



Re: HF 1976 – Cuts to Minnesota’s Paid Leave Program

March 12, 2025

Chair Baker, Lead Pinto and Members of the MN House Workforce Committee:

We are writing in strong opposition to HF 1976. Frankly, we are appalled at the cruelty of this bill, not to mention the complexity and confusion its passage would throw into the paid leave program, which was passed 22 months ago and is set to fully launch in just over 9 months.

This bill is cruel in the many ways it would harm Minnesotans from all corners of the state. It is especially cruel in how it would harm most those who have gotten the short end of the stick for too long when it comes to decent jobs, pay and benefits.

How does this bill harm Minnesotans? Let us count the ways:

1. Cutting leave for workers at small businesses with 50 or fewer employees **would hurt over 1 million Minnesotans**, 41% of the workforce, and the family members who rely on them, who would see their leave capped at just 6 weeks. This also **hurts small businesses** who would be at a further competitive disadvantage with regard to larger corporations who offer more generous benefits. Over the past decade we have heard small business owners testify again and again about their desire to see a statewide paid leave program that could help support their workers when the need for leave arises. This cut is a slap in the face to those employers and their workers.
2. Cutting the total amount of leave available from 20 weeks to 12 weeks **hurts moms and babies** as well as **people who have both a personal health crisis and a family caregiving need** in the same year. Currently all qualifying workers are eligible for up to 20 weeks of leave if they have qualifying events in both the medical (one’s own healing) and family care categories. Data from other states shows that this is an exceedingly rare occurrence, except in the case of pregnancy complications, recovery from childbirth and new baby bonding leave. Those are exactly the cases in which we as a state should be supporting those birthing mothers and babies the most. It is heartbreaking to contemplate a pregnant woman on bed rest using up most (or if she works for a small employer – even all) of her leave before her baby is even born.
3. Cutting the tiered income replacement **hurts low-wage workers**. Minnesota’s paid leave program was built on the experience of the 12 other states and the rest of the world. When California first passed paid leave in 2002, it was a flat wage replacement benefit. This left many low-wage workers out, as they could not afford to take a leave that did not allow them to make ends meet. New Jersey’s original benefit rate of 67%



was also found to be too low to be accessible to lower-paid workers. Nearly every state that has passed paid leave programs in the last several years have adopted a blended benefit rate to ensure affordability and accessibility to workers and their families.

4. Cutting the family definition **hurts rural and non-traditional families including people with disabilities and their caregivers**. Research shows that the need for caregiving leave is higher in rural Minnesota, while access is less. By narrowing the definition of caregiver, this bill hurts rural families and anyone who is in a caregiving situation but doesn't meet the otherwise prescribed definition.
5. Allowing for privatization of the program **hurts all Minnesota workers and taxpayers**. Only one state has privatized delivery of paid leave program, and research shows that costs are 2-3 times higher than states with publicly-administered programs such as Minnesota's. Privatization would also mean the loss of Minnesota jobs to out of state, for-profit insurance companies.
6. This bill would **hurt union workers**, by exempting workers under collective bargaining agreements at the beginning of the program. Many workers would be cut out of the program for years, or maybe forever.
7. Expanding the already capacious seasonal definition from 150 to 180 days would **hurt many workers** who would be excluded from the program. Under what common sense understanding of the word "seasonal" does half of the year qualify as a "season?" In particular we are concerned that this is a backdoor effort to exempt many school employees, who are as deserving of paid leave as are all Minnesotans.

As we've written before, few programs or policies in Minnesota have been as thoroughly studied, planned, researched, vetted, debated, discussed, deliberated and voted on as Paid Family and Medical Leave. In 2015 a study was commissioned by the legislature. In 2016, the Senate passed Paid Family Leave. In 2019, 2020, 2021 and 2022 the House passed Paid Family and Medical Leave, before finally both chambers passed it in 2023 and sent it to be signed by the Governor. In 2024 the House even broke previous records of deliberation on this policy with an eight-plus hour floor debate on the Paid Family Leave "clean-up" bill.

As hundreds of business owners, medical professionals and personal caregivers testified in dozens of hearings over the past decade, the need for this program is urgent and the benefits numerous. In addition to giving workers and families a measure of economic peace of mind during life-changing events, Paid Leave makes our world a better place in so many ways. To name just a few, research shows that Paid Leave:



- Improves the health of babies and new moms
- Increases fathers' involvement in children's lives
- Helps elders age in place, reducing strain on nursing homes and assisted living facilities
- Paid leave increases women's participation in the workforce
- Reduces reliance on public assistance programs, and
- Benefits business by lowering turnover, boosting productivity, and enhancing morale.

From childcare to elder care, Minnesotans know there is a crisis in caregiving, and are excited for Minnesota Paid Leave to become fully implemented just over 9 months from now. Many Minnesotans are already making life-changing decisions based on the Paid Leave program being so close to fully implemented.

HF1976 is an affront to all Minnesotans as it takes a chainsaw to a widely popular, well designed, much needed, and imminent program. We urge you to reject this cruel bill and instead focus on real solutions that help real people.

Sincerely,

Lars Negstad, Policy Director