

**HF9006 - 0 - Salary Increases for MLEA Law Enforcement**

Chief Author: **Rick Hansen**  
 Committee: **Ways and Means**  
 Date Completed: **12/16/2020 9:57:27 AM**  
 Lead Agency: **Minn Management and Budget**  
 Other Agencies:  
     Commerce Dept                      Corrections Dept  
     Natural Resources Dept        Public Safety 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	
	FY2021	FY2022	FY2023	FY2024	FY2025
Dollars in Thousands					
<b>Commerce Dept</b>					
Restrict Misc. Special Revenue	97	129	129	129	129
Workers Compensation	4	5	5	5	5
<b>Corrections Dept</b>					
General Fund	63	93	93	93	93
<b>Natural Resources Dept</b>					
General Fund	170	258	258	258	258
Other Misc. Special Revenue	5	8	8	8	8
Water Recreation	87	132	132	132	132
Snowmobile	42	64	64	64	64
All-Terrain Vehicle	62	95	95	95	95
Off-Highway Motorcycle	2	3	3	3	3
Off-Road Vehicle	3	4	4	4	4
State Park	3	5	5	5	5
Game And Fish (Operations)	587	889	889	889	889
Remediation Fund	2	3	3	3	3
Federal Fund	7	11	11	11	11
<b>Public Safety Dept</b>					
General Fund	557	761	761	761	761
Opiate Epidemic Response	15	19	19	19	19
<b>State Total</b>					
Restrict Misc. Special Revenue	97	129	129	129	129
Workers Compensation	4	5	5	5	5
General Fund	790	1,112	1,112	1,112	1,112
Other Misc. Special Revenue	5	8	8	8	8
Water Recreation	87	132	132	132	132

## State Cost (Savings)

Dollars in Thousands	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Snowmobile	42	64	64	64	64
All-Terrain Vehicle	62	95	95	95	95
Off-Highway Motorcycle	2	3	3	3	3
Off-Road Vehicle	3	4	4	4	4
State Park	3	5	5	5	5
Game And Fish (Operations)	587	889	889	889	889
Remediation Fund	2	3	3	3	3
Federal Fund	7	11	11	11	11
Opiate Epidemic Response	15	19	19	19	19
<b>Total</b>	<b>1,706</b>	<b>2,479</b>	<b>2,479</b>	<b>2,479</b>	<b>2,479</b>
<b>Biennial Total</b>			<b>4,958</b>		<b>4,958</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Commerce Dept					
Restrict Misc. Special Revenue	-	-	-	-	-
Workers Compensation	-	-	-	-	-
Corrections Dept					
General Fund	-	-	-	-	-
Natural Resources Dept					
General Fund	-	-	-	-	-
Other Misc. Special Revenue	-	-	-	-	-
Water Recreation	-	-	-	-	-
Snowmobile	-	-	-	-	-
All-Terrain Vehicle	-	-	-	-	-
Off-Highway Motorcycle	-	-	-	-	-
Off-Road Vehicle	-	-	-	-	-
State Park	-	-	-	-	-
Game And Fish (Operations)	-	-	-	-	-
Remediation Fund	-	-	-	-	-
Federal Fund	-	-	-	-	-
Public Safety Dept					
General Fund	-	-	-	-	-
Opiate Epidemic Response	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 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:** Joe Harney      **Date:** 12/16/2020 9:57:27 AM  
**Phone:** 651-284-6438      **Email:** joe.harney@bo.leg.mn

**State Cost (Savings) Calculation Details**

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

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

<b>State Cost (Savings) = 1-2</b>	<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
<b>Commerce Dept</b>					
Restrict Misc. Special Revenue	97	129	129	129	129
Workers Compensation	4	5	5	5	5
<b>Corrections Dept</b>					
General Fund	63	93	93	93	93
<b>Natural Resources Dept</b>					
General Fund	170	258	258	258	258
Other Misc. Special Revenue	5	8	8	8	8
Water Recreation	87	132	132	132	132
Snowmobile	42	64	64	64	64
All-Terrain Vehicle	62	95	95	95	95
Off-Highway Motorcycle	2	3	3	3	3
Off-Road Vehicle	3	4	4	4	4
State Park	3	5	5	5	5
Game And Fish (Operations)	587	889	889	889	889
Remediation Fund	2	3	3	3	3
Federal Fund	7	11	11	11	11
<b>Public Safety Dept</b>					
General Fund	557	761	761	761	761
Opiate Epidemic Response	15	19	19	19	19
	<b>Total</b>	<b>1,706</b>	<b>2,479</b>	<b>2,479</b>	<b>2,479</b>
		<b>Biennial Total</b>	<b>4,958</b>	<b>4,958</b>	<b>4,958</b>

**1 - Expenditures, Absorbed Costs\*, Transfers Out\***

<b>Commerce Dept</b>					
Restrict Misc. Special Revenue	97	129	129	129	129
Workers Compensation	4	5	5	5	5
<b>Corrections Dept</b>					
General Fund	63	93	93	93	93
<b>Natural Resources Dept</b>					
General Fund	170	258	258	258	258
Other Misc. Special Revenue	5	8	8	8	8
Water Recreation	87	132	132	132	132
Snowmobile	42	64	64	64	64
All-Terrain Vehicle	62	95	95	95	95
Off-Highway Motorcycle	2	3	3	3	3
Off-Road Vehicle	3	4	4	4	4
State Park	3	5	5	5	5
Game And Fish (Operations)	587	889	889	889	889
Remediation Fund	2	3	3	3	3
Federal Fund	7	11	11	11	11
<b>Public Safety Dept</b>					
General Fund	557	761	761	761	761

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands		<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
Opiate Epidemic Response		15	19	19	19	19
	<b>Total</b>	<b>1,706</b>	<b>2,479</b>	<b>2,479</b>	<b>2,479</b>	<b>2,479</b>
	<b>Biennial Total</b>			<b>4,958</b>		<b>4,958</b>
<b>2 - Revenues, Transfers In*</b>						
Commerce Dept						
Restrict Misc. Special Revenue		-	-	-	-	-
Workers Compensation		-	-	-	-	-
Corrections Dept						
General Fund		-	-	-	-	-
Natural Resources Dept						
General Fund		-	-	-	-	-
Other Misc. Special Revenue		-	-	-	-	-
Water Recreation		-	-	-	-	-
Snowmobile		-	-	-	-	-
All-Terrain Vehicle		-	-	-	-	-
Off-Highway Motorcycle		-	-	-	-	-
Off-Road Vehicle		-	-	-	-	-
State Park		-	-	-	-	-
Game And Fish (Operations)		-	-	-	-	-
Remediation Fund		-	-	-	-	-
Federal Fund		-	-	-	-	-
Public Safety Dept						
General Fund		-	-	-	-	-
Opiate Epidemic Response		-	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Biennial Total</b>			<b>-</b>		<b>-</b>

**HF9006 - 0 - Salary Increases for MLEA Law Enforcement**

Chief Author: **Rick Hansen**  
 Committee: **Ways and Means**  
 Date Completed: **12/16/2020 9:57:27 AM**  
 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	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total</b>	-	-	-	-	-

**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:** Joe Harney      **Date:** 12/14/2020 6:59:12 PM  
**Phone:** 651-284-6438      **Email:** joe.harney@lbo.leg.mn

**State Cost (Savings) Calculation Details**

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

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

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

**Bill Description**

Section 1 amends provisions in Laws of Minnesota, 5th Special Session, Chapter 3, Article 9, Section 6, that provide an 8.4 percent salary increase for Department of Public Safety state patrol troopers. The bill extends the 8.4 percent salary increase also to Department of Public Safety Bureau of Criminal Apprehension agents and special agents in the gambling enforcement division, Department of Natural Resources conservation officers, Department of Corrections fugitive specialists, and Department of Commerce commerce insurance fraud specialists. All salary increases are provided notwithstanding any law to the contrary, apply to employees whose exclusive representative is the Minnesota Law Enforcement Association, and are effective retroactively from October 22, 2020.

Section 2 provides appropriations beginning fiscal year 2021 to the Department of Natural Resources, Department of Corrections, Department of Public Safety, and Department of Commerce for the salary increases provided in section 1. The effective date for this section is the day following final enactment.

**Assumptions**

*Impact on MMB’s Labor Relations Unit*

The proposed language does not eliminate the State’s obligation to negotiate the Minnesota Law Enforcement Association (MLEA) collective bargaining agreement. Rather, the bill defines a major facet of ‘terms and conditions’ through a process other than collective bargaining between negotiating parties by establishing a required salary increase of 8.4 percent to all MLEA job classes. Due to the uncertainty created by this bill by establishing compensation through a process other than collective bargaining, there will likely be increased staff time and administrative effort for the Minnesota Management and Budget (MMB) Labor Relations Unit to negotiate the 2019-2021 MLEA collective bargaining agreement. However, the magnitude of this increase in staff time and administrative effort is unknown.

*Impact on salary provisions in collective bargaining agreements and state agency operating budgets*

There are likely to be additional employee compensation cost implications for state agencies that are not calculated in this fiscal note. If MLEA-covered salaries are established by this bill through a mechanism other than collective bargaining, this may create uncertainty for future interest arbitrations with MLEA. Interest arbitrations are the process by which collective bargaining agreements with essential employees are determined by an arbitrator if they cannot be settled through negotiations. In addition, an 8.4 percent salary increase for a small subset of employees may impact Minnesota Management and Budget’s ability to settle collective bargaining agreements with other unions that may seek a similar increase.

The bill will also have likely but unknown fiscal impacts related to establishing wages for employees who supervise the MLEA job classifications. If salaries for the MLEA classes are established through a separate metric, as is the case in this bill, MMB would need to consider potential impacts to supervisory positions for MLEA classes, as these leadership classifications are intended to be promotional opportunities.

Additionally, MLEA-covered positions are disproportionately male. This bill may result in pay inequities between these

male-dominated classes and female dominated classes of similar complexity, skill, and ability but with lower pay. It is unknown what job classifications may be affected by these potential inequities, but salaries in female-dominated job classifications may need to be increased for certain classifications to rebalance compensation relationships and to comply with pay equity laws.

**Expenditure and/or Revenue Formula**

**Long-Term Fiscal Considerations**

**Local Fiscal Impact**

**References/Sources**

**Agency Contact:**

**Agency Fiscal Note Coordinator Signature:** Paul Moore

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**HF9006 - 0 - Salary Increases for MLEA Law Enforcement**

Chief Author: **Rick Hansen**  
 Committee: **Ways and Means**  
 Date Completed: **12/16/2020 9:57:27 AM**  
 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	FY2021	FY2022	FY2023	FY2024
Restrict Misc. Special Revenue	97	129	129	129	129
Workers Compensation	4	5	5	5	5
<b>Total</b>	<b>101</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>
<b>Biennial Total</b>			<b>268</b>		<b>268</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Restrict Misc. Special Revenue	-	-	-	-	-
Workers Compensation	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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:** 12/16/2020 7:48:15 AM  
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**State Cost (Savings) Calculation Details**

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

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

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	
Restrict Misc. Special Revenue	97	129	129	129	129	129
Workers Compensation	4	5	5	5	5	5
<b>Total</b>	<b>101</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>
	<b>Biennial Total</b>		<b>268</b>			<b>268</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Restrict Misc. Special Revenue	97	129	129	129	129	129
Workers Compensation	4	5	5	5	5	5
<b>Total</b>	<b>101</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>
	<b>Biennial Total</b>		<b>268</b>			<b>268</b>
<b>2 - Revenues, Transfers In*</b>						
Restrict Misc. Special Revenue	-	-	-	-	-	-
Workers Compensation	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Biennial Total</b>		<b>-</b>			<b>-</b>

**Bill Description**

HF9006-0 seeks to increase compensation by 8.4% for certain members of law enforcement currently under the MLEA bargaining agreement, including the Department of Commerce’s insurance fraud specialists (sworn peace officers) in the Commerce Fraud Bureau (CFB).

**Assumptions**

HF9006-0 applies to POST licensed Law Enforcement positions in the CFB. CFB analysts (non-sworn) are exempt from this proposal. Only positions covered under MLEA are included.

The Commerce Fraud Bureau is funded via the Workers Compensation fund and the CFB Insurance Fraud special revenue fund. Salary increases would be funded via the current funding methods and not impact the general fund.

Historically, standard salary increases have been absorbed by the special revenue fund which has impacted operations. At certain times Commerce has needed to keep positions open and at one point the fund was running an operating deficit of approximately \$500K per year. That operating deficit was offset by a statutory transfer from the Auto Theft account. Those funds were intended to offset the operating deficit and hire additional agents.

The last several rounds of salary increases have been absorbed by the special revenue fund however this increase is much larger and will put the account back into a deficit position at some point in the near future.

Staff remains static.

**Expenditure and/or Revenue Formula**

Current projected salary increased by 8.4% and retirement/fringe impacts

Current projected FY2021 salary (increase effective 10/22/20):  $\$924,513 \times 8.4\% = \$77,659$   
8.4% increase x retirement/fringe impacts (28.1%+1.45%):  $\$22,948$   
Projected difference:  $\$100,607$

Current projected FY2022 (ongoing) salary:  $\$1,212,682 \times 8.4\% = \$101,865$   
8.4% increase x retirement/fringe impacts (30.1%+1.45%):  $\$32,138$   
Projected difference:  $\$134,003$

**Long-Term Fiscal Considerations**

N/A

**Local Fiscal Impact**

N/A

**References/Sources**

N/A

**Agency Contact:**

**Agency Fiscal Note Coordinator Signature:** Amy Trumper

**Phone:** 651-539-1517

**Date:** 12/16/2020 7:41:37 AM

**Email:** amy.trumper@state.mn.us

**HF9006 - 0 - Salary Increases for MLEA Law Enforcement**

Chief Author: **Rick Hansen**  
 Committee: **Ways and Means**  
 Date Completed: **12/16/2020 9:57:27 AM**  
 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	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	63	93	93	93	93	93
<b>Total</b>	<b>63</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>93</b>
<b>Biennial Total</b>			<b>186</b>			<b>186</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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:** Maren Bardal    **Date:** 12/15/2020 9:32:16 AM  
**Phone:** 651-284-6429    **Email:** maren.bardal@lbo.leg.mn

**State Cost (Savings) Calculation Details**

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

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

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
General Fund		63	93	93	93	93
<b>Total</b>		<b>63</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>93</b>
<b>Biennial Total</b>				<b>186</b>		<b>186</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund		63	93	93	93	93
<b>Total</b>		<b>63</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>93</b>
<b>Biennial Total</b>				<b>186</b>		<b>186</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>				<b>-</b>		<b>-</b>

**Bill Description**

The proposed legislation would appropriate money to provide a salary increase for certain employees in law enforcement.

**Assumptions**

Under the provisions of this bill, the salaries for fugitive specialists employed by the Department of Corrections (DOC) would be increased by 8.4%, including those at the top of the current pay range.

The DOC currently has 13 fugitive specialist FTEs.

The increase would apply to hourly wages and fringe benefits including FICA and the employer contribution for retirement, based on FY2020 expenditures in the amount of \$1,077,000. Salaries \$845,000 + FICA \$12,000 + Retirement \$220,000 = \$1,077,000.

The employer contribution increases for retirement included in this estimate assume the total contribution rate increases from 26.1% in FY2020 to 28.1% in FY2021 and 30.1% in FY2022, as reflected in M.S. 352B.02 subd.1c and 1d.

The provisions of this bill would appropriate funds for the salary increases to each agency. The estimated increase for the DOC would be \$63,000 in FY2021 and \$93,000 in FY2022 and each subsequent year.

The provisions of this bill related to salary increases would be effective October 22, 2020. The provisions of this bill appropriating money would be effective the day following final enactment.

**Expenditure and/or Revenue Formula**

DOC compensation costs for Fugitive Specialists (\$ in 000s)

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Compensation for salary, FICA and the employer contribution for retirement	\$1,077	\$1,094	\$1,111	\$1,111	\$1,111	\$1,111
8.4% increase		\$92	\$93	\$93	\$93	\$93
Assume 69% for FY2021 only, to reflect effective date of October 22, 2020		\$63				

Projected compensation increases as a result of the provisions of this bill	\$0	\$63	\$93	\$93	\$93	\$93
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**Long-Term Fiscal Considerations**

Costs would continue into subsequent years.

**Local Fiscal Impact**

There would be no impact to local correctional resources.

**References/Sources**

Department of Corrections staff

**Agency Contact:** Karen R Juneski (651-361-7259)

**Agency Fiscal Note Coordinator Signature:** Chris Dodge

**Phone:** 651-361-7264

**Date:** 12/15/2020 9:24:25 AM

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**HF9006 - 0 - Salary Increases for MLEA Law Enforcement**

Chief Author: **Rick Hansen**  
 Committee: **Ways and Means**  
 Date Completed: **12/16/2020 9:57:27 AM**  
 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)	Biennium			Biennium	
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024
<b>General Fund</b>	170	258	258	258	258
<b>Other Misc. Special Revenue</b>	5	8	8	8	8
<b>Water Recreation</b>	87	132	132	132	132
<b>Snowmobile</b>	42	64	64	64	64
<b>All-Terrain Vehicle</b>	62	95	95	95	95
<b>Off-Highway Motorcycle</b>	2	3	3	3	3
<b>Off-Road Vehicle</b>	3	4	4	4	4
<b>State Park</b>	3	5	5	5	5
<b>Game And Fish (Operations)</b>	587	889	889	889	889
<b>Remediation Fund</b>	2	3	3	3	3
<b>Federal Fund</b>	7	11	11	11	11
<b>Total</b>	<b>970</b>	<b>1,472</b>	<b>1,472</b>	<b>1,472</b>	<b>1,472</b>
<b>Biennial Total</b>			<b>2,944</b>		<b>2,944</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	-	-	-
Other Misc. Special Revenue	-	-	-	-	-
Water Recreation	-	-	-	-	-
Snowmobile	-	-	-	-	-
All-Terrain Vehicle	-	-	-	-	-
Off-Highway Motorcycle	-	-	-	-	-
Off-Road Vehicle	-	-	-	-	-
State Park	-	-	-	-	-
Game And Fish (Operations)	-	-	-	-	-
Remediation Fund	-	-	-	-	-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Federal Fund	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**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:** Jim Carlson      **Date:** 12/15/2020 3:45:11 PM  
**Phone:** 651-284-6540      **Email:** jim.carlson@lbo.leg.mn

**State Cost (Savings) Calculation Details**

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

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

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
General Fund		170	258	258	258	258
Other Misc. Special Revenue		5	8	8	8	8
Water Recreation		87	132	132	132	132
Snowmobile		42	64	64	64	64
All-Terrain Vehicle		62	95	95	95	95
Off-Highway Motorcycle		2	3	3	3	3
Off-Road Vehicle		3	4	4	4	4
State Park		3	5	5	5	5
Game And Fish (Operations)		587	889	889	889	889
Remediation Fund		2	3	3	3	3
Federal Fund		7	11	11	11	11
	<b>Total</b>	<b>970</b>	<b>1,472</b>	<b>1,472</b>	<b>1,472</b>	<b>1,472</b>
	<b>Biennial Total</b>			<b>2,944</b>		<b>2,944</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund		170	258	258	258	258
Other Misc. Special Revenue		5	8	8	8	8
Water Recreation		87	132	132	132	132
Snowmobile		42	64	64	64	64
All-Terrain Vehicle		62	95	95	95	95
Off-Highway Motorcycle		2	3	3	3	3
Off-Road Vehicle		3	4	4	4	4
State Park		3	5	5	5	5
Game And Fish (Operations)		587	889	889	889	889
Remediation Fund		2	3	3	3	3
Federal Fund		7	11	11	11	11
	<b>Total</b>	<b>970</b>	<b>1,472</b>	<b>1,472</b>	<b>1,472</b>	<b>1,472</b>
	<b>Biennial Total</b>			<b>2,944</b>		<b>2,944</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund		-	-	-	-	-
Other Misc. Special Revenue		-	-	-	-	-
Water Recreation		-	-	-	-	-
Snowmobile		-	-	-	-	-
All-Terrain Vehicle		-	-	-	-	-
Off-Highway Motorcycle		-	-	-	-	-
Off-Road Vehicle		-	-	-	-	-
State Park		-	-	-	-	-
Game And Fish (Operations)		-	-	-	-	-
Remediation Fund		-	-	-	-	-
Federal Fund		-	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Biennial Total</b>			<b>-</b>		<b>-</b>



**Bill Description**

This bill amends the 2020 Capitol Bonding/Supplemental Appropriation/Tax bill (5<sup>th</sup> Special Session 2020, Ch. 3), by extending the 8.4% salary increase provided in the supplemental appropriation section of that legislation to all officers exclusively represented by the Minnesota Law Enforcement Association. This includes Conservation Officers (COs) at the Department of Natural Resources.

**Assumptions**

We assume that this bill provides an ongoing salary increase of 8.4% to all officers exclusively represented by the Minnesota Law Enforcement Association (MLEA). This includes most (but not all) COs at the Department of Natural Resources. We assume that this includes those currently at the top of the salary range.

This increase impacts the hourly wage of MLEA COs as well as other fringe benefits that are calculated based on the hourly wage such as FICA and retirement. Retirement costs included in this estimate reflect the employer contributions and supplemental employer in M.S. 352B.02 subd.1c and 1d. The employer contribution is 23.1% in FY20-25. The supplemental employer contribution is 3% in FY20, 5% in FY21 and 7% in FY22 and thereafter. The total employer share for retirement costs are therefore 26.1% in FY20, 28.1% in FY21 and 30.1% in FY22 and thereafter.

We based our calculation on FY20 actual compensation for MLEA CO's. As such, it reflects the contract that is currently in place. The fiscal impact shown reflects the FY20-21 funding distribution of MLEA COs. Most of the funding for MLEA CO's comes from direct appropriations. The exceptions are the Special Revenue Fund and Federal Fund, which we included these to give a full sense of the fiscal impact.

We are using the definition of "salary" as provided in MS 43A.17 that excludes shift differential pay, which was approximately \$60,000 in FY20.

The retroactive date is Oct 22, 2020. This start date occurs in the 17th week of the fiscal year, so we adjusted the estimate to reflect 35 of the 52 weeks of the year (or 67%).

**Expenditure and/or Revenue Formula**

FY20 MLEA CO compensation (salary, FICA, retirement) minus health care costs minus shift differential pay = \$17,070,000

[\$13,386,000 (salary) + \$184,000 (FICA) + \$3,500,000 (retirement) = \$17,070,000]

Adjusted retirement costs to reflect change in total employer share across each fiscal year as outlined above. FY21 is 108% of FY20 costs (28.1% divided by 26.1%) and FY22 (and thereafter) is 115% of FY20 costs (30.1% divided by 26.1%).

[\$3,500,000 times 108% = \$3,780,000 in FY21]

[\$3,500,000 times 115% = \$4,025,000 in FY22 and thereafter]

Increased rebased annual costs by 8.4%

Reduced FY21 to 67% to reflect October 22, 2020 effective date

**Long-Term Fiscal Considerations**

None

**Local Fiscal Impact**

None

**References/Sources**

None

**Agency Contact:** Rodmen Smith

**Agency Fiscal Note Coordinator Signature:** Emily Engel

**Phone:** 651-259-5548

**Date:** 12/15/2020 3:33:06 PM

**Email:** emily.engel@state.mn.us

**HF9006 - 0 - Salary Increases for MLEA Law Enforcement**

Chief Author: **Rick Hansen**  
 Committee: **Ways and Means**  
 Date Completed: **12/16/2020 9:57:27 AM**  
 Agency: **Public Safety 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	FY2021	FY2022	FY2023	FY2024
General Fund	557	761	761	761	761
Opiate Epidemic Response	15	19	19	19	19
<b>Total</b>	<b>572</b>	<b>780</b>	<b>780</b>	<b>780</b>	<b>780</b>
<b>Biennial Total</b>			<b>1,560</b>		<b>1,560</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	-	-	-
Opiate Epidemic Response	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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:** 12/15/2020 12:03:10 PM  
**Phone:** 651-284-6543    **Email:** laura.cecko@lbo.leg.mn

**State Cost (Savings) Calculation Details**

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

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

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	
General Fund	557	761	761	761	761	761
Opiate Epidemic Response	15	19	19	19	19	19
<b>Total</b>	<b>572</b>	<b>780</b>	<b>780</b>	<b>780</b>	<b>780</b>	<b>780</b>
	<b>Biennial Total</b>		<b>1,560</b>			<b>1,560</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	557	761	761	761	761	761
Opiate Epidemic Response	15	19	19	19	19	19
<b>Total</b>	<b>572</b>	<b>780</b>	<b>780</b>	<b>780</b>	<b>780</b>	<b>780</b>
	<b>Biennial Total</b>		<b>1,560</b>			<b>1,560</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	-
Opiate Epidemic Response	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Biennial Total</b>		<b>-</b>			<b>-</b>

**Bill Description**

BCA

Section 6 (1) of this bill provides for a rate increase of 8.4% to all special agents at the Bureau of Criminal Apprehension (BCA), and Section 2, Subd 3 (a) appropriates money from the general fund for these costs.

Section 2, Subd 3 (b) appropriates from the opiate epidemic response fund for BCA special agent salary increases.

AGE

Section 6 (1) of this bill provides for a rate increase of 8.4% to all special agents in the gambling enforcement division (AGED), and Section 2, Subd 3 (c) appropriates money from the general fund for these costs.

**Assumptions**

BCA

It is assumed that the BCA employs 77 individuals who are in the Minnesota Law Enforcement Association (MLEA), at a variety of pay grades. The list of agents included in this assumption includes 12 that have yet to be hired, but are funded in either the new Use of Force Investigations Unit or otherwise and will be in place before the enactment of the language.

As the BCA does not yet know the salaries and benefits for each of the 12 agents, but does know that each will be hired as a Senior Special Agent, it is assumed that each will receive the highest of pay possible for the classification of Senior Special Agent. This assumption is necessary to properly account for all potential costs. This cost is \$ \$97,504.32 per agent.

It is assumed that each MLEA agent at the BCA will receive an 8.4% increase.

It is assumed that the number of MLEA agents may change over the course of the next several years, and that the costs or savings of the 8.4% increases for those individuals who either depart or are hired during the next years are unable to be calculated.

It is assumed that there will be no decreases in salaries for individuals for whom this increase is given.

It is assumed that these increases in salary will impact and increase contributions to retirement accounts that are the responsibility of the State.

It is assumed that the funding will be retroactive to October 22 , 2020, however, the pay period closest to this date is October 13, 2020 so that is the pay period that has been used for calculations.

It is assumed that no costs associated with this 8.4% increase can be absorbed by the BCA, and, therefore, all costs must be paid for out of the General Fund or an alternate account.

AGE

The Alcohol and Gambling Enforcement Division (AGE) employs 5 sworn law enforcement gambling enforcement special agents and 2 senior special agents who would receive an 8.4 percent salary increase with this proposal. AGE assumes the retroactive pay to October 22, 2020.

-  
**State Patrol**

The 2020 Fifth Special Session law that was signed by Governor Walz on 10/21/20 already included the 8.4% increase for State Troopers only, and as such, the fiscal impact is not included in this fiscal note. This law provided only one-time funding for the salary increase and did not include an increase in the State Patrol's base budget to accommodate the salary increase in future years. Without a base budget increase, the State Patrol will have to cover the salary increase cost with monies that would have been used for equipment and training as well as leaving positions vacant to create a salary savings. The State Patrol estimates the FY22 impact to be \$5,590,000 to Trunk Highway, \$281,000 to General Fund, and \$70,000 to Highway User Tax Distribution (HUTD). The FY23 impact would be the same as FY22.

**Expenditure and/or Revenue Formula**

BCA

Current projected salary increased by 8.4% and retirement/fringe impacts

General Fund

Current projected FY2021 salary (increase effective 10/22/20):  $\$4,816,095 \times 8.4\% = \$404,552$

8.4% increase x retirement/fringe impacts (28.1%+1.45%):  $\$119,545$

Projected difference:  $\$524,097$

Current projected FY2022 (ongoing) salary:  $\$6,484,348 \times 8.4\% = \$544,685$

8.4% increase x retirement/fringe impacts (30.1%+1.45%):  $\$171,848$

Projected difference:  $\$716,533$

Current projected salary increased by 8.4% and retirement/fringe impacts

OPIOID Fund appropriated from the laws 2019 Chapter 63 Article 3 Section 1 Subd d

Current projected FY2021 salary (increase effective 10/22/20):  $\$138,875 \times 8.4\% = \$11,666$

8.4% increase x retirement/fringe impacts (28.1%+1.45%):  $\$3,447$

Projected difference: \$15,113

Current projected FY2022 (ongoing) salary:  $\$173,594 \times 8.4\% = \$14,582$

8.4% increase x retirement/fringe impacts (30.1%+1.45%): \$4,601

Projected difference: \$19,183

AGE

Current projected FY2021 salary (increase effective 10/22/20):  $\$300,476 \times 8.4\% = \$25,240$

8.4% increase x retirement/fringe impacts (28.1%+1.45%): \$7,458

Projected difference: \$32,698

Current projected FY2022 (ongoing) salary:  $\$400,635 \times 8.4\% = \$33,653$

8.4% increase x retirement/fringe impacts (30.1%+1.45%): \$10,618

Projected difference: \$44,271

Total Public Safety General Fund FY2021 \$556,795

Total Public Safety General Fund FY2022 \$760,804

### Long-Term Fiscal Considerations

### Local Fiscal Impact

### References/Sources

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