



May 2, 2023

Dear Members of the Omnibus Jobs and Labor Conference Committee:

On behalf of the Minnesota Chamber of Commerce, a statewide organization representing more than 6,300 businesses and more than half a million employees throughout Minnesota, thank you for the opportunity to reiterate our opposition to the Omnibus Labor Budget bills (Sen. McEwen; Rep. Nelson) incorporated into SF 3035, the Jobs Omnibus Budget Bill. Our strong opposition is based on the numerous provisions imposing unnecessary new workplace regulations, workforce restrictions, increased bureaucracy, record keeping costs and litigation risks on Minnesota employers, industries and facilities.

It is important to note that our members across all industries are committed to safety. Not only is this commitment grounded in good business sense, many industries are already highly regulated under very strong federal and state safety regulations. Minnesota businesses also don't have the luxury of considering tax and labor policies, state spending, and regulatory decisions separately, in a vacuum. Employers – particularly our state's small and mid-sized businesses – are at risk of a multitude of paid leave mandates, increased workplace regulations, and operational restrictions in addition to proposals that increase their tax bill under consideration this legislative session.

While we recognize that the bill authors worked with impacted industries and facilities to address significant scope and workability concerns throughout the legislative process, we remain troubled that instead of reducing costs or making it easier for Minnesota businesses to remain viable – let alone grow – SF 3035 takes the opposite approach. Separate from the direct cost impacts to employers, this bill requires millions of dollars in increased state spending to implement and enforce the numerous new provisions and standards when it has been clearly demonstrated that our regulating entities have trouble enforcing the full breadth of requirements and standards already in law.

Minnesota already has a full body of workplace safety standards, and Minnesota OSHA and the Minnesota Department of Labor and Industry have the responsibility of worker protection, in addition to numerous federal agencies. There are already clear actions workers can take to file claims, and report concerns or unfair practices.

The cost of compliance and operational impacts of workplace mandates, increased regulations and fines, and operational restrictions such those found in Article 8 in the Senate and Article 8 in the House (nursing home workforce standards board); Article 9 in the House (refineries); Article 10 Section 18 in the Senate and Article 11 Section 17 in the House (ergonomics), Section 27(n) and Section 30 in the Senate and Section 26(n) and 29 in the House (adult-size changing facilities); Article 11 in the Senate and Article 13 in the House (meat and poultry processing facilities); Article 12 Section 2 in the Senate and no House position (covenants not to compete); Article 14 in the House (warehouse distribution centers); and Article 15 in the House (construction industry) put pressure on employers. While we understand the intentions of this legislation, we continue to be concerned about the feasibility and cumulative cost of such proposals and rushed effective dates, along with the unintended consequences.

As a final note, the private rights of action contained in Article 7 and 8 in both the House and Senate, Article 11 in the Senate, and Articles 13, 14, and 15 in the House are inconsistent and will lead to frivolous

lawsuits requiring employers to defend themselves against unwarranted claims. We encourage legislators to remove these specific provisions from these articles. The significant increase in agency penalties and fines contained both underlying bills coupled with the provisions further indexing these increases to inflation should be considered sufficient regulatory authority. However, we does not believe these penalties should be on autopilot; rather, these increases should require legislative debate and a vote, as this bill is doing through the underlying penalty provisions.

The Chamber supports an approach that limits additional cost burdens and unnecessary mandates on employers who are doing their best to comply with Minnesota's existing complement of state and federal workplace standards and keep Minnesotans employed.

Thank you for the opportunity to reiterate our opposition to the Omnibus Labor Budget bills (Sen. McEwen; Rep. Nelson) incorporated into SF 3035, the Jobs Omnibus Budget Bill, as outlined above to the conference committee.

Sincerely,

Lauryn Schothorst

Director, Workplace Management and Workforce Development Policy