



April 10, 2023

Dear Members of the Senate Finance Committee:

On behalf of the Minnesota Chamber of Commerce, a statewide organization representing more than 6,300 businesses and more than half a million employees throughout Minnesota, we appreciate the opportunity to share our opposition to SF 2782, the Omnibus Labor Budget Bill, and the numerous provisions imposing unnecessary new workplace regulations, workforce restrictions, and increased bureaucracy, record keeping costs, and litigation risks on Minnesota industries, employers, and facilities.

It is important to note that our members across all industries are committed to safety. Not only is this commitment grounded in good business sense, many industries are highly regulated under very strong federal and state safety regulations. Minnesota businesses also 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, increased workplace regulations, and operational restrictions this session in addition to proposals that increase their tax bill under various proposals currently under consideration.

While we appreciate that bill authors worked with impacted industries and facilities to address significant scope and workability concerns throughout the legislative process, we are particularly troubled that instead of reducing costs or making it easier for Minnesota businesses to remain viable – let alone grow – SF 2782 takes the opposite approach. Separate from the direct cost impacts to employers, this bill requires millions of dollars in increased state spending to implement and enforce the numerous new provisions and standards when it has been demonstrated that our regulating entities have trouble enforcing the full breadth of requirements and standards already in law.

Minnesota already has a full body of workplace safety standards, and Minnesota OSHA and the Minnesota Department of Labor and Industry have the responsibility of worker protection. There are already clear actions workers can take to file claims, and report concerns or unfair practices.

The cost of compliance and operational impacts of workplace mandates, increased regulations and fines, and operational restrictions such as the ones mentioned above and additionally found in Article 3 (nursing home workforce standards board), Article 5 Section 18 (ergonomics), Section 27 and Section 30 (adult-size changing facilities), Article 6 (meat and poultry processing facilities) and Article 7 Section 2 (covenants not to compete) put pressure on employers. While we appreciate the intentions of this legislation, we continue to be concerned about the feasibility and cost of such proposals, along with the unintended consequences.

As a final note, the private right of action contained in Article 2, Article 3, and Article 6 will lead to frivolous lawsuits requiring employers to defend themselves against unwarranted claims. We encourage the committee to remove these specific provisions from these articles. The significant increase in agency penalties and fines contained in Article 5 Section 12, Section 13, Section 14, Section 15, and Section 16 coupled with the provisions in Article 5 Section 17 further indexing these increases to inflation goes beyond what should be considered sufficient regulatory authority. However, the Chamber does not believe these penalties should be on autopilot; rather, these increases should require legislative debate and a vote, as this bill is doing through the underlying penalty provisions in Article 5, and therefore recommend that Section 17 in Article 5 be deleted.

The Chamber supports an approach that limits additional cost burdens and unnecessary mandates on employers who are doing their best to comply with the existing complement of state and federal workplace standards and keep Minnesotans employed. Because these bills would impede Minnesota's economic competitiveness, we respectfully encourage a "no" vote on SF 2782 and appreciate the opportunity to share our opposition.

Sincerely,

Lauryn Schothorst

Director, Workplace Management and Workforce Development Policy