

**Legislative Coordinating Commission  
Subcommittee on Employee Relations  
Monday, June 29, 2009  
10:00 am  
Room 10, State Office Building**

**Present:**

Rep. Karla Bigham  
Rep. Steve Drazkowski  
Rep. Debra Hilstrom  
Rep. Morrie Lanning  
Rep. Leon Lillie  
Sen. James Metzen  
Sen. Gen Olson  
Sen. Linda Scheid

**Excused:**

Sen. Don Betzold  
Sen. Dan Sparks

Rep. Lillie called the meeting of the Subcommittee on Employee Relations to order at 10:04 am. A quorum was present.

**Approval of the Minutes**

Rep. Hilstrom moved approval of the March 23, 2009, meeting minutes. **MOTION PREVAILED.**

**Overview of state labor contract negotiations**

Commissioner Tom Hanson, Minnesota Management and Budget (MMB), gave an overview of the state labor contract negotiations noting that MMB reached voluntary settlements with the two largest unions, AFSCME and MAPE, in April of 2009. Commissioner Hanson stood for questions.

**Review of changes to the State Employee Group Insurance Program**

Nathan Moracco, Director of the Insurance Division at MMB, reviewed plan design and premiums changes to the Advantage Plan for 2010/2011. Mr. Moracco explained that there were few changes in the Advantage Medial Insurance program for 2010 and 2011. There are no changes in the plan design for either year. Additionally, there is no premium increase in 2010, but in 2011, a 6.7% premium increase is projected.

Mr. Moracco then spoke to the Dental Insurance program noting that there are no changes in plan design. In 2010 there will be a premium decrease of 2% and in 2011 a 4% increase in premium has been estimated for Delta and Health Partners Dental. Mr. Moracco reviewed the financials of the SEGIP program. Mr. Moracco then addressed optional life coverage, disability coverage and long term care. Mr. Moracco stood for questions. Discussion ensued.

**Review/Interim Approval of State Collective Bargaining Agreements**

Mary Leary, Associate Vice Chancellor for Labor Relations at MnSCU, reviewed

provisions in the Minnesota State College Faculty contract highlighting that there are no across the board increases in either year; no step increases in either year and that the “Awards for Excellence” program is suspended for FY 10-11.

Ms. Leary then reviewed the Minnesota State University Administrative and Service Faculty contract noting that there are no across the board increases in either year; no step increases in either year; an increase in the professional development fund from \$315,000 per year to \$450,000 and an increase in the honorarium for service faculty who complete special projects from \$800 to \$1,000. Ms. Leary stood for questions.

Paul Larson, Assistant Commissioner of MMB, reviewed the following negotiated state collective bargaining agreements: American Federation of State, County and Municipal Employees (AFSCME) Council 5, AFSCME Correctional Officers; AFSCME Radio Communications Operators; Minnesota Association of Professional Employees (MAPE), and the Middle Management Association (MMA).

Mr. Larson gave a brief overview of the bargaining process noting that the process began in fall of 2008 and MMB reached a tentative agreement with MAPE and AFSCME on April 22, 2009.

Mr. Larson gave an overview of the key provisions in the AFSCME contracts. There are no across the board increases in either year. Additionally, there are no step increases in the first year of the contracts, but it does provide step increases for eligible employees in the second year. MMB estimates the cost of the increases provided in the AFSCME Council 5 contract will be 0.72% this biennium and the cost of the increases will add 2.10% to the next biennium’s base.

Mr. Larson reviewed the provisions within the MAPE contract. There are no across the board increases in either year. There are no step increases in the first year of the contract, but it does provide step increases for eligible employees in the second year. MMB estimates the cost of the increases provided in the MAPE contract will be 0.74% this biennium and the cost of these increases will add 2.16% to the next biennium’s base.

Mr. Larson reviewed key provisions in the MMA contract. There are no across the board increases in either year. There are no step increases in the first year of the contract, but it does provide step increases for eligible employees in the second year. MMB estimates that the cost of the increases will be 0.61% this biennium and the cost of these increases will add 1.63% to the next biennium’s base. Mr. Larson and Commissioner Hanson stood for questions. Discussion ensued.

Rep. Hilstrom moved SER-1, the approval resolution for collective bargaining agreements (Minnesota State College Faculty; Minnesota State University Administrative and Service Faculty; AFSCME Council 5; AFSCME Correctional Officers Unit; AFSCME Radio Communication Officers; MAPE and MMA). **MOTION APPROVED.**

### **Review/Interim Approval of Compensation Plans**

Mary Lou Dresbach, Director of Human Resources for the Office of Higher Education, reviewed provisions within the OHE Higher Education compensation plan. There are no across the board increases in either year. There are no step increases in the first year of the plan, but in the second year, employees who meet performance standards may receive a salary increase averaging 3.5%. Ms. Dresbach stood for questions.

William Tschida, Vice Chancellor for Human Resources for MnSCU, reviewed the personnel plan for MnSCU Administrators. Mr. Tschida noted there are no across the board increases, no annual performance base increases to base salaries of employees, and the program providing exceptional performance awards has been suspended indefinitely. Mr. Tschida stood for questions.

Paul Larson reviewed the provisions of the Commissioner's Plan. There are no across the board increases in either year. There are no performance based increases in the first year, but it provides them for employees who are eligible in the second year. MMB estimates that the cost of the increases provided in this plan will be 0.67% this biennium and the cost of the increase will add 1.88% to the next biennium's base. Mr. Larson stood for questions.

Paul Larson reviewed the provisions of the Managerial Plan. There are no across the board increases in either year of the plan. There are no performance based increases in the first year, but it provides them for managers who are eligible beginning January 1, 2011. MMB estimates that the cost of the increases provided in the plan will be 0.61% this biennium and the cost of the increases will add 1.64% to the next biennium's base. Mr. Larson stood for questions.

Sen. Scheid moved SER 2, the approval resolution for the compensation plans,  
**MOTION APPROVED.**

There being no further business, Rep. Lille adjourned the meeting at 11:48 am.

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Rep. Leon Lillie, Chair