

Minnesota's Legislature *WROTE* it for a **REASON**



Engineering Minnesota's Future

PASS SF 673 and HF 848: Ratify (MGECC) Collective Bargaining Contract

THE LAW

Minnesota State Statute 43A.18, Subd. 8.

Compensation relationships of positions.

In preparing management negotiating positions for compensation which is established pursuant to subdivision 1, and in establishing, recommending and approving total compensation for any position within the plans covered in subdivisions 2, 3 and 4, the commissioner shall assure that:

- (a) Compensation for positions in the classified and the unclassified service compare reasonably to one another;*
- (b) Compensation for state positions bears reasonable relationship to compensation for similar positions outside state service;*
- (c) Compensation for management positions bears reasonable relationship to compensation of represented employees managed;*
- (d) Compensation for positions within the classified service bears reasonable relationships among related job classes and among various levels within the same occupation; and*
- (e) Compensations bear reasonable relationships to one another within the meaning of this subdivision if compensation for positions which require comparable skill, effort, responsibility, and working conditions is comparable and if compensation for positions which require differing skill, effort, responsibility, and working conditions is proportional to the skill, effort, responsibility, and working conditions required.*



Minnesota Management and Budget is required to follow State Law 43A.18 Subd. 8 when negotiating State of Minnesota labor contracts. This law requires MMB to assure compensation for positions, including Engineering positions, bears reasonable relationship to other positions, including similar positions ***OUTSIDE*** the State of Minnesota.

MMB has NOT been following the law

MMB's labor contract negotiating criteria has been pattern bargaining, meaning what one group received in compensation is good for all groups.

Minnesota Government Engineers

Council recently won contract terms for wages arbitration of their 2015-2017 contract. In short, the arbitrator wrote **"In the undersigned's opinion, the previously described pay disparities and the shrinking percentage trend produced by adherence to pattern bargaining over the past sixteen years establishes *that the Employer has not satisfied its statutory obligation to maintain "... a reasonable relationship to compensation for similar positions outside state service; ..."* as required by Minnesota law."**

Why Require MMB to Follow the Law?

State of Minnesota Engineers plan, design, and build some of the most complex infrastructure projects in the State.

Attracting and retaining experienced engineering staff for those projects is hindered when the **State's pay compensation is 10-15% behind other public sector engineering positions and more than 15% less than private sector engineering positions.**

- 1) Engineering staff with more experience produce better plans, provide better project oversight, keep projects on schedule which all reduce delays and reduce change orders, saving millions
- 2) State engineers value the State's infrastructure system more than a hired firm could ever value that system. Such value adds in quality design and quality construction over site, which adds longevity, reducing capital costs and maintenance costs.
- 3) Retaining experienced engineering staff allows retention of State's infrastructure expertise. Such knowledge leads to timely decisions in repairs, which reduces costs.

Require MMB to Follow the Law

MGEC requests that the Subcommittee on Employee Relations

- A) Instruct MMB to compensate engineers at the market rate
- B) Instruct MMB to give equal weight to both external and internal compensation comparisons
- C) Instruct MMB to stop the strict adherence to pattern bargaining as it is not allowed by state law as noted by the arbitrator.

Such an action by the Subcommittee of Employee Relations will help secure experienced engineers to plan design, construct, and then own our state infrastructure system. This action will save the taxpayers millions.