

**HF961 - 5A - Supervisory Law Enforcement Unit Added**

Chief Author: **Robert Ecklund**  
 Committee: **Ways And Means**  
 Date Completed: **3/31/2022 10:44:11 AM**  
 Agency: **Minn Management and Budget**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
<b>Local Fiscal Impact</b>		
		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	-	-	128	24	24
<b>Total</b>	-	-	<b>128</b>	<b>24</b>	<b>24</b>
<b>Biennial Total</b>			<b>128</b>		<b>48</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	.65	.11	.11
<b>Total</b>	-	-	<b>.65</b>	<b>.11</b>	<b>.11</b>

**LBO Analyst's Comment**

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

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**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.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	-	128	24	24
<b>Total</b>		-	-	<b>128</b>	<b>24</b>	<b>24</b>
<b>Biennial Total</b>					<b>128</b>	<b>48</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	-	-	128	24	24
<b>Total</b>		-	-	<b>128</b>	<b>24</b>	<b>24</b>
<b>Biennial Total</b>					<b>128</b>	<b>48</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>					-	-

**Bill Description**

Section 1 of this bill adds a new law enforcement supervisory unit to the state bargaining units under Minn. Stat. § 179A.10. Section 2 of the bill deletes the provision in law that permits State Patrol supervisors, Department of Natural Resources (DNR) enforcement supervisors, and Department of Public Safety Bureau of Criminal Apprehension (BCA) investigative supervisors to elect to sever from a bargaining unit.

Section 3 of the bill (previously section 4 but renumbered in the 4A amendment) 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 employees 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 3 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 remain 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.

The 5A amendment provides that employees in the law enforcement supervisory positions that are currently represented by MMA have a right to remain in the general supervisory employees unit rather than join the new law enforcement supervisory unit. If a group of employees exercises this right, their appropriate unit will be the general supervisory employees unit represented by MMA, and the commissioner of mediation services will assign them to that unit.

**Assumptions**

Fringe costs for all Minnesota Management and Budget (MMB) employee salary costs identified below are assumed to be 32.84 percent of salary, which is the average percentage for all MMB employees as projected in the SEMA4 system in FY 2022. Employee overhead costs are assumed to be 16.32 percent of total salary and fringe costs. Overhead includes costs such as space, laptops and employee technology, phone, supplies, printing, training, and travel. This percentage represents the average percent of MMB’s total general fund operating budget spent on non-payroll employee overhead costs in the previous biennium.

*Auditing costs*

With respect to Section 1 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 45 minutes to audit, for a total of approximately 20 hours. It is assumed that this work will be completed by an employee in the Labor Relations Consultant series job classification. The average hourly wage of MMB employees in these positions is \$42.29. While the 5A amendment could potentially result in less auditing time if some of the currently MMA-covered classifications elect to remain in the general supervisory employees unit rather than join the new law enforcement supervisory unit, it is too speculative for MMB to estimate how many employees would make that election.

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 preexisting 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 2023 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. An interest arbitration is the process whereby the issues not resolved in contract negotiations between the employer and the exclusive representative are presented to an impartial arbitrator for resolution. 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 \$55.92. In addition to an interest arbitration potentially being required in the first CBA negotiation process, it is also assumed 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 that 50 percent would be paid by the State and 50 percent by the new bargaining unit. The 5A amendment is not anticipated to reduce or add to any of these costs.

#### *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, estimated to total 66 hours, 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 \$42.30. These costs are assumed to be incurred in FY 2023 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. The 5A amendment is not anticipated to reduce or add to any of these costs. It is assumed the work to make changes to the payroll system will occur prior to when employees who are currently MMA-covered would potentially elect to remain in the general supervisory employees unit rather than join the new law enforcement supervisory unit.

#### *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 2023 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. The 5A amendment is not anticipated to reduce or add to any of these costs. It is assumed the work to make changes to the system will occur prior to when employees who are currently MMA-covered would potentially elect to remain in the general supervisory employees unit rather than join the new law enforcement supervisory unit.

**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 \$59.22 per hour, the current wage rate for MNIT@MMB staff in this classification. These costs are assumed to be incurred in FY 2023, 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.

**Expenditure and/or Revenue Formula**

HF961-4A			FY22	FY23	FY24	FY25
	Total Hours	Average Wage				
<b>Auditing Costs</b>	<b>40</b>	<b>42.29</b>	<b>0</b>	<b>1,692</b>	<b>0</b>	<b>0</b>
<b>Bargaining Costs</b>			<b>0</b>	<b>57,206</b>	<b>11,799</b>	<b>11,799</b>
New CBA negotiation	1,023	55.92	0	57,206	0	0
Future CBA negotiations	211	55.92	0	0	11,799	11,799
<b>Statewide Payroll Costs</b>	<b>66</b>	<b>42.30</b>	<b>0</b>	<b>2,792</b>	<b>0</b>	<b>0</b>
<b>Human Resources Business Systems Costs</b>	<b>100</b>	<b>41.19</b>	<b>0</b>	<b>4,119</b>	<b>0</b>	<b>0</b>
<b>MNIT @ MMB Costs</b>			<b>0</b>	<b>7,106</b>	<b>1,066</b>	<b>1,066</b>
Initial	120	59.22	0	7,106	0	0
Ongoing	18	59.22	0	0	1,066	1,066
<i>SubTotal-Salaries</i>			<i>0</i>	<i>72,915</i>	<i>12,865</i>	<i>12,865</i>
<b>Fringe @ 32.84 percent</b>			<b>0</b>	<b>23,945</b>	<b>4,225</b>	<b>4,225</b>
<b>Overhead @ 16.32 percent</b>			<b>0</b>	<b>15,808</b>	<b>2,789</b>	<b>2,789</b>
<b>MMB Employee Costs TOTAL</b>			<b>0</b>	<b>112,668</b>	<b>19,879</b>	<b>19,879</b>
<b>Arbitration Costs</b>			<b>0</b>	<b>15,000</b>	<b>3,750</b>	<b>3,750</b>
<b>TOTAL COSTS</b>			<b>0</b>	<b>127,668</b>	<b>23,629</b>	<b>23,629</b>
<b>FTE</b>			<b>0.00</b>	<b>0.65</b>	<b>0.11</b>	<b>0.11</b>

**Long-Term Fiscal Considerations**

**Local Fiscal Impact**

**References/Sources**

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