

November 12, 2024

Senators and Representatives,

The undersigned organizations represent the full scope of farming, food production and rural agricultural businesses in Michigan. We are writing to urge the Michigan Legislature to address the negative consequences of impending changes to the Earned Sick Time Act (ESTA) without delay. This is a top issue of concern we continue to hear from our members as they attempt to prepare for ESTA changes.

It is important to understand that rural, Main Street businesses and Michigan farms will be among the many other sectors of Michigan's economy harmed if the Legislature allows these changes to enter into force as written.

We are committed to partnering with you and all elected leaders on policy that benefits both Michigan workers and the employers that drive our rural economy. Unfortunately, the "one size fits all" nature of the impending ESTA changes will create major new hurdles for businesses, disproportionately affecting smaller, rural employers and family farms.

Rural businesses compete intensely to attract, hire and retain workers through existing competitive benefits and compensation packages, and these ESTA changes will hamstring those efforts. Unaddressed, the changes will greatly restrict businesses' flexibility to tailor paid leave and employee benefit programs, for fear of violating the narrowly-written requirements and/or creating new liability. It will harm temporary and seasonal hiring by removing flexibility to tailor leave programs for those unique types of employment. And it will create a costly new administrative burden that will be especially difficult for smaller businesses to properly meet. Ironically, we fear businesses' good-faith efforts to comply with these narrowly-prescribed changes will – in practice – reduce options for employees.

Additionally, the changes slated for February fail to take into account the unique elements of the farming and food production sector, which by its nature involves unpredictability and change. For example, ensuring proper animal care on livestock farms is a top priority for those farmers; they must be able to count on appropriately tailored leave programs and predictable employee attendance to properly care for animals. Crop production and harvest similarly requires operational changes due to weather, equipment logistics and other factors. And product movement – for example, the loading of trains to export Michigan-grown agricultural products – often operates on fluid, rapidly-changing schedules not under the control of the employer. The ESTA changes will greatly reduce farms' and rural businesses' ability to navigate these types of challenges cooperatively with their employees.

We echo calls from businesses spanning Michigan's economy for common-sense legislative action that restores certainty and a workable framework for rural businesses, prior to the ESTA changes entering into effect. Specifically, we ask that the Michigan Legislature make these changes:

- ✓ Restore an exemption for small businesses up to 50 employees, and family farms, and deliver an exemption for seasonal, part-time, youth and temporary workers.
- ✓ Covered employers should accrue and permit the usage of leave in half-day increments. Many farms and small rural employers do not have systems in place to work with smaller increments.
- ✓ Require employees to provide reasonable pre-shift notice of intent to use leave, addressing the potential for employers to face multiple days of "no-call, no-show" absence by employees. Again, this has the potential to greatly impact food and agricultural production operations.
- ✓ Simplify leave accrual by allowing employers to front-load it each year, rather than accruing it on a rolling basis.

- ✓ Allow employers to maintain one overall leave category if they so choose, to simplify leave accrual accounting.
- ✓ Maintain oversight of complaints and violations with state government, rather than allowing employees to file direct legal claims related to the ESTA.

Our organizations' members greatly value the contributions of employees at all levels, and in a competitive hiring environment with other states, they work hard to offer strong compensation programs. We remain deeply concerned about the negative consequences ESTA changes will have on those efforts, for businesses of all types, including for rural businesses across our state.

We look forward to working with you to help craft changes that benefit Michigan workers, while preventing unworkable and burdensome new rules that limit employers' ability to craft competitive compensation programs. Again, we strongly urge you to act as soon as possible, as Michigan farms and other rural businesses are already deeply engaged in financial planning and trying to comply with the upcoming requirements.

Thank you for your review of this letter and your timely consideration.

Sincerely,

GreenStone Farm Credit Services
Michigan Agri-Business Association
Michigan Allied Poultry Industries
Michigan Asparagus Association
Michigan Association of Timbermen
Michigan Cattlemen's Association
Michigan Christmas Tree Association
Michigan Corn Growers Association
Michigan Dry Bean Industry
Michigan Farm Bureau
Michigan Milk Producers Association
Michigan Pork Producers Association
Michigan Soybean Association
Michigan Sugar Company
Michigan Vegetable Council
Potato Growers of Michigan Inc.