

SENATE  
STATE OF MINNESOTA  
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 1738

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DATE	D-PG	OFFICIAL STATUS
02/08/2012	3765	Introduction and first reading Referred to State Government Innovation and Veterans
02/16/2012	3836	Withdrawn and re-referred to Commerce and Consumer Protection
03/08/2012	4223	Comm report: To pass and re-referred to Health and Human Services
03/14/2012	4379a	Comm report: To pass as amended
	4409	Second reading See SF2093, Art. 5, Sec. 1

1.1 A bill for an act  
1.2 relating to insurance; making changes in the public employee insurance program  
1.3 administered by Minnesota Management and Budget; establishing a temporary  
1.4 moratorium to preclude employees from joining the public employee insurance  
1.5 program if their employer is not in the program as of the date of enactment;  
1.6 amending Minnesota Statutes 2010, section 43A.316, subdivision 5.

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

1.8 Section 1. Minnesota Statutes 2010, section 43A.316, subdivision 5, is amended to  
1.9 read:

1.10 Subd. 5. **Public employee participation.** (a) Participation in the program is subject  
1.11 to the conditions in this subdivision.

1.12 (b) Each exclusive representative for an eligible employer determines whether the  
1.13 employees it represents will participate in the program. The exclusive representative shall  
1.14 give the employer notice of intent to participate at least 30 days before the expiration date  
1.15 of the collective bargaining agreement preceding the collective bargaining agreement that  
1.16 covers the date of entry into the program. The exclusive representative and the eligible  
1.17 employer shall give notice to the commissioner of the determination to participate in the  
1.18 program at least 30 days before entry into the program. Entry into the program is governed  
1.19 by a schedule established by the commissioner. Employees of an eligible employer that is  
1.20 not participating in the program as of the date of enactment shall not be allowed to enter  
1.21 the program until January 1, 2015, except that a city that has received a formal written  
1.22 bid from the program as of the date of enactment shall be allowed to enter the program  
1.23 based on the bid if they so choose.

1.24 (c) Employees not represented by exclusive representatives may become members  
1.25 of the program upon a determination of an eligible employer to include these employees

in the program. Either all or none of the employer's unrepresented employees must participate. The eligible employer shall give at least 30 days' notice to the commissioner before entering the program. Entry into the program is governed by a schedule established by the commissioner. Employees of an eligible employer that is not participating in the program as of the date of enactment shall not be allowed to enter the program until January 1, 2015, except that a city that has received a formal written bid from the program as of the date of enactment shall be allowed to enter the program based on the bid if they so choose.

(d) Participation in the program is for a two-year term. Participation is automatically renewed for an additional two-year term unless the exclusive representative, or the employer for unrepresented employees, gives the commissioner notice of withdrawal at least 30 days before expiration of the participation period. A group that withdraws must wait two years before rejoining. An exclusive representative, or employer for unrepresented employees, may also withdraw if premiums increase 50 percent or more from one insurance year to the next.

(e) The exclusive representative shall give the employer notice of intent to withdraw to the commissioner at least 30 days before the expiration date of a collective bargaining agreement that includes the date on which the term of participation expires.

(f) Each participating eligible employer shall notify the commissioner of names of individuals who will be participating within two weeks of the commissioner receiving notice of the parties' intent to participate. The employer shall also submit other information as required by the commissioner for administration of the program.

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