



Subcommittee on Employee Relations

Centennial Office Building | St. Paul, MN 55155 | Phone: 651-296-6033 | www.ser.leg.mn

Memorandum

DATE: December 14, 2023

TO: Members of the Subcommittee on Employee Relations

FROM: Nick Nigro, Legislative Coordinating Commission

RE: Review of state employee compensation plans

Minnesota State Colleges and Universities (Minnesota State) has submitted a personnel plan for administrators. It incorporates the same insurance provisions that were included in the Managerial Plan previously submitted to the Subcommittee on Employee Relations (Subcommittee).

Minnesota Management and Budget (MMB) also submitted amendments to their previously submitted Managerial Plan, Commissioner's Plan, and Medical Specialist Addendum.

Minnesota State Administrators' Personnel Plan

The Administrators' Plan establishes terms and conditions of employment for 509 unrepresented managers. A copy of this proposed plan, in legislative format, is available at:

<https://www.ser.mn.gov/contracts/24-25/Final-Legislative-Draft-2023-2025-Administrator's-Plan-12-11-23.pdf>

Financial provisions:

1. 2.5% across the board increase effective July 1, 2023, for administrators who meet performance standards.
2. 2.5% across the board increase effective July 1, 2024, for administrators who meet performance standards.
3. Continues merit-based increases for Fiscal Years 2024 and 2025 from a merit pool of 2.5% of the aggregate base salaries. The employee's salary may not exceed the maximum of their salary range. Approximately 85% of employees are eligible for these increases.
4. Raises salary ranges 5% each year. This change will not affect Administrators' specific salaries unless they fall below the new range floor.

Non-financial provisions:

5. Expands possible uses of sick leave to comply with 2023 statutory changes, similar to other state contracts and plans.

6. Creates a 4-month separation payment when notice is not given for an immediate dismissal without cause of a chancellor, vice-chancellor, or president.
7. Provides a separation stipend to a chancellor, vice-chancellor, or president who provide adequate notice of intent to separate (nine months for vice chancellor or president, 12 months for chancellor). Stipend limited to 25% of base salary.
8. Creates a discretionary tuition waiver for administrator, spouse, domestic partner, or dependent children of up to 18 credits to be used at a Minnesota State university if the administrator is employed at a Minnesota State college and vice versa.

Other provisions:

9. Changes to the chancellor's employment require majority approval by the board and may occur annually.
10. Vice-chancellor or president's salaries can be adjusted within range annually, consistent with the salary increase provisions of the Plan.
11. Allows paid absence for appearances in court or before the legislature based on work at Minnesota State.

Settlement Cost Sheet

Minnesota State estimates that the cost of the increases (across the board increases, performance-based increases, insurance, FICA, retirement contributions) provided in this plan will be 6.82% this biennium. The cost of these increases will add 9.33% 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.)

Managerial Plan Amendments

The Managerial Plan establishes terms and conditions of employment for 1,677 unrepresented managers including deputy and assistant commissioners, bureau heads and division directors. This plan also establishes insurance benefits for heads of state agencies. A copy of the full proposed plan, in legislative format, is available at:

<https://www.ser.mn.gov/contracts/24-25/Managerial-Plan-2023-25-Redline-Amended>

1. Includes employees exercising a Post-Retirement Option (PRO) of 9 or more hours per pay period as eligible for sick leave accrual.
2. Expands sick leave eligibility to employees who have: 1) a workplace close due to weather or public emergency; 2) a family members' care facility close due to weather or public emergency; or 3) a determination by a health authority or health care professional that the employee or a family member is at risk for infecting others with a communicable disease.
3. Continues the health and/or dental coverage of an employee's enrolled dependent spouse or dependent children if the employee dies before the age of 65 up to when the employee would have turned 65.

Commissioner's Plan Amendments

The Commissioner's Plan establishes terms and conditions of employment for 1,227 unrepresented employees including confidential staff, and employees who have severed from their bargaining units. A copy of the full proposed plan, in legislative format, is available at:

<https://www.ser.mn.gov/contracts/24-25/Commissioners-Plan-23-25-Redline>

This plan also covers medical specialists, whose benefits are determined in a separate appendix to the Commissioner's Plan:

<https://www.ser.mn.gov/contracts/24-25/Medical-Specialist-Addendum-2023-2025-Redline>

1. Includes employees exercising a Post-Retirement Option (PRO) of 9 or more hours per pay period as eligible for sick leave accrual.
2. Expands sick leave eligibility to employees who have: 1) a workplace close due to weather or public emergency; 2) a family members' care facility close due to weather or public emergency; or 3) a determination by a health authority or health care professional that the employee or a family member is at risk for infecting others with a communicable disease.

Please let me know if you have any comments or questions. I can be reached at nick.nigro@lcc.mn.gov or (651) 296-6033.

Attachments: Settlement sheet

STATE EMPLOYEE SALARY SETTLEMENTS

FY 24-25 ESTIMATED COSTS

LCC Subcommittee on Employee Relations
December 14, 2023

Bargaining Unit	ACROSS THE BOARD INCREASE	ACROSS THE BOARD INCREASE	INCREASED COSTS			% INCREASE 24-25 BIENNIUM TO 26-27		\$ IMPACT ON 26-27 BIENNIUM
	7/1/2023	7/1/2024	24-25 BIENNIAL BASE (1)	IN 24-25 BIENNIUM (1)	% INCREASE (2)	BIENNIUM (3)		
AFSCME, Council 5	5.50%	4.50%	\$ 2,271,170,710	\$ 167,097,144	7.36%	10.05%	\$ 228,252,656	
AFSCME, Unit 8, Correctional Officers	5.50%	4.50%	\$ 370,270,146	\$ 33,684,323	9.10%	11.19%	\$ 41,433,229	
AFSCME, Unit 25, Radio Communications Oper	-	-	-	-	-	-	-	
MN Association of Professional Employees	5.50%	4.50%	\$ 3,852,748,170	\$ 301,773,037	7.83%	10.70%	\$ 412,244,054	
Middle Management Association	-	-	-	-	-	-	-	
MN Government Engineering Council (5)	-	-	-	-	-	-	-	
Minnesota Nurses Association	-	-	-	-	-	-	-	
MN Law Enforcement Association	-	-	-	-	-	-	-	
State Residential Schools Education Assoc	-	-	-	-	-	-	-	
State University Inter Faculty Organization	2.60%	2.90%	\$ 643,141,803	\$ 48,132,299	7.48%	10.28%	\$ 66,114,977	
MN State Univ Assoc of Admin & Service Faculty	2.25%	2.25%	\$ 143,363,274	\$ 11,413,406	7.96%	10.58%	\$ 15,167,834	
Minnesota State College Faculty	-	-	-	-	-	-	-	
Personnel Plan for MnSCU administrators	2.50%	2.50%	\$ 217,870,514	\$ 14,849,846	6.82%	9.33%	\$ 20,327,319	
Office of Higher Education Plan	5.50%	4.50%	\$ 10,588,466	\$ 845,465	7.98%	10.84%	\$ 1,147,790	
Managerial Plan	5.50%	4.50%	\$ 569,000,332	\$ 43,526,398	7.65%	9.96%	\$ 56,672,433	
Commissioners Plan ⁽⁴⁾	5.50%	4.50%	\$ 321,040,764	\$ 24,850,719	7.74%	10.24%	\$ 32,874,574	
MNsure Compensation Plan	5.50%	4.50%	\$ 6,136,934	\$ 459,286	7.48%	9.59%	\$ 588,532	
TOTAL			\$ 8,405,331,113	\$ 646,631,923	7.69%	10.41%	\$ 874,823,400	
OTHER CONTRACTS AND PLANS								
Personnel Plan for St Bd of Invest employees ⁽⁷⁾	-	-	-	-	-	-	-	
Office of Legislative Auditor ⁽⁷⁾	-	-	-	-	-	-	-	
Service Employees International Union ⁽⁶⁾	8.68%	5.90%	-	\$ 74,559,000	-	-	\$ 103,888,000	

(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)

a) Biennial Base includes the state share of personal care and Consumer Directed Community Supports (CDCS) services paid under the Medical Assistance program, Alternative Care, and the Consumer Support Grant (CSG), based on the November 2022 forecast. This does not include the federal share of services. These amounts are [based on] the SEIU collective bargaining agreement.

b) The amount listed is the estimated state cost of rate adjustments for personal care and Consumer Directed Community Supports (CDCS) paid through the Medical Assistance program, Alternative Care, and the Consumer Support Grant (CSG). It also includes..... (this footnote would also include any other items that are included in the final CBA. This amount will align with the fiscal note.) These amounts are based on the SEIU collective bargaining agreement.

c) The base includes all personal care services, regardless of whether they are provided by workers covered by the collective bargaining agreement.

(7) The compensation plans for the Office of the Legislative Auditor and the State Board of Investment provide for salary increases and salary ranges that are indexed to CPI, or to other plans that are reviewed and approved by the Subcommittee. As a result, there are time periods when these plans are not submitted to the SER.