



February 21, 2024

Dear Members of the Minnesota House Labor and Industry Finance and Policy Committee:

On behalf of the Minnesota Chamber of Commerce, thank you for the opportunity to comment on HF 3882 (Rep. Olson, L.), legislation seeking to modify the recently enacted unfunded paid sick and safe time 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 3882 includes some clarifications necessary to reduce confusion resulting from the interpretation of this new law uncovered during its rollout and implementation, the Chamber more broadly supports the balanced approach put forward in the DE1 Amendment (Rep. Schultz) and opposes the A1 amendment (Rep. Berg).

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 Minnesota Chamber wants the state to not only be a better place for employers and employees to stay and grow but to also become an attractive place for industries to locate. In fierce competition for talent, businesses have adjusted and increased a variety of benefits and wages to attract workers. Despite the fact that Minnesota employers provide employees with innovative and robust benefits promoting wellness and flexibility while maintaining the ability to operate safely and manage a variety of workplaces across the state, policymakers at all levels of government continue to seek significant new mandates to control employers' relationships with their employees and the operations of their worksites. This effectively impedes the ability of employers to offer differentiated benefits and displaces preferred benefits that better meet the needs of their workforce.

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 and issues uncovered during implementation resulting from the legislation that was passed in 2023.

In that context, while we appreciate that some of these 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 these clarifications while supporting the DE1 Amendment.

Sincerely,

Lauryn Schothorst

Director, Workplace Management and Workforce Development Policy