

BUSINESS

Young workers campaign for MN unemployment benefits



Spring Lake Park High School senior Hayat Muse at the school on Feb. 10, 2021. Muse has lost work hours at the nearby Caribou Coffee store due to the pandemic. (Scott Takushi / Pioneer Press)

By **FREDERICK MELO** | fmelo@pioneerpress.com | Pioneer Press
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When Hayat Muse was furloughed from the Caribou Coffee shop across the street from her Spring Lake Park high school, she lost much more than a little spending money.

Muse, the third-eldest of nine kids, counted on the money to help her mother and grandmother pay the bills.

"We all chip in, and I couldn't chip in my part," Muse said. "It's hard because with the pandemic, the grocery bills are higher, the internet bills are higher."

MJ Yearby was working at a Subway sandwich shop in Burnsville when the pandemic cost him his job. For a short time, he received unemployment benefits with a federal boost of \$600 per week backed by the federal CARES Act.

Then came a letter from the state of Minnesota demanding that he pay it all back — a total bill of \$2,400.

The reasoning? Under a 1939 state law, Minnesota high school students are ineligible for unemployment benefits.

Yearby, who is Black, was floored.



"A lot of Black and brown and immigrant youth are breadwinners in their family, given how many are low-income," said Yearby, who now attends college in California and sells kitchen products for an online retailer.

When Lincoln Bacal was furloughed from the Sebastian Joe's ice cream shop in Minneapolis' Uptown neighborhood, there went her hopes of matriculating into college last September. The 17-year-old Minneapolis high school student had planned to work all summer to save up. Instead, she found herself in hours-long calls to state lawmakers, begging for unemployment benefits and federal pandemic relief that both her employer and parents felt was warranted, given that her employer had paid for state unemployment insurance.

"People are saying, 'Well, high school students don't spend money on anything real. It's all pocket change.' Personally, I've been working since I was 13, so it's a little bit hurtful," said Bacal, who is now taking a year off before college. "High school students don't need any money because their parents provide for them? That's not always true."

PANDEMIC IMPACT HITS YOUNG WORKERS HARD

Nationally, the seasonally-adjusted unemployment rate for workers ages 16 to 24 peaked at 27.4 percent in April and dipped to 11.6 percent in November, before rising to 12.5 percent by late December.

Youth unemployment remains nearly double that of the general U.S. population — 6.7 percent.

In other words, the pandemic is taking a disproportionate toll on youth labor — including many low-skill and entry-level jobs held by young people of color — without the safety net of state unemployment benefits to catch them.

A recession for the general population has amounted to a depression for teen workers and young 20-somethings, especially Black, Indigenous and other youth of color working in seasonal, low-wage sectors that all but came to a halt during the height of the pandemic.

It's impossible to work the front counter of a fast-food eatery or recreation center that's been closed. As federal CARES Act funding for youth initiatives runs dry, many fear opportunities for young people will end, as well.

"What we learned early on was that young people were the first to be laid off during the pandemic, and young people were the first to get reduced hours in different sectors," said Marcus Pope, vice president of the Minneapolis-based youth advocacy organization YouthPrise.

A PARTIAL COURT VICTORY FOR FEDERAL, NOT STATE, BENEFITS

Despite their setbacks, Muse, Yearby and Bacal have held instrumental roles in gaining a partial victory for unemployed youth — young workers who have had jobs, hours and wages cut during the pandemic.

The students worked with YouthPrise to make their case last year for unemployment benefits in federal court. The unemployment rate for young people ages 16 to 19 in Minnesota was 8.6 percent in December, nearly double where it was a year prior — 4.8 percent.

With Muse as lead plaintiff and Minnesota Attorney General Keith Ellison's office involved on the students' behalf, they filed suit against the state of Minnesota and the Minnesota Department of Employment and Economic Development.

The case was later transferred to the Minnesota Court of Appeals, which in the interest of time fast-tracked a legal order in early December. The result? Young workers are now allowed to apply to the state for federal "Pandemic Unemployment Assistance," even if they don't qualify for state unemployment benefits in Minnesota.

A formal written opinion laying out the court's reasoning is due by March.

STILL NOT ELIGIBLE FOR STATE MONEY

The decision means young people who are actively searching for work or have had wages cut can access the federal benefit, which is currently \$300 per week, but it does nothing to require that the state Department of Employment and Economic Development, or DEED, provide ongoing, traditional unemployment benefits to young workers.

Much of that federal money effectively ran out at year's end, though some CARES funding has been extended to March.

"It's unclear whether kids who didn't apply by Dec. 27 are eligible for the federal PUA money," said Joe Nathan, director of the Center for School Change in St. Paul. "The state money, they're clearly not eligible for."

And for many students, accessing the federal benefit has proven exceedingly difficult. Federal law prohibited young people who applied after Dec. 27 from backdating their unemployment account and asking to be paid funds from a date prior to Dec. 6 — an especially tight window, given that the Court of Appeals' decision was issued Dec. 1. A week later, DEED had yet to release any funds to high school students, or even clarify on its website that money was now available.

"I have emails from parents who sat on the phone for one-and-a-half to two hours," Nathan said. "Kids would apply, and they'd get a letter saying, 'You're a high school student. You're not eligible.' We've got thousands of kids who are low-income and thousands of kids who don't speak English in the home. They had real issues in getting the kids the money, even after the Court of Appeals ruled that they had to act."

Some families, he said, now have appeal hearings scheduled with DEED as far out as March.

'WHO IS GOING TO HELP SUPPORT MY FAMILY?'

Walter Cortina was 14 when his mother was deported to Mexico.



After three years working at a suburban car wash, his employment came to an end when the COVID-19 pandemic struck, ending the income that helps him rent a house in South Minneapolis with an older brother and cousin. His reaction at the time, he recalled, can best be summed up in one four-letter word.

"Who is going to help support my family? I was really scared," said Cortina, another player in the effort to obtain state and federal unemployment benefits for high school students.

Cortina said he has mixed feelings about the results to date.

"The thing we did, the lawsuit, it did change a lot of lives, but you had to lose your job due to COVID," Cortina said. "If they laid you off (for other reasons), and you're in high school, you can't collect unemployment."

EASIER TIMES AHEAD?

Some foresee easier times ahead for unemployed student workers.

A state legislative bill authored by Rep. Mohamud Noor, DFL-Minneapolis, in the House and Sen. Jason Rarick, R-Pine City, in the Senate would lift the 1939 ban on high school unemployment benefits, which is considered one of the strictest such restrictions in the nation.

In December, Gov. Tim Walz and DEED Commissioner Steve Grove publicly called for the 1939 restriction to be lifted, as well.

"The fact that it's bipartisan is a hopeful sign for passage," said John Stiles, a spokesman for Ellison's office, which took the unusual step last year of backing the YouthPrise lawsuit against DEED and the governor's administration.

Jen Gates, a spokesperson for DEED, noted the governor's budget recommendation includes key changes to eligibility requirements for the state's Unemployment Insurance program. The changes would remove the section of law that makes secondary students ineligible for UI benefits, and they would make it easier for Minnesotans to access job training while receiving UI benefits.

"Making this change for workers in secondary school is about fairness — their employers pay UI taxes on their employment, and if the Legislature were to enact this change it would allow those students equal access to state UI benefits with adult workers," Gates said in an email. "The legislation is drafted and will be introduced soon."

'A RECESSION LIKE NO OTHER'

In the pre-pandemic era, to be considered unemployed, a person had to be available for work and actively looking for a job.

In December, the number of unemployed young workers (under age 22) in Minnesota grew at least sevenfold compared with the year prior, swelling to 13,000 official state unemployment claims, [up from 1,750 unemployment claims in December 2019](#). No other age bracket comes close in terms of percentage increase.

Youth unemployment numbers are likely underreported as many young people did not bother to apply for benefits they do not officially qualify for.

"That's a huge jump," said Oriane Casale, interim director of the Labor Market Information Office for DEED. "These are the kinds of jumps we have never seen in the history of this program. This is a recession like no other."

The next most unemployed groups last year, according to DEED, were workers ages 22 to 29, followed by workers age 65 and over. In each age group, unemployment claims were at least double in December compared with the year prior.

LONG-TERM IMPACTS BEYOND CANCELED PAYCHECKS

Ramsey County Workforce Solutions director Ling Becker said the impacts go beyond reduced or canceled paychecks.

"It's going to take us a long time to work with our youth and young adults in this community, and I feel like they're probably the most vulnerable population in terms of economic, mental health (issues) and homelessness," Becker said.

In response, Ramsey County issued some 80 to 90 contracts to community groups focused on youth employment and related initiatives during the pandemic, such as training in cybersecurity and becoming a certified nursing assistant.

At the High School for Recording Arts in St. Paul, the county funded new video and radio production equipment and programming.

"Even a program that lasts only three or four months can be a real big gap-filler," Becker said. "It can change their life trajectory ... but all of that funding came to an end on Dec. 30. It's all ended, honestly. We're kind of in a limbo stage to see if there will be more federal funding."

Hopes still run high on an economic reopening if vaccinations remain effective against emerging virus strains, distribution improves and consumers venture back out to recreational areas, but that's a lot of ifs.

Otherwise, Becker worries about long-term impacts. For many low- to moderate-income teens, school offered hands-on instruction in automotive, carpentry and other trade skills — training that set an important stage for their next steps.

"The fact that they're not in school has made all of that more difficult, and that has significant implications for their career life choices," Becker said. "You don't get to be 18 again. You don't get to do 11th grade again. And what are those key skills you learn in your 11th- or 12th-grade year? The ability to have that first job, and mentors, and good and bad bosses — those are all lessons you take with you as you move on through life."

'HARD DECISIONS'



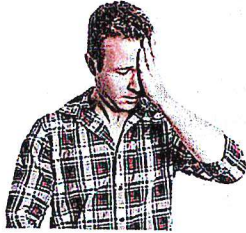
"I've been shocked by how many youth have brought up youth homelessness, either for themselves or someone that they know," Becker said. "There is that impression that this is not a pandemic that affects youth. I think youth are having to make hard decisions, as most job seekers are at this point."

For many youth advocates, the priority remains getting state law changed to allow unemployment benefits for high school students.

Former Bloomington coffee shop worker Cole Stevens and his father had been eating ramen noodles for a week when the teen received unemployment benefits that allowed him to pay the family rent and buy groceries, only to later learn he owed the state of Minnesota more than \$3,700.

"I've been working. I've been paying my taxes," Stevens said. "I played by the rules, and I'm now in debt to the state of Minnesota. Black and brown young people, at a much higher rate, are helping to pay the family bills and their own bills. You're just kicking a community while it's down with this policy."

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Frederick Melo | St. Paul reporter

Frederick Melo was once sued by a reader for \$2 million but kept on writing. He came to the Pioneer Press in 2005 and brings a testy East Coast attitude to St. Paul beat reporting. He spent nearly six years covering crime in the Dakota County courts before switching focus to the St. Paul mayor's office, city council, and all things neighborhood-related, from the city's churches to its parks and light rail. A resident of Hamline-Midway, he is married to a Frogtown woman. He Tweets with manic intensity at @FrederickMelo.

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State of Minnesota
HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1034

02/11/2021 Authored by Noor
The bill was read for the first time and referred to the Committee on Workforce and Business Development Finance and Policy

- 1.1 A bill for an act
- 1.2 relating to unemployment; modifying eligibility for secondary students; amending
- 1.3 Minnesota Statutes 2020, sections 268.085, subdivision 2; 268.133.
- 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.5 Section 1. Minnesota Statutes 2020, section 268.085, subdivision 2, is amended to read:
- 1.6 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for any week:
- 1.7 (1) that occurs before the effective date of a benefit account;
- 1.8 (2) that the applicant, at any time during the week, has an outstanding misrepresentation
- 1.9 overpayment balance under section 268.18, subdivision 2, including any penalties and
- 1.10 interest;
- 1.11 ~~(3) that occurs in a period when the applicant is a student in attendance at, or on vacation~~
- 1.12 ~~from a secondary school including the period between academic years or terms;~~
- 1.13 ~~(4)~~(3) that the applicant is incarcerated or performing court-ordered community service.
- 1.14 The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day
- 1.15 the applicant is incarcerated or performing court-ordered community service;
- 1.16 ~~(5)~~(4) that the applicant fails or refuses to provide information on an issue of ineligibility
- 1.17 required under section 268.101;
- 1.18 ~~(6)~~(5) that the applicant is performing services 32 hours or more, in employment, covered
- 1.19 employment, noncovered employment, volunteer work, or self-employment regardless of
- 1.20 the amount of any earnings; or

2.1 ~~(7)~~ (6) with respect to which the applicant has filed an application for unemployment
2.2 benefits under any federal law or the law of any other state. If the appropriate agency finally
2.3 determines that the applicant is not entitled to establish a benefit account under federal law
2.4 or the law of any other state, this clause does not apply.

2.5 **EFFECTIVE DATE.** This section is effective August 1, 2021.

2.6 Sec. 2. Minnesota Statutes 2020, section 268.133, is amended to read:

2.7 **268.133 UNEMPLOYMENT BENEFITS WHILE IN ENTREPRENEURIAL**
2.8 **TRAINING.**

2.9 Unemployment benefits are available to dislocated workers participating in the converting
2.10 layoffs into Minnesota businesses (CLIMB) program under section 116L.17, subdivision
2.11 11. Applicants participating in CLIMB are considered in reemployment assistance training
2.12 under section 268.035, subdivision 21c. All requirements under section 268.069, subdivision
2.13 1, must be met, except the commissioner may waive:

2.14 (1) the deductible earnings provisions in section 268.085, subdivision 5; and

2.15 (2) the 32 hours of work limitation in section 268.085, subdivision 2, clause ~~(6)~~ (5). A
2.16 maximum of 500 applicants may receive a waiver at any given time.

2.17 **EFFECTIVE DATE.** This section is effective August 1, 2021.