



April 20, 2023

Dear Chair Gomez and Members of the House Taxes Committee,

The Minnesota Council of Nonprofits (MCN) is the largest statewide association of nonprofits in the country, representing over 2,300 member organizations across the state.

As an association of nonprofit employers, we write in support of HF2. The current reality of the nonprofit sector is that we lost almost 30,000 workers since 2020 and we continue to struggle attracting and retaining critical talent.

Over 66% of MCN's membership have annual budgets of lower than \$1 million. In our [2022 Minnesota Nonprofit Salary and Benefits survey](#), about 60% of nonprofits with budgets between \$500k - \$1 million reported not offering any type of paid leave when an employee has a new child. Many nonprofit organizations struggle with offering competitive benefits such as paid family leave and most private insurance options are cost-prohibitive.

This program would allow cash-strapped employers to plan and offer this benefit at an appropriate cost to both the employer and to employees. Small organizations will benefit from systems that will allow smaller payments in installments for future needs as this would be a predictable expense for employers. **We recognize that it is an additional cost for nonprofit employers, but we are confident the benefits will vastly outweigh the cost.**

Paid family leave will advance economic security and reduce both income and racial disparities. Whether time off is paid or not, employees will continue to take time off for a new child, pregnancy complications, or caring for a loved one. Over 75% of nonprofit workers in Minnesota identify as women, and statistics show that women tend to carry disproportionate caregiving responsibilities at home and underpaid for the same work compared to their male counterparts. Minnesotans and workers who are Black, Indigenous, and people of color are more likely to lack access to these benefits and have fewer resources to get through times of illness or need for family caregiving. Having to choose between keeping a steady paycheck and supporting the needs of one's family disproportionately impacts women and Black, Indigenous, and people of color, as evidenced by the COVID-19 pandemic.

We ask that members vote for HF2. If you have any questions about this issue, please connect with Ileana Mejia, public policy advocate, at imejia@minnesotanonprofits.org or 651-757-3072. Thank you for your continuing partnership as we work together to serve the communities of Minnesota.

Sincerely,

Handwritten signature of Marie Ellis in cursive.

Marie Ellis
Public Policy Director

Handwritten signature of Ileana Mejia in cursive.

Ileana Mejia
Public Policy Advocate