

HF1234 - 1UE - Peace Officer Duty Disability, Wellness Training

Chief Author: **Kaohly Her**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **4/21/2023 8:05:10 PM**
 Lead Agency: **Public Safety Dept**
 Other Agencies:
 Administration Dept Administrative Hearings
 Commerce Dept Corrections Dept
 Emergency Medical Services Bd Labor and Industry Dept
 Metropolitan Council Military Affairs Dept
 Minn Management and Budget Minn State Retirement System
 Natural Resources Dept Peace Officers Board (POST)
 Public Employees Retirement Assoc University Of Minnesota

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

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

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Commerce Dept						
General Fund	-	5	5	5	5	5
Corrections Dept						
General Fund	-	(69)	(69)	(69)	(69)	(69)
Labor and Industry Dept						
Workers Compensation	-	135	-	-	-	-
Minn Management and Budget						
State Employees Insurance	-	-	-	-	-	-
Minn State Retirement System						
General Fund	-	120	120	120	120	120
Restrict Misc. Special Revenue	-	-	-	-	-	-
Natural Resources Dept						
Other Misc. Special Revenue	-	(517)	(517)	(517)	(517)	(517)
Peace Officers Board (POST)						
General Fund	-	-	-	-	-	-
Public Employees Retirement Assoc						
General Fund	266	763	333	333	333	333
Restrict Misc. Special Revenue	-	-	-	-	-	-
Public Safety Dept						
General Fund	-	27,560	27,409	27,431	27,454	27,454
Trunk Highway	-	-	-	-	-	-
University Of Minnesota						
General Fund	-	20	-	-	-	20
State Total						
General Fund	266	28,399	27,798	27,820	27,863	27,863

State Cost (Savings)	Biennium			Biennium	
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026
Workers Compensation	-	135	-	-	-
State Employees Insurance	-	-	-	-	-
Restrict Misc. Special Revenue	-	-	-	-	-
Other Misc. Special Revenue	-	(517)	(517)	(517)	(517)
Trunk Highway	-	-	-	-	-
Total	266	28,017	27,281	27,303	27,346
Biennial Total			55,298		54,649

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Commerce Dept					
General Fund	-	-	-	-	-
Corrections Dept					
General Fund	-	-	-	-	-
Labor and Industry Dept					
Workers Compensation	-	-	-	-	-
Minn Management and Budget					
State Employees Insurance	-	-	-	-	-
Minn State Retirement System					
General Fund	-	-	-	-	-
Restrict Misc. Special Revenue	-	.5	.5	.5	.5
Natural Resources Dept					
Other Misc. Special Revenue	-	-	-	-	-
Peace Officers Board (POST)					
General Fund	-	-	-	-	-
Public Employees Retirement Assoc					
General Fund	-	-	-	-	-
Restrict Misc. Special Revenue	2	4.75	3	3	3
Public Safety Dept					
General Fund	-	4	4	4	4
Trunk Highway	-	-	-	-	-
University Of Minnesota					
General Fund	-	-	-	-	-
Total	2	9.25	7.5	7.5	7.5

Lead LBO Analyst's Comment

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

Reimbursements for the treatment of psychological conditions from the Department of Public Safety to state agencies as a result of HF1234 may occur in a different timeline than presented in the fiscal note table. It is possible that expenses occur in one fiscal year and are reimbursed in another. For purposes of the fiscal note, it is assumed that reimbursements occur in the same year that the expense occurs.

LBO Signature: Laura Cecko **Date:** 4/21/2023 8:05:10 PM
Phone: 651-284-6543 **Email:** laura.cecko@lbo.mn.gov

State Cost (Savings) Calculation Details

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

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

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Commerce Dept					
General Fund	-	5	5	5	5
Corrections Dept					
General Fund	-	(69)	(69)	(69)	(69)
Labor and Industry Dept					
Workers Compensation	-	135	-	-	-
Minn Management and Budget					
State Employees Insurance	-	-	-	-	-
Minn State Retirement System					
General Fund	-	120	120	120	120
Restrict Misc. Special Revenue	-	-	-	-	-
Natural Resources Dept					
Other Misc. Special Revenue	-	(517)	(517)	(517)	(517)
Peace Officers Board (POST)					
General Fund	-	-	-	-	-
Public Employees Retirement Assoc					
General Fund	266	763	333	333	333
Restrict Misc. Special Revenue	-	-	-	-	-
Public Safety Dept					
General Fund	-	27,560	27,409	27,431	27,454
Trunk Highway	-	-	-	-	-
University Of Minnesota					
General Fund	-	20	-	-	20
Total					
	266	28,017	27,281	27,303	27,346
Biennial Total					
			55,298		54,649

1 - Expenditures, Absorbed Costs*, Transfers Out*

Commerce Dept					
General Fund	-	5	5	5	5
Corrections Dept					
General Fund	-	4	4	4	4
Labor and Industry Dept					
Workers Compensation	-	135	-	-	-
Minn Management and Budget					
State Employees Insurance	-	130	137	144	151
Minn State Retirement System					
General Fund					
Expenditures	-	-	-	-	-
Transfers Out	-	120	120	120	120
Restrict Misc. Special Revenue	-	120	120	120	120
Natural Resources Dept					
Other Misc. Special Revenue	-	-	-	-	-
Peace Officers Board (POST)					
	-	-	-	-	-

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund					
Expenditures	-	1	-	-	-
Absorbed Costs	-	(1)	-	-	-
Public Employees Retirement Assoc					
General Fund					
Expenditures	-	-	-	-	-
Transfers Out	266	763	333	333	333
Restrict Misc. Special Revenue	266	763	333	333	333
Public Safety Dept					
General Fund	-	27,817	27,666	27,688	27,711
Trunk Highway	-	1,589	1,589	1,589	1,589
University Of Minnesota					
General Fund	-	119	99	99	119
	Total	532	31,565	30,435	30,485
	Biennial Total		61,971		60,920
2 - Revenues, Transfers In*					
Commerce Dept					
General Fund	-	-	-	-	-
Corrections Dept					
General Fund	-	73	73	73	73
Labor and Industry Dept					
Workers Compensation	-	-	-	-	-
Minn Management and Budget					
State Employees Insurance	-	130	137	144	151
Minn State Retirement System					
General Fund	-	-	-	-	-
Restrict Misc. Special Revenue					
Revenues	-	-	-	-	-
Transfers In	-	120	120	120	120
Natural Resources Dept					
Other Misc. Special Revenue	-	517	517	517	517
Peace Officers Board (POST)					
General Fund	-	-	-	-	-
Public Employees Retirement Assoc					
General Fund	-	-	-	-	-
Restrict Misc. Special Revenue					
Revenues	-	-	-	-	-
Transfers In	266	763	333	333	333
Public Safety Dept					
General Fund					
Revenues	-	-	-	-	-
Transfers In	-	257	257	257	257
Trunk Highway					
Revenues	-	-	-	-	-
Transfers In	-	1,589	1,589	1,589	1,589
University Of Minnesota					

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	99	99	99	99	99
Total	266	3,548	3,125	3,132	3,139	3,139
Biennial Total			6,673			6,271

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Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact	X	

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State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	27,560	27,409	27,431	27,454
Trunk Highway	-	-	-	-	-
Total	-	27,560	27,409	27,431	27,454
Biennial Total			54,969		54,885

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	4	4	4	4
Trunk Highway	-	-	-	-	-
Total	-	4	4	4	4

LBO Analyst's Comment

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	27,560	27,409	27,431	27,454	
Trunk Highway	-	-	-	-	-	-
Total	-	27,560	27,409	27,431	27,454	27,454
			54,969			54,885
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	27,817	27,666	27,688	27,711	
Trunk Highway	-	1,589	1,589	1,589	1,589	1,589
Total	-	29,406	29,255	29,277	29,300	29,300
			58,661			58,577
2 - Revenues, Transfers In*						
General Fund						
Revenues	-	-	-	-	-	-
Transfers In	-	257	257	257	257	257
Trunk Highway						
Revenues	-	-	-	-	-	-
Transfers In	-	1,589	1,589	1,589	1,589	1,589
Total	-	1,846	1,846	1,846	1,846	1,846
			3,692			3,692

Bill Description

A bill for an act relating to labor; modifying timeline for duty disability determinations; requiring treatment as part of workers' compensation benefits; requiring preservice and in-service wellness training for peace officers and firefighters; appropriating money.

Assumptions

Alcohol and Gambling Enforcement

AGE assumes no claims for duty disability for psychological conditions and no fiscal impact.

State Fire Marshal

State Fire Marshal Division (SFMD) is the fiscal agent to distribute funds from the Hometown Heroes Assistance Program to the Minnesota Firefighter Initiative. These funds will be used to support Minnesota Firefighter Initiative to develop and support wellness training program for public employers to offer to firefighters. Due to the funding appropriated through Hometown Heroes Assistance program, the wellness program will be offered through this appropriation. Wellness training is also a standard reimbursable expense in the current funding through MBFTE.

Funds are appropriated to the Commissioner of Public Safety and allocated to the State Fire Marshal Division. SFMD grants out the funds to the Minnesota Firefighter Initiative to support these activities. Administrative costs for this initiative will be absorbed by the agency. MnFIRE will have administrative costs of their own which are included in the total budget for the program (see below).

The total budget for the Hometown Heroes program is \$4.0 million. While these funds for Hometown Heroes covers broad range of services and tools. Portions of these funds are used for the statutory requirements of this legislation.

These funds are budgeted as follows:

- \$2.2 million to statewide critical care insurance (cardiac and cancer)
- \$1.2 million to statewide MnFIRE Employee Assistance Program (MAP) which includes 5 EAP visits per firefighter
- \$200,000 statewide provider training to ensure they are familiar with firefighter specific mental health concerns
- \$200,000 MnFIRE training for fire departments statewide including awareness training and deeper dives into cardiac, cancer and mental trauma.
- \$200,000 to MnFIRE to administer all aspects of the program including training, coordination of critical care insurance and MAP, connecting with providers for firefighter mental health concerns, and administer fire department training.

Minnesota State Patrol

Because State Troopers cannot be recruited, hired and trained within in a 32-week period, the State Patrol will not backfill trooper positions during the treatment period of an employee. Because the State Patrol cannot backfill positions during the treatment period (it requires 9 months or more to recruit and train troopers), the State Patrol would be required to pay overtime to fill the vacancy during treatment.

As of 08/01/22, the State Patrol had 24 psychological duty disability approvals from MSRS. The State Patrol received 10 duty disability approvals from MSRS this fiscal year already. Using that as a baseline, we can anticipate an additional 5 this fiscal year, for a total of 15 applications per fiscal year.

All psychological duty disability applications will require the full 32 weeks of treatment.

Bureau of Criminal Apprehension

It is assumed that the Bureau of Criminal Apprehension falls into the requisite category of “employing entity,” in the statute, as it employs a number of individuals who fall into the State Patrol plan under 352B.011. Therefore, the BCA will have to comply with all standards denoted in the bill.

The BCA currently provides annual wellness training as a part of in-service, employee assistance programming, and peer support programs that meet the requirements of the bill and, therefore, these will continue at no cost to the BCA and the BCA will qualify to be reimbursed for the costs associated with individuals placed on disability.

There have been two BCA agents over the past two years and one individual prior, at a variety of paygrades, who have gone onto full disability while employed full time at the BCA. Therefore, the BCA assumes that two individuals will go onto the requisite disability per year.

Investigations and crime scene work must continue in spite of the time taken for disability by peace officers and with all peace officers currently working the full 2080 hours required, the BCA would need to replace those investigative hours through overtime or additional full-time peace officers.

The BCA assumes that the number of individuals who would go onto disability would remain consistent over the coming years. In order to account for all potential costs, the highest paygrade and benefit coverage amounts have been used to develop the estimate for the individual to take the full 32 weeks. This results in an approximate cost of \$4,011.61 per week, per person. It is assumed that these expenses will be reimbursed by the Department of Public Safety.

Under section 8, subdivision 1(b) of the bill, the commissioner of public safety, in consultation with the board, is required to create a training course that incorporates each of the learning objectives established by the board. It is assumed that the BCA will be responsible for this task.

In order to provide the requisite training, the BCA will need the following funding investments:

1. A State Program Administrative Coordinator, which will cost at maximum \$139,565.07, which includes salary and benefits. Given the need for experience in this field, it is more likely that the BCA will need to hire an individual at a heightened grade of pay to oversee all of the following elements necessary for the training. This individual will be responsible

for developing and implementing an online training and registration that will fit the objectives as determined in concert with the POST Board and will be the primary resource for any additional supports needed by entities utilizing the training.

The training will be unique and catered to the requirements of the learning objectives and will need to be accessible to the 10,000+ officers in the state as soon as possible so that duty disability can be accessed. It will also be regularly recreated to adapt and adjust to the needs of the community. While this training is online, the language specifies that DPS must create the training and offer it to officers. Regardless of it being online, the requirements around training, tracking registration, verifying completion, gathering and recording experts as well as putting on multiple trainings per year to allow for 10,000+ officers to receive it will require an FTE at the appropriate classification to handle this task.

2. \$20,000.00 per year to pay for subject matter expertise to provide the trainings. As the BCA staff will be unable to be experts in each of the fields to be trained on, individual subject matter experts will need to be brought in to provide training to then be placed online.

3. \$50,000.00 per year for the fees and maintenance of a platform upon which these trainings can be placed and accessed by officers throughout the state.

4. \$10,000.00 per year ongoing to oversee and support registration and completion verification processes. This tracking feature confirms registration and validates participation day of, then allows for access to that information for the individual overseeing the process.

Fiscal and Administrative/Human Resources

Assuming an effective date of July 1, 2023, qualifying employers may apply annually by August 1 for the preceding fiscal year for wages, benefits, and treatment costs incurred under this bill, and the first reimbursable employer costs may occur in FY25.

Under the current language, DPS must reimburse *employers* for the cost of treatment and cannot reimburse insurance plans for covered services.

DPS acknowledges the following assumption from MMB: the diagnosis, condition severity, and course of treatment for each employee is uncertain and that treatment costs for an average case could be more or less than reflected in this fiscal note, which covers the weekly cost of outpatient treatment. It is possible that some of these employees will need more costly types of care such as intensive outpatient treatment, partial hospitalization, residential treatment, or inpatient hospitalization. If employees' mental health conditions require more intensive or a longer duration of care, the cost of treatment could or would increase. DPS expects some of these employees may also be prescribed medication for their mental health treatment, but DPS recognizes that MMB is not able to estimate the potential costs of those additional medication at this time.

It may also be possible in certain circumstances that treatments could be granted for worker's compensation payments and reimbursement may be made for that.

Assume reimbursement funding will be provided through an open appropriation; if reimbursement requests exceeding a direct appropriation were received, DPS would not be able to fully fund the requests annually.

Total State Patrol Retirement Plan Reimbursements for DPS

Assume 17 claims from members of the State Patrol Retirement Plan related to duty disability for psychological conditions at DPS in FY24 and beyond (15 MSP, 2 BCA).

Assume the ongoing salary and benefits during 32 weeks of treatment for the 17 applications will total \$1,846,068 annually.

BCA: \$4,011.61 per week expense x 32 weeks per year x 2 = \$256,743.04

MSP: Trooper OT hourly rate with fringe = \$82.46 x (2088*(32 weeks / 52 weeks)) = \$105,955 x 15 = \$1,589,325 from the Trunk Highway Fund

State Patrol Plan Reimbursements	FY24	FY25	FY26	FY27
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MSP Salary/benefits	\$1,589,325	\$1,589,325	\$1,589,325	\$1,589,325
BCA salary/benefits	\$256,743	\$256,743	\$256,743	\$256,743
Total	\$1,846,068	\$1,846,068	\$1,846,068	\$1,846,068

PERA Police and Fire Reimbursements

According to the Police and Fire Public Employees Retirement Association (PERA), approximately 20 peace officers or firefighters apply for duty disability each month, or 240 annually. The average monthly salary and benefits for active Police and Fire members is \$7,800, or \$93,600 annually. Assume weekly salary and benefits of \$1,800 weekly (93,600/52). Assume 5% will not receive initial approval and 24 weeks of treatment will be reimbursed for 228 applicants. 24 weeks x \$1,800 salary and benefits x 228 applicants = \$9,849,600

Assume 100% of applicants will require an additional 8 weeks of treatment. 8 weeks x \$1,800 ongoing salary and benefits x 228 applicants = \$3,283,200

Assume costs for 24 weeks of treatment will be \$1,012,320 (\$185/hr with 1 treatment per week x 24 weeks x 228 claims = \$1,012,320). Costs for the additional 8 weeks of treatment will be \$337,440 (\$185 x 8 x 228).

PERA Reimbursements	FY24	FY25	FY26	FY27
Treatment 24 weeks	\$1,012,320	\$1,012,320	\$1,012,320	\$1,012,320
Treatment 8 additional weeks	\$337,440	\$337,440	\$337,440	\$337,440
Salary/benefits 24 weeks	\$9,849,600	\$9,849,600	\$9,849,600	\$9,849,600
Salary/benefits 8 additional weeks	\$3,283,200	\$3,283,200	\$3,283,200	\$3,283,200
Total	\$14,482,560	\$14,482,560	\$14,482,560	\$14,482,560

DPS will need 1.0 Customer Services Specialist Sr (CSSS), 1.0 State Program Administrator Intermediate (SPA-I), and 1.0 State Program Administrator Principle (SPA-P) to process reimbursement requests from employers of members of both the State Patrol Plan and PERA. These FTEs will be responsible for reviewing documentation, confirming eligibility, documenting invoices, and approving requests for payment.

Annual salary and fringe for a CSSS is \$78,455; annual salary and fringe for 1 SPA-I is \$103,568; and 1 SPA-P is \$125,767 in FY24. Annual salary and fringe for 1 CSSS is \$80,066, 1 SPA-I is \$103,872, and 1 SPA-P is \$126,156 in FY25 and beyond. The highest salary step was used for these positions due to the experience needed to review and process reimbursement applications. \$2,500 per FTE per year will be needed for laptops, enterprise costs, and supplies.

DPS will require MN.IT@ DPS to develop an online portal and database for qualifying employers to submit annually applications for reimbursement. MNIT estimates (based on past application development and available vendor estimates) \$300,000 in FY24 for the development, testing, and initial licensing of the online portal, and \$125,000 annually starting in FY25 and beyond for annual licensing and maintenance.

Section 9, subd. B, M.S. 299A.465 - Continued benefit reimbursements

In FY22 and FY23, DPS received requests for reimbursements in the amount of \$10,705,219.44 and \$10,574,402.67, respectively. Currently, DPS receives an appropriation of \$1,367,000 for these reimbursements which is divided up between all of the approved applicants for reimbursement in order to partially fund a portion of all the approved requests.

DPS assumes no change to the existing appropriation, resulting in a net new cost of \$9,207,403 (\$10,574,403 - \$1,367,000) to fully reimburse public employers.

Assume requests for reimbursements will not decrease and remain consistent. Assume there will be an open appropriation annually to fully reimburse employers under M. S. Section 299A.465, subdivision 4.

Expenditure and/or Revenue Formula

Revenue for DPS peace officers FY24 and beyond

BCA: \$256,743 in the general fund

State Patrol: \$1,589,325 in the trunk highway fund

Total Expenditures FY24 and beyond

Minnesota State Patrol

Costs to be reimbursed

Cost Description	Cost per Disability	Est. Num. of Cases Annually	Cost
*Overtime to cover open shifts during treatment	\$105,955	15	\$1,589,325
Total	\$105,955	15	\$1,589,325

*Overtime to cover the open shifts during 32 weeks of treatment:

Trooper OT hourly rate with fringe = \$82.46 x (2088*(32 weeks / 52 weeks)) = \$105,955 from the Trunk Highway Fund

Bureau of Criminal Apprehension

\$4,011.61 per week expense x 32 weeks per year x 2 = \$256,743.04 per year to be reimbursed by the Department of Public Safety.

\$10,000.00 per year for registration + \$50,000.00 per year for online platform utilization + \$20,000.00 per year in subject matter expert training for recording + \$139,565.07 per year for the state program admin coordinator = \$219,565.07

\$256,743.04 + \$219,565.07 = \$476,308.11 per year from the general fund

Total DPS Expenditures and Reimbursements

	FY24	FY25	FY26	FY27
DPS Reimbursements				
PERA Reimbursements (228 claims)	\$14,482,560	\$14,482,560	\$14,482,560	\$14,482,560
Dept of Public Safety (17 claims)	\$1,846,068	\$1,846,068	\$1,846,068	\$1,846,068
Dept of Corrections (1 claim)	\$73,344	\$73,344	\$73,344	\$73,344
Dept of Natural Resources (4 claims)	\$517,000	\$517,000	\$517,000	\$517,000
Met Council (4 claims)	\$369,713	\$384,501	\$399,881	\$415,876
University of MN (1 claim)	\$99,136	\$99,136	\$99,136	\$99,136

MMB/SEGIP	\$130,240	\$136,752	\$143,590	\$150,769
DPS Admin Costs				
1.0 CSSS FTE	\$78,455	\$80,066	\$80,066	\$80,066
1.0 SPA-I FTE	\$103,568	\$103,872	\$103,872	\$103,872
1.0 SPA-P FTE	\$125,767	\$126,156	\$126,156	\$126,156
FTE non-salary	\$7,500	\$7,500	\$7,500	\$7,500
Online Portal	\$300,000	\$125,000	\$125,000	\$125,000
State Patrol & BCA Expenditures				
BCA general fund	\$476,308	\$476,308	\$476,308	\$476,308
State Patrol trunk highway	\$1,589,325	\$1,589,325	\$1,589,325	\$1,589,325
Benefit Reimbursements				
Ongoing Benefit Reimbursements	\$9,207,403	\$9,207,403	\$9,207,403	\$9,207,403
Total	\$29,406,387	\$29,254,991	\$29,277,209	\$29,300,383

Long-Term Fiscal Considerations

Program cost can be expected to increase on a bi-annual basis due to inflationary costs. Estimates for increases to medical costs and insurance benefits are not included in this estimate.

Local Fiscal Impact

All cities and counties will also have to pay for treatment and other required ongoing salary and fringe costs. If the reimbursement requests are not fully funded, local law enforcement will bear the cost of funds not reimbursed.

References/Sources

Agency Contact: Shawn Kremer

Agency Fiscal Note Coordinator Signature: Dan Boytim

Phone: 651-201-7040

Date: 4/21/2023 7:44:47 PM

Email: Dan.Boytim@state.mn.us

Fiscal Note

2023-2024 Legislative Session

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Chief Author: **Kaohly Her**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **4/21/2023 8:05:10 PM**
 Agency: **Administration Dept**

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

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-

LBO Analyst's Comment

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

LBO Signature: Christian Larson **Date:** 4/13/2023 8:32:32 AM
Phone: 651-284-6436 **Email:** christian.larson@lbo.mn.gov

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

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

Modifying timeline for duty disability determinations; requiring treatment as part of public pension plan duty disability procedures for psychological conditions; requiring preservice and in-service wellness training for peace officers, firefighters, and qualifying dependents.

Assumptions

Without clarifying language, it is possible that treatment costs would be incurred by the Workers Compensation program, and in that case, the Dept. of Admin would have the responsibility of paying and receiving reimbursement for those costs.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact: Gary Westman (651) 201-3030

Agency Fiscal Note Coordinator Signature: Ify Onyiah

Phone: 651-201-2387

Date: 3/31/2023 3:41:55 PM

Email: ify.onyiah@state.mn.us

Fiscal Note

2023-2024 Legislative Session

HF1234 - 1UE - Peace Officer Duty Disability, Wellness Training

Chief Author: **Kaohly Her**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **4/21/2023 8:05:10 PM**
 Agency: **Administrative Hearings**

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

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

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
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: Chloe Burns **Date:** 3/15/2023 10:43:51 AM
Phone: 651-297-1423 **Email:** chloe.burns@lbo.mn.gov

State Cost (Savings) Calculation Details

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

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

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

HF1234-1UE/SF1959-1UE provides for modifications to peace officer duty disability determinations allowing for a fitness for duty exam by an independent medical provider. The employee may appeal that determination to the Office of Administrative Hearings (OAH).

Assumptions

OAH assumes that the current complement of administrative law judges employed by OAH is sufficient to preside over any disputes arising from claims under HF1234-1UE/SF1959-1UE. No additional funds would be needed for this work.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact: Denise Collins

Agency Fiscal Note Coordinator Signature: Denise Collins

Phone: 651-3617875

Date: 3/9/2023 9:46:53 AM

Email: denise.collins@state.mn.us

HF1234 - 1UE - Peace Officer Duty Disability, Wellness Training

Chief Author: **Kaohly Her**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **4/21/2023 8:05:10 PM**
 Agency: **Commerce Dept**

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

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

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	5	5	5	5	5
Total	-	5	5	5	5	5
Biennial Total			10			10

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
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: Shannon Zila **Date:** 3/28/2023 9:05:26 AM
Phone: 651-296-6053 **Email:** shannon.zila@lbo.mn.gov

State Cost (Savings) Calculation Details

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

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

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
General Fund	-	5	5	5	5	5
Total	-	5	5	5	5	5
			Biennial Total			10
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	5	5	5	5	5
Total	-	5	5	5	5	5
			Biennial Total			10
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
			Biennial Total			-

Bill Description

HF1234-1UE adds new sections to 176.101 requiring PTSD treatment and delineate employer responsibilities for payment and cost reimbursement. It also amends 299A.465 by requiring annual wellness training for peace officers and firefighters. Wellness training requirements are defined in 626.8477.

Assumptions

Sec. 5 [626.8477] of this bill requires agencies to provide in-service wellness training annually for each full and part time peace officer.

Commerce assumes salary/wages/benefits will be maintained pursuant to sec.5 requirements for sworn personnel seeking disability assessment and treatment(s) if they are unable to perform assigned/regular duty work.

Commerce has not had any disability claims in recent years, therefore projecting no costs.

Expenditure and/or Revenue Formula

Annual cost to facilitate 4 hours of Peace Officer Wellness Training: (Does not assume any increase to instruction costs.) - \$5,000 per year

Long-Term Fiscal Considerations

These costs should be considered ongoing.

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Amy Trumper

Phone: 651-539-1517

Date: 3/28/2023 7:37:48 AM

Email: amy.trumper@state.mn.us

Fiscal Note

2023-2024 Legislative Session

HF1234 - 1UE - Peace Officer Duty Disability, Wellness Training

Chief Author: **Kaohly Her**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **4/21/2023 8:05:10 PM**
 Agency: **Corrections Dept**

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

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

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	(69)	(69)	(69)	(69)	(69)
Total	-	(69)	(69)	(69)	(69)	(69)
Biennial Total			(138)			(138)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
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: Karen McKey **Date:** 4/12/2023 1:26:31 PM
Phone: 651-284-6429 **Email:** karen.mckey@lbo.mn.gov

State Cost (Savings) Calculation Details

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

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

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	(69)	(69)	(69)	(69)
Total	-	(69)	(69)	(69)	(69)
Biennial Total			(138)		(138)
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	4	4	4	4
Total	-	4	4	4	4
Biennial Total			8		8
2 - Revenues, Transfers In*					
General Fund	-	73	73	73	73
Total	-	73	73	73	73
Biennial Total			146		146

Bill Description

H.F. 1234 modifies peace-officer duty-disability provisions.

Section 7: the bill would affect peace officers of the department’s Fugitive Apprehension Unit if they apply to the Public Employees Retirement Association for a duty disability based on their psychological condition.

An employer has several duties under the bill:

- Certifying the dates that the employee was on duty in a position covered under the police and fire plan; must be done within five business days of an employee’s application.
- Subject to limitations, the employer must pay for the employee’s treatment costs and may seek reimbursement.
- With certain restrictions, the employer must continue the employee’s salary and benefits.

An employer may apply to the commissioner of public safety for reimbursement of salary, benefits, and treatment costs. Section 9 appropriates an undetermined amount for this purpose.

An employer may request a fitness-for-duty exam from an independent medical provider, and the employee may appeal the medical provider’s determination by requesting a fact-finding session conducted by an administrative law judge assigned by the Office of Administrative Hearings.

The bill requires a report on the bill’s impact on public-safety duty-disability trends and costs. The report must be submitted within four years after the bill’s enactment.

Section 8: Subdivision 3 requires in-service wellness training for every peace officer and part-time peace officer employed by the department. The training must comply with the learning objectives developed and approved by the POST Board and must meet board requirements for board-approved continuing education credit.

Subdivision 4 requires the department to maintain written records of its compliance with subdivision 3.

Assumptions

The Department assumes:

- There is 1 duty disability claim annually based on previous experience;
-

There current staff complement of 13 fugitive specialists will remain unchanged;

- Temporary staff will not fill behind a peace officer on duty disability leave;
- Training costs for each peace officer will be about \$300 per officer;
- The average salary and benefits cost of a fugitive specialist on 24 weeks of leave would be about \$55,000;
- The average salary and benefits cost of a fugitive specialist on an additional 8 weeks of leave would be about \$18,000; and
- Treatment and officers' salaries and benefits costs will be reimbursed by the Department of Public Safety (DPS), training costs will not.

Expenditure and/or Revenue Formula

Training Costs

13 peace officers x \$300 = \$3,900.

Salary and Benefits Costs (Costs reimbursable by DPS)

1 officer x \$2,292 x 24 weeks = \$55,008

1 officer x \$2,292 x 8 weeks = \$18,336

Long-Term Fiscal Considerations

There is expected to be 1 duty disability claim each year; therefore, these costs would continue outside of the budget horizon.

Local Fiscal Impact

N/A

References/Sources

Department of Corrections Staff

Agency Contact:

Agency Fiscal Note Coordinator Signature: Kwesi Pasley

Date: 4/11/2023 6:11:37 PM

Phone: 651-259-3667

Email: kwesi.pasley@state.mn.us

Fiscal Note

2023-2024 Legislative Session

HF1234 - 1UE - Peace Officer Duty Disability, Wellness Training

Chief Author: **Kaohly Her**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **4/21/2023 8:05:10 PM**
 Agency: **Emergency Medical Services Bd**

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

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

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
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: Shannon Zila **Date:** 3/10/2023 10:24:24 AM
Phone: 651-296-6053 **Email:** shannon.zila@lbo.mn.gov

State Cost (Savings) Calculation Details

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

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

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill defines training requirements for firefighters and public safety officers to receive a determination of duty disability related to mental health and wellness conditions.

Assumptions

There are no fiscal impacts to the Emergency Medical Services Regulatory Board. No duties or responsibilities are conveyed to EMSRB and as a result no expenses are expected.

Expenditure and/or Revenue Formula

There is not fiscal impact to the board.

Long-Term Fiscal Considerations

Local Fiscal Impact

This bill identifies costs to be paid by public safety agencies and municipalities. However, EMSRB defers to the Department of Public Safety for the quantification and analysis of those potential costs.

References/Sources

Agency Contact: Dylan Ferguson (651-201-2806)

Agency Fiscal Note Coordinator Signature: Dylan Ferguson

Phone: 651-201-2806

Date: 3/8/2023 2:33:51 PM

Email: dylan.ferguson@state.mn.us

Fiscal Note

2023-2024 Legislative Session

HF1234 - 1UE - Peace Officer Duty Disability, Wellness Training

Chief Author: **Kaohly Her**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **4/21/2023 8:05:10 PM**
 Agency: **Labor and Industry Dept**

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

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

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Workers Compensation	-	135	-	-	-	-
Total	-	135	-	-	-	-
Biennial Total			135			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Workers Compensation	-	-	-	-	-
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: Karl Palm **Date:** 3/21/2023 3:14:13 PM
Phone: 651-296-6055 **Email:** karl.palm@lbo.mn.gov

State Cost (Savings) Calculation Details

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

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

State Cost (Savings) = 1-2		Biennium		Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Workers Compensation	-	135	-	-	-
Total	-	135	-	-	-
Biennial Total			135		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Workers Compensation	-	135	-	-	-
Total	-	135	-	-	-
Biennial Total			135		-
2 - Revenues, Transfers In*					
Workers Compensation	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

The bill states that peace officers and firefighters who are members of the PERA Police and Fire Plan and members of the State Patrol Retirement Fund who are diagnosed with a work-related mental illness must apply for initial approval and participate in treatment prior to a final determination approving or denying an application for duty disability benefits.

Specifically, employees must complete 24 consecutive weeks of mental health treatment, paid for by their employer, before MSRS or PERA makes a final determination on duty disability status. During their treatment, the employee will continue to receive full wages and employer-provided benefits, subject to a reduction for any other benefits that they receive.

There are also provisions regarding payment of health insurance benefits, and reimbursement of benefits for employers that conduct annual wellness training.

Assumptions

This amendment does not directly impact the Workers' Compensation Act in chapter 176. However, because the intent of the bill is still to treat workers who have suffered a work-related injury, DLI assumes that the proposed language will have an impact on workers' compensation.

There are some parts of the proposed bill where the impact related to workers' compensation is unclear. This is mostly because the bill will likely impact treatment of post-traumatic stress disorder (PTSD), which is the only mental-mental occupational disease compensable under current workers' compensation law. Workers' compensation treatment parameters in Minn. R. part 5221.6700 outline treatment for an accepted workers' compensation PTSD claim. The proposed language does not match the treatment standards adopted in the rules. Therefore, DLI assumes:

- That payment for the 24-weeks (and any additional) treatment, as well as continued wages and other benefits, that is covered by the Employer under the framework outlined in this bill would be reimbursed by the State regardless of the later adjudication of any workers' compensation claim. In other words, unless/until a work comp claim has been accepted, any payments made by the Employer and reimbursed by the State would not be covered by a workers' compensation insurer or self-insured employer and would not be eligible for intervention in a workers' compensation claim.
- That nothing in the proposed language limits the receipt of workers' compensation benefits.

- That treatment related to an accepted workers' compensation claim will continue to follow the requirements in the PTSD treatment parameters found in Minn. R. part 5221.6700. Therefore, if an employee's workers' compensation claim for PTSD is accepted by an insurer or self-insured employer before the 24-week treatment period created by the legislation is over, treatment, subject to the work comp fee schedule, and wage loss payments will become the responsibility of the work comp payer. However, it is not clear whether the benefits and treatment provided by this bill that are not covered by work comp will continue to be available once an injury is accepted by a work comp payer or will become available again if the work comp payer later denies further treatment pursuant to the treatment parameters.
- That if an employee needs treatment unrelated to a PTSD diagnosis while in their 24-week treatment period required by the bill, such as treatment for a physical injury, the employee would still be able to receive such treatment without an impact to their workers' compensation claim.
- That the provisions in sections 5 and 7 regarding requirements to continue health insurance benefits are not impacted by other laws, such as ERISA.
- That the bill provisions may have an impact on work comp indemnity benefits, but the impact is unclear.

As the treatment parts of this bill are not aligned with DLI's workers' compensation treatment parameters for PTSD, Minn. R. part 5221.6700, DLI assumes the rules will likely need to be updated to account for treatment under the proposed language. As this is a contentious area, DLI assumes a conservative cost of \$134,876 for a medium sized rulemaking. DLI also assumes it would provide education and answer questions related to the impact of the bill on workers' compensation, however DLI estimates this to be minimal and assigned through existing staff.

Otherwise, DLI assumes that the primary fiscal impact relates to local or state government who employ the workers covered under this bill, and the department of public safety who is required by the proposed language to reimburse local governments.

Expenditure and/or Revenue Formula

Cumulative Expenditures	2024	2025	2026	2027
Rulemaking	134,876			

Long-Term Fiscal Considerations

NA

Local Fiscal Impact

DLI estimates that approximately 50 claims per year would be filed. This is based on the recent PTSD claims count, rather than PTD claims, because this bill is about treatment prior to a PTD determination.

Workers are currently receiving one period of treatment under the treatment parameter rules and must meet certain requirements to continue treatment. The proposed bill requires a treatment period of 24 weeks, which is equal to 1.5 treatment periods under the treatment parameters, to employees seeking duty disability benefits. DLI cost estimates assumed injured workers would receive 1.5 treatment sessions as a base because discussions related to the adoption of the PTSD rules in Minn. R. 5221.6700 indicated injured workers would treat one to two times per week. Therefore, an injured worker could expect to receive approximately 36 treatments in the 24-week period.

Our assumptions reflect that if it is an accepted claim, current work comp law and treatment parameters will apply. The "new benefits" created by the bill are paid by the employer and reimbursable by the State (full wage continuation, health insurance, and non-fee scheduled treatment), but they would not be work comp benefits. Therefore, while they will not increase workers' compensation costs, they will have an impact on dollars paid by the Department of Administration and local governments and reimbursed by the Department of Public Safety.

References/Sources

NA

Agency Contact: Kate Daly (651) 284-5188

Agency Fiscal Note Coordinator Signature: Jacob Gaub

Phone: 652-284-5812

Date: 3/17/2023 2:36:40 PM

Email: jacob.gaub@state.mn.us

Fiscal Note

2023-2024 Legislative Session

HF1234 - 1UE - Peace Officer Duty Disability, Wellness Training

Chief Author: **Kaohly Her**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **4/21/2023 8:05:10 PM**
 Agency: **Metropolitan Council**

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

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

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-

LBO Analyst's Comment

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

LBO Signature: Laura Cecko **Date:** 3/28/2023 12:15:04 PM
Phone: 651-284-6543 **Email:** laura.cecko@lbo.mn.gov

State Cost (Savings) Calculation Details

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

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

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

Initial approval.

(a) An employee who applies for duty disability under section 352B.10, subdivision 1, based on a psychological condition must first receive initial approval under this subdivision.

(b) The executive director shall grant initial approval to an employee who submits, in the form and manner specified by the executive director:

(1) one report by a mental health professional diagnosing the employee with a mental illness and finding that the employee is currently unable to perform the normal duties of the position held by the employee on the date of the injury, event, or onset of the mental illness on a full- or part-time basis; and

(2) documentation from the employing entity certifying the dates that the employee was on duty in a position covered under the State Patrol retirement plan.

c) An employee who receives initial approval under this subdivision is not considered disabled for the purposes of a duty disability under section 352B.10, subdivision 1. The employee must complete the additional requirements under this section and receive final approval under subdivision 6 before receiving duty disability benefits or related benefits.

(d) An employing entity shall submit the certification required under paragraph (b), clause (2), within five business days of an employee's application, and the employee shall receive initial approval no later than six business days after the employee's application, whether or not the employing entity's certification has been submitted.

Subd. 4. Treatment required. (a) Except as provided in paragraph (f), an employee who receives initial approval under subdivision 3 shall complete 24 consecutive weeks of active treatment modalities for the employee's diagnosed mental illness, as provided under this subdivision, before a final determination can be made under subdivision 6. An employee's treatment shall be at the direction of a mental health professional using treatment modalities indicated for the treatment of the diagnosed mental illness.

(b) The employee's mental health professional must assess the employee's progress in treatment monthly and at the end of the 24 weeks, including any change to the employee's ability to return to the position held by the employee on the date of the injury, event, or onset of the mental illness, or to another position with the employing entity which provides salary and employing entity-provided benefits, including pension benefits, that are equal to or greater than those for the position held by them

Subd. 5. Continuation of salary and benefits. (a) Subject to subdivision 9, for the period that an employee is seeking initial or final approval under subdivision or, appealing a determination the employing entity shall continue: to pay, for a current employee only, the employee's full salary and employing entity-provided benefits, including any employing entity contribution to health care and retirement benefits.

Subd. 7. Additional treatment. (a) Except as provided in paragraph (g), if, after completing the treatment required under subdivision 4, the mental health professional's report determines that the employee is making progress in treatment, and the employee's prognosis is expected to further improve with additional treatment, the executive director shall continue the employee's initial approval under subdivision 6, paragraph (a), clause (1), and the employee shall complete up to an additional eight consecutive weeks of active treatment modalities as provided under this subdivision.

Subd. 9. Employing entity reimbursement; limit. (a) Except as provided in paragraph (c), an employing entity subject to this section may annually apply by August 1 for the preceding fiscal year to the commissioner of public safety for reimbursement of:

- (1) the treatment costs incurred by the employing entity under subdivision 4 or 7;
- (2) the costs incurred to continue salary and benefits as required under subdivision 5; and
- (3) the salary-related costs incurred to backfill a position for the treatment period required.

Subd. 11. Report. No later than four years after the day following final enactment of this act, the executive director, in coordination with employers, employees, and mental health professionals, shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over labor and pensions regarding the impact of this section on public safety duty disability trends and costs

Subd. 3. In-service training required. Beginning July 1, 2024, the chief law enforcement officer of every state and local law enforcement agency shall provide in-service wellness training to every peace officer and part-time peace officer employed by the agency. A peace officer with a license renewal date after June 30, 2024, is not required to complete this training until the officer's next full three-year licensing cycle.

Sec. 9. APPROPRIATIONS.

(a) Beginning in fiscal year 2024, an amount sufficient for the purposes of Minnesota Statutes, sections 352B.102 and 353.032, including reimbursing employers for the costs of treatment, payment of continued wages and benefits, and backfilling positions is appropriated from the general fund to the commissioner of public safety.

(b) Beginning in fiscal year 2024, an amount sufficient for the purposes of reimbursing employers under Minnesota Statutes, section 299A.465, subdivision 4, is appropriated from the general fund to the commissioner of public safety

Assumptions

CONTINUATION OF SALARY AND BENEFITS: This is assumed to be a Reimbursable Cost from DPS

Assumes CONTINUATION SALARY AND BENEFITS 32 WEEKS: Assumes the initial 24 weeks and the additional 8 weeks.

Metro Transit history has been all PTSD claims have been at or have exceeded 32 weeks. So the assumption in the analysis is for the 24 weeks plus the additional 8 weeks.

PTSD Police Claims in 2021 were 15. PTSD in 2022 were 4. Claims as of February 2023 are 2 actual and 2 pending with forecasted total of 6 in 2023. Analysis per the police department assumes a total of 4 for years 2024 and after.

All estimates are based on average experience and may vary with actual future experience.

Metro Transit Police department history is all PTSD claims are 32 weeks or longer.

Calculated Continuation of Salary and Benefits Cost based on 100% of PTSD Claims at 32 weeks using the Full Time Officer Cost Per Hour plus benefits.

Full Time Officer Salary and Benefits is \$69.10 in 2023. This inflates to 4.5% to 2024 at \$72.21 per hour Salary and Benefits. Every year after for 2025, 2026 and 2027 inflates 4.0% per year.

TREATMENT COSTS: No New Costs for the Metropolitan Council

It is assumed treatment costs will not be a new incremental cost to the Metropolitan Council as employees will be referred into a covered network within our insurance plan. Therefore no new costs are calculated for the Metropolitan Council for Treatment Costs.

WAGE RELATED COST TO BACKFILL A POSITION UP TO 32 WEEKS: Temporary staff will not fill behind a peace officer on duty disability leave and these costs have not been included in the costs.

INSERVICE TRAINING REQUIRED: Analysis Shows Council Fiscal Impact. Does not include DPS Reimbursement

For Inservice Training: Assumed a total of 171 Full time Officers and 0 Part time Officers as part time officers will receive training in their home police departments.

All would receive training between 2024 and 2027

Used the Full Time Cost Per Hour plus Benefits.

Assumed 4 hours per training each officer receiving training.

Full Time Officer Salary and Benefits is \$69.10 in 2023. This inflates to 4.5% to 2024 at \$72.21 per hour Salary and Benefits. Every year after for 2025, 2026 and 2027 inflates 4.0% per year.

Training costs will not be included for reimbursement by the Department of Public Safety DPS.

Expenditure and/or Revenue Formula

Wage Inflation Factor		104.5%	104.5%	104.5%	104.5%
Continue Sal/Ben 32 weeks		24	25	26	27
% 32 weeks	100%	4	4	4	4
Hours per week		40	40	40	40
Number of weeks		32	32	32	32
HOurs at 32 weeks		5120	5120	5120	5120
Full time costs per hour s/b		\$72.21	\$75.10	\$78.10	\$81.23
Total Continuance of s/b		\$369,713	\$384,501	\$399,881	\$415,876
Biennial Total			\$754,214		\$815,758
Treatment Costs not incremental to Council and not added					
Inservice Training Required		24	25	26	27
Full Time Officers- Total 171		107	64	0	0
Hours of Training		4	4	4	4
Cost Per Hour		\$72.21	\$75.10	\$78.10	\$81.23
Total Full Time Training		\$30,906	\$19,225		
Part Time Officers		0	0	0	0
Hours Training		4	4	4	4
Cost per hour		\$63.71	\$66.26	\$68.91	\$71.76
Total for Part time		\$0	\$0	\$0	\$0
Total Inservice Training		\$30,906	\$19,225		

TOTAL NEW COST Calculated as follows:

TREATMENT COSTS: NO NEW COSTS FOR THE METROPOLITAN COUNCIL

SFY 2024: \$000

SFY 2025: \$000

SFY 2026: \$000

SFY 2027: \$000

INSERVICE TRAINING REQUIRED: SHOW COUNCIL FISCAL IMPACT ONLY, DOES NOT INCLUDE REIMBURSEMENT

SFY 2024: \$30,906

SFY 2025: \$19,225

SFY 2026: \$000

SFY 2027: \$000

TOTAL COST OF POST-TRAUMATIC STRESS DISORDER TREATMENT PROPOSED LEGISLATION:

SFY 2024: \$30,906

SFY 2025: \$19,225

SFY 2026: \$000

SFY 2027: \$000

-

TOTAL REIMBURSEMENT COSTS FROM DPS Calculated as follows:

TREATMENT COSTS:

SFY 2024: \$000

SFY 2025: \$000

SFY 2026: \$000

SFY 2027: \$000

CONTINUATION SALARY AND BENEFITS 32 WEEKS: Reimburse from DPS

SFY 2024: \$369,713

SFY 2025: \$384,501

SFY 2026: \$399,881

SFY 2027: \$415,876

TOTAL REIMBURSEMENT OF POST-TRAUMATIC STRESS DISORDER TREATMENT PROPOSED LEGISLATION:
REIMBURSEMENT FROM DPS

SFY 2024: \$369,713

SFY 2025: \$384,501

SFY 2026: \$399,881

SFY 2027: \$415,876

Long-Term Fiscal Considerations

Local Fiscal Impact

There is expected to be 4 duty disability claims each year. These costs will continue outside of the budget horizon

References/Sources

Agency Contact: Ed Petrie MT Finance Director 612 349 7624

Agency Fiscal Note Coordinator Signature: Stewart McMullan

Phone: 651-602-1374

Date: 3/24/2023 1:41:03 PM

Email: stewart.mcmullan@metc.state.mn.us

Fiscal Note

2023-2024 Legislative Session

HF1234 - 1UE - Peace Officer Duty Disability, Wellness Training

Chief Author: **Kaohly Her**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **4/21/2023 8:05:10 PM**
 Agency: **Military Affairs Dept**

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

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

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
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: Chloe Burns **Date:** 3/15/2023 10:44:00 AM
Phone: 651-297-1423 **Email:** chloe.burns@lbo.mn.gov

State Cost (Savings) Calculation Details

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

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

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

A bill providing peace officer and fire fighter duty related disability provisions, defining training requirements, and duty disability evaluations related to mental health and wellness.

Assumptions

Costs of this legislation would be absorbed the National Guard Cooperative Agreement, a cost sharing structure with the Federal Government for state employees and programs.

DMA would likely not have to refer employees to the program created by this legislation.

Expenditure and/or Revenue Formula

DMA does not expect to have additional expenditures as the result of this legislation.

Long-Term Fiscal Considerations

DMA does not expect to have long-term fiscal considerations as the result of this legislation.

Local Fiscal Impact

No local fiscal impact.

References/Sources

DMA does not expect to have additional expenditures as the result of this legislation.

National Guard Bureau, Cooperative Agreement Appendix 1024 Air National Guard Fire Protection Activities

National Guard Bureau, Cooperative Agreement Appendix 1007 Army Fire Protection

Agency Contact: Eric Athman

Agency Fiscal Note Coordinator Signature: Eric Athman

Phone: 651-268-8946

Date: 3/10/2023 5:10:04 PM

Email: eric.c.athman.mil@army.mil

HF1234 - 1UE - Peace Officer Duty Disability, Wellness Training

Chief Author: **Kaohly Her**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **4/21/2023 8:05:10 PM**
 Agency: **Minn Management and Budget**

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

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

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
State Employees Insurance	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
State Employees Insurance	-	-	-	-	-
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.

Reimbursements for the treatment of psychological conditions from the Department of Public Safety to Minnesota Management and Budget as a result of HF1234 may occur in a different timeline than presented in the fiscal note table. It is possible that expenses occur in one fiscal year and are reimbursed in another. For purposes of the fiscal note, it is assumed that reimbursements occur in the same year that the expense occurs.

LBO Signature: Susan Nelson **Date:** 4/19/2023 3:31:35 PM
Phone: 651-296-6054 **Email:** susan.nelson@lbo.mn.gov

State Cost (Savings) Calculation Details

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

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

State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
State Employees Insurance	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
State Employees Insurance	-	130	137	144	151
Total	-	130	137	144	151
Biennial Total			267		295
2 - Revenues, Transfers In*					
State Employees Insurance	-	130	137	144	151
Total	-	130	137	144	151
Biennial Total			267		295

Bill Description

House File 1234-1UE amends chapter 352B.102 to require employees seeking duty disability based on a psychological condition to apply for psychological treatment. Subdivision 3 requires an employee who applies for treatment for a psychological condition sustained as a result of performing their job to receive approval for treatment from the executive director. Subdivision 4 requires an employee who has received psychological treatment approval to receive up to 24 consecutive weeks of treatment for the employee’s mental health diagnosis that is deemed appropriate by the attending mental health professional. Treatment includes, but is not limited to, psychological therapy, prescription of psychopharmaceuticals, and the use of multiple treatment modalities, including chemical dependency treatment as necessary, and evidence-based trauma treatment. The mental health professional must assess the employee’s progress in treatment monthly and at the end of 24 weeks, as well as the employee’s ability to return to their position or another position with their employing entity with equal or greater to compensation to the position held at the time of the mental health diagnosis. The mental health provider must provide a final report about the employee’s prognosis, the duration of disability, and the expectations for improvement after treatment. The employee may return to work before completing 24 weeks of treatment if the mental health professional determines the employee is medically able to do so and the employee has passed a fitness of duty presumption. No employee shall be required to complete treatment more than three times in ten years. After the employee completes mental health treatment required in subdivision 4, subdivision 6 requires the association to determine if the employees’ mental health treatment requirements are satisfied and decide one course of action among the following:

- continue approval for an additional 8 consecutive weeks of mental health treatment under Subdivision 7,
- end mental health treatment because the employee is able to return to their position or another vacant full-time position with the employing entity,
- confirm the employee has met treatment requirements and may apply for duty disability benefits based on a psychological condition,
- if the employee completed additional treatment required under Subdivision 7, the association must determine if treatment requirements were met after which the employee may apply for duty disability benefits.

Section 5 Subdivision 4 requires the employing entity to pay for the employee’s treatment cost under subdivision 4 and subdivision 7 and seek reimbursement from the Commissioner of Public Safety.

Section 5 Subdivision 9 allows employing entities to apply annually by August 1st for treatment costs incurred under subdivision 4 or 7, payment of continued wages and benefits, and backfilling of positions for the preceding fiscal year to the Commissioner of Public Safety.

Section 7 requires sufficient annual appropriations beginning in fiscal year 2024 to reimburse employers under subdivision 9 for the costs of treatment, payment of continued wages and benefits, and backfilling positions from the general fund to the Commissioner of Public Safety.

Section 12 establishes a psychological condition treatment account to be created as a special revenue fund. Money in the account is appropriated to the executive director for treatment of psychological conditions.

Section 14 lists an unspecified dollar amounts in fiscal year 2024 and 2025 are appropriated from the general fund for transfer to the psychological condition treatment account.

Assumptions

Minnesota Management and Budget (MMB) administers the State Employee Group Insurance Program (SEGIP) which provides health, dental, life, and other benefits to eligible State employees and their dependents, and quasi-state agencies defined in Minnesota Statute. Health benefits are provided through the self-funded Minnesota Advantage Health Plan (Advantage). SEGIP contracts with three health plan administrators to provide medical benefits and a Pharmacy Benefit Manager (PBM) to provide its prescription drug benefit.

MMB assumes that HF1234-1UE will have no fiscal impact to SEGIP. MMB assumes that our agency's role as it pertains to this bill is to pay for the employee's psychological treatment costs required under subdivision 4 and subdivision 7 (if applicable) and seek treatment cost reimbursement from the Department of Public Safety (DPS). MMB assumes no administrative cost to the agency to implement the bill. MMB assumes that psychological treatment costs would be the only reimbursable costs to SEGIP under HF1234-1UE.

House File 1234-1UE Section 5, Subdivisions 4 and 7 require the employing entity to pay the cost of psychological treatment and allows for reimbursement by the Commissioner of Public Safety through a psychological condition treatment fund created through appropriation. MMB assumes that for this bill's treatment and reimbursement provisions, as it pertains to state government, "employing entity" refers to the state enterprise rather than the individual state agency. Under the current Advantage Plan structure, SEGIP incurs all medical claims costs for state agency employees and all state agencies pay SEGIP an employer premium contribution for their covered employees. MMB assumes that it would not be possible for state agencies to individually cover psychological treatment costs and then separately seek reimbursement from DPS. Thus, MMB assumes that the only way that the treatment and reimbursement provisions of the bill could be implemented at the state government level would be for qualifying individuals to seek mental health treatment through the Advantage Plan medical benefit, as they would any other type of care covered by the Advantage plan, which then SEGIP would pay for, for which MMB would then seek reimbursement under the bill.

MMB does not have access to private de-identified medical claims data due to health data privacy laws. In order to seek reimbursement for SEGIP-paid psychological treatment claims, MMB assumes that we would request, from our health plan administrators and pharmacy benefit manager, either the aggregate or by-agency de-identified psychological treatment costs incurred under the Advantage Plan for approved employees for a given calendar or fiscal year. MMB assumes our health plan administrators and pharmacy benefit manager could provide de-identified medical and prescription drug claim treatment costs for employees approved for psychological treatment if the bill becomes law.

MMB assumes that actual employee treatment costs, rather than projected or imputed costs, would be required for reimbursement under HF1234-1UE. MMB assumes that our health plan administrators and PBM could provide these aggregate treatment costs to MMB, to then be delivered by us to DPS, or from our vendors directly to DPS, without additional administrative cost.

To estimate the approximate annual reimbursable cost of psychological treatment for approved employees, MMB uses two assumptions: an assumed count of employees per year and the assumed cost of treatment per employee.

MMB assumes approximately 22 state employees (from Department of Public Safety, Department of Corrections, and Department of Natural Resources) could be approved for psychological treatment each year. MMB assumes that the count of employees approved for psychological treatment could be higher or lower, given that this is a new requirement.

Further, MMB assumes that on average, each employee will obtain, over the course of 24 weeks, one hour of weekly individual therapy conducted by a licensed mental health professional at an estimated cost of \$185 per hour.

24 weeks x \$185 hourly rate x 22 employees = \$97,680

MMB then assumes that all of these employees will be approved for an additional 8 weeks of one-hour individual therapy at an estimated cost of \$185 per hour.

8 weeks x \$185 hourly rate x 22 employees = \$32,560

MMB expects some of these employees may be prescribed medication for their mental health treatment, but MMB is not able to estimate potential costs to SEGIP of those additional medications at this time.

MMB assumes the diagnosis, condition severity, and course of treatment for each employee is uncertain and the treatment costs could be more or could be less than we have reflected for an average case in this fiscal note. It is possible that some of these employees will need more costly types of care such as intensive outpatient treatment, partial hospitalization, residential treatment, or inpatient hospitalization. If employees' mental health conditions require more intensive or a longer duration of care, the cost of treatment would increase. For this fiscal note, MMB assumes weekly outpatient mental health treatment for all qualifying individuals.

MMB assumes that we could seek reimbursement for all plan-paid treatment costs (including prescription medications) under the bill that is delivered to qualifying individuals on or after July 1, 2023. MMB assumes that we would submit an aggregate plan year 2024 reimbursement request to DPS in the spring or summer of 2025, and so on for following years.

MMB assumes that for all treatment received under the bill by qualifying individuals, just as with any other covered service, benefits would be adjudicated under the Advantage Plan's benefit schedule that is in force at the time meaning, in other words, that MMB assumes that qualifying individuals would still pay member cost-sharing in the form of deductibles, copayments, and coinsurance for certain types of health care services and/or prescription drugs, even if such services or prescriptions were required for qualifying individuals under the bill. MMB assumes qualifying individuals' cost-sharing would not be reimbursable to SEGIP or to the qualifying individual (the term "plan-paid" in the prior paragraph means member cost-sharing amounts are excluded).

MMB assumes treatment costs of \$130,240 in FY24. We add a 5% inflation factor beginning in FY2025 and beyond to account for medical cost increases. MMB assumes that the actual amount sought for reimbursement could be higher than the costs estimated in this fiscal note for the reasons noted in the paragraphs above. MMB assumes no additional cost for SEGIP's health plan administrator and PBMs to provide aggregate reports of treatment costs. Assuming that MMB is able to seek reimbursement from DPS for the entirety of the cost of treatment for qualifying individuals, there would be no fiscal impact to SEGIP from HF1234-1UE. The fiscal tables include treatment costs and DPS reimbursement for treatment.

Expenditure and/or Revenue Formula

FY24: (24 weeks x \$185 hourly rate x 22 employees) + (8 weeks x \$185 hourly rate x 22 employees) * 1 year = \$130,240 - \$130,240 reimbursement from DPS = \$0.0

FY25: (24 weeks x \$185 hourly rate x 22 employees) + (8 weeks x \$185 hourly rate x 22 employees) * 1.05 inflation factor = \$136,752 - \$136,752 reimbursement from DPS = \$0.0

Fiscal Year Cost Calculation	FY2023	FY2024	FY2025	FY2026	FY2027
SEGIP Fund Expenditure	-	\$130,240	\$136,752	\$143,590	\$150,769
SEGIP Fund Revenue (DPS Reimbursement)	-	\$130,240	\$136,752	\$143,590	\$150,769
Total Cost to SEGIP Fund of this bill	-	\$0	\$0	\$0	\$0

SEGIP's costs are normally funded through premium contributions paid by state agencies (through general and all other funds) and employees, however, this bill will be paid for out of the SEGIP fund and the SEGIP fund will be reimbursed. Therefore, this fiscal note does not address agency and employee premium contributions that would normally fund new plan spending.

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Program Information and claims data from SEGIP, administered by MMB.

Agency Contact: Galen Benshoof 651-207-8224

Agency Fiscal Note Coordinator Signature: Ronika Rampadarat

Phone: 612-659-6873

Date: 4/19/2023 11:10:00 AM

Email: ronika.rampadarat@state.mn.us

HF1234 - 1UE - Peace Officer Duty Disability, Wellness Training

Chief Author: **Kaohly Her**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **4/21/2023 8:05:10 PM**
 Agency: **Minn State Retirement System**

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

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

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	120	120	120	120
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	120	120	120	120
Biennial Total			240		240

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-
Restrict Misc. Special Revenue	-	.5	.5	.5	.5
Total	-	.5	.5	.5	.5

LBO Analyst's Comment

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

LBO Signature: Christian Larson **Date:** 4/13/2023 1:57:49 PM
Phone: 651-284-6436 **Email:** christian.larson@lbo.mn.gov

State Cost (Savings) Calculation Details

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

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

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	120	120	120	120	120
Restrict Misc. Special Revenue	-	-	-	-	-	-
Total	-	120	120	120	120	120
	Biennial Total		240	240		240
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund						
Expenditures	-	-	-	-	-	-
Transfers Out	-	120	120	120	120	120
Restrict Misc. Special Revenue	-	120	120	120	120	120
Total	-	240	240	240	240	240
	Biennial Total		480	480		480
2 - Revenues, Transfers In*						
General Fund						
Revenues	-	-	-	-	-	-
Transfers In	-	120	120	120	120	120
Total	-	120	120	120	120	120
	Biennial Total		240	240		240

Bill Description

This bill modifies the timeline for duty disability determinations, requiring treatment as part of public pension plan duty disability procedures for psychological conditions.

This bill establishes requirements for members under section 352B.10, subd. 2a, who apply for a duty disability based upon a psychological condition to complete a treatment period of up to twenty-four weeks prior to a final determination approving or denying an application for duty disability benefits.

The member must submit a written application with medical or psychological evidence to support the application and employer certification of the dates the employee was on duty in a position covered under the State Patrol retirement plan. The executive director must notify the employing entity electronically and by mail of the application status within 14 business days of receipt.

After the initial approval, the member is not eligible to apply for disability until completing up to twenty-four weeks of active treatment modalities prior to a final determination. Following employee’s completion of treatment, MSRS shall review the member’s application for duty disability as provided in Minn. Stat. 352B.10. subd. 2a to make one of the following determinations: 1) continue the approval for an additional eight weeks; 2) terminate the treatment because the employee is able to return to full-time work, or; 3) confirm the employee has met the requirements under section 352B.102, after which the employee may apply for a duty disability benefit based on a psychological condition under section 352B.10.

Assumptions

MSRS assumes an increase in medical advisor costs. Review of the medical reports includes MSRS’s medical advisor determining if treatment requirements are satisfied and a recommendation for any necessary additional treatment.

MSRS assumes it will act in a recordkeeping capacity.

MSRS assumes additional programming costs for internal processes and tracking requirements.

MSRS assumes hiring a .5 additional FTE at the Office & Admin Specialist Intermediate (OASI) level to implement and process disability applications.

MSRS assumes no change in duty disability application rates.

MSRS assumes the psychological condition treatment account in the special revenue fund will be administered by Minnesota Management and Budget.

MSRS assumes an increase of applicants requiring IPEs due to the complexity of cases and additional review of treatment.

MSRS assumes an increase of up to 7 appeals heard by the Office of Administrative Hearings. This bill provides additional opportunities for appeals throughout the duty disability process during the initial approval and the final approval.

Expenditure and/or Revenue Formula

\$35,000	Additional .5 FTE (includes fringe)
\$20,500	Increase in applications requiring IPE
\$15,000	Additional System Programming
\$34,300	Increase in appeals heard by OAH
\$15,000	Increase in medical advisor costs
\$119,800	Total

Medical Advisor Costs	
New Disability Applications	\$910 per review
Periodic Reviews of Existing Disabilitants	\$520 per review
Functional Capacity Evaluation	\$1,150 per event
Labor Market Surveys	\$1,345 per analysis
Psych Testing/IPE	\$2,050 per event
Independent Medical Examinations (IME)	\$1,650 per event
Admin Hearing Support (Physician Medical Consultant)	\$145/hour
OAH Appeals	\$245 /hour

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact: Colleen Hazel

Agency Fiscal Note Coordinator Signature: Tim Rekow

Phone: 651-284-7819

Date: 4/13/2023 1:42:46 PM

Email: tim.rekow@msrs.us

HF1234 - 1UE - Peace Officer Duty Disability, Wellness Training

Chief Author: **Kaohly Her**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **4/21/2023 8:05:10 PM**
 Agency: **Natural Resources Dept**

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

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

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Other Misc. Special Revenue	-	(517)	(517)	(517)	(517)
Total	-	(517)	(517)	(517)	(517)
Biennial Total			(1,034)		(1,034)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Other Misc. Special Revenue	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

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

LBO Signature: Christian Larson **Date:** 4/13/2023 8:35:35 AM
Phone: 651-284-6436 **Email:** christian.larson@lbo.mn.gov

State Cost (Savings) Calculation Details

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

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

State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Other Misc. Special Revenue	-	(517)	(517)	(517)	(517)
Total	-	(517)	(517)	(517)	(517)
Biennial Total			(1,034)		(1,034)
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Other Misc. Special Revenue	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-
2 - Revenues, Transfers In*					
Other Misc. Special Revenue	-	517	517	517	517
Total	-	517	517	517	517
Biennial Total			1,034		1,034

Bill Description

This bill amends various existing statutes requiring PTSD or other mental health treatment and delineates employer responsibilities for payment and cost reimbursement. It also creates new requirements for annual wellness training for peace officers.

Assumptions

The DNR estimates up to four requests per year for psychological duty disability based on recent trends. Total number of officers at the DNR is estimated to be 180 for this fiscal note.

Costs related to mental health treatment would be paid through other agencies. Continuing compensation and workers compensation benefits under this bill may be reimbursed by Department of Public Safety provided the DNR continues to meet reimbursement requirements.

The DNR does not anticipate additional salary cost to cover for officers on leave, such as backfilling positions or offering overtime.

The bill requires agencies to provide in-service wellness training annually for each peace officer as determined by the POST board. The bill does not prescribe the number of hours required to meet this requirement. Traditionally, POST mandated training does not exceed 4 hours of instruction on any individual topic. This annual training will be incorporated into the current three-year licensing cycle for Enforcement Officers.

Expenditure and/or Revenue Formula

Cost of Continued Salary and Benefits: 4 officers x \$129,250 for 32 weeks of payroll costs = \$517,000 (reimbursement to DNR)

Long-Term Fiscal Considerations

Costs would continue into future budget periods.

Local Fiscal Impact

None.

References/Sources

None.

Agency Contact: Rodmen Smith 612-237-6391

Agency Fiscal Note Coordinator Signature: Tyler Teggatz

Phone: 651-259-5304

Date: 4/12/2023 4:30:32 PM

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Fiscal Note

2023-2024 Legislative Session

HF1234 - 1UE - Peace Officer Duty Disability, Wellness Training

Chief Author: **Kaohly Her**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **4/21/2023 8:05:10 PM**
 Agency: **Peace Officers Board (POST)**

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

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

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
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: Laura Cecko **Date:** 3/28/2023 12:19:43 PM
Phone: 651-284-6543 **Email:** laura.cecko@lbo.mn.gov

State Cost (Savings) Calculation Details

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

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

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund						
Expenditures		-	1	-	-	-
Absorbed Costs		-	(1)	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
General Fund						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

Section 1 of the bill requires that public employers provide annual wellness training to peace officers in order to receive reimbursement for duty disability claims and related costs. Section 8 of the bill requires the Board of Peace Officer Standards and Training (POST) to create learning objectives for the aforementioned training so that the Commissioner of Public Safety can create the relevant in-service training course. The bill also requires the learning objectives to be included in the pre-service education program.

Assumptions

POST already has developed learning objectives on officer safety and wellness and incorporated those into pre-service training. Assumes that commissioner will access the existing learning objectives to develop the wellness course. It is assumed that POST will have to enter into a service agreement with MNIT to add the existing learning objectives to POST's licensing renewal system for tracking purposes as this training will now be mandatory for all officers annually. It is assumed that this will take approximately 10 hours of MNIT development time to complete.

Expenditure and/or Revenue Formula

10 hours of MNIT services time at \$100.00 per hour (includes fringe), 10 x \$100.00 = \$1,000.00

Long-Term Fiscal Considerations

None.

Local Fiscal Impact

Local agencies will potentially need to allocate training time to comply with the new annual mandate.

References/Sources

Erik Misselt, Executive Director, MN POST, 651-201-7789, erik.misselt@state.mn.us.

Agency Contact: Erik Misselt (651-201-7789)

Agency Fiscal Note Coordinator Signature: Erik Misselt

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HF1234 - 1UE - Peace Officer Duty Disability, Wellness Training

Chief Author: **Kaohly Her**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **4/21/2023 8:05:10 PM**
 Agency: **Public Employees Retirement Assoc**

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

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

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	266	763	333	333	333
Restrict Misc. Special Revenue	-	-	-	-	-
Total	266	763	333	333	333
Biennial Total			1,096		666

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-
Restrict Misc. Special Revenue	2	4.75	3	3	3
Total	2	4.75	3	3	3

LBO Analyst's Comment

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

LBO Signature: Christian Larson **Date:** 4/18/2023 2:40:19 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.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
General Fund	266	763	333	333	333	
Restrict Misc. Special Revenue	-	-	-	-	-	
Total	266	763	333	333	333	333
Biennial Total			1,096			666
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund						
Expenditures	-	-	-	-	-	-
Transfers Out	266	763	333	333	333	333
Restrict Misc. Special Revenue	266	763	333	333	333	333
Total	532	1,526	666	666	666	666
Biennial Total			2,192			1,332
2 - Revenues, Transfers In*						
General Fund						
Revenues	-	-	-	-	-	-
Transfers In	266	763	333	333	333	333
Total	266	763	333	333	333	333
Biennial Total			1,096			666

Bill Description

Section 1 amends Minnesota Statutes 299A.465, subdivision 4, to require employers to provide annual wellness training and/or an employee assistance program or peer support program to be eligible for reimbursement for the purposes of 299A.

Sections 2 appropriates the necessary money to fully fund the reimbursement for Minnesota Statutes 299A.465.

Sections 3 through 7 requires and establishes procedure for members of MSRS State Patrol who have a psychological condition that was the result of the performance of duties related to the occupation to complete a treatment period of twenty-four weeks prior to applying for a duty disability benefit.

Section 8 establishes the psychological condition treatment account for MSRS.

Section 9 modifies the Police and Fire vesting schedule.

Sections 10 through 15 establishes requirements for members of PERA’s Police and Fire Plan who have a psychological condition that was the result of the performance of duties related to the occupation to complete a prescribed treatment of twenty-four weeks prior to applying for a duty disability under Minn. Stat. 353.031. The occupational standard is modified for a duty disability related to a psychological condition.

The proposal defines diagnosed with a mental illness as a “diagnosis by a licensed psychiatrist or psychologist, and meeting the criteria for a condition or conditions included in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.”

The member must submit one medical report along with employer certification for the application. The member must complete twenty-four weeks of active treatment paid by the employer. The employer may seek reimbursement for treatment expenses. The bill requires the continuations of wages and benefits including pension service credit.

After completion of the treatment, PERA shall confirm the member's treatment requirements have been satisfied. If the member's mental health professional indicate additional treatment, the member may complete an additional 8 weeks of treatment. After which, based on the report provided by the member's medical expert, PERA determines if the member is able to return to work or has satisfied the requirements and is able to apply for a disability benefit as provided in Minn. Stat. 353.031

Section 16 establishes the psychological condition treatment account for PERA.

Section 17 eliminates workers compensation from PERA's annual earnings report for disability recipients..

Section 18 makes clarifying changes to the duty disability benefit statute.

Section 19 increases duty total and permanent disability benefits to 99% of the member's average salary.

Sections 20, 21, 22 makes clarifying changes to the statute.

Section 23 modifies the current offsets for PERA P&F disability recipients with reemployment earnings.

Sections 24 and 25 makes clarifying changes.

Section 26 establishes wellness training.

Section 27 grants appropriations to PERA and MSRS for the purposes of administration of the psychological condition treatment.

Section 28 repeals the workers compensation offset for PERA P&F disability benefits.

Assumptions

PERA assumes that after the member submits for approval, PERA would notify the member and employer of submission and approval of the application. Members submits an application along with the one medical report and employer certification required for the initial application.

PERA assumes that after completion of the treatment, members may complete the disability application process pursuant to Minn. Stat. 353.031. After completion of the prescribed twenty-four week treatment period, members would submit two medical reports, which would be reviewed by PERA's medical advisor. PERA would process the application accordingly. Along with review of the medical reports, PERA's medical advisor would determine if treatment requirements are satisfied. The medical advisor would also make a recommendation in respect to additional treatment. If necessary, the medical advisor would conduct further testing such as an independent psychiatric examination. Along with review of the medical reports, PERA's medical advisor would determine if treatment requirements are satisfied. The medical advisor would also make a recommendation in respect to additional treatment.

PERA assumes current process for all applications received prior to the effective date.

PERA can not legally use pension funds to pay for costs associated with the psychological condition treatment.

Assumptions related to the administration of the psychological condition treatment:

All labor costs are split between labor (70%) and fringe benefits (30%).

IT Labor & Fringe Benefits

Work will begin May 1, 2023. A total of 13 IT staff will be involved in completing this work.

Sprint Costs - This includes 9 IT staff completing pre-planning and two sprint development cycles in FY23 and 10 IT staff completing four sprint development cycles in FY24 to update the pension system. Each sprint is three weeks. The cost is calculated by taking the pay rate plus fringe benefits for each of the IT staff and multiplying that by the percentage of time allocated and by 120 hours.

Regression Test - This includes 11 IT staff completing 2 weeks of regression testing. The cost is calculated by taking the pay rate plus fringe benefits for each of the 11 IT staff and multiplying that by the percentage of time allocated and by 80 hours.

Implementation Support - This includes 8 IT staff completing one week of implementation support. The cost is calculated by taking the pay rate plus fringe benefits for each of the 8 IT staff and multiplying that by the percentage of time allocated and by 40 hours.

Support & Maint. - This is the on-going support and maintenance cost that will be performed by IT staff to continue to update the pension system for changes in procedure, legislation, correct system bugs, update IT applications, etc. The cost was calculated by taking 25% of the total one time costs.

Reporting - This includes the cost of one IT staff spending 4 weeks to create reports that can be generated from the pension system to track the status of member applications, communications, and treatment plan payments. The cost is calculated by taking the pay rate plus fringe benefits for the one IT staff and multiplying that by the percentage of time allocated and by 160 hours.

Non-IT Labor & Fringe Benefits

Operations - This work will begin July 1, 2023. This includes the cost of one Operations staff and a percentage of time from multiple other Operations Staff. These staff will communicate with members, employers, and medical personnel, process applications, record information into the pension system, answer questions from members, and approve invoices for payment. In FY23, Operations staff will also work to create trainings for all PERA staff. The cost is calculated by taking pay rate plus fringe benefits and multiply that by the percentage of time allocated for one year.

Finance - This work will begin May 1, 2023. This includes 4 Finance staff who will update the state's accounting system to separately account the appropriation, update the state's payroll system to separately track time spent on administering the treatment plan, pay invoices, track remaining appropriation, and record the activity in PERA's financial statements. FY23 and FY24 include additional time to develop mechanisms to separately track these expenditures and appropriately record these expenditures in the accounting system and PERA's financial statements in accordance with GAAP. The cost is calculated by taking pay rate plus fringe benefits and multiply that by the percentage of time allocated for one year.

Legal - This work will begin May 1, 2023. This includes 2 Legal staff who will handle any appeals and research legal implications of administering the treatment plan and how to interpret the legislation. PERA cannot legally use pension funds for the administration of the treatment plan. As a result, staff will need to determine how administrative costs that cannot be easily identified or tracked are handled to ensure compliance with law. The cost is calculated by taking pay rate plus fringe benefits and multiply that by the percentage of time allocated for one year.

Legislative - This work will begin May 1, 2023. This includes 1 Legislative Coordinator staff who will assist PERA with interpreting legislation and any changing legislation. The cost is calculated by taking pay rate plus fringe benefits and multiply that by the percentage of time allocated for one year.

Other Costs - These costs will be incurred starting May 1, 2023. The FY23 costs include \$5,000 in legal advice fees. The FY24-27 costs include printing and postage for applications and notification letters, creating the applications and notification letters, and creating training webinars and other educational materials.

Overhead Costs

FY23 - The cost is approximately 10% of the total IT Labor and non-IT Labor/Fringe Benefits.

FY24 - The cost includes 20% of the IT Labor and non-IT Labor/Fringe Benefits. We estimate a higher overhead cost in this year due to the substantial IT Labor costs.

The cost is approximately 10% of the total IT Labor and non-IT Labor/Fringe Benefits. FY25-27 -

FTEs

*FY23 FTEs - The percentage of time spent equates to 1,700 hours or one FTE for IT staff and 1,800 hours or one FTE for Finance, Legal & Legislative Coordinator staff.

*FY24 FTEs - The percentage of time spent equates to 4,600 hours or 2.5 FTE for IT staff, about 2,700 hours or 1.5 FTE

for Operations staff, and almost 1,500 hours or 0.75 FTE for Finance, Legal & Legislative Coordinator staff.

*FY25-27 FTEs - The percentage of time spent equates to 1,700 hours or 1 FTE for IT staff, about 2,700 hours or 1.5 FTE for Operations staff, and almost 1,000 hours or 0.5 FTE for Finance, Legal & Legislative Coordinator staff.

Expenditure and/or Revenue Formula

	FY23	FY24	FY25	FY26	FY27
IT Labor & Fring Benefits					
Sprint Costs Labor	\$75,600	\$141,400			
Sprint Costs Fringe Benefits	32,400	60,600			
Regression Test Labor		25,900			
Regression Test Fringe Benefits		11,100			
Implementation Support Labor		13,300			
Implementation Support Fringe Benefits		5,700			
Support & Maint. Labor		78,400	78,400	78,400	78,400
Support & Maint. Fringe Benefits		33,600	33,600	33,600	33,600
Reporting Labor		5,600			
Reporting Fringe Benefits		2,400			
Total IT Labor	\$108,000	\$378,000	\$112,000	\$112,000	\$112,000
Non-IT Labor/Fringe Benefits & Material Costs					
Operations Labor		\$76,300	\$76,300	\$76,300	\$76,300
Operations Fringe Benefits		32,700	32,700	32,700	32,700
Finance Labor	70,700	60,200	32,900	32,900	32,900
Finance Fringe Benefits	30,300	25,800	14,100	14,100	14,100
Legal Labor	16,100	16,100	16,100	16,100	16,100
Legal Fringe Benefits	6,900	6,900	6,900	6,900	6,900
Legislative Labor	3,500	3,500	3,500	3,500	3,500
Legislative Fringe Benefits	1,500	1,500	1,500	1,500	1,500
Total Non-IT Labor/Fringe Benefits	\$129,000	\$223,000	\$184,000	\$184,000	\$184,000
Material Costs	5,000	35,000	6,500	6,500	6,500
Non-IT Labor/Fringe Benefits & Material Costs	134,000	258,000	190,500	190,500	190,500
Overhead	24,000	127,000	30,500	30,500	30,500
Total	\$266,000	\$763,000	\$333,000	\$333,000	\$333,000

Long-Term Fiscal Considerations

PERA assumes that the ongoing support and maintenance for IT, labor, material, and overhead costs will continue into the FY24/FY25 and FY26/FY27.

Local Fiscal Impact

References/Sources

Agency Contact: Doug Anderson, 651-201-2690

Agency Fiscal Note Coordinator Signature: Doug Anderson

Phone: 651-201-2690

Date: 4/18/2023 2:27:59 PM

Email: doug.anderson@mnpera.org

Fiscal Note

2023-2024 Legislative Session

HF1234 - 1UE - Peace Officer Duty Disability, Wellness Training

Chief Author: **Kaohly Her**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **4/21/2023 8:05:10 PM**
 Agency: **University Of Minnesota**

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

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

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	20	-	-	-	20
Total	-	20	-	-	-	20
Biennial Total			20			20

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
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: Xunxuan Weerts **Date:** 4/10/2023 2:50:10 PM
Phone: 651-284-6438 **Email:** xunxuan.weerts@lbo.mn.gov

State Cost (Savings) Calculation Details

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

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

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
General Fund	-	20	-	-	20	
Total	-	20	-	-	20	
Biennial Total			20		20	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	119	99	99	119	
Total	-	119	99	99	119	
Biennial Total			218		218	
2 - Revenues, Transfers In*						
General Fund	-	99	99	99	99	
Total	-	99	99	99	99	
Biennial Total			198		198	

Bill Description

HF1234 is a bill modifying peace officer duty disability provisions; requiring a report; appropriating money; amending Minnesota Statutes 2022, sections 299A.465, subdivision 4; 352B.10, subdivisions 2a, 4; 352B.101; 353.031, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 352B; 353; 626.

Assumptions

1. Salary and benefits costs for officers on leave. The University of Minnesota currently employs 67 peace officers at an average salary of \$102,700. Adding a 7.8% inflation adjustment to that salary from FY23 to FY24, based on a newly negotiated contract, we assume base salary as of July 1, 2024 will be \$110,711. Fringe benefit costs are 36.8% of salary, so the total cost per officer will be \$151,452 annually, \$2,913 per week or \$72.81 per hour.
2. Salary and benefits costs for backfills. We assume that salary and benefits for a backfill are the same as the cost for the disabled officer. The bill provides no reimbursement for backfill costs.
3. Officers claiming disability due to mental illness. Over the past three years, an average of 1 officer claimed duty disability for mental illness each year, a trend which we expect to continue.
4. Treatment costs. The Minnesota Management and Budget (MBB) fiscal note for this bill assumes a weekly cost of \$185 for one treatment program, which we assume is reasonable.
5. Potential lack of treatment availability. The bill provides for payment of reimbursable salary and benefits costs beyond 8 or 24 weeks if treatment is unavailable for reasons beyond the employee's control. The University of Minnesota employs a total of 67 police officers, of which 56 are based in the Twin Cities and 8 are based in Duluth. The most common form of mental illness affecting police officers is PTSD. In Minneapolis, 1,518 treatment providers are currently accepting new patients (per WebMD). In Duluth, 78 providers are accepting new patients. Based on this, we anticipate no additional cost due to lack of treatment availability.
6. Training costs.
 - The University offers an employee assistance program, therefore the only training requirement is the wellness training described in Section 626.8478.
 - The class length is assumed to be 4 hours. The actual length depends on the course developed by the Department of Public Safety. Assuming 4 hours at the average hourly rate of \$70.92, the cost per officer would be \$283.68.
 - All officers on staff will be trained in FY24.
 - New officers will be trained before starting service with the University, per Section 626.8478 Subdivision 2.

- Section 626.8478 Subdivision 3 appears to create a requirement for continuing education credit on a three-year cycle. Therefore, we assume that all officers trained in FY24 will need to be retrained in FY27.

Expenditure and/or Revenue Formula

Table 1: Costs

Claim Costs	Number of Claims	Cost Per Each	FY24	FY25	FY26	FY27
Treatment Cost @ \$185 per Week, 24 Weeks	1	\$4,440	\$4,440	\$4,440	\$4,440	\$4,440
Treatment Cost @ \$185 per Week, 8 Weeks	1	\$1,480	\$1,480	\$1,480	\$1,480	\$1,480
Backfill Salary and Benefits, 24 Weeks	1	\$2,913	\$69,912	\$69,912	\$69,912	\$69,912
Backfill Salary and Benefits, 8 Weeks	1	\$2,913	\$23,304	\$23,304	\$23,304	\$23,304
Total claim costs			\$99,136	\$99,136	\$99,136	\$99,136
Training Costs	Officers Trained	Labor Cost Per Officer	FY24	FY25	FY26	FY27
In-service training sessions	67	\$291.24	\$19,513	\$0	\$0	\$19,513
		Total Costs	\$118,649	\$99,136	\$99,136	\$118,649

Table 2: Reimbursements

Reimbursements	FY24	FY25	FY26	FY27
Treatment Costs, 24 Weeks	\$4,440	\$4,440	\$4,440	\$4,440
Treatment Costs, 8 Weeks	\$1,480	\$1,480	\$1,480	\$1,480
Salary and Benefits, Officers on Leave 24 Weeks	\$69,912	\$69,912	\$69,912	\$69,912
Salary and Benefits, Officers on Leave 8 Weeks	\$23,304	\$23,304	\$23,304	\$23,304
Total Reimbursements	\$99,136	\$99,136	\$99,136	\$99,136

Table 3: Summary

Summary	FY24	FY25	FY26	FY27
Total Costs	\$118,649	\$99,136	\$99,136	\$118,649
Total Reimbursements	\$99,136	\$99,136	\$99,136	\$99,136
Net Total	\$19,513	\$0	\$0	\$19,513

Long-Term Fiscal Considerations

If the bill reduces the number of duty disability retirements due to mental illness by establishing preventive measures and early intervention when officers experience, or claim, duty-related mental illness, the University could experience reduced long-term costs due to duty-related mental illness.

Local Fiscal Impact

Every municipality and governmental unit that employs peace officers or firefighters will be impacted by this legislation.

References/Sources

Peter Helgeson, Senior Employee and Labor Relations Consultant, University of Minnesota.

Agency Contact:

Agency Fiscal Note Coordinator Signature: Keeya Steel

Date: 4/10/2023 2:45:51 PM

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