

## HF1751 - 0 - Medical Benefits Req'd; Part-Time, Adjunct Faculty

Chief Author: **Jessica Hanson**  
 Committee: **Higher Education Finance And Policy**  
 Date Completed: **3/21/2025 5:42:42 PM**  
 Agency: **Minnesota State**

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

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

State Cost (Savings)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Dollars in Thousands					
General Fund	-	43,874	45,410	-	-
Total	-	43,874	45,410	-	-
Biennial Total			89,284		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	-	-	-
Total	-	-	-	-	-

## LBO Analyst's Comment

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

**LBO Signature:** Steve McDaniel    **Date:** 3/21/2025 5:42:42 PM  
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**State Cost (Savings) Calculation Details**

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

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

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>		<b>Biennium</b>	
Dollars in Thousands		<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>
General Fund	-	43,874	45,410	-	-
<b>Total</b>	-	<b>43,874</b>	<b>45,410</b>	-	-
<b>Biennial Total</b>			<b>89,284</b>		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
General Fund	-	43,874	45,410	-	-
<b>Total</b>	-	<b>43,874</b>	<b>45,410</b>	-	-
<b>Biennial Total</b>			<b>89,284</b>		-
<b>2 - Revenues, Transfers In*</b>					
General Fund	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-

**Bill Description**

This bill would appropriate funds to provide hospital, medical, and dental benefits coverage to part-time or adjunct faculty who teach six or more credits in an academic year and currently are not offered hospital, medical, and dental benefits.

**Assumptions**

It is assumed that the hospital benefits referenced are the hospital benefits included in the medical insurance currently provided to employees.

It is assumed that newly eligible employees would choose family coverage at the same frequency that current part-time faculty in IFO and MSCF do, which is approximately 47.8 percent of them. Some part-time and adjunct faculty currently receive partial benefits. It is assumed that all newly qualifying faculty would receive full benefits under this legislation.

Fiscal year 2026 coverage rates are calendar year 2025 rates plus 3.5% due to guidance from MMB that calendar rates will increase by approximately 7% half-way through the fiscal year. The same inflation rate is applied in fiscal year 2027 based on MMB's guidance for that year also.

Since the bill provides one-time funding for the 2026-2027 biennium, benefits would not continue in fiscal year 2028. The costs of producing a report in fiscal year 2028 would be absorbed within existing funding and staffing.

**Expenditure and/or Revenue Formula**

<b>Type of Coverage to Add</b>	<b>FY2026 Cost of Health &amp; Dental Coverage (Employer Share)</b>	<b>Number of Faculty</b>	<b>Total Costs FY2026</b>	<b>Total Costs FY2027</b>
New Full Coverage, Family	\$27,977.04	975	\$27,277,617.51	\$28,232,334.12
New Full Coverage, Single	\$10,273.33	1,064	\$10,930,820.14	\$11,313,398.85
New Partial Coverage, Family	\$13,988.65	289	\$4,042,718.69	\$4,184,213.85
New Partial Coverage, Single	\$5,136.66	316	\$1,623,185.70	\$1,679,997.20
<b>Total Newly Covered Faculty</b>		<b>2,644</b>	<b>\$43,874,342.04</b>	<b>\$45,409,944.01</b>

### **Long-Term Fiscal Considerations**

### **Local Fiscal Impact**

### **References/Sources**

#### **Agency Contact:**

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