

Workforce Report 2010

State of Minnesota



Executive Summary and Key Findings

Similar to state governments across the nation, Minnesota's state employees are older than non-government employees and large numbers will be eligible to retire very soon. State government workforces, including Minnesota's, are aging faster than federal and local governments. Financial pressures posed by Minnesota's state budget point toward a workforce reduction, which in turn poses important considerations for workforce planning and development.

In 2000 the median age of state employees was 45.5. In 2010 median age for state employees has increased to 50.5. In fiscal year 2010, within the executive branch of state government, the average retirement age was 61.30.

There were fewer retirements than average in fiscal year 2009, likely due to employees' desires to rebuild the value of retirement savings after a global economic decline. It is anticipated that those who did not retire for economic reasons in 2009 will retire soon, as will those who are imminently eligible to retire. Retirements increased over 16 percent between fiscal years 2009 and 2010 and are likely to increase even more in 2011.

Typically, organizations hire new employees to fill workforce gaps left by high rates of retirement. Employees who are preparing to retire transfer knowledge and train in new employees in order to retain organizational knowledge and productivity. Because of the financial constraints on agency budgets vacancies have not been filled for many positions. There has been an overall reduction in permanent hiring, and the overall size of the workforce is reduced. In fact, most hiring in fiscal year 2010 has been on a contingent basis, which provides short-term budget relief, however, it does not support a long standing, well-trained and developed workforce.

The reduction in permanent rehiring can lead to a high level of uncertainty in the workplace. In the past year, only 26 percent of new employees were hired on a full-time, permanent basis. The increasingly transient nature of new hires combined with the departure of retirees and their institutional knowledge create a situation that will increase struggles with job retention, retaining organizational knowledge, and developing talent of Minnesota's government workforce.

Key Findings

1. The median age of Minnesota's workforce is increasing. In 2000, the median age of Minnesota's workforce was 45.5. It was 50.5 in 2010.
2. Almost 60 percent of new hires in fiscal year 2010 were hired on an emergency, provisional, seasonal, temporary, or limited status. There are approximately 10 percent fewer permanent new hires than in 2009 and 15 percent fewer than in 2008. Only 26 percent of new hires in fiscal year 2010 were hired on a full time, permanent status. This is a three percent decrease from 2009 and six percent decrease from 2008.
3. The total cost of compensation increased only 1.03 percent since fiscal year 2009. That is a much smaller change than in prior years (4.84 percent increase in 2009, 7.28 percent increase in 2008).
4. In the last 10 years, full-time equivalency (FTE) increased by approximately one-half percent in Minnesota's state government.
5. Retirements have increased over 16 percent since fiscal year 2009. They are expected to increase even more in 2011 according the state demographer.
6. The number of years that an average employee has stayed employed with the state of Minnesota in fiscal year 2010 is 12.92 years. The average length of employment has increased by 1.86 percent since fiscal year 2009, when the average length was 12.68 years.
7. The cost of overtime decreased by approximately \$2 million since fiscal year 2009.

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Minnesota Management and Budget (MMB) is the employee relations and finance agency of Minnesota's executive branch of government. MMB's mission is to increase state government's capacity to manage and utilize financial, human, information and analytical resources to ensure exceptional service and value for Minnesota's citizens.

Coordinating the state's personnel and labor relations activities, MMB assists statewide agencies with issues relating to state employment. Some of the tasks include policy development, administration of the state's merit system, negotiation and administration of labor agreements, and development of compensation plans for all state employees. MMB also manages the insurance benefits for all employees and their dependents. The agency is committed to the continuous improvement of human capital management and services that support state government.

This report was completed by Workforce Planning and Development, a division of MMB. Workforce Planning and Development provides guidance to state agencies in preparing workforce plans; offers diversity leadership, consultation and technical assistance to ensure compliance with state and federal requirements for the Americans with Disabilities Act (ADA); provides guidance to local governments in achieving and maintaining gender equity in their compensation plans; and puts forth custom-designed services and training to public service clients through Enterprise Learning and Management (ELD).

About this Report

The 2010 Minnesota Workforce Report focuses on state employees in the executive branch of state government. This information reflects all permanent and non-permanent employees in state agencies under the jurisdiction of the governor and other executive officials.

This report does not include information on the legislative or judicial branches, public higher education (specifically MnSCU or University of Minnesota), or the retirement agencies (Minnesota State Retirement System [MSRS], Teacher's Retirement Association [TRA], or Public Employee Retirement Association [PERA]).

The primary source of the Minnesota Workforce Report data is the State's Human Resources Information System, referred to as SEMA4. Information was also provided by Minnesota State Retirement System (MSRS), State Demographic Center, and MMB's Budget Division.

The data contained in this report represents the status of the state government workforce as of July 2010.

Key Facts to Consider

The following key events impacted the workforce during the past two years:

July 2009 – Contracts and plans for employees contained no salary increases. Performance-based increases stopped for fiscal year 2010.

July 2010 – Contracts and plans for employees contained no salary increases.

Definitions

Average – The most representative score in a distribution.

Cabinet-level agency – The following agencies are considered cabinet-level: The Departments of Administration, Agriculture, Commerce, Corrections, Education, Employment and Economic Development, Health, Human Rights, Labor and Industry, Management and Budget, Natural Resources, Public Safety, Human Services, Revenue, Transportation, and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the Office of Iron Range Resources and Rehabilitation; the Bureau of Mediation Services; and Office of Enterprise Technology. Each has appointed commissioners or executives who are part of the Governor's Cabinet.

Calendar year – January through December.

Churnover – Intra- and inter-agency movement, promotion, transfer, and demotion.

Contingent workforce - Refers to seasonal, temporary, limited, emergency, and provisional employees hired expecting to be terminated at the end of his or her time of employment.

Enterprise – Refers to the entire executive branch.

Executive Branch - Agencies of state government established by statute or constitution who have within their particular field of responsibility statewide jurisdiction and who are not within the legislative or judicial branches of government.

Fiscal Year – July through June. Fiscal year 2010 was the time parameter used for this report.

Median – The point at which 50 percent of cases in a distribution fall below and 50 percent fall above. The center point of a distribution.

Turnover – Turnover can be voluntary, which has been determined to be beyond the control of management, or involuntary, which is at the control of management.

Unlimited status – Employees hired on a permanent status. Others are hired on seasonal, emergency, temporary, limited, or provisional status.

2010 Workforce Profile

This report provides an overview of employment in the executive branch. Table A provides a snapshot of the executive branch employment profile in fiscal year 2010.

Table A: State Government Workforce at a Glance (*as of July 2010*)

Total workforce appointment count	34,123
Total FTEs (fiscal year 2010)	32,786.1
Median age	50.5
Average age	46.17
Female*	49.6%
Ethnic minority*	8.04%
Persons with disability*	4.68%
Veteran*	12.11%
Veteran with disability*	.01%
Average annual salary (full-time employees)	\$51,916.80
Represented by a bargaining unit	88.61%
Permanent or unlimited status	90.63%
Average length of service	12.92 years
Full-time employees	84.86%
Hires (fiscal year 2010)	3793
Layoffs (fiscal year 2010)	247
Retirements (fiscal year 2010)	892
Total turnover percentage (fiscal year 2010)	6.43%
Average age of retirement (fiscal year 2010)	61.3
Number of employees currently at age 61	727
Number of employees currently at age 62	590
Number of employees expected to be age 62 in 2015	398

* It is important to note that gender, ethnicity and disability data are **voluntarily** provided by state employees, and veteran data are **voluntarily** provided prior to the start of employment. Employees are often reticent to indicate this private data or do not identify with only one ethnic group, and therefore do not provide the information. As a result, the state's workforce may be more diverse than the numbers reflect.

The State Government Workforce Separated by Branch

The Executive Branch comprises 89 percent of state government employees, and is the largest group of employees in the chart below. It should be noted that judicial, legislative, and retirement agency employees

(Minnesota State Retirement System, Teacher’s Retirement Association, and Public Employees Retirement Association) formulate a total of 11 percent of the rest of the workforce.

Chart 1: Workforce Distribution by Branch

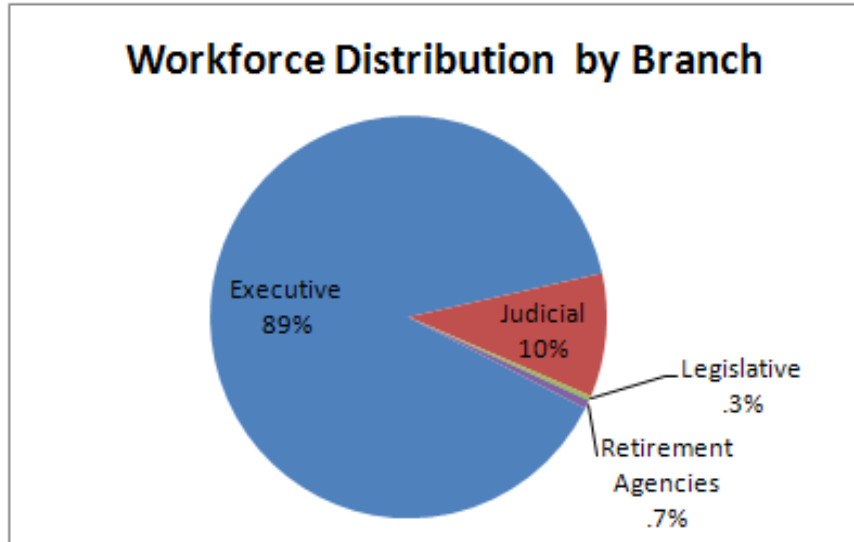


Table B: Workforce Separated by Branch (supporting table)

Executive	34,123	89%
Judicial	3803	10%
Legislative	145	.3%
Retirement Agencies	268	.7%
Total	38,339	100%

Workforce Counts

The size of Minnesota's workforce fluctuates throughout the year due to seasonal appointments in programs throughout various agencies. Appointment count is defined by the number of active appointments working for the state of Minnesota. Each employee counts as one, regardless of their unlimited or contingent employment status or full or part-time hours. In addition, some employees hold multiple appointments. For example, an employee may have a part-time position with one agency and a seasonal position with another. The size of Minnesota's workforce decreased in 2002, 2003 and 2004, then increased between 2005 and

2009. In 2010, the size of the workforce decreased by .25 percent. The reasons for the decrease were hiring restrictions that resulted in only critical positions being filled and budget cuts that prevented rehiring with a vacant position. Most new employees of 2010 were hired on a contingent basis. A high number of contingently hired employees does not maintain a well-developed workforce, which will be discussed later in this report.

Chart 2: Minnesota's Workforce Size 2001-2010 (Appointment Count)

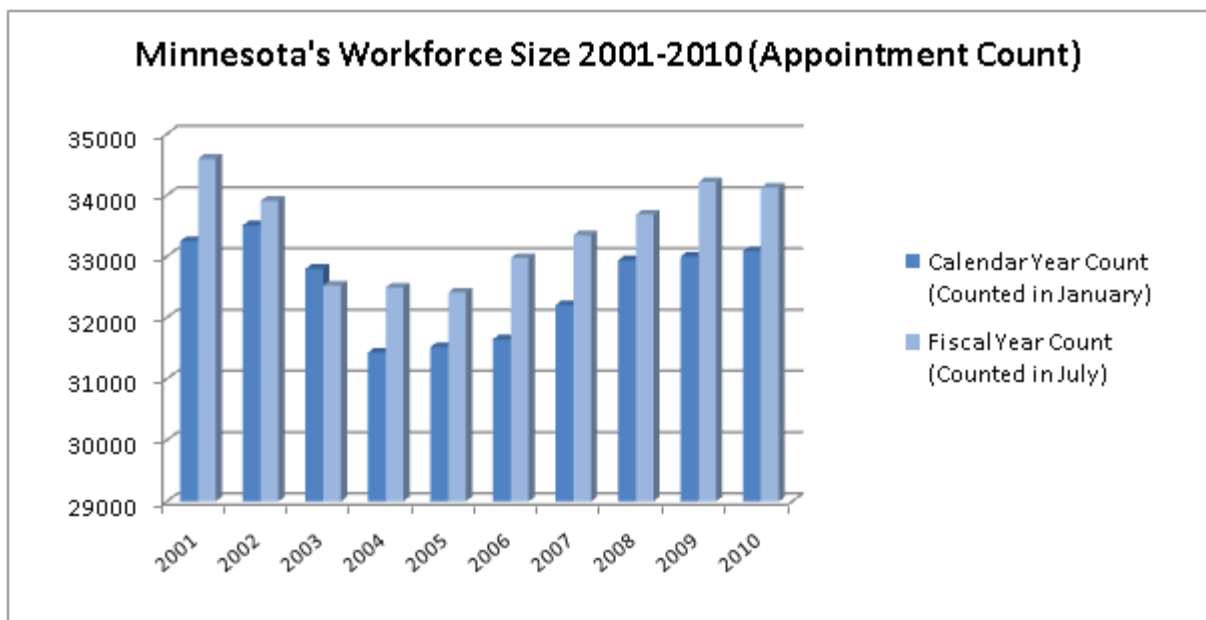


Table C: Size of Minnesota's Workforce (Appointment Count) by Calendar and Fiscal Year (supporting table)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Calendar*** Year Count (January)	33,251	33,510	32,799	31,434	31,519	31,648	32,206	32,937	32,996	33,090
Fiscal** Year Count (July)	34,596	33,909	32,527	32,492	32,410	32,976	33,347	33,683	34,213	34,123
% change between fiscal and calendar yr appointment counts	+4.04%*	+1.19%*	-.82%*	+3.37%*	+2.60%*	+5.09%*	+4.58%*	+2.26%*	+3.56%*	+3.12%*

*** Calendar year: January through December

** Fiscal year: July through June

*There is a change in workforce size from January to July. This is because of the additional of limited, temporary, emergency, provisional, or seasonal (contingent) employees for spring and summer months, mostly to Department of Natural Resources and Department of Transportation.

Full-Time Equivalencies (FTEs)

To establish a more consistent measure of workforce, budget planners use full-time equivalencies (FTEs). To determine FTEs, a calculation is made based on the actual number of hours paid to employees divided by 2,088 hours per year. The resulting number indicates the equivalent of employees' hours, regardless of the terms of his or her employee status. For example, four half time employees would be described as two FTEs.

The Executive Branch had 32,786.1 FTEs during fiscal year 2010. In the last year, the workforce has increased in .78 percent when calculating FTEs. In the last 10 years the FTE size of the workforce has only increased by a total of .55 percent.

Table D: FTE Count by Fiscal Year

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
FTE	32,607.9	31,934.1	31,987.3	30,797.6	30,906.4	31,206.8	31,820.6	32,430.3	32,532.8	32,786.1
% Change		+2.06%	+0.17%	-3.72%	+0.35%	-2.26%	+1.97%	+1.92%	+2.20%	+0.78%

Workforce Distribution by Agency (FTE)

Ten agencies employ over 80 percent of the workforce. They are the largest in size. All information in the Table E is listed in rank order by FTE, which indicates the equivalent of full-time employees within each agency. Also listed in the table is the appointment count of each executive branch agency, board and commission, the current percentage of the workforce that each agency employs, and change in each agency’s appointment count since 2009.

Over 47 percent of the state workforce is employed by three agencies: Departments of Human Services (DHS), Transportation (MnDOT), and Corrections (DOC), respectively. State agency sizes range from the largest, such as DHS which employs approximately one-fifth of the executive branch employees, to very small, including boards that have one employee to meet the needs of the organization.

As illustrated in Table E, most agencies experienced a decrease in appointment count during the past year. In fact, over 42 percent of state agencies, boards, and commissions saw a reduction in their appointment count. Eighteen agencies, boards and commissions, or almost 23 percent, did not experience loss or gain, while almost 32 percent of agencies, boards and commissions experienced a gain in appointment count. Agencies that experienced gains were primarily in response to legislative initiatives, federally funded programs, or short-term efforts, such as the implementation of Statewide Integrated Financial Tools (SWIFT).

Chart 3: Ten Agencies Employ Over 82 Percent of the Workforce

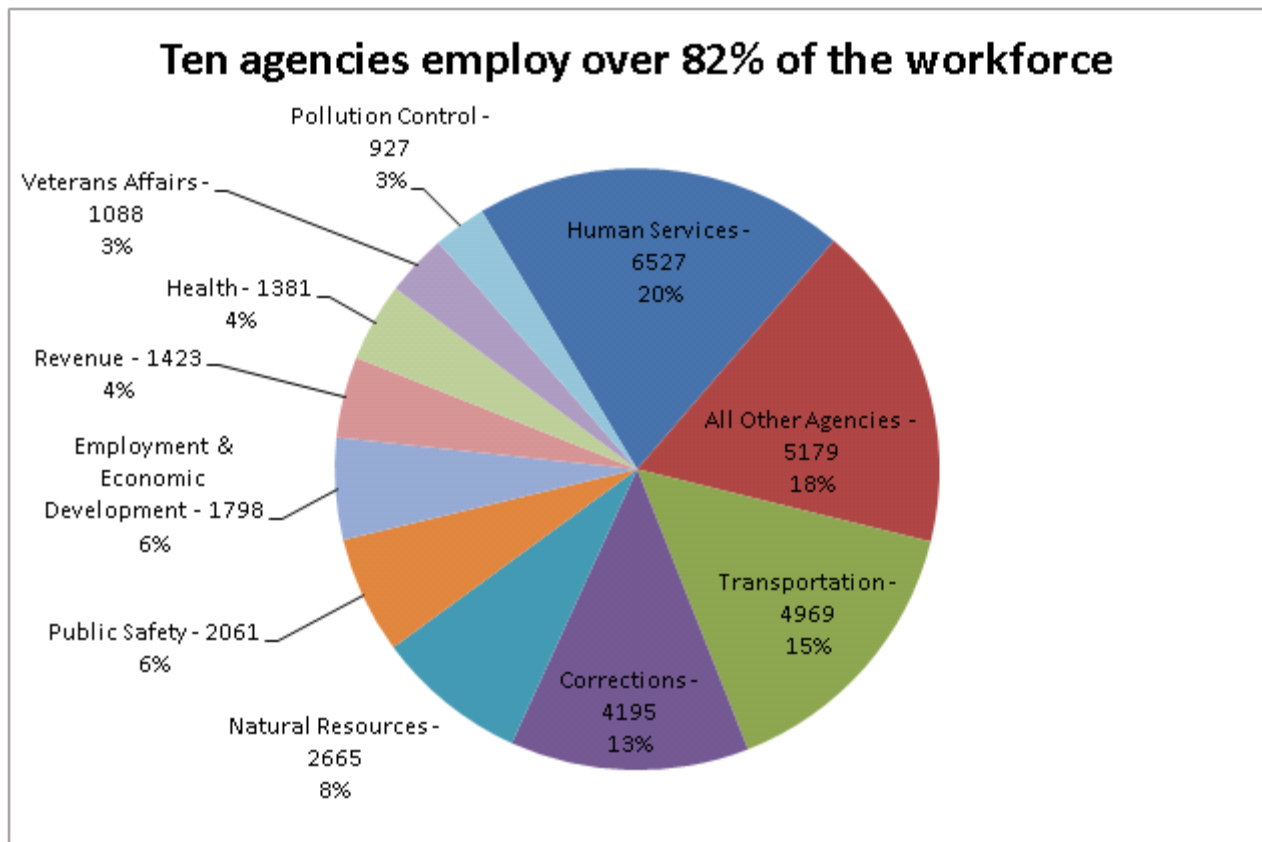


Table E: Appointment Count and FTEs by Agency

Rank by FTE	Agency	FTE	Head - count	% of current work-force (head count)	Change in head count since FY09
1	Human Services Dept	6527	6883	20.25%	-4.96%
2	Transportation Dept	4969	5051	14.86%	.83%
3	Corrections Dept	4195	4217	12.41%	-2.15%
4	Natural Resources Dept	2665	3145	9.25%	3.05%
5	Public Safety Dept	2061	2037	5.99%	.30%
6	Employment & Economic Development	1798	1838	5.41%	2.62%
7	Revenue Dept	1423	1504	4.42%	7.43%
8	Health Dept	1381	1495	4.40%	5.88%
9	Veterans Affairs Dept	1088	1320	3.88%	-4.45%
10	Pollution Control Agency	927	963	2.83%	-2.1%
11	Administration Dept	484	489	1.44%	-4.69%
12	Labor & Industry Dept	447	445	1.31%	-3.47%
13	Agriculture Dept	421	499	1.47%	-3.85%
14	Education Department	402	407	1.20%	1.21%
15	Office of Enterprise Technology	332	321	0.94%	-4.46%
16	Commerce Dept	322	338	0.99%	5.30%
17	Attorney General	313	317	0.93%	-4.51%
18	Minnesota Management and Budget	286	316	0.93%	20.61%
19	Military Affairs Dept	278	300	0.88%	4.17%
20	Zoological Board	228	354	1.04%	3.51%
21	Housing Finance Agency	208	204	0.60%	-1.92%
22	MN State Academies	180	328	0.97%	1.86%
23	Lottery	142	138	0.41%	-2.81%
24	State Auditor	106	109	0.32%	.92%
25	Water & Soil Board	80	80	0.24%	0%
26	Secretary of State	79	91	0.27%	12.34%
27	Administrative Hearings	76	78	0.23%	1.30%
28	Center for Arts Education	70	82	0.24%	9.33%
29	Iron Range Res & Rehab	69	58	0.17%	-1.69%
30	Office of Higher Education	67	67	0.20%	-2.90%
31	Animal Health Board	52	52	0.15%	-3.70%
32	Explore MN Tourism	50	64	0.19%	-3.03%
33	Public Utilities Comm	45	48	0.14%	4.35%
34	Human Rights Dept	41	37	0.11%	-13.95%
35	Governor's Office	36	47	0.14%	-17.54%
36	Nursing Board	33	34	0.10%	3.03%
37	Gambling Control Board	31	31	0.09%	-6.06%
38	Medical Practice Board	23	24	0.07%	0%
39	Investment Board	22	22	0.06%	-4.35%
40	Emergency Medical Services Board	21	20	0.06%	-9.09%
41	Ombudsman MH/MR	16	19	0.06%	5.55%
42	Mediation Services Dept	13	14	0.04%	7.69%
43	Workers Comp Court of Appeals	13	13	0.04%	-7.14%
44	Racing Commission	13	22	0.06%	-4.35%
45	Peace Officers Bd (POST)	12	11	0.03%	-15.38%
46	Pharmacy Board	11	12	0.04%	9.09%
47	Social Work Board	11	11	0.03%	0%
48	Arts Board	10	11	0.03%	10.00%
49	Dentistry Board	10	11	0.03%	0%

Rank by FTE	Agency	FTE	Head - count	% of current work-force (head count)	Change in head count since FY09
50	Psychology Board	10	10	0.03%	11.11%
51	Nursing Home Admin Bd	9	11	0.03%	0%
52	Public Facilities Authority	9	9	0.03%	900%
53	Cosmetologist Examiners Board	8	9	0.03%	28.57%
54	Campaign Finance Board	8	8	0.02%	0%
55	Sentencing Guidelines Commission	7	7	0.02%	0%
56	Disability Council	7	8	0.02%	14.30%
57	Architecture, Engineering Board	6	8	0.02%	14.30%
58	Tax Court	6	6	0.02%	0%
59	Indian Affairs Council	5	5	0.01%	0%
60	Ombudsman for Families	4	5	0.01%	0%
61	Black Minnesotans Coun	4	5	0.01%	0%
62	Accountancy Board	4	5	0.01%	-17.00%
63	Chiropractic Examiners Bd	5	5	0.01%	0%
64	Behavioral Health and Therapy Board	4	2	0.01%	-50.00%
65	Capitol Area Architect	4	3	0.01%	-25.00%
66	Asian-Pacific Council	4	3	0.01%	-25.00%
67	Chicano Latino Aff Council	3	3	0.01%	0%
68	Amateur Sports Comm	3	3	0.01%	0%
69	Physical Therapy Board	3	3	0.01%	0%
70	Combative Sports Comm	2	16	0.05%	-5.88%
71	Higher Ed Facilities Authority	2	2	0.01%	-33.33%
72	Barber Examiners Board	2	1	0.00%	-50.00%
73	Veterinary Medicine Bd	2	2	0.01%	0%
74	Marriage & Family Therapy Board	1	1	0.00%	-50.00%
75	Private Detectives Board	1	1	0.00%	-50.00%
76	Optometry Board	1	2	0.01%	0%
77	Dietetics & Nutrition Practice	1	2	0.01%	0%
78	Podiatric Medicine Board	1	1	0.00%	-50.00%

Approximately 60 percent of state employees work in the seven-county metro area (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties) while greater Minnesota employs 40 percent of executive branch employees. Almost 60 percent of state government employees work in five counties, 43 percent of whom work in Ramsey County. Ramsey County is the largest and is where the state Capitol and many central offices of the various agencies, boards and commissions are located. Hennepin County, is the second largest and holds the largest residential population in the state. Washington, St. Louis, and Nicollet Counties are the

next largest for employing state workers, respectively. The majority of employees in Washington County are employees with the Department of Corrections, which is where the Minnesota Correctional Facility-Stillwater is located. A large number of the employees are also employed with the Department of Transportation. The Departments of Transportation, Natural Resources, Human Services, Revenue, and Public Safety have large numbers of employees in St. Louis County. Almost all the employees in Nicollet County are employed with Human Services.

Table F: Workforce Distribution by County

County	#	%
Aitkin	52	0.15%
Anoka	1108	3.25%
Becker	265	0.01%
Beltrami	431	1.26%
Benton	41	0.12%
Big Stone	14	0.04%
Blue Earth	331	.97%
Brown	105	0.19%
Carlton	956	2.80%
Carver	25	0.07%
Cass	103	0.30%
Chippewa	38	0.11%
Chisago	420	1.23%
Clay	109	.32%
Clearwater	14	0.04%
Cook	38	0.11%
Cottonwood	83	0.24%
Crow Wing	724	1.74%
Dakota	901	2.12%
Dodge	50	0.15%
Douglas	126	0.37%
Faribault	18	0.05%
Fillmore	66	0.19%
Freeborn	48	0.14%
Goodhue	213	0.62%
Grant	25	0.07%
Hennepin	1786	5.23%
Houston	22	0.06%
Hubbard	302	0.89%
Isanti	254	0.74%

County	#	%
Itasca	303	0.89%
Jackson	5	0.01%
Kanabec	15	0.04%
Kandiyohi	414	1.21%
Kittson	20	0.06%
Koochiching	47	0.17%
Lac Qui Parle	4	0.01%
Lake	269	0.79%
Lake Of Woods	32	0.09%
Le Sueur	45	0.13%
Lincoln	3	0.01%
Lyon	204	.60%
Mahnomen	18	0.05%
Marshall	16	0.05%
Martin	37	0.11%
McLeod	57	0.17%
Meeker	20	0.06%
Mille Lacs	47	0.14%
Morrison	246	0.72%
Mower	60	0.18%
Murray	16	0.05%
Nicollet	1159	3.39%
Nobles	56	0.16%
Norman	4	0.01%
Olmsted	510	1.49%
Otter Tail	462	1.35%
Pennington	96	0.28%
Pine	220	0.64%
Pipestone	11	0.03%
Polk	95	0.28%
Pope	31	0.09%

County	#	%
Ramsey	14920	43.72%
Red Lake	0	.00%
Redwood	40	0.12%
Renville	18	0.05%
Rice	1145	3.36%
Rock	220	0.64%
Roseau	49	0.14%
Scott	316	0.93%
Sherburne	430	1.26%
Sibley	11	0.03%
St Louis	1200	3.52%
Stearns	440	1.29%
Steele	135	0.40%
Stevens	37	0.11%
Swift	7	0.02%
Todd	16	0.05%
Traverse	4	0.01%
Wabasha	27	0.08%
Wadena	42	0.12%
Waseca	8	0.02%
Washington	1341	3.93%
Watonwan	32	0.09%
Wilkin	4	0.01%
Winona	126	.37%
Wright	115	0.34%
Yellow Medicine	14	0.04%

Workforce Diversity Profile

Overall Workforce Diversity Profile

The census data from 2010 data is not yet available, therefore, 2000 census data was utilized for comparisons in this report.

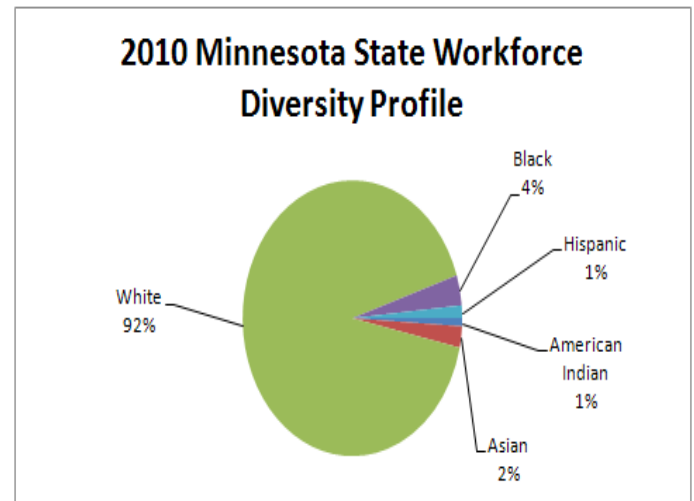
The percentage of female employment is relatively equal across the state government workforce, state private sector workforce, and U.S. private sector workforce, with state employment representing about half of the employee base. Minnesota's government workforce is

close in comparison to the private sector workforce in ethnic minority private sector workforce, and U.S. private sector workforce, with state employment representing about half of the employee base. Minnesota's government workforce is close in comparison to the private sector workforce in ethnic minority.

Chart 5: 2010 Minnesota State Workforce Diversity Profile

Table G: Workforce Diversity Comparison

	2010 Minnesota State Government Workforce	2000 Minnesota Private Sector Workforce	2000 US Private Sector Workforce
Ethnic Minority	8.04%*	9.30%	27.23%
Persons with Disability	4.68%*	15.8%	19%
Female	49.6%*	47.4%	46.8%
Veteran with Disability	.01%*	n/a	n/a
Veteran	12.11%*	n/a	n/a
Age 40 or Older	71.07%	n/a	n/a



* It is important to note that gender, ethnicity and disability data are **voluntarily** provided by state employees, and veteran data are **voluntarily** provided prior to the start of employment. Employees are often reticent to indicate this private data or do not identify with only one ethnic group, and therefore do not provide the information. As a result, the state's workforce may be more diverse than the numbers reflect.

Increasing Median Age of State Government Workforce

The median age of the workforce is increasing across the nation. According to demographic experts, state government workforces across the nation are especially at risk because of the high numbers of baby boomers in state employment nearing retirement age. The median age of the Minnesota state workforce is currently 50.5, compared to 45.5 in 2000. This represents an increase in median age of five years over the last decade. If this trend continues, in 2020, the median age of the Minnesota state workforce will be 55.5. Below is an example of the current age trends in the state workforce. There are 51 agencies, boards, and commissions listed in the table below. To be included in the table, agencies, boards and commissions needed to have 11 employees,

therefore, 27 agencies, boards, and commissions were fully redacted for data privacy reasons. Furthermore, if there was only one retiree per agency, their ages were not listed due to data privacy.

The age distribution lines represent a clear picture of the ages of Minnesota's workforce by agency. There are some agencies that do not have a high level of employees age 45 or above, while there are several that will be vulnerable to retirement trends during the upcoming years and need to build their employee pipeline with the hiring and development of new, unlimited hires. Of the 51 agencies, boards and commissions listed below, 28 have an employee base with a median age of 50 or higher.

Table H: Retirement and Age Profile by Agency

Agency	Ave age of retirement in 2010*	Median Age in 2010	Ages of Employees						
			Tns	20s	30s	40s	50s	60s	70+
Administration Dept	60.89	52							
Administrative Hearings	65.50	55							
Agriculture Dept	62.86	50.5							
Animal Health Board	-	52							
Arts Board	-	49							
Attorney General	61.38	49							
Combative Sports Commission	*	31.5							
Commerce Dept	59.80	51							
Corrections Dept	55.65	47							
Emergency Medical Services Board	-	41.5							
Employ & Econ Development Dept	60.72	51							
Explore Minnesota Tourism	64.00	54							
Minnesota State Academies	63.80	50.5							

Agency	Ave age of retirement in 2010*	Median Age in 2010	Ages of Employees							
			Tns	20s	30s	40s	50s	60s	70+	
Gambling Control Board	*	52								
Governor's Office	-	46								
Health Department	61.15	49								
Housing Finance Agency	*	51								
Human Rights Dept	-	51								
Human Services Dept	58.67	48								
Investment Board	-	49								
Iron Range Resources	-	51.5								
Labor & Industry Dept	62.29	52								
Lottery	60.56	50								
Mediation Services	-	56.5								
Medical Practice Board	-	45								
Military Affairs Dept	61.36	42.5								
Minnesota Management & Budget	58.25	50								
MN Center for Arts Education	*	51								
Natural Resources Dept	60.43	50								
Nursing Board	-	48								
Nursing Home Admin Board	-	39								
Office of Enterprise Tech	62.41	50								
Office of Higher Education	-	47								
Ombudsman MH/DD	-	45								
Peace Officer's Board (POST)	-	51								
Pharmacy Board	*	50								

Agency	Ave age of retirement in 2010*	Median Age in 2010	Ages of Employees							
			Tns	20s	30s	40s	50s	60s	70+	
Pollution Control Agency	*	45								
Public Safety Dept	56.72	50								
Public Utilities Commission	*	54								
Racing Commission	-	51								
Revenue Dept	61.08	44								
Secretary of State	61.67	50								
Social Work Board	-	44.5								
State Auditor	*	37								
Transportation Dept	61.47	49.5								
Veterans Affairs Dept	62.63	46								
Water & Soil Board	-	43.5								
Worker's Comp Court of Appeals	-	60								
Zoological Board	-	37								
TOTAL AGENCIES IN 2010	61.30	50.50								

- No retirement in fiscal year 2010,
 * Information redacted due to data privacy

Retirement

Minnesota state government employee retirement trends of the previous five years reflect the nation's economic challenges. Upcoming patterns are difficult to assess because of sporadic patterns. There was a significant drop of approximately 14 percent in fiscal year 2009 and a significant increase in 2010 of over 16 percent. Over 64 percent of retirements in the past year occurred in the four largest agencies: Corrections, Human Services, Transportation, and Natural Resources.

The actual number of upcoming retirees is difficult to project at this time because of sporadic trend patterns. It is expected that there are people who wanted to retire, but have held onto their jobs during the past two years because of economic recession. The state of Minnesota is projecting an increase in retirement for the next several years. Potential events that precipitate retirement are numerous and may include the addition of early retirement incentive (ERI), restoration of retirement portfolios, legislative changes, workplace and programming change, and personal readiness.

Table I: Total Retirements by Year

2006	2007	2008	2009	2010
831	887	891	767	892
	+6.7%	+.45	-14.14%	+16.29%

Average Age of Retirement has Increased

The chart and table below represent the increase in the average age of retirement over the last 10 years. The average age of retirement within the Executive Branch has increased by 1.84 percent in the last 10 years. It is expected that the average age of retirement will continue to increase. One factor that may influence the continued increase is the age at which a person can accrue full benefits continues to change. Currently, to be eligible for normal retirement benefits, an employee must have worked with the state until the age of 65 or 66, depending upon his or her current

age. An employee can also meet Rule of 90 if hired before June 30, 1989.

An early retirement incentive (ERI) was authorized by the legislature for certain retirement-eligible employees who have 15 years of service. This ERI may have impacted the average age of retirement, as well as the number of retirees for fiscal years 2010 and 2011. More information on retirement eligibility can be found in the Minnesota State Retirement System Handbook at <http://www.msrs.state.mn.us/pdf/hbgerp09.pdf>.

Chart 6: Average Age of Retirement

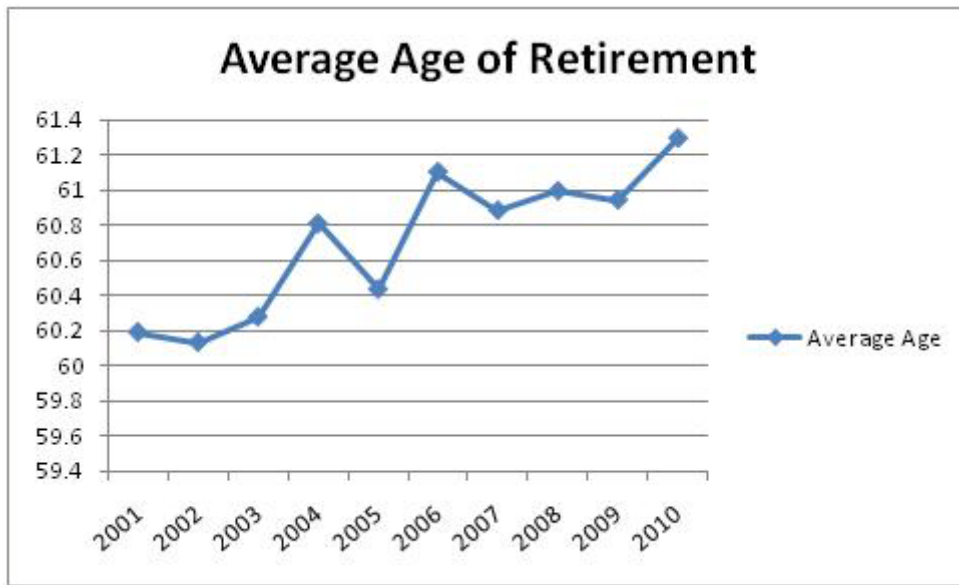


Table J: Average Age of Retirement (supporting table)

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Average Age	60.19	60.13	60.27	60.81	60.43	61.10	60.88	60.99	60.94	61.30
Percentage		-.1%	+.23%	+.89%	-.62%	+1.11%	-.36%	+.18%	-.1%	+.59%

Employee Turnover

Turnover is both voluntary, such as a resignation which is the choice of an employee, or involuntary which is at the control of the agency. Both involuntary and voluntary turnover results in vacancies within the Executive Branch of the state. In the past few years, with hiring restrictions, it has been difficult to fill these vacancies. Many vacancies have remained unfilled and tasks have been left uncompleted or partially fulfilled by others. Other positions have been filled by temporary, limited, seasonal, emergency, and provisional employees. This in turn creates further turnover and no long-term development. Some jobs are created to be filled temporarily such as student workers, agriculture technicians, transportation generalists and associates, and natural resources nursery field workers, depending upon the season, length of time it takes to complete the job, or related task. There are particular jobs with higher turnover rates due to the general nature of the work, particularly human service technicians, and office and administration generalists, which are often entry points for other jobs; and corrections officers, nurses, IT specialists, and general maintenance specialists. There may be several reasons for the high turnover rates regarding these positions:

1. Obtaining a higher rate of pay for a similar position in a different organization
2. Utilizing this position as a starting point and then moving up a career ladder
3. Changing careers
4. Personal reasons
5. Work-related reasons

The following table is a list of the 15 jobs with the highest turnover in fiscal year 2010. Also listed in the table is the percentage of employees hired on a temporary basis. When analyzing this information, it is important to understand the intent of hiring employees for time limited work, especially now when contingent hiring is an important asset to completing governmental work on a reduced budget. Also listed are the four agencies that experienced the highest turnover in fiscal year 2010. However, because the Departments of Transportation and Natural Resources hire the highest number of seasonal and temporary employees each year for projects such as maintaining parks and road construction, their turnover numbers will naturally be higher. In areas of Corrections and Human Services, turnover is often higher because of the involvement in providing direct services to client populations who have greater challenges, risks and needs.

Table K: 15 jobs with the Highest Turnover in Fiscal Year 2010

Position	Number of positions turned over in 2010	Percent of positions terminated because of temporary status
Student Workers	346	83.52%
Human Service Technicians	321	5.30%
Transportation Generalists	204	75%
Office and Administration Generalists	189	24.87%
Corrections Officers	148	6.08%
Laborer General	138	74.64%
LPNs	112	1.79%
RNs	86	8.14%
Office Specialist	79	56.96%
Information Specialists 1-5	70	15.71%
Security Counselors	66	0%
Agriculture Technicians	60	96.67%
Transportation Associates	51	74.51%
General Maintenance	48	18.75%
Natural Resources Nursery Field Worker	47	100%

Table L: Agencies with Highest Total Turnover Rates in Fiscal Year 2010*

Agency	Number	% of Agency
Human Services Dept	889	12.92%
Transportation Dept	561	11.11%
Natural Resources Dept	393	12.5%
Corrections Dept	350	8.3%
TOTAL WORKFORCE	2193	6.43%

*Excludes layoffs, retirements, and churnover

Table M: Workforce Totals

Total Resignations	1232
Total Layoffs	247

Employee Retention

Employees who enter Minnesota state employment stay for an average of 12.85 years. In looking at each of the last five years, new employee retention time decreased between fiscal years 2006 to 2009. Retention increased from fiscal years 2009 to 2010. The increase in retention time during the past year is likely due to a general decrease in job openings in state agencies. Retention is nearly at the same level it was five years ago. Minnesota agencies are implementing several strategies that focus on meeting the needs of the state while increasing employee retention. These strategies include:

1. Increasing telecommuting opportunities and flexible work schedules
2. Increasing the use of a contingent workforce in appropriate jobs
3. Adding pro-appointments, where retirees return by invitation for a period of time on a contractual basis to provide expertise
4. Developing relationships with external partners, including community based organizations and higher education to help identify and develop potential state employees
5. Promotion of internship, apprenticeship and training opportunities
6. Enhancing state employee learning and development opportunities to increase skills that promote adaptability and career flexibility

Table N: Years of Service – Fiscal Years 2006-2010

Fiscal Year	Average years of service
2006	13.00
2007	12.83 (-1.33%)
2008	12.79 (-.31%)
2009	12.68 (-.87%)
2010	12.92 (+1.86%)

New Hires

Minnesota state government hired fewer new employees in fiscal year 2010 than at any time in the past 10 years. In fact, there was over a 17 percent reduction in new hires in fiscal year 2010. Agencies are generally not creating new positions or not refilling positions after a vacancy. There have been hiring restrictions since 2008 requesting agencies only fill positions that are critical to their ongoing processes. This has been important in reducing salary burdens to the government. However, this has impacted the workforce as well in several ways. Typically the state hires unlimited employees for reasons including transferring knowledge from experienced staff to new staff, building skills, adding innovation and creativity in the workforce, and pinpointing talent for

future leadership roles. There has been a reduction in hiring full-time, unlimited employees during fiscal year 2010. This year 26 percent of new hires were on a full-time, unlimited status. In fiscal year 2009, there were 29 percent, and in fiscal year 2008, 32 percent of new hires were acquired on a full-time, unlimited status. As a result, the increasing age of the general workforce will continue to generate issues with loss of talent without the transfer of knowledge.

When new employees are not hired or there is an overreliance on a contingent staff, the long-term development process does not happen. The expected upswing in retirement will leave many agency programs without needed skills and talents.

Chart 7: New Hires by Year

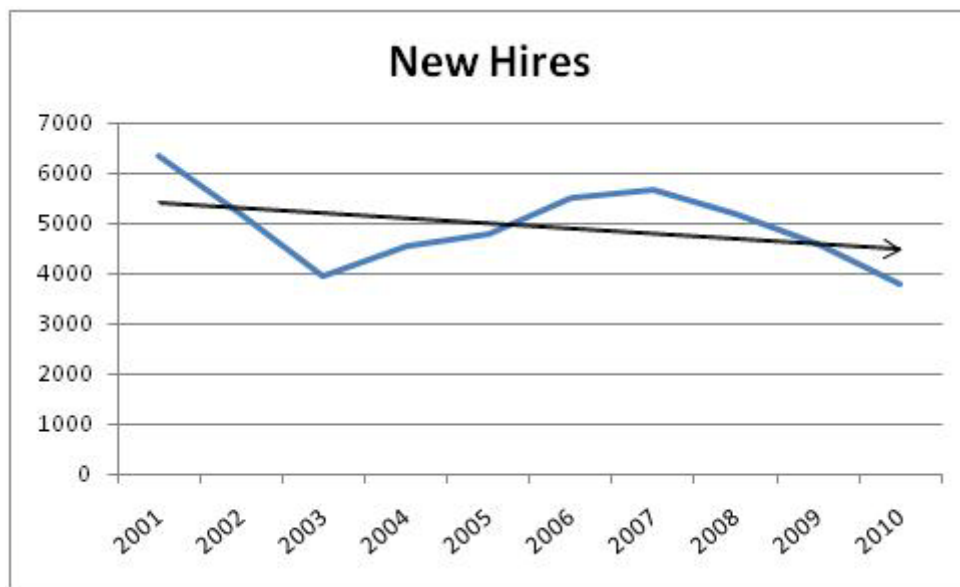


Table O: New Hires by Year (supporting table)

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
New Hires	6345	5165	3962	4550	4788	5515	5676	5192	4586	3793
Change		-18.6%	-42.65%	+14.84%	+5.23%	+15.18%	+2.92%	-8.53%	-11.67%	-17.29%

Chart 8: New Hires with Full-Time, Unlimited Status

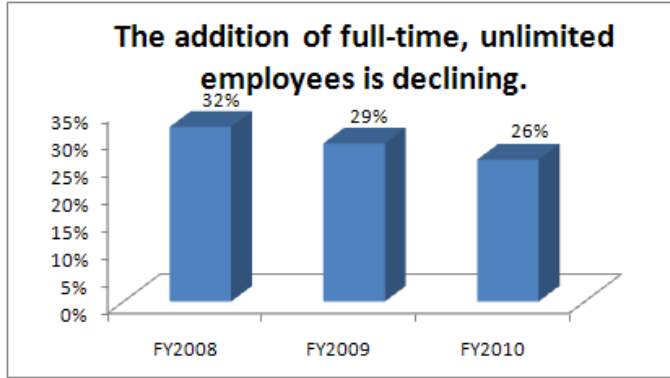
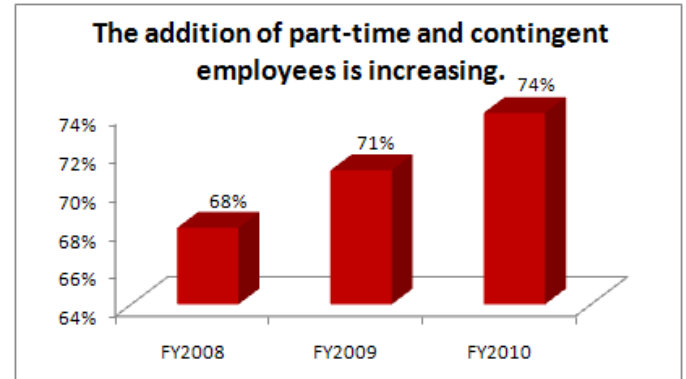


Chart 9: New Hires with Part-Time or Contingent Status



Of the new employees that joined the workforce during fiscal year 2010, almost 55 percent took positions in one of the 15 jobs listed on the table below. More than 10 percent of the new state employees are listed as student workers. The table below also demonstrates that many new employees are hired on a contingent basis. They may complete road work, snow and ice removal, state park assistance and/or maintenance, clerical work,

custodial work, or assistance to professional jobs, depending on the season of the year or type of work needed. Some of these jobs last for a few weeks, while others last as long as a season or as long as a school year. This list corresponds closely with the turnover list previously addressed. Many of these individuals are rehired annually for same or similar positions.

Table P: Jobs of New Hires

Job	Number of new hires in fiscal year 2010	Percentage hired on an unlimited or trainee status
Student Workers (Paraprofessional, Maintenance, Custodial, Clerical)	407	2.0%
Human Services Technician	229	86.28%
Transportation Generalist and Senior	205	10.9%
Natural Resources Nursery Field Worker	179	0%
Laborer - General	163	0%
Corrections Officer Trainee & 2	113	90.38%
Office Specialist	106	0%
Revenue Tax Specialist, Principal & Senior	102	98.9%
Information Technology Specialist 1-5	86	45.35%
Unemployment Insurance Operations Analyst	83	0%
Revenue Collections Officer 1 & 2	76	98.5%
Licensed Practical Nurse 1 & 2	74	93.24%
Natural Resources Worker	68	0%
Transportation Associate	64	18.75%
Agricultural Technician	63	0%
Total of these positions	2077	

Agencies that did the Most Hiring in 2010

Approximately half of the state's new hires from fiscal year 2010 were employed by four agencies. These are four of the six largest agencies in the state. The Transportation and Natural Resources Departments hire the most contingent employees based on their types of work projects. Other agencies often face

new hiring demands that correspond with recent federal or state funded initiatives that must be completed within specific time parameters, or sudden changes in the economy that generate increased demands for state services provided by agencies.

Table Q: Agencies with Highest Number of New Hires

Agency	Number of New Hires
Transportation Dept	637
Human Services Dept	488
Natural Resources Dept	461
Employ & Econ Development Dept	297
Total of these four agencies	1883

New Hire Profile

The following table is the profile of the state's new hires in fiscal year 2010. Almost 67 percent are full-time and over half are female. Less than 40 percent of new employees are hired on an unlimited or permanent status. The average salary for a new, full-time employee is \$36,108. The median age of all new hires is much

younger than just the median age of unlimited or permanent new hires. Many contingently hired employees participate in jobs during school breaks or as part of their school year, which is likely one reason for the decrease in age.

Table R: New Hire Profile

Ethnic minority	8.3%
Female	51.62%
Disability	2.64%
Special disabled veteran	.05%
Veteran	7.43%
Full-time	66.57%
Unlimited (permanent) status	37.88%
Full-time, unlimited	26%
Age 40 or older	40.65%
Median age of all new hires	35
Median age of unlimited, full-time hires	42
Average yearly compensation rate for new full-time hires	\$36,108

Age distribution of full-time new hires in 2010

When looking at all full-time new hires, the largest proportion of employees is between the ages of 20 and 24. It is approximately 20 percent. Data showed that over 71 percent of 20 to 24 year olds were hired on a contingent basis.

When looking specifically at full-time, unlimited employees, the largest group of new hires in fiscal year 2010 is in the 25 to 29 year age category.

Chart 10: New Hires

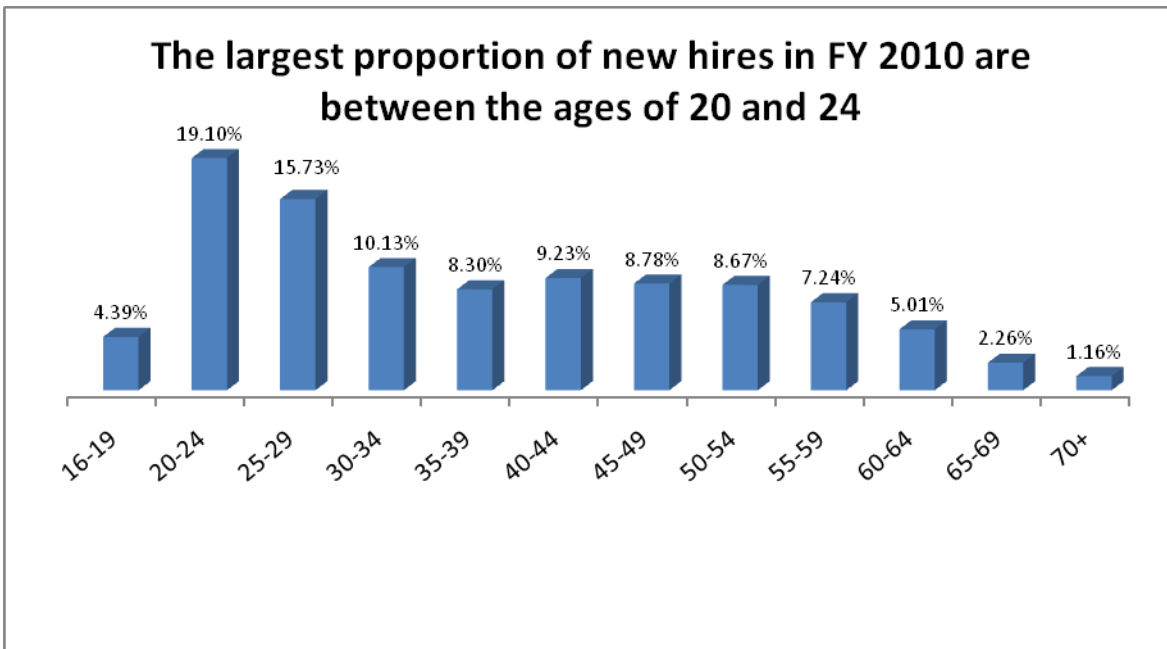


Table S: Age Distribution of New Hires in 2010 (supporting table)

Age of all new hires in 2010	Percentage
16-19	4.39%
20-24	19.1%
25-29	15.73%
30-34	10.13%
35-39	8.3%
40-44	9.23%
45-49	8.78%
50-54	8.67%
55-59	7.24%
60-64	5.01%
65-69	2.26%
70+	1.16%

New Hires and Churnover

Overall, the amount of external hiring has declined during the past five years. The amount of internal hiring or what Minnesota employees refer to as “churnover” has also decreased. The gap between hiring external and internal employees closed during fiscal years 2006 to 2009. During these years, the closure in that gap demonstrated an increase in hiring internal candidates to fill open positions which assists in retaining and developing current employees. However the gap opened again in 2010 by over seven percent. The question is, “why?” Possible explanations include:

1. A large percentage of open positions were of a temporary, emergency, limited, seasonal, or provisional. Most permanently hired staff would not change into a contingent position.
2. Skills gaps. Jobs change over time and may require a change in skill. Furthermore, a specific skill may not have been transferred from a

previous employee to an internal employee. An external candidate may have been more qualified than an internal candidate.

3. Lack of advancement. A specific position may have been a demotion or lateral move for an already employed, interested candidate.

When considering both intra- and inter-agency transition, the amount of internal promotions has decreased in the past five years; however transfers to different positions and movement from temporary to unlimited positions has increased. When analyzing the information noted below, it is important to remember that MnSCU (Minnesota State Colleges and Universities) information is not directly included, however, if an internal employee transitioned out of or into a MnSCU position from a different state agency through transfer, promotion, or movement, their information is counted. Demotion activity is not reported in this count.

Chart 11: Internal and External Hires

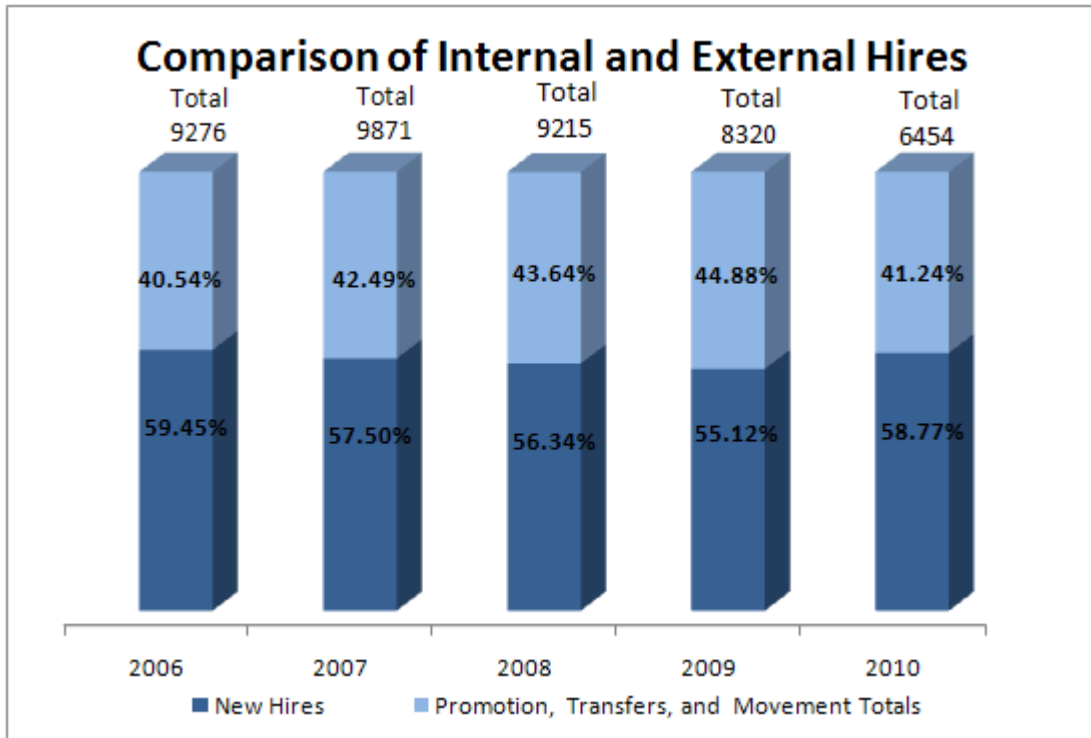


Table T: Internal and External Hires (supporting table)

	New Hire	Promotion	Transfer	Movement	Total
2006	5515 – 59.45%	2413 – 26.01%	467 – 5.03%	881 – 9.50%	9276
2007	5676 - 57.5%	2464 - 24.96%	558 – 5.65%	1173 - 11.88%	9871
2008	5192 - 56.34%	2326 - 25.24%	560 – 6.07%	1137 - 12.33%	9215
2009	4586 - 55.12%	2060 - 24.76%	504 – 6.06%	1170 - 14.06%	8320
2010	3793 – 58.77%	1645 - 25.49%	427 – 6.62%	589 – 9.13%	6454

A Glance at Compensation

Table U: Total Compensation 2006-2010

Fiscal Year	Total Compensation
2006	\$1,984,244,016
2007	\$2,065,562,238 (+4.10%)
2008	\$2,215,924,110 (+7.28%)
2009	\$2,323,172,602 (+4.84%)
2010	\$2,347,034,216 (+1.03%)

Source: IA Warehouse-Executive Branch Payroll Expenditures

Total compensation, which includes the employer's cost for salary, overtime, pay differentials, health insurance, retirement, and FICA, has increased in the past five years on an annual basis. These increases have occurred because of general salary increases that were granted from fiscal years 2006 to 2009, the legislatively mandated increases in employer and employee retirement contributions from fiscal years 2007 to 2010 and the rising cost of employer-paid health insurance benefits over the entire five year period. Please note that the increase in overall compensation has significantly

dropped from fiscal years 2009 to 2010 compared to previous years. This is due to there being no general salary increases and no step progression increases given to employees in fiscal year 2010.

To learn more about agency-specific salaries, benefits, and retirement expenditures, visit the Executive Branch Total Compensation Report at <http://www.mmb.state.mn.us/doc/comp/tc/tc-rpt.pdf>

Table V: Overtime in Hours and Dollar Amount

Year	Overtime Hours Used	Total Overtime Paid
2006	1,182,218	\$38,198,465
2007	1,277,051 (+8.02%)	\$42,725,972 (+11.85%)
2008	1,298,148 (+1.65%)	\$45,420,304 (+6.30%)
2009	1,197,922 (-7.72%)	\$44,453,026 (-2.13%)
2010	1,122,628 (-6.28%)	\$42,172,149 (-5.13%)

Source: IA Warehouse

Both the number of overtime hours and the overtime compensation have decreased in the last two years. The state of Minnesota has aggressively managed its use of overtime during this period. However, eliminating overtime altogether is not possible. Overtime is used to complete important projects and provide essential services. Some examples of overtime uses include completing roadways before the end of the construction season, providing safety and assistance in natural disasters, coverage during unexpected absences in prisons and health care facilities, maintaining the performance and security of the state's many and varied information systems, and keeping the community safe on a daily basis. Agencies are constantly working to find ways to contain costs, especially in this time of diminishing budgets, and so it is noteworthy that the number of overtime hours utilized has declined by 13.5 percent in the past two fiscal years.

Bargaining Unit Information

Chart 12: 2010 Union Representation

2010 Union Representation Profile

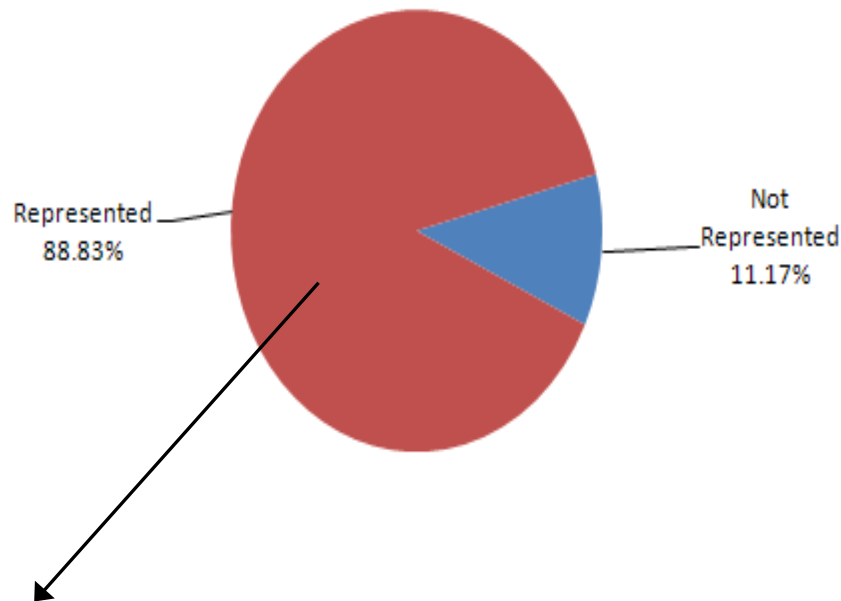


Table W: Who is Represented in the Union?

Employment Status	Percentage of employees represented
Full-time employees	90.99%
Part-time employees	88.13%
Unlimited employees	91.03%
Contingent (limited, emergency, seasonal, temporary, provisional) employees	67.7%
Trainees	55.56%

Almost all of the state's employees are represented by a union. More specifically, close to 89 percent of the workforce is represented by the American Federation of State, County, and Municipal Employees (AFCSME), the Middle Management Association (MMA), Minnesota Association of Professional Employees (MAPE), Minnesota Government Engineers Council, Minnesota Law Enforcement Association, Minnesota Nurses Association, Residential Schools Educators, or Health Treatment Professionals. Approximately 11 percent of the workforce is not represented by a union. These individuals include but are not limited to specified managers and executives and employees with insufficient work time.

Minnesota's Workforce at Work

A Recent Story of How State Employees Made a Difference...

On September 23, 2010, a state of emergency was issued after two days of “extreme” rainfall. The tremendous amount of rain caused strain on sewer systems, road wash outs, and flooding in homes, apartments, buildings and field crops. Severe living and traveling difficulties existed for residents in the southern portion of Minnesota and surrounding areas. The emergency order triggered an immediate response from several state agencies to ensure the safety of Minnesota’s citizens.

Many agencies work together to respond to disasters and assist citizens during crisis events. While this report does not list all of them, below are some examples of how Minnesota’s government workforce brought their expertise and experience together to provide service and support to Minnesota’s citizens.

- **Department of Military Affairs:** The Minnesota National Guard supported communities, officials, and coordinators by assisting with traffic, control points, security and other activities around the Southern Minnesota area.
- **Department of Public Safety:** When the state of emergency was issued, Department of Public Safety-Department of Homeland Security and Emergency Management immediately responded by facilitating the coordination of disaster relief with FEMA, The National Guard, American Red Cross, various community officials and employees, community members, businesses, and volunteers. In addition, troopers assisted with traffic control and detour routes for the next several days.
- **Department of Education:** The Department of Education has collected flood damage estimates from school districts, has informed the districts of available grants, and continues long-term assistance to Minnesota districts impacted by the flood.
- **Department of Human Services:** DHS monitored the needs of deaf and hard of hearing individuals in the flooded area. They also monitored the needs of individuals in state-run facilities.
- **Pollution Control Agency:** MPCA worked with wastewater facility owners to get resumption of normal treatment; with city officials to remove chemical containers and propane tanks; and with household hazardous waste programs to organize collection events. They managed the packing, transporting, and disposing of collected waste.
- **Department of Transportation:** MnDOT quickly identified which roads were closed, which ones travelers should not drive on, and which ones had levees and/or damage. One news story stated that a wedding couple directed all of their guests to the MnDOT website to find the best detoured and safest routes so their guests could still attend their special event. MnDOT also participates in resolving many of the long-term damage of flooding to roads and bridges.
- **Department of Commerce:** The Department of Commerce provided helpful information to low-income flood victims on how to receive Weatherization and Energy Assistance from their Office of Energy Security.
- **Department of Natural Resources:** DNR identified state lands, parks, trails, and facilities that needed to be closed until the water receded. Flooding caused damage to a trail bridge making it unsafe and irreparable. The removal process was started immediately. They issued warnings due to the danger of the high levels of water in combination with fall debris from trees and hunting, which they communicated through their website. DNR kept enforcement officers assigned and standing by throughout the entire situation.
- **Department of Corrections:** DOC facilitated Sentence to Service work crews to do flood clean up.
- **Department of Agriculture:** The Department of Agriculture advised farmers with crops on how to evaluate their flooding situations thoroughly, and provided updated website assistance.
- **Department of Health:** MDH provided information regarding environmental health. They provided testing kits to private well owners in the flood area to assess their drinking water situations. MDH also worked to address behavioral health by mobilizing strike teams to meet recovery phase needs. General information regarding health and safety was provided on their website for people experiencing flood. They also provided compliance monitoring for care facilities and worked with other facilities on relocations as needed.



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