

eligible for assignments but may not be offered specific jobs until days or weeks later, if at all. Hence, staffing firms cannot provide individuals with a specific wage rate or other job-specific information until an actual job offer is made and accepted. Special provision must be made to accommodate these operational constraints.

Unreasonable occupational licenses

Minnesota’s training, testing and licensing requirements across several industries are significantly more burdensome than in other states. Reasonable regulation is essential, but overregulation raises prices, thwarts competition, keeps people from earning a living and harms our economy. We support reforms requiring the state to use the least restrictive regulation necessary and remove duplication.

Unemployment insurance

As employers, staffing firms pay federal and state unemployment insurance taxes that tend to be higher than most other service businesses because of the extremely high turnover among temporary employees. Commonly referred to as the “5-Day Rule”, Minnesota Statute 359.0952 simply requires the staffing industry employee to contact the staffing agency (i.e., employer), once within five days after their assignment ends to request ongoing work. The Statute also has additional requirements specific for the staffing industry. We oppose any attempt to repeal this statute.

Gig economy

There is little consensus, and much debate, on how to define or measure the gig economy and whether new laws are needed to protect individuals working in such jobs. Most of the policy discussion has focused on workers who are classified (or misclassified) as independent contractors and therefore do not enjoy the legal protection afforded to employees.

Staffing firms classify the great majority of their temporary and contract workers as W-2 employees and they are fully protected by labor, employment and benefits laws. While temporary employment with staffing firms has certain “gig” attributes (i.e., flexibility and short tenure), it does not raise the same legal and policy issues that involve workers, such as Uber drivers,

who are classified as independent contractors.

We oppose simply extending protection to a new category of “independent worker” without clear and objective rules for determining how workers should be classified.

ABOUT MNRSA

MNRSA is the only organization in Minnesota that advocates on behalf of the staffing and recruiting industry. We educate members on the critical policy issues facing our industry; we provide testimony at both the state and local level to influence decisions that are made by elected officials and regulatory bodies; and we engage our members in grassroots advocacy through electronic issue alerts.

MNRSA supports legislation that will create an improved business climate for our members, our industry and the entire state of Minnesota. We provide grassroots support for issues that impact our business climate. It is our priority to ensure the business climate is fair and competitive and provides predictability for our members.

MISSION STATEMENT

To serve the recruiting and staffing industry through education, promotion and legislative representation.

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MNRSA



Minnesota Recruiting & Staffing Association

POLICY AGENDA

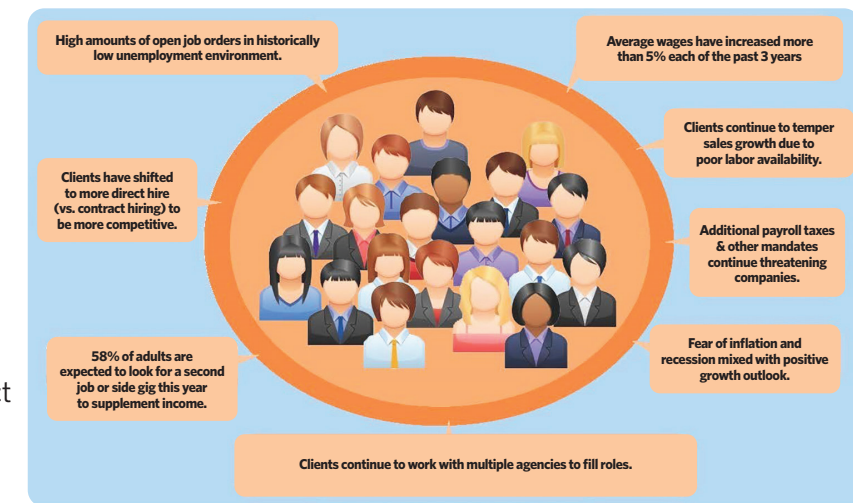
Minnesota’s temporary and contract staffing agencies annually provide jobs to over 266,400 people. The staffing industry contributes over \$3.3 billion to Minnesota’s economy through temporary and contract staffing, recruiting and permanent placement, outsourcing and out placement and

human resource consulting. With an estimated 800 offices across Minnesota, staffing companies employ an average of 49,100 workers each week across industry sectors including engineering, IT and scientific; health care; industrial; office, clerical and administrative; and professional/managerial.

Staffing firms play a vital role providing flexibility and support to businesses and opportunities and flexibility for employees.

Companies are increasingly placing a high value on more flexible and agile workforces and staffing plays a vital role in their workforce management strategies. For employees, staffing offers a bridge to permanent jobs, unique employment flexibility and compelling benefits.

As employers, staffing firms are subject to a myriad of federal, state and local laws many of which are unique to



the staffing industry. As policymakers press to propose new mandates, these often “one size fits all” mandates impact staffing firms by stifling labor market flexibility and job creation. They unnecessarily increase the cost of doing business for both the staffing firm and the businesses

they serve. The operational impacts of mandates, ordinances and legislation on the staffing industry are given scant consideration. Consider these dynamics in the staffing industry:

1. Temporary employees often work multiple assignments with multiple staffing firms. They often migrate between staffing firms and may not return to the same agency in any regular or meaningful way resulting in substantial administrative burden and cost.
2. Numerous employees are inherently short-term or sporadic and may never reach a usable level of mandated benefits (e.g., sick or paid time off benefits).
3. Staffing firms place employees based on specific needs including availability and fulfillment of required training. Legitimate business and safety requirements unique to staffing are not accounted for under any sick or paid time off policies.

4. A flexible, scalable workforce is our product. There is no reason to further complicate or impose additional obstacles to employment for the people we serve. Policy proposals including predictive/restrictive scheduling, sexual harassment standards, the role and definition of independent contractors, benefit mandates and others threaten our ability to respond to economic swings and the ability to grow opportunities for future generations.

KEY PRIORITIES

- Preserve flexibility for employers and employees when it comes to wage, benefit, scheduling and employee classification.
- Statewide preemption of local labor ordinances.
- Ensure regulatory changes proposed through state and local bodies consider the impact on the staffing industry and Minnesota employers.
- Preserve the legal standard in hostile work environment claims.
- Promote workforce/workplace training programs that demonstrate impact and effectiveness.
- Support workplace safety and employer protections and oppose marijuana legalization.

PRIORITY POSITIONS

Preserve flexibility for employers and employees to determine wage, benefit, scheduling and employee classification

Employers currently must adhere to a strict set of labor laws and workplace standards both at the state and federal level in order to maintain safe, healthy, respectful and inclusive workplaces. Within the current regulatory system, employers have the flexibility to make staffing decisions and provide wages, benefits and schedules that are appropriate for their employees, their workplace and industry.

Mandated benefits can impede flexible approaches to meeting employees' needs and can significantly increase the cost of doing business. Paid leave mandates impose an especially onerous burden on staffing firms, because they must track the hours of large numbers of employees on short-term,

intermittent job assignments for purposes of leave accrual and utilization. Any mandated leave legislation should require employees to satisfy a minimum work requirement (e.g., 30 days) before benefits start to accrue, and at least 90 days of employment before accrued benefits can be used.

We oppose attempts by state policymakers to implement "one-size-fits-all" mandates because of the unique relationships between employers and employees and the variety and nuances of the many workplaces across Minnesota.

We also oppose the creation of yet another state administered program funded by employers and employees.

Statewide preemption of local labor ordinances

With the passage of ordinances in Minneapolis, Saint Paul and Duluth, Minnesota employers already deal with a patchwork of local laws. Without statewide preemption of local labor ordinances, employers are vulnerable to the creation of individual mandates from (potentially) 853 cities and 87 counties. For Minnesota's staffing industry complying with distinct and different local labor laws has become an administrative nightmare and has the potential for unintentional errors that can expose businesses to legal action. There has been no demonstrated proof that these ordinances are beneficial to either employees or employers in the jurisdiction where they have been enacted. Enacting employee wage, benefit or scheduling mandates on employers should be outside their local authority.

We support explicit statewide preemption of local government mandates.

Ensure regulatory changes proposed consider the impacts on the staffing industry and other employers in Minnesota.

Historically, business groups like the MNRSA have had a seat at the table during negotiations on labor and workforce related proposals to ensure that the impact of unilateral proposals on employers and workplaces across the state are evaluated, understood and accounted for.

It is rare when the unique needs of the staffing industry are recognized. As broad, new regulations and laws, like wage reporting, are imposed on Minnesota's employers, we support the ability to enact technical changes that address unnecessarily onerous compliance concerns.

We support regulatory changes proposed through state and local bodies including the Department of Labor & Industry, Department of Employment and Economic Development, Department of Health, etc. that consider the impact on the staffing industry and all employers in Minnesota.

Preserve legal standard in hostile work environment claims.

Minnesota employers are committed to providing professional, respectful workplaces. Federal and state courts across the country have established a "severe or pervasive" standard to ensure that legitimate claims proceed when wrongful conduct creates a hostile work environment. This standard is reasonable and specifically enables claims to move forward if they involve conduct that is impermissible under the law. Changes to this standard leave employers without guidance as to what is legally actionable conduct and fosters frivolous litigation that can cost well-meaning employers unnecessary legal fees. In the staffing industry, our clients supervise the employees' work and provide a safe worksite and we do not have direct or immediate control over the environment.

We support preserving the legal standard of "severe or pervasive" in hostile work environment claims.

Promote workforce/workplace training programs that demonstrate impact and effectiveness

Minnesota's Department of Employment and Economic Development (DEED) is charged with empowering the growth of Minnesota's labor market to meet the needs of business, now and in the future. We support agency efforts to deliver special training efforts to help employers understand and embrace hiring workers from under-represented groups.

Workforce development programs need to be responsive to employer needs, informed by economic data, and measured by workforce impact.

We support efforts that result in working with businesses to address current and future workforce initiatives to confront the state's worker shortage and that helps the state's economy change and grow.

Promote workplace safety and employer protections and oppose marijuana legalization

Although a growing number of states have legalized recreational marijuana for adults (21 and older), marijuana remains an illicit, controlled substance under federal law. Efforts are underway to legalize the recreational use of marijuana in Minnesota. The issue is further compounded by the fact there is no established consensus or guidelines on an impairment standard.

Any efforts to enact a law legalizing recreational marijuana should take into consideration the full scope of public health, safety, criminal justice, workplace, taxpayer, economic and other ramifications.

Minnesota employers should be protected by clear provisions allowing the right to enforce drug policies that maintain safety and productivity and remain in compliance with appropriate federal drug laws. Employers should maintain the right to determine a drug policy that best fits their operational, safety and cultural needs rather than confirm to a "one-size-fits-all" mandated drug policy. MNRSA opposes marijuana legalization.

We support workplace safety and employer protections and oppose marijuana legalization.

ADDITIONAL ISSUES

Wage Notices

Minnesota state (and recently Minneapolis) adopted wage laws that require employers to notify individuals of pay rates and other job-related information at the time of "hire". Staffing firms, however, don't hire people in the usual sense. Individuals seeking temporary work who successfully complete a staffing firm's application process are considered "hired" for employment verification (i.e., I-9) purposes even when no actual job assignment is immediately available. Successful applicants are placed in the firm's pool of candidates