MINNESOTA CHAMBER OF COMMERCE
GROWING MINNESOTA

April 5, 2022

Dear Members of the Minnesota House Labor, Industry, Veterans and Military Affairs Finance and Policy Committee:

On behalf of the Minnesota Chamber of Commerce representing more than 6,300 businesses – and more than half a million employees throughout Minnesota, we respectfully ask that you vote "no" on HF 4177 (Rep. Ecklund) as amended to be the House Labor, Industry, and Bureau of Mediation Services Omnibus Bill. To reiterate the top message we've submitted on behalf of our members – Minnesota's employers, employees, and communities are counting on lawmakers to accelerate economic growth in 2022. That is why we are particularly troubled that instead of reducing costs or making it easier for Minnesota businesses to remain viable – let alone grow – HF 4177 takes the opposite approach.

Minnesota businesses don't have the luxury of considering tax and labor policies, state spending, and regulatory decisions separately, in a vacuum. Employers – particularly our state's small and mid-sized businesses – are at risk of a multitude of paid leave mandates, increased workplace regulations, and operational restrictions in addition to proposals that increase their tax bill under various House proposals currently under consideration. Importantly, this doesn't take into account the $2.73 billion dollar pandemic unemployment insurance payroll tax increase just assessed on Minnesota's business community.

Minnesota is already considered a high tax, highly regulated, high cost-of-doing-business state. Employers currently must adhere to a strict set of labor laws and workplace standards at all levels of government in order to maintain safe, healthy, respectful, and inclusive workplaces. Within the current regulatory regime, employers must have the autonomy to make decisions that are appropriate for their workplace and responsive to workplace needs.

Our members utilize and employ both union and non-union workforces. Businesses must be able to continue to have that discretion based on site specific needs, location, employee qualifications, special skill sets, safety requirements, and technological capabilities, among others. We strongly oppose the idea that the state would seek to mandate a private sector business to use one particular workforce over the other.

The cost of compliance and operational impacts of workplace mandates, increased regulations and fines, and operational restrictions such as the ones being considered in HF 4177 put pressure on employers, particularly small employers. Specifically, Article 2 Sections 3, 10 and 11 - prohibiting non-compete agreements and restrictive franchise agreements; Article 3 – increasing OSHA penalties and fines; Article 4- making various modifications and additions to labor standards for agricultural and food processing workers; and Article 7 requiring outside contractors working at "oil refineries in Minnesota" to have apprenticeship-level training. Increased costs further limit resources available for employee compensation, other employer provided benefits, job growth, and expansion in Minnesota. And restricting the labor force makes it harder to hire workers and could potentially discount workers with the highest safety records. If enacted, this bill could seriously jeopardize the very thing this bill seeks: the safety of workers at these facilities.

In a time of economic recovery, the Minnesota Chamber supports a "do no harm" approach that limits additional cost burdens, mandates, and operational restrictions on employers who are doing their best to keep their doors open and Minnesotans employed. **Because this bill would impede Minnesota's business competitiveness and recovery, we respectfully encourage a "no" vote on HF 4177.**

Sincerely,

Lauryn Schothorst
Director, Workplace Management and Workforce Development Policy