



## Subcommittee on Employee Relations

72 State Office Building | St. Paul, MN 55155 | Phone: 651-296-9002 | [www.ser.leg.mn](http://www.ser.leg.mn)

### Memorandum

**DATE:** January 14, 2022  
**TO:** Members of the Subcommittee on Employee Relations  
**FROM:** Michelle Weber, Legislative Coordinating Commission  
**RE:** Minnesota Nurses Association Contract and MOU Summaries

This memo summarizes the FY 2022-23 collective bargaining agreement with the Minnesota Nurses Association (MNA). MMB submitted this contract to the Subcommittee on Employee Relations on January 13, 2022. The Subcommittee may meet before the 2022 legislative session convenes on January 31, 2022, to consider interim approval of the contract. However, because the session begins before the 30-day review period established under M.S. 3.855, subdivision 2, paragraph c is complete, unless the SER provides interim approval, the contract would not be implemented until action by the 2022 Legislature.

MMB also submitted additional Memorandums of Understanding (MOUs) between the State and a number of exclusive representatives, providing hiring, referral and retention incentives in certain state agencies.

#### **Minnesota Nurses Association**

The Minnesota Nurses Association (MNA) represents 867 registered nurses. Most are employed at the Departments of Human Services, Corrections, Health, and the Veterans' Homes.

A copy of the collective bargaining agreement is available at:  
<https://www.ser.mn.gov/contracts/22-23/MNA-2021-23-Redline-Tentative-Contract.pdf>

#### **Financial provisions**

1. 2.5% across the board increase effective July 1, 2021.
2. 2.5% across the board increase effective July 1, 2022.
3. Nurses continue to receive merit-based increases on their anniversary dates. These increases average 4.0%. Approximately 39% of nurses are below the maximum of their salary ranges and are eligible for these increases.

4. Eliminates the first two ranges in the salary grid due to no active classifications being assigned to the range.
5. Adds steps to the top of ranges 56 and 57, adds new ranges 58 and 60, and modifies rates for range 59 (currently not in use) for consistency and flexibility in the salary grid structure.
6. Adds step increase for nurses who attain a Master's Degree in nursing. An existing provision adds a step increase for nurses who attain a Bachelor's Degree in nursing.
7. At the Appointing Authority's discretion, provides recruiting, referral and retention bonuses, similar to those included in other collective bargaining agreements (pilot program).
8. Increases the employer match from \$150 per year to \$250 per year to deferred compensation.

#### **Other provisions**

1. Health, dental and life insurance provisions are the same as those negotiated in other state labor contracts.
2. Adds Juneteenth as a state paid holiday.

#### **Continuing provisions**

1. Continues the student loan repayment reimbursement program. The debt must have been incurred within 15 years, payments cannot exceed \$5,000 per calendar year, nor exceed \$25,000 total per nurse. For Advanced Practice Registered Nurses, the maximum annual payment is increased to \$6,000, with a total of \$30,000 to any one nurse. This program is extended to 2023.
2. Continues the Achievement Award program. A nurse may receive a one-step increase, or if the employee is at the maximum of their salary range, a lump sum of 4% of salary or \$1,500, whichever is less. No more than 35% of eligible nurses may receive an award.
3. Continues the amount that employees contribute to the health care savings plan at \$100 per month.

#### **Settlement Cost Sheet**

MMB estimates that the cost of the increases (across the board increases, steps, insurance, FICA, retirement contributions) provided in the Nurses Association agreement will be 4.83% this biennium. The cost of these increases will add 7.58% 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.)

#### **Agency specific compensation cost data**

Effective July 1, 2019, MMB is required to provide compensation cost data by agency. The report is to include base costs, the costs provided under the proposed contract or plan, and a breakdown of the costs by agency by fund. A copy of that report is attached.

## **Memorandums of Understanding**

MMB has submitted additional Memorandums of Understanding between the State and a number of exclusive representatives. These MOUs have been added to the MOUs we posted previously, which are available at: <https://www.ser.mn.gov/contracts/22-23/MOUs-1-14-22.pdf>.

A brief synopsis of these additional MOUs follows:

**MNA: State of Minnesota**

Permits employees to use their sick leave to care for minor children who are required to be quarantined, similar to MOUs submitted previously.

**MAPE: Department of Human Services**

**MMA: Department of Human Services**

**MAPE: Department of Corrections**

**MMA: Department of Corrections**

**MNA: Department of Corrections**

Permits each agency to develop incentive programs related to hiring, referral, retention and reassignment, with the incentive not to exceed \$10,000.

**MNA: Department of Human Services**

Permits the agency to implement retention incentive involving shift differentials and referral incentives. Also permits development of incentive programs related to retention, referral and reassignment, with incentive not to exceed \$10,000.

**AFSCME: Department of Corrections**

**AFSCME: Unit 208, Department of Corrections**

Permits each agency to implement retention incentive involving lump sum payments and shift differentials, and lump sums payments for reassignments. Also permits development of incentive programs related to hiring, referral, retention, and reassignment, with incentives not to exceed \$10,000.

Please feel free to contact me at [michelle.weber@lcc.mn.gov](mailto:michelle.weber@lcc.mn.gov) if you have any questions.

Attachments:            MMB Submitted Statutory Data on Funding Sources  
                                 SER Settlement Sheet

**ESTIMATED COST OF THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE STATE OF MINNESOTA AND  
MNA**

**July 1, 2021 – June 30, 2023**

**I. Bargaining Unit Composition**

Total Number of Employees: 867

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

<b>Employee Costs</b>	<b>Biennial Base</b>	<b>Biennial New Money</b>
Salaries	159,758,808	8,200,469
FICA and Retirement	27,534,380	1,413,348
Insurance	33,472,332	1,047,243
<b>TOTAL</b>	<b>220,765,520</b>	<b>10,661,060</b>

The Hubinger Number is **4.83%**, which represents the Biennial New Money as a percentage of the Biennial Base at the beginning of Fiscal Year 2022.

The Merriam Number is **7.58%**, 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)**

<b>Agency</b>	<b>Biennial Base</b>	<b>Biennial Base + New Costs</b>
<b>Corrections Dept</b>	<b>\$29,520,414</b>	<b>\$30,945,994</b>
General	\$29,515,638	\$30,940,987
Other	\$4,776	\$5,007
<b>Health Department</b>	<b>\$51,048,732</b>	<b>\$53,513,943</b>
General	\$10,311,196	\$10,809,137
Other	\$40,737,536	\$42,704,806
<b>Human Services Dept</b>	<b>\$107,641,276</b>	<b>\$112,839,416</b>
General	\$100,296,076	\$105,139,507
Other	\$7,345,200	\$7,699,909
<b>MN St Colleges &amp; Universities</b>	<b>\$1,963,320</b>	<b>\$2,058,131</b>
Other	\$1,963,320	\$2,058,131
<b>Mn State Academies</b>	<b>\$720,596</b>	<b>\$755,395</b>
General	\$720,596	\$755,395
<b>Nursing Board</b>	<b>\$2,067,036</b>	<b>\$2,166,856</b>
Other	\$2,067,036	\$2,166,856

**SUMMARY OF WAGE AND INSURANCE PROVISIONS IN THE AGREEMENT BETWEEN THE STATE OF MINNESOTA  
AND MNA**

**July 1, 2021 – June 30, 2023**

<b>Ombud Mental Hlth &amp; Dev Dis</b>	<b>\$476,570</b>	<b>\$499,584</b>
General	\$476,570	\$499,584
<b>Perpich Ctr For Arts Education</b>	<b>\$173,354</b>	<b>\$181,725</b>
Other	\$173,354	\$181,725
<b>Veterans Affairs Dept</b>	<b>\$27,154,222</b>	<b>\$28,465,535</b>
Other	\$27,154,222	\$28,465,535

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

<b>Agency</b>	<b>Additional Salary</b>	<b>Additional Non-Wage</b>
Corrections Dept	\$1,096,554	\$329,026
Health Department	\$1,896,236	\$568,975
Human Services Dept	\$3,998,400	\$1,199,740
MN St Colleges & Universities	\$72,929	\$21,883
Mn State Academies	\$26,767	\$8,032
Nursing Board	\$76,781	\$23,039
Ombud Mental Hlth & Dev Dis	\$17,702	\$5,312
Perpich Ctr For Arts Education	\$6,439	\$1,932
Veterans Affairs Dept	\$1,008,660	\$302,653

**SUMMARY OF WAGE AND INSURANCE PROVISIONS IN THE AGREEMENT BETWEEN THE STATE OF MINNESOTA  
AND MNA**

**July 1, 2021 – June 30, 2023**

**Wages**

Two and one-half percent (2.50%) general wage increase effective July 1, 2021. Employees whose rate of pay is at or over the new maximum rate are not eligible for this increase.

Two and one-half percent (2.50%) general wage increase effective July 1, 2022. All employees are eligible for this wage increase.

Progression step increases averaging 4.00% 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 39% of employees are eligible for progression step increases during the fiscal year. Progression step increases are delivered on an annual basis.

**Insurance**

1. Medical plan:

- a. Effective January 1, 2022, 3D mammograms will not be subject to out of pocket costs on the same terms as are 2 D mammograms.
- b. Effective January 1, 2022, a member will no longer need a referral to visit an eye doctor for an eye injury when they had their annual exam within the past year.
- c. Effective January 1, 2022, the Emergency Room out of pocket costs will be streamlined so that members have a clear understanding of what they will pay for the service:
  - i. Cost level 1: was \$100 and subject to the deductible, it becomes a flat \$100 and not subject to the deductible
  - ii. Cost level 2: was \$100 and subject to the deductible, it becomes \$125 and not subject to the deductible.
  - iii. Cost level 3: was \$100 and subject to the deductible, it becomes \$150 and not subject to the deductible.
  - iv. Cost level 4: was subject to deductible and a 25% coinsurance to the out of pocket maximum, it becomes \$350 and not subject to the deductible.
- d. Effective January 1, 2023, a new infertility benefit designed by the Joint Labor Management committee on Insurance Benefits will be implemented.

2. Dental plan:

- a. The dental plan will be offered in open enrollment during both years of this contract rather than just one year.

# STATE EMPLOYEE SALARY SETTLEMENTS

## FY 22-23 ESTIMATED COSTS

LCC Subcommittee on Employee Relations  
January 13, 2022

Across the board increases (% increase)									
Bargaining Unit	7/1/2021	1/1/2022	7/1/2022	1/1/2023	BIENNIAL BASE (1)	BIENNIAL NEW MONEY (1)	% INCREASE (2)	% INCREASE BIENNIUM TO BIENNIUM (3)	\$ IMPACT ON NEXT BIENNIUM
O AFSCME, Council 5	2.50%		2.50%		\$ 2,084,072,266	\$ 92,044,883	4.42%	6.94%	\$ 144,634,615
O AFSCME, Unit 8, Correctional Officers	2.50%		2.50%		\$ 365,056,850	\$ 17,051,747	4.67%	7.39%	\$ 26,977,701
O AFSCME, Unit 25, Radio Communications Oper	2.50%		2.50%		\$ 11,243,196	\$ 497,646	4.43%	6.95%	\$ 781,402
O MN Association of Professional Employees	2.50%		2.50%		\$ 3,262,497,442	\$ 163,077,761	5.00%	7.97%	\$ 260,021,046
Middle Management Association	2.50%		2.50%		\$ 798,864,730	\$ 37,760,125	4.73%	7.40%	\$ 59,115,990
MN Government Engineering Council (5)									
Minnesota Nurses Association	2.50%		2.50%		\$ 220,765,520	\$ 10,661,060	4.83%	7.58%	\$ 16,734,026
MN Law Enforcement Association									
State Residential Schools Education Assoc	2.50%		2.50%		\$ 35,776,108	\$ 1,413,975	3.95%	5.92%	\$ 2,117,946
I Service Employees International Union (6)	8.68%		5.90%			\$ 67,559,000			\$ 103,888,000
State University Inter Faculty Organization			1.70%		\$ 645,017,833	\$ 17,106,620	2.65%	4.96%	\$ 31,992,885
MN State Univ Assoc of Admin & Service Faculty	1.30%				\$ 144,989,599	\$ 4,180,646	2.88%	3.59%	\$ 5,205,127
Minnesota State College Faculty									
Personnel Plan for MnSCU administrators					\$ 199,151,822	\$ 5,865,709	2.95%	4.08%	\$ 8,125,394
Personnel Plan for St Bd of Invest employees									
Office of Higher Education Plan									
Managerial Plan									
Commissioners Plan (4)									
Office of Legislative Auditor									
MNsure Compensation Plan									
<b>TOTAL</b>					<b>\$ 7,767,435,366</b>	<b>\$ 417,219,172</b>	<b>5.37%</b>	<b>8.49%</b>	<b>\$ 659,594,132</b>

The ">" indicates proposed contract or plan has not been acted on by the Subcommittee.  
 The "O" indicates the contract or plan was provided interim approval 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) The amount listed is the total state funds; the changes in the contract are also funded through federal Medicaid dollars, not included in this table. The FY22 increase is effective 10/1/21. The percentages reflect the increase in minimum wages.