



March 12, 2024

Dear Members of the Senate Jobs and Economic Development Committee:

On behalf of the Minnesota Chamber of Commerce, a statewide business organization representing more than 6,300 businesses and more than half a million employees throughout Minnesota, thank you for the opportunity to share our opposition to SF 3588 (Sen. Mohamed), legislation seeking to change existing unemployment law so that striking workers would no longer be automatically ineligible for unemployment benefits during a labor dispute.

The state's Unemployment Insurance (UI) program should be a partnership with employers. Employers in Minnesota always have and always will subsidize the UI system; and when workers tap into the UI system, employers are penalized through higher experience ratings and payroll taxes. This demonstrates the long-standing commitment of – and consistent cost burden to – Minnesota's business community in maintaining a strong unemployment insurance safety net over time. Current unemployment law is sufficient to address the various circumstances and allowances for certain striking workers to be eligible for UI benefits, when appropriate. Deviating from this careful balance risks undermining the UI system's core "no fault" principle, and expanding the UI program without sufficient cost analysis risks the integrity of the program itself.

The cost of doing business in the state increased significantly as a result of the 2023 legislative session. After a record-setting number of new labor mandates, workplace restrictions, and business taxes, employers are very concerned about any additional policy proposals that further impede their ability to succeed and grow in Minnesota. Now is not the time to add unvetted UI costs and liabilities on Minnesota's employers.

The Minnesota Chamber believes that balanced employment-related policy benefits both employers and workers as well as taxpayers while enabling our economy to grow. It is for these reasons that the Chamber encourages members to oppose SF 3588.

Sincerely,

**Lauryn Schothorst**

Director, Workplace Management and Workforce Development Policy