



August 16, 2019

Via U.S. Mail & E-mail

Nick Faber, President
Saint Paul Federation of Educators
23 Empire Drive
Saint Paul, MN 55103-1856

RE: *Notice of Intent to Transition SPFE's Membership to PEIP January 2021*

Dear Mr. Faber:

This letter shall serve as the formal response of Saint Paul Public Schools, Independent School District No. 625 (the "**School District**") to the e-mail correspondence from Mike Asmus, Organizer, Saint Paul Federation of Educators ("**SPFE**") dated May 14, 2019. The School District acknowledges receipt of your e-mail as the notice of intent to participate in the Public Employees Insurance Program ("**PEIP**") for SPFE pursuant to Minn. Stat. § 43A.316.

Participation in PEIP is subject to the conditions set forth in Minn. Stat. § 43A.316. Specifically, Minn. Stat. § 43A.316 Subd. 5 requires the following:

(b) Each exclusive representative for an eligible employer determines whether the employees it represents will participate in the program. The exclusive representative shall give the employer notice of intent to participate at least 30 days before the expiration date of the collective bargaining agreement preceding the collective bargaining agreement that covers the date of entry into the program. The exclusive representative and the eligible employer shall give notice to the commissioner of the determination to participate in the program at least 30 days before entry into the program. Entry into the program is governed by a schedule established by the commissioner.

The plain language of the statute, however, does not require the School District to abide your instruction that SPFE's participation in PEIP "will become effective on January 1, 2020". In fact, the plain language of Minn. Stat. § 43A.316 does not require any specific timeline for the School District to transition SPFE's membership to PEIP. Rather, it only requires a joint notice from the exclusive representative and employer "at least 30 days before entry into the program." By this letter, the School District fully commits to execute such a joint notice by no later than December 1, 2020 in compliance with the statute.

August 16, 2019
Nick Faber
Page 2

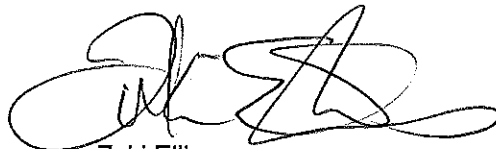
As an active participant in the selection process for health insurance, SPFE is acutely aware that the School District has a contract with HealthPartners that lasts through the 2020 plan year. The School District relied on the representations of SPFE and the other participants of the Labor-Management Committee before entering into the two (2) year contract with HealthPartners. In light of the clear discretion imparted by the plain language of the statute, the School District will not voluntarily breach the HealthPartners' contract or voluntarily allow SPFE or any other exclusive representative to inflict the harmful consequences of that breach on students, staff, and taxpayers.

Please be advised that if SPFE were to force the School District to breach the HealthPartners contract and incur damages, the School District will seek to recoup any and all damages from SPFE on the basis of claims, including but not limited to contribution and indemnity, tortious interference with contract, and promissory estoppel.

Ultimately, the School District hopes that such a costly distractions from our mission can be avoided and that all parties will simply honor their existing commitments. We look forward to facilitating a smooth and cooperative transition for SPFE's membership to PEIP in January 2021 in accordance with the plain language of Minn. Stat. § 43A.316.



Joe Gothard
Superintendent



Zuki Ellis
Chair, Board of Education