

April 26<sup>th</sup>, 2023

Chair, Senator John Marty  
Room 1200 Minnesota Senate Bldg.  
St. Paul, MN 55155

RE: Minnesota Senate File 2 – Rochester Area Coalition Letter, 4/26/2023 Edition

Members of the Senate Finance Committee,

The Rochester Area Chamber of Commerce along with a coalition of Rochester area businesses remain opposed to Senate File 2 as it is currently written. While there have been attempts to amend the legislation, work still needs to be done to ensure that the bill will not harm the business community. We message you today to emphasize our continued opposition to the Paid Family and Medical Leave legislation and to communicate the challenge it will present to the business community and workforce.

Over 80% of our 1,100 members, nearly 880 members, are classified as a small business, meaning they have under 20 employees. This legislation, if enacted, will disproportionality impact the small business community. As a business organization, the Rochester Chamber and the undersigned companies are opposed to Senate File 2 as it is currently written due to the adverse effects they will have on the business community. This concern can be addressed by exempting small businesses from this mandate, avoiding a one-size-fits-all approach.

This legislation would mandate a one-size-fits all, state administered program, of up to 12 weeks of paid family leave and up to 12 weeks of paid medical leave on the business community. In addition, these two paid leaves can be stacked, resulting in an employee missing up to a potential 24 weeks, nearly half a year, of work. The current workforce environment is strained, with talent attraction being a key struggle for employers. By passing this bill, businesses would be left with a temporary position to fill. With the state of labor market, this task would be nearly impossible to achieve, exacerbating employers who are already operating short staffed. Coupled with the paid sick and safe time act (HF19/SF34), the impact of the mandate will only be exacerbated. To address this issue, we call upon the legislature to review the existing legislation and cap the program at a maximum of 12 weeks.

Amidst increased inflation, under Senate File 2, Minnesota would impose yet another tax on the business community, which is still recovering from the COVID-19 pandemic, to fund this mandate. Employers would see a .7% increase to the payroll tax and employees may cover up to 50% of that tax. While other states work to address the workforce shortage through talent attraction and retention, Minnesota instead is adding yet another tax, reducing opportunities for staff and stifling business growth plans.

While not opposed to the idea, the legislation as it currently stands will harm both businesses and employees in the state of Minnesota. A one-size-fits-all approach without an opt-out is not in the best interest of the business community, especially our small businesses. Additional work must be done to amend this legislation to accommodate Minnesota's diverse business community.

We ask that the legislature consider these concerns of the business community. To address these issues, we recommend the following amendments to the legislation:

- Cap the program at a maximum of 12 weeks paid leave
- Match the definition of a “family member” to the existing definition in the federal Family and Medical Leave Act
- Amend the legislation to avoid a one-size fits all mandate

Given the implications of this bill amidst the challenges that our businesses currently face, we respectfully urge you to OPPOSE Senate File 2 as it is currently written.

Sincerely,

**Rochester Area Chamber of Commerce**

**American Waterworks**

**Benike Construction**

**Bigelow Homes**

**Broadway Plaza**

**Carpet One of Rochester**

**Charlie’s Eatery & Pub**

**Custom Alarm**

**EPIC Endeavors Academy**

**Five West – Kitchen & Bar**

**Gauthier Industries**

**Great Planes Aviation**

**Hanny’s of Rochester**

**House Chevrolet Co.**

**Joe’s Auto & Tire**

**Meadow View Veterinary Clinic**

**Nuss Truck & Equipment**

**ONB Bank**

**Pace International**

**Paramark Real Estate Services**

**Powers Ventures**

**Renning’s Flowers**

**River Valley Power & Sport**

**Rochester Motor Cars**

**SMOAK BBQ**

**Sorellina’s Italian**

**Spa by Casey**

**Stewartville Animal Clinic**

**The Tap House**

**Titan Development & Investments**

**Victoria’s Ristorante & Wine Bar**

**Weller Brothers Landscaping**

**Wendland Utz**