



## Subcommittee on Employee Relations

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### Memorandum

**DATE:** February 9, 2023  
**TO:** State and Local Government Finance and Policy Members  
**FROM:** Michelle Weber, Legislative Coordinating Commission  
**RE:** HF800/SF1431: Subcommittee on Employee Relations ratification bill

#### Background

This bill ratifies two collective bargaining agreements for state employees in the Executive Branch. These contracts are for fiscal years 2022-23. The other 18 contracts and plans were ratified by the 2021 or 2022 Legislature. The two contracts included in the bill were implemented 30 days after being submitted to the Subcommittee on Employee Relations (SER), as provided in Minnesota Statutes 3.855, Subd. 2.

The bill also ratifies several memorandums of understanding (MOUs) amending existing labor contracts that were negotiated between the State and several exclusive representatives.

If legislation to ratify these contracts and memorandums of understanding is not adopted, the terms and conditions provided in these contracts and MOUs will be voided.

#### Section 1.

**Subdivision 1. Minnesota Government Engineering Council (MGEC).** The collective bargaining agreement with MGEC, represents 1,123 engineering employees who are primarily employed in the Department of Transportation.

1. 2.5% across the board increase effective July 1, 2021.
2. 2.5% across the board increase effective July 1, 2022
3. Continues step increases in each year for employees who are eligible. Step increases represent approximately a 3.9% increase. About 35% of MGEC members are below the maximum of their salary ranges and are eligible to receive these increases.
4. Modifies provision negotiated in the previous contract providing a salary differential for engineering employees who are supervisors of at least two employees. The differential is gradually phased out.
5. Establishes a pilot program providing recruiting incentives of \$5,000 and employee referral incentives of \$1,000, similar to those provided in other contracts.

6. Adds Juneteenth as a paid holiday starting in 2023 and provides a one-time additional floating holiday that must be used by June 30, 2023.

**Subd. 2. Minnesota State College Faculty (MSCF).** The agreement with MSCF represents 3,961 faculty (FTE) at community and technical colleges.

1. Effective July 1, 2021, faculty employed in the 2020-21 academic year and who return for the 2022-23 academic year receive a step increase. Steps for this unit represent an average salary increase of 3.2% for those faculty not at the top of their salary range. Faculty at the top of their salary range receive a lump sum payment equivalent to one step.
2. Effective upon ratification by the Legislature, two steps are added to most of the salary ranges. These additional steps are then sunset effective June 30, 2025. This provision permits faculty to receive step increases as provided elsewhere in the agreement. However, once the new steps are repealed, these faculty will be above the maximum of their salary ranges.
3. Effective July 1, 2021 faculty with 15 years of experience receive a step increase, equivalent to a 3.2% increase in salary. Faculty who are at the top of their salary range will receive a lump sum payment equivalent to a one-step increase.
4. Effective July 1, 2022, provides an across the board increase by adding \$1,700 to each step.
5. Effective July 1, 2022 faculty with 20 years of experience also receive a one step increase equivalent to a 3.2% increase in salary. Faculty who are at the top of their salary range will receive a lump sum payment equivalent to a one-step increase. Faculty who have more than 20 years of service on this date receive either the step increase, or if they are at the top of their range, a lump sum equivalent.
6. Effective spring semester 2023, the minimum and maximum adjunct faculty compensation rates are increased from \$525 and \$1,400 to \$775 and \$1,650 per semester credit.
7. Adds language providing for advancement in salary, based on alternative activities and accomplishments that meet certain criteria, such as coursework or training, documented research/study, authoring articles, leadership experience, or membership in or certification by a national or international association.
8. Adds Juneteenth as a holiday.
9. Adds language regarding multi-modal course delivery, as an additional mode of teaching courses.
10. Adds language regarding faculty responsibility for advising students.

The SER settlement sheet, which tracks the costs of each contract and compensation plan in this biennium, and projects contract costs for the next biennium, is attached.

**Section 2. Memorandums of Understanding. (MOU).** This section ratifies numerous MOUs that amend collective bargaining agreements that have been negotiated between the State and several exclusive representatives.

**Subdivision 1. Memorandum submitted May 7, 2022.** This MOU, with the Minnesota Association of Professional Employees (MAPE), provides for financial incentives for employees at the Minnesota Lottery who achieve sales goals.

**Subd. 2. Memorandums submitted September 1, 2022.**

MMB submitted three identical MOUs between the Department of Natural Resources and MAPE, the American Federation of State, County and Municipal Employees (AFSCME), and the Middle Management Association (MMA). The MOUs permit Department of Natural Resources employees who are returning from fighting out of state forest fires in other jurisdictions to have “rest and recuperation” days. The employees are eligible for one day of this leave after a 14 days assignment, and two days for a 21 days assignment. The leave is reimbursed by the out of state fire assignment jurisdiction.

A second MOU between the Department of Revenue and MAPE changes the salary differentials of employees whose job is located in cities outside of Minnesota with substantially higher costs of living.

A final MOU, with the Minnesota Nurses Association, affects employees at the Department of Veterans Affairs. It authorizes the Appointing Authority to offer additional financial benefits to retain employees in positions supporting patients. The MOU permits the Department to offer incentives up to \$10,000 after developing a policy that governs the eligibility and parameters of the program and receiving approval from MMB.

**Subd. 3. Memorandums submitted September 8, 2022.**

MMB submitted two MOUs negotiated with the Minnesota Government Engineers Council. The first MOU permits engineers to use their sick leave to care for minor children who are required to be quarantined, similar to other MOUs submitted previously with other exclusive representatives.

The second MOU affects engineers employed by the Department of Health. It authorizes the Appointing Authority to offer additional financial benefits to recruit and retain employees in order to deal with staffing shortages. The MOU permits the Department to offer incentives up to \$10,000 after developing a policy that governs the eligibility and parameters of the program and receiving approval from MMB.

**Subd. 4. Memorandums submitted November 10, 2022.**

MMB submitted two MOUs between the Department of Health and MMA and the MAPE, and one between the Department of Corrections and the State Residential Schools Education Association. The three MOUs authorize the Appointing Authority to offer additional financial benefits to recruit and retain employees in order to deal with staffing shortages. The MOUs

permit the Departments to offer incentives up to \$10,000 after developing policies that govern the eligibility and parameters of the programs and receiving approval from MMB.

**Subd. 5. Memorandums submitted November 23, 2022.**

MMB submitted two MOUs between the Department of Health and the Minnesota Nurses Association and AFSME.

The two MOUs authorize the Appointing Authority to offer additional financial benefits to recruit and retain employees in order to deal with staffing shortages. The MOUs permit the Department to offer incentives up to \$10,000 after developing policies that govern the eligibility and parameters of the programs and receiving approval from MMB. These MOUs are similar to numerous others submitted by MMB during this interim.

**Subd. 6. Memorandums submitted November 30, 2022.**

The first MOU between the Department of Human Service and AFSCME relates to the provision of in-home foster care services for the Community Based Services/Minnesota Intensive Therapeutic Homes (CBS/MITH). This agreement replaces previous MOUs related to this program. Under this program, DHS employees provide in home, 24/7 care for clients. The MOU establishes wage rates, vacation and sick leave, and other benefits for employees providing these services.

The second MOU is between the State Residential Schools Education Association and the Minnesota State Academies. The current collective bargaining agreement provides for teachers to participate in interviews or prepare ratings for Academy employees' sign language communication skills. The Minnesota Department of Education requires employees providing these ratings to attend training. This MOU establishes compensation for the teachers to attend that training.

**Section 3** provides an immediate effective date.

Attachment: SER settlement sheet

# STATE EMPLOYEE SALARY SETTLEMENTS

## FY 22-23 ESTIMATED COSTS

LCC Subcommittee on Employee Relations  
November 7, 2022

Bargaining Unit	Across the board increases (% increase)				BIENNIAL BASE (1)	BIENNIAL NEW MONEY (1)	% INCREASE (2)	% INCREASE BIENNIUM TO BIENNIUM (3)	\$ IMPACT ON NEXT BIENNIUM
	7/1/2021	1/1/2022	7/1/2022	1/1/2023					
A AFSCME, Council 5	2.50%		2.50%		\$ 2,084,072,266	\$ 92,044,883	4.42%	6.94%	\$ 144,634,615
A AFSCME, Unit 8, Correctional Officers	2.50%		2.50%		\$ 365,056,850	\$ 17,051,747	4.67%	7.39%	\$ 26,977,701
A AFSCME, Unit 25, Radio Communications Oper	2.50%		2.50%		\$ 11,243,196	\$ 497,646	4.43%	6.95%	\$ 781,402
A MN Association of Professional Employees	2.50%		2.50%		\$ 3,262,497,442	\$ 163,077,761	5.00%	7.97%	\$ 260,021,046
A Middle Management Association	2.50%		2.50%		\$ 798,864,730	\$ 37,760,125	4.73%	7.40%	\$ 59,115,990
> MN Government Engineering Council	2.50%		2.50%		\$ 277,812,234	\$ 11,989,190	4.32%	6.56%	\$ 18,224,483
A Minnesota Nurses Association	2.50%		2.50%		\$ 220,765,520	\$ 10,661,060	4.83%	7.58%	\$ 16,734,026
A MN Law Enforcement Association	2.50%		2.50%		\$ 213,843,556	\$ 9,068,953	4.24%	6.36%	\$ 13,600,450
A State Residential Schools Education Assoc	2.50%		2.50%		\$ 35,776,108	\$ 1,413,975	3.95%	5.92%	\$ 2,117,946
* Service Employees International Union <sup>(5)</sup>	8.68%		5.90%			\$ 74,559,000			\$ 103,888,000
A State University Inter Faculty Organization			1.70%		\$ 645,017,833	\$ 17,106,620	2.65%	4.96%	\$ 31,992,885
A MN State Univ Assoc of Admin & Service Faculty	1.30%				\$ 144,989,599	\$ 4,180,646	2.88%	3.59%	\$ 5,205,127
Minnesota State College Faculty			\$ 1,700		\$ 792,696,276	\$ 28,273,444	3.57%	5.10%	\$ 40,427,510
A Personnel Plan for MnSCU administrators					\$ 199,151,822	\$ 5,865,709	2.95%	4.08%	\$ 8,125,394
Personnel Plan for St Bd of Invest employees <sup>(6)</sup>									
A Office of Higher Education Plan	2.50%		2.50%		\$ 10,219,992	\$ 530,566	5.19%	7.99%	\$ 816,577
A Managerial Plan	2.50%		2.50%		\$ 491,415,892	\$ 20,556,885	4.18%	6.07%	\$ 29,828,945
A Commissioners Plan <sup>(4)</sup>	2.50%		2.50%		\$ 288,538,792	\$ 14,200,344	4.92%	7.60%	\$ 21,928,948
A Office of Legislative Auditor <sup>(6)</sup>									
A MNsure Compensation Plan	2.50%		2.50%		\$ 5,127,084	\$ 189,506	3.70%	5.22%	\$ 267,634
<b>TOTAL</b>					<b>\$ 9,847,089,192</b>	<b>\$ 509,028,060</b>	<b>5.17%</b>	<b>7.97%</b>	<b>\$ 784,688,679</b>

The ">" indicates proposed contract or plan has not been acted on by the Subcommittee.  
 The "O" indicates the contract or plan was provided interim approval by the Subcommittee.  
 The "R" indicates the contract or plan was rejected by the Subcommittee.  
 The "I" indicates a contract or plan that has been implemented absent Subcommittee action  
 The "\*" indicates the proposed contract or plan has not been ratified by the Legislature  
 The "A" indicates the contract or plan has been ratified by the Legislature

(1) Includes all funds, including higher education agencies. Includes across the board salary increases, steps, FICA, insurance & pension.

(2) Percent of new money needed over base.

(3) This percentage reflects the annualized cost of the increases granted during the biennium. This figure depicts all of the costs of the contract, including "tails."

(4) Groups within plan follow lead of comparable bargaining units.

(5) The amount listed is the total state funds; the changes in the contract are also funded through federal Medicaid dollars, not included in this table.

The FY22 increase is effective 10/1/21. The percentages reflect the increase in minimum wages.

The biennial new spending includes amounts negotiated in 3/21/22 MOUs for stipends for providers and for costs for training

(6) The compensation plans for the Office of the Legislative Auditor and the State Board of Investment provide for salary increases and salary ranges that are indexed to CPI, or to other plans that are reviewed and approved by the Subcommittee. As a result, there are time periods when these plans are not submitted to the SER.

The Office of the Legislative Auditor plan includes new salary ranges