



March 28, 2022

Dear Members of the Minnesota House Workforce and Business Development Finance and Policy Committee:

**The Minnesota Chamber of Commerce, which represents more than 6,300 businesses and half a million employees; the Chamber Federation, which represents more than 43 local chambers and 21,000 businesses; the Minnesota Manufacturers Coalition, which represents a wide range of individual manufacturing associations across the state; and the United for Jobs Coalition, which represents nearly 80 organizations and their hundreds of thousands of employees, urge you to oppose HF 1200 (Rep. Richardson), legislation imposing a paid leave mandate on Minnesota's employers.**

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. HF 1200 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 and workplace regulations 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.

With pandemic driven changes to work rules and conditions, state tax and cost burdens matter all the more. Minnesota employers have responded and are providing employees with innovative and robust benefits promoting wellness and flexibility, building high morale, and attracting and retaining the best talent in a competitive marketplace while maintaining the ability to operate safely and manage a variety of workplaces across the state. They are doing so to meet specific and unique needs of the business and employees.

Employers currently must also 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 staffing decisions and provide wages, benefits, and schedules that are appropriate for their workplace and responsive to workplace needs. We oppose attempts to impose unworkable "one size fits all" paid leave mandates because of the variety and nuances of the many workplaces across Minnesota.

**The paid family and medical leave provisions in HF 1200 place a new payroll tax on every employer to create a broad new state-run insurance program that will collectively cost the Minnesota business**

community \$2.2 billion over the next three years. In addition to the direct cost on employers, the proposal will, conservatively, take years of development and hundreds of state FTEs to start, implement, and administrate at a time when state agencies are completely overleveraged due to the COVID-19 pandemic. Most importantly, this proposal creates a mechanism for an employee to be away from their job for up to 24 weeks each year – that’s 44% of a working year.

Cost, compliance and operational impacts of mandates such as the one being considered today puts pressure on employers, especially small employers. Increased costs further limit resources available for employee compensation, job growth, and expansion in Minnesota. Furthermore, this bill requires 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.

In a time of economic recovery, the Chamber and its partners supports a "do no harm" approach that limits additional cost burdens and mandates on employers who are doing their best to keep their doors open and Minnesotans employed. **Because this bill would impede Minnesota’s competitiveness and economic growth, we respectfully encourage a “no” vote on HF 1200 and appreciate the opportunity to share our opposition with the committee.**

Sincerely,

Albert Lea-Freeborn County Chamber of Commerce  
Alexandria Lakes Area Chamber of Commerce  
Anoka Area Chamber of Commerce  
Apple Valley Chamber of Commerce  
Associated Builders and Contractors  
Associated General Contractors of Minnesota  
Austin Area Chamber of Commerce  
Bemidji Area Chamber of Commerce  
Big I Minnesota  
Brainerd Lakes Area Chamber of Commerce  
Builders Association of Minnesota  
Builders Association of the Twin Cities  
Building Owners & Managers Association St. Paul  
Burnsville Chamber of Commerce  
Cloquet Area Chamber of Commerce  
Cuyuna Lakes Chamber of Commerce  
Dakota County Regional Chamber of Commerce  
Duluth Area Chamber of Commerce  
Eden Prairie Chamber of Commerce  
Elk River Area Chamber and Commerce  
Fargo Moorhead West Fargo Chamber of Commerce  
Faribault Area Chamber of Commerce & Tourism Bureau  
Fergus Falls Area Chamber of Commerce  
Grand Rapids Area Chamber of Commerce

Greater Mankato Growth  
Greater Minneapolis Building Owners and Managers Association  
Greater Stillwater Chamber of Commerce  
Greater St. Paul Building Owners and Managers  
Hastings Area Chamber of Commerce & Tourism Bureau  
Hermantown Area Chamber of Commerce  
Hibbing Area Chamber of Commerce  
Hospitality Minnesota  
Housing First  
Hutchinson Area Chamber of Commerce  
Insurance Federation of Minnesota  
International Falls Chamber of Commerce  
Iron Mining Association of MN  
Lake City Area Chamber of Commerce  
Lake County Chamber of Commerce  
Lakeville Area Chamber of Commerce & CVB  
Laurentian Chamber of Commerce  
Litchfield Chamber of Commerce  
Marshall Area Chamber of Commerce  
Medical Alley Association  
Metalcasters of Minnesota  
MetroNorth Chamber of Commerce  
Midwest Food Products Association

Minnesota AgriGrowth Council  
Minnesota Association of Convention and Visitors Bureaus  
Minnesota Association of Public Accountants  
Minnesota Automobile Dealers Association  
Minnesota Bankers Association  
Minnesota Beverage Association  
Minnesota Business Partnership  
Minnesota Chamber of Commerce  
Minnesota Chamber of Commerce Executives  
Minnesota Child Care Association  
Minnesota Contractors of the National Electrical Contractors Association  
Minnesota Crop Production Retailers  
Minnesota Drywall & Plaster Association  
Minnesota Environmental Contractors Association  
Minnesota Floorcovering Contractors Association  
Minnesota Forest Industries  
Minnesota Grocers Association  
Minnesota Mechanical Contractors  
Minnesota Milk Producers Association  
Minnesota Nursery & Landscape Association  
Minnesota Painting and Wallcovering Employers Association  
Minnesota Pork Producers Association  
Minnesota REALTORS  
Minnesota Recruiting and Staffing Association  
Minnesota Retailers Association  
Minnesota Service Stations and Convenience Stores  
Minnesota Shopping Center Association  
Minnesota Ski Areas Association  
Minnesota Society of CPAs  
Minnesota Subcontractors Association  
Minnesota Technology Association  
Minnesota Telecom Alliance  
Minnesota Trucking Association  
Minnesota Utility Contractors Association  
Minnesota Utility Investors  
Minnesota Mechanical Contractors Association  
Minnesota Precision Manufacturing Association  
NAIOP Minnesota  
National Federation of Independent Business  
National Shooting Sports Foundation  
New Ulm Area Chamber of Commerce

Northfield Area Chamber of Commerce  
Owatonna Area Chamber of Commerce & Tourism  
Pipestone Area Chamber of Commerce & CVB  
Printing Industry Midwest  
Redwood Area Chamber & Tourism  
River Heights Chamber of Commerce  
Rochester Area Chamber of Commerce  
Shakopee Chamber & Visitors Bureau  
SouthWest Metro Chamber of Commerce  
St. Cloud Area Chamber of Commerce  
The Chamber Grand Forks & East Grand Forks  
The Independent Community Bankers of Minnesota  
Thermal Insulation Contractors Association  
Tri-State Manufacturers' Association  
Twin Cities North Chamber of Commerce  
Waconia Chamber of Commerce  
White Bear Area Chamber of Commerce  
Willmar Lakes Area Chamber of Commerce  
Winona Area Chamber of Commerce  
Woodbury Area Chamber of Commerce  
Worthington Area Chamber of Commerce