



March 18, 2026

Representative Mueller and Members of the House Workforce, Labor, and Economic Development Finance and Policy Committee:

**On behalf of the Minnesota Chamber of Commerce, a statewide business organization representing more than 6,300 business and over half a million employees, thank you for the opportunity to support HF3597 (Rep. Mueller), legislation exempting certain S corporations from the new Paid Family and Medical Leave (PFML) mandate.** The Chamber leads the statewide business community to advance responsible public policy that creates jobs, enables commerce, and grows the economy, when looking at the key factors of GDP and job growth, a strong workforce, and smart public investment.

Restoring balance and ensuring employer-focused flexibility in workplace mandates is one of the Chamber's top legislative priorities year over year. This year in particular, making adjustments to the state's now in effect PFML mandate before things get too far out of alignment is top of mind for Minnesota's business community. Our members believe that policymakers must address operational challenges for both employers and employees to ensure that the program is functional, cost controlled and responsive to workplace dynamics. The potential for overuse, abuse, and fraud must be closely monitored and eliminated as well.

As this committee knows, the Chamber just conducted a robust survey over the past two months focusing on the user experience so we could bring meaningful, comprehensive user feedback directly to the Capitol. Thanks to the nearly 700 hundred business leaders and employees who took the time to share their line of sight into the PFML management experience, we have a statistically meaningful snapshot of business sentiment – on a qualitative and quantitative level - on the actual experience with paid leave.

Nearly 78% percent of respondents have less than 100 employees, with 40% representing some of our smallest businesses with less than 10 employees. Respondents describe the paid leave experience so far as negative, especially for small employers – a theme throughout the responses is “this program was not designed for small businesses.”

One-size-fits-all mandates in don't fit within the operational realities of various entities. S corporations and other small seasonal employers, self-employed individuals, profit sharing organizations, limited hour organizations, those with a ratioed workforce or with student workers, and border businesses with multi state workforce are often cited examples.

Exemptions, as found in HF3597, or alternative structures for small businesses or certain businesses shouldn't be considered unreasonable. In addition to HF3597, the Chamber continues to request that the legislature refine the scope of the mandate by: reducing the number of weeks, narrowing the definition of an eligible family member, addressing the generosity of the benefit payments, and considering additional reasonable exemptions.

Employers aren't debating the idea of paid leave as a benefit to offer but as a one-size-fits-all state-run mandate. They're describing their experience with implementing and operating a mandated program that, in practice, is: hard to administer, slow and unclear in execution, and disruptive. And they're sharing a strong concern about its financial sustainability or vulnerability to misuse.

Balance is necessary to protect public interest and promote economic growth. The Chamber is looking forward to working with members of this committee pursuing reasonable, bipartisan solutions that strengthen the economy while keeping costs manageable; adjusting uncompetitive new laws; reducing barriers and other cost burdens undermining growth; and encouraging private sector investment and innovation in Minnesota this session. **It is for these reasons the Chamber supports HF3597 and encourages the Committee to also pursue additional modifications to refine the PFML mandate.**

Thank you for the opportunity to share this perspective with the committee.

Sincerely,  
Lauryn Schothorst  
Director, Workplace Management and Workforce Development Policy