



February 28, 2025

Subject: Strong Support for HF 11 - Delay of Minnesota Paid Leave Law Implementation

Dear Chairman Torkelson and Members of the House Ways and Means Committee,

The Builders Association of Minnesota (BAM), representing the residential construction community for 50 years, strongly supports HF 11, which would delay the implementation of the Minnesota Paid Leave Law by one year.

BAM's diverse membership, including home builders, remodelers, subcontractors, and suppliers, recognizes the significant impact this law will have on small to medium-sized businesses. An additional year is crucial for our members to:

- **Achieve Operational Readiness:** Provide adequate time to understand and implement the complex requirements of the new law.
- **Educate Employees:** Ensure clear communication and support for employees regarding the utilization of this new benefit.
- **Address Cost Implications:** Allow businesses to assess and mitigate the financial impact of this mandate on their operations and ultimately, on housing affordability across the state.

This delay is not merely a pause; it is a vital step in ensuring a smooth and effective transition for both employers and employees.

We commend Chairman Baker for his common-sense approach in authoring HF 11.

We urge the committee to favorably consider HF 11.

Sincerely,

Grace Keliher Builders Association of Minnesota



Brad Gruhot, President
Marshall Area Chamber of Commerce
brad.gruhot@marshallmn.org

2/28/2025

Dear Members of the House Workforce, Labor, and Economic Development Finance and Policy Committee:

The Marshall Area Chamber of Commerce prides itself on being a non-partisan leader representing many diverse elements of the Southwestern Minnesota business community. As you're likely aware, one of the priorities of the state's business community right now is to make for a competitive business environment, especially when we are up against the competitive business nature of our bordering states, Iowa and South Dakota.

On behalf of our 640 members, I am writing today to ask to delay the launch of the Paid Family Medical Leave program that is supposed to start on January 1, 2026. Minnesota businesses have had a number of mandates placed on them with high costs coupled with the burden of complying with new Sick and Safe time laws which come with their own challenges.

At our monthly board meetings which are made up of large and small businesses, Paid Family Medical Leave is clearly the biggest policy topic that they are worried about knowing that not only are employers burdened with costs but also the employee. They are worried not only about the costs but the potential for employee fraud that often aligns with programs like this.

Our businesses have tuned into webinars and also have attended meetings for the Paid Leave program, and it seems there are too many questions that are going unanswered by official departments of government. Now is the time to delay the launch of this program.

Thank you very much. Your leadership on this matter is appreciated.

Sincerely

Brad Gruhot
President

CC: Sen. Gary Dahms
Rep. Chris Swedzinski
Marshall Chamber Board of Directors

317 West Main Street, Marshall, MN 56258
Phone: (507) 532-4484



February 13, 2025

Dear Members of the House Workforce, Labor, and Economic Development Finance and Policy Committee,

On behalf of the Elk River Area Chamber of Commerce, representing over 340 businesses and 15,000 employees in the northwest metro, we urge your support for **HF 11 (Rep. Baker)** to delay the implementation of the Paid Family and Medical Leave (PFML) mandate by one year.

In recent years, businesses, especially small and mid-sized employers—have faced a growing number of unfunded mandates, increasing costs through payroll taxes, compliance burdens, and operational challenges. The **sick and safe time** mandate has already led to unintended misuse, operational disruptions, and confusion due to vague guidelines. Hundreds of employers continue seeking clarity, despite state webinars being held after implementation.

Given this, businesses are deeply concerned about the PFML program's rollout. The **new payroll tax of at least 0.88%** on both employers and employees will reduce take-home pay, add administrative complexity, worsen staffing shortages, and limit operational flexibility. Additionally, the state's track record with large-scale program rollouts raises concerns about efficiency and effectiveness.

While businesses support providing leave benefits, the current program needs critical modifications to be viable and sustainable. Specifically, we urge:

- **Delaying the program launch** to allow time for proper implementation.
- **Adjusting program scope and integrity measures**, including total weeks allowed, benefit calculations, family definitions, and premium caps.
- **Ensuring private plan viability**, including clear benefit equivalency standards.
- **Fixing the seasonal employee definition** to fairly cover all industries.
- **Addressing intermittent leave challenges** to prevent operational disruptions.
- **Exploring possible exemptions** to reduce unnecessary burdens on small businesses.

Employers want to support their workforce during life's challenges, but this program must be practical and workable. We look forward to working with the committee on policies that strengthen Minnesota's economy by reducing workforce barriers, lowering costs for businesses and families, and fostering private sector growth. **HF 11 is a step in the right direction, and we respectfully urge your support.**

Sincerely,

Debbi Rydberg

Executive Director

Elk River Area Chamber of Commerce

debbi@elkriverchamber.org



March 3, 2025

Chair Torkelson, Lead Stephenson, and Members of the Committee:

On behalf of Minnesota Retailers and the 1,200 storefronts we represent across the state, we urge your support for HF 11--a one-year delay in the implementation of Minnesota's Paid Leave program.

While we recognize the importance of worker access to leave, in our estimation a significant number of businesses are not yet prepared to comply with the program's requirements. For small businesses—many of which do not have dedicated HR departments or legal counsel—the complexity of the program raises more questions than answers. In many cases, it is the business owner who manages payroll, compliance, and daily operations. Without additional time to prepare, these businesses risk serious disruption.

Retailers, in particular, face unique challenges due to the lack of exemptions for seasonal workers. Many rely on students and seniors for short-term employment during peak seasons, and the current law does not address industry specific needs. More time is needed to ensure guidance is clear and businesses can develop compliance programs without undue hardship.

Additionally, a delay would allow for more outreach and education. As we have met with retailers throughout the state, it has become clear that many have little awareness of the paid leave law and its impacts on them. A one-year delay would provide the time needed for businesses to fully understand and implement this program properly, for regulators to refine guidance, and for lawmakers to consider necessary adjustments this and next session.

We urge the committee to support this delay to ensure businesses across Minnesota have the necessary time to comply effectively, serve their communities, and protect jobs.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Nustad", with a stylized, flowing script.

Bruce Nustad
bruce@mnretail.org



380 St. Peter St., Ste. 750
St. Paul, MN 55101

651-293-1283
NFIB.com/MN
Twitter: @NFIB_MN

March 3, 2025

House File 11 (Baker)

Chair Torkelson and House Ways & Means Committee Members –

The National Federation of Independent Business (NFIB) represents more than 10,000 small and independently owned businesses across Minnesota. Our mission is to promote and protect the rights of our members to own, operate, and grow their businesses.

NFIB was strongly opposed to the passage of a state-run paid family and medical leave program due to the immense cost and operational burden that it will impose on small businesses. While we remain opposed to the underlying mandate, we strongly support House File 11, which would provide an additional year for employers to adjust financially, explore innovative solutions, and meaningfully engage with state-led education and resources.

There is no question that small businesses have been hit with numerous mandates over the past two years, and each new mandate has required them to dedicate time and resources towards ensuring proper compliance. This bill would allow for an extended period to ensure that employers thoroughly understand their rights and responsibilities under the program, and it will allow the State to take an additional look at program requirements and consider options that will make the program less burdensome for small businesses.

NFIB looks forward to working with members to make this program less burdensome for Minnesota's Main Street businesses, and we urge the committee to support House File 11.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon Boesche'.

Jon Boesche
Minnesota State Director
National Federation of Independent Business
jonathan.boesche@nfib.org



OWATONNA
AREA CHAMBER OF COMMERCE

February 28, 2025

Dear Members of the House Workforce, Labor, and Economic Development Finance and Policy Committee,

On behalf of the Owatonna Area Chamber of Commerce & Tourism, we appreciate the opportunity to express our support for HF 11 (Rep. Baker), legislation to delay the implementation of the Paid Family and Medical Leave (PFML) mandate by one year. As a representative of the local business community, our Chamber supports policies that foster economic growth, job creation, and a strong workforce.

In recent years, businesses—especially small and mid-sized enterprises—have faced a growing number of unfunded mandates that add significant costs and administrative burdens. These include increased payroll taxes, additional paid leave requirements, and the need for additional staff or HR resources to manage compliance. For small businesses in particular, these challenges strain budgets, reduce flexibility, and hinder investments in growth and workforce development.

Given these experiences, there is understandable concern about the impending PFML mandate, which will impose a payroll tax increase of at least 0.88%—amounting to nearly \$2 billion annually. This new tax, along with additional compliance requirements and potential staffing shortages, creates significant uncertainty for both businesses and employees. With workforce challenges already top of mind, employees are hesitant to see their take-home pay reduced due to new payroll taxes, while employers worry about how personal leave cases will be handled under a complex new system.

The Owatonna Area Chamber of Commerce & Tourism remains committed to advocating for policies that promote a strong local economy, reduce costs for businesses and families, and foster private-sector investment. We support HF 11 as a step toward addressing business concerns and encourage continued dialogue on practical solutions to workforce challenges.

Thank you for your time and consideration. We look forward to working with you on policies that balance economic growth with workforce needs.

Sincerely,

Brad Meier, President

Owatonna Area Chamber of Commerce & Tourism

METRONORTH

CHAMBER OF COMMERCE

February 28, 2025

Dear Members of the House Ways and Means Committee:

The MetroNorth Chamber of Commerce represents over 700 businesses throughout the north metro. We are writing today to share our thoughts regarding HF 11, which would delay the implementation of the Paid Family and Medical Leave (PFML) mandate by one year.

Many of our members have shared sincere concerns over the complexity of the program as well as how their small businesses may struggle under this mandate. By way of comparison, in January I attended a webinar hosted by the Department of Labor and Industry on Earned Safe and Sick Time. There were over six hundred people on the call, many asking clarification questions on this law which went into effect over a year ago. One employer noted that they had paid two different attorneys and had received two different answers to their question. The point of this example is that employers want to abide by the law, but it has been difficult to find clarity and that is to the benefit of no one. Also please note that many small businesses do not have HR or legal departments, so the expense of hiring an attorney (not to mention two) to understand all of the new mandates which have been placed upon them is a burden that is tough for many to bear.

As you may imagine, then, there is much trepidation given that PFML will be much larger in size and scope, impacting every employer and employee in the state. I have also heard from some employers who are already short-staffed and are unsure how they would find replacement workers, especially those in industries needing certifications.

We therefore respectfully ask that you consider giving this new and highly complex program more time to be fully prepared and properly rolled out. With that, we also encourage you to consider the policy changes as laid out by the Minnesota Chamber of Commerce, including program scoping modifications and integrity measures, private plan viability and functionality issues, seasonal employee definition fix and to cover all industries, and fixing intermittent leave issues. These recommendations would be greatly beneficial to our shared business community.

Thank you for your time and consideration.

Sincerely,

Lori Higgins, President



February 28, 2025

To: Members of the House Workforce, Labor, and Economic Development Finance and Policy Committee:

The Minnesota Licensed Beverage Association (MLBA) represents Minnesota's small, independent liquor retailers, both on-sale (bars and restaurants) and off-sale (liquor stores).

MLBA supports House File 11 (Baker) which delays the implementation of the Paid Family and Medical Leave (PFML) mandate by one year.

Our members – who are mostly small, family-owned businesses – are struggling due to inflation, market changes, and state and federal policy uncertainties. PFML adds additional unbalanced mandates with increased costs, staffing challenges, and more. This new law is also extremely confusing and challenging to manage for our small businesses who are simply trying to stay afloat and find and keep staff. These new administrative burdens exacerbate staffing shortages and constrain operations.

We urge the legislature to support House File 11.

Respectfully submitted,

Tony Chesak

Executive Director, Minnesota Licensed Beverage Association
tony@mlba.com, (651) 470-7236



Redwood Area Chamber & Tourism
200 S. Mill St.
Redwood Falls, MN 56283
www.redwoodfalls.org

February 27, 2025

Dear Members of the House Workforce, Labor, and Economic Development Finance and Policy Committee:

On behalf of Redwood Area Chamber & Tourism, thank you for the opportunity to share our support for HF 11 (Rep. Baker) legislation delaying the implementation of the Paid Family and Medical Leave (PFML) mandate by one year. Redwood Area Chamber is a Chamber of Commerce and community development organization representing nearly 200 businesses and organizations in rural Southwest Minnesota, with the majority of our members being small businesses.

In the last two years of numerous added workplace mandates, our small businesses, which understandably have less budgetary flexibility and HR capacity, have been disproportionately impacted. At a recent Chamber focus group meeting held in our community, employers reported that the sick and safe time mandate is, in some cases, being misused by employees, and they also expressed concern over requested clarification from the State over confusing compliance issues. Given this experience, employers in our community have understandably expressed serious concerns with the impending Paid Family and Medical Leave mandate, which will raise payroll taxes on employees and employers by at least 0.88 percent - *a nearly \$2B annual tax on Minnesota's workers and economy* - and will continue to increase administrative burdens, exacerbate staffing shortages, and constrain operations. Employees have concerns about their pay being decreased due to these new higher payroll taxes. Employers are also anxious about how their employees will be treated by the state as they deal with sensitive, personal leave needs. Many of our small businesses feel that this extreme amount of mandated paid leave is both unrealistic and unsustainable, and are very concerned about business closure.

We recognize that establishing a complex new state insurance program that every employer and employee in Minnesota must participate in and comply with is a massive undertaking. We also recognize that our local small businesses and community organizations, including our Chamber, are in favor of paid family and medical leave that makes sense for both employees and employers. We urge your support of HF11, and active collaboration and compromise focused on solutions to grow our economy and lower costs for families and businesses.

Thank you for the opportunity to share this perspective with the Committee.

A handwritten signature in black ink, appearing to read "Anne Johnson". The signature is fluid and cursive, with a large initial "A" and "J".

Anne Johnson, Executive Director
Redwood Area Chamber & Tourism
anne@redwoodfalls.org



February 28, 2025

Representative Paul Torkelson, Chair
House Ways and Means Committee
75 Rev Dr Martin Luther King Jr Boulevard
Capitol Room 120
Saint Paul, MN 55155

Re: Support of HF11 – Delay of Implementation of Paid Family Medical Leave

Chair Torkelson and Members of the Committee,

On behalf of Hospitality Minnesota, which represents hospitality businesses including restaurants, food service, hotels and more, I urge you to support House File 11, the delay in implementation of Paid Family Medical Leave.

While we believe the goal of providing the best possible benefits to all workers – including paid family medical leave – is laudable, this program's complicated structure and unclear guidance means our small business operators across Minnesota need more time to understand and implement the program.

Allowing businesses to have an additional year to adjust to these new benefit requirements will create greater transparency between employers and employees – a relationship critical to the success of our industry.

The hospitality industry is made up of varying business models, from hotels and resorts to small family-owned inns, to the bars and restaurants so many of us enjoy. These businesses operate differently than traditional businesses, with employers and employees often working alongside each other every day.

The notice of intent to take leave is critical to the hospitality industry. Customary practice in the industry is employees relying on each other to trade shifts when an illness or emergency comes up, but with no clear guidance in these rules, employers worry that this uncertainty in an already tight labor market will create more chaos.

We hope this additional delay will allow more thoughtful and meaningful discussion to take place between industry and policymakers to create rules and a structure of benefits that works for everyone. Thank you for your consideration of this important policy proposal.

Sincerely,

A handwritten signature in dark ink, appearing to read "Angie Whitcomb", is written over a light blue horizontal line.

Angie Whitcomb
President & CEO



February 27, 2025

Dear Chair Torkelson and Members of the House Ways and Means Committee:

As a small business in downtown Shakopee, we strongly support HF 11 (Rep. Baker), which would delay the implementation of the Paid Family and Medical Leave (PFML) mandate by one year.

Small businesses like ours are disproportionately impacted by unfunded mandates. As the Minnesota Chamber of Commerce has noted, we have "less budgetary flexibility, less HR capacity or expertise," and these resources could instead "be focused on growth and investing in [our] workforce."

The recent implementation of the sick and safe time mandate has already created legitimate operational challenges for our small brewery, taproom and coffeehouse. With limited staff, every absence affects our ability to serve customers and maintain our operations. The guidance provided by the state for implementation was confusing, creating further challenges as we worked to comply with the new requirements.

The impending PFML mandate raises serious concerns for our business. The additional payroll tax of at least 0.88 percent represents a significant new financial burden for both our business and our employees, who are not looking for decreased pay due to these higher taxes. This will amount to yet another cost burden that undermines our ability to grow and serve our local community.

As a small business, we face unique challenges when implementing these mandates:

- We don't have dedicated HR staff to navigate complex compliance requirements
- Every dollar spent on administrative burdens is a dollar not invested in improving our business
- Staffing shortages are more acutely felt when we have a limited team to begin with

We appreciate the goal of providing family and medical leave, but the complexity of establishing this program requires careful implementation. The current timeline doesn't provide adequate preparation for small businesses like ours to adjust our operations and finances accordingly.

We respectfully urge your support for HF 11 to delay implementation, while also encouraging the committee to consider reasonable limits on the scope of and relief from the financial and operational impacts of these mandates for small businesses like ours.

Thank you for the opportunity to share this perspective with the Committee.

Sincerely,

Damon Schuler, Owner & CFO
Shakopee Brew Hall – Taproom & Coffeehouse



February 28, 2025

The Honorable Paul Torkelson
Minnesota House of Representatives
Centennial Office Building, 2nd Floor
St. Paul, MN 55155

The Honorable Zack Stephenson
Minnesota House of Representatives
Centennial Office Building, 5th Floor
St. Paul, MN 55155

RE: Support HF 11

Chair Torkelson and Lead Stephenson,

On behalf of Greater Mankato Growth, the chamber of commerce and economic development organization representing more than 900 members in the greater Mankato region, I write to share our support for HF 11 to delay the implementation of the Paid Family and Medical Leave law. January 1, 2026 is fast approaching and there are still more questions and answers.

The Paid Family Leave Law, as passed, has created significant uncertainty for all employers, large and small. In addition to the added costs and administrative burden, the law does not align with well-established programs such as Family Medical Leave and Unemployment Insurance. Further, the law is so restrictive that market-based solutions are virtually impossible.

Perhaps most importantly, concern for small businesses has not been adequately considered and accounted for in the program design. These small businesses, who employ nearly HALF of the Minnesota workforce, are most at risk with this new program. While many small business owners may be sympathetic to the goals of the program, it will be economically nonviable for too many.

The mission of Greater Mankato Growth (GMG) is to support and promote the economic growth and vitality of our members and the regional marketplace. We are blessed in Greater Mankato to have hundreds of world-class employers who are dedicated to recruiting and retaining workers in the most challenging labor market in a generation. These employers are meeting the moment – increasing wages, adding benefits, and flexible work policies. It's their customized benefit strategies have already been impacted in preparation for this new program.

We urge you to support HF 11.

Respectfully,

Andy Wilke
Executive Vice President



Be Independent. Be Inspired. Be Involved.

7900 INTERNATIONAL DR, SUITE 685
BLOOMINGTON, MN 55425
651-687-9080
INFO@MINNESOTA.BANK

February 28, 2025

Chair Torkelson and members:

Community banks are essential players in the success of Minnesota communities. BankIn Minnesota members support economic stability and growth by investing local dollars back into the community, which helps to grow businesses, support families, and create jobs. On behalf of our 170 member banks across Minnesota, **I write to express my support for HF 11 (Baker), which would delay the implementation of Minnesota's Paid Family and Medical Leave (PFML) program by one year.**

BankIn Minnesota members, and the thousands of small and medium sized businesses that make up our customers, have been negatively impacted over the last two years by mandates that have burdened them with increased costs and added compliance requirements. The PFML mandate, which will raise payroll taxes on employees and employers by at least 0.88 percent, will only exacerbate these challenges. In addition to a one-year delay of the PFML program, we support common-sense changes that will make the program more workable for employees and employers, including adding integrity measures, respecting benefit equivalency standards, and possible exemptions.

I appreciate the opportunity to comment on this bill. Community banks stand ready to work with lawmakers to fix this program and promote a healthy economy that supports both Minnesota employees and employers.

Sincerely,

A handwritten signature in dark ink, appearing to read 'James G. Amundson', written in a cursive style.

Jim Amundson
President & CEO



**To: Chair Paul Torkelson
Members of the Minnesota House Ways and Means Committee**

**From: Minnesota School Bus Operator's Association (MSBOA)
Re: Support HF 11**

On behalf of the Minnesota School Bus Operators Association (MSBOA), we write to urge your support of House File 11, as authored by Representative Dave Baker.

The MSBOA represents Minnesota's privately owned school bus contractors. We provide over 60 percent of the school buses that transport Minnesota children to and from school and school-related activities. Our members have an average of over 50 years of experience in the industry and are responsible for over 400,000 students traveling more than 233,000 miles each school day.

It is the mission of the MSBOA to serve and represent the interests of our members with a unified voice; to advance the passenger transportation industry's image, overall safety, efficiency, and reliability; to develop and distribute educational programs and solutions; to positively influence Federal and State government actions; to advocate ethical operations; to provide a means to establish and maintain relationships with fellow industry professionals; and to strive for a healthy business environment.

Minnesota's new Paid Leave Law is set to go into effect in CY 2026, adding not only additional costs for our members, many of whom are small business operations, but adding yet another layer of paid time off in an industry still facing significant workforce challenges. HF 11 would provide our operators with an additional 12 months to adjust to what will be an extremely challenging benefit to manage.

As you can imagine, our members care very much about their drivers and strive to provide benefits and pay that encourage a sustainable workforce and what is often described as a family-like work environment. It is not uncommon for our employers to offer generous PTO and/or vacation/sick leave policies commensurate with the reality that this is by and large an industry that works 9 months out of each calendar year.

Again, we respectfully request the delay that would be provided in HF 11 – that would allow time to continue to understand the complexities of the change, and how our members can be best prepared for this new provision in law.

Respectfully,

A handwritten signature in dark ink, appearing to read 'Bethany Bertram', is written over a horizontal line.

Bethany Bertram
President



Monday, March 3, 2025

Chair Torkelson and members of the House Ways and Means Committee,

My name is Cale Dunwoody, and I have the distinct pleasure of serving as the Vice President of Public Policy for the Fargo Moorhead West Fargo Chamber of Commerce (FMWF Chamber). On behalf of our over 1,700 members, I respectfully offer testimony in support of H.F. 11.

At the FMWF Chamber, our mission is to protect and promote business, inspire individuals, cultivate communities, and influence action. Minnesota is amid an economic crisis – experiencing severe workforce shortages, dwindling state revenue projections, a looming deficit, and businesses of all sizes being burdened with harsh regulations hindering their ability to thrive. The current implementation date of the Paid Family and Medical Leave (PFML) act will only worsen these conditions and propel Minnesota down a path of economic hardship. We support delaying this program until parameters and impact can be identified, and questions on implementation can be answered, as it has severe consequences for our communities.

PFML will disproportionately impact border communities, like our region. Given Clay County's proximity to North Dakota, we fear Minnesota businesses will seek a more business-friendly environment – reducing the Minnesota tax base. Currently, the implementation process remains ambiguous and the true impact on employers and employees remains unrealized.

For example, in August of 2024, we, alongside many of our Chamber colleagues across Minnesota, hosted an informational session with the Department of Employment and Economic Development (DEED) to allow our member businesses the opportunity to learn more about the program, gain clarification on the process, and discuss strategies for implementation within their entities. Our local event brought together over 60 business and community leaders from the region, as well as local representatives and government officials. Questions during the event were centered around eligibility, union contracts, out of state workers, reporting requirements, payroll taxes and compliance. While we were thankful for DEED's time, the information provided failed to address the concerns of our business community. This lack of direction and clarity demonstrates the need for further analysis of the PFML program, to effectively answer questions and concerns of businesses, both large and small, prior to their implementation.

We strongly support H.F. 11 and support efforts to make pragmatic modifications to the PFML program. Our region will be uniquely affected by this program and with the level of uncertainty surrounding this mandate, we urge this committee to support delaying implementation of Minnesota's Paid Family and Medical Leave Program.

Thank you for your consideration on this critical matter and your support for Minnesota's business community.

Sincerely,

Cale Dunwoody
Vice President of Public Policy
Fargo Moorhead West Fargo Chamber of Commerce

HERMANTOWN

AREA CHAMBER OF COMMERCE

February 27, 2025

Dear Members of the House Workforce, Labor, and Economic Development Finance and Policy Committee,

On behalf of the **Hermantown Area Chamber of Commerce**, I appreciate the opportunity to express our support for **HF 11 (Rep. Baker)**, which seeks to delay the implementation of the **Paid Family and Medical Leave (PFML) mandate** by one year.

Our chamber represents over 300 businesses in Proctor, Hermantown, Rice Lake, the surrounding communities including several member businesses in Duluth. About 70% of our membership is considered small business, 20 employees or less.

Small and mid-sized businesses in our region are already burdened with a growing number of unfunded mandates, including increased payroll taxes, additional paid time off requirements, and complex compliance obligations. These challenges strain operational capacity, limit business growth, and make it more difficult for employers to invest in their workforce.

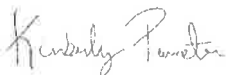
Recent implementation of workplace mandates, such as sick and safe time, has demonstrated the confusion and unintended consequences these policies can create—impacting business operations and leading to additional costs. Employers across the state have voiced serious concerns about the upcoming PFML mandate, which will impose a \$2 billion annual payroll tax on Minnesota businesses and employees. This will not only raise costs but also exacerbate staffing shortages and administrative burdens.

A one-year delay would be a start at providing the much-needed time to refine the program, ensure proper implementation, and minimize unintended consequences for businesses and workers alike.

I urge your support for HF 11 and look forward to working with you on policies that foster a strong economy and business-friendly environment across all of Minnesota.

Thank you for your time and consideration.

Sincerely,



Kimberly Parmeter, President & CEO
Hermantown Area Chamber of Commerce

2025 Board of Directors

Executive Committee

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Metamorphosis CCT
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Tom Werner,
Duluth International Airport

Mitchell Wilkson,
Essentia Health

Micki Wojtysiak,
Reliable Insurance Agency



March 3, 2025

Dear Members of the House Ways and Means Committee:

On behalf of the Minnesota Chamber of Commerce, the Minnesota Chamber Federation, the Minnesota Manufacturers' Council, and the United for Jobs Coalition, thank you for the opportunity to share our support for HF 11 (Rep. Baker), legislation pausing the implementation of the Paid Family and Medical Leave (PFML) mandate by one year. Collectively our statewide organizations represent tens of thousands of businesses and hundreds of thousands of employees throughout Minnesota, with a majority of our members being small to mid-sized businesses.

The Chamber leads the statewide business community to advance responsible public policy that creates jobs, enables commerce, and grows the economy, when looking at the key factors of GDP and job growth, a strong workforce, and smart public investment.

In the last two years, the number of unfunded, unbalanced mandates placed on business have burdened them with increased costs (such as payroll taxes), operational and staffing challenges (such as additional unaccounted for paid time off), and the cost of staff time, or hiring new staff entirely, to spend on compliance. Small- and medium-sized businesses are disproportionately impacted, as they have less budgetary flexibility, less HR capacity or expertise, and instead could be focused on growth and investing in their workforce.

Employers are already realizing the impact of the escalating number of workplace mandates.

In recent focus group meetings held around the state, employers shared that the sick and safe time mandate is being misused by employees, causing legitimate operational challenges and cost impacts across the board. This is largely due to the fact that the mandate is so broad and the rules for requesting notice and documentation are so limited. Guidance from the state for implementation and compliance created further confusion. Recently, the Department of Labor and Industry hosted informational webinars that have hundreds of employers participating, still seeking clarification even though this law took effect in January 2024.

Given this experience, employers across the state have understandably expressed serious concerns with the impending PFML mandate, which will raise payroll taxes on employees and employers by at least 0.88 percent - *a nearly \$2B annual tax on Minnesota's workers and economy* - and will continue to increase administrative burdens, exacerbate staffing shortages, and constrain operations. Employees right now are not looking for their pay to be decreased due to these new higher payroll taxes. Employers are also anxious about how their employees will be treated by the state as they deal with sensitive, personal leave needs.

During the 2023-2024 legislative biennium, the Minnesota Chamber and its partners testified on numerous occasions with our staunch opposition to the imposition of this mandate for several reasons. We sought to limit the scope of the mandate; provide our smallest businesses with some relief from its financial and operational impacts; and ensure employers have the flexibility to manage these new requirements in ways that are feasible and not cost-prohibitive. We specifically asked that legislators work to mitigate the burdens of the onerous compliance requirements and reduce confusion resulting from the interpretation of this new law since its enactment.

Establishing a complex new state-run insurance program that every employer and employee in Minnesota must participate in and comply with is a massive undertaking. Comparisons to the Unemployment Insurance program are inaccurate considering the broad eligibility allowance, and the complexity of the different types and lengths of personal leave allowed. And as has been noted, Minnesota's track record with the successful rollout of customer-facing technology systems has been decidedly mixed (e.g. MNLARS and MNSure).

The Chamber and its partners are looking forward to working with members of this committee to retain a strong quality of life by focusing on solutions to grow our economy such as lowering costs for families and businesses; enacting policies to encourage private sector investment and innovation in Minnesota; adjusting uncompetitive new laws; and reducing workforce barriers and other cost burdens undermining growth. **Because HF11 would achieve some of these outcomes, the Minnesota Chamber of Commerce, the Minnesota Chamber Federation, the Minnesota Manufacturers' Council, and the United for Jobs Coalition respectfully urges your support for this bill.** However, as we shared in 2023 and 2024, and will again this year, our members continue to request reasonable limits on the scope of and relief from the financial and operational impacts of these mandates. We look forward to working with you on additional legislative efforts with this in mind.

Thank you for the opportunity to share this perspective with the Committee.



Albert Lea-Freeborn County Chamber of Commerce
 Alexandria Lakes Area Chamber of Commerce
 American Foundry Society - Minnesota
 Anoka Area Chamber of Commerce
 Apple Valley Chamber of Commerce
 Associated Builders & Contractors
 Associated General Contractors of Minnesota
 Austin Area Chamber of Commerce
 BankIn Minnesota
 Bemidji Area Chamber of Commerce
 Big I Minnesota
 BOMA Greater Minneapolis
 Brainerd Lakes Chamber of Commerce
 Builders Association of MN
 Burnsville Chamber of Commerce
 Cloquet Area Chamber of Commerce
 Cottage Grove Area Chamber of Commerce
 Dakota County Regional Chamber of Commerce
 Duluth Area Chamber of Commerce
 Eden Prairie Chamber of Commerce
 Elk River Area Chamber of Commerce
 Fairmont Area Chamber of Commerce
 Fargo Moorhead West Fargo Chamber of Commerce
 Faribault Area Chamber of Commerce & Tourism
 Bureau
 Fergus Falls Area Chamber of Commerce
 Forward Worthington
 Fueling Minnesota
 Glenwood Lakes Area Chamber of Commerce
 Grand Rapids Area Chamber of Commerce
 Greater Mankato Growth
 Greater Stillwater Chamber of Commerce
 Hastings Area Chamber of Commerce & Tourism
 Bureau
 Hermantown Area Chamber of Commerce
 Hibbing Area Chamber of Commerce
 Hospitality Minnesota
 Housing First Minnesota
 Hutchinson Area Chamber of Commerce & Tourism
 Insurance Federation of MN
 Iron Mining Association of Minnesota
 Lake County Chamber of Commerce
 Lakeville Chamber of Commerce & Tourism
 Laurentian Chamber of Commerce
 Litchfield Area Chamber of Commerce
 Lonsdale Area Chamber of Commerce
 Marshall Area Chamber of Commerce
 MetroNorth Chamber of Commerce
 Midwest Food Products Association
 Minnesota AgriGrowth Council
 Minnesota Automobile Dealers Association
 Minnesota Bankers Association
 Minnesota Beverage Association
 Minnesota Broadcasters Association

Minnesota Business Partnership
 Minnesota Chamber of Commerce
 Minnesota Crop Production Retailers
 Minnesota Forest Industries
 Minnesota Grocers Association
 Minnesota Licensed Beverage Association
 Minnesota Mechanical Contractors Association
 Minnesota Milk Producers Association
 Minnesota Nursery & Landscape Association
 Minnesota Pork Producers Association
 Minnesota Precision Manufacturing Association
 Minnesota Recruiting & Staffing Association
 Minnesota Realtors
 Minnesota Retailers Association
 Minnesota Service Station & Convenience Store
 Association
 Minnesota Shopping Center Association
 Minnesota Society of CPAs
 Minnesota Subcontractors Association
 Minnesota Technology Association
 Minnesota Telecom Alliance
 Minnesota Trucking Association
 Minnesota Utility Contractors Association
 Minnesota Utility Investors
 NAIOP Minnesota, the Commercial Real Estate
 Development Association
 New Prague Chamber of Commerce
 New Ulm Area Chamber of Commerce
 NFIB
 Northfield Area Chamber of Commerce & Tourism
 Owatonna Area Chamber of Commerce & Tourism
 Pipestone Area Chamber of Commerce & Visitor's
 Bureau
 Printing Industry Midwest
 Red Wing Area Chamber of Commerce
 Redwood Area Chamber & Tourism
 Rochester Area Chamber of Commerce
 Sauk Centre Area Chamber of Commerce
 Shakopee Chamber of Commerce
 SouthWest Metro Chamber of Commerce
 St. Cloud Area Chamber of Commerce
 St. Paul Area Chamber
 St. Paul BOMA
 The Chamber Grand Forks - East Grand Forks
 Tri-State Manufacturers' Association
 Twin Cities North Chamber of Commerce
 U.S. Chamber of Commerce
 Waconia Chamber of Commerce
 Waseca Area 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

February 28, 2025

House Ways and Means Committee
75 Rev. Dr. Martin Luther King Jr. Blvd. St.
Paul, MN 55155

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RE: Rochester Area Chamber, business coalition, and Rochester Area Society for Human Resource Management (SHRM) support for House File 11, Paid Family Medical Leave implementation delayed by one year, calls for additional modifications to PFML

Chair Torkelson and Members of the House Ways and Means Committee,

Over the past biennium, the state legislature has enacted significant mandates impacting the business community. As we engaged with our members to shape our 2025 legislative agenda, one recurring concern emerged: the substantial operational and financial challenges businesses anticipate due to the implementation of Paid Family Medical Leave (PFML).

In fall of 2024, the Rochester Area Chamber of Commerce partnered with the Paid Family and Medical Leave division of the Department of Employment and Economic Development to host an informational session on PFML. During the event, legal experts, human resources professionals, and business managers expressed serious concerns about the program's feasibility, financial burden, and lack of administrative clarity. To help convey these challenges to lawmakers, the Chamber offered an opportunity for members to share their feedback and concerns about PFML. Concerns shared by employers about PFML focused on the administration of the program, the cost and financial impact on both employees and employers, and the overall operational feasibility of the program. Without a well-planned and structured rollout, businesses will be forced to scramble to comply, creating operational disruptions, and potential legal risks.

For many businesses, especially small businesses, which make up 80% of our over 1,200 members, the effects of Paid Family Medical Leave mandate in its current form will be crippling. It is imperative that PFML's implementation be paused by one year due to significant concerns from the business community. Under this law, businesses will struggle to fill temporary positions, further straining operations in an already tight labor market. Many businesses lack the capacity to absorb prolonged employee absences, and hiring temporary replacements is a tough task for many.

Additionally, a lack of clear guidance from the state on PFML implementation has created uncertainty for businesses. Employers are awaiting critical information on administrative requirements, reporting obligations, and how the program will function alongside current benefits such as disability and FMLA. More specifically, businesses highlighted:

- **Operational Concerns:** Unclear administrative processes, state notification delays, and overlapping leaves create confusion and logistical challenges.
- **Unintentional Impacts:** Increased costs for employers and employees, difficulties finding temporary staff, budget cuts for schools to cover program costs, decreased benefits, and additional challenges for businesses to operate.
- **Recommended Changes:** Pause implementation by one year, provide clearer timelines, add oversight to monitor for fraud and abuse, simplified compliance processes, and reduce overall durations to align with FMLA.

ROCHESTER AREA

CHAMBER OF COMMERCE

The one-year pause in the implementation of PFML proposed in House File 11 is a positive step toward ensuring PFML is implemented in way that balances support for workers with the needs of Minnesota's diverse business community. By pausing implementation to January 1, 2027, the State is provided additional time to address outstanding concerns, refine the program's operations, and ensure businesses are adequately informed to comply with the law. A well-planned rollout is important to both employees and employers alike by:

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- Providing clarity on reporting and compliance requirements.
- Ensuring the state has adequate infrastructure to administer the program in a timely and effective manner.
- Allowing businesses time to budget for new costs and integrate PFML into existing benefits.

The Rochester Area Chamber of Commerce, our coalition members, and the Rochester Area SHRM and its 195 members urge you to support House File 11 to pause the implementation of PFML by one year and continue to evaluate opportunities to make the program a better fit for the business community.

Respectfully,

Rochester Area Chamber of Commerce

Owatonna Area Chamber of Commerce

Above & Beyond Senior Services

Pace International

All-Star Basements

Palmer Soderberg, Inc.

Broadway Plaza

Peak Remodel & Design Solutions

Café Aquí

People's Energy Cooperative

Canadian Honker Restaurant

Pinnacle Catering

Carpet One of Rochester

Powers Ventures

Charlie's Eatery & Pub

Premier Bank Minnesota

Chick-fil-A Ear of Corn

rlah Hair Studio

Cindy Verdick

RAEDI

Courtesy Corporation

Red Wing Software

Custom Alarm

Renning's Flowers

Dunlap & Seeger, P.A.

Residence Inn by Marriott Mayo Clinic Area South

Eagle Rock Bank

River Ride Realty, LLC

ROCHESTER AREA

CHAMBER OF COMMERCE

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Energy Products and Design Inc.

Express Employment Professionals

Fagan Studios

Fat Willy's

Gift of Life Transplant House

Great Planes Aviation

Harter's Disposal of Minnesota

Home2Suites by Hilton

Indigo Açai Bowls

Inspired Retirement Planning

J. Powers

Jeffrey D. Reimer, CPA, PLLC

Kuehn Motor Co.

Kwik Trip, Inc.

Mayo Employees Federal Credit Union

Mayowood Stone Barn

Med City Dental

Merchants Bank

North Rock Hospitality

Novios Café

Nuss Truck

Olmsted Medical Center

Great Harvest Bread Co. & Café Rochester

River Valley Marine

River Valley Power & Sport

Rochester Area Builders

Rochester Area SHRM and Members

Rochester Auto Care

Rochester Athletic Club

Rochester City Lines

Rochester Event Center

Rochester Motor Cars

Smart-HR

Sorellina's Italian by Victoria's

Southeast Service Cooperative

Sports Headquarters

Taco Jed

T&H Bakery LLC

Tap House Downtown

Tap House West End

The Hubbell House

Total Vision Eyecare, PLLC

TownePlace Suites by Marriott

Victoria's Ristorante & Wine Bar

Wood Lake Meeting Center

Zumbro Valley Health Center

PFML Survey Feedback

In 2024, the Rochester Area Chamber of Commerce partnered with the Department of Employment and Economic Development to host an informational session on Paid Family Medical Leave (PFML).

During the event, legal experts, HR professionals, and business leaders expressed serious concerns about the program's feasibility, financial burden, and lack of administrative clarity. To help convey these challenges to lawmakers, the Chamber offered an opportunity for members to share their feedback and concerns about PFML. Without a well-planned and structured rollout, businesses will be forced to scramble to comply, creating operational disruptions, and potential legal risks if not compliant.

Summary:

Concerns shared by employers about PFML focused on the administration of the program, the cost and financial impact on both employees and employers, and the overall operational feasibility of the program. Specific issues include staffing challenges as a result of the program, the ability of the state to effectively manage the program in a timely and transparent manner, and the lack of direction from the state to ensure compliance. Additionally, PFML will increase costs for both employers and employees, in select cases reduce benefits, and significantly reduce funds that would otherwise be invested in employees and facilities.

Key Takeaways:

- **Operational Concerns:** Unclear administrative processes, state notification delays, and overlapping leaves create confusion and logistical challenges.
- **Unintentional Impacts:** Increased costs for employers and employees, difficulties finding temporary staff, budget cuts for schools to cover program costs, decreased benefits, and additional challenges for businesses to operate.
- **Recommended Changes:** Pause implementation by one year, provide clearer timelines, add oversight to monitor for fraud and abuse, simplified compliance processes, and reduce overall durations to align with FMLA.

Operational Concerns:

- The program lacks clarity on how it will coordinate with existing leave programs such as FMLA and disability.
- Employers are concerned about delays in receiving notifications from the state when employees go on leave, which could impact staffing and operational planning.
- The overlapping leave periods in late 2025 and early 2026 cause compliance and staffing challenges.
 - Current leaves in the 2025 year overlap with eligible use of PFML in 2026. Example: An employee out on another previous approved leave from October to December in 2025 would be eligible for PFML and could possibly be out from January to March in 2026. This overlap and lack of clarity regarding how to proceed needs to be addressed.
- The initially proposed 0.7% payroll tax is projected to be insufficient to cover program costs, likely leading to tax increases that would burden both employers and employees.

PFML Survey Feedback Continued

Unintentional Impacts:

- Employers are struggling to plan for PFML due to unclear program specifics and a lack of communication from the state.
- Operational challenges for businesses due to program costs and difficulty hiring temporary staff in the current labor market while also retaining current staff.
- PFML will disproportionately impact schools, resulting in budget cuts to pay for it.
 - Example: If a teacher takes 20 weeks of leave on a 40-week contract, the school will incur over \$20,000 in costs. If five teachers take the full leave, the total cost exceeds \$100,000. Schools cannot increase their revenues during the budget year, meaning they will have to make budget cuts elsewhere to compensate for these expenses.
 - Covering the costs of hiring substitutes, paying employment taxes employees, and managing absences will lead to deficit spending. Schools aren't in a financial position to absorb these costs without negatively impacting students/programs.
- Small businesses have fewer employees, if one is out for a prolonged period, this could impact the ability of a business to operate. Finding a temporary replacement for hire is increasingly difficult in the current labor environment
- Employers fear increased administrative burdens and higher costs, while employees could see reductions in take-home pay and reduced benefits to comply with PFML.

Changes Needed:

- A one-year pause in the implementation of PFML to ensure it is implemented in a way that balances support for workers with the needs of Minnesota's diverse business economy.
- The state needs to provide clear guidance on reporting, record keeping, and notification processes to ensure businesses are compliant.
- Implementation of checks and balances to monitor the program to ensure abuse and fraud do not occur.
- Cap the program at 12 weeks, consistent with federal FMLA.
- Simplify PFML approval processes and offering pre-approved insurance options, transparent cost calculations, and simplified benefit disbursement processes to reduce the administrative load on businesses



Rochester Area Chamber of Commerce

ADVOCACY



February 3, 2025

Dear Chair Torkelson and Committee Members,

My name is Gavin Hanson, and I serve as the Fiscal and Economic Policy Director for the Minnesota Business Partnership (MBP). Thank you for the opportunity to comment on HF11.

Ensuring that a program as vital as paid family leave functions seamlessly from day one should not be a political issue, it is a reasonable expectation that Minnesotans will have when this law takes effect on January 1st.

For thousands of employees working for some of Minnesota's most iconic companies, this expectation is deeply ingrained, they have long received some of the most generous paid leave benefits in the country, without delays, system crashes, or technical failures. Unfortunately, at this moment, we cannot confidently say that the same level of certainty and reliability will be met when the state-run program launches.

I have no doubt that the staff at the Paid Leave department within DEED are working diligently. However, no guardrails have been put in place to ensure a smooth rollout, particularly with regard to software functionality and system capacity.

There are legislative fixes to this program that still need to be addressed, but today is not about those. Today is about making sure the department has the time necessary to ensure that this program works. The Minnesota Business Partnership (MBP) supports giving the department more time to ensure that when this program does launch, it does so without failure.

The last thing Minnesotans want is a repeat of the MNsure debacle of 2014, when a failed \$100 million IT system left Minnesotans frustrated and unserved.

With that in mind, MBP strongly urges the following steps before launch:

1. Conduct an independent audit of the Paid Leave department and program to determine whether key implementation benchmarks have been met. This could be done by the Legislative Auditor or a third-party auditor - a prudent and harmless step that could prevent major failures.
2. Thoroughly test and audit the technology before launch. MNsure failed because technology testing was inadequate. A third-party IT audit is not only pragmatic, it's necessary.



3. Run an extensive beta test with state employees before full implementation. This will help identify remaining technical and customer service challenges, allowing for adjustments before Minnesotans rely on the system.

These practical and proactive measures must be completed before Minnesota transitions to a state-run paid leave program, moving away from the long-standing, generous and effective programs offered by Minnesota businesses.

These actions will take time, but they are essential.

Thank you for your time and consideration.

Sincerely,

Gavin Hanson
Fiscal and Economic Policy Director
Minnesota Business Partnership



February 28, 2025

Chair Paul Torkelson
Ways and Means Committee
Minnesota State Capitol
St Paul, MN 55155

Re: MNSHRM Support for House File 11

Dear Chair Torkelson, DFL Lead Stephenson, and Members of the Committee:

On behalf of MNSHRM State Council, an affiliate of the Society for Human Resource management (SHRM) representing 6,000 human resources professionals in Minnesota, **we encourage you to support House File 11**, which would delay the implementation of paid leave one year.

MNSHRM supports the principles of the paid leave program and understand the importance of providing employees with the time they need to care for their health and their families. At the same time, it is important employers and employees are properly educated and prepared for the implementation of the program. Below, we have outlined several reasons why delayed implementation will result in a better experience for employers and employees:

Preparation Time for Businesses: Implementing a comprehensive paid leave program requires significant adjustments in our operational and financial planning. This is a complex program, that now removes leave conversations between and employer and an employee to the employee and the state. The proposed one-year delay would provide the necessary buffer to ensure a smoother transition for all parties to understand expectations.

Businesses Included Not Familiar With FMLA: Another example where businesses might need additional time, is Minnesota's broader approach included employers not typically subject to the Family Medical Leave Act (FMLA). Businesses with fewer than 50 employees will find themselves in uncharted territory next year, as they have not previously had to comply with the nuances of federal leave laws. State and federal leave laws are intricate for good reason, but will necessitate additional support for these employers.

Economic Impact: When government policies are introduced, the employees end up paying a cost for this, with less opportunity for pay raises and other benefits. Every piece of regulation starts out small and grows where companies end up having to have people dedicated to compliance. Mandates for employers to comply with take from the same revenue as wages do, making less available to reward the employees who are doing the work. Furthermore, we expect the additional need for a robust human resources workforce to ensure compliance, which either incurs significant financial resources for an employer or diverts existing resources from support employees.

Workforce Shortages: Employers across Minnesota face unique workforce shortages, which we are concerned will be exasperated by the extended leave eligibility of the paid leave program. Small employers, particularly in rural areas, will feel the brunt of the shortages while they manage costs and employee workload.

Administrative Readiness: The state needs adequate time to establish the necessary administrative infrastructure to manage the paid leave program effectively. A delay would allow for a more robust and efficient system to be put in place. The premium release in late February of .88 is more than initially passed in law and employers will need time to financially plan and determine how to manage the costs.

A one-year delay would provide an opportunity to better evaluate the technical implementation aspects of the program, while offering additional education to employers and employees. Furthermore, we must ensure human resource professionals across the state are equipped to integrate the new system, rules, and definitions into their current operations.

Please support House File 11, and we are happy to serve as a resource for any future discussions.

Sincerely,

Justin L. Terch
State Director
MN State Council of SHRM

Cory Genelin
Director of Legislative Affairs
MN State Council of SHRM



February 28, 2025

Dear Members of the House Workforce, Labor, and Economic Development Finance and Policy Committee:

On behalf of the Dakota County Regional Chamber of Commerce, representing 50% of Dakota County with 450 Members with 35,000 employees, thank you for the opportunity to share our support for HF 11 (Rep. Baker), legislation delaying the implementation of the Paid Family and Medical Leave (PFML) mandate by one year. 60% of our Members are organizations of 10 employees or less and this impacts these Members the most. Dakota County is the 3rd largest county in MN and is also the 3rd largest economy county in MN, according to DEED.

In the last two years, the number of mandates placed on business have burdened our Members with increased costs (such payroll taxes), operational and staffing challenges (such as additional unaccounted for paid time off), and the cost of staff time, or hiring new staff entirely, to spend on compliance. Our small and medium-sized businesses are disproportionately impacted, as they have less budgetary flexibility, less HR capacity or expertise, and instead could be focused on growth and investing in their workforce.

Guidance from the state for implementation and compliance did also created confusion. Information on how to comply has been insufficient, as most of our Members are still seeking clarification even though this law took effect in January 2024.

Given this experience, employers have expressed significant concerns with the impending PFML mandate, which will raise payroll taxes on employees and employers by at least 0.88 percent - *a nearly \$2B annual tax on Minnesota's workers and economy* - and will continue to increase administrative burdens, may exacerbate staffing shortages, and constrain operations at a time when this is a true burden. Employees right now are not looking for their pay to be decreased due to these new higher payroll taxes. Employers are also anxious about how their employees will be treated by the state as they deal with sensitive, personal leave needs.

We have worked with our Minnesota Chamber to limit the scope of the mandate; provide our smallest businesses with some relief / exclusion from its financial and operational impacts; and ensure employers have the flexibility to manage these new requirements in ways that are feasible and not cost-prohibitive. We specifically ask that legislators work to mitigate the burdens of the onerous compliance requirements and to reduce confusion resulting from the interpretation of this new law since its enactment.

Establishing a complex new state insurance program that every employer and employee in Minnesota must participate in and comply with is a massive undertaking. Comparisons to the Unemployment Insurance program are inaccurate considering the broad eligibility allowance, and the complexity of the different types and lengths of personal leave allowed. Minnesota's track

record with the successful rollout of customer-facing technology systems has been decidedly mixed (e.g. MNLARS and MNSure).

The **DCR Chamber** is looking forward to working with and through the Minnesota Chamber to work with members of this committee to retain a strong quality of life by focusing on solutions to grow our economy such as lowering costs for families and businesses; enacting policies to encourage private sector investment and innovation in Minnesota; adjusting uncompetitive new laws; and reducing workforce barriers and other cost burdens undermining growth. **Because HF11 would achieve some of these outcomes, the Chamber respectfully urges your support for this bill.** Our members continue to request reasonable limits on the scope of and relief from the financial and operational impacts of these mandates. We look forward to working with you on additional legislative efforts with this in mind.

Thank you for the opportunity to share this perspective with the Committee.

Jon M. Althoff

President and Chief Mission Officer

DCR Chamber of Commerce

651-288-9201 / jalthoff@dcrchamber.com



February 27, 2025

Dear Chair Torkelson and Members of the House Ways and Means Committee:

On behalf of O'Brien's Public House, a small business in the downtown Shakopee community, we write to express our strong support for HF 11 (Rep. Baker), legislation that would delay the implementation of the Paid Family and Medical Leave (PFML) mandate by one year.

As a small business establishment, we have experienced firsthand the significant impact of recent workplace mandates. The growing number of unfunded, unbalanced mandates has burdened our operation with increased costs through payroll taxes, operational and staffing challenges from additional unaccounted for paid time off, and considerable time devoted to compliance efforts. These burdens are particularly acute for our business, as we have limited budgetary flexibility and minimal HR capacity compared to larger corporations.

The recently implemented sick and safe time mandate has already created substantial operational challenges for our establishment. With our limited staff, we have encountered difficulties maintaining consistent service levels when employees utilize this benefit, particularly given the broad scope of the mandate and the limited rules for requesting notice and documentation. State guidance for implementation created further confusion, requiring us to divert additional resources to ensure compliance.

Looking ahead, we have serious concerns about the impending PFML mandate, which will introduce a payroll tax increase of at least 0.88 percent—representing a substantial new financial burden for both our business and our employees. Our staff members have expressed concern about reductions to their take-home pay due to these new higher payroll taxes. Additionally, we anticipate this mandate will further increase our administrative responsibilities, exacerbate our existing staffing challenges, and constrain our operational capabilities.

The establishment of this complex new state insurance program requires substantial preparation for businesses of our size. The program's broad eligibility allowances and the complexity of the different types and lengths of personal leave permitted necessitate adequate implementation time to adapt our business operations accordingly.

We respectfully urge your support for HF 11, as it would provide essential relief for small businesses like ours, allowing us the necessary time to prepare for these significant changes. We also encourage the committee to consider additional reasonable limits on the scope of these mandates and further relief from their financial and operational impacts as they disproportionately affect small businesses.

Thank you for the opportunity to share our perspective with the Committee.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'S. O'Brien', written over the word 'submitted' in the preceding line.

Scott O'Brien – Owner
O'Brien's Public House



February 27, 2025

Dear Chair Torkelson and Members of the House Ways and Means Committee:

As the owner of O'Brien Dental Care in Shakopee, I am writing to express our strong support for HF 11 (Rep. Baker), which proposes delaying the implementation of the Paid Family and Medical Leave (PFML) mandate by one year.

Our dental practice, like many small healthcare businesses across Minnesota, operates with a specialized team where each staff member plays a critical role in patient care. The recent implementation of workplace mandates has created significant operational challenges for our practice. Small healthcare providers like ours are disproportionately impacted by these mandates, as we have "less budgetary flexibility, less HR capacity or expertise," and limited administrative resources that could otherwise "be focused on growth and investing in our workforce."

The recently implemented sick and safe time mandate has already strained our ability to provide consistent care to our patients. When staff members are absent, particularly with limited notice, we often must reschedule patients or operate with reduced capacity, impacting both our service quality and revenue. The state guidance provided for implementation created considerable confusion, requiring us to divert valuable time away from patient care to ensure compliance.

The upcoming PFML mandate raises additional serious concerns for our dental practice. The 0.88 percent payroll tax increase represents a nearly \$2 billion annual tax on Minnesota's workers and economy, directly affecting both our practice finances and our employees' take-home pay. Our team members have expressed anxiety about decreased compensation due to these new higher payroll taxes at a time when healthcare costs are already challenging for many families.

The complexity of establishing this new state insurance program requires careful consideration, especially for specialized healthcare practices like ours. Unlike larger healthcare systems, we lack dedicated HR personnel to navigate these complex compliance requirements. Every administrative burden diverts resources from improving patient care and investing in advanced dental technologies that benefit our community.

We respectfully urge your support for HF 11 to provide small businesses like ours the necessary time to prepare for implementation while maintaining quality patient care. Additionally, we encourage the committee to consider reasonable limits on the scope of these mandates and further relief from their operational impacts on small healthcare providers.

Thank you for the opportunity to share this perspective with the Committee.

Respectfully,

Dr. Jody O'Brien, DDS.

Jody O'Brien, Owner
O'Brien Dental Care Shakopee, Minnesota