

Consolidated Fiscal Note

2021-2022 Legislative Session

HF401 - 1E - Law Enforcement Employee Salary Increases

Chief Author: **Rick Hansen**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **2/23/2021 9:15:47 AM**
 Lead Agency: **Minn Management and Budget**
 Other Agencies:
 Commerce Dept Corrections Dept
 Natural Resources Dept Public Safety Dept

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Commerce Dept					
Restrict Misc. Special Revenue	97	129	129	129	129
Workers Compensation	4	5	5	5	5
Corrections Dept					
General Fund	63	93	93	93	93
Natural Resources Dept					
General Fund	170	258	258	258	258
Other Misc. Special Revenue	5	8	8	8	8
Water Recreation	87	132	132	132	132
Snowmobile	42	64	64	64	64
All-Terrain Vehicle	62	95	95	95	95
Off-Highway Motorcycle	2	3	3	3	3
Off-Road Vehicle	3	4	4	4	4
State Park	3	5	5	5	5
Game And Fish (Operations)	587	889	889	889	889
Remediation Fund	2	3	3	3	3
Federal Fund	7	11	11	11	11
Public Safety Dept					
General Fund	557	761	761	761	761
Opiate Epidemic Response	15	19	19	19	19
State Total					
Restrict Misc. Special Revenue	97	129	129	129	129
Workers Compensation	4	5	5	5	5
General Fund	790	1,112	1,112	1,112	1,112
Other Misc. Special Revenue	5	8	8	8	8
Water Recreation	87	132	132	132	132

State Cost (Savings)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Dollars in Thousands					
Snowmobile	42	64	64	64	64
All-Terrain Vehicle	62	95	95	95	95
Off-Highway Motorcycle	2	3	3	3	3
Off-Road Vehicle	3	4	4	4	4
State Park	3	5	5	5	5
Game And Fish (Operations)	587	889	889	889	889
Remediation Fund	2	3	3	3	3
Federal Fund	7	11	11	11	11
Opiate Epidemic Response	15	19	19	19	19
Total	1,706	2,479	2,479	2,479	2,479
Biennial Total			4,958		4,958

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Commerce Dept					
Restrict Misc. Special Revenue	-	-	-	-	-
Workers Compensation	-	-	-	-	-
Corrections Dept					
General Fund	-	-	-	-	-
Natural Resources Dept					
General Fund	-	-	-	-	-
Other Misc. Special Revenue	-	-	-	-	-
Water Recreation	-	-	-	-	-
Snowmobile	-	-	-	-	-
All-Terrain Vehicle	-	-	-	-	-
Off-Highway Motorcycle	-	-	-	-	-
Off-Road Vehicle	-	-	-	-	-
State Park	-	-	-	-	-
Game And Fish (Operations)	-	-	-	-	-
Remediation Fund	-	-	-	-	-
Federal Fund	-	-	-	-	-
Public Safety Dept					
General Fund	-	-	-	-	-
Opiate Epidemic Response	-	-	-	-	-
Total	-	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Joe Harney **Date:** 2/23/2021 9:15:47 AM
Phone: 651-284-6438 **Email:** joe.harney@bo.leg.mn

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Commerce Dept					
Restrict Misc. Special Revenue	97	129	129	129	129
Workers Compensation	4	5	5	5	5
Corrections Dept					
General Fund	63	93	93	93	93
Natural Resources Dept					
General Fund	170	258	258	258	258
Other Misc. Special Revenue	5	8	8	8	8
Water Recreation	87	132	132	132	132
Snowmobile	42	64	64	64	64
All-Terrain Vehicle	62	95	95	95	95
Off-Highway Motorcycle	2	3	3	3	3
Off-Road Vehicle	3	4	4	4	4
State Park	3	5	5	5	5
Game And Fish (Operations)	587	889	889	889	889
Remediation Fund	2	3	3	3	3
Federal Fund	7	11	11	11	11
Public Safety Dept					
General Fund	557	761	761	761	761
Opiate Epidemic Response	15	19	19	19	19
	Total	1,706	2,479	2,479	2,479
		Biennial Total	4,958	4,958	4,958

1 - Expenditures, Absorbed Costs*, Transfers Out*

Commerce Dept					
Restrict Misc. Special Revenue	97	129	129	129	129
Workers Compensation	4	5	5	5	5
Corrections Dept					
General Fund	63	93	93	93	93
Natural Resources Dept					
General Fund	170	258	258	258	258
Other Misc. Special Revenue	5	8	8	8	8
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Snowmobile	42	64	64	64	64
All-Terrain Vehicle	62	95	95	95	95
Off-Highway Motorcycle	2	3	3	3	3
Off-Road Vehicle	3	4	4	4	4
State Park	3	5	5	5	5
Game And Fish (Operations)	587	889	889	889	889
Remediation Fund	2	3	3	3	3
Federal Fund	7	11	11	11	11
Public Safety Dept					
General Fund	557	761	761	761	761

State Cost (Savings) = 1-2	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Opiate Epidemic Response	15	19	19	19	19	
Total	1,706	2,479	2,479	2,479	2,479	
Biennial Total			4,958		4,958	
2 - Revenues, Transfers In*						
Commerce Dept						
Restrict Misc. Special Revenue	-	-	-	-	-	
Workers Compensation	-	-	-	-	-	
Corrections Dept						
General Fund	-	-	-	-	-	
Natural Resources Dept						
General Fund	-	-	-	-	-	
Other Misc. Special Revenue	-	-	-	-	-	
Water Recreation	-	-	-	-	-	
Snowmobile	-	-	-	-	-	
All-Terrain Vehicle	-	-	-	-	-	
Off-Highway Motorcycle	-	-	-	-	-	
Off-Road Vehicle	-	-	-	-	-	
State Park	-	-	-	-	-	
Game And Fish (Operations)	-	-	-	-	-	
Remediation Fund	-	-	-	-	-	
Federal Fund	-	-	-	-	-	
Public Safety Dept						
General Fund	-	-	-	-	-	
Opiate Epidemic Response	-	-	-	-	-	
Total	-	-	-	-	-	
Biennial Total			-		-	

Fiscal Note

2021-2022 Legislative Session

HF401 - 1E - Law Enforcement Employee Salary Increases

Chief Author: **Rick Hansen**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **2/23/2021 9:15:47 AM**
 Agency: **Minn Management and Budget**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Joe Harney **Date:** 2/19/2021 5:27:08 PM
Phone: 651-284-6438 **Email:** joe.harney@lbo.leg.mn

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

Section 1 amends provisions in Laws of Minnesota 2020, 5th Spec. Sess. chapter 3, article 9, section 6, that provide an 8.4 percent salary increase for Department of Public Safety state patrol troopers. The bill extends the 8.4 percent salary increase also to Department of Public Safety Bureau of Criminal Apprehension agents and special agents in the gambling enforcement division, Department of Natural Resources conservation officers, Department of Corrections fugitives specialists, and Department of Commerce commerce insurance fraud specialists. All salary increases are provided notwithstanding any law to the contrary, apply to employees whose exclusive representative is the Minnesota Law Enforcement Association, and are effective retroactively from October 22, 2020.

Section 2 provides appropriations beginning fiscal year 2021 to the Department of Natural Resources, Department of Corrections, Department of Public Safety, and Department of Commerce for the salary increases provided in section 1. The effective date for this section is the day following final enactment.

Assumptions

Likely additional salary costs not included in agencies' fiscal notes for HF401-1E

The increases proposed in HF401-1E, as well the increase provided to state patrol troopers in Laws of Minnesota 2020, 5th Spec. Sess. chapter 3, article 9, section 6, are a percentage increase applied to eligible employees' salary. These increases do not include a sunset date. "Salary" is defined in Minnesota Statutes section 43A.17, subd. 1, to mean "hourly, monthly, or annual rate of pay including any lump-sum payments and cost-of-living adjustment increases but excluding payments due to overtime worked, shift or equipment differentials, work out of class as required by collective bargaining agreements or plans established under section 43A.18, and back pay on reallocation or other payments related to the hours or conditions under which work is performed rather than to the salary range or rate to which a class is assigned." Salary is as provided in the applicable collective bargaining agreement, the most recent ratified agreement applicable to these job classes being the 2017-2019 Minnesota Law Enforcement Association (MLEA) contract. Thus, it is assumed that the total cost of the 8.4% increases proposed in HF401-1E and enacted in Laws of Minnesota 2020, 5th Spec. Sess. chapter 3, article 9, section 6, will increase over time whenever salary rate increases, such as cost of living increases, are negotiated. These additional costs include any potential cost of living or other increases included in the 2019-2021 MLEA contract, which has not yet been agreed to and ratified, and may be retroactive to salaries paid in previous years. The additional costs of HF401-1E and Laws of Minnesota 2020, 5th Spec. Sess. chapter 3, article 9, section 6, due to the pending 2019-2021 MLEA contract and future contracts are not calculated in this fiscal note, as they have not yet been agreed to and ratified.

Impact on MMB's Labor Relations Unit

The proposed language does not eliminate the State's obligation to negotiate the MLEA collective bargaining agreement. Rather, the bill defines a major facet of 'terms and conditions' through a process other than collective bargaining between

negotiating parties by establishing a required salary increase of 8.4 percent to all MLEA job classes. Due to the uncertainty created by this bill by establishing compensation through a process other than collective bargaining, there will likely be increased staff time and administrative effort for the Minnesota Management and Budget (MMB) Labor Relations Unit to negotiate the 2019-2021 MLEA collective bargaining agreement and future MLEA collective bargaining agreements. However, the magnitude of this increase in staff time and administrative effort is unknown.

Impact on salary provisions in collective bargaining agreements and state agency operating budgets

There are likely to be additional employee compensation cost implications for state agencies that are not calculated in this fiscal note. If MLEA-covered salaries are established by this bill through a mechanism other than collective bargaining, this may create uncertainty for future interest arbitrations with MLEA. Interest arbitrations are the process by which collective bargaining agreements with essential employees are determined by an arbitrator if they cannot be settled through negotiations. In addition, an 8.4 percent salary increase for a small subset of employees may impact MMB's ability to settle collective bargaining agreements with other unions that may seek a similar increase.

The bill will also have likely but unknown fiscal impacts related to establishing wages for employees who supervise the MLEA job classifications. If salaries for the MLEA classes are established through a separate metric, as is the case in this bill, MMB would need to consider potential impacts to supervisory positions for MLEA classes, as these leadership classifications are intended to be promotional opportunities.

Additionally, MLEA-covered positions are disproportionately male. This bill may result in pay inequities between these male-dominated classes and female dominated classes of similar complexity, skill, and ability but with lower pay. It is unknown what job classifications may be affected by these potential inequities, but salaries in female-dominated job classifications may need to be increased for certain classifications to rebalance compensation relationships and to comply with pay equity laws.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Paul Moore

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Date: 2/19/2021 4:20:44 PM

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Fiscal Note

2021-2022 Legislative Session

HF401 - 1E - Law Enforcement Employee Salary Increases

Chief Author: **Rick Hansen**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **2/23/2021 9:15:47 AM**
 Agency: **Commerce Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024
Restrict Misc. Special Revenue	97	129	129	129	129
Workers Compensation	4	5	5	5	5
Total	101	134	134	134	134
Biennial Total			268		268

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Restrict Misc. Special Revenue	-	-	-	-	-
Workers Compensation	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Christian Larson **Date:** 2/18/2021 2:35:06 PM
Phone: 651-284-6436 **Email:** christian.larson@lbo.leg.mn

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
Restrict Misc. Special Revenue	97	129	129	129	129	
Workers Compensation	4	5	5	5	5	
Total	101	134	134	134	134	134
	Biennial Total		268			268
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc. Special Revenue	97	129	129	129	129	
Workers Compensation	4	5	5	5	5	
Total	101	134	134	134	134	134
	Biennial Total		268			268
2 - Revenues, Transfers In*						
Restrict Misc. Special Revenue	-	-	-	-	-	
Workers Compensation	-	-	-	-	-	
Total	-	-	-	-	-	-
	Biennial Total		-			-

Bill Description

HF401-1E seeks to increase compensation by 8.4% for certain members of law enforcement currently under the MLEA bargaining agreement, including the Department of Commerce’s insurance fraud specialists (sworn peace officers) in the Commerce Fraud Bureau (CFB).

Assumptions

HF401-1E applies to POST licensed Law Enforcement positions in the CFB. CFB analysts (non-sworn) are exempt from this proposal. Only positions covered under MLEA are included.

The Commerce Fraud Bureau is funded via the Workers Compensation fund and the CFB Insurance Fraud special revenue fund. Salary increases would be funded via the current funding methods and not impact the general fund.

Staff remains static.

The increases proposed in HF401, as well the increase provided to state patrol troopers in Laws of Minnesota 2020, 5th Spec. Sess. chapter 3, article 9, section 6, is a percentage increase applied to eligible employees’ salary. These increases do not include a sunset date. “Salary” is defined in Minnesota Statutes section 43A.17, subd. 1, to mean “hourly, monthly, or annual rate of pay including any lump-sum payments and cost-of-living adjustment increases but excluding payments due to overtime worked, shift or equipment differentials, work out of class as required by collective bargaining agreements or plans established under section 43A.18, and back pay on reallocation or other payments related to the hours or conditions under which work is performed rather than to the salary range or rate to which a class is assigned.” Salary is as provided in the applicable collective bargaining agreement, the most recent ratified agreement applicable to these job classes being the 2017-2019 Minnesota Law Enforcement Association (MLEA) contract. Thus, it is assumed that the total cost of the 8.4% increases proposed in HF401 and enacted in Laws of Minnesota 2020, 5th Spec. Sess. chapter 3, article 9, section 6, will increase over time whenever salary rate increases, such as cost of living increases, are negotiated. These additional costs include any potential cost of living or other increases included in the 2019-2021 MLEA contract, which has not yet been agreed to and ratified, and may be retroactive to salaries paid in previous years. The additional costs of HF401 and Laws of Minnesota 2020, 5th Spec. Sess. chapter 3, article 9, section 6, due to the pending 2019-2021 MLEA contract and future contracts are not calculated in this fiscal note, as they have not yet been agreed to and ratified.

Expenditure and/or Revenue Formula

Current projected salary increased by 8.4% and retirement/fringe impacts

Current projected FY2021 salary (increase effective 10/22/20): $\$924,513 \times 8.4\% = \$77,659$
8.4% increase x retirement/fringe impacts (28.1%+1.45%): $\$22,948$
Projected difference: $\$100,607$

Current projected FY2022 (ongoing) salary: $\$1,212,682 \times 8.4\% = \$101,865$
8.4% increase x retirement/fringe impacts (30.1%+1.45%): $\$32,138$
Projected difference: $\$134,003$

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

N/A

References/Sources

N/A

Agency Contact:

Agency Fiscal Note Coordinator Signature: Amy Trumper

Phone: 651-539-1517

Date: 2/18/2021 7:51:38 AM

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Fiscal Note

2021-2022 Legislative Session

HF401 - 1E - Law Enforcement Employee Salary Increases

Chief Author: **Rick Hansen**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **2/23/2021 9:15:47 AM**
 Agency: **Corrections Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	63	93	93	93	93	93
Total	63	93	93	93	93	93
Biennial Total			186			186

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Maren Bardal **Date:** 2/19/2021 1:24:54 PM
Phone: 651-284-6429 **Email:** maren.bardal@lbo.leg.mn

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund		63	93	93	93	93
Total		63	93	93	93	93
Biennial Total				186		186
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund		63	93	93	93	93
Total		63	93	93	93	93
Biennial Total				186		186
2 - Revenues, Transfers In*						
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

The proposed legislation would provide a salary increase for certain employees in law enforcement.

Assumptions

Under the provisions of this bill, Section 6 (3), the salary for fugitive specialists employed by the Department of Corrections (DOC) would be increased by 8.4%, including those at the top of the current pay range.

The increase would apply to hourly wages and fringe benefits including FICA and the employer contribution for retirement, based on FY2020 expenditures in the amount of \$1,077,000. Salaries \$845,000 + FICA \$12,000 + Retirement \$220,000 = \$1,077,000.

The employer contribution increases for retirement included in this estimate assume the total contribution rate increases from 26.1% in FY2020 to 28.1% in FY2021 and 30.1% in FY2022, as reflected in M.S. 352B.02 subd.1c and 1d.

DOC's estimate is based on FY20 actual compensation and increases in the employer contribution for retirement that are in current law. Please refer to MMB's fiscal note for additional information about cost impacts of future negotiations with the bargaining unit and potential salary increases.

The bill provisions would be effective retroactively, beginning October 22, 2020.

Expenditure and/or Revenue Formula

DOC compensation costs for Fugitive Specialists (\$ in 000s)

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Compensation for salary, FICA and the employer contribution for retirement	\$1,077	\$1,094	\$1,111	\$1,111	\$1,111	\$1,111
8.4% increase		\$92	\$93	\$93	\$93	\$93

Assume 69% for FY2021 only, to reflect effective date of October 22, 2020		\$63				
Projected compensation increases as a result of the provisions of this bill	\$0	\$63	\$93	\$93	\$93	\$93

Long-Term Fiscal Considerations

Costs would continue into subsequent years.

Local Fiscal Impact

There would be no impact to local correctional resources.

References/Sources

Department of Corrections staff

Agency Contact: Karen R Juneski (651-361-7259)

Agency Fiscal Note Coordinator Signature: Chris Dodge

Phone: 651-361-7264

Date: 2/19/2021 12:31:17 PM

Email: Chris.Dodge@state.mn.us

Fiscal Note

2021-2022 Legislative Session

HF401 - 1E - Law Enforcement Employee Salary Increases

Chief Author: **Rick Hansen**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **2/23/2021 9:15:47 AM**
 Agency: **Natural Resources Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	170	258	258	258	258
Other Misc. Special Revenue	5	8	8	8	8
Water Recreation	87	132	132	132	132
Snowmobile	42	64	64	64	64
All-Terrain Vehicle	62	95	95	95	95
Off-Highway Motorcycle	2	3	3	3	3
Off-Road Vehicle	3	4	4	4	4
State Park	3	5	5	5	5
Game And Fish (Operations)	587	889	889	889	889
Remediation Fund	2	3	3	3	3
Federal Fund	7	11	11	11	11
Total	970	1,472	1,472	1,472	1,472
Biennial Total			2,944		2,944

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	-	-	-
Other Misc. Special Revenue	-	-	-	-	-
Water Recreation	-	-	-	-	-
Snowmobile	-	-	-	-	-
All-Terrain Vehicle	-	-	-	-	-
Off-Highway Motorcycle	-	-	-	-	-
Off-Road Vehicle	-	-	-	-	-
State Park	-	-	-	-	-
Game And Fish (Operations)	-	-	-	-	-
Remediation Fund	-	-	-	-	-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Federal Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jim Carlson **Date:** 2/23/2021 9:11:43 AM
Phone: 651-284-6540 **Email:** jim.carlson@lbo.leg.mn

State Cost (Savings) Calculation Details

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Water Recreation		87	132	132	132	132
Snowmobile		42	64	64	64	64
All-Terrain Vehicle		62	95	95	95	95
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State Park		3	5	5	5	5
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Remediation Fund		2	3	3	3	3
Federal Fund		7	11	11	11	11
	Total	970	1,472	1,472	1,472	1,472
	Biennial Total			2,944		2,944
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund		170	258	258	258	258
Other Misc. Special Revenue		5	8	8	8	8
Water Recreation		87	132	132	132	132
Snowmobile		42	64	64	64	64
All-Terrain Vehicle		62	95	95	95	95
Off-Highway Motorcycle		2	3	3	3	3
Off-Road Vehicle		3	4	4	4	4
State Park		3	5	5	5	5
Game And Fish (Operations)		587	889	889	889	889
Remediation Fund		2	3	3	3	3
Federal Fund		7	11	11	11	11
	Total	970	1,472	1,472	1,472	1,472
	Biennial Total			2,944		2,944
2 - Revenues, Transfers In*						
General Fund		-	-	-	-	-
Other Misc. Special Revenue		-	-	-	-	-
Water Recreation		-	-	-	-	-
Snowmobile		-	-	-	-	-
All-Terrain Vehicle		-	-	-	-	-
Off-Highway Motorcycle		-	-	-	-	-
Off-Road Vehicle		-	-	-	-	-
State Park		-	-	-	-	-
Game And Fish (Operations)		-	-	-	-	-
Remediation Fund		-	-	-	-	-
Federal Fund		-	-	-	-	-
	Total	-	-	-	-	-
	Biennial Total			-		-

Bill Description

This bill amends the 2020 Capitol Bonding/Supplemental Appropriation/Tax bill (5th Special Session 2020, Ch. 3), by extending the 8.4% salary increase provided in the supplemental appropriation section of that legislation to all officers exclusively represented by the Minnesota Law Enforcement Association. This includes Conservation Officers (COs) at the Department of Natural Resources.

Assumptions

We assume that this bill provides an ongoing salary increase of 8.4% to all officers exclusively represented by the Minnesota Law Enforcement Association (MLEA). This includes most (but not all) COs at the Department of Natural Resources. We assume that this includes those currently at the top of the salary range.

This increase impacts the hourly wage of MLEA COs as well as other fringe benefits that are calculated based on the hourly wage such as FICA and retirement. Retirement costs included in this estimate reflect the employer contributions and supplemental employer in M.S. 352B.02 subd. 1c and 1d. The employer contribution is 23.1% in FY20-25. The supplemental employer contribution is 3% in FY20, 5% in FY21 and 7% in FY22 and thereafter. The total employer share for retirement costs are therefore 26.1% in FY20, 28.1% in FY21 and 30.1% in FY22 and thereafter.

We based our calculation on FY20 actual compensation for MLEA COs. As such, it reflects the contract that is currently in place. Please see MMB's portion of this fiscal note, which describes the potential impact of future collective bargaining actions.

The fiscal impact shown reflects the FY20-21 funding distribution of MLEA COs. Most of the funding for MLEA COs comes from direct appropriations. The exceptions are the Special Revenue Fund and Federal Fund, which we included these to give a full sense of the fiscal impact. The bill shows appropriations "rolled up" into fund groups while this note shows the same total fiscal impact at a more detailed level.

We are using the definition of "salary" as provided in MS 43A.17 that excludes shift differential pay, which was approximately \$60,000 in FY20.

The retroactive date is Oct. 22, 2020. This start date occurs in the 17th week of the fiscal year, so we adjusted the estimate to reflect 35 of the 52 weeks of the year (or 67%).

Expenditure and/or Revenue Formula

FY20 MLEA CO compensation (salary, FICA, retirement) minus health care costs minus shift differential pay = \$17,070,000

[\$13,386,000 (salary) + \$184,000 (FICA) + \$3,500,000 (retirement) = \$17,070,000]

Adjusted retirement costs to reflect change in total employer share across each fiscal year as outlined above. FY21 is 108% of FY20 costs (28.1% divided by 26.1% and FY22 (and thereafter) is 115% of FY20 costs (30.1% divided by 26.1%).

[\$3,500,000 times 108% = \$3,780,000 in FY21]

[\$3,500,000 times 115% = \$4,025,000 in FY22 and thereafter]

Increased rebased annual costs by 8.4%

Reduced FY21 to 67% to reflect October 22, 2020 effective date.

Long-Term Fiscal Considerations

None

Local Fiscal Impact

None

References/Sources

None

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Agency Fiscal Note Coordinator Signature: Emily Engel

Phone: 651-259-5548

Date: 2/23/2021 9:05:43 AM

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Fiscal Note

2021-2022 Legislative Session

HF401 - 1E - Law Enforcement Employee Salary Increases

Chief Author: **Rick Hansen**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **2/23/2021 9:15:47 AM**
 Agency: **Public Safety Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024
General Fund	557	761	761	761	761
Opiate Epidemic Response	15	19	19	19	19
Total	572	780	780	780	780
Biennial Total			1,560		1,560

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	-	-	-
Opiate Epidemic Response	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 2/22/2021 5:08:34 PM
Phone: 651-284-6543 **Email:** laura.cecko@lbo.leg.mn

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
General Fund	557	761	761	761	761	761
Opiate Epidemic Response	15	19	19	19	19	19
Total	572	780	780	780	780	780
	Biennial Total		1,560			1,560
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	557	761	761	761	761	761
Opiate Epidemic Response	15	19	19	19	19	19
Total	572	780	780	780	780	780
	Biennial Total		1,560			1,560
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Opiate Epidemic Response	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total		-			-

Bill Description

BCA This bill provides for a rate increase of 8.4% to all special agents at the Bureau of Criminal Apprehension (BCA), as well as state troopers and others.

AGE This bill provides for a rate increase of 8.4% to all special agents at the Division of Alcohol and Gambling Enforcement, as well as state troopers and others.

Assumptions

BCA It is assumed that the BCA employs 77 individuals who are in the Minnesota Law Enforcement Association (MLEA), at a variety of pay grades. The list of agents included in this assumption includes 12 that have yet to be hired, but are funded in either the new Use of Force Investigations Unit or otherwise and will be in place before the enactment of the language.

As the BCA does not yet know the salaries and benefits for each of the 12 agents, but does know that each will be hired as a Senior Special Agent, it is assumed that each will receive the highest of pay possible for the classification of Senior Special Agent. This assumption is necessary to properly account for all potential costs. This cost is \$ \$97,504.32 per agent. It is assumed that each MLEA agent at the BCA will receive an 8.4% increase. It is assumed that the number of MLEA agents may change over the course of the next several years, and that the costs or savings of the 8.4% increases for those individuals who either depart or are hired during the next years are unable to be calculated. It is assumed that there will be no decreases in salaries for individuals for whom this increase is given. It is assumed that these increases in salary will impact and increase contributions to retirement accounts that are the responsibility of the State. It is assumed that the funding will be retroactive to October 22 , 2020, however, the pay period closest to this date is October 13, 2020 so that is the pay period that has been used for calculations. It is assumed that no costs associated with this 8.4% increase can be absorbed by the BCA, and, therefore, all costs must be paid for out of the General Fund or an alternate account.

AGE The Alcohol and Gambling Enforcement Division (AGE) employs 5 sworn law enforcement gambling enforcement special agents and 2 senior special agents who would receive an 8.4 percent salary increase with this proposal. AGE assumes the retroactive pay to October 22, 2020.

State Patrol The 2020 Fifth Special Session law that was signed by Governor Walz on 10/21/20 already included the 8.4% increase for State Troopers only, and as such, the fiscal impact is not included in this fiscal note. This law provided only one-time funding for the salary increase and did not include an increase in the State Patrol's base budget to accommodate the salary increase in future years. Without a base budget increase, the State Patrol will have to cover the salary increase cost with monies that would have been used for equipment and training as well as leaving positions vacant to create a salary savings. The State Patrol estimates the FY22 impact to be \$5,590,000 to Trunk Highway, \$281,000 to General Fund, and \$70,000 to Highway User Tax Distribution (HUTD). The FY23 impact would be the same as FY22.

We based our calculations based on the actual salary obligations of MLEA Special Agents. As such, it reflects the contract that is currently in place. Please see MMB's portion of this fiscal note, which describes the potential impact of future collective bargaining actions.

Expenditure and/or Revenue Formula

BCA

Current projected salary increased by 8.4% and retirement/fringe impacts

General Fund

Current projected FY2021 salary (increase effective 10/22/20): $\$4,816,095 \times 8.4\% = \$404,552$

8.4% increase x retirement/fringe impacts (28.1%+1.45%): \$119,545

Projected difference: \$524,097

Current projected FY2022 (ongoing) salary: $\$6,484,348 \times 8.4\% = \$544,685$

8.4% increase x retirement/fringe impacts (30.1%+1.45%): \$171,848

Projected difference: \$716,533

Current projected salary increased by 8.4% and retirement/fringe impacts

OPIOID Fund appropriated from the laws 2019 Chapter 63 Article 3 Section 1 Subd d

Current projected FY2021 salary (increase effective 10/22/20): $\$138,875 \times 8.4\% = \$11,666$

8.4% increase x retirement/fringe impacts (28.1%+1.45%): \$3,447

Projected difference: \$15,113

Current projected FY2022 (ongoing) salary: $\$173,594 \times 8.4\% = \$14,582$

8.4% increase x retirement/fringe impacts (30.1%+1.45%): \$4,601

Projected difference: \$19,183

AGE

Current projected FY2021 salary (increase effective 10/22/20): $\$300,476 \times 8.4\% = \$25,240$

.4% increase x retirement/fringe impacts (28.1%+1.45%): \$7,458

Projected difference: \$32,698

Current projected FY2022 (ongoing) salary: $\$400,635 \times 8.4\% = \$33,653$

8.4% increase x retirement/fringe impacts (30.1%+1.45%): \$10,618

Projected difference: \$44,271

Total Public Safety General Fund FY2021 \$556,795

Total Public Safety General Fund FY2022 \$760,804

Current projected salary increased by 8.4% and retirement/fringe impacts

General Fund

Long-Term Fiscal Considerations

increase would be expected to continue beyond FY23 and would need to be included in future budgets.

Local Fiscal Impact

References/Sources

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