

University of Minnesota Preliminary Report of Unemployment Insurance Aid

Chapter 55-H.F. No. 2497 and Chapter 41-H.F. No. 2073
Minn. Stat. 268.085, Sub. 7

Per the requirements set forth in Minnesota Statute 3.197, the approximate cost to prepare this report was \$500.

Description

Chapter 55, Section 30 of the 2023 Session Laws amended Minn. Stat. 268.085, Subd. 7 to extend unemployment benefits to non-exempt educational institution employees who are furloughed from work between academic terms. This change was effective May 28, 2023.

Chapter 41, Section 4, Subd. 2 (f) appropriated \$366,000 in fiscal year 2024 and \$366,000 in fiscal year 2025 for unemployment insurance aid to reimburse the University of Minnesota for anticipated additional costs. Section 32 of same chapter states that by January 15 of each year, the University of Minnesota, in consultation with the Department of Employment and Economic Development, must report to the higher education committees of the legislature the balances in unemployment insurance aid accounts and information about the annual changes in reimbursable costs for higher education workers receiving unemployment insurance benefits. It further states that to the extent possible, the report must break out the costs by campus and major job classes.

Because the University's Fiscal Year 2024 ends on June 30, 2024, there is insufficient data to provide a full fiscal year comparison of reimbursable costs. In consultation with the Department of Employment and Economic Development, preliminary data has been prepared as follows based on summer 2023 claims experience for non-exempt employees who were temporarily without work during that period:

Unemployment Benefits Paid Between Academic Terms, Summer 2023
By Campus and Non-Exempt Employment Category

UMN Campus	Civil Service	Clerical	Service & Maintenance	Technical	TOTAL
Crookston	\$0	\$0	\$0	\$0	\$0
Duluth	\$406	\$32,192	\$17,747	\$3,592	\$53,937
Morris	\$0	\$5,499	\$1,518	\$0	\$7,017
Rochester	\$0	\$0	\$0	\$0	\$0
Twin Cities	\$4,872	\$0	\$16,419	\$2,975	\$24,266
TOTAL	\$5,278	\$37,691	\$35,684	\$6,567	\$85,220

One observation is that the claims experience is unexpectedly low. The additional cost of benefits has only been \$85,220 so far in FY24, far less than the appropriated amount. Of the 185 non-exempt employees who were not working during the summer, only 30 (just over 16%) received any unemployment benefits.

Another is how different the benefits paid were across campuses and employee categories. Possible explanations include a lack of awareness by many employees that they were newly eligible for unemployment benefits, or that many were ineligible because they found summer work, or they chose not to look for work during the summer or they had insufficient base period earnings to qualify for a benefit.