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February 2, 2023

Senate File 2 (Mann)

Dear Chair Latz and Members of the Senate Judiciary and Public Safety Committee,

The National Federation of Independent Business (NFIB) represents over 10,000 small businesses in every industry and every corner of our state.

NFIB opposes Senate File 2 in its current form. While the bill is partially modeled on Unemployment Insurance (UI), it is substantially more complex and lacks the balance built into UI over many years. As MN DEED noted in a 2022 fiscal note for a prior version of this proposal:

“The application process, data to be managed and stored, adjudication process, appeal process, premium structure, and financial structure contemplated are all relatively complicated compared to UI.”

As a result, the adjudication process and penalties will be a new and steep learning curve for small business. Many provisions in the bill heighten the severe penalty threat:

- unlike other state programs, does not require DEED to notify employer of new claim filings until two weeks after an eligibility determination is made;
- provides no path for an employer to appeal or participate in the eligibility and adjudication processes if they have evidence relevant to an applicant’s eligibility;
- does not require periodic eligibility verification for an employee on long-term leave;
- requires employers to notify employees about the program in writing, but allows the employee to provide notice of leave orally, via text message, or over the phone; and
- requires employers to notify employees of the program under threat of significant penalty but provides no recourse or penalty if an employee fails to provide the required notice of leave.

We look forward to working with you all on ways to strike a better balance in Senate File 2.

Sincerely,

A handwritten signature in black ink, appearing to read 'John L. Reynolds', is written over a light blue horizontal line.

John L. Reynolds
Minnesota State Director
National Federal of Independent Business
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