

**ESTIMATED COST OF THE COLLECTIVE BARGAINING AGREEMENT BETWEEN
THE STATE OF MINNESOTA AND MGEC**

July 1, 2025 – June 30, 2027

I. Bargaining Unit Composition

Total Number of Employees: 1,245

II. Biennial Summary of Costs (All Agencies and All Funds)

Employee Costs	Biennial Base	Biennial New Money
Salaries	\$279,925,866	\$6,852,652
FICA and Retirement	\$38,795,910	\$949,733
Insurance	\$56,109,940	\$8,988,080
Minnesota Paid Leave Law		\$949,516
TOTAL	\$374,831,716	\$17,739,981

The Hubinger Number is 4.73%, which represents the Biennial New Money as a percentage of the Biennial Base at the beginning of Fiscal Year 2026.

The Merriam Number is 7.53%, which represents the growth in the Biennial Base over the term of the contract.

III. Wages

One and one-half percent (1.50%) general wage increase effective July 1, 2025. Employees whose rate of pay is at or over the new maximum rate are not eligible for this increase.

One and three-quarters percent (1.75%) general wage increase effective July 1, 2026. All employees are eligible for this wage increase.

Progression step increases averaging 4.03% are available to employees who are below the range maximum. Employees at the maximum rate of their salary range are not eligible for progression step increases. Approximately 29.6% of employees are eligible for progression step increases during the fiscal year. Progression step increases are delivered either on a semi-annual or annual basis, depending on job classification.

**SUMMARY OF WAGE AND INSURANCE PROVISIONS IN THE AGREEMENT BETWEEN
THE STATE OF MINNESOTA AND MGEC**

July 1, 2025 – June 30, 2027

IV. Insurance

1. Medical plan:
 - a. Effective January 1, 2026, cost-sharing for mental health and substance use office visits will be reduced according to the enrollee's PCC cost level:
 - i. Copayments for cost levels 3 and 4 will be reduced by \$10 (meaning to \$40 and \$60, respectively), and the deductible will still apply for these cost levels.
2. Dental plan:
 - a. Effective January 1, 2026, and January 1, 2027, there will be a dental open enrollment.
 - b. Effective January 1, 2026, the orthodontic lifetime maximum is increasing from \$3,000 to \$3,200.
 - c. Effective January 1, 2026, a new dental National Network benefit will be available for members that see a dental provider outside of Minnesota that is in their dental administrator's national network, but not in the State Dental Plan network. The National Network's annual deductible for non-preventive services is \$100 per person and \$300 per family. The National Network will have a 60% coinsurance for non-preventive services.
3. Other:
 - a. Effective upon contract ratification, the definition of dependent "Children" is modified to clarify when a foster child, child by legal guardianship, or child by placement to an employee (who is a relative) is considered an eligible dependent.
 - b. Effective upon contract ratification, the definition of dependent "Grandchildren" is modified to clarify when a grandchild is considered an eligible dependent.
 - c. Effective upon contract ratification, an Insurance Addendum will be added to contracts to standardize shared aspects of the insurance provisions of Sections 4-7 of the Insurance Article.
 - d. Effective January 1, 2026, the employer-paid basic life and accidental death and dismemberment (AD&D) coverage amounts will be standardized across bargaining units by using the 2025 plan design for MSCF employees. Many employees will have an increase in their benefit level.
 - e. Effective January 1, 2026, a new voluntary employee-paid legal services benefit will be offered following contract parameters with the State's disability insurance vendor.