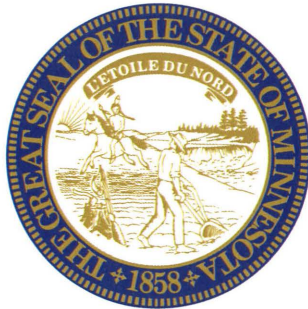


Melissa Hortman
Speaker of the House

District 36B
Anoka
Hennepin



Minnesota House of Representatives

March 10, 2022

Dear Governor Walz and Senator Miller,

Thank you for taking the time to meet this morning and earlier this week. The Minnesota House DFL is committed to ensuring that Minnesota's frontline workers get the bonuses the legislature and Governor promised them nearly a year ago. That is our highest priority.

We understand and appreciate your desire to move quickly to address the Minnesota unemployment insurance trust fund deficit. Rather than mire these two issues in unrelated end-of-session tax and spending budget discussions, we stand willing to negotiate and to provide more than \$2 billion in benefits to Minnesota workers and businesses immediately.

On February 24th, the Minnesota House of Representatives passed HF 2900, chief authored by Representative Cedrick Frazier, which provides \$1,500 per person in bonus payments to 667,000 workers who worked on the front lines during COVID19. We propose to use \$1 billion of the state's general fund surplus to make these payments immediately. These frontline workers include emergency responders, food service industry workers, long-term care attendants, transit providers, childcare and public health workers, and more. They put their lives on the line and their families at risk to keep our economy going and ensure that basic levels of service continued despite the COVID19 pandemic. In addition, several of these fields face crisis levels of workforce shortage. Their employers are telling us that this show of support is critical. It is long overdue.

Due to the pandemic, Minnesota's unemployment trust fund is currently projecting a deficit. The unemployment insurance trust fund is designed to go from surplus to deficit when the fund is tapped. State law provides a mechanism to refill the fund, which was agreed to by business and labor years ago. Employers pay more when the fund is in deficit to replenish the reserves. Conversely, when the fund gets to surplus, the state may take action to allow employers to pay less – which is exactly what Democrats did in the 2013-2014 biennium. Unemployment insurance taxes for the first quarter are not due until April 30th. Minn. Stat. § 268.051.

The Minnesota House DFL has a proposal, HF 1035, chief authored by Representative Mohamud Noor, that would eliminate the unemployment insurance trust fund deficit and correct an injustice. Our bill would expand eligibility for unemployment compensation to hourly school workers including bus drivers, cafeteria staff, and more. We have a workforce crisis in these categories, as well – most visibly felt in our state's shortage of school bus drivers – and providing unemployment to these workers during the summer months will help. The cost of our proposal is approximately \$1.2 billion and will be paid for using the general fund surplus as well.

In the spirit of compromise, House Democrats stand willing to negotiate both issues expeditiously. Frontline workers deserve their overdue bonus payments now. Working together, we can prevent significant unemployment insurance payment increases for businesses before they occur on April 30th.

Our team stands ready to get this work done for the people of Minnesota.

Sincerely,

Melissa Hortman
Speaker of the House

