



180 5th St. E. Ste. 260
St. Paul, MN 55101

651-293-1283
NFIB.com/MN
Twitter: @NFIB_MN

April 4, 2024

Senate File 3787 (Pappas)

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

The National Federation of Independent Business (NFIB) represents over 10,000 small businesses across Minnesota. Our mission is to promote and protect the right of our members to own, operate, and grow their businesses.

NFIB Minnesota appreciates the opportunity to comment on SF 3787. Since the enactment of the Sick Time Mandate, we have received a steady stream of concerns from small employers. Some of the most common concerns are:

Workforce Management: Small employers do not have a reserve of workers to call on when an employee calls out without notice. Without the practical ability to enforce advance notice or documentation requirements, small employers are left with few tools to ensure ESST is being used properly. This is particularly acute in industries that are customer-focused and time-sensitive, such as licensed care, retail, hospitality, and manufacturing.

Financial Impact: Many small employers report that ESST is exacerbating underlying issues, as labor costs and labor quality are the top problem for one in three small businesses. A small business owner in Hastings who employs five full-time staff and twenty part-time employees estimates ESST will cost over \$10,000 this year, while leaving the business shorthanded and unable to provide promised care to customers.

Late Guidance. Despite ESST taking effect on January 1, 2024, the Minnesota Department of Labor and Industry did not publish initial guidance for employers until late October 2023. Further substantive guidance was added less than 30 days before implementation. This left many small employers scrambling over the fall and winter to figure out how to comply.

While a few sections of this bill provide clarity and flexibility to small employers, it also layers on additional penalties and expands allowable uses of ESST. Importantly, it does not address the key concerns of small business owners. We encourage lawmakers to adopt the solutions in Senate File 5135 to provide a better balance for small employers.

Sincerely,

A handwritten signature in black ink, appearing to read 'John L. Reynolds'.

John L. Reynolds
Minnesota State Director
National Federation of Independent Business
john.reynolds@nfib.org