



Fair Compensation

Engineering Expertise – Attracting the best and keeping them

The State of Minnesota has a law requiring fair and equitable compensation for state employees. The State does not follow the law. Instead it places almost total emphasis on

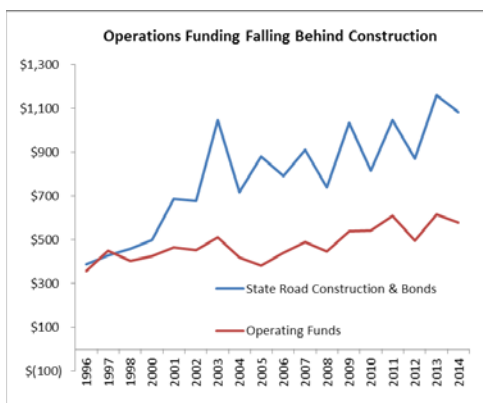
internal wage comparison. Consequently state wages for engineering staff are significantly low, on average 24% less than their counterparts. In 2008 that amount ranged from as much as \$2,805 to \$38,693 per year.

[MS 43A.18](#) Total Compensation; Collective Bargaining Agreements, Subd. 8. Compensation relationships of positions. “(b) **Compensation for state positions bears reasonable relationship to compensation for similar positions outside state service**”

Why is this important?

Quality & Safety – Experience & Expertise Matter. The State needs a first class engineering staff to set standards, design and oversee projects, and advise other engineers in cities, counties and private sector. The State must be able to retain and attract new engineers. The value compounds as state engineering staff set standards and are resources for others.

- **Today’s Dollars, Tomorrow’s Experts** – retain the investment made in the training of training staff who are leaving to work for higher compensating employers.
- **Quality Designers produces savings:** less mistakes, faster timelines, less rework, roads last longer



The problem – low pay leads to increased turnover with 10% of the new employees trained by the State leaving and a large number of experienced employees retiring.

MnDOT engineering staff is smaller and less experienced now that it was five years ago. The amount of projects, size of projects and value of projects is greater than ever. MnDOT staff is cost effective and needs to increase to keep up with work load.

Maximizing Efficiencies

On average, in 2013 state engineers were paid 24% less than those in the private sector whom the state contracted with.

By using in-house engineering staff before consultants from 2009-2014, MnDOT could have saved over \$9 million, resulting more construction projects. (SF1904)

Use of state staff or consultants at the same compensation as in-house engineers could save the state \$127 million in six years resulting in a lot more projects.

Paying state employees the market rate would cost additional \$16M; MGEC sought less than \$2.7M in bargaining.

Fairness – Employees should be paid the market rate for the work they do so that they maintain their enthusiasm and are motivated to go the extra mile.

| | State of Minnesota | Hennepin County | Ramsey County | Metropolitan Council | Average Private Sector |
|--------------------|---------------------------|------------------------|----------------------|-----------------------------|-------------------------------|
| Senior Engineer | \$81,954 | \$91,289.16 | \$88,308 | \$ | \$91,146 |
| Principal Engineer | \$92,039 | \$102,704.04 | \$103,224 | \$ | \$119,908 |

“I do think that the leaders of our state have to think strongly about how they compensate state employees,” he said. “I think it’s at significant risk of losing the talent and leadership of these organizations. It’s not a rub on the governor or anybody in particular. It’s something that we really have to think hard about if we want to have good leaders managing our systems and our infrastructure – we’re going to have to compensate them.” John Chiglo (Division Manager/MnDOT 35W Bridge Project Manager before leaving for higher paying position)

Governor Dayton recognized this and provided market wage increases for his commissioners in 2015.

Above & Beyond – When provided adequate resources and motivated, state engineering staff have gone above and beyond norms producing significant savings to the State. Experienced staff can solve problems before they become additional costs.

Action Needed

Pass the Arbitration Award and the MGEC Contract