

Consolidated Fiscal Note

2023-2024 Legislative Session

HF383 - 0 - Employment & Retention; Employees w/ Disabilities

Chief Author: **Liz Reyer**
 Committee: **State And Local Government Finance And Policy**
 Date Completed: **2/13/2023 3:56:06 PM**
 Lead Agency: **Minn Management and Budget**
 Other Agencies:
 Employment and Economic
 Dvlpmt

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
Minn Management and Budget						
General Fund	-	102	60	60	60	60
State Total						
General Fund	-	102	60	60	60	60
Total	-	102	60	60	60	60
Biennial Total			162			120

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Minn Management and Budget					
General Fund	-	.36	-	-	-
Total	-	.36	-	-	-

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.

LBO Signature: Susan Nelson **Date:** 2/13/2023 3:56:06 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	
Minn Management and Budget						
General Fund	-	102	60	60	60	60
Total	-	102	60	60	60	60
	Biennial Total		162			120
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Minn Management and Budget						
General Fund	-	102	60	60	60	60
Total	-	102	60	60	60	60
	Biennial Total		162			120
2 - Revenues, Transfers In*						
Minn Management and Budget						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total		-			-

Fiscal Note

2023-2024 Legislative Session

HF383 - 0 - Employment & Retention; Employees w/ Disabilities

Chief Author: **Liz Reyer**
 Committee: **State And Local Government Finance And Policy**
 Date Completed: **2/13/2023 3:56:06 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
General Fund	-	102	60	60	60	60
Total	-	102	60	60	60	60
Biennial Total			162			120

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	.36	-	-	-
Total	-	.36	-	-	-

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: Susan Nelson **Date:** 2/13/2023 3:54:10 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
General Fund	-	102	60	60	60	60
Total		-	102	60	60	60
Biennial Total				162		120
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	102	60	60	60	60
Total		-	102	60	60	60
Biennial Total				162		120
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill makes changes throughout Minnesota Statutes Chapter 43A. Section 1 requires that hiring managers and supervisors must be made aware of implicit and explicit biases that may be in the hiring process. Section 2-5 adds definitions to the definitions section of 43A for “accommodation fund,” “Americans with Disabilities Act,” “digital accessibility,” and “reasonable accommodation.” Section 6 adds to Minnesota Management and Budget’s (MMB’s) mission that, within the agency’s resources, the commissioner shall endeavor to: provide accessible, usable, and timely technology; and use recruitment processes that are equitable and inclusive of protected class employees, eliminate discrimination, and provide equitable access to development, training, advancement, and promotional opportunities. Section 7 requires that when MMB makes new administrative procedures available for comment, the administrative procedures and the public notice must be in accessible digital formats and provide multiple formats for providing comment. Section 8 requires the MMB Jobs report to be posted online, accessible, and MMB must advertise the reports in multiple formats.

Section 9 provides MMB’s classified service career paths must include career paths available to qualified individuals with disabilities. Section 10 includes qualified individuals with disabilities as protected group members for which special emphasis shall be given for recruitment, and that recruiting and hiring technology must be accessible to and usable by individuals with disabilities. Section 11 provides that MMB must ensure postings are nondiscriminatory and job-related, C-700 is considered as an alternative, noncompetitive hiring process for classified positions, hiring managers are aware of the accommodation fund for reimbursement of hiring process accommodations, and online application processes are accessible and usable. Section 12 provides for reasonable accommodation in the selection process, and that MMB must provide agencies information about the accommodation fund. Section 13 specifically identifies representation of people with disabilities as part of achieving and maintaining a representative workforce.

Section 14 makes some changes to the C-700 program. Under the bill, MMB must consult with DEED Vocational Rehabilitation Services, State Services for the Blind, the Disability Agency Forum and other disability experts in establishing, reviewing and modifying the C-700 program. The section also provides that all permanent classified jobs are eligible for the C-700 program and postings must provide information about C-700. The section also provides that qualified C-700 employees should be converted from the C-700 appointment to probationary appointments when they have demonstrated the ability to perform the essential job functions with or without reasonable accommodation. The section requires MMB to develop and administer a formal grievance process for individuals in C-700 appointments and in the supported work program and requires agencies to provide timely reasonable accommodations to C-700 applicants and appointees. The section provides that MMB administers and oversees the C-700 program, policies, procedures, data collection, reporting, and compliance, must design and implement training on C-700 annually for agency leaders.

Section 15 requires MMB to annually: collect and report data on C-700; conduct an annual survey of C-700 applicants, appointees, and managers; consult with the disability experts on the survey results, assess the program, and recommend

continuous improvement; and public a report.

Section 16 modifies the affirmative action program by stating that the purpose of the program is to provide equal opportunity by eliminating effects of past and present discrimination. The section requires agency reporting of affirmative action procedures and methods, and MMB annual reporting of affirmative action reports; affirmative action reports must be posted by agencies and MMB, with accessible copies available. The section requires a statewide ADA and disability employment director at MMB to administer the C-700, supported work and disabled veteran's employment programs. Section 17 provides that agency affirmative action officers must not be unclassified. It further provides that affirmative action plans must have a specific section that addresses hiring and advancement opportunities for individuals with disabilities at all levels of state employment and provides specific items that must be in the plans. The section also requires that MMB must report its affirmative action audit findings to the governor if a state agency fails to meet affirmative action requirements for 2 consecutive years. The section also requires MMB's affirmative action progress report to be publicly available on its website.

Sections 18-21 address training and require MMB to develop annual training for all state agency employees on ADA Title II, affirmative action, equal employment opportunity, and digital accessibility. Managers and supervisors would also receive training on inclusion, disability awareness, cultural competence, and other DEI areas. MMB is required to provide accessible training content and reasonable accommodations must be provided. Agencies are also required to conduct annual ADA self-assessment on training programs.

Section 22 and 24 provide that each agency must designate an ADA coordinator who reports directly to the commissioner, and section 24 sets forth the responsibilities and qualifications.

Section 23 makes changes to the supported work program statute, including that MMB create and implement annual training on the supported work program for agency leaders, and develop and administer a formal grievance process for individuals in the supported work program.

Section 25 requires MMB to convene an advisory committee on service worker class specifications, and report to the legislature by January 15, 2022 on recommendations for changes to Minn. Stat. § 43A.071.

Assumptions

It is assumed that MMB's technology is already required to be accessible according to MNIT accessibility standards. It is assumed that "usability" is a standard different from accessibility and is not currently legally required. As a result, it is assumed that there will be a cost to making MMB's technology, such as Recruiting Solutions, "usable" beyond simply accessible. However, those costs are unknown.

It is assumed that creating training for all supervisors related to implicit bias will require 200 hours of work performed by an employee in the State Program Admin (SPA) Principal job classification. It is assumed that this training can be made available and tracked on the Enterprise Training Development platform at no cost other than costs related to creating the content.

It is assumed that since all classified positions are available to qualified individuals with disabilities in the same way as to qualified individuals without disabilities, MMB is not required to develop new career paths only for individuals with disabilities, except for the supported work program. It is assumed that qualified individuals with disabilities are currently considered protected group members for special emphasis for recruitment, so no additional costs are anticipated for recruiting. It is assumed that there may be some costs for MMB in developing and administering a formal grievance process for individuals in C-700 or supported work appointments, however, it is anticipated that those costs can be absorbed within existing MMB budgets.

It is assumed that creating training for all managers and supervisors related to C-700 will require 150 hours of work performed by an employee in the SPA Principal job classification. It is assumed that this training can be made available and tracked on the Enterprise Training Development platform at no cost other than costs related to creating the content.

It is assumed that the annual C-700 report required by this bill can be performed by a vendor at an annual cost of \$50,000. This cost is based upon the costs associated with a recent C-700 evaluation and report compiled by the Wilder

Foundation. It is assumed that future surveys and reports will follow a similar format.

It is assumed that the changes required by section 16 to modify and publish agency Affirmative Action plans can be absorbed within existing MMB and agency staff resources.

It is assumed that there will be costs to create content for the ADA Title II, affirmative action, equal opportunity, digital accessibility, inclusion, disability awareness, cultural competence, and other training required by sections 18 21. It is estimated that to create all of the content required by these sections will take 400 hours by an employee in the SPA Principal job classification. It is assumed that this training can be made available and tracked on the Enterprise Training Development platform at no cost other than costs related to creating the content.

It is assumed that creating the materials required for agencies to perform an annual ADA self-assessment can be absorbed by existing MMB staff at no additional cost.

It is assumed that sections 22 and 24 are referencing the ADA coordinator duties that already exist within agencies, and do not require that an additional FTE with sole responsibility for coordination of ADA requests be placed at each agency. As each cabinet level agency already has a requirement to assign ADA coordination duties, it is assumed this requirement will not result in any additional costs. To the extent this bill requires an ADA coordinator to report directly to a Commissioner or Agency Head, it is assumed there will be no costs to changing the reporting structure within any specific agency.

It is assumed that any staff time and costs related to coordination of an advisory committee, as directed by Section 25, may be absorbed within existing MMB resources and have no additional costs.

Expenditure and/or Revenue Formula

Effort is costed based on mid-range salary for 1.0 SPA Principal position (base salary of \$79,562). An FTE is comprised of 2,080 hours a year. Specifically, this ties to the chart below as follows:

Create supervisor training-Implicit Bias @ 0.10 FTE which equals 208 hours = $(\$79,562/2080 * 208) = \$7,956$

Create manager and supervisor training-C-700 @ 0.07 FTE which equals 145.6 hours = $(\$79,562/2080 * 146) = \$5,569$

Create ADA Title II, affirmative action, equal opportunity, digital accessibility, inclusion, disability awareness, cultural competence, and other training @0.19 FTE which equals 395.2 hours = $(\$79,562/2080 * 395.2) = \$15,117$

	FY24	FY25	FY26	FY27
Create supervisor training-Implicit Bias @ 0.10 FTE*	7,956			
Create manager and supervisor training-C-700 @ 0.07 FTE*	5,569			
Create ADA Title II, affirmative action, equal opportunity, digital accessibility, inclusion, disability awareness, cultural competence, and other training @0.19 FTE*	15,117			
Fringe @ 32.1%	9,194			
Overhead @ 17.17%	4,174			
MMB Employee Costs TOTAL	42,010			
C700 Advertising	60,000	60,000	60,000	60,000
TOTAL COSTS	102,010	60,000	60,000	60,000
*Costs based on mid-level 14L-SPA Principal, 1.0 Salary of \$79,562.21				
FTE (Full-Time Equivalent) Total	0.36			

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact: Ronika Rampadarat 651-201-8115

Agency Fiscal Note Coordinator Signature: Ronika Rampadarat

Phone: 612-659-6873

Date: 2/13/2023 3:51:45 PM

Email: ronika.rampadarat@state.mn.us

Fiscal Note

2023-2024 Legislative Session

HF383 - 0 - Employment & Retention; Employees w/ Disabilities

Chief Author: **Liz Reyer**
 Committee: **State And Local Government Finance And Policy**
 Date Completed: **2/13/2023 3:56:06 PM**
 Agency: **Employment and Economic Dvlpmnt**

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: Karl Palm **Date:** 1/30/2023 10:52:56 AM
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	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

HF 383-0 as amended by the proposed A1 amendment would change policies and practices related to the state of Minnesota’s hiring and retention of individuals with disabilities. The changes in the bill were recommended by the legislatively designated Advisory Task Force on State Employment and Retention of Employees with Disabilities.

Assumptions

VRS and SSB staff currently provide consultation to MMB regarding the recruitment, hiring, and retention of individuals with disabilities. DEED assumes the consultative functions outlined in the HF 383-0 and the A1 amendment will not be more effort than the consultative work that is currently provided and thus no additional fiscal impact is anticipated.

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

N/A

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Rebecca Wernett

Phone: 651-259-7056

Date: 1/30/2023 8:43:19 AM

Email: rebecca.wernett@state.mn.us