Committee Purpose: Minn. Stat. § 256.012, subd. 3 provides that "The Commissioner shall ensure that participating counties are consulted regularly and offered the opportunity to provide input on the management of the Merit System to ensure effective use of resources and to monitor system performance."

Present: Rae Ann Keeler-Aus (Yellow Medicine), Dave Sayler (Wilkin County), John Dahlstrom (Wabasha County), Naomi Ochsendorf (Watonwan County), Jamie Halverson (Clearwater County), Chuck Hurd (Kanabec County), Tess Arrick-Kruger (Houston County), Julie Sjostrand (Pennington County), Kelsey Baker (Swift), Pam Hughes (DHS), Jessica Page (DHS), and Renee Edwards (DHS)

1. Introductions. Committee members introduced themselves and welcomed new MACA representative, Kelsey Baker from Swift County, replacing David Minke from Pine County.

2. Approval of April meeting minutes. The minutes from the April 22, 2021 meeting were approved as recorded.

3. Updated cost for July 1 through December 31, 2021. An updated cost spreadsheet was sent on Monday, July 19. It reflects small adjustments to the total number of employees in each county. Some county costs increased slightly while others decreased, all dependent on the total number of employees in a county agency. Those were the only changes made. The Merit System managed to keep total operating costs at $800,000 for 51 agencies through 2021.

4. Cost scenarios for January 1, 2022. The Merit System team continues to work with counties that have requested to exit the program in 2022. If all 13 counties are approved to operate their own merit system, 38 county agencies would remain (representing about 45% of MN counties which is about 2,000 health and human services employees). Two scenarios were shared with the committee. The 1st scenario is if all 13 counties leave and total costs stay at $800,000. Increases vary based on number of employees in the county but average about 35-40%. This is the "worse-case scenario" if no adjustments are made to the budget and all 13 counties depart.
The 2nd scenario shows all 13 counties leaving with a reduction in total costs to $775,000. This would reduce increases to about 35%, dependent on the number of employees. (The average increase would be 31%, recalculated on August 12, 2021.) The scenarios presented reflect if all 13 counties are certified which the Merit System won’t know until the end of 2021. The Merit System will give a status update at the November meeting.

Last year, total Merit System costs were reduced by $53,252 to reduce the impact to counties remaining (even with an increase in NEOGOV costs). This was done by negotiating lower costs through Biddle (the online testing vendor), working remotely and becoming paperless, not backfilling the HR Consultant position, etc.

The Merit System will keep working to see what adjustments can be made to decrease the impact to counties remaining in 2022.

Jess will send out the spreadsheets with scenarios one and two listed above.

5. Preliminary Discussion on 2022 COLAs. The Merit System team has started looking at various data points to get an idea for the 2022 cost-of-living-adjustment (COLA). It’s still very early in the process - the state hasn’t yet reached an agreement on increases and that information is often included in the analysis. (Since the July 22 meeting, a tentative agreement has been reached which includes a 2.5% increase.)

The average increase in 2021 for Merit System counties was 2% which was what the Merit System recommended (the range was 1-3%). Many counties are currently in the process of negotiating contracts or have not begun yet. Others reported increases between 1.75% - 3%.

The Bureau of Labor Statistics shows that wages and salaries increased 1.6% for the 12-month period ending in March 2021. Compensation costs increased 2% during that same timeframe for state and local government workers. Multiple factors are considered when determining the recommended COLA increase.

Because the committee doesn’t meet again until November, the Merit System team will email the recommended COLA before then (likely in October or September).

6. Dual Application Process. To accommodate some counties that required applicants to apply directly through their HR office or county website and the Merit System, the Merit System developed a ”dual application” process. Counties vary in how they define and use the process. In some situations, it’s added a lot of time to the hiring process.
Instead of assuming that the county requires applicants to apply to both places, the Merit System team would like to send the referrals in NEOGOV sooner than waiting for the county to provide a list of those that applied through the county. If the Merit System sends the full referral list, counties can decide who they want to consider (whether they require an application through their site or not). If the county won’t consider those that didn’t apply through the county, it can be recorded/noted in NEOGOV.

Because there’s so much variation on how counties handle these, the team thought it’d be easiest to send the list “as is” allowing the county to accept referrals as it fits with the county’s process.

Many members of the committee agreed that this could be done differently to streamline the process.

7. **Requisition form and posting template.** Another continuous improvement idea the Merit System has is combining the requisition form on NEOGOV with the posting template. Right now, they are two separate forms and contain duplicate information. Combining the forms would keep everything in one location and reduce the amount of information counties have to submit. It will make the requisition longer but decreases the overall information counties have to provide.

An attachment of the new requisition fields was sent to all for review. Kelsey Baker commented that to fill out one vs. two would be great. If committee members have additional feedback or questions, please let Jess know.

8. **Miscellaneous items:**

   a. The committee liked the improvement ideas and solutions presented.

   b. Liza is looking into holding a one-hour WebEx training in September 2021 on how to complete the annual EEO/AA county reports.

   c. Naomi asked if the Meet & Greets were complete. Jess mentioned she has a few more meet and greets to do, especially those that wanted to wait until the summer months. She’s met with 67% of merit counties so far but wants to meet with at least 75% by the end of the year.

   d. Pam announced that the Merit System will be attending the Government and Nonprofit Career Fair. This career fair is open to students and alumni from 30
different universities and colleges throughout Minnesota and neighboring states.
The fair will take place on Friday, October 29, 2021 at the University of Minnesota.

e. Dave recommended reconnecting regarding having a meeting between the AMC and
DHS leadership. Kelsey will look into next steps.

9. **Next meeting date/time.** The next meeting will be held at The Courtyard by
Marriott in Woodbury if there’s space available, on Thursday, November 4th, 2021,
at 11:30 a.m. If space is not available, the committee will meet at the DHS Andersen
building in St. Paul. A virtual option will be provided for those that cannot meet in-
person. Jess has sent the meeting invitation and will update the location once
confirmed.

The meeting adjourned at 12:16 p.m.