected by the economic activity generated by the mining industry.

While some who oppose mining would argue that the mining industry threatens to pollute Minnesota's water, land and air, the truth is that Minnesota has some of the most stringent environmental regulations in the United States and the world. We support a robust process, based in science that thoroughly investigates every project before proceeding.

Currently, minerals to produce energy efficient products are often mined in countries with little or no environmental or labor standards. Minnesota has always set the bar for mineral extraction that allows us to be good global citizens while putting Northern Minnesota communities to work.

## **18 Workplaces that are safe and equitable**

Over the last year sexual harassment and assault has often been in the news. Sadly, sexual harassment in workplaces has been taking place for years. Victims of sexual harassment have for too long have been pressured to remain silent and been victimized by bullying and coercion with the goal of not naming their perpetrators. That practice it over thanks to very brave women. Society is already the better for it.

No workplace has been immune from sexual harassment – from Hollywood, to the U. S. Capitol to State Capitols around the country, including here at the Minnesota State Capitol. While two state legislators have resigned due to sexual harassment allegations, policies at the Minnesota Legislature need to be improved.

The State Legislature must strengthen policies and procedures that support victims of sexual harassment. These policies must contain mechanisms to hold perpetrators accountable.

The Minnesota AFL-CIO believes workplaces must be safe and equitable for ALL workers. Bosses, workers and anyone who sexually harass co-workers must be held accountable.

