



March 3, 2021

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

The Minnesota Chamber of Commerce, which represents more than 6,300 businesses – and more than half a million employees – throughout Minnesota, urges you to oppose HF 41 (Rep. Frazier). The message we carry on behalf of our members this session is clear: Minnesota’s economic recovery from the COVID-19 pandemic must be the top priority for the 2021 Legislative Session.

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 people 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. Avoiding additional restrictions on business operations and increased costs and burdens on businesses 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 simply remain afloat – let alone grow – HF 41 takes the opposite approach. 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. Policymakers should take steps to preserve employers’ right to design benefits that best allow them to compete for employees in their unique industries, instead of mandating it – retroactively.

Cost, compliance and operational impacts of mandates such as the one being considered today put pressure on employers, especially small employers, for a set of benefits that a majority of employers are already offering their employees in some form. Increased costs further limit resources available for employee compensation, job growth, and expansion in Minnesota.

Because this piece of legislation would severely restrict Minnesota’s business competitiveness, we respectfully encourage a “no” vote on HF 41. Thank you for your consideration.

Sincerely,
Lauryn Schothorst
Director, Workplace Management and Workforce Development Policy