

On behalf of Concordia College, I urge necessary modifications to the Minnesota Paid Family and Medical Leave (PFML) program to address its unintended consequences on student employment, seasonal workers, and higher education institutions. While we support policies ensuring leave protections, the current legislation imposes unnecessary financial and administrative burdens.

### **College Students Must Be Exempt**

Student employment does not align with traditional workforce models and should be excluded from PFML requirements.

- **Student Work as Financial Aid** – Student work is part of a student’s financial aid package, not standard employment.
- **Learning-Focused Employment** – The IRS recognizes student employment as educational rather than career-focused, exempting it from FICA taxes.
- **Unnecessary Financial and Administrative Burdens** – Most students would never utilize PFML benefits, yet institutions would bear enrollment costs and compliance burdens.
- **Flexibility and Limited Earnings** – Students work around class schedules and academic activities, and their wages supplement education costs, not sustain living expenses.

### **Expand Seasonal Employment Exemptions**

The legislation must broaden seasonal exemptions beyond specific Employer Identification Number (EIN) classifications to include all workers employed for fewer than 150 days in a 12-month period.

- **Concordia’s Summer Programs** – We employ 600–800 seasonal staff, who work one to eight weeks, to run summer language immersion experiences for youth.
- **Current Legislation Fails to Recognize Higher Education’s Seasonal Workforce** – These workers should be exempt, just as they are in other industries.

### **A More Effective Alternative: Employer-Provided Paid Leave**

Rather than a costly and inefficient state-run system, Minnesota should mandate employer-provided leave for businesses with 30+ employees, aligning with FMLA and offering six weeks of paid leave at 70%.

- **Reduces Government Bureaucracy and Costs** – A state program requires massive infrastructure and funding and invites fraud.
- **Ensures Timely Benefits** – State-run programs risk delays, while employer-based leave provides immediate access.
- **Enhances Accountability and Reduces Fraud** – Employers better monitor leave eligibility than a centralized system.

- **Supports Workforce Retention** – Direct employer-provided leave fosters stronger employee relationships and job satisfaction.
- **Proposal Is Financially Unsustainable** - Independent actuarial analysis shows the true cost of PFML is 1.34%, far exceeding the projected 0.88%. This miscalculation threatens long-term sustainability, likely leading to tax increases or reduced benefits. A pragmatic, employer-driven approach ensures financial viability while meeting workers' needs.

## Conclusion

The PFML program must be modified to:

1. **Exempt student workers**, including work-study, learning-focused employment, and seasonal campus jobs.
2. **Expand the seasonal employment exemption** to all employees working fewer than 150 days per year.
3. **Replace the state-run program with employer-provided paid leave** for businesses with 30+ employees.

I welcome the opportunity to collaborate on legislative language that ensures a fair and effective solution for Minnesota workers while protecting student employment and institutional sustainability.

Sincerely,



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