



Minnesota Manufacturers' Coalition

FEDERATION

MINNESOTA CHAMBER OF COMMERCE



March 9, 2021

Dear Members of the Minnesota House Commerce Finance and Policy Committee:

The Minnesota Chamber of Commerce, which represents more than 6,300 businesses and half a million employees, together with the Chamber Federation, which represents more than 43 local chambers and 21,000 businesses; the Minnesota Manufacturers Coalition, which represents a wide range of individual manufacturing associations across the state; and the United for Jobs Coalition, which represents nearly 80 organizations and their hundreds of thousands of employees, urge you to oppose HF 1200 (Rep. Richardson), legislation imposing a paid leave mandate on Minnesota's employers.

To reiterate the top message we have shared with the legislature on behalf of the Minnesota business community – Minnesota's economic recovery from the COVID-19 pandemic must be the top priority for the 2021 Legislative Session.

Prior to the pandemic, we thought that global competition and increased mobility drove home the need for efficient tax and state-imposed operational costs in recent years. But now, with massive pandemic driven changes to work rules and conditions, the state-driven tax and cost burdens matter all the more. Minnesota employers provide employees with innovative and robust benefits promoting wellness and flexibility, building high morale, and attracting and retaining the best talent in a competitive marketplace while maintaining the ability to operate safely and manage a variety of workplaces across the state.

Employers in our state currently must also adhere to a strict set of labor laws and workplace standards at all levels of government in order to maintain safe, healthy, respectful and inclusive workplaces. Within the current regulatory regime, employers must have the autonomy to make staffing decisions and provide wages, benefits and schedules that are appropriate for their workplace and responsive to workplace needs. We oppose attempts to impose unworkable "one size fits all" paid leave mandates because of the variety and nuances of the many workplaces across Minnesota.

The paid family and medical leave provisions in HF 1200 place a new payroll tax on every employer to create a broad new state-run insurance program that will collectively cost the Minnesota business community \$2.2 billion over the next three years. In addition to the direct cost on employers, the proposal will, conservatively, take years of development and hundreds of state FTEs to start, implement, and administrate at a time when state agencies are completely overleveraged due to the COVID-19 pandemic. Most importantly, this proposal creates a mechanism for an employee to be away from their job for up to 24 weeks each year – that's 44% of a working year.

Cost, compliance and operational impacts of mandates such as the one being considered today puts pressure on employers, especially small employers. Increased costs further limit resources available for employee compensation, job growth, and expansion in Minnesota. Furthermore, this bill requires employers to maintain specific records, in a specific format – or risk significant fines and liabilities – for a set of benefits that a majority of employers are already offering their employees in some form.

In a time of economic recovery, the Chamber and its partners supports a "do no harm" approach that limits additional cost burdens and mandates on employers who are doing their best to keep their doors open and Minnesotans employed. **For these reasons, we respectfully encourage a "no" vote on HF 1200 and appreciate the opportunity to share our opposition with the committee.**

Sincerely,

Lauryn Schothorst

Workplace Management and Workforce Development Policy
Minnesota Chamber of Commerce

Albert Lea-Freeborn County
Chamber of Commerce
Alexandria Lakes Area
Chamber of Commerce
Apple Valley Chamber of
Commerce
Associated Builders and
Contractors
Associated General
Contractors of Minnesota
Austin Area Chamber of
Commerce
Bemidji Area Chamber of
Commerce
Brainerd Lakes Area Chamber
of Commerce
Builders Association of
Minnesota
Builders Association of the
Twin Cities
Building Owners & Managers
Association (BOMA) St. Paul
Burnsville Chamber of
Commerce

Cloquet Area Chamber of
Commerce
Cuyuna Lakes Chamber of
Commerce
Dakota County Regional
Chamber of Commerce
Duluth Area Chamber of
Commerce
Eden Prairie Chamber of
Commerce
Elk River Area Chamber and
Commerce
Faribault Area Chamber of
Commerce & Tourism Bureau
Fergus Falls Area Chamber of
Commerce
Grand Rapids Area Chamber
of Commerce
Greater Minneapolis Building
Owners and Managers
Association
Greater Stillwater Chamber of
Commerce

Greater St. Paul Building
Owners and Managers
Hastings Area Chamber of
Commerce & Tourism Bureau
Hibbing Area Chamber of
Commerce
Hospitality Minnesota
Housing First
Insurance Federation of
Minnesota
International Falls Area
Chamber of Commerce
Iron Mining Association of MN
Lake City Area Chamber of
Commerce
Lakeville Area Chamber of
Commerce & CVB
Laurentian Chamber of
Commerce
Litchfield Chamber of
Commerce
Marshall Area Chamber of
Commerce
Medical Alley Association

Metalcasters of Minnesota
MetroNorth Chamber of
Commerce
Midwest Food Processors
Association
Minnesota AgriGrowth
Council
Minnesota Association of
Public Accountants
Minnesota Auto Dealers
Minnesota Bankers
Association
Minnesota Beverage
Association
Minnesota Business
Partnership
Minnesota Chamber of
Commerce Executives
Minnesota Child Care
Association
Minnesota Contractors of the
National Electrical
Contractors Association
Minnesota Drywall & Plaster
Association
Minnesota Environmental
Contractors Association
Minnesota Floorcovering
Contractors Association
Minnesota Forest Industries
Minnesota Grocers
Association
Minnesota High Tech
Association
Minnesota Mechanical
Contractors
Minnesota Milk Producers
Association
Minnesota Nursery &
Landscape Association

Minnesota Painting and
Wallcovering Employers
Association
Minnesota Pork Producers
Association
Minnesota REALTORS
Minnesota Recruiting and
Staffing Association
Minnesota Retailers
Association
Minnesota Service Stations
and Convenience Stores
Minnesota Shopping Center
Association
Minnesota Ski Areas
Association
Minnesota Society of CPAs
Minnesota Subcontractors
Association
Minnesota Telecom Alliance
Minnesota Trucking
Association
Minnesota Utilities
Contractors Association
Minnesota Utility Investors
Minnesota Mechanical
Contractors Association
Minnesota Precision
Manufacturing Association
NAIOP Minnesota
National Federation of
Independent Business
National Shooting Sports
Foundation
New Ulm Area Chamber of
Commerce
Northfield Area chamber of
Commerce
Owatonna Area Chamber of
Commerce & Tourism

Pipestone Area Chamber of
Commerce & CVB
River Heights Chamber of
Commerce
Rochester Area Chamber of
Commerce
Shakopee Chamber & Visitors
Bureau
SouthWest Metro Chamber of
Commerce
St. Cloud Area Chamber of
Commerce
The Chamber Grand Forks &
East Grand Forks
Thermal Insulation
Contractors Association
Tri-State Manufacturers'
Association
Twin Cities North Chamber of
Commerce
Waconia Chamber of
Commerce
White Bear Area Chamber of
Commerce
Willmar Lakes Area Chamber
of Commerce
Winona Area Chamber of
Commerce
Woodbury Area Chamber of
Commerce
Worthington Area Chamber of
Commerce