Summer UI Benefits for School Support Staff: **Evidence from Minnesota and What It** Might Mean for Vermont in S.37 Dr. Dave Kamper, Senior State Policy Strategist February 27, 2025



Summer unemployment benefits could increase K–12 support staff incomes by \$1.2 billion nationwide

By Dave Kamper, Sebastian Martinez Hickey, and Daniel Perez • September 5, 2024

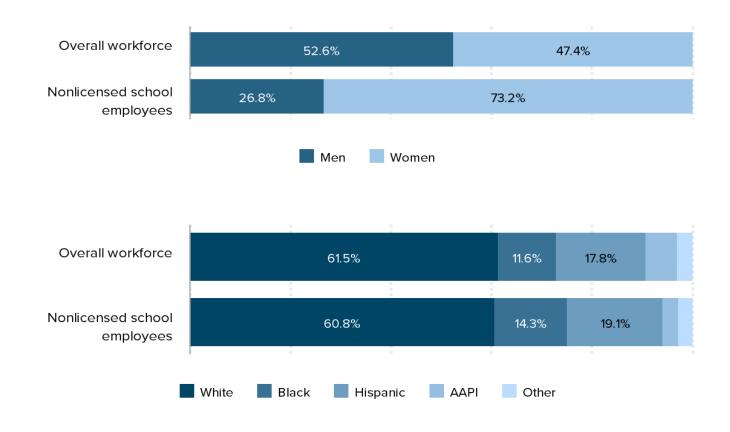


https://www.epi.org/publication/k12-support-staff-summer-ui/#full-

<u>report</u>

Who are school support staff?

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



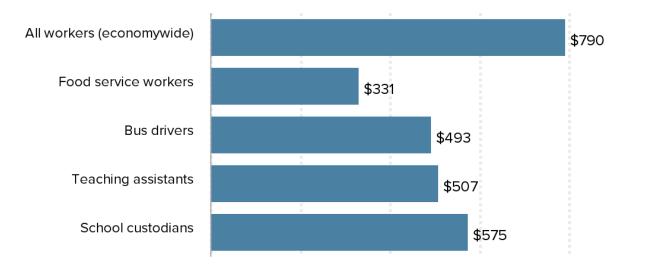
Economic Policy Institute

Source: EPI analysis of 2019 ACS microdata.

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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Summer Unemployment Insurance (UI) for Nonlicensed School Staff

1) Teachers, principals, superintendents are excluded by federal law.

Summer Unemployment Insurance (UI) for Nonlicensed School Staff

- 1) Teachers, principals, superintendents are excluded by federal law.
- 2) A person *cannot* refuse suitable offers of employment to collect UI.

Calculating the Effects of Summer UI for Nonlicensed School Staff

- 3) UI benefits are approximately 50% of regular wages.
- 4) School districts are "direct reimbursers" – therefore NO IMPACT on business UI tax rates

Calculating costs and benefits

The question is recipiency: how many workers will receive UI? What will the uptake be?

- How many nonlicensed school staff work for the school district part or full time in the summer?
- •*How many have other summer employment?*

What we calculated for Minnesota



- Illinois did this, summer of 2020
- We adjusted for the size of the workforce and made an estimate of how workers would be impacted in Minnesota.
- Our Minnesota projection for 2023: \$32.7 million
- The real number in 2023: **\$38.6 million**
 - Most likely to use: school bus drivers
 - Least likely: janitorial/custodial
- Minnesota in 2024: \$56 million (approx. 40% real increase)

Calculation for Vermont

	Job category	Number in Vermont	Share of this category who took the benefit in Minnesota	Equivalent in Vermont
	Food Service	680	22.8%	155
	Janitor/Custodial	970	0.2%	2
	Office and Admin	850	7.4%	63
	Paraprofessional	4,710	18.9%	888
	School Bus Driver	310	55.4%	172
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Net estimated benefits

\$5,651,621, equal to 0.25% of Vermont's total K-12 budget

If numbers equivalent to Minnesota year 2: ~\$8,000,000, equal to 0.35% of Vermont's total K-12 budget

Possible difference between Minnesota and Vermont

Do more or fewer Vermont school employees work a 12-month year? Do more or fewer Vermont school employees have a different summer job?

Minnesota 2024 recipiency rate: 56% Vermont 2024 recipiency rate: 32%

(source: <u>https://oui.doleta.gov/unemploy/chartbook.asp</u>)

Thank you!

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