



April 26, 2024

Chair Becker-Finn and Members of the Judiciary Committee:

ISAI AH helped start and lead the fight for Paid Leave over 10 years ago. Our campaign for Paid Leave was grounded in tens of thousands of conversations with Minnesotans struggling to care for their loved ones at the time of their greatest need, while still being able to provide for themselves and their families. As our then-Executive Director Doran Schrantz said at the signing ceremony, Paid Leave is about love. It is about the state allowing us to love one another to the best of our abilities, without fearing for putting food on the table or a roof over our heads.

We are grateful the Minnesota legislature passed one of the strongest Paid Family and Medical Leave programs in the entire nation in 2023. Our authors rightly touted Minnesota's paid leave law as nation-leading for centering racial and gender equity. Access for workers who needed it the most – and who were most likely to be denied such access – was our guiding compass. This means low-wage workers, disproportionately women, BIPOC and immigrant workers, were to be front of mind in ensuring access to paid leave.

That is why we were so shocked and deeply disappointed to learn that the administration plans to administer Minnesota's Paid Leave program with an unpaid waiting week for family and medical leaves. This would be out of step with the legislative intent, was never discussed in dozens of hearings or countless other meetings that we were part of in advocating for the law, and is incongruent with the repeated public communications of the administration and legislative leadership, which touted the passage of 12 weeks of paid medical and 12 weeks of paid family leave, with up to 20 weeks of combined leave available to those in the position of meeting eligibility requirements and needing it.

Paid Leave means Paid Leave. For all workers, for all weeks, without waiting periods that would cut off access for thousands of workers who have paid into the fund but would be excluded from participating in the benefits. We are glad to know the Administration's interpretation does not extend to bonding leave with a new baby. But those leaves are often the ones that are the most painful. An unpaid waiting period for medical and family leaves would hurt most those who have a sudden injury, illness or dying loved one to care for.

We stand with all organizations who have fought for and continue to fight for the just implementation of Paid Leave for all Minnesotans. We call on the legislature to make it crystal clear that there is no unpaid waiting week in Minnesota's paid leave law.

Sincerely,

Alexa Horwart, Co-Director

Minister JaNaé Bates, Co-Director



April 26, 2024

Dear Members of the House Judiciary Finance and Civil Law Committee:

On behalf of the Minnesota Chamber of Commerce, thank you for the opportunity to comment on HF 5363 (Rep. Frazier), legislation seeking to modify the paid family and medical leave mandate imposed on Minnesota's employers. The Minnesota Chamber is a statewide organization representing more than 6,300 businesses and more than half a million employees throughout Minnesota, and a majority of our members are small to mid-sized businesses.

During the 2023 legislative session, the Minnesota Chamber testified on numerous occasions with our staunch opposition to the imposition of this mandate for a number of reasons. We sought to limit the scope of the mandate; provide our smallest businesses with some relief from its financial and operational impacts; and ensure employers have the flexibility to manage these new requirements in ways that are feasible and not cost-prohibitive. We specifically asked that legislators work to mitigate the burdens of the onerous compliance requirements.

While HF 5363 includes some helpful modifications (Secs. 16, 17, 18, 22, 26), it does not alleviate many of the concerns we highlighted and in fact creates additional confusion, burdens, and requires further rulemaking. To highlight a few of the problematic sections: Sec 10. Expands an already overly broad definition of family member; Sec. 14: Removes language requiring the Minnesota Department of Employment Economic Development (DEED) to notify an applicant and employer(s) when an application is submitted, and financial eligibility is determined; Sec. 23: Removes the 480-hour cap on intermittent leave within a 12-month period; Sec. 25: Modifies reinstatement requirements but with an unworkable standard; Secs. 38 and 48: Replaces the existing complex small business PFML payroll tax rate provisions with another cumbersome and confusing process and changes the eligibility for which small businesses will qualify for the Small Employer Assistance Grants; and Sec. 41: Pushes back the annual PFML payroll tax rate adjustment to November 15 each year, which is too late in the calendar year for employers to plan.

With regard to the language relating private plans (Secs. 27-36), we appreciate the stated intent by DEED that the department work will continue through the next year to refine these provisions and ensure the ability of Minnesota employers to meet their obligations under this new law through the substitution of a private plan that provides paid family, paid medical, or paid family and medical benefits for current employees. We look forward to contributing positively to that process.

The cost of doing business in the state increased significantly as a result of the 2023 legislative session. After a record-setting number of new labor mandates, workplace restrictions, and business taxes, employers are very concerned about any additional policy proposals that further impede their ability to succeed and grow in Minnesota. The Chamber supports an approach that limits additional cost burdens and mandates on employers who are doing their best to keep their doors open and Minnesotans employed. We also support enacting technical and substantive changes to address unnecessarily onerous compliance concerns as well as statutory modifications to address overreach of the legislation that was passed in 2023.

In that context, while we appreciate that some clarifications are included in the underlying bill, we believe that balanced employment-related policy benefits both employers and workers as well as taxpayers while enabling our economy to grow. It is for these reasons the Chamber encourages members to pursue the helpful clarifications contained in HF 5363 along with structural policy changes that the business community has advocated for before and after enactment found in HF 3530 (Rep. Baker).

Sincerely

**Laurn Schothorst**

Director, Workplace Management and Workforce Development Policy