



- Subject Unemployment Insurance for School Workers
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Overview

Modifies unemployment eligibility for certain school employees, adds provisions for the use of unemployment insurance data, creates a new state aid to cover K12 schools' added unemployment insurance costs, and provides for reimbursement of certain higher education institutions for qualifying unemployment benefits.

Summary

Section Description

1 Unemployment insurance aid.

Creates a new aid for school districts, charter schools, and cooperative school units (like intermediate school districts) called unemployment insurance aid. Sets the annual aid amount equal to the district's net audited unemployment costs for the previous year less the base year unemployment insurance costs. Sets the base year to fiscal year 2022. Prorates unemployment insurance aid if the appropriation in any year is insufficient to fund the entire aid amount.

2 Payment to unemployment insurance program trust fund by state and political subdivisions.

Reduces a school district's unemployment levy amount by any amount of reimbursement received by the school district under section 1. Allows cooperative school units to allocate unemployment costs back to their member school districts.

Effective for revenue for fiscal year 2025 and later.

3 Payment percentage for school aids.

Adds the new unemployment insurance aid created under section 1 to the list of school aids that are 100 percent payable in the current year.

4 School employees; between terms denial.

Makes school employees working in other than instructional, research, or principal administrative capacities eligible for unemployment benefits between school terms if

Section Description

they otherwise meet unemployment eligibility requirements. Modifies section 268.085, subdivision 7, to allow this group to use their wages credits for unemployment insurance benefit purposes between school terms.

For K-12 employees, other than an instructional position means one that does not require licenses from the Professional Educator Licensing and Standards Board (PELSB) or the Board of School Administrators (BOSA).

Makes technical changes to existing law clarifying that school employees continue to be ineligible for unemployment benefits during vacation or holiday recess periods.

Effective the day following final enactment.

5 Use of data.

Adds provisions to allow the use of unemployment insurance data by the Minnesota Department of Education, the Office of Higher Education, the Board of Regents of the University of Minnesota, and the Board of Trustees of the Minnesota State Colleges and Universities for the purposes of reimbursement under section 268.193.

Effective the day following final enactment.

6 **Reimbursement accounts.**

Adds section 268.193, creating higher education reimbursement accounts in the special revenue fund for (1) the University of Minnesota (U of M), (2) Minnesota State Colleges and Universities (MinnState), and (3) the Tribal colleges. Money transferred to each account under section 8 is appropriated for the purpose of reimbursing the U of M, MinnState, and certain Tribal colleges for their respective qualifying unemployment benefit charges. Qualifying unemployment benefits means unemployment benefits paid to school employees working in other than an instructional, research, or principal administrative capacity at the U of M, MinnState, or a specified Tribal college, and charged to the respective entity for reimbursement. The Department of Employment and Economic Development must determine and certify the qualifying amounts charged and credited to each reimbursing entity for the purpose of administering reimbursement payments.

Effective the day following final enactment.

7 Report.

Requires the commissioners of education and employment and economic development to annually report to the relevant legislative committees on the annual reimbursable costs and the numbers of school workers receiving unemployment during the summer term.

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8 Transfers.

Transfers money from the general fund for the purposes of reimbursement under the K-12 school reimbursement account, the University of Minnesota reimbursement account, the Minnesota State Colleges and Universities reimbursement account, and the Tribal colleges reimbursement account.

Effective the day following final enactment.

9 Appropriations; MDE.

Appropriates \$161.7 million for reimbursement payments to schools and \$200,000 for MDE administrative costs beginning in fiscal year 2025.

10 Appropriations; Minnesota State Academies.

Appropriates \$217,000 per year, beginning in fiscal year 2024, for unemployment insurance costs for the Minnesota State Academies.

11 Appropriations; Perpich Center for Arts Education.

Appropriates \$66,000 per year, beginning in fiscal year 2024, for unemployment insurance costs for the Perpich Center for Arts Education.

12 Repealer.

Repeals Minnesota Statutes, section 268.085, subdivision 8, to remove any remaining limitation on school contractors receiving unemployment benefits. Many school contractors already qualify for unemployment between school terms, and their eligibility would not change.

Effective the day following final enactment.



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