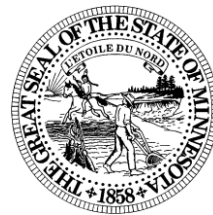


## Subcommittee on Employee Relations Legislative Coordinating Commission



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**DATE:** December 2, 2014

**TO:** Members of the Subcommittee

**FROM:** Greg Hubinger

**RE:** Contract summary

### Minnesota Law Enforcement Association

The State and the Minnesota Law Enforcement Association (MLEA) were unable to reach a negotiated settlement. Because this bargaining unit is considered essential under PELRA, the issues at impasse were referred to arbitration. The arbitration hearing was held in September, the record closed in October, and Arbitrator Schiavoni issued her decision on October 28, 2014. A copy of the arbitration award is available at:

[http://www.ser.leg.mn/contracts/14-15/MLEA\\_arbitration\\_award\\_102914.pdf](http://www.ser.leg.mn/contracts/14-15/MLEA_arbitration_award_102914.pdf)

This bargaining unit represents approximately 682 employees consisting of State Troopers, Conservation Officers, and BCA Agents. It also includes Fugitive Specialists in the Department of Corrections, Special Agents in the Gambling Enforcement Division of the Department of Public Safety and Insurance Fraud Specialists in the Department of Commerce.

### Arbitrated Issues

Wage rates were ultimately the only issue determined through arbitration.

Minnesota Management and Budget (MMB) proposed across the board increases of 3.0% effective July 1, 2013 and July 1, 2014, reflecting increases negotiated with the other state bargaining units.

The Minnesota Law Enforcement Association proposed delayed 3.0% across the board increases in FY 14 and 15, and an additional 2.0% across the board increase effective at the end of FY 15.

**MMB arguments.** MMB argued that internal equity is the most important factor for arbitrators to consider. External comparisons are only relevant if bargaining unit employees are substantially underpaid, which is not the case with this unit. MMB expressed concern that if an arbitration award

provides greater increases, other exclusive representatives will be reluctant to settle first, and that essential units will also seek arbitration in the future.

MMB argued that its offer was generous when compared to other public sector groups. It also contended that agencies need to absorb the cost increases. While the cost of MLEA's proposal was comparable to other contracts for the current biennium, the delayed 2.0% salary increase in this contract would have substantially greater impact on the next biennium. Finally, MMB argued that there was no evidence of high turnover, or difficulty attracting or retaining law enforcement unit employees.

**MLEA arguments.** MLEA argued that previous arbitration awards had established external comparison groups with Metropolitan Suburbs and the University of Minnesota Police. Although parity with those groups was achieved over a period of ten years, during the recession the Law Enforcement unit got behind, so that their pay was 86% of the external groups. Over a 25 year career, this differential leads to a loss of \$246,000 in pay.

MLEA contends that turnover is increasing, an indication that salaries are not able to attract and retain qualified law enforcement personnel. MLEA pointed out that the cost of their proposal was less than of other settlements for this biennium, and would require only a minuscule portion of the projected surplus in the next biennium.

**Arbitrator decision.** The arbitrator accepted MLEA's arguments with respect to ability to pay and external market comparisons (for the State Troopers.) She accepted MMB's arguments regarding internal equity, meeting cost of living cost increases, and the lack of a retention or hiring problem. She awarded the state's position:

3.0% across the board increase effective July 1, 2013

3.0% across the board increase effective July 1, 2014

The parties reached agreement on other provisions in the contract, a copy of which is available at: [http://www.ser.leg.mn/contracts/14-15/Draft\\_14-15\\_MLEA.pdf](http://www.ser.leg.mn/contracts/14-15/Draft_14-15_MLEA.pdf)

The contract is effective retroactively to July 1, 2013.

#### **Financial provisions**

1. Step increases continue in each year for employees who are eligible. Step increases represent approximately a 4.0% increase. About 31% of these employees are eligible for these step increases.
2. Due to changes in state law regarding retirement provisions, the employer contribution to the State Patrol Pension Fund increased from 18.6% to 20.1%, effective July 1, 2014. MMB estimates the cost of this change to be \$871,000 in the FY 14-15 biennium. (This change was not negotiated in this contract, but the cost of the change is included.)

### **Other provisions**

3. As provided in other contracts, increase rates for reimbursement for meals. The rate for breakfasts and lunches increases by \$2 to \$9 and \$11, and dinner by \$1 to \$16. The reimbursement rate for defined high-cost metropolitan areas outside of Minnesota increased by \$3 per meal to \$11, \$13, and \$20.
4. Made numerous technical changes in provisions relating to reductions in force, layoffs and claiming of vacant positions.

### **Continuing provisions**

5. Continue several salary differential provisions for State Troopers:
  - a. Freeway Trooper pay: 2.6% of minimum rate of salary range
  - b. Accident Reconstruction pay: 3.0% above the Trooper rate
  - c. Station Sergeant pay: 3.0% above the Trooper rate
  - d. Safety Coordinator and Crash Reconstruction Coordinator pay: 3.0% of Trooper's highest rate
  - e. Shift differential, paid to all Troopers: \$15 per month
  - f. Technical Sergeant Pay: 8.0% above Trooper rate
  - g. Pilot pay, fixed wing: 11.0%; Helicopter pilot pay: 13.0%
6. Continue several 6.0% salary differentials for Conservation Officers:
  - a. Primary Field Training Officer
  - b. Field Training Officer
  - c. Academy Instructor
  - d. Use of Force Instructor
  - e. Backgrounder
7. Continue pay differential of 0.25% for all Special Agents in lieu of special assignment differentials
8. Continue the employer match for deferred compensation at \$400 per year.
9. Continue early retirement incentives that provide for varying amounts of the employer share of health and dental insurance for eligible employees retiring after age 50.
10. Continue to permit employees to donate up to eight hours of vacation leave to a bank that can be used by the Association representative.
11. Implement the State Employee Group Insurance Program as provided in the other contracts.

### **Settlement Cost Sheet**

MMB estimates that the cost of the increases (across the board increases, steps, insurance, FICA, retirement contributions) provided in the Law Enforcement agreement will be 4.90% this biennium. The cost of these increases will add 7.21% to the next biennium's base. (This figure captures the tails – those obligations made during this biennium whose full costs are not realized until the next biennium.)

MMB points out that \$871,000 of the total settlement cost of \$6.8 million contract cost for this biennium results from legislation enacted that increases the employer contribution for the State Patrol Pension Fund from 18.6% to 20.1%

Please let me know if you have any questions or need additional information.

Attach: settlement sheet

LCC Subcommittee on Employee Relations

December 2,2014

Bargaining Unit	Across the board increases (% increase)				BIENNIAL BASE(1)	BIENNIAL NEW MONEY (1)	% INCREASE (2)	% INCREASE BIENNIUM TO NEXT BIENNIUM (3)	\$ IMPACT ON NEXT BIENNIUM
	7/1/2013	1/1/2014	7/1/2014	1/2/2015					
AFSCME, Council 5	3.00%		3.00%		\$1,695,445,000	\$75,743,000	4.47%	6.37%	\$107,999,847
AFSCME, Unit 8, Correctional Guards	3.00%		3.00%		\$274,922,000	\$10,640,000	3.87%	5.25%	\$14,433,405
AFSCME, Unit 25, Radio Communications Oper	3.00%		3.00%		\$7,317,000	\$398,000	5.44%	7.37%	\$539,263
MN Association of Professional Employees	3.00%		3.00%		\$2,128,007,000	\$101,239,000	4.76%	6.87%	\$146,194,081
Middle Management Association	3.00%		3.00%		\$571,882,000	\$26,448,000	4.62%	6.56%	\$37,515,459
MN Government Engineering Council	3.00%		3.00%		\$186,379,000	\$8,519,000	4.57%	6.48%	\$12,077,359
Minnesota Nurses Association	3.00%		3.00%		\$137,607,000	\$6,674,000	4.85%	6.90%	\$9,494,883
MN Law Enforcement Association	3.00%		3.00%		\$138,707,000	\$6,794,000	4.90%	7.21%	\$10,000,775
State Residential Schools Education Assoc	3.00%		3.00%		\$34,116,000	\$1,142,000	3.35%	4.09%	\$1,395,344
State University Inter Faculty Organization	3.20%		1.45%		\$548,849,215	\$22,715,027	4.14%	6.35%	\$34,851,925
MN State University Assoc of Admin & Service Faculty	2.40%		2.60%		\$114,202,188	\$4,577,001	4.01%	6.33%	\$7,228,999
Minnesota State College Faculty	3.00%			3.0%	\$792,314,713	\$30,611,798	3.86%	6.85%	\$54,273,558
Personnel Plan for MnSCU administrators					\$173,884,225	\$6,083,672	3.50%	5.00%	\$8,694,211
Personnel Plan for St Bd of Invest employees									
Office of Higher Education Plan	3.00%		3.00%		\$7,301,000	\$488,000	6.68%	10.68%	\$779,747
Managerial Plan	3.00%		3.00%		\$321,726,000	\$16,993,000	5.28%	7.65%	\$24,612,039
Commissioners Plan (4)	3.00%		3.00%		\$203,555,000	\$11,138,000	5.47%	8.16%	\$16,610,088
Office of Legislative Auditor	2.00%		1.50%	1.00%					
MnSure Compensation Plan									
<b>TOTAL</b>					<b>\$7,336,214,341</b>	<b>\$330,203,498</b>	<b>4.50%</b>	<b>6.63%</b>	<b>\$ 486,700,982</b>

The ">" indicates proposed contract or plan not yet acted on by the Subcommittee.

- (1) Includes all funds, including higher education agencies. Includes across the board salary increases, steps, FICA, insurance & pension.
- (2) Percent of new money needed over base.
- (3) This percentage reflects the annualized cost of the increases granted during the biennium.  
This figure depicts all of the costs of the contract, including "tails."
- (4) Groups within plan follow lead of comparable bargaining units.