

**To: Committee Administrator Bill Lunzer**

**RE: SF 0002Mann – FMLA**

**From: Lisa Workman – President, Fergus Falls Area Chamber of Commerce**

**Testimony to OPPOSE**

### **Fergus Falls Employers OPPOSE Mandated Paid Family and Medical Leave**

Many Fergus Falls Chamber members have spoken loud and clear that this mandate would be a crushing blow impacting their viability. Small and large businesses are struggling to keep operations moving forward with less employees due to a workforce shortage. They're impacted by rising prices & supply scarcity. Our employers develop benefits that best suit their employees allowing them to recruit with competitive offerings.

In a time of budget surpluses & workforce shortages, Minnesota needs to look for creative solutions to be more competitive, not less. Other states cut taxes; this bill raises taxes. We need to incentivize people to join the workforce; this bill leaves employers with less staff. Other states reduce regulations to spur economic growth. This bill adds regulations and increases costs for every Minnesota employer -- big & small business, non-profits, education, municipalities – EVERY employer.

Fergus Falls employers (from 3 to 400 employees) told the Chamber how it would impact them:

- *Quite simply, this move would potentially put us out of business should any of our full-time staff get sick or need extended family leave. We do everything in our power to provide for our staff, having the state mandate a leave policy for all businesses is crazy.*
- *Since we are part of a larger global company, leadership would more than likely relocate our facility to another state or country to address the high cost of doing business in MN. I think a lot of mid-large companies will do this...I don't understand why the state doesn't understand!*
- *The Paid Leave legislation is ill-conceived & harmful to employers and employees. It is another financial burden to employers. It is fraught with the potential for misuse and the misuse will be almost impossible to mitigate. Other staff will have to take on more responsibilities to cover for missing co-workers which leads to resentment and burnout. Employees accrue sick leave and PTO. It is responsible to expect them to manage these benefits. Continuing to pay people who aren't working isn't healthy, prudent or sustainable.*
- *This law would be prohibitive to our ability to maintain profitability. It would perpetuate the labor market to stay at home as long as possible. The introduction of these bills would make me consider moving my business out of MN.*

- *We cannot support this. It's another way for employees to not have to work. That's half a year! It will kill small businesses.*
- *Unless these leave for stated reasons within the bill have some substantial checks and balances these could absolutely cripple small businesses workforce. Then to add another tax that employers have to foot in the funding of these leaves. Crazy.*
- *The additional tax and sick hours would be the cost of another staff person for our small business! As I assume many businesses affected, finding talent is tough, particularly for such a specific knowledge base. I'm flabbergasted this is even on the table - nothing like more incentives for businesses to leave MN.*
- *I'm not sure how to respond to this other than say it's "mind-blowingly absurd." The restaurant industry will have people "creating issues" from day 1 to abuse this and it's likely we will have little to no staff the first few weeks of each year until their "leave" hours are used up. It would jeopardize vacation time, retirement contributions, health plans, dental, and all other benefits. I know a lot of folks have a hard time grasping the fact that people in our industry work really hard finding ways to avoid working. This is insane!*
- *This will mean the difference between profitability and loss for our small business, and we may close our shops...depending on how many people use this program. Regarding our rental property business, if this happened, I would need to discontinue the employment of our three full-time employees and try to hire more contractors.*

This bill is neither equitable nor sustainable, costing taxpayers billions of dollars and decreasing MN's ability to attract and retain business. Communities like Fergus Falls face unique challenges given our proximity to North Dakota. If enacted, Fergus Falls businesses may be forced to close their doors or relocate to a more business-friendly state. This bill is bad for business and bad for Minnesota.

Sincerely,

**Lisa Workman, IOM**

**President**