

ST PAUL

AREA CHAMBER

401 N Robert Street, Suite 150
St. Paul, MN 55101

MAKING CONNECTIONS THAT COUNT

April 14, 2023

via email

Representative Jay Xiong, Chair, Workforce Development Finance & Policy
557 State Office Building
St. Paul, MN 55155

Dear Representative Xiong and committee members:

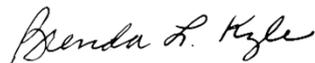
On behalf of the 1700+ members and affiliates of the St. Paul Area Chamber, who together represent more than 3 million employees and their families, thank you for the opportunity to comment on H.F. 2 (Paid Family and Medical Leave).

While we fully agree that employees deserve paid leave to care for family or recover from injury and illness, we have concerns with the structure of this legislation. First is the "mandate" rather than "incentive" approach. In this time of worker shortages, businesses understand that leave policies are important to attract and retain employees. Employers are in the best position to design benefits packages that serve the distinct needs of their employees. Yet, unless a company's leave policies exactly mirror the state's framework, that company would not be able to "opt out" of the state program.

Second are the tails. The long-term implications of this proposal to budgets- government and businesses alike- need more disciplined consideration. Using one-time surplus money to initiate programs with ongoing budgetary commitments is a dangerous game at best, especially at a time when business is bracing for an economic slowdown. Further, if large companies did design their benefits to allow for opting out of the state program, would small and mid-sized businesses have the actuarial ability to support it?

While I understand the energy and activism behind this legislation, it is equally important to "get it right." Even amongst the other states that have advanced paid family and medical leave programs, this proposal goes far beyond anything that has been enacted. I urge the committee to look at the broader scope of implications this legislation will have on the state budget, businesses, and their employees.

Respectfully,



B Kyle
President & CEO
St. Paul Area Chamber

