



April 6, 2021

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 1670 (Rep. Ecklund) as amended to be the House Labor, Industry, and Bureau of Mediation Services Omnibus Bill.**

COVID-19 has had wide-ranging economic, business, and social impacts. The pandemic has resulted in an historic worldwide economic downturn due to actions taken to slow the spread of the virus including businesses closures and stay home orders. Businesses have been severely impacted: Many were forced to close completely; others experienced a tremendous drop in revenues, supplier challenges, changes in workforce protocols, and loss of customers. This is not simply a personal loss for business owners. This is a loss to the employees, their communities, the local governments, and the state, in terms of commercial and economic activity.

Re-opening the economy and managing the continued economic fallout due to the pandemic is one of the top concerns of Minnesota businesses. A “do no harm” approach is critically important so that additional cost burdens and mandates are not placed on employers who are doing their best to keep their doors open and Minnesotans employed.

Policymakers have dual responsibilities of simultaneously supporting private sector economic recovery and looking ahead to Minnesota’s long-term economic growth. Two clear economic imperatives now stand before us: We must stabilize at-risk businesses and take strategic actions to accelerate recovery in the short term; and, we should avoid additional restrictions on business operations and imposition of increased costs to help set up our economy for long-term success.

**That is why we are particularly troubled that instead of reducing costs or making it easier for businesses to remain viable – let alone grow – HF 1670 takes the opposite approach.** Employers currently must adhere to a strict set of labor laws and workplace standards in order to maintain safe, healthy, respectful and inclusive workplaces. Within the current regulatory regime, employers must have the autonomy to make staffing decisions and provide wages, benefits and schedules that are appropriate for their workplace and responsive to workplace needs. Throughout this legislative session, the Chamber has testified in opposition to the standalone pieces of legislation that are now included in this omnibus package. To reiterate those concerns below:

- The provisions of Article 5 (HF 39 – Rep. Carlson) impose an onerous and unworkable hiring process on certain employers by requiring them to offer employees who were laid-off due to the pandemic – some who may have had limited attachment to their workplace and for staffing decisions that could have been made over a year ago - information about available job positions for which they qualify, and to rehire from employees based on a preference system of qualifications and seniority.

- The paid sick and safe time provisions in Article 3 and Article 4 (HF 7 – Rep. L. Olson) and Article 6 (HF 41 – Rep. Frazier) mandate that employers offer fully paid time off in a specific format, for an expanded set of familial persons, for an expanded list of qualifying events – and in some instances apply retroactively. The provisions require employers to maintain specific records, in a specific format – or risk significant fines and liabilities - for a set of benefits that a majority of employers are already offering their employees in some form. This proposal is different than paid sick and safe time ordinances adopted in Minneapolis, St. Paul, and Duluth, further complicating compliance and increasing costs for businesses who operate in those locations as these local ordinances are not preempted, creating a patchwork of sick and safe time mandates within Minnesota.

Cost, compliance and operational impacts of mandates such as the ones being considered today – both specifically mentioned above and also found in Article 2 (Section 9, Section 10, and Section 11 – HF 357 Rep. Koegel) and Article 7 (HF 800 – Rep. Wolgamott) - put pressure on employers, particularly small employers. Increased costs further limit resources available for employee compensation, other employer provided benefits, job growth, and expansion in Minnesota.

In addition to these workplace mandates, we also oppose the provisions of Article 2 Section 12 (HF 984 - Rep. Lislegard) that would require outside contractors working at “oil refineries in Minnesota” to have apprenticeship-level training. Broadly speaking, our members utilize and employ both union and non-union workforces. Ultimately, a company’s workforce decisions are based a variety of factors such as needs: site specific needs, location, employee qualifications, special skill sets, safety requirements, and technological capabilities, among others. Businesses must be able to continue to have that discretion. There is no specific safety incident or issue that this legislation is seeking to resolve. Nor is it clear where exactly Minnesota’s laws and standards are deficient.

We oppose the idea that the state would mandate a private sector business to use one particular workforce over the other. Furthermore, these provisions would change how these businesses work with their contractors who currently, and for decades, have operated safely and effectively in Minnesota. We support various apprenticeship programs that offer an important pathway for training skilled workers, but recognize that those programs are not the only pathway to job safety and skills. 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 1670.**

Sincerely,

**Lauryn Schothorst**

Director, Workplace Management and Workforce Development Policy