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State of Minnesota
HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 20

01/04/2023 Authored by Greenman, Hortman, Long, Noor, Frazier and others
The bill was read for the first time and referred to the Committee on Workforce Development Finance and Policy
02/06/2023 Adoption of Report: Amended and re-referred to the Committee on Education Finance
02/13/2023 Adoption of Report: Amended and re-referred to the Committee on Higher Education Finance and Policy
03/27/2023 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act

1.2 relating to unemployment insurance; modifying wage credits and providing

1.3 reimbursement; authorizing transfers from the general fund; providing

1.4 unemployment insurance aid; requiring reports; appropriating money; amending

1.5 Minnesota Statutes 2022, sections 126C.43, subdivision 2; 127A.45, subdivision

1.6 12; 268.085, subdivision 7; 268.19, subdivision 1; proposing coding for new law

1.7 in Minnesota Statutes, chapters 124D; 268; repealing Minnesota Statutes 2022,

1.8 section 268.085, subdivision 8.

1.9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.10 Section 1. **[124D.995] UNEMPLOYMENT INSURANCE AID.**

1.11 (a) School districts and charter schools, including intermediate school districts and other

1.12 cooperative units under section 123A.24, subdivision 2, are eligible to receive unemployment

1.13 insurance aid under this section. For each fiscal year, an eligible entity's aid is the difference

1.14 between:

1.15 (1) net audited unemployment costs, as reported under section 123B.76, for the prior

1.16 fiscal year; and

1.17 (2) the base period net audited unemployment costs pursuant to paragraph (b).

1.18 (b) The base period net audited unemployment costs equals the eligible entity's fiscal

1.19 year 2022 net audited unemployment costs.

1.20 (c) If the total eligible unemployment insurance aid for a fiscal year is greater than the

1.21 annual appropriation for that year, the commissioner must proportionately reduce the aid

1.22 payment to each eligible entity.

1.23 **EFFECTIVE DATE.** This section is effective for aid beginning in fiscal year 2025.

2.1 Sec. 2. Minnesota Statutes 2022, section 126C.43, subdivision 2, is amended to read:

2.2 Subd. 2. **Payment to unemployment insurance program trust fund by state and**
2.3 **political subdivisions.** (a) A district may levy the amount necessary (1) to pay the district's
2.4 obligations under section 268.052, subdivision 1, and (2) to pay for job placement services
2.5 offered to employees who may become eligible for benefits pursuant to section 268.085 for
2.6 the fiscal year the levy is certified.

2.7 (b) Districts with a balance remaining in their reserve for reemployment as of June 30,
2.8 2003, may not expend the reserved funds for future reemployment expenditures. Each year
2.9 a levy reduction must be made to return these funds to taxpayers. The amount of the levy
2.10 reduction must be equal to the lesser of: (1) the remaining reserved balance for reemployment,
2.11 or (2) the amount of the district's current levy under paragraph (a).

2.12 (c) The amount in paragraph (a) must be reduced by any amount received by the district
2.13 under section 124D.995.

2.14 (d) A district that is a member of an intermediate school district or other cooperative
2.15 unit under section 123A.24, subdivision 2, may include in its authority under this section
2.16 the costs associated with qualifying obligations under paragraph (a) for the cooperative unit.
2.17 Revenue raised under this paragraph must be transferred to the cooperative unit.

2.18 Sec. 3. Minnesota Statutes 2022, section 127A.45, subdivision 12, is amended to read:

2.19 Subd. 12. **Payment percentage for certain aids.** One hundred percent of the aid for
2.20 the current fiscal year must be paid for the following aids: reimbursement for enrollment
2.21 options transportation, according to sections 124D.03, subdivision 8, and 124D.09,
2.22 subdivision 22, and chapter 124E; school lunch aid, according to section 124D.111; ~~and~~
2.23 support services aid, for persons who are deaf, deafblind, and hard-of-hearing according to
2.24 section 124D.57; and unemployment insurance aid according to section 124D.995.

2.25 Sec. 4. Minnesota Statutes 2022, section 268.085, subdivision 7, is amended to read:

2.26 Subd. 7. **School employees; between terms denial.** (a) Wage credits from employment
2.27 with an educational institution or institutions may not be used for unemployment benefit
2.28 purposes for any week during the period between two successive academic years or terms
2.29 if:

2.30 (1) the applicant had employment for an educational institution or institutions in the
2.31 prior academic year or term; and

3.1 (2) there is a reasonable assurance that the applicant will have employment for an
3.2 educational institution or institutions in the following academic year or term.

3.3 ~~This paragraph applies to a vacation period or holiday recess if the applicant was~~
3.4 ~~employed immediately before the vacation period or holiday recess, and there is a reasonable~~
3.5 ~~assurance that the applicant will be employed immediately following the vacation period~~
3.6 ~~or holiday recess. This paragraph also applies to the period between two regular but not~~
3.7 ~~successive terms if there is an agreement for that schedule between the applicant and the~~
3.8 ~~educational institution.~~

3.9 This paragraph does not apply if the subsequent employment is substantially less
3.10 favorable than the employment of the prior academic year or term, or the employment prior
3.11 to the vacation period or holiday recess.

3.12 (b) Paragraph (a) does not apply to ~~an applicant who, at the end of the prior academic~~
3.13 ~~year or term, had an agreement for a definite period of employment between academic years~~
3.14 ~~or terms in other than an instructional, research, or principal administrative capacity and~~
3.15 ~~the educational institution or institutions failed to provide that employment. any week during~~
3.16 ~~the period between two successive academic years or terms if an applicant worked in a~~
3.17 ~~capacity other than instructional, research, or principal administrative.~~

3.18 (c) ~~If unemployment benefits are denied to any applicant under paragraph (a) who was~~
3.19 ~~employed in the prior academic year or term in other than an instructional, research, or~~
3.20 ~~principal administrative capacity and who was not offered an opportunity to perform the~~
3.21 ~~employment in the following academic year or term, the applicant is entitled to retroactive~~
3.22 ~~unemployment benefits for each week during the period between academic years or terms~~
3.23 ~~that the applicant filed a timely continued request for unemployment benefits, but~~
3.24 ~~unemployment benefits were denied solely because of paragraph (a). Paragraph (a) applies~~
3.25 ~~to a vacation period or holiday recess if the applicant was employed immediately before~~
3.26 ~~the vacation period or holiday recess, and there is a reasonable assurance that the applicant~~
3.27 ~~will be employed immediately following the vacation period or holiday recess, including~~
3.28 ~~applicants who worked in a capacity other than instructional, research, or principal~~
3.29 ~~administrative.~~

3.30 (d) This subdivision applies to employment with an educational service agency if the
3.31 applicant performed the services at an educational institution or institutions. "Educational
3.32 service agency" means a governmental entity established and operated for the purpose of
3.33 providing services to one or more educational institutions.

4.1 (e) This subdivision applies to employment with Minnesota, a political subdivision, or
4.2 a nonprofit organization, if the services are provided to or on behalf of an educational
4.3 institution or institutions.

4.4 (f) Paragraph (a) applies beginning the Sunday of the week that there is a reasonable
4.5 assurance of employment.

4.6 (g) Employment and a reasonable assurance with multiple education institutions must
4.7 be aggregated for purposes of application of this subdivision.

4.8 (h) If all of the applicant's employment with any educational institution or institutions
4.9 during the prior academic year or term consisted of on-call employment, and the applicant
4.10 has a reasonable assurance of any on-call employment with any educational institution or
4.11 institutions for the following academic year or term, it is not considered substantially less
4.12 favorable employment.

4.13 (i) A "reasonable assurance" may be written, oral, implied, or established by custom or
4.14 practice.

4.15 (j) An "educational institution" is a school, college, university, or other educational entity
4.16 operated by Minnesota, a political subdivision or instrumentality thereof, or a nonprofit
4.17 organization.

4.18 (k) An "instructional, research, or principal administrative capacity" does not include
4.19 an educational assistant.

4.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.21 Sec. 5. Minnesota Statutes 2022, section 268.19, subdivision 1, is amended to read:

4.22 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from
4.23 any person under the administration of the Minnesota Unemployment Insurance Law are
4.24 private data on individuals or nonpublic data not on individuals as defined in section 13.02,
4.25 subdivisions 9 and 12, and may not be disclosed except according to a district court order
4.26 or section 13.05. A subpoena is not considered a district court order. These data may be
4.27 disseminated to and used by the following agencies without the consent of the subject of
4.28 the data:

4.29 (1) state and federal agencies specifically authorized access to the data by state or federal
4.30 law;

4.31 (2) any agency of any other state or any federal agency charged with the administration
4.32 of an unemployment insurance program;

5.1 (3) any agency responsible for the maintenance of a system of public employment offices
5.2 for the purpose of assisting individuals in obtaining employment;

5.3 (4) the public authority responsible for child support in Minnesota or any other state in
5.4 accordance with section 256.978;

5.5 (5) human rights agencies within Minnesota that have enforcement powers;

5.6 (6) the Department of Revenue to the extent necessary for its duties under Minnesota
5.7 laws;

5.8 (7) public and private agencies responsible for administering publicly financed assistance
5.9 programs for the purpose of monitoring the eligibility of the program's recipients;

5.10 (8) the Department of Labor and Industry and the Commerce Fraud Bureau in the
5.11 Department of Commerce for uses consistent with the administration of their duties under
5.12 Minnesota law;

5.13 (9) the Department of Human Services and the Office of Inspector General and its agents
5.14 within the Department of Human Services, including county fraud investigators, for
5.15 investigations related to recipient or provider fraud and employees of providers when the
5.16 provider is suspected of committing public assistance fraud;

5.17 (10) local and state welfare agencies for monitoring the eligibility of the data subject
5.18 for assistance programs, or for any employment or training program administered by those
5.19 agencies, whether alone, in combination with another welfare agency, or in conjunction
5.20 with the department or to monitor and evaluate the statewide Minnesota family investment
5.21 program and other cash assistance programs, the Supplemental Nutrition Assistance Program,
5.22 and the Supplemental Nutrition Assistance Program Employment and Training program by
5.23 providing data on recipients and former recipients of Supplemental Nutrition Assistance
5.24 Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child
5.25 care assistance under chapter 119B, or medical programs under chapter 256B or 256L or
5.26 formerly codified under chapter 256D;

5.27 (11) local and state welfare agencies for the purpose of identifying employment, wages,
5.28 and other information to assist in the collection of an overpayment debt in an assistance
5.29 program;

5.30 (12) local, state, and federal law enforcement agencies for the purpose of ascertaining
5.31 the last known address and employment location of an individual who is the subject of a
5.32 criminal investigation;

6.1 (13) the United States Immigration and Customs Enforcement has access to data on
6.2 specific individuals and specific employers provided the specific individual or specific
6.3 employer is the subject of an investigation by that agency;

6.4 (14) the Department of Health for the purposes of epidemiologic investigations;

6.5 (15) the Department of Corrections for the purposes of case planning and internal research
6.6 for preprobation, probation, and postprobation employment tracking of offenders sentenced
6.7 to probation and preconfinement and postconfinement employment tracking of committed
6.8 offenders;

6.9 (16) the state auditor to the extent necessary to conduct audits of job opportunity building
6.10 zones as required under section 469.3201; ~~and~~

6.11 (17) the Office of Higher Education for purposes of supporting program improvement,
6.12 system evaluation, and research initiatives including the Statewide Longitudinal Education
6.13 Data System, and for the purposes of unemployment insurance aid under section 268.193;

6.14 (18) the Department of Education for the purposes of unemployment insurance aid under
6.15 section 124D.995, and the school district unemployment insurance levy under section
6.16 126C.43, subdivision 2;

6.17 (19) the Board of Regents of the University of Minnesota for the purposes of
6.18 unemployment insurance aid under section 268.193; and

6.19 (20) the Board of Trustees of the Minnesota State Colleges and Universities for the
6.20 purposes of unemployment insurance aid under section 268.193.

6.21 (b) Data on individuals and employers that are collected, maintained, or used by the
6.22 department in an investigation under section 268.182 are confidential as to data on individuals
6.23 and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3
6.24 and 13, and must not be disclosed except under statute or district court order or to a party
6.25 named in a criminal proceeding, administrative or judicial, for preparation of a defense.

6.26 (c) Data gathered by the department in the administration of the Minnesota unemployment
6.27 insurance program must not be made the subject or the basis for any suit in any civil
6.28 proceedings, administrative or judicial, unless the action is initiated by the department.

6.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

6.30 Sec. 6. **[268.193] POSTSECONDARY UNEMPLOYMENT INSURANCE AID.**

6.31 Subdivision 1. **Postsecondary institutions.** For the purposes of this section, an eligible
6.32 postsecondary institution means:

7.1 (1) the University of Minnesota;

7.2 (2) a postsecondary institution governed by the Board of Trustees of the Minnesota State
7.3 Colleges and Universities; or

7.4 (3) a Tribal college, which means Leech Lake Tribal College, White Earth Tribal College,
7.5 or Red Lake Nation Tribal College.

7.6 Subd. 2. **Unemployment insurance aid.** Eligible postsecondary institutions are eligible
7.7 to receive unemployment insurance aid under this section. For each fiscal year, an eligible
7.8 entity's aid is the difference between fiscal year 2022's unemployment insurance costs and
7.9 the current year's unemployment insurance costs, as reflected in the unemployment insurance
7.10 employer accounts maintained by the state. If the total eligible unemployment insurance
7.11 aid for a fiscal year is greater than the annual appropriation for that year, the Board of
7.12 Trustees of the Minnesota State Colleges and Universities or the commissioner of the Office
7.13 of Higher Education, as applicable, must proportionately reduce the aid payment to each
7.14 eligible entity.

7.15 **EFFECTIVE DATE.** This section is effective for aid beginning in fiscal year 2024.

7.16 Sec. 7. **REPORTS.**

7.17 (a) By January 15 of each year, the Department of Education, in consultation with the
7.18 Department of Employment and Economic Development, must report to the education
7.19 committees of the legislature the balances in unemployment insurance aid accounts and
7.20 information about the annual changes in reimbursable costs for school workers receiving
7.21 unemployment insurance benefits. To the extent possible, the report must break out the costs
7.22 by district and major job classes. The report must be filed according to Minnesota Statutes,
7.23 section 3.195.

7.24 (b) By January 15 of each year, the Board of Regents of the University of Minnesota,
7.25 the Board of Trustees of the Minnesota State Colleges and Universities, and the Office of
7.26 Higher Education, in consultation with the Department of Employment and Economic
7.27 Development, must each report to the higher education committees of the legislature the
7.28 balances in unemployment insurance aid accounts and information about the annual changes
7.29 in reimbursable costs for higher education workers receiving unemployment insurance
7.30 benefits. To the extent possible, the report must break out the costs by campus and major
7.31 job classes. The report must be filed according to Minnesota Statutes, section 3.195.

8.1 Sec. 8. **APPROPRIATION; UNIVERSITY OF MINNESOTA.**

8.2 \$366,000 in fiscal year 2024 and \$366,000 in fiscal year 2025 are appropriated from the
8.3 general fund to the Board of Regents of the University of Minnesota for the purposes of
8.4 unemployment insurance aid for the University of Minnesota under Minnesota Statutes,
8.5 section 268.193.

8.6 Sec. 9. **APPROPRIATION; MINNESOTA STATE COLLEGES AND**
8.7 **UNIVERSITIES.**

8.8 \$809,000 in fiscal year 2024 and \$809,000 in fiscal year 2025 are appropriated from the
8.9 general fund to the Board of Trustees of the Minnesota State Colleges and Universities for
8.10 the purposes of unemployment insurance aid to individual Minnesota State Colleges and
8.11 Universities governed by the Board of Trustees under Minnesota Statutes, section 268.193.

8.12 Sec. 10. **APPROPRIATION; OFFICE OF HIGHER EDUCATION.**

8.13 \$495,000 in fiscal year 2024 and \$495,000 in fiscal year 2025 are appropriated from the
8.14 general fund to the commissioner of the Office of Higher Education. Of this amount,
8.15 \$471,000 is for the purposes of unemployment insurance aid to individual Tribal colleges
8.16 under Minnesota Statutes, section 268.193, and \$24,000 is for administration of the
8.17 unemployment insurance aid.

8.18 Sec. 11. **APPROPRIATION; DEPARTMENT OF EDUCATION.**

8.19 Subdivision 1. Department of Education. The sums indicated in this section are
8.20 appropriated from the general fund to the Department of Education in the fiscal years
8.21 designated.

8.22 Subd. 2. Unemployment insurance aid administration. (a) For administrative expenses:

8.23 \$ 275,000 2024

8.24 \$ 175,000 2025

8.25 (b) \$175,000 in fiscal year 2025 is for administration of unemployment insurance aid
8.26 under Minnesota Statutes, section 124D.995. The base for fiscal year 2026 and thereafter
8.27 is \$175,000.

8.28 Subd. 3. Unemployment insurance aid. (a) For unemployment insurance aid for school
8.29 districts, charter schools, and cooperatives:

8.30 \$ 2024

8.31 \$ 135,199,000 2025

9.1 (b) \$161,755,000 in fiscal year 2026 and thereafter are base amounts to the Department
 9.2 of Education for unemployment insurance aid under Minnesota Statutes, section 124D.995.
 9.3 The base may be adjusted if the Department of Education and the Department of Employment
 9.4 and Economic Development jointly forecast a different aid entitlement for hourly school
 9.5 workers.

9.6 (c) If the appropriation is insufficient, the commissioner must proportionately reduce
 9.7 the aid payment to each recipient pursuant to Minnesota Statutes, section 124D.995,
 9.8 paragraph (c).

9.9 **Sec. 12. APPROPRIATION; MINNESOTA STATE ACADEMIES.**

9.10 Subdivision 1. **Minnesota State Academies.** The sums indicated in this section are
 9.11 appropriated from the general fund to the Minnesota State Academies in the fiscal years
 9.12 designated.

9.13 Subd. 2. **Unemployment insurance costs.** (a) For unemployment insurance costs for
 9.14 the Minnesota State Academies:

| | | | | |
|------|----|----------------|--------------|-------------|
| 9.15 | \$ | <u>321,000</u> | <u>.....</u> | <u>2024</u> |
| 9.16 | \$ | <u>321,000</u> | <u>.....</u> | <u>2025</u> |

9.17 (b) \$321,000 in fiscal year 2025 and thereafter is for unemployment insurance costs.

9.18 **Sec. 13. APPROPRIATION; PERPICH CENTER FOR ARTS EDUCATION.**

9.19 Subdivision 1. **Perpich Center for Arts Education.** The sums indicated in this section
 9.20 are appropriated from the general fund to the Perpich Center for Arts Education in the fiscal
 9.21 years designated.

9.22 Subd. 2. **Unemployment insurance costs.** (a) For unemployment insurance costs of the
 9.23 Perpich Center for Arts Education:

| | | | | |
|------|----|---------------|--------------|-------------|
| 9.24 | \$ | <u>25,000</u> | <u>.....</u> | <u>2024</u> |
| 9.25 | \$ | <u>25,000</u> | <u>.....</u> | <u>2025</u> |

9.26 (b) \$25,000 in fiscal year 2025 and thereafter is for unemployment insurance costs.

9.27 **Sec. 14. REPEALER.**

9.28 Minnesota Statutes 2022, section 268.085, subdivision 8, is repealed.

9.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

268.085 ELIGIBILITY REQUIREMENTS; PAYMENTS THAT AFFECT BENEFITS.

Subd. 8. **Services for school contractors.** (a) Wage credits from an employer are subject to subdivision 7, if:

(1) the employment was provided under a contract between the employer and an elementary or secondary school; and

(2) the contract was for services that the elementary or secondary school could have had performed by its employees.

(b) Wage credits from an employer are not subject to subdivision 7 if:

(1) those wage credits were earned by an employee of a private employer performing work under a contract between the employer and an elementary or secondary school; and

(2) the employment was related to food services provided to the school by the employer.