

# THE WALZ-FLANAGAN BUDGET



## TO MOVE MINNESOTA FORWARD

### REPLENISHING THE UNEMPLOYMENT INSURANCE TRUST FUND

The Walz-Flanagan budget to move Minnesota forward proposes to replenish the UI Trust Fund. Minnesota’s Unemployment Insurance (UI) program acted quickly during the pandemic to ensure that Minnesotans who lost their jobs were able to pay their rent, buy food for themselves and their families, and weather the most difficult periods of the pandemic. UI benefits were a lifeline to Minnesota workers and their families during the pandemic, providing **more than \$14 billion** in cash assistance to nearly **900,000 workers**. Now, the Governor and Lieutenant Governor propose replenishing the UI Trust Fund so those same benefits are available to workers in the future, while also making sure that employers don’t bear the cost of this assistance as they work to grow following the pandemic.

The Governor and Lieutenant Governor’s budget makes a one-time investment of \$2.73 billion, which will prevent pandemic-related tax increases for businesses. This investment ensures that businesses across the state are held harmless from the effects of the pandemic, that future UI tax rates for employers will not be impacted by the pandemic, and that the UI Trust Fund is in a stronger financial position to be able to support workers in the future.

A \$2.73 billion investment in the UI Trust Fund translates to a roughly \$900 investment per worker.

Over the course of the COVID-19 pandemic, Minnesota’s UI benefits were a lifeline to Minnesota workers and their families - providing **more than \$14 billion in cash assistance** to nearly **900,000 workers** hardest hit by the pandemic. These benefits supported:

- Over **353 million** bags of groceries, and
- Over **18 million** in monthly rent payments



#### How does the proposal work?

- When this bill is signed into law, funds will be deposited into Minnesota’s UI Trust Fund held by the Federal Treasury. Following the deposit, DEED will take immediate steps to roll back the increased UI tax rates.

