



DATE: 2/6/2023

RECIPIENT: House Labor and Industry Finance and Policy Committee

Chair Nelson and members,

Medical Alley and our more than 800 members represent one of the most diverse and influential healthcare communities in the world. We are a critical partner and connection point between companies, talent, and the broader Medical Alley community, which employs more than half a million Minnesotans. Many of these partners are small businesses – creating and advancing the next generation of medical breakthroughs and technologies.

It is because of this perspective and expertise that we respectfully **oppose** Minnesota House File 2 (Paid Family and Medical Leave).

First, while we fully agree Minnesotans deserve access to leave to care for themselves or loved ones, we believe a one-size-fits-all statewide mandate is not in the best interest of the state or its talent. It is our opinion that this bill has unanswered questions which will lead to unintended consequences.

Medical Alley is home to many small manufacturing and biotechnology companies, employing a highly specialized workforce. As HF 2 is written now, employees may stack their leave periods, resulting in up to 24 weeks off work. It's likely these companies could lose a significant number of employees on leave at the same time, with no viable replacement. This would have a precipitous impact on both the company's current workforce, which must work harder with less, and its ability to attract new employees. When these small businesses fail, it can have a crippling effect on innovation. Remember, the largest companies in Medical Alley were at one time, startup businesses.

Additionally, while this mandate will likely not impact large providers which employ union workers, its impact on small care facilities and solo practitioners could be dire. Consider the ophthalmologist with fewer than ten highly skilled employees; or the nursing home in Greater Minnesota which is already struggling to attract workers – What happens to them if a significant portion of their workforce takes up to six months

of leave? How will they continue to pay wages? These are critical partners in Minnesota's continuum of care and are already struggling to survive. This bill could force many to fail and deprive families of the access to care they need.

Medical Alley is home to a thriving startup community – which both cares for people and creates innovation. We are not against the idea of Paid Family Leave. We are against a mandate which could lead to unintended consequences and fails to answer the following questions:

What happens if the fund runs out? Currently, there's no plan.

How high can the payroll tax go? Currently, there's no limit.

Simply put, this bill is moving too fast.

Government is criticized for moving slowly. This is certainly a situation where more time and thoughtful deliberation is necessary and warranted. Take the time.

Thank you again for the opportunity to share our opposition to this legislation. Please let me know if Medical Alley can provide any additional information or be a resource for this committee.

Sincerely,

A handwritten signature in black ink, appearing to read "Roberta Antoine Dressen". The signature is fluid and cursive, with the first name being the most prominent.

Roberta Antoine Dressen

President & CEO

Medical Alley