



March 6, 2023

Governor Tim Walz
130 State Capitol
75 Rev Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

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On behalf of the Willmar Lakes Area Chamber of Commerce, which represents over 500 businesses and organizations throughout Kandiyohi County, we are writing to express our concerns regarding HF 2/SF 2, the proposed Paid Family and Medical Leave legislation.

This legislation in its current form, however, raises many questions, such as its cost, sustainability, impact to small businesses, and potential to reduce our state's competitive advantage. It is highly unusual for a massive, newly created state-run agency such as this to not have a fiscal note or actuarial analysis attached to the proposed legislation. Besides the original implementation expenses, the short- and long-term projected costs to employers, employees, municipalities - really, all taxpayers - should be factored into the bills. To our knowledge, the true costs of this program have not been made public, which is disconcerting.

In addition, we would like to some suggestions to make the bill somewhat more workable, the bill could include the following items below:

- The scope of the leave, 24 weeks, is far too big - consider 12 weeks
- The definition of a family members is much too broad, and should be consistent with FMLA.
- Small employers, those with fewer than 50 employees, should be exempt.
- No carve outs! Everyone must share in this "investment in our employees."

In a time of budget surpluses and workforce shortages, our state needs to be looking for creative solutions to becoming more competitive, not less. While other states look to cut taxes, this bill would be raising taxes on every business across the state. While every state is looking to address the workforce crisis and incentivize individuals to join the workforce, this bill would leave employers with even fewer employees. While other states are looking to reduce burdensome regulations to spur economic growth, this bill would implement further regulations and increase costs.

This bill is neither equitable nor sustainable, costing taxpayers billions of dollars and decreasing Minnesota's ability to attract and retain business. Minnesota businesses need your help, not your hinderance. Please do not sing SF2 or HF2.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Ken Warner', written over a blue horizontal line.

Ken Warner, President
Willmar Lakes Area Chamber of Commerce