

NOTE: This is an earlier version of the fiscal note for SF9037-0.

The most current version is available on the Fiscal Note Search site: <https://mn.gov/mmbapps/fnsearchlbo/>

Consolidated Fiscal Note

2021-2022 Legislative Session

SF9037 - 0 - Law Enforcement Salary Increases

Chief Author: **Jeff Howe**
 Committee: **Finance**
 Date Completed: **3/27/2021 10:07:00 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	
	FY2021	FY2022	FY2023	FY2024	FY2025
Dollars in Thousands					
Commerce Dept					
General Fund	214	283	283	283	283
Corrections Dept					
General Fund	142	209	209	209	209
Minn Management and Budget					
General Fund	-	169	35	35	35
Natural Resources Dept					
General Fund	366	555	555	555	555
Other Misc. Special Revenue	14	22	22	22	22
Water Recreation	187	284	284	284	284
Snowmobile	85	129	129	129	129
All-Terrain Vehicle	129	195	195	195	195
Off-Highway Motorcycle	4	6	6	6	6
Off-Road Vehicle	5	7	7	7	7
State Park	6	10	10	10	10
Game And Fish (Operations)	1,249	1,893	1,893	1,893	1,893
Remediation Fund	4	6	6	6	6
Federal Fund	21	32	32	32	32
Public Safety Dept					
General Fund	1,271	2,143	2,143	2,143	2,143
Opiate Epidemic Response	29	38	38	38	38
Trunk Highway	3,182	4,772	4,772	4,772	4,772
Highway Users Tax Distribution	27	41	41	41	41
State Total					
General Fund	1,993	3,359	3,225	3,225	3,225
Other Misc. Special Revenue	14	22	22	22	22

State Cost (Savings)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Dollars in Thousands					
Water Recreation	187	284	284	284	284
Snowmobile	85	129	129	129	129
All-Terrain Vehicle	129	195	195	195	195
Off-Highway Motorcycle	4	6	6	6	6
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Game And Fish (Operations)	1,249	1,893	1,893	1,893	1,893
Remediation Fund	4	6	6	6	6
Federal Fund	21	32	32	32	32
Opiate Epidemic Response	29	38	38	38	38
Trunk Highway	3,182	4,772	4,772	4,772	4,772
Highway Users Tax Distribution	27	41	41	41	41
Total	6,935	10,794	10,660	10,660	10,660
Biennial Total			21,454		21,320

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Commerce Dept					
General Fund	-	-	-	-	-
Corrections Dept					
General Fund	-	-	-	-	-
Minn Management and Budget					
General Fund	-	.79	.11	.11	.11
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	-	-	-	-	-
Trunk Highway	-	-	-	-	-
Highway Users Tax Distribution	-	-	-	-	-
Total	-	.79	.11	.11	.11

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:** 3/27/2021 10:07:00 AM
Phone: 651-284-6438 **Email:** joe.harney@lbo.leg.mn

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State Cost (Savings) Calculation Details

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General Fund	214	283	283	283	283
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Total	6,935	10,794	10,660	10,660	10,660
	Biennial Total		21,454		21,320

1 - Expenditures, Absorbed Costs*, Transfers Out*

Commerce Dept					
General Fund	214	283	283	283	283
Corrections Dept					
General Fund	142	209	209	209	209
Minn Management and Budget					
General Fund	-	169	35	35	35
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Highway Users Tax Distribution	27	41	41	41	41	
Total	6,935	10,794	10,660	10,660	10,660	
	Biennial Total		21,454		21,320	
2 - Revenues, Transfers In*						
Commerce Dept						
General Fund	-	-	-	-	-	
Corrections Dept						
General Fund	-	-	-	-	-	
Minn Management and Budget						
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	-	-	-	-	-	
Trunk Highway	-	-	-	-	-	
Highway Users Tax Distribution	-	-	-	-	-	
Total	-	-	-	-	-	
	Biennial Total		-		-	

Fiscal Note

2021-2022 Legislative Session

SF9037 - 0 - Law Enforcement Salary Increases

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 Committee: **Finance**
 Date Completed: **3/27/2021 10:07:00 AM**
 Agency: **Minn Management and Budget**

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Information Technology	X	
Local Fiscal Impact		X

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	FY2021	FY2022	FY2023	FY2024	FY2025
Dollars in Thousands					
General Fund	-	169	35	35	35
Total	-	169	35	35	35
Biennial Total			204		70

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	.79	.11	.11	.11
Total	-	.79	.11	.11	.11

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:** 3/27/2021 10:01:47 AM
Phone: 651-284-6438 **Email:** joe.harney@lbo.leg.mn

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	169	35	35	35	35
Total		-	169	35	35	35
Biennial Total			204			70
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	169	35	35	35	35
Total		-	169	35	35	35
Biennial Total			204			70
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total			-			-

Bill Description

Negotiations

Section 1 of this bill adds a subdivision to Minn. Stat. § 43A.17, the section on salary limits, rates, ranges, and exceptions. The new subdivision, which expires January 1, 2032, directs Minnesota Management and Budget (MMB) to consider compensation data from the most recent applicable salary and benefits survey when negotiating collective bargaining agreements for law enforcement officers. Law enforcement officers, as defined in the bill, are the positions in the law enforcement unit which is represented by the Minnesota Law Enforcement Association (MLEA). The new section further prohibits MMB from using pattern bargaining or suggesting compensation based on internal equity data when negotiating the MLEA contract.

Law Enforcement Supervisory Unit

Section 2 of this bill adds a new law enforcement supervisory unit to the state bargaining units under Minn. Stat. §179A.10. Section 3 of the bill deletes the provision in law that permits State Patrol supervisors, Department of Natural Resources enforcement supervisors, and Department of Public Safety Bureau of Criminal Apprehension (BCA) investigative supervisors to elect to sever from a bargaining unit.

Section 5 of the bill provides for the transition of positions into the new law enforcement supervisory unit. Currently, positions that will ultimately be in the new law enforcement supervisory unit are covered under the Commissioner’s Plan or are in the general supervisory employee unit represented by the Middle Management Association (MMA). It will take some time until the new law enforcement supervisory unit elects an exclusive representative and that exclusive representative negotiates a collective bargaining agreement (CBA) with the State that is approved by the legislature under Minn. Stat. § 3.855. Section 5 of the bill provides that until there is an approved CBA, the positions that will ultimately make up the new law enforcement supervisory unit will remain in their current units: those in the Commissioner’s Plan will stay in the Commissioner’s Plan; and those covered by MMA will remain in the general supervisory employees unit. Although these positions will remain in their current units until the transition is complete (legislative approval of a CBA), employees in these positions can still participate in the activities necessary for the creation of the unit—certification elections for an exclusive representative, and negotiations and collective bargaining activities. Section 5 also makes clear that the supervisor salary increases set forth in section 4 of the bill must be applied to the law enforcement supervisors during the transition period.

Salary Increases

Section 7 of the bill repeals Laws of Minnesota, 5th Special Session, Chapter 3, Article 9, Section 6, which provided an 8.4% salary increase for Department of Public Safety state patrol troopers. The bill, in section 4, replaces this law with a 13.2% salary increase, retroactive from October 22, 2020 (the effective date of the prior 8.4% trooper salary increase), for all positions in MLEA. The bill also provides that MLEA-covered employees whose salaries are at the maximum of their salary range will receive an additional 2% salary increase.

Section 4 of the bill further provides an 8.4% salary increase, retroactive from October 22, 2020, to all managers and

supervisors of these MLEA employees in positions requiring the incumbent to be a licensed peace officer. Those managers and supervisors whose salaries are at the maximum of their salary range will receive an additional 2% salary increase.

Section 6 of the bill provides appropriations for fiscal years 2021, 2022 and 2023 to the Department of Natural Resources, Department of Corrections, Department of Public Safety, and Department of Commerce for the salary increases provided in section 4. These appropriations are in addition to the base appropriations for these purposes.

Assumptions

Negotiations

Section 1 of the bill provides: "Use of pattern bargaining or suggesting compensation based on internal equity data constitutes bad faith in negotiations." MMB is required under law to take into account internal equity in bargaining with every other bargaining unit (nine total) and has for years used pattern bargaining as a means to achieve and maintain equity and parity between bargaining units.

It is assumed that precluding MMB from using pattern bargaining or internal equity for negotiations with MLEA until January 1, 2032, could either result in impasse with MLEA and interest arbitrations with MLEA, or could result in contract settlements with MLEA and protracted negotiations and difficulty settling contracts with the eight other bargaining units for which internal equity and pattern bargaining are necessary. If MMB is unable to settle contracts with other units, this may result in numerous interest arbitrations with other units or, for the units that are able to do so, strikes. An interest arbitration is the process for resolving a bargaining dispute between management and labor representing essential workers who do not have the right to strike. Both labor and management present their positions on disputed terms of a collective bargaining agreement through testimony and other evidence at a hearing before an arbitrator. The arbitrator makes a binding decision on the disputed terms of the contract, which is then presented to the Legislature for ratification.

It is assumed that interest arbitrations with MLEA or with other units will increase from the current status of approximately one interest arbitration every four years (total, all units combined) to two interest arbitrations every two years. For the purposes of calculating cost increases for the fiscal note, in annualized terms, there is assumed to be 0.75 additional interest arbitrations each year. Each interest arbitration requires approximately 392 hours of MMB Labor Relations Unit staff time to prepare for the hearing, present at the hearing, and complete post-hearing work. The likelihood of potential strikes and cost of potential strikes is unknown.

The work required for interest arbitrations is completed by approximately six employees. The average hourly wage for these employees, weighted for their level of effort in the process, is \$54.67. Fringe costs are assumed to be 33.40% of salary, which is the average percentage for all MMB employees as projected in the SEMA4 system in FY 2021. Employee overhead costs are assumed to be 17.68% of total salary and fringe costs. Overhead includes costs such as space, IT, phone, supplies, printing, training, and travel.

In addition, the costs of an arbitrator are assumed to be \$30,000 for each arbitration, an estimate informed by previous arbitration hearing costs. This cost is assumed to be paid 50% by the State and 50% by the collective bargaining unit.

Law Enforcement Supervisory Unit

Auditing costs

With respect to Section 2, 3 and 5 of the bill, it is assumed that the State Patrol supervisor positions and DNR enforcement supervisor positions currently in the Commissioner's Plan will become part of the new law enforcement supervisory unit. It is also assumed that the BCA investigative supervisor positions, the supervisors of the Fugitive Specialists at the Department of Corrections, and the supervisors of the Commerce Fraud Investigators that are currently in the general supervisory employees unit will become part of the new law enforcement supervisory unit. It is assumed that agencies will conduct an audit (meaning, a review of position descriptions and organizational charts alongside statutory definitions) to determine if any additional positions are law enforcement supervisors that will become part of the law enforcement supervisory unit. It is assumed that MMB's Classification and Compensation Unit will spend 20 hours of staff time to create the materials that will aid agencies with their audits of potentially impacted employees; to offer advice and quality control over these audits; and to work with MMB's Labor Relations Unit staff as necessary. It is assumed that this work will be completed by an employee in the State Program Administrator Principal job classification.

Once the agencies submit their audits, it is assumed MMB's Labor Relations Unit will review approximately 25 benchmark position descriptions to confirm conformity with statutory definitions, and that each position description will require one

hour minutes to audit, for a total of approximately 25 hours. The average hourly wage of these two positions is assumed to be \$38.43.

It is assumed that agency and MMB auditing work will begin as soon as the bill becomes effective.

Bargaining costs

It is assumed that the law enforcement supervisors will elect an exclusive representative, and MMB will negotiate a CBA that covers the employees in the new law enforcement supervisory unit. Since this will be a brand new CBA, with no pre-existing terms and conditions of employment, it is assumed that MMB's Labor Relations and Classification and Compensation Units will require approximately 1,023 hours in FY 2022 to negotiate with a new bargaining unit, including 40 hours of preparation, 95 hours of drafting, 496 hours of bargaining, and 392 hours, if necessary, for an interest arbitration. On an ongoing basis, renegotiating this contract is estimated to require 421 hours every two years, or 211 hours annualized. The work required is completed by multiple employees across these two units. The average hourly wage for these employees, weighted for their level of effort in the process, is \$55.64. It is also assumed that, in addition to an interest arbitration potentially being required in the first CBA negotiation process, that an interest arbitration may be required every other bargaining cycle thereafter (every four years), or 0.25 per year in annualized terms. For an interest arbitration, \$30,000 is assumed in arbitrator costs (informed by the costs of previous interest arbitrations), of which it is assumed 50% would be paid by the State and 50% by the new bargaining unit.

Statewide Payroll costs

A new bargaining unit and CBA with that unit will require changes to the payroll components of the SEMA4 system. This work includes 36 hours for creating a new salary authority, leave plans, negotiated benefits, and other edits specific to the bargaining unit; 10 hours to plan, coordinate, and communicate with state agencies regarding implementation of the contract; 15 hours for monitoring and managing transition of fiscal year-based benefits when employees change bargaining units mid-fiscal year; and five hours for dues deductions processing and reporting. The work required is completed by multiple employees in this unit. The average hourly wage for these employees, weighted for their level of effort in the process, is \$41.33. These costs are assumed to be incurred in FY 2022 one-time, but implementation may vary depending on the timeline for election of an exclusive representative and the negotiation of the CBA. Ongoing costs are assumed to be negligible.

Human Resources Business Systems costs

A new bargaining unit and CBA with that unit will also require changes to the human resources components of the SEMA4 system. The work, estimated to total 100 hours, includes creating a new bargaining unit and job code IDs, testing changes, updating reports, ensuring all necessary connections have been made in the system, and communications and guidance to affected state agencies. As current HR Business System staff have not made these changes previously, this work is anticipated to be somewhat involved. This work is assumed to be shared between a State Program Administrator Senior and State Program Administrator Coordinator, at an average hourly rate of \$41.19. These costs are assumed to be incurred in FY 2022 one-time, but implementation may vary depending on the timeline for election of an exclusive representative and the negotiation of the CBA. Ongoing costs are assumed to be negligible.

MNIT@MMB costs

The aforementioned statewide payroll and HR business system costs also involve MNIT@MMB costs, as MNIT@MMB will need to complete programming changes to modify the SEMA4 system. These changes are estimated to require 120 hours of work from an Information Technology Specialist (ITS) 5 at \$57.78 per hour, the current wage rate for MNIT@MMB staff in this classification. These costs are assumed to be incurred in FY 2022, but implementation may vary depending on the timeline for election of an exclusive representative and the negotiation of the CBA. The ongoing effort is estimated to be 18 hours (15%) each year thereafter for testing and managing system customizations during upgrades.

Fringe costs for all MMB employee salary costs identified above are assumed to be 33.40% of salary, which is the average percentage for all MMB employees as projected in the SEMA4 system in FY 2021. Employee overhead costs are assumed to be 17.68% of total salary and fringe costs. Overhead includes costs such as space, IT, phone, supplies, printing, training, and travel. In FY 2020, 17.68% of MMB's total general fund operating budget was spent on non-payroll employee overhead costs.

Salary Increase

Costs of salary increases

The salary increases proposed in the bill 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. Thus, it is assumed that the total cost of the increases proposed in the bill (for MLEA 13.2% or 15.2%, for managers and supervisors 8.4% or 10.4%) will increase over time whenever salary rate increases, such as cost of living increases, are negotiated. The additional costs of this bill due to future contracts are not calculated in this fiscal note, as they have not yet been agreed to and ratified.

It is assumed the salary increases set forth in section 4 will be provided, retroactive to October 22, 2020, to all MLEA-covered positions and all managers and supervisors in their law enforcement chains of command and will be ongoing in perpetuity. It is assumed the impacted classifications/positions are:

At DPS and DPS-Bureau of Criminal Apprehension:

- State Patrol Troopers
- State Patrol Lieutenants
- State Patrol Captains
- State Patrol Majors
- State Patrol Assistant Chief
- State Patrol Chief
- Special Agent
- Special Agent Sr
- Assist Special Agent in Charge
- Special Agents in Charge
- Assistant Superintendent BCA
- Superintendent BCA
- (One) Senior Executive Officer who is a supervisor of those with post licensure

At DNR

- All NR classes in MLEA
- DR District Sup Enforcement
- NR Program Mgr 2 Enforcement
- NR Program Mgr 3 Enforcement
- NR Assist Dir Enforcement
- NR Dir Enforcement

At Commerce

- Dir Special Investigatins
- Commerce Insurence Fraud Spec (MLEA)
- Commerce Supervisor Spec Agent

At DOC

- Fugitive Specialist (MLEA)
- Investigation Supervisor (over Fugitive Spec)
- Corrections Investigation Manager
- Corrections Investigation Assistant Director 2

Impact of legislatively directed salary increases on MMB Labor Relations Unit.

The proposed salary increases in section 4 do not eliminate the State’s obligation to negotiate the Minnesota Law Enforcement Association (MLEA) collective bargaining agreement or the collective bargaining agreement that covers the supervisors of the MLEA positions (currently some of the supervisors are in MMA; if the bill passes, ultimately they will be covered by the law enforcement supervisory unit 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 legislatively-directed salary percentage increase of up to as much as 15.2% depending on the position. Due to the uncertainty created by this bill by establishing compensation for multiple positions through a process other than collective bargaining, there will likely be increased staff time and administrative effort for the MMB Labor Relations Unit to negotiate: the 2019-2021 MLEA collective bargaining agreement which has not yet settled; future agreements with MLEA; the 2021-2023 MMA collective bargaining agreement (wherein only some MMA positions are eligible for the salary increase in this bill); and future agreements with the exclusive representative of the new law enforcement supervisory unit. The magnitude

of this increase in staff time and administrative effort is unknown.

Impact of legislative directed salary on bargaining with other bargaining units and on 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. Notably, the 2019 2021 MLEA contract is not yet settled, so the combination of this bill and any increases negotiated during the collective bargaining process, which are currently unknown, will increase agency costs since the base wages must now be multiplied by an additional (up to) 15.2% which will also significantly increase overtime costs (already anticipated to be very high this year due to current events) and retirement costs into the future, as retirement is based upon an average of employees' top five years of earnings.

If MLEA-covered salaries and law enforcement supervisor salaries are established by this bill through a mechanism other than collective bargaining, this may create uncertainty for future interest arbitrations with MLEA and with the law enforcement supervisors. In addition, a legislatively directed salary increase for a small subset of employees (ranging from 8.4% up to 15.2%) may negatively affect MMB's ability to settle collective bargaining agreements with other unions that may seek similar increases.

Additionally, MLEA-covered positions and law enforcement supervisor and manager positions subject to the salary increase in section 4 are male-dominated classes (approximately 92% of incumbents are male, while 50% of executive branch employees as a whole are male). This bill creates potential pay inequities between these male-dominated classes and female dominated classes of similar complexity, skill, and ability. It is unknown what job classifications may be affected by these potential inequities, but increases may be necessary for the salaries of female-dominated job classifications to rebalance compensation relationships and to comply with pay equity. Those costs are not calculated into this fiscal note and may be complex to determine, as this bill requires pay increases for multiple job classifications at multiple levels across agencies, bargaining units, and compensation plans, without any reference to or relationship with the objective, points-based job classification system that underpins the state's equity-based compensation system. Rebalancing compensation relationships to maintain pay equity when a subset of multiple male-dominated job classifications receive increases of up to 15.2% (or greater, if negotiations with MLEA result in additional wage increases) will have likely large but as yet unknown fiscal impacts.

Expenditure and/or Revenue Formula

	FY22	FY23	FY24	FY25
Negotiation Costs	16,073	0	0	0
Auditing Costs	1,729	0	0	0
Bargaining Costs	56,920	11,740	11,740	11,740
New CBA negotiation	56,920	0	0	0
Future CBA negotiations	0	11,740	11,740	11,740
Statewide Payroll Costs	2,728	0	0	0
Human Resources Business Systems Costs	4,119	0	0	0
MNIT@MMB Costs	6,934	1,040	1,040	1,040
SubTotal-Salaries	88,502	12,780	12,780	12,780
Fringe @ 33.4%	29,560	4,269	4,269	4,269
Overhead @ 17.68%	20,873	3,014	3,014	3,014
MMB Employee Costs TOTAL	138,936	20,063	20,063	20,063
Arbitrator Costs-Negotiation	15,000	11,250	11,250	11,250
Arbitrator Costs-Bargaining	15,000	3,750	3,750	3,750
TOTAL COSTS	168,936	35,063	35,063	35,063
FTE	FY22	FY23	FY24	FY25

	0.79	0.11	0.11	0.11
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Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Colleen Hazel

Phone: 651-259-7038

Date: 3/26/2021 3:19:11 PM

Email: colleen.hazel@state.mn.us

Fiscal Note

2021-2022 Legislative Session

SF9037 - 0 - Law Enforcement Salary Increases

Chief Author: **Jeff Howe**
 Committee: **Finance**
 Date Completed: **3/27/2021 10:07:00 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

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Total	214	283	283	283	283
Biennial Total			566		566

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: Christian Larson **Date:** 3/25/2021 8:36:23 AM
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
General Fund		214	283	283	283	283
Total		214	283	283	283	283
Biennial Total				566		566
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund		214	283	283	283	283
Total		214	283	283	283	283
Biennial Total				566		566
2 - Revenues, Transfers In*						
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

SF9037 seeks to add a “law enforcement supervisors unit” to the executive branch and seeks to increase compensation by 13.2% 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). This proposal adds an additional 2% increase for all agents compensated at the maximum base wage. It also requires the department to increase salaries for sworn officers in supervisor and manager positions by 8.4% with an additional 2% for those employees compensated at the maximum base wage. This increase is funded by an appropriation from the general fund.

Assumptions

SF9037 applies to POST licensed Law Enforcement positions in the CFB. CFB analysts (non-sworn) are exempt from this proposal.

Staff remains static.

All Commerce staff affected by this proposal are currently at maximum base wage.

The increases proposed in SF9037, 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 13.2% (+2%) increases proposed in SF9031 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 SF9031 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 13.2% (+2%) and retirement/fringe impacts for MLEA agents:

Current projected FY2021 salary (increase effective 10/22/20): $\$924,513 \times 15.2\% = \$140,526$
15.2% increase x retirement/fringe impacts (28.1%+1.45%): $\$41,525$
Projected difference: $\$182,051$

Current projected FY2022 (ongoing) salary: $\$1,212,682 \times 15.2\% = \$184,328$
15.2% increase x retirement/fringe impacts (28.1%+1.45%): $\$54,469$
Projected difference: $\$238,797$

Current projected salary increased by 8.4% (+2%) and retirement/fringe impacts for Director and Supervising Special Agents:

Current projected FY2021 salary (salary increase effective 10/22/20): $\$237,348 \times 10.4\% = \$24,684$
10.4% increase x retirement/fringe impacts (28.1%+1.45%): $\$7,294$
Projected difference: $\$31,978$

Current projected FY2022 (ongoing) salary: $\$330,593 \times 10.4\% = \$34,382$
10.4% increase x retirement/fringe impacts (28.1%+1.45%): $\$10,160$
Projected difference: $\$44,542$

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Amy Trumper

Phone: 651-539-1517

Date: 3/20/2021 10:32:05 AM

Email: amy.trumper@state.mn.us

Fiscal Note

2021-2022 Legislative Session

SF9037 - 0 - Law Enforcement Salary Increases

Chief Author: **Jeff Howe**
 Committee: **Finance**
 Date Completed: **3/27/2021 10:07:00 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	
	FY2021	FY2022	FY2023	FY2024	FY2025
Dollars in Thousands					
General Fund	142	209	209	209	209
Total	142	209	209	209	209
Biennial Total			418		418

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:** 3/23/2021 12:26:51 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	142	209	209	209	209	
Total	142	209	209	209	209	209
	Biennial Total		418		418	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	142	209	209	209	209	
Total	142	209	209	209	209	209
	Biennial Total		418		418	
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, including fugitive specialists who work for the Department of Corrections and their supervisors and managers if they are required to be licensed peace officers as defined in M.S. 626.84, Subd. 1.

Assumptions

Under the provisions of this bill, the salary for fugitive specialists employed by the Department of Corrections (DOC) would be increased by 13.2%. Fugitive specialists currently compensated at the maximum base wage level for their position would receive an additional 2% increase.

The salary for supervisors and managers of the fugitive specialists would also be increased by 8.4% if a requirement for their position is that they be licensed a peace officer. Supervisors and managers currently compensated at the maximum base wage level for their position would receive an additional 2% increase.

In addition to hourly wages, it is assumed obligations for FICA and employer contributions for retirement would also increase by the same rates.

The DOC currently has nine fugitive specialists on staff. All are licensed peace officers represented by MLEA. FY2020 compensation expenditures totaled \$1,077,000 (wages \$845,000 + FICA \$12,000 + retirement \$220,000 = \$1,077,000). Seven fugitive specialists are currently compensated at the maximum base wage level for a fugitive specialist.

The DOC currently has one Corr Investigation Manager on staff, who is the manager for the DOC's Office of Special Investigations (OSI) unit, including fugitive specialists, and is required to be a licensed peace officer. FY2020 compensation expenditures totaled \$168,929 (wages \$132,731 + FICA \$1,834 + retirement \$34,364 = \$168,929). This employee is currently compensated at the maximum base wage level for the position.

The DOC currently has one Corr Investigation Assistant Director 2 on staff, who is assistant director for the DOC's OSI unit, including fugitive specialists, and is required to be a licensed peace officer. FY2020 compensation expenditures totaled \$156,350 (wages \$122,960 + FICA \$1,648 + retirement \$31,742 = \$156,350).

The DOC currently has one Investigation Supervisor on staff who directly supervises the fugitive specialists and is required to be a licensed peace officer. FY2020 compensation expenditures totaled \$124,715 (wages \$97,896 + FICA \$1,359 + retirement \$25,460 = \$124,715)

The employer contribution increases for retirement will increase 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. Employer retirement contributions will increase from \$312,000 in FY2020 to \$336,000 in FY2021 and \$360,000 in FY2022 and each subsequent year; a total increase of \$24,000 and \$48,000 in FY2021 and FY2022 respectively. It is assumed the compensation increases would apply to the amount of the increase in employer retirement contributions.

Eight DOC employees (seven fugitive specialists and one manager) are currently compensated at the maximum base wage for their positions, and would receive an additional 2% increase.

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

Expenditure and/or Revenue Formula

DOC compensation costs and estimated increases for positions specified in this bill (\$ in 000s)

	FY2020 Actual	FY2021 Estimate	FY2022 Estimate	FY2023 Estimate	FY2024 Estimate	FY2025 Estimate
Compensation for fugitive specialists	\$1,077	\$1,094	\$1,111	\$1,111	\$1,111	\$1,111
Compensation for Corrections Investigation Manager	\$169	\$172	\$175	\$175	\$175	\$175
Compensation for Corrections Investigation Assistant Dir 2	\$156	\$158	\$160	\$160	\$160	\$160
Compensation for Investigations Supervisor	\$125	\$127	\$129	\$129	\$129	\$129
TOTAL Current Compensation	\$1,527	\$1,551	\$1,575	\$1,575	\$1,575	\$1,575
Estimated 13.2% compensation increase for fugitive specialists (FY2021 prorated @ 69%)	n/a	\$100	\$147	\$147	\$147	\$147
Estimated 8.4% compensation increase for managers and supervisors (FY2021 prorated @ 69%)	n/a	\$26	\$39	\$39	\$39	\$39
Estimated additional 2% compensation increase for eight employees currently compensated at the maximum base wage for their positions (FY2021 prorated @ 69%)	n/a	\$16	\$23	\$23	\$23	\$23
TOTAL estimated compensation increases	n/a	\$142	\$209	\$209	\$209	\$209

DOC's estimates are 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.

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

Minnesota Management and Budget

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

Agency Fiscal Note Coordinator Signature: Chris Dodge

Phone: 651-361-7264

Date: 3/23/2021 11:45:21 AM

Email: Chris.Dodge@state.mn.us

Fiscal Note

2021-2022 Legislative Session

SF9037 - 0 - Law Enforcement Salary Increases

Chief Author: **Jeff Howe**
 Committee: **Finance**
 Date Completed: **3/27/2021 10:07:00 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

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	366	555	555	555	555
Other Misc. Special Revenue	14	22	22	22	22
Water Recreation	187	284	284	284	284
Snowmobile	85	129	129	129	129
All-Terrain Vehicle	129	195	195	195	195
Off-Highway Motorcycle	4	6	6	6	6
Off-Road Vehicle	5	7	7	7	7
State Park	6	10	10	10	10
Game And Fish (Operations)	1,249	1,893	1,893	1,893	1,893
Remediation Fund	4	6	6	6	6
Federal Fund	21	32	32	32	32
Total	2,070	3,139	3,139	3,139	3,139
Biennial Total			6,278		6,278

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:** 3/26/2021 2:30:35 PM
Phone: 651-284-6540 **Email:** jim.carlson@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		366	555	555	555	555
Other Misc. Special Revenue		14	22	22	22	22
Water Recreation		187	284	284	284	284
Snowmobile		85	129	129	129	129
All-Terrain Vehicle		129	195	195	195	195
Off-Highway Motorcycle		4	6	6	6	6
Off-Road Vehicle		5	7	7	7	7
State Park		6	10	10	10	10
Game And Fish (Operations)		1,249	1,893	1,893	1,893	1,893
Remediation Fund		4	6	6	6	6
Federal Fund		21	32	32	32	32
	Total	2,070	3,139	3,139	3,139	3,139
	Biennial Total			6,278		6,278
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund		366	555	555	555	555
Other Misc. Special Revenue		14	22	22	22	22
Water Recreation		187	284	284	284	284
Snowmobile		85	129	129	129	129
All-Terrain Vehicle		129	195	195	195	195
Off-Highway Motorcycle		4	6	6	6	6
Off-Road Vehicle		5	7	7	7	7
State Park		6	10	10	10	10
Game And Fish (Operations)		1,249	1,893	1,893	1,893	1,893
Remediation Fund		4	6	6	6	6
Federal Fund		21	32	32	32	32
	Total	2,070	3,139	3,139	3,139	3,139
	Biennial Total			6,278		6,278
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 updates 2020 session law to include an 13.2 percent salary increase for all officers exclusively represented by the Minnesota Law Enforcement Association (MLEA), as well as an 8.4% increase for supervisory and managerial licensed peace officer positions, employed by the Departments of Public Safety, Natural Resources, Corrections, and Commerce. Conservation Officers (CO) and Conservation Officer supervisors and managers employed by the Department of Natural Resources are included in this bill. The increase provided in this amendment is effective retroactively from October 22, 2020.

Additionally, it provides a 2.0% increase for all licensed officers (including supervisors and managers) who were compensated at the maximum base wage level prior to receiving the initial increase.

The bill as amended includes Section 5 clarifying the transition of law enforcement supervisor rates until a collective bargaining unit agreement is negotiated.

Assumptions

We assume that this bill provides an ongoing salary increase of 13.2% to all Conservation Officers represented by MLEA (CO) as well as an 8.4% increase for supervisory and managerial licensed conservation officers (supervisors and managers) at the Department of Natural Resources, including those currently at the top of the salary range. Additionally, we assume that this bill provide an 2.0% increase to officers who were compensated at the top of their pay range prior to applying the initial increases. This translates into total increases for eligible officers of 15.2% (MLEA officers) or 10.4% (supervisory and managerial licensed peace officers).

This increase impacts the hourly wage of MLEA CO's and the licensed supervisors and managers as well as other fringe benefits that are calculated based on the hourly wage such as FICA (Medicare only per federal law) 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 all MLEA CO's and the licensed conservation officer supervisors and managers'. As such, it reflects the contract that is currently in place. The fiscal impact shown reflects the FY20-21 funding distribution of MLEA CO's and the Licensed Supervisors and Managers. Most of the funding for the MLEA CO's and the Licensed Supervisors and Managers' 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 retroactive date is October 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 CO compensation (salary, FICA, retirement) minus health care costs = \$22,667,000

[\$17,801,000 (salary) + \$251,000 (FICA) + \$4,615,000 (retirement) = \$22,667,000]

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%).

[\$4,615,000 times 108% = \$4,984,000 in FY21]

[\$4,615,000 times 115% = \$5,307,000 in FY22 and thereafter]

For officers represented by MLEA, we increased rebased annual costs by 13.2% or 15.2% depending on base wage

For officers who are supervisors and managers, we increased rebased annual costs by 8.4% or 10.4% depending on base wage

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

Long-Term Fiscal Considerations

None

Local Fiscal Impact

None

References/Sources

None

Agency Contact: Col Rodmen Smith, ENF Director, 651-259-5042

Agency Fiscal Note Coordinator Signature: Emily Engel

Phone: 651-259-5548

Date: 3/26/2021 10:36:28 AM

Email: emily.engel@state.mn.us

Fiscal Note

2021-2022 Legislative Session

SF9037 - 0 - Law Enforcement Salary Increases

Chief Author: **Jeff Howe**
 Committee: **Finance**
 Date Completed: **3/27/2021 10:07:00 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) Dollars in Thousands	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	1,271	2,143	2,143	2,143	2,143
Opiate Epidemic Response	29	38	38	38	38
Trunk Highway	3,182	4,772	4,772	4,772	4,772
Highway Users Tax Distribution	27	41	41	41	41
Total	4,509	6,994	6,994	6,994	6,994
Biennial Total			13,988		13,988

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	-	-	-
Opiate Epidemic Response	-	-	-	-	-
Trunk Highway	-	-	-	-	-
Highway Users Tax Distribution	-	-	-	-	-
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:** 3/26/2021 9:21:25 AM
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 Dollars in Thousands	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	1,271	2,143	2,143	2,143	2,143
Opiate Epidemic Response	29	38	38	38	38
Trunk Highway	3,182	4,772	4,772	4,772	4,772
Highway Users Tax Distribution	27	41	41	41	41
Total	4,509	6,994	6,994	6,994	6,994
Biennial Total			13,988		13,988
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	1,271	2,143	2,143	2,143	2,143
Opiate Epidemic Response	29	38	38	38	38
Trunk Highway	3,182	4,772	4,772	4,772	4,772
Highway Users Tax Distribution	27	41	41	41	41
Total	4,509	6,994	6,994	6,994	6,994
Biennial Total			13,988		13,988
2 - Revenues, Transfers In*					
General Fund	-	-	-	-	-
Opiate Epidemic Response	-	-	-	-	-
Trunk Highway	-	-	-	-	-
Highway Users Tax Distribution	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

BCA

Section 1: Defines compensation under the subdivision.

Section 2: Creates the law enforcement supervisors unit for executive branch employees

Section 3: Modifies state employee severance to remove Criminal Apprehension Investigative Supervisors.

Section 4: Increases salaries for Minnesota Law Enforcement Association (MLEA) employees, including Bureau of Criminal Apprehension (BCA) agents by 13.2%, as well as those at the maximum base wage level by an additional 2%.

Also increases salaries paid to managers and supervisors by 8.4% as well as those of the managers and supervisors at the maximum base wage level by an additional 2%.

Section 5: Sets up the transition of law enforcement supervisors to the new unit for executive branch employees.

Section 6: Provides for appropriations sections for the increases in Section 5. Funding amounts are left blank

MSP.

The bill creates the law enforcement supervisors labor unit. The bill also amends Sec. 5. Laws 2020, Fifth Special Session

chapter 3, article 9, section 6, directing the salary paid to employees whose exclusive representative is the Minnesota Law Enforcement Association (MLEA), be increased by 13.2 percent. In addition, employees represented by MLEA that are compensated at the maximum base wage level shall also receive an additional two percent salary increase. The bill also requires that law enforcement supervisors/managers of the employees whose exclusive representative is the MLEA shall receive a salary increase of 8.4% and the supervisors/managers compensated at the maximum base wage level shall also receive an additional two percent salary increase.

AGED

Sec 1. SF9031 proposes to amend MN statutes 2020, section 43A.17 by adding language which defines “law enforcement officers” as MSP Troopers, BCA agents, AGE special agents, DNR conservation officers, DOC fugitive specialists and DOC insurance fraud specialists. Sec 1 directs MMB to consider compensation study data during collective bargaining negotiations. Sec 1 is effective the day following the final enactment, applies to existing contracts and future contracts, through January 1, 2032.

Sec 2. and Sec 3. amends MN statutes 2020, section 179A.10 to add a law enforcement supervisors unit and removes state patrol supervisors, DNR enforcement supervisors, and criminal apprehension investigative supervisors from the state employee severance language.

Sec 4. (a) proposes not withstanding any law to the contrary, a 13.2% salary increase to employees whose exclusive representative is the Minnesota Law Enforcement Association including BCA agents, AGE special agents, DNR conservation officers, DOC fugitive specialists and DOC insurance fraud specialists with an additional wage increase of 2% for positions that are compensated at the maximum base wage level.

Sec 4. (b) proposes not withstanding any law to the contrary, in addition to Sec 4 (a) noted above, each agency shall increase by 8.4% the salary paid to supervisors, and must increase the base wage an additional 2 % for those who are compensated at the maximum base wage. “Supervisors and managers” means employees who are employed in positions them to be licensed police officers and supervise or manage the employees described in Sec 4 (a).

Sec 4. is effective retroactive to October 22, 2020.

Sec 5. proposes that until a law enforcement supervisors collective bargaining unit is established, supervisors will remain in the bargaining units they are currently in.

Sec 6. appropriates funding to cover the costs of the salary increases for FY21, FY22 and FY23 and is effective the day following the final enactment.

Assumptions

BCA

It is assumed all individuals would stay in their existing bargaining unit or plan until the new representative is elected and until the new contract is negotiated and ratified. Audits would also be required to determine which existing job classifications are ‘supervisory’ vs. ‘managerial’ to determine the ultimate composition of the new bargaining unit.

As for the 8.4% and 2% increases to supervisors and managers, based upon conversations with DPS HR staff, it is assumed those increases would affect the following positions/classifications at DPS, retroactive to 10.22.2020:

- Lieutenants
- Captains
- Majors
- State Patrol Assistant Chief

- State Patrol Chief
- Special Agent
- Special Agent Senior
- Assist Special Agent in Charge
- Special Agents in Charge
- Assistant Superintendent BCA
- Superintendent BCA

It is assumed that BCA Investigative Supervisors, determined by the audit noted above, would become members of the new law enforcement supervisor's bargaining unit. This will have no impact on the expected costs of the 8.4% and 2% increases.

It is assumed that the number of eligible individuals may change over the course of the next several years, and that the costs or savings of the 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 changes in salaries for individuals for whom this increase is given and reflected in this fiscal note.

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.

-
The BCA also assumes that no significant cost changes will occur between FY2023-FY2025, therefore, the BCA has reflected the same costs in those year.

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No costs associated with this increase can be absorbed by the BCA, and, therefore, all costs must be paid for out of the General Fund.

MSP

State Patrol will back pay the 8.4% pay increase for law enforcement supervisor and manager salary and overtime earnings dating back to October 22, 2020.

State Patrol will back pay the 2% pay increase for troopers, law enforcement supervisors and managers that had reached their maximum base wage level as of October 22, 2020.

State Patrol will back pay the troopers an additional 4.8% as they have already received 8.4% increase as a result of salary legislation passed during the 2020 Fifth Special Session.

State Patrol will increase future pay for troopers 4.8% as they have already received 8.4% increase as a result of salary legislation passed during the 2020 Fifth Special Session.

State Patrol will increase by 2%, the salary paid to troopers and law enforcement supervisors and managers that are compensated at the maximum base wage level.

The percentage of troopers and supervisors who have reached their maximum base wage level remains static (number of retirees in a given year roughly equals the number moving to top step in that same year).

For overtime cost projections, the average of the overtime paid for years 2019 and 2020 was utilized.

For purposes of the fiscal note, FY22 and beyond assumed no patterned settlement increases

AGED

Sec 4. (a) AGE will pay the salary increases for AGE gambling enforcement special agents of 13.2% as proposed retroactive to October 22, 2020. All AGE gambling enforcement are already compensated at the maximum base wage and an additional 2% will be added to the base, also retroactive to October 22, 2020.

Sec 4. (b) AGE will pay the salary increase of 8.4%, for sworn supervisors retroactive to October 22, 2020. AGE sworn supervisors are already at the maximum base wage and an additional 2% will be added to the base, also retroactive to October 22, 2020.

AGE does not have the funding to cover the costs associated with the salary increases and would require general funding

Expenditure and/or Revenue Formula

BCA

MANAGERS & SUPERVISORS 8.4% +2%

FY21			
Salaries			
	FY21 Salary Impact	Retirement 28.1% plus 1.45%	Total Salary Impact
Fund			
MMA (Top of scale) 1000	\$107,107.42	\$31,650.24	\$138,757.66
Managerial (Top of scale) 1000	\$20,628.31	\$6,095.67	\$26,723.98
Total Salaries	\$127,735.73	\$37,745.91	\$165,481.64
Overtime			
Fund	FY21 Salary Impact	Retirement 28.1% plus 1.45%	Total Salary Impact
1000	\$2,692.30	\$795.58	\$3,487.88
2005	\$0.00	\$0.00	\$0.00
Total OT	\$2,692.30	\$795.58	\$3,487.88
FY21 MMA GF Total	\$109,799.72	\$32,445.82	\$142,245.54
FY21 Managerial Plan GF Total	\$20,628.31	\$6,095.67	\$26,723.98

FY21 Grand Total	\$130,428.04	\$38,541.48	\$168,969.52
FY22			
Salaries			
	FY22 Salary Impact	Retirement 30.1% plus 1.45%	Total Salary Impact
Fund			
MMA (Top of scale) 1000	\$173,703.47	\$54,803.44	\$228,506.91
Managerial (Top of scale) 1000	\$28,946.17	\$9,132.52	\$38,078.69
Total Salaries	\$202,649.64	\$63,935.96	\$266,585.61
Overtime			
Fund	FY22 Salary Impact	Retirement 30.1% plus 1.45%	Total Salary Impact
1000	\$2,692.30	\$849.42	\$3,541.73
2005	\$0.00	\$0.00	\$0.00
Total OT	\$2,692.30	\$849.42	\$3,541.73
FY21 MMA GF Total	\$176,395.77	\$55,652.87	\$232,048.64
FY21 Managerial Plan GF Total	\$28,946.17	\$9,132.52	\$38,078.69
FY21 Grand Total	\$205,341.95	\$64,785.38	\$270,127.33
FY23			
Salaries			
	FY23 Salary Impact	Retirement 30.1% plus 1.45%	Total Salary Impact
Fund			
MMA (Top of scale) 1000	\$173,703.47	\$54,803.44	\$228,506.91

Managerial (Top of scale) 1000	\$28,946.17	\$9,132.52	\$38,078.69
Total Salaries	\$202,649.64	\$63,935.96	\$266,585.61
Overtime			
Fund	FY23 Salary Impact	Retirement 30.1% plus 1.45%	Total Salary Impact
1000	\$2,692.30	\$849.42	\$3,541.73
2005	\$0.00	\$0.00	\$0.00
Total OT	\$2,692.30	\$849.42	\$3,541.73
FY21 MMA GF Total	\$176,395.77	\$55,652.87	\$232,048.64
FY21 Managerial Plan GF Total	\$28,946.17	\$9,132.52	\$38,078.69
FY21 Grand Total	\$205,341.95	\$64,785.38	\$270,127.33

MLEA 13.2% + 2%

FY21			
Salaries			
	FY21 Salary Impact	Retirement 28.1% plus 1.45%	Total Salary Impact
Fund			
MLEA (Not at top of scale) 1000	\$51,551.02	\$15,233.33	\$66,784.34
MLEA (Top of scale) 1000	\$579,427.11	\$171,220.71	\$750,647.82
MLEA 2005 (Top of Scale)	\$22,535.38	\$6,659.20	\$29,194.58
Total Salaries	\$653,513.50	\$193,113.24	\$846,626.75
Overtime			
Fund	FY21 Salary Impact	Retirement 28.1% plus 1.45%	Total Salary Impact
1000	\$47,245.30	\$13,960.99	\$61,206.29

2005	\$0.00	\$0.00	\$0.00
Total OT	\$47,245.30	\$13,960.99	\$61,206.29
FY21 MLEA GF Total	\$678,223.43	\$200,415.02	\$878,638.45
FY21 MLEA 2005 Total	\$22,535.38	\$6,659.20	\$29,194.58
FY21 Grand Total	\$700,758.81	\$207,074.23	\$907,833.04
FY22			
Salaries			
	FY22 Salary Impact	Retirement 30.1% plus 1.45%	Total Salary Impact
Fund			
MLEA (Not at top of scale) 1000	\$69,540.37	\$21,939.99	\$91,480.36
MLEA (Top of scale) 1000	\$1,036,805.53	\$327,112.14	\$1,363,917.67
MLEA 2005 (Top of Scale)	\$28,972.42	\$9,140.80	\$38,113.22
Total Salaries	\$1,135,318.32	\$358,192.93	\$1,493,511.26
Overtime			
Fund	FY22 Salary Impact	Retirement 30.1% plus 1.45%	Total Salary Impact
1000	\$62,993.69	\$19,874.51	\$82,868.19
2005	\$0.00	\$0.00	\$0.00
Total OT	\$62,993.69	\$19,874.51	\$82,868.19
FY21 MLEA GF Total	\$1,169,339.59	\$368,926.64	\$1,538,266.23
FY21 MLEA 2005 Total	\$28,972.42	\$9,140.80	\$38,113.22
FY21 Grand Total	\$1,198,312.01	\$378,067.44	\$1,576,379.45

FY23			
Salaries			
	FY23 Salary Impact	Retirement 30.1% plus 1.45%	Total Salary Impact
Fund			
MLEA (Not at top of scale) 1000	\$69,540.37	\$21,939.99	\$91,480.36
MLEA (Top of scale) 1000	\$1,036,805.53	\$327,112.14	\$1,363,917.67
MLEA 2005 (Top of Scale)	\$28,972.42	\$9,140.80	\$38,113.22
Total Salaries	\$1,135,318.32	\$358,192.93	\$1,493,511.26
Overtime			
Fund	FY23 Salary Impact	Retirement 30.1% plus 1.45%	Total Salary Impact
1000	\$62,993.69	\$19,874.51	\$82,868.19
2005	\$0.00	\$0.00	\$0.00
Total OT	\$62,993.69	\$19,874.51	\$82,868.19
FY21 MLEA GF Total	\$1,169,339.59	\$368,926.64	\$1,538,266.23
FY21 MLEA 2005 Total	\$28,972.42	\$9,140.80	\$38,113.22
FY21 Grand Total	\$1,198,312.01	\$378,067.44	\$1,576,379.45

MSP

FY21 calculation includes:

- 8.4% back pay on known salary and overtime wages for supervisors and managers October 22 to present.
- 4.8% back pay on known salary and overtime wages for troopers October 22 to present.
- 2% back pay on known salary and overtime wages for troopers, supervisors and managers who were at their maximum base wage salary level as of October 22, 2020.
- Known salary and estimated overtime costs in consideration of the bills directed increases from present to June 30, 2020, for troopers, supervisors and managers.

FY22+ year calculation includes:

- 8.4% salary increase for law enforcement supervisors and managers.
- 4.8% salary increase for all troopers.
- 2% salary increase for troopers, supervisors and managers who have reached their maximum base wage level.
- Estimated overtime cost increases utilizing the average of 2019 and 2020 overtime costs (see pg.5 Overtime

Calculation table).

Fiscal Note Calculation results with fund identification

Supervisor 8.4%					
	FY21	FY22	FY23	FY24	FY25
Trunk Highway	\$ 540,000	\$ 811,000	\$ 811,000	\$ 811,000	\$ 811,000
Trunk Highway CMV	\$ 71,000	\$ 106,000	\$ 106,000	\$ 106,000	\$ 106,000
General Fund	\$ 17,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	\$ 628,000	\$ 942,000	\$ 942,000	\$ 942,000	\$ 942,000
Trooper Add 4.8%					
Trunk Highway	1,607,637.50	2,411,456	2,411,456	2,411,456	2,411,456
Trunk Highway CMV	189,134	283,701	283,701	283,701	283,701
General Fund	75,654	113,480	113,480	113,480	113,480
HUTD	18,913	28,370	28,370	28,370	28,370
	1,891,338	2,837,007	2,837,007	2,837,007	2,837,007
All Those Who Were at Top - Add 2%					
Trunk Highway	505,865	758,798	758,798	758,798	758,798
Trunk Highway CMV	59,514	89,270	89,270	89,270	89,270
General Fund	23,805	35,708	35,708	35,708	35,708
HUTD	5,951	8,927	8,927	8,927	8,927
	595,136	892,704	892,704	892,704	892,704
Overtime					
Trunk Highway	\$ 186,078	\$ 279,117	\$ 279,117	\$ 279,117	\$ 279,117
Trunk Highway CMV	\$ 21,891	\$ 32,837	\$ 32,837	\$ 32,837	\$ 32,837
General Fund	\$ 8,757	\$ 13,135	\$ 13,135	\$ 13,135	\$ 13,135
HUTD	\$ 2,189	\$ 3,284	\$ 3,284	\$ 3,284	\$ 3,284
	\$ 218,915	\$ 328,373	\$ 328,373	\$ 328,373	\$ 328,373
Grand Totals					
Trunk Highway	2,840	4,260	4,260	4,260	4,260
Trunk Highway CMV	342	512	512	512	512
General Fund	125	187	187	187	187
HUTD	27	41	41	41	41
	\$ 3,333	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000

Overtime Calculation:

FY19 OTR MLEA from MSP Funds	\$3,476,317
FY20 OTR MLEA from MSP Funds	\$7,626,389

Total	\$11,102,686
Average per Year	\$5,551,343
Average OTR per Sworn	\$8,524
Number fo Sworn as of 20210308	651
Number of Sworn at the top	363 56%
OTR for those at the top	\$3,095,449
2% for those at Top	61,909
4.8% additional for MLEA	266,373.47
	\$328,373.47

THF	85%	279,117
THF/CMV	10%	32,837
GF	4%	13,135
HUTD	1%	3,284
Total		328,373

AGED

	FY21 Total Salary Increase with Retirement	FY22-25 Total Salary Increase with Retirement
Special Agents	\$82,750.92	\$114,466.88
* No OT backpay calculated as the costs associated with civil unrest and EO Enforcement occurred prior to Oct 2, 2020.		
	FY21 Total Salary Increase with Retirement	FY22-25 Total Salary Increase with Retirement
Assistant Special Agent in Charge (promoted March 1, 2021) retro calculated at 522 hours	\$4,794.16	\$18,893.01
	FY21 Total Salary Increase with Retirement	FY22-25 Total Salary Increase with Retirement
Director	\$11,027.39	\$14,506.53
Total	\$98,572.47	\$147,866.42
FY19 OTR MLEA from MSP funds	\$3,476,317	

FY20 OTR MLEA from MSP funds	\$7,626,369
Total	\$11,102,686
Average Per Year	\$5,551,343
Average OT Per Sworn	\$8,527
Number of Sworn as of 20210308	651
Number Sworn at Top as of 20210308	363
OT for those at Top	\$ 3,095,449
2% of the OT for those at TOP	61,909
4.8% additional for MLEA	266,464.47
	328,373.47
TH 85%	279,117
CMV 10%	32,837
GF 4%	13,135
HUTD 1%	3,284
	328,373
FY19 OTR MLEA from MSP funds	\$3,476,317
FY20 OTR MLEA from MSP funds	\$7,626,369
Total	\$11,102,686
Average Per Year	\$5,551,343
Average OT Per Sworn	\$8,527
Number of Sworn as of 20210308	651
Number Sworn at Top as of 20210308	363
OT for those at Top	\$ 3,095,449
2% of the OT for those at TOP	61,909
4.8% additional for MLEA	266,464.47
	328,373.47
TH 85%	279,117
CMV 10%	32,837
GF 4%	13,135
HUTD 1%	3,284
	328,373

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact: Rochelle Schrofer 651-201-7113

Agency Fiscal Note Coordinator Signature: Rita Wurm

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NOTE: This is an earlier version of the fiscal note for SF9037-0.
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Phone: 651-201-7016

Email: rita.wurm@state.mn.us