



February 6, 2023

The Honorable Ginny Klevorn
Minnesota House of Representatives
State Office Building Room 581
St. Paul, MN 55155

Chair Klevorn and Members of the State and Local Government Finance and Policy:

Thank you for the opportunity to provide comments on behalf of the Minnesota Business Partnership (MBP) regarding HF 2, Paid Family and Medical Leave (PFML). The MBP is comprised of more than 100 business leaders and top executives who collectively employ almost 500,000 Minnesotans.

Let me first say that members of the Minnesota Business Partnership support paid leave policies. We support them because it is the right thing to do for employees and their families. In addition, in today's ultra-competitive workforce, providing paid leave is essential for attracting top talent locally, regionally, and globally.

As a result, our membership already provides very generous paid leave benefits to their employees. In fact, many offer a more generous leave than what this bill prescribes. However, the bill before you today would make it extremely difficult for these businesses -- who already offer paid leave -- to offer a qualified employer plan, even if their paid leave benefit program exceeds the minimum requirement that is currently outlined in the bill. These issues include an expansive definition of family, no cap on the 24+ weeks of leave, and the brief window of 90 days required before eligibility for this program.

Our concern at this stage is that the current paid family medical leave proposal, as written, will harm our employees. It would disrupt existing employee benefit plans and force employees into a state-run program offering reduced benefits, while facing the added burden of a new payroll tax taken out of their paycheck.

Furthermore, employees are currently able to contact trusted human resources professionals at their place of work with questions. This program would replace that reliable service and force employees to call a state agency to access paid leave benefits.

Our members currently offer paid leave as a benefit to their employees, but this proposal creates a system that is burdensome and unfair to employees -- the opposite of its stated goal.

We respectfully ask the committee to consider a benefit program that is easy to administer and doesn't punish employees who already receive comparable benefits from their employers.

The Minnesota Business Partnership and our members are prepared to work with you to find a path that helps expand paid leave benefits to employees who don't have access without harming the many employees who already do.

Gavin Hanson
Fiscal and Economic Policy Director
Minnesota Business Partnership