



Subcommittee on Employee Relations

72 State Office Building | St. Paul, MN 55155 | Phone: 651-296-9002 | www.ser.leg.mn

Memorandum

DATE: September 10, 2021
TO: Members of the Subcommittee
FROM: Michelle Weber, Executive Director, Legislative Coordinating Commission (LCC)
RE: Minnesota Law Enforcement Association (MLEA) 2020-2021 Contract Summary

This memo summarizes the fiscal year (FY) 2020-2021 Minnesota Law Enforcement Association (MLEA) contract submitted to the Subcommittee on Employee Relations. Under M.S. 3.855, subd. 2, paragraph c, the Subcommittee may meet by October 4 to provide interim approval or to disapprove the contract. If the Subcommittee does not meet by October 4, the contract goes into effect and will be submitted to the legislature for ratification.

The State and MLEA have reached a tentative agreement for the Law Enforcement unit, which represents 786 employees consisting of State Troopers, Conservation Officers, and Bureau of Criminal Apprehension (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.

This agreement is for the previous biennium (FY2020-2021) and is the last contract to be negotiated and settled with a state employee exclusive representative. A copy of the agreement in legislative mark-up form is available at:

<https://www.ser.leg.mn/contracts/20-21/MLEA-2019-2021-Legislative-Redline.pdf>

Financial Provisions

The tentative agreement includes the following financial provisions for individuals covered by the agreement:

1. A 2.25% across the board increase retroactive to July 1, 2019.
2. A 2.5% across the board increase retroactive to July 1, 2020.

3. Step increases continue in each year for employees who remain eligible for step increases. These increases represent approximately a 4.0% increase to covered employee salaries when they occur. About 37% of the employees covered under this agreement are eligible for step increases.
4. Legislatively established 8.45%¹ increase in salaries for all employees effective October 22, 2020, and a 10.45% increase for those employees at the top of their salary ranges. These increases were included in 2021 Minnesota Laws, Special Session, Chapter 6, Article 4, Section 1; and Chapter 11, Article 8, Sections 3, 4, 5, 8, and 13.

Non-Financial Provisions

1. Modifies grievance procedures to comply with Minnesota Statutes section 626.892, a 2020 Minnesota Session Law that provides an arbitration process for law enforcement officers.
2. Increases the amount of vacation leave that can be cashed out from 260 hours to 275 hours upon separation.

Continuing Provisions

The agreement continues the following provisions:

1. Implements the State Employee Group Insurance Program as provided in other contracts.
2. Continues early retirement incentives that provide for varying amounts of the employer share of health and dental insurance for eligible employees retiring after age 50.
3. Provides a clothing allowance as follows:
 - a. State Troopers: \$150
 - b. Non-uniformed Officers: \$550
 - c. Conservation Officers: \$150
 - d. Special Agents, Fugitive Specialists and Commerce Insurance Fraud Specialists: \$550
4. Continues the employer match for deferred compensation at \$400 per year.

¹ The Troopers received a legislatively directed 8.4% increase on October 22, 2020. Subsequent legislation passed during the 2021 special session amended this previous provision and also provided for a 13.2% increase to all MLEA members (with an additional 2% to MLEA members at the top of their salary ranges), less the across-the-board increases negotiated in this agreement. The 8.45% and 10.45% amounts reflect the 13.2% increases (and the 2% top of range premium) minus the across-the-board increases of 2.25% in FY2020 and 2.5% increase in FY21.

5. Continues to permit employees to donate up to eight hours (8) of vacation leave to a bank that can be used by an Association representative.
6. Provides Achievement Awards for Commerce Insurance Fraud Specialists. An employee who demonstrates outstanding performance is eligible for a \$1,000 lump sum payment or a one-step increase. No more than 35% of employees may receive an award in a fiscal year.

Settlement Cost Sheet (attached)

MMB estimates that the cost of the negotiated increases (across the board increases, steps, insurance, FICA, retirement contributions) provided in the MLEA agreement will be 4.37% in the FY 20-21 biennium. The cost of these increases will add 7.26% 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.) All costs for the biennium, including the legislatively directed increases, will be 7.24% in the FY 20-21 biennium and will add 15.99% to the next biennium's base.

Additional information

Attached are additional data from Minnesota Management and Budget:

- Summary of Wages and Insurance
- Estimated Cost for SER, including costs by agency as required under M.S. 3.855, Subd. 5.

Please feel free to contact me at michelle.weber@lcc.leg.mn or (651)296-2963 if you have any questions.

STATE EMPLOYEE SALARY SETTLEMENTS

FY 20-21 ESTIMATED COSTS

LCC Subcommittee on Employee Relations
September 7, 2021

Bargaining Unit	Across the board increases (% increase)				BIENNIAL BASE (1)	BIENNIAL NEW MONEY (1)	% INCREASE (2)	% INCREASE BIENNIUM TO BIENNIUM (3)	\$ IMPACT ON NEXT BIENNIUM
	7/1/2019	1/1/2020	7/1/2020	1/1/2021					
AFSCME, Council 5	2.25%		2.50%		\$ 2,086,908,177	\$ 104,981,085	5.03%	8.74%	\$182,395,775
AFSCME, Unit 8, Correctional Officers	2.25%		2.50%		\$ 331,053,303	\$ 17,515,918	5.29%	8.92%	\$29,529,955
AFSCME, Unit 25, Radio Communications Oper	2.25%		2.50%		\$ 10,511,814	\$ 526,192	5.01%	8.68%	\$912,425
MN Association of Professional Employees	2.25%		2.50%		\$ 3,061,970,910	\$ 164,059,411	5.36%	9.30%	\$284,763,295
Middle Management Association	2.25%		2.50%		\$ 764,283,588	\$ 39,870,769	5.22%	8.99%	\$68,709,095
MN Government Engineering Council (5)	2.25%		2.50%		\$ 269,391,309	\$ 13,406,438	4.98%	8.35%	\$22,494,174
Minnesota Nurses Association	2.25%		2.50%		\$ 201,413,184	\$ 10,766,432	5.35%	9.23%	\$18,590,437
MN Law Enforcement Association ⁷	2.25%		2.50%		\$ 192,515,740	\$ 12,694,633	7.24%	15.99%	\$30,783,267
State Residential Schools Education Assoc	2.25%		2.50%		\$ 35,467,528	\$ 1,310,746	3.70%	5.98%	\$2,120,958
Service Employees International Union (6)	10.4%								
State University Inter Faculty Organization	1.90%		2.00%		\$ 623,076,607	\$ 21,371,403	3.43%	5.42%	\$33,770,752
MN State Univ Assoc of Admin & Service Faculty			1.50%		\$ 139,166,477	\$ 4,874,063	3.50%	5.92%	\$8,238,655
Minnesota State College Faculty			3.45%		\$ 804,129,466	\$ 29,953,733	3.72%	6.05%	\$48,649,833
Personnel Plan for MnSCU administrators					\$ 189,887,030	\$ 5,078,044	2.67%	4.10%	\$7,785,368
Personnel Plan for St Bd of Invest employees									
Office of Higher Education Plan	2.25%		2.50%		\$ 7,388,523	\$ 457,360	6.19%	10.64%	\$786,139
Managerial Plan	2.25%		2.50%		\$ 462,049,092	\$ 20,288,257	4.39%	7.09%	\$32,759,281
Commissioners Plan (4)	2.25%		2.50%		\$ 273,842,106	\$ 9,579,351	3.50%	5.36%	\$14,677,937
Office of Legislative Auditor									
MnSure Compensation Plan	2.25%		2.50%		\$ 5,370,360	\$ 280,755	5.23%	8.54%	\$458,629
TOTAL					\$ 9,458,425,214	\$ 457,014,590	4.83%	8.33%	\$ 787,425,974

The ">" indicates proposed contract or plan has not been acted on by the Subcommittee.
 The "R" indicates the contract or plan was rejected by the Subcommittee.
 The "I" indicates a contract or plan that has been implemented absent Subcommittee action
 The "***" indicates the proposed contract or plan has not been ratified by the Legislature
 The "A" indicates the contract or plan has been ratified by the Legislature

- (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.
- (5) The arbitration award provided 3.5% across the board increases each year for engineers in the 3 highest classes
- (6) Includes federal and state funds. Does not include funds for administration, grants and training.
- (7) Includes legislatively established 8.45% wage increase for all employees and 10.45% increase for those employees at top of their range, effec 10/2020

**SUMMARY OF WAGE AND INSURANCE PROVISIONS IN THE AGREEMENT BETWEEN
THE STATE OF MINNESOTA AND THE MINNESOTA LAW ENFORCEMENT ASSOCIATION
(MLEA)**

July 1, 2019 – June 30, 2021

Wages

Two and one-quarter percent (2.25%) general wage increase effective July 1, 2019. Employees whose rate of pay is at or over the new maximum rate are not eligible for this increase.

Two and one-half percent (2.5%) general wage increase effective July 1, 2020. All employees are eligible for this wage increase.

Legislatively mandated 8.45% increase effective October 22, 2020 for all members of the MLEA bargaining unit. An additional 2.0% increase effective October 22, 2020 to those members at the maximum of the range. These increases were not part of the negotiated Labor Management Agreement.

Progression step increases averaging 4.0% are available to employees in both fiscal years on the employee's anniversary date. Employees at the maximum rate of their salary range are not eligible for progression step increases. Approximately 37% of employees are eligible for progression step increases during the fiscal year.

Insurance

1. Medical plan: Effective January 1, 2020
 - a. Annual first dollar deductibles will increase from:
 - \$150/\$300 to \$250/\$500 in Cost Level 1
 - \$250/\$500 to \$400/\$800 in Cost Level 2
 - \$550/\$1,100 to \$750/\$1,500 in Cost Level 3
 - \$1,250/\$2,500 to \$1,500/\$3,000 in Cost Level 4
 - b. Member cost-sharing for office visits will increase from:
 - \$25/\$30 to \$30/\$35 in Cost Level 1
 - \$30/\$35 to \$35/\$40 in Cost Level 2
 - \$60/\$65 to \$65/\$70 in Cost Level 3
 - \$80/\$85 to \$85/\$90 in Cost Level 4
 - c. Member cost-sharing for Lab, Pathology and X-ray will increase from:
 - 5% coinsurance to 10% coinsurance in Cost Level 1 and Cost Level 2

- d. Member cost-sharing for MRI/CT Scans will increase from:
 - 5% coinsurance to 10% coinsurance in Cost Level 1
 - 10% coinsurance to 15% coinsurance in Cost Level 2
 - 20% coinsurance to 25% coinsurance in Cost Level 3
 - 25% coinsurance to 30% coinsurance in Cost Level 4
 - e. The plan maximum out-of-pocket expense (excluding prescriptions) will increase from:
 - \$1,200/\$2,400 to \$1,700/\$3,400 in Cost Level 1 and Cost Level 2
 - \$1,600/\$3,200 to \$2,400/\$4,800 in Cost Level 3
 - \$2,600/\$5,200 to \$3,600/\$7,200 in Cost Level 4
 - f. Member cost-sharing for prescription drugs will increase from:
 - \$14/\$25/\$50 to \$18/\$30/\$55 for all Cost Levels
 - g. The plan maximum out-of-pocket expense for prescription drugs will increase from:
 - \$800/\$1,600 to \$1,050/\$2,100 for all Cost Levels
2. Dental plan:
- a. Effective January 1, 2020, the following benefit changes will take place:
 - i. Preventive Services will be excluded from the annual \$2,000 maximum
 - ii. The lifetime maximum for Orthodontia benefits will increase from \$2,400 to \$3,000

**ESTIMATED COST OF THE AGREEMENT BETWEEN THE STATE OF MINNESOTA AND THE
MINNESOTA LAW ENFORCEMENT ASSOCIATION (MLEA)**

July 1, 2019 – June 30, 2021

I. Plan Unit Composition

Total Number of Employees: 786

II. Biennial Summary of Costs (All Agencies and All Funds)

Employee Costs	Biennial Base	Biennial New Money
Salaries	\$126,585,124	\$4,756,955
FICA and Retirement	\$37,059,061	\$1,392,646
Insurance	\$28,871,555	\$2,266,947
TOTAL	\$192,515,740	\$8,416,548

The Hubinger Number is **4.37%**, which represents the Biennial New Money as a percentage of the Biennial Base at the beginning of Fiscal Year 2020.

The Merriam Number is **7.26%**, which represents the growth in the Biennial Base over the term of the contract.

III. Biennial Base and New Costs (By Agency and Funding Source)

Agency & Funding Source	Biennial Base	Biennial Base + New Costs
Commerce Dept	\$3,641,109	\$3,800,294
Other	\$3,641,109	\$3,800,294
Corrections Dept	\$2,604,111	\$2,717,959
General	\$2,604,111	\$2,717,959
Natural Resources Dept	\$36,926,547	\$38,540,929
General	\$6,563,155	\$6,850,088
Other	\$30,363,391	\$31,690,841
Public Safety Dept	\$147,696,627	\$154,153,739
General	\$22,484,889	\$23,467,900
Other	\$125,211,738	\$130,685,839
Transportation Dept	\$1,647,347	\$1,719,366
Other	\$1,647,347	\$1,719,366
Grand Total	\$192,515,740	\$200,932,288

**ESTIMATED COST OF THE AGREEMENT BETWEEN THE STATE OF MINNESOTA AND THE
MINNESOTA LAW ENFORCEMENT ASSOCIATION (MLEA)**

July 1, 2019 – June 30, 2021

IV. Estimated Additional Salary and Non-Wage Costs (By Agency)

Agency	Additional Salary	Additional Non-Wage
Commerce Dept	\$89,970	\$69,215
Corrections Dept	\$64,346	\$49,502
Natural Resources Dept	\$912,434	\$701,948
Public Safety Dept	\$3,649,500	\$2,807,612
Transportation Dept	\$40,705	\$31,315
Grand Total	\$4,756,955	\$3,659,593

V. Estimated Additional Salary and Rollup Costs Resulting from Legislative Action Effective October 22, 2020 – Costs for the Remainder of the Biennium

Agency	Additional Salary
Commerce Dept	\$80,913
Corrections Dept	\$57,869
Natural Resources Dept	\$820,582
Public Safety Dept	\$3,282,114
Transportation Dept	\$36,607
Grand Total	\$4,278,085

The estimated Hubinger Number is **7.24%**, which represents the Biennial New Money as a percentage of the Biennial Base at the beginning of Fiscal Year 2020.

The estimated Merriam Number is **15.99%**, which represents the growth in the Biennial Base over the term of the contract.

VI. Estimated Additional Salary and Rollup Costs Resulting from Legislative Action Effective October 22, 2020 – 2021-2023 Biennium Costs

Agency	Additional Salary
Commerce Dept	\$233,673
Corrections Dept	\$167,122
Natural Resources Dept	\$2,369,813
Public Safety Dept	\$9,478,637
Transportation Dept	\$105,721
Grand Total	\$12,354,966

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