

The Work Week

Bassford Remele Employment Practice Group



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Welcome to another edition of *The Work Week with Bassford Remele*. Each Monday morning, we will publish and send a new article to your inbox to hopefully assist you in jumpstarting your work week.

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Pending Changes to State Unemployment Benefits

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In recent months, both authorities at state and federal levels, legislative and executive, have all demonstrated a capacity and willingness to make significant changes to the employment space. As a result, employers are well-advised to keep ahead of potential changes by staying informed on the discussions going on amongst key decisionmakers. Last week, with the current legislative session coming to a close in mid-May, Minnesota state legislators have negotiated the topic of additional changes to a jobless benefits expansion for hourly school workers.

Specifically, since 2023, Minnesota schools have been reimbursed by the state for unemployment insurance provided to hourly school workers during summers, when school is out of session. Workers typically within the scope of this program include bus drivers and teacher's aides, to name a few. The legislature initially appropriated \$135 million to cover 2023 through half of 2025. Now, legislators are negotiating whether to appropriate additional funds to run through the summer of 2027. In the context of tightening scrutiny on federal funding to states, legislators are further debating funding mechanisms for the program going forward, including allowing school districts to include these costs in their local unemployment insurance levy authority starting as soon as 2028.

Proponents of the extension argue that the law improves workers' financial stability and assists worker retention for workers who otherwise lack consistent summer employment. Opponents point to a lack of funding to continue the program indefinitely and highlight concerns with augmenting district-level levy authority, which could cause additional friction between school boards and their constituents.

Not only does this potential change impact educational employers, but it may signal legislative attitudes towards ongoing benefits spending programs in Minnesota's closely contested legislature. Which path the legislature chooses and which arguments eventually carry the most weight with voters will likely change the trajectory of these sorts of support programs designed to assist in retention. Further, funds saved in this area may impact legislative priorities in other areas which require additional funding. Employers in all industries, and particularly those in the education space, should do all they can to stay informed on the attitudes of legislators and their voters in making future plans.

At Bassford Remele, we closely monitor both imminent and brewing legislative changes, particularly as they relate to and are informed by changes at the federal level over the past several months. Feel free to reach out if you need assistance in this continually evolving landscape!

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