

April 21, 2023



Dear Members of the House Ways and Means Committee:

On behalf of the Hastings Chamber of Commerce, the Hastings Downtown Business Association and the undersigned local businesses; we are writing to express deep concerns regarding the proposed mandatory paid leave program outlined in HF2. The Hastings Chamber of Commerce is made up of small businesses, in fact 80% of our 280 business members have 20 or less full time employees. The Hastings Downtown Business Association is made up of more than 50 main street businesses.

Although we respect and appreciate the intent to provide all Minnesotans paid time off to care for loved ones, a one size fits all mandate on all employers will do far more harm than the intended good. Businesses of every size have worked hard to create benefit packages that fit their industry and company culture. In many cases, benefits created by individual businesses monetarily exceed the paid time off proposed in HF 2. However, the cost to employers for this program would mean many businesses would need to cut benefits, benefits their employees find extremely valuable. It also would mean that employees would have to wait for the state to provide them a paycheck instead of working directly with their employer to ensure disability insurance pays out in a timely manner.

Below are a few testimonials from local Hastings businesses:

- “Our robust benefit package keeps us competitive in our industry when it comes to recruiting. We offer health & dental insurance, vacation & holiday pay, earned paid sick & safe time, paid bereavement time away, paid volunteer time, 401k match, profit sharing, charitable giving match & more. **A government mandate of up to 24 weeks of paid leave penalizes progressive companies that already provide robust benefits to their staff and takes away our competitive advantage we’ve worked hard to create. If this mandate passes, we will be forced to remove many of our other benefits that provide for the future of our employees.**”

Kellie Akins, CEO of Innovative Surfaces

- “The implications of a 24-week paid leave mandate for employers, small to large, is substantial and could result in less benefits for some employees. Employers, like Intek, are already offering a robust benefit program including short-term and long-term disability programs that provide significant coverage for employees’ medical leaves including 100% of salary for maternity benefits up to 12 weeks, as well as 66% of salary for long term chronic conditions up to SS eligibility age. These programs combined with solid paid time off plans, employer-funded HSA’s, and 401k benefits including loan availability provisions, provide employees with several quality options to assist them with the financial challenges of medical and other life events. Many of these high-end benefits would need to be reduced, if not eliminated, in order for us to afford and implement a new state-mandated program, which will have an adverse effect on many of our employees. **Also, employer-administrated plans allow for quick and easy service from the employer for employee questions, enrollments, modifications, etc.; all at the employee’s fingertips on-site at their workplace versus a state-administered program, which would mean**

**online or phone service, potential long waits, misunderstandings between employee and state, etc.”** Sonya Prange, VP of HR at Intek Plastics

There are also concerns on how this will put additional stress on an already record setting workforce shortage. Employers in every industry are struggling to find employees, and existing employees would end up bearing the additional workload of a co-worker’s extended absence. There are simply not enough temporary workers to fill this gap, we will see businesses forced to close due to staffing shortages.

- “Business is strong for us, but **I worry about having to close my doors due to staffing shortages.** The service industry works around youth schedules with limited hours, having to hire temporary employees to cover for my full time employees’ leave would be detrimental to our business.” Josh Malaske, Owner of Hastings Culvers
- “We are a very young and small company with only 5 benefit eligible full-time employees. We try to provide as many benefits as possible that also match the state and age of our business. **We would like the ability to offer paid leave benefits to our employees but having it mandated for our business at this time in our existence could be detrimental both financially and operationally.** It would be comforting to know that there is a plan that we could opt-in to in the future when it is more feasible but we want to be able to make that decision for our business.” Amy Fox, Owner of Spiral Brewery
- “**In order to accrue high retention in a service industry business like ours, we are extremely flexible with our scheduling;** this is greatly appreciated by our staff that are students, parents, and ones that have other jobs. Our industry relies heavily on staff that show up to their shifts and perform well. **If our full-time staff could take 20 weeks off in a year, we would literally have to shut our doors.** This is a very scary and unsettling thought when we are doing everything, we can to maintain a happy staff & a thriving business.” Nicole Sindelar, Owner of Hastings Golf Club & Events and Hastings Public House

Again, we appreciate the intent behind this legislation and strongly encourage more thought and discussion by all involved. The cost, substantial staffing challenges and stress this mandate would cause on business owners and their existing employees needs further investigation.

Thank you for allowing us the opportunity to share our opposition with the committee.

Sincerely,

Hastings Area Chamber of Commerce & Tourism Bureau and undersigned businesses

Hastings Downtown Business Association

Afton Apple Orchard  
Afton Hills Property Management  
  
Bellwood Oaks Golf Course  
Ciro Investments, LLC  
Ciro Properties, LLC  
Collins Wealth Management  
Danielle Menge & Associates, LLC  
Dowco Valve Company Inc.  
Downtown Tire and Auto  
Dugarel's Bar & Grill  
Dynamic Structures, PC  
ECCO Midwest  
ECM Publishing – Aaron Rother  
Fine Shine Exteriors  
Graphic Design  
Green Mill Restaurant & Bar  
Hastings American Legion  
Hastings Bus Company  
Hastings Child Development Center  
Hastings Culver's  
Hastings Chrysler  
Hastings Ford  
Hastings Golf Club & Events  
Hastings Public House  
Hickory Creek Rentals LLC  
Impressive Windows & Interiors, LLC  
Innovative Surfaces  
Intek Plastics  
KDWA Radio  
Little Log House Pioneer Village

Mal-O-Sen  
Merchants Bank  
Mint Development Co.  
Northfield Automotive  
Pearl Vision  
River City Popcorn  
Robin's Nest Child Care  
Rustic Enterprises, LLC  
Simply Secure Storage  
Snap Fitness  
Spiral Brewery  
TAAC Properties, LLC  
Teran Harmon State Farm Insurance  
The Busted Nut  
Tony J. Ciro Insurance Agency, Inc.  
Your Space Advertising