



# Minnesota Manufacturers' Coalition

FEDERATION

MINNESOTA CHAMBER OF COMMERCE



March 2, 2021

Dear Members of the Minnesota House State Government Finance and Elections 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 7 (Rep. L. Olson) and HF 1200 (Rep. Richardson), legislation imposing paid leave mandates on Minnesota's employers, scheduled for consideration on March 2, 2021.**

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.**



**The paid sick and safe time provisions in HF 7 mandate that employers offer fully paid time off in a specific format, for an expanded set of familial persons, for an expanded list of qualifying events. This proposal is different than paid sick and safe time ordinances adopted in Minneapolis, St. Paul, and Duluth, further complicating compliance and increasing costs for businesses who operate in those locations as these local ordinances are not preempted, creating a scenario where employers would still be required to comply with a patchwork of sick and safe time mandates within Minnesota.**

Cost, compliance and operational impacts of mandates such as the ones being considered today put pressure on employers, especially small employers. Increased costs further limit resources available for employee compensation, job growth, and expansion in Minnesota. Furthermore, these bills require 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 both HF 7 and 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 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 Auto Dealers  
Minnesota Bankers  
Association  
Minnesota Beverage  
Association  
Minnesota Business  
Partnership  
Minnesota Chamber of  
Commerce Executives

Minnesota Forest Industries  
Minnesota Grocers  
Association  
Minnesota High Tech  
Association  
Minnesota Mechanical  
Contractors  
Minnesota Milk Producers  
Association  
Minnesota Nursery &  
Landscape Association  
Minnesota Pork Producers  
Association  
Minnesota REALTORS  
Minnesota Recruiting and  
Staffing Association  
Minnesota Retailers  
Association  
Minnesota Shopping Center  
Association  
Minnesota Ski Areas  
Association  
Minnesota Society of CPAs  
Minnesota Telecom Alliance  
Minnesota Trucking  
Association  
Minnesota Utility Investors  
Minnesota Mechanical  
Contractors Association  
Minnesota Precision  
Manufacturing Association  
National Federation of  
Independent Business  
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  
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