

CHAPTER 239--H.F.No. 2536

An act relating to state government; providing for the Women's Economic Security Act; requiring equal pay certificates of compliance; modifying workforce development provisions; creating women and high-wage, high-demand, nontraditional jobs grant program; modifying eligibility for unemployment insurance benefits; offering women entrepreneurs business development grants; requiring a report on a potential state-administered retirement savings plan; modifying parenting leave, sick leave, and pregnancy accommodations; providing employment protections; providing wage disclosure protection; appropriating money; amending Minnesota Statutes 2012, sections 13.552, by adding a subdivision; 181.939; 181.940, subdivision 2; 181.941; 181.943; 181.9435, subdivision 1; 181.944; 268.095, subdivisions 1, 6; 363A.08, subdivisions 1, 2, 3, 4; Minnesota Statutes 2013 Supplement, sections 116L.665, subdivision 2; 177.27, subdivision 4; 181.9413; proposing coding for new law in Minnesota Statutes, chapters 116L; 181; 363A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1**WOMEN'S ECONOMIC SECURITY ACT****Section 1. CITATION; WOMEN'S ECONOMIC SECURITY ACT.**

This act shall be known as the Women's Economic Security Act.

ARTICLE 2**ECONOMIC SECURITY**

Section 1. Minnesota Statutes 2012, section 13.552, is amended by adding a subdivision to read:

Subd. 7. **Equal pay certificate of compliance.** Access to data relating to equal pay certificates of compliance is governed by section 363A.44.

Sec. 2. Minnesota Statutes 2013 Supplement, section 116L.665, subdivision 2, is amended to read:

Subd. 2. **Membership.** The governor's Workforce Development Council is composed of 31 members appointed by the governor. The members may be removed pursuant to section 15.059. In selecting the representatives of the council, the governor shall ensure that 50 percent of the members come from nominations provided by local workforce councils. Local education representatives shall come from nominations provided by local education to employment partnerships. The 31 members shall represent the following sectors:

(a) State agencies: the following individuals shall serve on the council:

- (1) commissioner of the Minnesota Department of Employment and Economic Development;
- (2) commissioner of the Minnesota Department of Education; and
- (3) commissioner of the Minnesota Department of Human Services.

(b) Business and industry: six individuals shall represent the business and industry sectors of Minnesota.

(c) Organized labor: six individuals shall represent labor organizations of Minnesota.

(d) Community-based organizations: four individuals shall represent community-based organizations of Minnesota. Community-based organizations are defined by the Workforce Investment Act as private nonprofit organizations that are representative of communities or significant segments of communities and that have demonstrated expertise and effectiveness in the field of workforce investment and may include entities that provide job training services, serve youth, serve individuals with disabilities, serve displaced homemakers, union-related organizations, employer-related nonprofit organizations, and organizations serving nonreservation Indians and tribal governments.

(e) Education: six individuals shall represent the education sector of Minnesota as follows:

- (1) one individual shall represent local public secondary education;
- (2) one individual shall have expertise in design and implementation of school-based service-learning;
- (3) one individual shall represent leadership of the University of Minnesota;
- (4) one individual shall represent secondary/postsecondary vocational institutions;
- (5) the chancellor of the Board of Trustees of the Minnesota State Colleges and Universities; and
- (6) one individual shall have expertise in agricultural education.

(f) Other: two individuals shall represent other constituencies including:

- (1) units of local government; and
- (2) applicable state or local programs.

The speaker and the minority leader of the house of representatives shall each appoint a representative to serve as an ex officio member of the council. The majority and minority leaders of the senate shall each appoint a senator to serve as an ex officio member of the council.

The governor shall appoint one individual representing public libraries, one individual with expertise in assisting women in obtaining employment in high-wage, high-demand, nontraditional occupations, and one individual representing adult basic education programs to serve as a nonvoting ~~advisor~~ advisors to the council.

(g) Appointment: each member shall be appointed for a term of three years from the first day of January or July immediately following their appointment. Elected officials shall forfeit their appointment if they cease to serve in elected office.

(h) Members of the council are compensated as provided in section 15.059, subdivision 3.

Sec. 3. [116L.99] WOMEN AND HIGH-WAGE, HIGH-DEMAND, NONTRADITIONAL JOBS GRANT PROGRAM.

Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Eligible organization" includes, but is not limited to:

(1) community-based organizations experienced in serving women;

(2) employers;

(3) business and trade associations;

(4) labor unions and employee organizations;

(5) registered apprenticeship programs;

(6) secondary and postsecondary education institutions located in Minnesota; and

(7) workforce and economic development agencies.

(d) "High-wage, high-demand" means occupations that represent at least 0.1 percent of total employment in the base year, have an annual median salary which is higher than the average for the current year, and are projected to have more total openings as a share of employment than the average.

(e) "Low-income" means income less than 200 percent of the federal poverty guideline adjusted for a family size of four.

(f) "Nontraditional occupations" means those occupations in which women make up less than 25 percent of the workforce as defined under United States Code, title 20, section 2302.

(g) "Registered apprenticeship program" means a program registered under United States Code, title 29, section 50.

Subd. 2. **Grant program.** The commissioner shall establish the women and high-wage, high-demand, nontraditional jobs grant program to increase the number of women in high-wage, high-demand, nontraditional occupations. The commissioner shall make grants to eligible organizations for programs that encourage and assist women to enter high-wage, high-demand, nontraditional occupations including but not limited to those in the skilled trades, science, technology, engineering, and math (STEM) occupations.

Subd. 3. **Use of funds.** (a) Grant funds awarded under this section may be used for:

(1) recruitment, preparation, placement, and retention of women, including low-income women and women over 50 years old, in registered apprenticeships, postsecondary education programs, on-the-job training, and permanent employment in high-wage, high-demand, nontraditional occupations;

(2) secondary or postsecondary education or other training to prepare women to succeed in high-wage, high-demand, nontraditional occupations. Activities under this clause may be conducted by the grantee or in collaboration with another institution, including but not limited to a public or private secondary or postsecondary school;

(3) innovative, hands-on, best practices that stimulate interest in high-wage, high-demand, nontraditional occupations among girls, increase awareness among girls about opportunities in high-wage, high-demand, nontraditional occupations, or increase access to secondary programming leading to jobs in high-wage, high-demand, nontraditional occupations. Best practices include but are not limited to mentoring, internships, or apprenticeships for girls in high-wage, high-demand, nontraditional occupations;

(4) training and other staff development for job seeker counselors and Minnesota family investment program (MFIP) caseworkers on opportunities in high-wage, high-demand, nontraditional occupations;

(5) incentives for employers and sponsors of registered apprenticeship programs to retain women in high-wage, high-demand, nontraditional occupations for more than one year;

(6) training and technical assistance for employers to create a safe and healthy workplace environment designed to retain and advance women, including best practices for addressing sexual harassment, and to overcome gender inequity among employers and registered apprenticeship programs;

(7) public education and outreach activities to overcome stereotypes about women in high-wage, high-demand, nontraditional occupations, including the development of educational and marketing materials; and

(8) support for women in high-wage, high-demand, nontraditional occupations including but not limited to assistance with workplace issues resolution and access to advocacy assistance and services.

(b) Grant applications must include detailed information about how the applicant plans to:

(1) increase women's participation in high-wage, high-demand occupations in which women are currently underrepresented in the workforce;

(2) comply with the requirements under subdivision 3; and

(3) use grant funds in conjunction with funding from other public or private sources.

(c) In awarding grants under this subdivision, the commissioner shall give priority to eligible organizations:

(1) with demonstrated success in recruiting and preparing women, especially low-income women and women over 50 years old, for high-wage, high-demand, nontraditional occupations; and

(2) that leverage additional public and private resources.

(d) At least 50 percent of total grant funds must be awarded to programs providing services and activities targeted to low-income women.

(e) The commissioner of employment and economic development in conjunction with the commissioner of labor and industry shall monitor the use of funds under this section, collect and compile information on the activities of other state agencies and public or private entities that have purposes similar to those under this section, and identify other public and private funding available for these purposes.

Sec. 4. Minnesota Statutes 2012, section 268.095, subdivision 1, is amended to read:

Subdivision 1. **Quit.** An applicant who quit employment is ineligible for all unemployment benefits according to subdivision 10 except when:

(1) the applicant quit the employment because of a good reason caused by the employer as defined in subdivision 3;

(2) the applicant quit the employment to accept other covered employment that provided substantially better terms and conditions of employment, but the applicant did not work long enough at the second employment to have sufficient subsequent earnings to satisfy the period of ineligibility that would otherwise be imposed under subdivision 10 for quitting the first employment;

(3) the applicant quit the employment within 30 calendar days of beginning the employment because the employment was unsuitable for the applicant;

(4) the employment was unsuitable for the applicant and the applicant quit to enter reemployment assistance training;

(5) the employment was part time and the applicant also had full-time employment in the base period, from which full-time employment the applicant separated because of reasons for which the applicant was held not to be ineligible, and the wage credits from the full-time employment are sufficient to meet the minimum requirements to establish a benefit account under section 268.07;

(6) the applicant quit because the employer notified the applicant that the applicant was going to be laid off because of lack of work within 30 calendar days. An applicant who quit employment within 30 calendar days of a notified date of layoff because of lack of work is ineligible for unemployment benefits through the end of the week that includes the scheduled date of layoff;

(7) the applicant quit the employment (i) because the applicant's serious illness or injury made it medically necessary that the applicant quit; or (ii) in order to provide necessary care because of the illness, injury, or disability of an immediate family member of the applicant. This exception only applies if the applicant informs the employer of the medical problem and requests accommodation and no reasonable accommodation is made available.

If the applicant's serious illness is chemical dependency, this exception does not apply if the applicant was previously diagnosed as chemically dependent or had treatment for chemical dependency, and since that diagnosis or treatment has failed to make consistent efforts to control the chemical dependency.

This exception raises an issue of the applicant's being available for suitable employment under section 268.085, subdivision 1, that the commissioner must determine;

(8) the applicant's loss of child care for the applicant's minor child caused the applicant to quit the employment, provided the applicant made reasonable effort to obtain other child care and requested time off or other accommodation from the employer and no reasonable accommodation is available.

This exception raises an issue of the applicant's being available for suitable employment under section 268.085, subdivision 1, that the commissioner must determine;

(9) the applicant quit because domestic abuse, sexual assault, or stalking of the applicant or an immediate family member of the applicant, necessitated the applicant's quitting the employment. ~~Domestic abuse must be shown by one or more of the following:~~

- ~~(i) a district court order for protection or other documentation of equitable relief issued by a court;~~
- ~~(ii) a police record documenting the domestic abuse;~~
- ~~(iii) documentation that the perpetrator of the domestic abuse has been convicted of the offense of domestic abuse;~~
- ~~(iv) medical documentation of domestic abuse; or~~
- ~~(v) written statement that the applicant or an immediate family member of the applicant is a victim of domestic abuse, provided by a social worker, member of the clergy, shelter worker, attorney at law, or other professional who has assisted the applicant in dealing with the domestic abuse.~~

~~Domestic abuse for purposes of this clause is defined under section 518B.01; or~~

For purposes of this subdivision:

- (i) "domestic abuse" has the meaning given in section 518B.01;
 - (ii) "sexual assault" means an act that would constitute a violation of sections 609.342 to 609.3453 or 609.352; and
 - (iii) "stalking" means an act that would constitute a violation of section 609.749; or
- (10) the applicant quit in order to relocate to accompany a spouse whose job location changed making it impractical for the applicant to commute.

EFFECTIVE DATE. This section is effective October 5, 2014, and applies to all determinations and appeal decisions issued on or after that date.

Sec. 5. Minnesota Statutes 2012, section 268.095, subdivision 6, is amended to read:

Subd. 6. **Employment misconduct defined.** (a) Employment misconduct means any intentional, negligent, or indifferent conduct, on the job or off the job that displays clearly:

- (1) a serious violation of the standards of behavior the employer has the right to reasonably expect of the employee; or
 - (2) a substantial lack of concern for the employment.
- (b) Regardless of paragraph (a), the following is not employment misconduct:
- (1) conduct that was a consequence of the applicant's mental illness or impairment;
 - (2) conduct that was a consequence of the applicant's inefficiency or inadvertence;
 - (3) simple unsatisfactory conduct;
 - (4) conduct an average reasonable employee would have engaged in under the circumstances;
 - (5) conduct that was a consequence of the applicant's inability or incapacity;

(6) good faith errors in judgment if judgment was required;

(7) absence because of illness or injury of the applicant, with proper notice to the employer;

(8) absence, with proper notice to the employer, in order to provide necessary care because of the illness, injury, or disability of an immediate family member of the applicant;

(9) conduct that was a consequence of the applicant's chemical dependency, unless the applicant was previously diagnosed chemically dependent or had treatment for chemical dependency, and since that diagnosis or treatment has failed to make consistent efforts to control the chemical dependency; or

(10) conduct that was a consequence of the applicant, or an immediate family member of the applicant, being a victim of domestic abuse as defined under section 518B.01, sexual assault, or stalking. ~~Domestic abuse must be shown as provided for in subdivision 1, clause (9).~~ For the purposes of this subdivision, "domestic abuse," "sexual assault," and "stalking" have the meanings given them in subdivision 1.

(c) Regardless of paragraph (b), clause (9), conduct in violation of sections 169A.20, 169A.31, or 169A.50 to 169A.53 that interferes with or adversely affects the employment is employment misconduct.

(d) If the conduct for which the applicant was discharged involved only a single incident, that is an important fact that must be considered in deciding whether the conduct rises to the level of employment misconduct under paragraph (a). This paragraph does not require that a determination under section 268.101 or decision under section 268.105 contain a specific acknowledgment or explanation that this paragraph was considered.

(e) The definition of employment misconduct provided by this subdivision is exclusive and no other definition applies.

EFFECTIVE DATE. This section is effective October 5, 2014, and applies to all determinations and appeal decisions issued on or after that date.

Sec. 6. [363A.44] EQUAL PAY CERTIFICATE.

Subdivision 1. Scope. (a) No department, agency of the state, the Metropolitan Council, or an agency subject to section 473.143, subdivision 1, shall execute a contract or agreement in excess of \$500,000 with a business that has 40 or more full-time employees in this state or a state where the business has its primary place of business on a single day during the prior 12 months, unless the business has an equal pay certificate or it has certified in writing that it is exempt. A certificate is valid for four years.

(b) This section does not apply to a business with respect to a specific contract if the commissioner of administration determines that application of this section would cause undue hardship to the contracting entity. This section does not apply 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, certification, registration, provider agreement, or provider enrollment contract that is prerequisite to providing those goods and services. This section does not apply to contracts entered into by the State Board of Investment for investment options under section 352.965, subdivision 4.

Subd. 2. Application. (a) A business shall apply for an equal pay certificate by paying a \$150 filing fee and submitting an equal pay compliance statement to the commissioner. The proceeds from the fees collected

under this subdivision shall be deposited in an equal pay certificate special revenue account. Money in the account is appropriated to the commissioner for the purposes of this section. The commissioner shall issue an equal pay certificate of compliance to a business that submits to the commissioner a statement signed by the chairperson of the board or chief executive officer of the business:

(1) that the business is in compliance with Title VII of the Civil Rights Act of 1964, Equal Pay Act of 1963, Minnesota Human Rights Act, and Minnesota Equal Pay for Equal Work Law;

(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;

(3) that the business does not restrict employees of one sex to certain job classifications and makes retention and promotion decisions without regard to sex;

(4) that wage and benefit disparities are corrected when identified to ensure compliance with the laws cited in clause (1) and with clause (2); and

(5) how often wages and benefits are evaluated to ensure compliance with the laws cited in clause (1) and with clause (2).

(b) The equal pay compliance statement shall also indicate whether the business, in setting compensation and benefits, utilizes:

(1) a market pricing approach;

(2) state prevailing wage or union contract requirements;

(3) a performance pay system;

(4) an internal analysis; or

(5) an alternative approach to determine what level of wages and benefits to pay its employees. If the business uses an alternative approach, the business must provide a description of its approach.

(c) Receipt of the equal pay compliance statement by the commissioner does not establish compliance with the laws set forth in paragraph (a), clause (1).

Subd. 3. **Issuance or rejection of certificate.** The commissioner must issue an equal pay certificate, or a statement of why the application was rejected, within 15 days of receipt of the application. An application may be rejected only if it does not comply with the requirements of subdivision 2.

Subd. 4. **Revocation of certificate.** An equal pay certificate for a business may be suspended or revoked by the commissioner when the business fails to make a good-faith effort to comply with the laws identified in subdivision 2, paragraph (a), clause (1), fails to make a good-faith effort to comply with this section, or has multiple violations of this section or the laws identified in subdivision 2, paragraph (a), clause (1). Prior to suspending or revoking a certificate, the commissioner must first have sought to conciliate with the business regarding wages and benefits due to employees.

Subd. 5. Revocation of contract. (a) If a contract is awarded to a business that does not have an equal pay certificate as required under subdivision 1, or that is not in compliance with subdivision 2, paragraph (a), the commissioner may void the contract on behalf of the state. The contract award entity that is a party to the agreement must be notified by the commissioner prior to the commissioner taking action to void the contract.

(b) A contract may be abridged or terminated by the contract award entity identified in subdivision 1 upon notice that the commissioner has suspended or revoked the certificate of the business.

Subd. 6. Administrative review. (a) A business may obtain an administrative hearing pursuant to sections 14.57 to 14.69 before the suspension or revocation of its certificate is effective by filing a written request for hearing 20 days after service of notice by the commissioner.

(b) A business may obtain an administrative hearing pursuant to sections 14.57 to 14.69 before the contract award entity's abridgement or termination of a contract is effective by filing a written request for a hearing 20 days after service of notice by the contract award entity.

Subd. 7. Technical assistance. The commissioner must provide technical assistance to any business that requests assistance regarding this section.

Subd. 8. Audit. The commissioner may audit the business's compliance with this section. As part of an audit, upon request, a business must provide the commissioner the following information with respect to employees expected to perform work under the contract in each of the major job categories in the EEO-1 employee information report:

(1) number of male employees;

(2) number of female employees;

(3) average annualized salaries paid to male employees and to female employees, in the manner most consistent with the employer's compensation system, within each major job category;

(4) information on performance payments, benefits, or other elements of compensation, in the manner most consistent with the employer's compensation system, if requested by the commissioner as part of a determination as to whether these elements of compensation are different for male and female employees;

(5) average length of service for male and female employees in each major job category; and

(6) other information identified by the business or by the commissioner, as needed, to determine compliance with items specified in subdivision 2, paragraph (a).

Subd. 9. Access to data. Data submitted to the commissioner related to equal pay certificates are private data on individuals or nonpublic data with respect to persons other than department employees. The commissioner's decision to issue, not issue, revoke, or suspend an equal pay certificate is public data.

Subd. 10. Report. The commissioner shall report to the governor and the chairs and ranking minority members of the committees in the senate and the house of representatives with primary jurisdiction over the department by January 31 of every even-numbered year, beginning January 31, 2016. The report shall indicate the number of equal pay certificates issued, the number of audits conducted, the processes used by contractors to ensure compliance with subdivision 2, paragraph (a), and a summary of its auditing efforts.

The commissioner shall consult with the Legislative Coordinating Commission Office on the Economic Status of Women in preparing the report.

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

Sec. 7. HIGH-WAGE, HIGH-DEMAND, NONTRADITIONAL JOBS PROGRAM APPROPRIATION.

\$500,000 is appropriated from the workforce development fund in fiscal year 2015 to the commissioner of employment and economic development to develop and implement the women and high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Funds available under this section must not supplant other funds available for the same purposes. The commissioner may use up to five percent of the appropriation to administer the grant program. This is a onetime appropriation and is available until expended.

Sec. 8. WOMEN ENTREPRENEURS BUSINESS DEVELOPMENT; APPROPRIATION.

(a) \$500,000 in fiscal year 2015 is appropriated from the general fund to the commissioner of employment and economic development for grants to Women Venture and the Women's Business Center of Northeastern Minnesota at the Northeast Entrepreneurial Fund to facilitate and promote the creation and expansion of women-owned businesses in Minnesota. Funds available under this section must be divided equally among grant recipients. This is a onetime appropriation and is available until expended. Grant funds may be used only for the purposes under paragraph (b) except that up to ten percent of each grant award may be used by grant recipients for administrative costs.

(b) Grants awarded under this section must be used for:

(1) entrepreneurial training, mentoring, and technical assistance for the startup or expansion of eligible women-owned businesses;

(2) development of networks of potential investors for eligible women-owned businesses;

(3) development of outreach activities and recruitment programs for midcareer women with an interest in starting eligible women-owned businesses; and

(4) compilation, development, and dissemination of resources, information, and technical assistance on best practices and model programs that may be replicated on a statewide basis.

(c) For the purposes of this section "eligible women-owned business" means a business entity:

(1) that is at least 51 percent female owned or, in the case of a publicly traded business, at least 51 percent of the stock is female owned;

(2) whose management and daily operations are controlled by women;

(3) that is organized for profit;

(4) that is projected to generate at least \$500,000 in annual revenue and create at least ten jobs, each of which pay an annual income equal to at least 200 percent of the federal poverty guideline adjusted for a family size of four; and

(5) in the field of construction; transportation; warehousing; agriculture; mining; finance; insurance; professional, technical, or scientific services; technology; or other industries with businesses meeting the revenue and job creation requirements of clause (4).

(d) A grant award under this section does not affect any other grant award or appropriation made to a grant recipient.

(e) The Women's Business Center of Northeastern Minnesota shall partner with the Arrowhead Economic Opportunity Agency to provide entrepreneurial development training and resources to women with incomes less than 200 percent of the federal poverty guideline, adjusted for a family size of four, to assist with the start-up or expansion of eligible women-owned businesses.

Sec. 9. WOMEN AND HIGH-WAGE, HIGH-DEMAND, NONTRADITIONAL JOBS APPRENTICESHIPS; APPROPRIATION.

\$250,000 is appropriated from the workforce development fund in fiscal year 2015 to the commissioner of labor and industry for the labor education advancement program under Minnesota Statutes, section 178.11, to educate, promote, assist, and support women to enter apprenticeship programs in high-wage, high-demand, nontraditional occupations. Funds available under this section must not supplant other funds available for the same purposes. This is a onetime appropriation and is available until expended.

Sec. 10. REPORT; RETIREMENT SAVINGS PLAN.

(a) The commissioner of management and budget must report to the legislature by January 15, 2015, on the potential for a state-administered retirement savings plan to serve employees without access to either an automatic enrollment payroll deduction IRA maintained or offered by their employer, or a multiemployer retirement plan or qualifying retirement plan or arrangement described in sections 414(f) and 219(g)(5), respectively, of the Internal Revenue Code of 1986, as amended through April 14, 2011. The potential state-administered plan would provide for individuals to make contributions to their own accounts to be pooled and invested by the State Board of Investment, with the benefit consisting of the balance in each individual's account, and with the state having no liability for investment earnings and losses, while discouraging employers from dropping existing retirement plan options.

(b) The report must include:

(1) estimates of the number of Minnesota workers who could be served by the potential state-administered plan, and the participation rate that would make the plan self-sustaining;

(2) the effect of federal tax laws and the federal Employee Retirement Income Security Act on a potential state-administered plan and on participating employers and employees, including coverage and potential gaps in consumer protections;

(3) barriers to savings and reasons individuals and employers may not be participating in existing private sector retirement plans;

(4) the potential use and availability of investment strategies, private insurance, underwriting, or reinsurance against loss to limit or eliminate potential state liability and manage risk to the principal;

(5) options for the process by which individuals would enroll in and contribute to the plan;

(6) projected costs of administration, record keeping, and investment management, including staffing, legal, compliance, licensing, procurement, communications with employers and employees, oversight, marketing, technology and infrastructure, and the fee needed to cover these costs as a percentage of the average daily net assets of the potential state-administered plan, relative to asset size, with estimates of investment-related fees determined in consultation with the State Board of Investment; and

(7) a comparison of a potential state-administered plan to private sector and federal government retirement savings options with regard to participation rates, contribution rates, risk-adjusted return expectations, fees, and any other factors determined by the commissioner, which may include suitability in meeting the investment needs of participants.

(c) Subject to available appropriations, the report may include:

(1) estimates of the average amount of savings and other financial resources residents of Minnesota have upon retirement and those that are recommended for a financially secure retirement in Minnesota;

(2) estimates of the relative progress toward achieving the savings recommended for a financially secure retirement by gender, race, and ethnicity;

(3) the estimated impact on publicly funded social safety net programs attributable to insufficient retirement savings, and the aggregate effect of potential state-administered plan options on publicly funded social safety net programs and the state economy;

(4) the effect of federal tax laws and the federal Employee Retirement Income Security Act on a potential state-administered plan that allows for voluntary employer contributions, either commingled with or segregated from employee contributions;

(5) options for a potential state-administered plan to use group annuities to ensure a stable stream of retirement income throughout beneficiaries' retirement years;

(6) alternative ways and costs for the state to encourage similar outcomes to a state-administered plan;

(7) options discouraging employers from dropping existing employer-sponsored retirement savings plans in favor of a potential state-administered plan; and

(8) other topics that the commissioner determines are relevant to legislative consideration of possible establishment of a state-administered plan.

(d) The commissioner may provide information for purposes of paragraph (c) by reporting the results of a request for public comment.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 11. RETIREMENT SAVINGS PLAN REPORT; APPROPRIATION.

\$400,000 in fiscal year 2014 is appropriated from the general fund to the commissioner of management and budget for the retirement savings plan report under section 10. This is a onetime appropriation and is available until expended.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 12. **APPROPRIATION; PAY EQUITY.**

\$674,000 in fiscal year 2015 is appropriated from the general fund to the commissioner of human rights for implementation of Minnesota Statutes, section 363A.44. The agency base budget for this purpose is \$426,000 each year in fiscal years 2016 and 2017.

ARTICLE 3

LABOR STANDARDS AND WAGES

Section 1. Minnesota Statutes 2012, section 181.940, subdivision 2, is amended to read:

Subd. 2. **Employee.** "Employee" means a person who performs services for hire for an employer from whom a leave is requested under sections 181.940 to 181.944 for:

(1) at least 12 consecutive months immediately preceding the request; and

(2) for an average number of hours per week equal to one-half the full-time equivalent position in the employee's job classification as defined by the employer's personnel policies or practices or pursuant to the provisions of a collective bargaining agreement, during ~~those 12 months~~ the 12-month period immediately preceding the leave.

Employee includes all individuals employed at any site owned or operated by the employer but does not include an independent contractor.

Sec. 2. Minnesota Statutes 2012, section 181.941, is amended to read:

181.941 PREGNANCY AND PARENTING LEAVE.

Subdivision 1. ~~Six~~ **Twelve-week leave; pregnancy, birth, or adoption.** (a) An employer must grant an unpaid leave of absence to an employee who is a natural or adoptive parent in conjunction with the birth or adoption of a child. The length of the leave shall be determined by the employee, but may not exceed six weeks, unless agreed to by the employer.:

(1) a biological or adoptive parent in conjunction with the birth or adoption of a child; or

(2) a female employee for prenatal care, or incapacity due to pregnancy, childbirth, or related health conditions.

(b) The length of the leave shall be determined by the employee, but must not exceed 12 weeks, unless agreed to by the employer.

Subd. 2. **Start of leave.** The leave shall begin at a time requested by the employee. The employer may adopt reasonable policies governing the timing of requests for unpaid leave. and may require an employee who plans to take a leave under this section to give the employer reasonable notice of the date the leave shall commence and the estimated duration of the leave. For leave taken under subdivision 1, paragraph (a), clause (1), the leave ~~may must begin not more than six weeks after~~ within 12 months of the birth or

adoption; except that, in the case where the child must remain in the hospital longer than the mother, the leave ~~may not must~~ begin more than six weeks within 12 months after the child leaves the hospital.

Subd. 3. **No employer retribution.** An employer shall not retaliate against an employee for requesting or obtaining a leave of absence as provided by this section.

Subd. 4. **Continued insurance.** The employer must continue to make coverage available to the employee while on leave of absence under any group insurance policy, group subscriber contract, or health care plan for the employee and any dependents. Nothing in this section requires the employer to pay the costs of the insurance or health care while the employee is on leave of absence.

Sec. 3. Minnesota Statutes 2013 Supplement, section 181.9413, is amended to read:

181.9413 SICK LEAVE BENEFITS; CARE OF RELATIVES.

(a) An employee may use personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's child, as defined in section 181.940, subdivision 4, adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent, for reasonable periods of time as the employee's attendance may be necessary, on the same terms upon which the employee is able to use sick leave benefits for the employee's own illness or injury. This section applies only to personal sick leave benefits payable to the employee from the employer's general assets.

(b) An employee may use sick leave as allowed under this section for safety leave, whether or not the employee's employer allows use of sick leave for that purpose for such reasonable periods of time as may be necessary. Safety leave may be used for assistance to the employee or assistance to the relatives described in paragraph (a). For the purpose of this section, "safety leave" is leave for the purpose of providing or receiving assistance because of sexual assault, domestic abuse, or stalking. For the purpose of this paragraph:

(1) "domestic abuse" has the meaning given in section 518B.01;

(2) "sexual assault" means an act that constitutes a violation under sections 609.342 to 609.3453 or 609.352; and

(3) "stalking" has the meaning given in section 609.749.

(c) An employer may limit the use of safety leave as described in paragraph (b) or personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent to no less than 160 hours in any 12-month period. This paragraph does not apply to absences due to the illness or injury of a child, as defined in section 181.940, subdivision 4.

(e) (d) For purposes of this section, "personal sick leave benefits" means time accrued and available to an employee to be used as a result of absence from work due to personal illness or injury, but does not include short-term or long-term disability or other salary continuation benefits.

(d) (e) For the purpose of this section, "child" includes a stepchild and a biological, adopted, and foster child.

(f) For the purpose of this section, "grandchild" includes a step-grandchild, and a biological, adopted, and foster grandchild.

(e) (g) This section does not prevent an employer from providing greater sick leave benefits than are provided for under this section.

(h) An employer shall not retaliate against an employee for requesting or obtaining a leave of absence under this section.

Sec. 4. [181.9414] PREGNANCY ACCOMMODATIONS.

Subdivision 1. **Accommodation.** An employer must provide reasonable accommodations to an employee for health conditions related to pregnancy or childbirth if she so requests, with the advice of her licensed health care provider or certified doula, unless the employer demonstrates that the accommodation would impose an undue hardship on the operation of the employer's business. A pregnant employee shall not be required to obtain the advice of her licensed health care provider or certified doula, nor may an employer claim undue hardship for the following accommodations: (1) more frequent restroom, food, and water breaks; (2) seating; and (3) limits on lifting over 20 pounds. The employee and employer shall engage in an interactive process with respect to an employee's request for a reasonable accommodation. "Reasonable accommodation" may include, but is not limited to, temporary transfer to a less strenuous or hazardous position, seating, frequent restroom breaks, and limits to heavy lifting. Notwithstanding any other provision of this section, an employer shall not be required to create a new or additional position in order to accommodate an employee pursuant to this section, and shall not be required to discharge any employee, transfer any other employee with greater seniority, or promote any employee.

Subd. 2. **Interaction with other laws.** Nothing in this section shall be construed to affect any other provision of law relating to sex discrimination or pregnancy, or in any way to diminish the coverage of pregnancy, childbirth, or health conditions related to pregnancy or childbirth under any other provisions of any other law.

Subd. 3. **No employer retribution.** An employer shall not retaliate against an employee for requesting or obtaining accommodation under this section.

Subd. 4. **Employee not required to take leave.** An employer shall not require an employee to take a leave or accept an accommodation.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 5. Minnesota Statutes 2012, section 181.943, is amended to read:

181.943 RELATIONSHIP TO OTHER LEAVE.

(a) The length of parental leave provided under section 181.941 may be reduced by any period of paid parental or disability leave, but not accrued sick leave, provided by the employer, so that the total leave does not exceed six weeks, unless agreed to by the employer.;

(1) paid parental, disability, personal, medical, or sick leave, or accrued vacation provided by the employer so that the total leave does not exceed 12 weeks, unless agreed to by the employer; or

(2) leave taken for the same purpose by the employee under United States Code, title 29, chapter 28.

(b) Nothing in sections 181.940 to 181.943 prevents any employer from providing leave benefits in addition to those provided in sections 181.940 to 181.944 or otherwise affects an employee's rights with respect to any other employment benefit.

ARTICLE 4**EMPLOYMENT PROTECTIONS**

Section 1. Minnesota Statutes 2013 Supplement, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.12, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275, subdivision 2a, 181.722, and 181.79, and 181.939 to 181.943, or with any rule promulgated under section 177.28. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to 177.435 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner.

Sec. 2. **[181.172] WAGE DISCLOSURE PROTECTION.**

(a) An employer shall not:

(1) require nondisclosure by an employee of his or her wages as a condition of employment;

(2) require an employee to sign a waiver or other document which purports to deny an employee the right to disclose the employee's wages; or

(3) take any adverse employment action against an employee for disclosing the employee's own wages or discussing another employee's wages which have been disclosed voluntarily.

(b) Nothing in this section shall be construed to:

(1) create an obligation on any employer or employee to disclose wages;

(2) permit an employee, without the written consent of the employer, to disclose proprietary information, trade secret information, or information that is otherwise subject to a legal privilege or protected by law;

(3) diminish any existing rights under the National Labor Relations Act under United States Code, title 29; or

(4) permit the employee to disclose wage information of other employees to a competitor of their employer.

(c) An employer that provides an employee handbook to its employees must include in the handbook notice of employee rights and remedies under this section.

(d) An employer may not retaliate against an employee for asserting rights or remedies under this section.

(e) An employee may bring a civil action against an employer for a violation of paragraph (a) or (d). If a court finds that an employer has violated paragraph (a) or (d), the court may order reinstatement, back pay, restoration of lost service credit, if appropriate, and the expungement of any related adverse records of an employee who was the subject of the violation.

Sec. 3. Minnesota Statutes 2012, section 181.939, is amended to read:

181.939 NURSING MOTHERS.

(a) An employer must provide reasonable unpaid break time each day to an employee who needs to express breast milk for her infant child. The break time must, if possible, run concurrently with any break time already provided to the employee. An employer is not required to provide break time under this section if to do so would unduly disrupt the operations of the employer.

(b) The employer must make reasonable efforts to provide a room or other location, in close proximity to the work area, other than a bathroom or a toilet stall, that is shielded from view and free from intrusion from coworkers and the public and that includes access to an electrical outlet, where the employee can express her milk in privacy. The employer would be held harmless if reasonable effort has been made.

(c) For the purposes of this section, "employer" means a person or entity that employs one or more employees and includes the state and its political subdivisions.

(d) An employer may not retaliate against an employee for asserting rights or remedies under this section.

Sec. 4. Minnesota Statutes 2012, section 181.9435, subdivision 1, is amended to read:

Subdivision 1. **Investigation.** The Division of Labor Standards and Apprenticeship shall receive complaints of employees against employers relating to sections ~~181.940~~ 181.172, paragraph (a) or (d), and 181.939 to 181.9436 and investigate informally whether an employer may be in violation of sections ~~181.940~~ 181.172, paragraph (a) or (d), and 181.939 to 181.9436. The division shall attempt to resolve employee complaints by informing employees and employers of the provisions of the law and directing employers to comply with the law. For complaints related to section 181.939, the division must contact the employer within two business days and investigate the complaint within ten days of receipt of the complaint.

Sec. 5. Minnesota Statutes 2012, section 181.944, is amended to read:

181.944 INDIVIDUAL REMEDIES.

In addition to any other remedies provided by law, a person injured by a violation of sections ~~181.940~~ 181.172, paragraph (a) or (d), and 181.939 to 181.943 may bring a civil action to recover any and all damages recoverable at law, together with costs and disbursements, including reasonable attorney's fees, and may receive injunctive and other equitable relief as determined by a court.

Sec. 6. Minnesota Statutes 2012, section 363A.08, subdivision 1, is amended to read:

Subdivision 1. **Labor organization.** Except when based on a bona fide occupational qualification, it is an unfair employment practice for a labor organization, because of race, color, creed, religion, national

origin, sex, marital status, status with regard to public assistance, familial status, disability, sexual orientation, or age:

- (1) to deny full and equal membership rights to a person seeking membership or to a member;
- (2) to expel a member from membership;
- (3) to discriminate against a person seeking membership or a member with respect to hiring, apprenticeship, tenure, compensation, terms, upgrading, conditions, facilities, or privileges of employment; or
- (4) to fail to classify properly, or refer for employment or otherwise to discriminate against a person or member.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 7. Minnesota Statutes 2012, section 363A.08, subdivision 2, is amended to read:

Subd. 2. **Employer.** Except when based on a bona fide occupational qualification, it is an unfair employment practice for an employer, because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, familial status, membership or activity in a local commission, disability, sexual orientation, or age to:

- (1) refuse to hire or to maintain a system of employment which unreasonably excludes a person seeking employment; or
- (2) discharge an employee; or
- (3) discriminate against a person with respect to hiring, tenure, compensation, terms, upgrading, conditions, facilities, or privileges of employment.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 8. Minnesota Statutes 2012, section 363A.08, subdivision 3, is amended to read:

Subd. 3. **Employment agency.** Except when based on a bona fide occupational qualification, it is an unfair employment practice for an employment agency, because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, familial status, disability, sexual orientation, or age to:

- (1) refuse or fail to accept, register, classify properly, or refer for employment or otherwise to discriminate against a person; or
- (2) comply with a request from an employer for referral of applicants for employment if the request indicates directly or indirectly that the employer fails to comply with the provisions of this chapter.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 9. Minnesota Statutes 2012, section 363A.08, subdivision 4, is amended to read:

Subd. 4. **Employer, employment agency, or labor organization.** (a) Except when based on a bona fide occupational qualification, it is an unfair employment practice for an employer, employment agency,

or labor organization, before a person is employed by an employer or admitted to membership in a labor organization, to:

(1) require or request the person to furnish information that pertains to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, familial status, disability, sexual orientation, or age; or, subject to section 363A.20, to require or request a person to undergo physical examination; unless for the sole and exclusive purpose of national security, information pertaining to national origin is required by the United States, this state or a political subdivision or agency of the United States or this state, or for the sole and exclusive purpose of compliance with the Public Contracts Act or any rule, regulation, or laws of the United States or of this state requiring the information or examination. A law enforcement agency may, after notifying an applicant for a peace officer or part-time peace officer position that the law enforcement agency is commencing the background investigation on the applicant, request the applicant's date of birth, gender, and race on a separate form for the sole and exclusive purpose of conducting a criminal history check, a driver's license check, and fingerprint criminal history inquiry. The form shall include a statement indicating why the data is being collected and what its limited use will be. No document which has date of birth, gender, or race information will be included in the information given to or available to any person who is involved in selecting the person or persons employed other than the background investigator. No person may act both as background investigator and be involved in the selection of an employee except that the background investigator's report about background may be used in that selection as long as no direct or indirect references are made to the applicant's race, age, or gender; or

(2) seek and obtain for purposes of making a job decision, information from any source that pertains to the person's race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, familial status, disability, sexual orientation, or age, unless for the sole and exclusive purpose of compliance with the Public Contracts Act or any rule, regulation, or laws of the United States or of this state requiring the information; or

(3) cause to be printed or published a notice or advertisement that relates to employment or membership and discloses a preference, limitation, specification, or discrimination based on race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, familial status, disability, sexual orientation, or age.

(b) Any individual who is required to provide information that is prohibited by this subdivision is an aggrieved party under sections 363A.06, subdivision 4, and 363A.28, subdivisions 1 to 9.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 10. ENFORCEMENT APPROPRIATION.

\$100,000 in fiscal year 2015 is appropriated from the general fund to the commissioner of labor and industry for additional compliance and enforcement activities by the labor standards unit related to this act.

Presented to the governor May 9, 2014

Signed by the governor May 11, 2014, 11:34 a.m.