SUMMER UI BENEFITS FOR SCHOOL SUPPORT STAFF: Evidence from Illinois and What It Might Mean for Minnesota in HF 20

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February 1, 2023

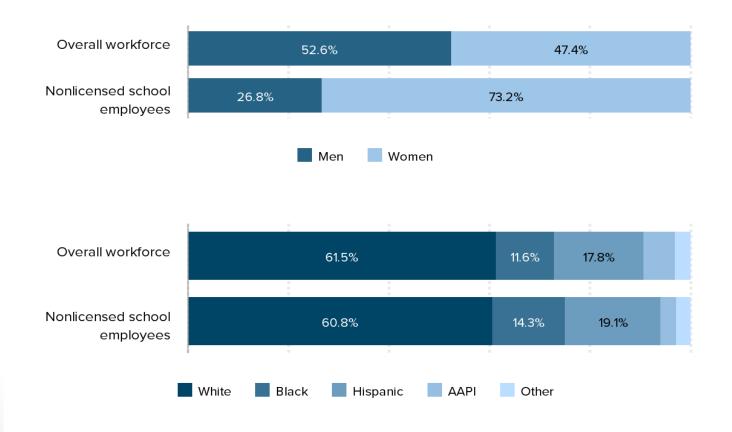
Minnesota Legislature Vorkforce Development Finance and Policy Committee Posted May 12, 2021 at 3:01 pm by Julia Wolfe and Dave Kamper

Illinois extended unemployment benefits to school workers in the summer, and Minnesota should follow suit

<u>https://www.epi.org/blog/illinois-extended-unemployment-benefits-</u> <u>to-school-workers-in-the-summer-and-minnesota-should-follow/</u>

WHO ARE SCHOOL SUPPORT STAFF?

Women, Black, and Hispanic workers are disproportionately represented in nonlicensed education occupations



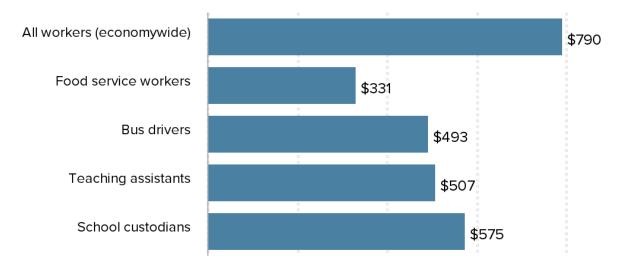
Source: EPI analysis of 2019 ACS microdata.

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WHO ARE SCHOOL SUPPORT STAFF?

Education support staff are paid very low wages

Weekly median wages of all workers and K–12 public education support workers



Source: Dave Cooper and Sebastian Martinez Hickey, "Raising Pay in Public K-12 Schools Is Critical to Solving Staffing Shortages" <u>https://www.epi.org/publication/sol</u> <u>ving-k-12-staffing-shortages/</u>

Notes: Weekly wages in 2020 dollars.

Source: EPI analysis of 2014–2019 pooled Current Population Survey microdata.

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CALCULATING THE EFFECTS OF SUMMER UI FOR NONLICENSED SCHOOL STAFF

Recipiency - MN pre-pandemic rate was 39-45% Costs / Benefits

[reminder: in MN, school districts directly reimburse UI system for actual costs, so there is no overall impact on the UI Trust Fund]

EVIDENCE FROM ILLINOIS:

- Enacted summer UI for school support staff in 2020
- Approximately **11% of the workforce** used this benefit the recipiency rate (adjusted for job losses in 2020)



If that pattern is followed in Minnesota:



- Approximately 62,375 nonlicensed school staff in Minnesota K-12 institutions
- We estimate **75,753 weeks** of unemployment would be claimed in Minnesota by approximately 6800 employees
- UI compensation is 50% of average weekly earnings
- Average pay is \$738, 11 weeks of benefits over the summer would be **\$4,058**

NET COSTS

- \$738 average weekly wages *times* 50% benefit *times* 75,753 total weeks claimed = ~\$28,000,000
- Total MN school district fund balances (per MDE data) at end of 2020 was \$2,643,996,300
- Total amount spent on UI for K-12 nonlicensed staff in the summer would amount to ~1.1% of school districts' total reserves.

THANK YOU!

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