



Law Enforcement Compensation

SPECIAL REVIEW
February 2021

OFFICE OF THE LEGISLATIVE AUDITOR
STATE OF MINNESOTA

**State of Minnesota
Office of the Legislative Auditor**

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February 2021

Members of the Legislative Audit Commission:

In May 2020, the Legislature enacted a law that directed the Office of the Legislative Auditor (OLA) to compare the salaries and benefits of Minnesota state troopers with those of police officers in cities the law specified for comparison. This report is our response to the legislative directive.

We compared wage rates for 2019, the most recent year for which complete data were available. As a result, the comparisons in this report do not include the impact of an across-the-board base wage increase the Legislature mandated for state troopers in an October 2020 special legislative session.

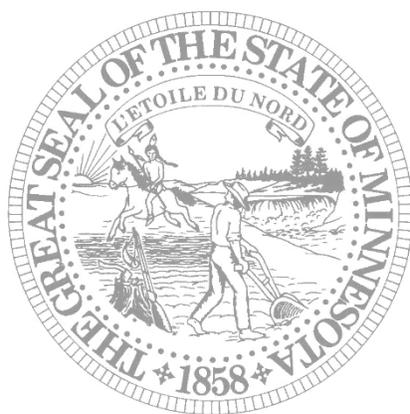
In addition to salary comparisons, our report discusses contract and statutory provisions that create differences in supplemental wages, health insurance, and retirement contributions between state troopers and the city police officers that were part of our review.

We received full cooperation from the Minnesota Department of Public Safety, Minnesota Department of Management and Budget, state retirement associations, and various city governments as we conducted our review and prepared this report.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joel Alter', with a stylized flourish extending to the left.

Joel Alter
Director, Special Reviews



Summary

In 2020, the Minnesota Legislature directed the Office of the Legislature Auditor to compile surveys of compensation levels for the Minnesota State Patrol and law enforcement officers in 33 Minnesota cities.¹ This report presents the results of our initial review, which was based on compensation levels in 2019. We found that:

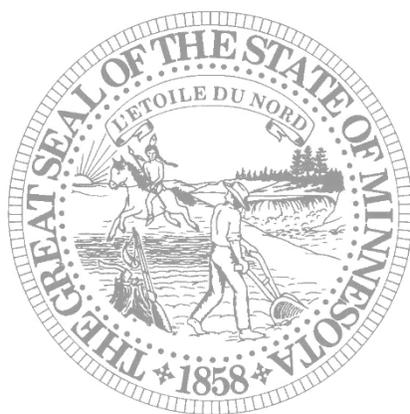
- The 2019 starting base wage rate of a state trooper was about 5 percent below the median starting 2019 base wage rate of police officers in cities we examined. In 2019, the highest wage level that a non-supervisory state trooper could attain over time was about 16 percent lower than the median of the top wage levels available to non-supervisory police officers in the cities we examined.
- The 2020 Legislature mandated an 8.4 percent increase in state trooper salaries, effective in October 2020, and this increase mitigates the disparities we identified for 2019. We did not examine 2020 wages in local police departments, but the amount of the 2020 state trooper increase was larger than the gap that existed in 2019 between starting state trooper salaries and the median starting salary of non-supervisory police officers in cities we examined.
- State data indicate that at least 58 percent of state troopers were recently receiving wage supplements, which increased their salaries beyond what is reflected in the base wages summarized above. As one example, nearly one-third of state troopers received “freeway trooper pay,” which supplemented their salaries by an amount equal to 2.6 percent of starting base pay. City contracts in 2019 also provided for various types of supplemental pay for police officers performing particular duties, but we did not obtain information on the extent to which departments actually used these provisions.
- All jurisdictions in our analysis paid law enforcement officers 1.5 times the base wage rate for overtime work.
- State troopers were responsible for paying a smaller share of family health and dental insurance premiums than police officers in most of the cities we examined. For employee-only insurance coverage, police officers in about half of the cities we examined paid no portion of the premiums; state troopers paid a small portion. State troopers are eligible to receive employer-subsidized post-retirement health care coverage that is not available to most city police officers.
- In recent years, Minnesota state troopers have paid a larger share of their salaries toward pensions than have city police officers.

¹ *Laws of Minnesota* 2020, chapter 100, sec. 20, codified as *Minnesota Statutes* 2020, 299D.03, subd. 2a.

- For the most part, the State Patrol and city police departments have paid for officers' uniforms and equipment—either by providing items as needed or by making lump-sum payments to offset the cost of an officer's purchases.
- State troopers received somewhat more generous starting and maximum vacation leave than officers in most of the police departments we examined.

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Introduction

The Office of the Legislative Auditor (OLA) was directed by the 2020 Legislature to conduct ongoing salary and benefits surveys to allow for comparison of compensation provided to Minnesota State Patrol troopers with police officers working for selected Minnesota cities.¹ The law said: “It is the legislature’s intent to use the information in this study to compare salaries between the identified police departments and the State Patrol and to make appropriate increases to patrol trooper salaries.”²

The law prescribed that the following cities be included in the comparison: (1) cities with a population in excess of 25,000 located within a “metropolitan county” if the city’s police officers are represented by a union certified by the Bureau of Mediation Services; and (2) cities of the first class.³ There are 31 cities that meet the first part of this definition, and four cities (Minneapolis, St. Paul, Duluth, and Rochester) that meet the statutory definition of cities of the first class. Minneapolis and St. Paul are included in both of the categories specified above, so our analysis examined compensation in a total of 33 cities, plus the State Patrol.

The law mandating the OLA study said:

The legislative auditor must base the survey on compensation and benefits for the past completed calendar year. The survey must be based on full-time equivalent employees. The legislative auditor must calculate compensation using base salary, overtime wages, and premium pay. Premium pay is payment that is received by a majority of employees and includes, but is not limited to, education pay and longevity pay. The legislative auditor must not include any payments made to officers or troopers for work performed for an entity other than the agency that employs the officer or trooper, regardless of who makes the payment. The legislative auditor must also include in the survey all benefits, including insurance, retirement, and pension benefits. The legislative auditor must include contributions from both the employee and employer when determining benefits.⁴

Due to time constraints, we conducted this initial compensation analysis using a combination of (1) a review of State Patrol and police department contract provisions and (2) information we requested and obtained directly from the State Patrol, cities, and

¹ *Laws of Minnesota 2020*, chapter 100, sec. 20, codified as *Minnesota Statutes 2020*, 299D.03, subd. 2a.

² *Ibid.*

³ A “metropolitan county” is defined in *Minnesota Statutes 2020*, 473.121, subd. 4, to include Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties. *Minnesota Statutes 2020*, 410.01, defines cities of the first class as “[t]hose having more than 100,000 inhabitants provided that once a city is defined to be of the first class, it shall not be reclassified unless its population decreases by 25 percent from the census figures which last qualified the city for inclusion in the class.” For more information about the statutory classification of cities, see Minnesota House of Representatives Research, *Classification of Cities* (St. Paul, November 2019).

⁴ *Laws of Minnesota 2020*, chapter 100, sec. 20, codified as *Minnesota Statutes 2020*, 299D.03, subd. 2a.

state retirement associations. Our analysis focused on compensation available to law enforcement officers in calendar year 2019. We focused exclusively on non-supervisory police officers and state troopers because we were told that the responsibilities of these positions were comparable.⁵ We obtained information from contracts on provisions for overtime and other types of premium pay, but we did not obtain information on actual agency expenditures in 2019 for supplemental compensation to individual officers.

The law required OLA to discuss each agency's salary structure, including the "minimum and maximum salaries for each range or step."⁶ We examined the number of steps in each agency's salary structure, and, for simplicity, our report presents the starting and top wages available to employees in each agency we examined. Our report presents comparative tables for the agencies we examined in cases where we thought this would be meaningful. In addition, our website has appendices with additional information regarding individual agencies' base wages and health insurance costs.

Law enforcement contracts cover a wide range of negotiated topics related to compensation, and our analysis does not address all of these topics. For example, we do not discuss differences in agency provisions for severance pay. Our analysis focused on categories of compensation that likely account for the overwhelming share of ongoing personnel outlays by law enforcement agencies: base wages; longevity pay; overtime and other supplemental wages; health care costs; retirement contributions; and provisions related to vacation leave, sick leave, and compensation for employee uniforms.

⁵ None of the state troopers represented by the Minnesota Law Enforcement Association have supervisory duties, according to the Minnesota Department of Management and Budget. The department said State Patrol lieutenants who supervise state troopers are unrepresented employees whose terms and conditions of employment are covered by the State of Minnesota's Commissioner's Plan.

⁶ *Laws of Minnesota* 2020, chapter 100, sec 20, codified as *Minnesota Statutes* 2020, 299D.03, subd. 2a.

Chapter 1: Base and Other Wages

This chapter discusses the “base wages” paid to non-supervisory law enforcement officers, as well as other wage compensation available to them.¹ We begin by reviewing the base salary structures in the jurisdictions we examined, including provisions for (1) base wage “steps” and (2) other pay linked directly to years of employment. For each jurisdiction, we then review the base wage paid to newly hired law enforcement officers, as well as the maximum base wage level an officer could have attained over time if the officer remained employed within the same jurisdiction. We also discuss provisions in law enforcement labor contracts for certain supplemental wages, such as compensation for overtime and time spent in court appearances.

Salary Structure

All of the employment contracts we examined for city police and State Patrol officers have provisions for base wages that are paid in “steps.” After the first wage step, each subsequent step has a higher wage rate than the step that preceded it. Employees progress through the steps based on factors specified in the employment contract.

For the law enforcement contracts we reviewed, officers typically moved from one step to another at time intervals specified in the contract. For example, Chaska’s 2019 police contract specified a starting pay rate for officers, with step increases after 6, 12, 24, and 36 months.

Some contracts supplemented step-based pay with provisions for “longevity pay.” For example, while the Chaska police department’s base wage steps ended after 36 months of service, the department provided longevity pay increases after an employee had been with the department 4, 8, 12, 16, and 20 years. Chaska’s step-based pay and longevity pay are both related to an employee’s length of service with the city.

Some departments have opted not to include contract provisions for longevity pay. For example, the 2019 Plymouth police contract said the following:

The parties recognize that the base wage provided for in this Agreement is a more equitable way of compensating Employees than through the use of special supplemental forms of compensation, such as longevity pay or educational incentive pay, and the wage rates established hereby recognize this understanding.²

Some law enforcement agencies allow their officers to choose between types of pay that supplement the base wage rate—for example, between pay based on longevity with the

¹ None of the state troopers represented by the Minnesota Law Enforcement Association have supervisory duties, according to the Minnesota Department of Management and Budget. The department said State Patrol lieutenants who supervise state troopers are unrepresented employees whose terms and conditions of employment are covered by the State of Minnesota’s Commissioner’s Plan.

² “Labor Agreement between the City of Plymouth and Law Enforcement Labor Services—Local 18 (Police Officers), January 1, 2018 - December 31, 2020,” 22.

department and pay based on college credits achieved—so longevity pay is not always guaranteed.³

Exhibit 1.1 shows the number of base wage and longevity pay steps in the contracts of the law enforcement agencies we examined. The number of base wage steps ranged from 3 (Duluth) to 11 (Rochester). The number of longevity pay steps ranged from none (in several agencies) to 20 (Minneapolis).

Exhibit 1.1: Base Wage Steps and Longevity Pay Steps, 2019

Law Enforcement Agency	Number of Base Wage Steps	Number of Longevity Pay Steps	Law Enforcement Agency	Number of Base Wage Steps	Number of Longevity Pay Steps
Apple Valley	6	0	Maplewood ^f	7	5
Blaine ^a	7	0	Minneapolis	7	20
Bloomington	5	3	Minnetonka	5	0
Brooklyn Center ^b	4	4	Oakdale	5	6
Brooklyn Park ^c	5	3	Plymouth	10	0
Burnsville ^d	4	0	Prior Lake	4	4
Chaska	5	5	Ramsey ^g	5	4
Coon Rapids	4	3	Richfield	5	0
Cottage Grove	7	4	Rochester	11	0
Duluth	3	2	Roseville ^b	5	5
Eagan	6	3	St. Louis Park	9	0
Eden Prairie	5	0	St. Paul	8	0
Edina	6	4	Savage	7	0
Fridley	5	4	Shakopee ^b	5	4
Inver Grove Heights ^{b, e}	10	4	White Bear Lake ^b	5	5
Lakeville ^b	4	14	Woodbury	5	3
Maple Grove	7	3	Minnesota State Patrol	8	0

^a Only employees hired before 1991 were eligible for longevity pay.

^b Officers had to choose between longevity pay and education-based pay. In Shakopee, officers chose between longevity pay and “incentive pay” (for education, fitness, community service, and/or foreign language proficiency).

^c Brooklyn Park had five base wage steps and three longevity steps for each patrol officer classification. The city had five such classifications (Patrol Officer 1 through Patrol Officer 5). Thus, overall, the city had 25 possible base wage steps and 15 longevity steps for patrol officers.

^d Officers hired before 1990 chose between longevity pay and education-based pay; longevity pay was not offered to more recently hired officers.

^e In addition to the four longevity pay steps, Inver Grove Heights provided one-time lump-sum payments to officers when they had worked for the city for 20 and 25 years.

^f Officers hired before 1986 chose between longevity pay and education-based pay; education-based pay was not offered to more recently hired officers.

^g Longevity pay was called “proficiency pay.”

SOURCE: Office of the Legislative Auditor, based on review of Minnesota Department of Public Safety and city police department contracts.

³ The 2019 contracts of Bloomington, Burnsville, Duluth, and Richfield provided supplemental pay for some or all employees based on education attained. Four other cities (Blaine, Fridley, Maplewood, and Prior Lake) had similar provisions that only applied to employees hired years ago—in three of these cases, more than 30 years ago—so it is likely that those provisions applied to few, if any, officers in 2019. Seven other cities (Brooklyn Center, Inver Grove Heights, Lakeville, Minnetonka, Roseville, Shakopee, and White Bear Lake) offered education-based pay as an option among other alternatives, such as longevity pay.

Although some agencies considered employee performance when determining which employees should move to new wage steps, the 2019 contracts we examined did not have explicit provisions for performance-based pay for law enforcement officers.⁴

Starting Wages

We reviewed the 2019 contracts of 33 city police departments and the State Patrol’s contract to determine the starting wage paid to a city police officer and a state trooper—that is, the wage paid at the lowest step in the pay structure.⁵ We were told that the job duties of officers in these starting, non-supervisory positions are comparable. In addition, because newly hired officers have not yet accumulated years of service within their departments (and would therefore not be eligible for longevity pay if their departments offered it), the starting wages in our analysis were based entirely on the departments’ base wage schedules.

The base starting wage for a state trooper in 2019 was slightly below the median base starting wage for police officers in the cities reviewed.

It is important to consider starting pay because the initial employee wage level may affect the ability of a law enforcement agency to recruit new employees. Exhibit 1.2 shows starting monthly wages for the agencies we examined.

Starting 2019 wages for city police officers ranged from \$4,429 per month in Fridley to \$5,992 in Inver Grove Heights. Among the 33 city police departments we reviewed, the median 2019 starting monthly wage was \$5,053. The starting monthly wage for a state trooper was \$4,822, which was 4.6 percent below the median starting salary of the police departments we examined.

This analysis of 2019 wages does not take into account some key issues we discuss later in this chapter: (1) the Legislature’s mandated increase in state troopers’ wages, effective October 2020; and (2) supplemental pay provided to troopers or police officers. Although we did not review city police officer wages for 2020, the legislatively mandated 8.4 percent increase in state trooper salaries in 2020 was larger than the gap (4.6 percent) between state trooper and median police officer salaries we reported for 2019. Furthermore, as we discuss later, more than half of state troopers received some type of supplemental compensation, beyond the base wage rate.⁶ Even

⁴ The Eden Prairie 2019 contract said, “Advancement of steps will be granted based on a minimum of 12 months served at each step, in addition to positive performance evaluation.” The St. Louis Park contract said, “Employees must achieve above average performance as determined by the Police Chief to advance to the next step.” But aside from these provisions that required acceptable performance to advance through wage steps, we did not see any 2019 contracts that provided performance-based pay for patrol officers.

⁵ Employment contracts may authorize a department to determine the step at which a new employee should be placed; in such cases, newly hired officers might not start at the lowest step.

⁶ One type of supplemental pay—freeway trooper pay—was not provided to troopers working in two outstate metropolitan areas (Duluth and Rochester) whose city police contracts we reviewed as part of our analysis.

Exhibit 1.2: City Police Officer and State Trooper Starting Monthly Wages, 2019

Law Enforcement Agency	Starting Monthly Wage	Law Enforcement Agency	Starting Monthly Wage
Inver Grove Heights	\$5,992.13	Apple Valley	\$5,027.00
Minnetonka	5,496.40	Rochester	4,959.07
Minneapolis	5,451.33	Burnsville	4,902.00
St. Paul	5,352.53	Woodbury	4,884.53
Shakopee	5,249.89	Maple Grove	4,825.25
Edina	5,235.38	Minnesota State Patrol	4,822.00
Plymouth	5,219.07	Maplewood	4,812.68
St. Louis Park	5,200.00	Duluth	4,728.00
Eden Prairie	5,180.93	Prior Lake	4,725.00
Bloomington	5,166.00	Savage	4,699.07
Richfield	5,162.84	Brooklyn Center	4,681.27
Brooklyn Park	5,146.27	Blaine	4,681.00
Eagan	5,109.35	Roseville	4,616.16
Lakeville	5,101.20	Ramsey	4,597.17
Chaska	5,096.00	Oakdale	4,590.30
Coon Rapids	5,056.13	White Bear Lake	4,481.92
Cottage Grove	5,052.67	Fridley	4,428.67

SOURCE: Office of the Legislative Auditor, based on review of Minnesota Department of Public Safety and city police department contracts.

if considering only the impact of the across-the-board, 8.4 percent trooper wage increase, it seems plausible that state trooper starting base wages may now be closer to the median city police starting wage than they were in 2019, or may exceed it.⁷

Top Wages

While starting wages can affect the ability of law enforcement agencies to recruit new officers, the “top wages” may be one factor that affects agencies’ ability to retain officers for extended periods.⁸ For our analysis of “top wages,” we only considered those wages that were paid to non-supervisory officers who stayed with an agency long enough to obtain the highest compensation on the base wage and (if applicable) the longevity pay schedules.⁹ Our analysis of top wages did not consider the extent to which non-supervisory officers had opportunities to receive (or actually received) overtime or other types of supplemental pay.

⁷ An 8.4 percent increase in the 2019 state trooper starting monthly base wage (\$4,822) yields a monthly base wage of \$5,227. The 2019 median starting base wage among the city police departments we reviewed was \$5,053, and we did not collect information on the 2020 median wage of police departments.

⁸ The Minnesota Department of Management and Budget told us that job retention has not been a problem among state troopers. The department said the state retains 98.5 to 99.0 percent of state troopers from one year to the next, which is above the average retention rate for other executive branch job classifications.

⁹ In the case of the City of Minnetonka, which offered no longevity pay, we assumed that the top possible wage included the full amount of “incentive pay” provided for by the contract. Officers could receive incentive pay equal to as much as 10 percent of base pay if they (1) had at least a bachelor’s degree, (2) took specified amounts of training annually, (3) did at least 50 hours of community service per year, (4) passed an annual written skill assessment, and (5) made progress on personal wellness/fitness goals.

For example, we determined that the 2019 contract for the Maplewood Police Department allowed for a top monthly salary of \$7,638 for a police officer who was not a supervisor. This was the amount that would have been paid to such an officer who reached the highest step of the base wage schedule (\$6,912) and whose tenure of at least 20 years of continuous employment with the department qualified the officer for longevity pay equal to 10.5 percent of the base wage rate.

The top base wage that could be earned by non-supervisory state troopers in 2019 was substantially less than the top base wage available to non-supervisory police officers in most cities we reviewed.

Exhibit 1.3 shows the top monthly wages available to police officers in the cities we examined and to state troopers.

Exhibit 1.3: Non-Supervisory Police Officer or State Trooper Top Wages, 2019

Law Enforcement Agency	Top Monthly Wage	Law Enforcement Agency	Top Monthly Wage
Brooklyn Park	\$8,304.40	Maple Grove	\$7,464.60
Inver Grove Heights	8,237.49	Brooklyn Center	7,434.96
Bloomington	8,044.00	Apple Valley	7,393.00
Eagan	8,042.70	Blaine	7,380.00
Eden Prairie	7,921.33	Cottage Grove	7,358.95
Minneapolis	7,907.47	Oakdale	7,350.25
St. Louis Park	7,895.96	Fridley	7,347.62
Edina	7,865.47	Roseville	7,319.89
Plymouth	7,836.40	White Bear Lake	7,249.69
Minnetonka ^a	7,708.65	Shakopee	7,194.79
Lakeville	7,694.49	Prior Lake	7,174.38
Burnsville	7,690.10	Rochester	7,172.53
Coon Rapids	7,672.81	Savage	7,118.80
Chaska	7,649.92	Ramsey	7,092.83
Maplewood	7,637.99	Richfield	6,976.28
St. Paul	7,616.27	Minnesota State Patrol	6,344.00
Woodbury	7,578.12	Duluth	6,278.04

NOTE: The "top wage" available to officers in a given department is the combination of the highest base wage available in the employment contract and, if applicable, the highest amount available for "longevity pay" in the contract.

^a For the City of Minnetonka, we assumed that the top wage included the highest base wage level and the maximum amount of incentive pay provided for by that city's contract.

SOURCE: Office of the Legislative Auditor, based on review of Minnesota Department of Public Safety and city police department contracts.

As shown in the table, the top wage available to police officers in the 33 city police departments we examined ranged from \$6,278 in Duluth to \$8,304 per month in Brooklyn Park. The median of the top wages in these police departments was \$7,578 per month.

The top wage available to non-supervisory state troopers in 2019 was \$6,344, or 16.3 percent less than the median top wage for non-supervisory officers in the police departments we reviewed. The state trooper top wage was higher than the top wage of only one police department (Duluth) we examined, and it was usually well below the top wage of the other police departments in our review. There was no provision for longevity pay for state troopers in the State Patrol contract, in contrast to the practices of many police departments.

The absence of longevity pay in a department does not necessarily mean the department will have lower overall wages than those in law enforcement agencies that offer longevity pay.¹⁰ Nonetheless, it is worth noting that troopers' top 2019 wage lagged behind the median police department top wage by an amount (16 percent) that exceeded the amount by which troopers' starting 2019 wage lagged behind the median police department starting wage (5 percent). This suggests that state trooper and city police officer salaries tended to be more competitive at the early stages of their careers; over time, the salaries of state troopers tended to fall farther behind the salaries of city police officers.

Again, it is important to note that our discussion of 2019 top wages does not take into account (1) the legislative mandated 2020 increase in state trooper salaries (discussed in the next section) or (2) supplemental pay received by law enforcement officers. The 8.4 percent increase in state trooper pay that took effect in October 2020 helped to offset the difference we noted above between the top pay of state troopers and the median top pay of city police officers, but the increase did not eliminate this pay gap; for base wages, state troopers still have top pay levels below those of most cities.

2020 State Trooper Salary Increase

The focus of our review was wages in 2019, the most recent year for which we had contracts for all of the law enforcement agencies we examined. However, it is important to note that in its Fifth Special Session of 2020, the Legislature mandated an increase in the wages paid to state troopers. Specifically, language passed in October 2020 said: "The commissioner of public safety must increase the salary paid to state patrol troopers by 8.4 percent."¹¹ While the law specified the effective date of the increase as "the day following final enactment" (the increase took effect October 22, 2020), the law was silent on other implementation specifics. The Minnesota Department of Management and Budget told us the increase was made as a permanent adjustment to the base salary paid to state troopers.¹²

¹⁰ The top wages calculated in our analysis reflected a combination of regular (or "base") wages and any supplements given for longevity. It is possible that departments that did not offer longevity pay had higher base wage rates, thus offsetting the fact that they did not have longevity pay adjustments.

¹¹ *Laws of Minnesota 2020*, Fifth Special Session, chapter 3, art. 9, sec. 6.

¹² As of February 2021, negotiations between the State of Minnesota and the Minnesota Law Enforcement Association regarding a contract covering the period from July 1, 2019, through June 30, 2021, were still ongoing.

A March 2020 fiscal note prepared by the executive branch and signed by the Legislative Budget Office expressed concerns about this language in an earlier bill. The fiscal note said this language would not eliminate the Minnesota Department of Management and Budget's obligation to negotiate a contract with the Minnesota Law Enforcement Association, but it would define a key part of the agreement through a process other than collective bargaining. The fiscal note also said:

It is also unclear how processes that establish compensation for only some but not of all the union will impact negotiating for the collective as a whole. The proposed language only speaks to pay increases for one of the thirteen job classifications within the bargaining unit, which will have significant but unknown impacts on [the Minnesota Department of Management and Budget's] ability to settle the contract given the potential resistance of the twelve job classifications that are not subject to the benefits of this bill.¹³

The fiscal note said that the 8.4 percent increase for state troopers would probably result in many troopers having higher salaries than their supervisors, which might then necessitate wage increases for those supervisory positions. The fiscal note also said that such an increase would probably result in some inequities between state troopers and (1) other state law enforcement officers, such as Department of Natural Resources conservation officers and Bureau of Criminal Apprehension special agents and (2) some female-dominated job classifications. Wage adjustments made in response to these differences could result in "potentially significant" fiscal impacts beyond those for state troopers, the fiscal note said.¹⁴

Overtime

Law enforcement contracts define overtime as hours worked at the employer's direction in excess of an officer's regularly scheduled shifts.

As a general rule, all police departments we reviewed, as well as the State Patrol, paid their officers 1.5 times their regular salary rate for overtime work.

Although all contracts we reviewed provided for paying time-and-a-half to officers for overtime, a few contracts had limited exceptions to this general rule. For example, the Chaska police contract required that officers receive double time for any hours worked beyond 14 continuous hours. Some contracts required payment of rates above 1.5 times the regular pay rate for overtime hours worked on holidays.

Contracts had some differing provisions about the way that overtime was paid—for example, whether employees had the option of receiving overtime pay in the form of

¹³ Consolidated Fiscal Note for Senate File 9117-0, 2019-2020 Legislative Session, 9. The lead agency for this fiscal note was the Department of Public Safety. On March 16, 2020, a lead analyst for the Legislative Budget Office said: "I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures."

¹⁴ *Ibid.*, 10.

compensatory time. In addition, a majority of contracts we reviewed provided for overtime to be calculated to the nearest 15 minutes, but a few specified shorter periods (to the nearest 6 minutes or the nearest 12 minutes), and some did not specify how overtime would be calculated.

We also examined overtime provisions for law enforcement officers appearing in court outside of their regular work shifts. All contracts we reviewed provided for paying employees 1.5 times their regular rate of pay if they were required to appear in court on a day they were not otherwise scheduled to work. However, as shown in Exhibit 1.4, the contracts differed in their provisions about the minimum number of hours for which employees would receive pay for “court time.” Contracts for state troopers and police officers in two cities we reviewed (Edina and White Bear Lake) required payment for a minimum of two hours for court appearances on off-days. Four cities (Duluth, Maplewood, Rochester, and St. Paul) required payment for at least four hours. Other cities required payment for at least 2.5 or 3.0 hours, except for Minneapolis, whose police contract did not specify a minimum number of hours.

Exhibit 1.4: Minimum Number of Hours of “Court Time” Overtime Pay Received by Off-Duty Law Enforcement Officers

<u>Minimum Hours Paid</u>	<u>Law Enforcement Agency</u>
2.0 hours	Edina, White Bear Lake, Minnesota State Patrol
2.5 hours	Bloomington, Minnetonka
3.0 hours	Apple Valley, Blaine, Brooklyn Center, Brooklyn Park, Burnsville, Chaska, Coon Rapids, Cottage Grove, Eagan, Eden Prairie, Fridley, Inver Grove Heights, Lakeville, Maple Grove, Oakdale, Plymouth, Prior Lake, Ramsey, Richfield, Roseville, St. Louis Park, Savage, Shakopee, Woodbury
4.0 hours	Duluth, Maplewood, Rochester, St. Paul
Unspecified minimum	Minneapolis

SOURCE: Office of the Legislative Auditor, based on review of Minnesota Department of Public Safety and city police department contracts.

Contracts also differed regarding the conditions under which off-duty officers would be paid for scheduled court appearances that were subsequently cancelled. For example, a Savage officer—who would have received at least 3.0 hours of time-and-a-half pay for appearing in court on an off-day—would have received 2.0 hours of regular base pay if the appearance was cancelled with less than 16 hours advance notice. In contrast, an off-duty Maplewood officer would have received the same payment—a minimum of 4.0 hours of time-and-a-half pay—for a court appearance cancelled less than 36 hours beforehand as for a court appearance that occurred at the scheduled time. Under the Minnesota State Patrol contract, a state trooper whose appearance in court was cancelled after 4:00 p.m. on the day prior to the scheduled appearance had to be paid for two hours of work at time-and-a-half pay.

All but one contract we reviewed had provisions for paying law enforcement officers 1.5 times their regular rate of pay if they were “called back” to work on a work day during their off-duty hours.¹⁵ But, as Exhibit 1.5 shows, the minimum number of hours of “call-back pay” an officer would receive ranged from two hours to four hours, depending on the department for which the officer worked.

Exhibit 1.5: Minimum Number of Hours of “Call-Back” Overtime Pay Received by Off-Duty Law Enforcement Officers

Minimum Hours Paid	Law Enforcement Agency
2.0 hours	Brooklyn Center, Coon Rapids, Cottage Grove, Eden Prairie, Maple Grove, Maplewood, Minnetonka, Plymouth, Prior Lake, Ramsey, Richfield, Roseville, Savage, White Bear Lake, Woodbury, Minnesota State Patrol
2.5 hours	Bloomington, Burnsville
3.0 hours	Apple Valley, Blaine, Brooklyn Park, Chaska, Eagan, Edina, Fridley, Inver Grove Heights, Lakeville, Oakdale, St. Louis Park, Shakopee
4.0 hours	Duluth, Minneapolis, St. Paul

NOTE: The Rochester contract did not have provisions for a minimum number of hours of overtime pay for officers called back to duty.

SOURCE: Office of the Legislative Auditor, based on review of Minnesota Department of Public Safety and city police department contracts.

Other Wage Provisions

In addition to the categories of law enforcement wages we have discussed so far, there were some other wage provisions that deserve mention.

The state trooper contract and the city police contracts we reviewed all had provisions for premium or supplemental pay for officers performing certain specialized tasks.

For example, according to data we obtained from the Minnesota Department of Management and Budget, at least 58 percent of state troopers were recently receiving wage supplements, which increased their salaries above the base wages shown earlier.¹⁶ While it was common for law enforcement contracts to have provisions for “specialty” pay, the arrangements for this type of pay defy easy comparison. The 2019 contract for state troopers had provisions for several types of specialized pay for which we saw no

¹⁵ The Rochester contract said employees were eligible to receive call-back pay as specified in the labor agreement. But the agreement for 2019 had no specific discussion of call-back pay, except for a provision to pay double time if the officer was called in to work on a holiday when otherwise scheduled to be off duty.

¹⁶ The data provided by the Minnesota Department of Management and Budget did not show wage supplements provided to state troopers for special duties that were assigned by the individual districts in which the troopers worked. According to the state trooper contract, these “special assignments within district” include field training officers, background investigators, and recruit academy staff officers.

counterpart premiums in jobs performed by local police officers. For example, the state trooper contract provided for the following types of supplemental pay:

- **“Freeway trooper” pay.** Officers who were permanently assigned to freeway duty received a supplemental amount equal to 2.6 percent of the starting trooper wage level. As of early 2021, 31 percent of state troopers received freeway trooper supplemental pay.
- **Accident reconstruction pay.** Officers who were assigned to supplement their regular patrol duties by conducting accident reconstructions received an additional amount equal to 3 percent of their base wage level. As of early 2021, less than 4 percent of state troopers received accident reconstruction supplemental pay.
- **Pilot pay.** State troopers who were designated by the State Patrol as pilots and licensed by the Federal Aviation Administration received a supplement to their base pay of 11 percent (for “fixed wing” airplane pilots) or 13 percent (for helicopter pilots). As of early 2021, just over 1 percent of state troopers received supplemental pay for working as pilots.¹⁷

The city police departments we examined did not provide premium pay to officers for freeway duties, accident reconstruction, or pilot duty. The most common types of supplemental pay we observed in local police contracts were available to patrol officers who performed the following specialized duties:

- Detective or investigative duties.
- Duties as a “school resource officer” or juvenile officer.
- Duties as a “field training officer,” providing training to other officers within the city police department.
- Responsibilities for training, handling, or caring for police canines.

A majority of the 33 local police departments we reviewed had contract provisions for supplemental compensation for officers in the categories above. However, there were many other provisions—in smaller numbers of police departments—that provided for supplemental pay for officers performing various other specialized positions, such as narcotics officers, special weapons and tactics (SWAT) specialists, and crime prevention specialists.

¹⁷ Besides these three categories, the state trooper contract also established supplemental pay for non-supervisory troopers who were designated as: station sergeants; technical sergeants; safety education coordinators; crash reconstruction coordinators; field training officers; background investigators; and recruit academy staff officers. Statewide data assembled by the Minnesota Department of Management and Budget in early 2021 indicated that 15 percent of state troopers received an 8 percent wage supplement as technical sergeants, and 13 percent received a 3 percent wage supplement as station sergeants. Some troopers received more than one type of supplemental pay.

While we examined contract provisions for specialized pay, we did not collect complete information on the actual use of these provisions from each of the law enforcement agencies in our analysis. Therefore, we did not assess the impact of specialized pay on compensation for individual officers or across agencies.

Several law enforcement agencies paid supplemental wages to officers based on whether they worked certain time slots—such as overnight shifts—specified in their contracts.

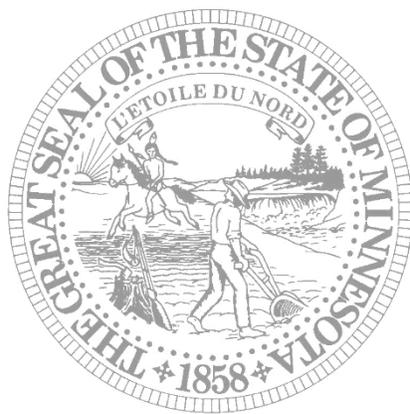
Eight city police departments we examined had contracts that required payment of “shift differentials” to officers who worked during specified hours, typically at night.¹⁸ For officers working during these hours, the contract specified a supplemental amount that would be added to their wages. Most contracts specified a supplement to the hourly wage amount, and these supplements ranged from \$0.25 to \$1.44 per hour. St. Paul’s police contract specified a supplemental percentage increase in base pay; in 2019, a St. Paul police officer who worked between the hours of 6:00 p.m. and 6:00 a.m. received a wage supplement of 6.5 percent for hours worked in that time frame.

The contract for state troopers provided for a uniform supplemental monthly payment to each officer instead of differing payments based on the shifts that individual troopers worked. This amounted to supplemental pay of \$720 per year for each trooper. The contract said:

Because of the frequency of changes in shift assignments, starting and stopping times, and rotation of shifts, thereby making shift premiums difficult to determine, effective the first payroll period after October 3, 2018, the Employer will increase the wages of all employees sixty (\$60.00) dollars per month in lieu of any shift differential.¹⁹

¹⁸ The cities were Chaska, Eagan, Fridley, Minneapolis, Oakdale, St. Paul, and Savage.

¹⁹ “Agreement between the Minnesota Law Enforcement Association and the State of Minnesota, July 1, 2017 through June 30, 2019,” 68.



Chapter 2: Health Insurance Costs

Employee health insurance can be very complex, making it challenging to comprehensively compare insurance provisions and costs across multiple health plans and jurisdictions. This chapter provides a starting point for comparing the health insurance costs paid by state troopers and the city law enforcement officers included in our review (and the costs paid by their employers). To make comparisons, we adopted some simplifying rules.

First, we focused on the cost of insurance premiums, not on the array of insurance benefits provided. Insurance plans vary in the extent to which they cover health-related procedures and medications. We did not examine differences in insurance coverage; we focused instead on the monthly cost of the insurance, especially the portion borne by the employee.¹

Second, in each of the jurisdictions we examined, we focused exclusively on the medical insurance plan that had the highest monthly premium cost. Jurisdictions may offer multiple health plan options for employees to choose from, with a range of costs. By focusing on health plans with higher premiums, we compared the costs of plans that were the most comprehensive ones offered by the jurisdictions we examined.²

Third, we limited our focus to employee-only coverage and family coverage. Health insurance costs vary depending on who is covered by the health plan. Insurance arrangements that only cover the employee typically have the lowest monthly premiums. On the other hand, it is more expensive to provide full family coverage—insurance for the employee, a spouse or domestic partner, and dependent children. Jurisdictions may offer options other than employee-only and family coverage, such as coverage for only the employee and a spouse, or for only the employee and a child. Rather than looking at all available options, we focused on employee-only and family coverage.

Fourth, there are various types of employer-provided insurance, but we examined only medical and dental insurance. We did not compare separate provisions for life insurance or vision care, for example. In addition, our analysis assumed that employees enrolled in both medical and dental insurance, although dental insurance is optional in some jurisdictions we reviewed.³

To make comparisons, we relied largely on “rate sheets” that jurisdictions have prepared to summarize their health insurance costs—particularly, the premiums charged, and the respective shares of those premiums paid by the employer and the

¹ We focused largely on premium costs. Insurance plans also vary in the deductibles or co-payments for which an enrollee may be responsible, but we did not compare these.

² We did not obtain data on the number of enrollees in high-premium plans, or assess how the number of enrollees in high-premium plans compared with enrollments in other plans the jurisdictions offered.

³ For cases in which employees could choose from multiple dental plans, we assumed that employees enrolled in plans that provided “basic” or “comprehensive” coverage, even if the employees had options for broader coverage (such as plans including orthodontics). We did not consider scenarios in which employees might choose not to purchase medical or dental insurance from their employer.

employee.⁴ We generally did not look at more detailed documents regarding specific types of coverages or exclusions, so there may have been nuances regarding the health plans that we did not fully consider.

In addition to looking at the costs of employee-only and family health insurance coverage for current employees of law enforcement agencies, this chapter examines post-retirement provisions for law enforcement officers' health insurance.

Family Coverage

We examined 2019 contract provisions for employees who selected “family coverage”—that is, insurance that would cover the employee and members of the employee’s immediate family.

State troopers typically paid a smaller share of family health insurance premiums in 2019 than police officers in the cities we reviewed.

Exhibit 2.1 provides a summary of health and dental premiums for family insurance coverage in the various jurisdictions we examined, along with the employer and employee shares of these premiums. The exhibit indicates that combined medical and dental premiums ranged from \$1,378 per month (Prior Lake) to \$2,815 (Rochester). The share of this coverage paid by employees ranged from \$269 per month (Rochester) to \$1,643 (Maple Grove).

The amounts of the employee premium payments were partly offset in some jurisdictions by ongoing city contributions to “health reimbursement accounts” (HRAs) or “voluntary employee beneficiary association” (VEBA) plans. Such accounts are intended to help employees pay for their out-of-pocket health care costs.⁵ While a majority of the jurisdictions shown in Exhibit 2.1 did not provide ongoing employer contributions to HRAs or VEBAs, the amounts of the contributions in some jurisdictions were substantial.

For the health and dental insurance plans we examined, state troopers had the third lowest employee share of premiums (13.5 percent, or \$274 per month) in 2019 of the state and local agencies we examined. Rochester police officers had the lowest share, with 9.6 percent, while Duluth officers had the second lowest share, with 12.2 percent. The highest employee share of family health and dental insurance premiums was 64 percent (St. Paul).⁶

⁴ An appendix provided at the Office of the Legislative Auditor’s website for this report provides additional details on each agency’s health insurance costs.

⁵ Some jurisdictions also have employer contributions to “health saving accounts” (HSAs). These accounts were not very common for the high-premium plans we included in Exhibit 2.1, and city contributions to those accounts are not shown in the exhibit. HSAs are employee-owned, while HRAs are owned by the employer and remain with the employer if the employee changes jobs.

⁶ The St. Paul plan with the highest premium (called the “\$35 co-pay choice plan”) had employee costs that were significantly higher than the city’s other plans, so we also looked at the cost of the plan with the second highest premium (called the “PPO \$2,500 deductible plan”). For that plan, the employee share of the family health and dental insurance premiums was about 14 percent.

Exhibit 2.1: Health and Dental Monthly Premiums and Employer/Employee Shares for Highest Premium Plan with Family Coverage, 2019

Law Enforcement Agency	Total Medical and Dental Premium	Employer Share	Employee Share	Employer HRA or VEBA Contribution ^a
Apple Valley	\$2,442.50	\$ 939.50	\$1,503.00	\$ 0.00
Blaine	2,596.50	1,240.00	1,356.50	0.00
Bloomington	2,389.24	1,583.72	805.52	0.00
Brooklyn Center	1,936.60	1,198.00	738.60	0.00 ^b
Brooklyn Park	2,479.43	1,535.08	944.35	125.00
Burnsville	2,058.61	920.00	1,138.61	170.00
Chaska	2,365.43	1,428.00	937.43	0.00
Coon Rapids	1,996.25	1,066.67	929.58	208.34
Cottage Grove	1,504.36	1,079.60	424.76	0.00 ^b
Duluth	2,293.00	2,012.80	280.20	0.00
Eagan	1,950.46	1,453.10	497.36	250.00
Eden Prairie	1,851.62	1,222.06	629.56	95.00
Edina	1,979.05	1,524.71	454.34	208.34
Fridley	2,500.49	1,706.04	794.45	0.00
Inver Grove Heights	2,315.46	957.05	1,358.41	0.00
Lakeville	1,838.32	1,101.20	737.12	205.00
Maple Grove	2,683.07	1,040.00	1,643.07	0.00
Maplewood ^c	1,972.11	1,380.59	591.52	0.00
Minneapolis	1,899.00	1,589.00	310.00	190.00
Minnetonka	2,579.43	1,390.50	1,188.93	0.00
Oakdale	1,889.07	1,507.38	381.69	80.00
Plymouth	1,850.40	1,094.62	755.78	187.50
Prior Lake	1,378.06	990.00	388.06	0.00
Ramsey	2,066.35	1,169.25	897.10	130.00
Richfield	1,866.00	1,389.75	476.25	0.00
Rochester	2,814.67	2,545.45	269.22	0.00
Roseville	1,708.60	1,255.00	453.60	125.00
St. Louis Park	2,512.54	1,355.00	1,157.54	0.00
St. Paul	2,211.40	796.32	1,415.08	0.00
Savage	2,130.47	1,386.98	743.49	0.00
Shakopee	2,230.65	1,345.00	885.65	0.00
White Bear Lake	1,814.06	1,147.09	666.97	0.00
Woodbury	1,812.77	1,246.71	566.06	333.33
Minnesota State Patrol	2,028.50	1,754.36	274.14	0.00

NOTES: Additional details on agency health insurance costs are in an appendix at the Office of the Legislative Auditor's website. We assumed that employees enrolled in dental coverage, although it is voluntary in some jurisdictions. If a city's insurance contribution exceeded the amount of the medical premium, we applied the remaining city contribution to dental (up to the full amount of the dental premium). If employees had an option to enroll in a wellness program to get lower health insurance premiums, we assumed that they did so.

^a A Health Reimbursement Account (HRA) or Voluntary Employees Beneficiaries Association (VEBA) plan is funded by the employer to pay for health care costs that are not covered by the standard health insurance plan. The amounts shown in this column include ongoing agency contributions to individuals' HRAs or VEBAs. Some cities contribute to HRAs to pay for a portion of the employee's health care expenses up to an insurance deductible limit, and those HRA expenditures are not reflected here.

^b The city made contributions to HRAs to help cover the cost of employees' health insurance deductibles, and these contributions are not reflected here.

^c The rates shown are those for employees hired before January 1, 2013.

SOURCE: Office of the Legislative Auditor, based on review of information provided by individual cities and the Minnesota Department of Management and Budget.

It is important to reiterate the limitations of our analysis, outlined at the beginning of this chapter. For example, we reviewed only the high-premium plan in each jurisdiction, and the plans vary in what they covered. In addition, our exhibit does not comprehensively assess the fiscal impact on employees of the health-related provisions of law enforcement contracts. For example, some cities provide a standard city contribution that can be applied toward any of the employee's insurance costs, and they allow employees to receive as income any amount of the city contribution that exceeds the employee's insurance costs. We considered city contributions only up to the amount of employee health insurance premiums. In addition, we did not consider employer practices for providing "health savings account" options to employees.

Employee-Only Coverage

We also examined costs for "employee-only" health insurance—that is, insurance which, by choice of the employee, covered only the employed law enforcement officer in the jurisdictions we examined and not other members of the officer's family.

Police officers did not pay any share of the premium cost for employee-only health and dental insurance in nearly half of the city police departments we reviewed; state troopers paid a small share of employee-only premiums.

Exhibit 2.2 provides a summary of health and dental insurance premiums for employee-only coverage. The exhibit indicates that combined medical and dental premiums for employee-only coverage ranged from \$501 per month (Prior Lake) to \$1,074 (Eagan). The shares of these premiums paid by employees ranged from \$0 per month in multiple jurisdictions to \$422 (St. Paul).⁷ As indicated previously, these comparisons are based on the health plan with the highest premium in each jurisdiction.

As with employees who opted for family coverage, some jurisdictions provided HRA or VEBA contributions to employees with single-coverage insurance—in addition to the employer directly paying for a part of the insurance premium. The largest monthly HRA or VEBA payment we saw for law enforcement officers with employee-only coverage was \$200 per month (Roseville).

Exhibit 2.2 shows that 15 city police departments we examined did not require an employee contribution for employee-only health and dental insurance. The employee-only insurance contribution for state troopers was \$46 per month, which was less than 7 percent of the premium cost.

⁷ The St. Paul plan with the highest premium (called the "\$35 co-pay choice plan") had employee costs that were significantly higher than the city's other plans, so we also looked at the cost of the plan with the second highest premium (called the "PPO \$2,500 deductible plan"). For that plan, the employee share of the family health and dental insurance premiums was about \$7 per month.

Exhibit 2.2: Health and Dental Monthly Premiums and Employer/Employee Shares for Highest Premium Plan with Employee-Only Coverage, 2019

Law Enforcement Agency	Medical and Dental Premium	Employer Share	Employee Share	Employer HRA or VEBA Contribution ^a
Apple Valley	\$ 939.50	\$ 939.50	\$ 0.00	\$ 0.00
Blaine	1,069.00	1,069.00	0.00	0.00
Bloomington	796.76	796.76	0.00	0.00
Brooklyn Center	738.60	738.60	0.00	0.00 ^b
Brooklyn Park	886.43	657.08	229.35	125.00
Burnsville	960.78	920.00	40.78	145.00
Chaska	913.06	913.06	0.00	0.00
Coon Rapids	760.62	698.33	62.29	104.18
Cottage Grove	554.97	554.97	0.00	0.00 ^b
Duluth	922.00	922.00	0.00	0.00
Eagan	1,074.04	1,002.08	71.96	125.00
Eden Prairie	765.53	729.33	36.20	50.00
Edina	754.30	754.30	0.00	104.17
Fridley	781.98	762.88	19.10	0.00
Inver Grove Heights	876.91	724.59	152.32	0.00
Lakeville	692.17	644.63	47.54	160.00
Maple Grove	895.29	895.29	0.00	0.00
Maplewood ^c	795.08	795.08	0.00	158.33
Minneapolis	723.00	627.00	96.00	90.00
Minnetonka	992.00	992.00	0.00	0.00
Oakdale	686.97	686.97	0.00	70.00
Plymouth	731.44	731.44	0.00	187.50
Prior Lake	501.38	455.74	45.64	0.00
Ramsey	776.45	761.45	15.00	130.00
Richfield	729.75	729.75	0.00	186.50
Rochester	1,019.83	970.73	49.10	0.00
Roseville	620.31	620.31	0.00	200.00
St. Louis Park	903.90	898.90	5.00	0.00
St. Paul	836.18	413.84	422.34	0.00
Savage	733.70	683.70	50.00	0.00
Shakopee	702.00	560.00	142.00	0.00
White Bear Lake	646.00	513.21	132.79	0.00
Woodbury	504.38	436.54	67.84	166.67
Minnesota State Patrol	689.56	643.58	45.98	0.00

NOTES: Additional details on agency health insurance costs are in an appendix at the Office of the Legislative Auditor's website. We assumed that employees enrolled in dental coverage, although it is voluntary in some jurisdictions. If a city's insurance contribution exceeded the amount of the medical premium, we applied the remaining city contribution to dental (up to the full amount of the dental premium). If employees had an option to enroll in a wellness program to get lower health insurance premiums, we assumed that they did so.

^a A Health Reimbursement Account (HRA) or Voluntary Employees Beneficiaries Association (VEBA) plan is funded by the employer to pay for health care costs that are not covered by the standard health insurance plan. The amounts shown in this column include ongoing agency contributions to individuals' HRAs or VEBAs. Some cities use HRAs to pay for a portion of the employee's health care expenses up to an insurance deductible limit, and those HRA expenditures are not reflected here.

^b The city made contributions to HRAs to help cover the cost of employees' health insurance deductibles, and these contributions are not reflected here.

^c The rates shown are those for employees hired before January 1, 2013.

SOURCE: Office of the Legislative Auditor, based on review of information provided by individual cities and the Minnesota Department of Management and Budget.

Post-Retirement Health Care Benefits

In general, law enforcement employees—like other people—become eligible for Medicare when they turn age 65.⁸ Individuals who started a law enforcement career at age 22 (after completing a four-year college degree) and who retire from law enforcement 33 years later (at age 55) could have as long as 10 years without employer-based health insurance before they could enroll in Medicare.⁹

State troopers can qualify for early retirement incentives that help cover the cost of post-retirement health insurance. These same incentives were not typically available to the city police officers included in our review.

State employees who retire prior to age 65 may choose to continue purchasing health insurance through the State of Minnesota after retirement. As a general rule, retired state employees are responsible for paying the full cost of premiums for this insurance—in contrast to current state employees, for whom the State of Minnesota pays a large share (the “employer share”) of the insurance cost.¹⁰

However, under the Minnesota Law Enforcement Association contract for fiscal years 2018-2019, certain retired state troopers qualified for up to ten years of state-paid employer contributions toward their health insurance premium. The contract specified various conditions that an employee had to meet to qualify for this early retirement incentive. But a state trooper meeting these conditions who was age 55 or older could retire and have the State of Minnesota pay for the employer portion of health and dental family coverage until the former trooper reached age 65.¹¹ The retiree would be required to pay the remaining portion (the “employee share”) of the insurance premium during this time. This is a retirement benefit of potentially significant value. For example, in 2021, the employer’s share of a retired state trooper’s family health insurance coverage would be about \$1,905 per month, or nearly \$23,000 for the year. In 2021, the employer’s share of a retired state trooper’s family dental coverage would be about \$67 per month, or just over \$800 for the year.

⁸ Some people—such as persons with disabilities—can qualify for Medicare before age 65.

⁹ We used the example of a 33-year law enforcement career because—under state law, and as we discuss in Chapter 3—the amount of many officers’ retirement annuities will be based on up to 33 years of service.

¹⁰ The most recent contract for state law enforcement employees says that employees covered by the agreement who are scheduled to work at least 75 percent of full-time are eligible to receive the full employer contribution to health insurance. The contract said that, for employee medical coverage, the employer shall contribute 95 percent of the employee-only premium of the Minnesota Advantage Health Plan. The contract said that, for dependent medical coverage, the employer shall contribute 85 percent of the dependent premium.

¹¹ “Agreement between the Minnesota Law Enforcement Association and the State of Minnesota, July 1, 2017 through June 30, 2019,” said: “Employees eligible to receive an Employer contribution for health and dental insurance shall continue to receive the coverage to which the employee was entitled at the time of retirement until he/she reaches age sixty-five...” For employees who meet the conditions specified in the contract, “the Employer shall pay the full Employer contribution...toward health and dental insurance coverage for the employee and his/her dependents until the employee reaches age 65...” (p. 70). If the State of Minnesota had been paying the employer share of post-retirement family health insurance premiums for a retiree who dies, there is no provision for continued payment of the employer share on behalf of the retiree’s surviving family members.

We reviewed the 2019 police department contracts in 33 cities to determine how, if at all, those contracts provided for post-retirement health insurance.¹² We saw only five cities in which—similar to the practice for state troopers—the employer paid for portions of retired police officers’ health insurance premiums:

- Brooklyn Center’s contract said that retirees would receive the same insurance options and level of city contribution for insurance coverage as provided by the city for nonunion employees.
- Coon Rapids’ contract said that police officers hired before March 1, 2007, who retire with 20 years of service to the city, would qualify for the city to pay the employer share of employee-only insurance coverage for, at most, ages 55 to 65.
- Duluth’s contract said that police officers hired before December 31, 2006, qualified to continue to receive the city’s health insurance coverage after retirement and until age 65. For persons who served the city for 20 or more years, the city agreed to bear the full cost of the insurance. For those who served between 5 and 19 years, the employer share was between 25 and 95 percent.
- Eagan’s contract said that police officers who retire with at least 15 years of service could receive the same city contribution to health insurance that active employees receive. However, the contract said this benefit was not available to officers hired on or after January 1, 2018.
- St. Paul’s contract said police officers hired on or before July 1, 2005, who retire with at least 20 years of service would be eligible to receive city payments for post-retirement health insurance. For example, those who retire before age 65 could qualify to receive maximum city payments of \$300 or \$350 per month, depending on their hiring date, toward the cost of employee-only or family health insurance. For employees hired after July 1, 2005, the city agreed to pay \$375 per year per employee into an employer-maintained “post employment health plan” rather than paying a portion of retiree insurance costs.

Rather than paying directly for a share of retirees’ health insurance costs, most cities have created post-retirement “health care savings plans”—authorized by state law and administered by the Minnesota State Retirement System—that employees can use in retirement to help offset health care costs.¹³ For the 33 cities whose police contracts we reviewed, we saw references to health care savings plans in the contracts of 27 cities.¹⁴

Cities varied in the way that these post-retirement health care savings plans were funded, including different types of employer and employee contributions. Most cities (24) with such plans had contract provisions for converting to the post-retirement

¹² We generally did not obtain city policies other than those agreed to in the employer bargaining unit contracts.

¹³ *Minnesota Statutes* 2020, 352.98.

¹⁴ The cities whose police contracts did not specifically reference post-retirement health care savings plans were Eden Prairie, Fridley, Minnetonka, Oakdale, Richfield, and Woodbury. It is possible those cities participate in health care savings plans but did not mention the plans in their contracts.

account the employee's unused vacation hours, sick hours, compensatory time, or other severance pay at the time of retirement. Some cities had provisions for ongoing contributions of specified portions of current employees' sick time, vacation time, or compensatory time to the post-retirement account.¹⁵ Fifteen cities had provisions for ongoing deductions from the employee's salary (or ongoing employer contributions of salary-related amounts), which were then deposited into the post-retirement account. The Duluth police contract had a unique provision among the contracts we reviewed; it required the city to make a \$12,000 one-time deposit into certain employees' health care savings accounts.¹⁶

Minnesota state troopers also have had contract provisions for contributions to a post-retirement health care savings plan, administered by the Minnesota State Retirement System. The trooper contract in effect during 2019 said employees eligible to receive severance pay would typically have all of that amount deposited into a health care savings plan at retirement, rather than getting a cash payout. Likewise, the contract said that employees eligible to receive payment for unused vacation upon separation from employment would generally have all of that amount deposited into a health care savings plan.

It is noteworthy that the state trooper contract provided both for a post-retirement health care savings plan and for the State of Minnesota to pay the employer share of certain troopers' post-retirement health insurance costs. While the specific provisions of various jurisdictions' post-retirement health care savings plans are complex and defy easy comparison, the fact that the state troopers have such a plan in combination with employer contributions to post-retirement health insurance is different from the usual practice in cities we examined.

¹⁵ Some cities' contracts had provisions for both (1) ongoing contributions of sick time, vacation time, or comp time to the health care savings accounts and (2) conversion to the post-retirement accounts of unused vacation hours, sick hours, compensatory time, or other severance pay at the time of retirement.

¹⁶ This deposit was available to employees hired on or after January 1, 2007, who had worked continuously for the city for at least three years.

Chapter 3: Retirement Provisions

Law enforcement officers who work a specified number of years become “vested,” meaning they qualify for full or partial pensions once they reach a certain age. For example, a Minnesota state trooper becomes vested after ten years of service. Vested members can receive full retirement benefits at age 55, or they can receive reduced retirement benefits starting at age 50.¹

This chapter discusses the shares of employee wages that local and state law enforcement officers must contribute toward their pensions. In addition, we discuss the methods of calculating pension benefits for law enforcement officers, and whether these methods differ for city police officers and state troopers. This chapter does not discuss post-employment provisions for law enforcement officer health insurance, which we discussed in Chapter 2.

Introduction

In the jurisdictions we examined, employers and employee unions negotiate the salaries and some other benefits provided to law enforcement officers.² In contrast, retirement benefits for law enforcement officers are, to a large extent (as they are for other public employees), determined by state law and managed by statewide organizations. The Minnesota State Retirement System (MSRS) administers retirement plans for state employees (including state troopers), employees of the Metropolitan Council, and many non-faculty employees in the state’s public higher education systems. MSRS pays benefits to more than 44,000 retirees and surviving beneficiaries of retirees. The Public Employees Retirement Association (PERA) administers the statewide retirement system for county, city, and other local employees—including local police officers—and it pays benefits to more than 100,000 retirees, surviving beneficiaries, and disabled members. State laws govern certain aspects of these retirement systems, but MSRS and PERA also have statewide boards that set policies, hear appeals, and oversee retirement plan administration.

State law sets mandatory retirement ages for some law enforcement officers. The law requires Minnesota state troopers to retire at age 60.³ State law establishes a mandatory retirement age of 65 for police officers in what the law defines as “cities of the first class” (Minneapolis, St. Paul, Duluth, and Rochester).⁴ State law allows other cities, where applicable, to retain policies that were in effect on March 3, 1983, that set compulsory retirement ages for police officers at age 65 or above.⁵

¹ Under the Public Employees Retirement Association plan for local police and fire employees, members become vested after three, five, or ten years of service, depending on when they were hired. These individuals are eligible for full retirement benefits at age 55, and they may qualify for reduced levels of benefits starting at age 50.

² Employees in all of the city law enforcement agencies we examined are represented by unions certified by the Minnesota Bureau of Mediation Services.

³ *Minnesota Statutes* 2020, 43A.34, subd. 4.

⁴ *Minnesota Statutes* 2020, 423.075, subd. 1.

⁵ *Minnesota Statutes* 2020, 423.076.

It is worth noting that Minnesota law enforcement officers have different Social Security provisions than most people. Minnesota police officers who are members of the PERA Police and Fire Plan and state troopers who are members of the MSRS State Patrol Retirement Plan do not pay into Social Security, nor are they covered by Social Security benefits.⁶

Retirement Contributions

Pension plan revenues come from ongoing contributions by employees and their employers, as well as the return on investments of those funds over time.

In recent years, Minnesota state troopers have paid a larger share of their salaries toward pensions than have city police officers.

Exhibit 3.1 shows trends in the “employee share”—that is, the percentage of employees’ current salaries—that employees have been required to pay toward the retirement plans of state troopers and the local police officers we examined.

As shown in Exhibit 3.1, state troopers and local police officers at the beginning of 2009 paid similar percentages of their salaries toward pensions: 9.8 percent in the case of troopers, and 9.4 percent in the case of city police officers. That gap widened over the past decade. In the first half of 2020, state troopers paid 14.9 percent of their salaries toward retirement, while city police officers paid 11.3 percent. Under Minnesota law, the employee contribution for state troopers increased further in July 2020 to 15.4 percent of salary.⁷ The effect of the pattern shown in Exhibit 3.1 is that a state trooper would have less take-home pay than a police officer with an identical salary, without considering how factors other than retirement contributions (such as the cost of current health care benefits) might affect take-home pay.

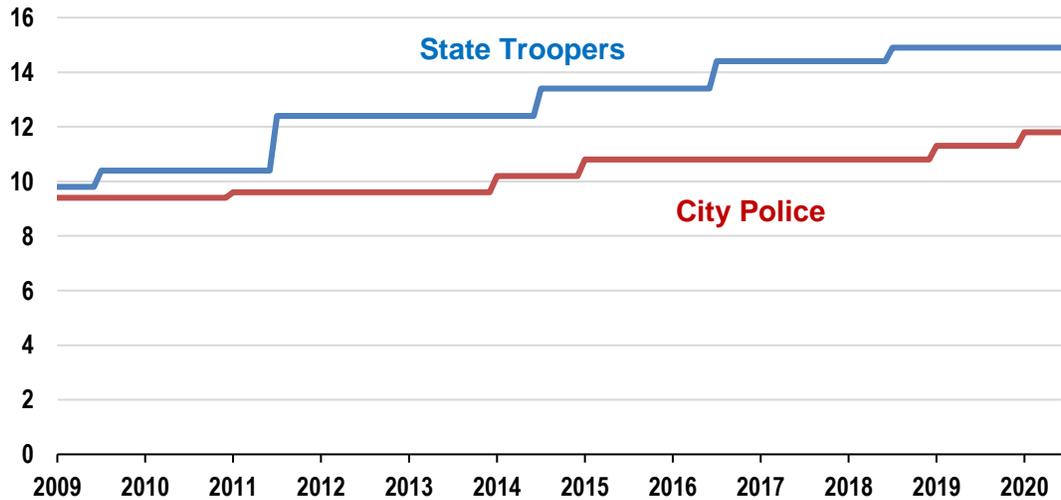
The amount contributed to pensions by the employers of law enforcement officers also increased over the past decade, as shown in Exhibit 3.2. As in the case of employee contributions, the employer contributions toward pensions—as a share of employee salaries—were fairly similar in January 2009 for state troopers and local police officers. At that time, the State of Minnesota contributed 14.6 percent of state trooper wages, and cities contributed 14.1 percent of local police officer wages. Over the past decade, the State of Minnesota’s share of trooper pensions increased; it was 26.1 percent in the first part of 2020. In contrast, the employer share for local police grew to 17.7 percent by the first part of 2020.

⁶ According to PERA, “These employees are exempt from mandatory Social Security because of their membership in a qualifying public retirement system. The employees do not have Social Security coverage under a Section 218 Agreement because Minnesota Statutes Chapter 355 prohibits it.” (Public Employees Retirement Association, “Social Security for Government Employers,” <https://mnpera.org/employers/social-security/>, accessed January 27, 2021.) States can voluntarily enter into Section 218 agreements with the federal Social Security Administration, as authorized in Section 218 of the federal Social Security Act.

⁷ *Minnesota Statutes* 2020, 352B.02, subd. 1a(a).

Exhibit 3.1: Employee Shares of State Trooper and City Police Pensions, January 2009 through June 2020

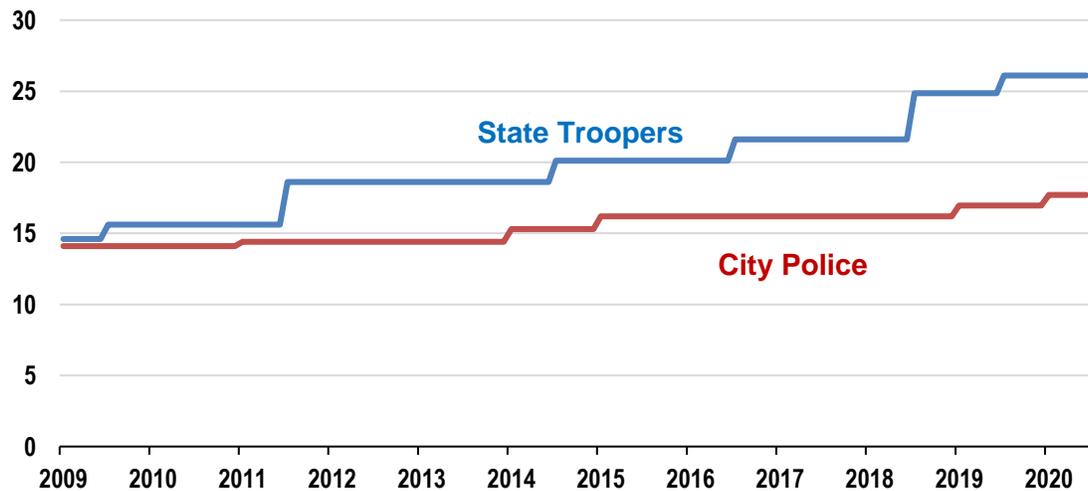
Percentage of Wages



SOURCES: Minnesota State Retirement Association and Public Employees Retirement Association.

Exhibit 3.2: Employer Shares of State Trooper and City Police Pensions, January 2009 through June 2020

Percentage of Wages



SOURCES: Minnesota State Retirement Association and Public Employees Retirement Association.

As with employee contributions, the increase in the State of Minnesota contributions to trooper pensions has been driven by statutory requirements. Since July 1, 2018, the Department of Public Safety has been required by law to pay a “supplemental employer contribution,” in addition to a regular employer

contribution mandated in law. As shown in the box, the supplemental contribution started at 1.75 percent of employee salary, but it increased to 3 percent on July 1, 2019, and 5 percent on July 1, 2020. It will increase to 7 percent in July 2021. According to statute,

Employer Regular and Supplemental Pension Contributions (as a Percentage of Wages)

Effective Dates	Regular	Supplemental	Total
7/1/2018 – 6/30/2019	22.35%	1.75%	24.10%
7/1/2019 – 6/30/2020	23.10	3.00	26.10
7/1/2020 – 6/30/2021	23.10	5.00	28.10
7/1/2021 –	23.10	7.00	30.10

SOURCE: *Minnesota Statutes* 2020, 352B.02, subd. 1c.

The supplemental [employer] contribution rate of seven percent [that will become effective July 1, 2021] remains in effect until the market value of the assets of the State Patrol retirement plan of the Minnesota State Retirement System equals or exceeds that actuarial accrued liability of the plan as determined by the [actuarial assessment required by state law].⁸

Benefit Calculations

We also examined the methods that are prescribed in state law for computing the retirement benefits paid to state troopers and local police officers.

State law prescribes identical methods for computing the retirement benefits for state troopers and local police officers hired in recent years, but there are differences in these methods for officers that were hired in earlier years.

The box at right shows the calculation that is, as a general rule, used to determine the retirement annuity for a law enforcement officer. The starting point is what the law calls “average salary”; this is defined in law as a person’s highest average salary over five successive years of employment, and it is sometimes called the “high-five average salary.”⁹ As shown in the box, the percentage of the high-five average salary a person receives as a retirement annuity is calculated by multiplying years of service by 3.0.¹⁰

Calculation of Law Enforcement Officer Retirement Annuities

High-five salary \times [Years of service \times 3.0] percent* = Annuity

Example:

High-five average salary: \$70,000
 Years of service: 30
 $\$70,000 \times 90$ percent = \$63,000 annuity

* If years of service exceeds 33, there may be a 99 percent cap applied to the percentage calculated in the bracket.

⁸ *Minnesota Statutes* 2020, 352B.02, subd. 1c(d).

⁹ *Minnesota Statutes* 2020, 352B.011, subd. 4; and 353.01, subd. 17a.

¹⁰ *Minnesota Statutes* 2020, 353.651, subs. 3 and 5; 352B.11, subd. 4; and 352B.08, subd. 2.

State law provides that—except as otherwise specified—law enforcement officers cannot receive a retirement annuity of more than 99 percent of their high-five salary.¹¹ Thus, under current law, a recently hired law enforcement officer who works 34 years in their job before retiring would receive 99 percent of his or her high-five salary—not 102 percent (34 times 3.0).

However, the law also specifies exceptions to the 99 percent cap. For state troopers, the cap does not pertain to retired or currently employed individuals with the following two characteristics: (1) had at least 28 years of service prior to July 1, 2013, and (2) tenure as a trooper exceeded (or will exceed) 33 years at retirement.¹² For local police officers, the 99 percent cap does not apply to retired or currently employed individuals with the following two characteristics: (1) enrolled in the public employees' police and fire retirement plan on or before June 30, 2014, and (2) had (or will have) 33 years of service at retirement.¹³ This means that some state troopers and police officers will continue to qualify for retirement annuities equal to 100 percent or more of their high-five salaries. However, the exemption from the 99 percent cap applies to a small share of current state troopers—specifically, those with at least 35 years of service as of July 2020. In contrast, the exemption from the cap applies to what is likely a sizable share of current city police officers—specifically, those hired before July 2014.

The retirement annuities paid to retired law enforcement officers will depend partly on their salary histories, which reflect the different wage structures of their agencies.

As noted above, state law prescribes that retirement annuities be computed using law enforcement officers' high-five average salaries.¹⁴ In Chapter 1, we noted that the top salaries that may be earned by veteran police officers in the city police departments we examined were typically higher in 2019 than the top salaries for veteran state troopers. If these 2019 salary differences were to persist over time, the high-five average salary of a retiring police officer in the cities we examined would typically be higher than the high-five average salary of a retiring state trooper. This means that even when using the same method to compute law enforcement officers' retirement annuities, a city police officer who retires after 30 years would—based on 2019 salary schedules—typically receive a larger retirement annuity than would a state trooper who retires after 30 years.

¹¹ *Minnesota Statutes* 2020, 352B.08, subd. 2; and 353.651, subd. 3. The amounts computed in the standard formula are supplemented by “annual postretirement adjustments” (that is, increases) that are specified in *Minnesota Statutes* 2020, 356.415, subds. 1c and 1e.

¹² *Minnesota Statutes* 2020, 352B.08, subd. 2(b).

¹³ *Minnesota Statutes* 2020, 353.651, subd. 3(b).

¹⁴ *Minnesota Statutes* 2020, 352B.011, subd. 4; and 353.01, subd. 17a.



Chapter 4: Other Benefits

In this chapter, we look at forms of compensation other than wages, health insurance, and retirement benefits that could play a role in law enforcement officer recruitment or retention. These include contract provisions for providing officers with uniforms or equipment, accrual of vacation leave, and accrual of sick leave.

Payments for Uniforms and Equipment

Law enforcement agency contracts usually have provisions for officers' uniforms and equipment. Such provisions may provide compensation that is not reflected in the officers' base wages.

For the most part, the State Patrol and local police departments pay for officer uniforms and equipment—either by providing these items without cost to the employee or through an annual payment to officers.

Of the 33 city police departments for which we collected information for 2019, 21 provided their uniformed officers with an annual “allowance” to help employees cover the cost of work-required clothing (and typically certain equipment items, too). For regular uniformed police officers in 20 of these cities, the amount of the standard annual allowances ranged from \$750 (White Bear Lake) to \$1,481 (Chaska); see Exhibit 4.1.¹ One other city police department (Brooklyn Center) provided officers with a much smaller allowance (\$155 per year) that was only intended to address the cost of maintenance for city-provided uniforms and equipment. Chaska had the only police contract we reviewed that required officers to purchase their own duty weapons.

While the intent of allowances is to compensate employees for the cost of purchasing and maintaining uniforms and equipment, the contracts we reviewed did not always restrict officers' expenditures of these funds to this purpose.

Ten of the city police departments we reviewed had contract provisions that said the employer was responsible for providing employees with the required uniforms and equipment.² These cities were: Blaine, Brooklyn Park, Burnsville, Eagan, Edina, Fridley, Minnetonka, Ramsey, Rochester, and St. Louis Park. Also, as indicated in Exhibit 4.1, many of the departments that provided clothing allowances to police officers in 2019 did not do so in the initial period of the officers' employment. In these cases, the departments provided uniforms or clothing-related payments (other than the standard allowances) until the officers were eligible to receive the allowances.

¹ Some police contracts had different clothing allowances for certain types of specialized officers, such as detectives or plain-clothes officers, but we only examined the allowances of patrol officers.

² In addition, departments that paid officers annual uniform and equipment allowances sometimes specified particular items—soft body armor, for example—that were the responsibility of the employer to provide.

Exhibit 4.1: Law Enforcement Uniform/Equipment Allowances, 2019

Law Enforcement Agency	Uniform/ Equipment Allowance	Notes on Uniform/Equipment Allowances
Apple Valley	\$1,050	Allowance starts after completion of probationary year. Includes \$950 for uniform and \$100 for personal items lost, damaged, or destroyed while on duty.
Bloomington	1,000	Allowance not paid during calendar year in which a new employee was hired. Every 15 years, employee can use \$700 of the allowance toward purchase of a personally owned handgun.
Brooklyn Center	155	This is an allowance for maintenance costs of city-provided items.
Chaska	1,481	City provides certain items specified in the contract, but officers must purchase their own duty weapons. Officers are eligible for the allowance after 12 months of service and completion of probation.
Coon Rapids	870	Employees are eligible for standard uniform allowance after 24 months, but new employees receive \$1,850 "initial issue allowance."
Cottage Grove	850	Employees are eligible for uniform allowance one year after hiring date.
Eden Prairie	1,000	New employees begin receiving an allowance the calendar year after they are hired.
Inver Grove Heights	890 or 1,000	Employees could receive \$890 in a cash payment or have \$1,000 credited to an account for purchases through city-approved vendors.
Lakeville	900	Allowance starts in third year of employment.
Maple Grove	920	Employees are eligible for allowance starting in second year.
Maplewood	900	Allowances are available for non-probationary employees.
Minneapolis	1,100	New employees are eligible for the allowance on the third anniversary of their employment, but they may be reimbursed for clothing or equipment purchases before then.
Oakdale	1,050	Allowance includes \$800 for uniform and equipment and \$250 for footwear. Not included in the allowance shown is a \$600 allowance for purchase, operation, and insurance of a mobile communication device.
Plymouth	1,000	Allowance is available to employees who have completed a one-year probationary period.
Prior Lake	1,012	Allowance is available to employees who have completed a one-year probationary period.
Richfield	865	First-year employees on probation are not eligible for the allowance.
Roseville	897	Employees are not eligible for the allowance during their first six months.
St. Paul	995	Allowance is updated annually based on cost studies.
Shakopee	900	
White Bear Lake	750	
Woodbury	890	Allowance is available after an 18-month probationary period.
Minnesota State Patrol	150	This is an annual allowance "for necessary uniform items not furnished by the Employer."

NOTE: This exhibit includes only those departments whose contracts provided law enforcement officers with payments—other than wages—for covering the cost of uniforms or equipment, in whole or in part.

SOURCE: Office of the Legislative Auditor, based on review of Minnesota Department of Public Safety and city police department contracts.

The police department contracts in two cities (Duluth and Savage) said that officers' regular wages had been adjusted to cover the cost of uniforms, without a separate clothing allowance. The Duluth contract said: "The pay provided for in the appendix, and in this agreement, includes an amount to compensate the Employees for the expense of maintaining uniforms and suitable clothing required by the Employer."³ Likewise, the Savage contract said: "The Monthly Pay provided in this Agreement includes an amount to compensate Employees for their expense of purchasing and maintaining uniforms and suitable clothing required by the Employer."⁴

The State Patrol contract said: "The Employer shall furnish such articles of clothing specified by the Employer as part of the uniform."⁵ As indicated in Exhibit 4.1, state troopers were given a \$150 annual allowance "for necessary uniform items not furnished by the Employer."⁶ The contract also said that proper maintenance of uniforms was the employee's responsibility.

Vacation Leave Accrual

We examined the rates at which law enforcement officers accrued time in 2019 that could be used for vacations. For each agency, we identified (1) the amount of hours of vacation leave given to a starting officer each month and (2) the maximum amount of vacation leave that an officer could receive per month over time.⁷

Some agencies had leave provisions that did not allow for direct comparison with agencies that provided vacation leave. For example, some agencies provided "flexible leave" or "annual leave," which could be used by employees who were sick, injured, on vacation, or taking other types of personal leave. Generally, the amount of monthly hours provided to employees for this type of multipurpose leave was more than the monthly hours provided to officers in other agencies solely for vacation.

Minnesota state troopers received more generous starting and maximum vacation leave than officers in most of the city police departments we examined.

Exhibit 4.2 shows the minimum and maximum amounts of vacation leave in the agencies we reviewed. Note that the exhibit excludes instances in which agencies offered only "flexible leave" or "annual leave" plans that could be used for types of leave in addition to vacation.

³ "Agreement between the City of Duluth and Duluth Police Union, Local 807, 2018-2020," January 14, 2019, 12. Although the contract specified no separate "uniform allowance," it established a committee that could consider circumstances in which the city should provide officers with uniforms or uniform replacements.

⁴ "Labor Agreement between Law Enforcement Labor Services, Inc., Local No. 54, Patrol Division, and the City of Savage, January 1, 2019 through December 31, 2020," 20.

⁵ "Agreement between the Minnesota Law Enforcement Association and the State of Minnesota, July 1, 2017 through June 30, 2019," 6.

⁶ *Ibid.*

⁷ We did not examine contract provisions that placed limits on the accumulated amount of vacation leave an officer could have at a given time. We also did not compare agencies on the number of years of employment required to reach the maximum number of vacation hours per month.

Exhibit 4.2: Starting and Maximum Vacation Leave Accrual per Month, 2019

Law Enforcement Agency	Starting Hours of Vacation Leave per Month	Maximum Hours of Vacation Leave per Month	Law Enforcement Agency	Starting Hours of Vacation Leave per Month	Maximum Hours of Vacation Leave per Month
Apple Valley ^a	NA	NA	Maplewood ^b	6.7	16.7
Blaine	6.7	16.7	Minneapolis	8.0	17.3
Bloomington	7.0	18.0	Minnetonka ^c	6.7	16.7
Brooklyn Center	6.7	13.3	Oakdale ^a	6.7	16.0
Brooklyn Park	6.7	12.7	Plymouth	8.3	15.9
Burnsville	8.0	16.7	Prior Lake	6.7	16.7
Chaska ^a	6.7	16.7	Ramsey	6.7	16.7
Coon Rapids ^a	6.7	16.7	Richfield	8.0	16.0
Cottage Grove ^a	NA	NA	Rochester	6.7	16.7
Duluth	6.7	17.3	Roseville	6.7	13.3
Eagan	6.7	15.3	St. Louis Park ^a	NA	NA
Eden Prairie ^a	NA	NA	St. Paul	10.0	18.0
Edina	6.7	14	Savage	6.7	16.7
Fridley ^a	NA	NA	Shakopee	6.7	16.7
Inver Grove Heights	6.7	15.3	White Bear Lake	6.7	13.3
Lakeville	8.0	16.7	Woodbury	6.7	13.3
Maple Grove	8.0	16.7	Minnesota State Patrol	8.7	19.5

NOTE: NA means Not Applicable.

^a Vacation leave and sick leave were provided through a combined “annual leave,” “personal leave,” or “paid time off” category. In Oakdale, employees hired after January 1, 2013, received “annual leave” instead of vacation and sick leave; others could opt to receive annual leave.

^b These leave accrual hours only applied to employees hired before May 2001. Since then, new employees have been required to accrue “annual leave” instead of separate vacation or sick leave.

^c Maximum leave accrued for officers hired after January 1, 1998, was 13.3 hours per month.

SOURCE: Office of the Legislative Auditor, review of law enforcement agency contracts in effect during 2019.

In the agencies we examined, the most common amount of vacation time accrued by starting officers was 6.7 hours per month. The most common maximum amount of vacation time accrued by officers was 16.7 hours per month.

The amount of vacation earned per month by newly hired state troopers (8.7 hours) was second only to the amount earned by newly hired St. Paul police officers (10.0 hours). The maximum vacation leave earned per month by state troopers (19.5 hours, after 30 years of service) was the highest rate of vacation leave accrual among the agencies we examined.

Sick Leave Accrual

We examined the rates at which law enforcement officers accrued leave time in 2019 that could be used for sickness, injury, or other health-related issues. For each agency, we

identified (1) the amount of hours of sick leave given to a starting officer each month and (2) the maximum amount of sick leave that an officer could receive per month.⁸

For most city police departments that provided sick leave as a separate category, officers accrued 8.0 hours of sick leave per month. In contrast, Minnesota state troopers accrued 8.7 hours per month.

Exhibit 4.3 shows sick leave accrual rates by agency.

Exhibit 4.3: Starting and Maximum Sick Leave Accrual per Month, 2019

Law Enforcement Agency	Starting Hours of Sick Leave per Month	Maximum Hours of Sick Leave per Month	Law Enforcement Agency	Starting Hours of Sick Leave per Month	Maximum Hours of Sick Leave per Month
Apple Valley ^a	NA	NA	Maplewood ^d	10.0	10.0
Blaine	8.0	8.0	Minneapolis	8.0	8.0
Bloomington ^a	NA	NA	Minnetonka	8.0	8.0
Brooklyn Center	8.0	8.0	Oakdale ^e	8.0	8.0
Brooklyn Park	8.0	8.0	Plymouth ^f	NA	NA
Burnsville	8.0	8.0	Prior Lake	8.0	8.0
Chaska ^b	8.0	8.0	Ramsey	8.0	8.0
Coon Rapids	8.0	8.0	Richfield ^a	6.5	6.5
Cottage Grove ^a	NA	NA	Rochester	8.0	8.0
Duluth ^c	NA	NA	Roseville	8.0	8.0
Eagan	8.0	8.0	St. Louis Park ^a	NA	NA
Eden Prairie ^a	NA	NA	St. Paul	8.0	8.0
Edina	8.0	8.0	Savage	8.0	8.0
Fridley ^a	NA	NA	Shakopee	8.0	8.0
Inver Grove Heights	8.0	8.0	White Bear Lake	7.0	7.0
Lakeville	8.0	8.0	Woodbury	8.0	8.0
Maple Grove	8.0	8.0	Minnesota State Patrol	8.7	8.7

NOTE: NA means Not Applicable.

^a Sick leave was part of a broader “flexible leave,” “annual leave,” “paid time off,” or “personal leave” category that could be used for more than just illness or injury.

^b As an alternative to sick leave, officers could choose to receive “personal leave” that could be used for either vacation or sick time.

^c Employees did not accrue sick leave based on hours worked. Rather, the city provided each employee up to 60 days of paid sick leave per year; these were not “banked” or carried over from year to year.

^d The leave accrual hours shown only applied to employees hired before May 2001. Since then, new employees were required to accrue “annual leave” instead of separate vacation or sick leave.

^e Employees hired after January 1, 2013, received “annual leave” instead of vacation and sick leave; others could opt to receive annual leave.

^f Employees received “disability leave”: 6-10 days per year for short-term disability, plus mid-term and long-term disability coverage.

SOURCE: Office of the Legislative Auditor, review of law enforcement agency contracts in effect during 2019.

⁸ We did not examine contract provisions that placed limits on the amount of accumulated sick leave an officer could have at a given time, nor did we examine contract provisions for converting accumulated sick time to other types of compensation.

As noted earlier, some agencies have combined sick leave and vacation leave into a broader category of “annual leave” or “flexible leave,” and this leave may be taken at the discretion of the employee. Richfield’s “personal leave” provides an even broader category of leave that includes sick leave, but officers may use personal leave for any purpose. The accrual rates of agencies with these types of broad categories of leave are not directly comparable to the accrual rates of agencies that separately provide sick leave and vacation leave.

There were fewer variations in sick leave accrual than there were for vacation leave accrual. In general, officers with long tenures in a law enforcement agency received the same amount of sick leave as officers with shorter tenures.⁹ Most officers—regardless of agency—accrued sick leave at a rate of eight hours per month. A small number of agencies had accrual rates that differed from this norm, ranging from 6.5 hours of sick leave per month (Richfield) to 10 hours per month (Maplewood, although the 10-hour accrual rate only applied to officers hired before May 2001).

The Duluth Police Department had a different sick leave approach than other departments we reviewed. Unlike departments in which officers accrued sick leave based on hours worked, the Duluth Police Department assigned officers a maximum amount of sick days per year. The policy said:

Effective the first day of the month following the date of hire, any Employee in the classified or unclassified service shall be granted up to 60 working days of sick leave with full pay (paid sick leave) for each calendar year, except that such minimum requirement shall not be applicable in connection with any illness or injury arising out of and in the course of employment by the City.¹⁰

The 60 days of sick leave could not be carried over from year to year. However, the Duluth contract said that a labor-management committee could authorize—on an individual basis—paid sick leave for an additional 180 days per year beyond the 60-day cap specified above.

Minnesota state troopers accrued sick leave on an ongoing basis, as did officers in all city police departments except Duluth. In 2019, troopers accrued sick leave at a rate of 8.7 hours per month. That was a higher sick leave accrual rate than all but one (Maplewood) of the comparable city police departments we examined. Although Duluth police officers did not accrue sick leave in the same manner that state troopers and other police officers did, it is worth noting that the amount of sick leave available per year under the Duluth contract (60 days, or 480 hours) was well above the amount of sick leave hours that a state trooper accrued during a year’s time (104 hours).

⁹ An exception was Plymouth, which provided officers with various levels of “disability leave” but did not have “sick leave” provisions. According to the police contract for 2019, “Short term disability is credited annually on January 1 to each regular employee at a rate of 6 days (48 hours), 8 days (64 hours), or 10 days (80 hours) based upon length of service to provide income continuation to the employee for illness or injuries which result in a work absence from one hour to two full work days in duration.”

¹⁰ “Agreement between the City of Duluth and Duluth Police Union, Local 807, 2018-2020,” January 14, 2019, 23.

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February 11th, 2021

Joel Alter-Director of Special Reviews
Office of the Legislative Auditor
140 Centennial Building
658 Cedar Street, Saint Paul MN 55155

Mr. Alter,

Thank you for the opportunity to review the study you conducted on the compensation of State Patrol troopers. I am appreciative of the objective, comprehensive, and thorough research. It is my hope that your work and the resulting findings serve as a point of clarity for future discussions surrounding the important topic of compensation for our state law enforcement members. Compensation is a key in factor in our ability to both recruit and retain diverse candidates that ensures state law enforcement is reflective of all Minnesotans.

Sincerely

A handwritten signature in black ink, appearing to read "John M. Harrington".

John M. Harrington
Commissioner-Department of Public Safety







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