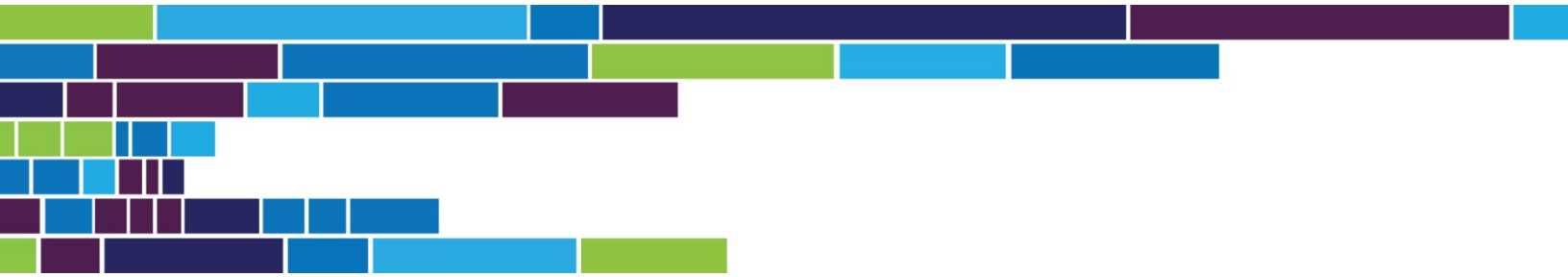
Minnesota State Workforce Report

Fiscal Year 2012



MINNESOTA Management & Budget

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1. Introduction

This report summarizes characteristics of the Executive Branch of Minnesota's state government workforce for the Minnesota Fiscal Year 2012 (occurring between July 1, 2011 and June 30, 2012). The Executive Branch includes all state agencies with the exception of the Minnesota State Colleges and Universities (MnSCU) system and retirement agencies. By definition, the Executive Branch also excludes the Judicial and Legislative Branches of state government.

This report gives policymakers, state government managers and supervisors, and the general public an understanding of the composition, distribution, strengths, and challenges of the state of Minnesota Executive Branch workforce — which serve the citizens of Minnesota. A deeper understanding of the state government workforce, as it compares to the general workforce in Minnesota, will inform state government's strategy in attracting, retaining and developing a diverse and talented workforce; this understanding will also improve planning efforts for succession and knowledge transfer to sustain high levels of service in the coming decades.

At the time of this report's publication, Minnesota is just beginning to experience effects from the federal budget sequestration. The exact duration of the sequestration is unknown[1], and how many state workers may experience furloughs, job losses, or other effects as a result of federal actions is also unknown.

More concrete, long-range demographic changes also provide the background for this report. The forefront of the Baby Boomer generation (of which the state workforce has a very high share) continues to advance upon retirement age, raising many concerns about maintaining institutional knowledge, planning for transition, and retaining talent. As is the case throughout Minnesota's employment landscape, the workforce that public sector Boomers will leave behind will be more racially and ethnically diverse; the higher diversity underscores the need for continued attention to employee engagement and inclusion.

Note: Data in this report relating to the state Executive Branch workforce was obtained from the Minnesota Management and Budget.[2] Additional demographic data about the Minnesota's entire workforce was prepared by the Minnesota State Demographic Center.

[1] In the 2013 February Forecast, Global Insight Inc. (GII, Minnesota's national macroeconomic consultant) anticipated a limited, temporary sequester that was resolved before the end of June 2013 in its baseline forecast (with a 60% probability). The forecast also assumed a loss of no more than 5,000 total jobs in Minnesota. See: http://www.mmb.state.mn.us/doc/fu/13/complete-feb13.pdf

2. Key Findings

- The Executive Branch represented 89% of state government positions during FY 2012. In total positions, the Executive Branch workforce comprised 33,507 jobs.
- The size of the FY2012 Executive Branch workforce is larger than that in FY2011, but smaller than FYs 2008-2011. The size of the current workforce also represents a 1% reduction over the average size of the workforce over the previous 11 year period.
- In FY 2012, more than 4,700 positions were filled in the Executive Branch, mirrored by a corresponding increase in retirements in the state government workforce. As has been the case for all but one of the past 11 years, 46 percent—less than half of the positions—were filled as permanent, unlimited positions.
- Of the employees working in the Executive Branch, 20% work at the Minnesota Department of Human Services, the state's largest agency. Transportation and Corrections account for 14% and 13% of the workforce, respectively. The Executive Branch also includes numerous Boards and Councils, most of which have less than 30 employees.
- The state Executive Branch workforce is distributed across the entire state, with employees reporting to workplaces in 86 of Minnesota's 87 counties. About 60% of the state's Executive Branch employees work in the Twin Cities seven-county metro area, while about 40% work in the 80 "Greater Minnesota" counties.
- About 85% of appointments were full-time, 13 % part-time, and the remainder intermittent.
- Of those employees who self-identified their race/ethnicity during FY 2012, 9% of employees indicated they were a racial or ethnic minority and 91% indicated they were Caucasian. In FY 2012 9% of new hires were minorities.
- Across the entire Executive Branch workforce, a 50-50 female-to-male ratio exists.
- Veterans represent 10% of the Executive Branch workforce.
- Individuals with disabilities represent 4% of the entire Executive Branch workforce.
- The median age of the Executive Branch workforce is 48 years. Forty-six percent of the entire workforce is 50 years or older.
- In FY 2012, the State of Minnesota paid its Executive Branch workforce $2.171 billion in total compensation, relative to total state spending of $29.075 billion. Salaries accounted for 75% of the $2.171 billion, employers contributions to insurance for 14%, while employer contributions to retirement accounts and FICA (Social Security and Medicare) taxes each represented 5 %.
- Between fiscal years 2011 and 2012, overtime work declined by more than 97,500 hours, resulting in a decline in overtime compensation savings of more than $3 million.

[2] Specifically, data was obtained from the MMB IA Data Warehouse. FY 2012 data was extracted from a "slice file," which was collected in the week following the close of the fiscal year on June 30, 2012. Data from prior fiscal years was obtained similarly, from slice files on comparable dates.

3. Executive Branch At-A-Glance

This section contains information about key characteristics of the Executive Branch during FY 2012 and changes since FY 2011. These data are discussed in more detail later in the report.

Table 1: Select Executive Branch Characteristics, FY 2011-2012

	FY 2012	FY 2011	Change from FY 2011
Total workforce appointment count	33,507	32,924	583
Median age	48	48	0
Average age	46	46	0
Males	50.4%	50.3%	0.1%
Females	49.6%	49.7%	-0.1%
Racial/Ethnic Minorities*	8.1%	8.0%	0.1%
% of employees who are White*	85.6%	86%	-0.4%
% of employees who did not specify race	6%	5.5%	.5%
% of employees with a disability*	4.0%	4.4%	-0.4%
% of employees who are veterans*	10.3%	9.1%	1.2%
Average annual salary for full-time equivalent	$53,317	$54,818	-2.73%
Represented by a bargaining unit	88.6%	88.5%	0.1%
Permanent or unlimited status	90.7%	90.1%	0.6%
Average length of service	12.5 years	12.6 years	-.1 year
Full-time employees	84.7%	84.5%	0.2%
New hires**	4,722	3,903	819
Retirements	884	1,623	-739
Average age at retirement (years)	60.9	61.7	-.8 year
Number of employees age 60 or older	4,139	3,692	447
% of employees age 60 or older	12.8%	11.2%	1.6%
Number of employees age 50 or older	15,153	14,734	419
% of employees age 50 or older	45.7%	44.8%	0.9%

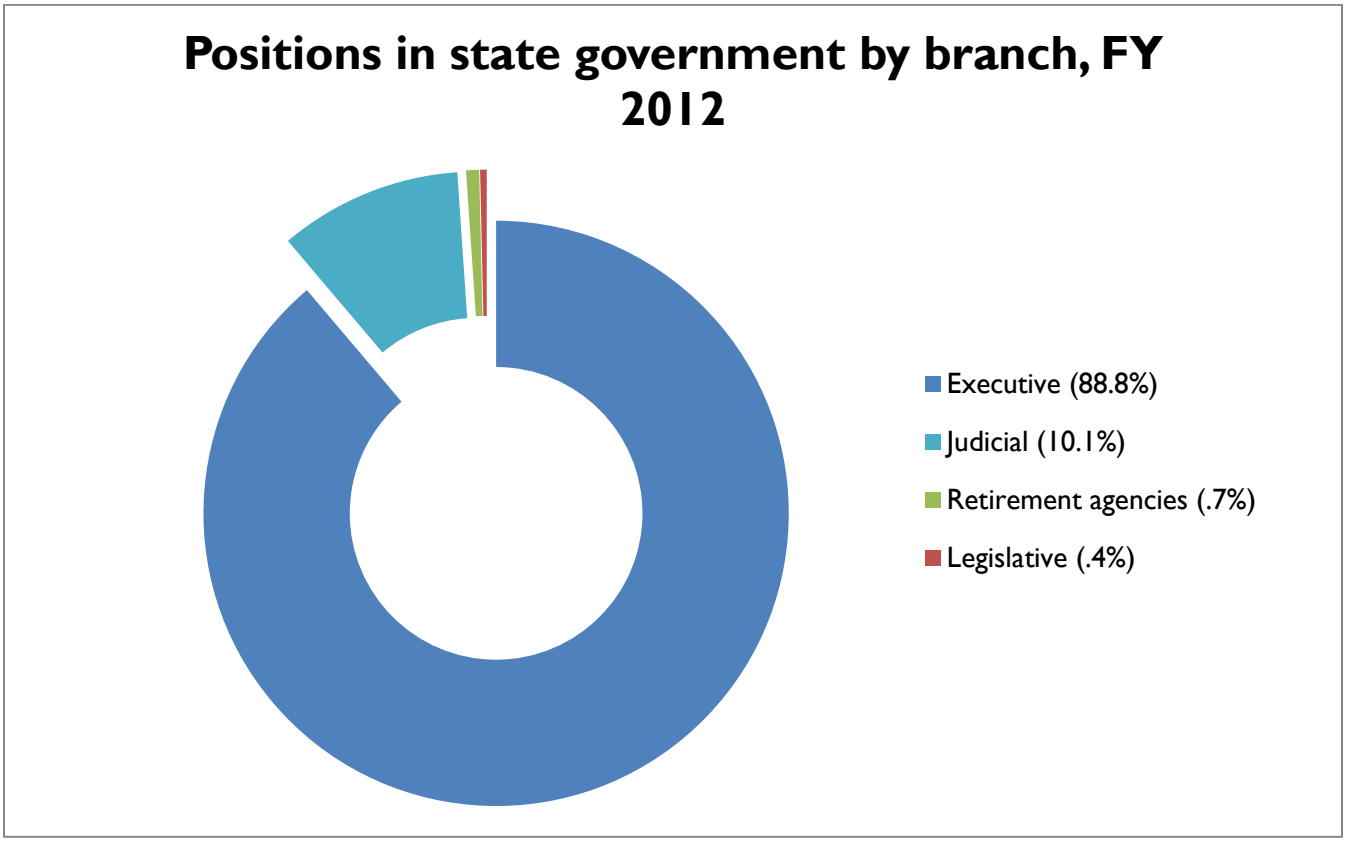
*Gender, ethnicity, disability, and veteran status are data voluntarily provided by state employees. Employees may choose not to provide this information or do not identify with selecting only one ethnic option. As a result, the state's workforce may be more diverse than the numbers reflect.

**New hires indicate individuals hired from outside state government, not new jobs in state government.

4. About the Executive Branch

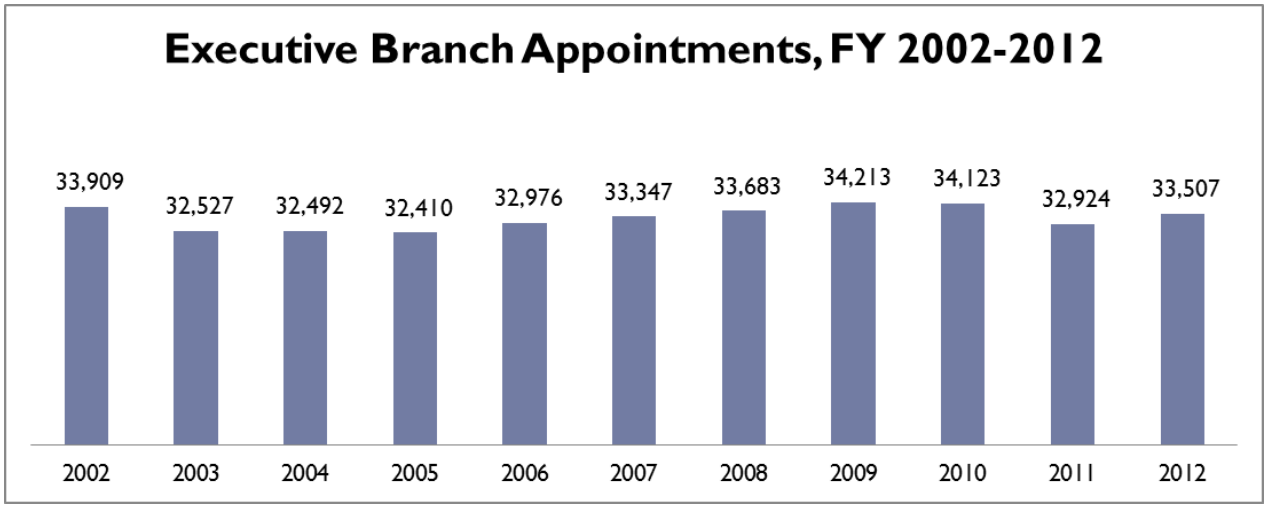
This section contains information about the Executive Branch as a share of the entire state government workforce, the number and change in Executive Branch appointments during Fiscal Year 2012, and the distribution of the Executive Branch workforce—both among state agencies and geographic dispersion around the state, and bargaining unit representation.

Figure 1: Executive Branch as a Share of Minnesota State Government Workforce



- The Executive Branch accounted for 89% of state government-filled positions during FY 2012. The remaining 11% included positions in the judicial branch, the Legislative Coordinating Commission (LCC), the Office of Legislative Audit, and the State Retirement Systems; all position data exclude the entire MnSCU system. In total positions, the Executive Branch workforce comprised 33,507 workers.

Figure 2: Executive Branch Workforce Size over Time



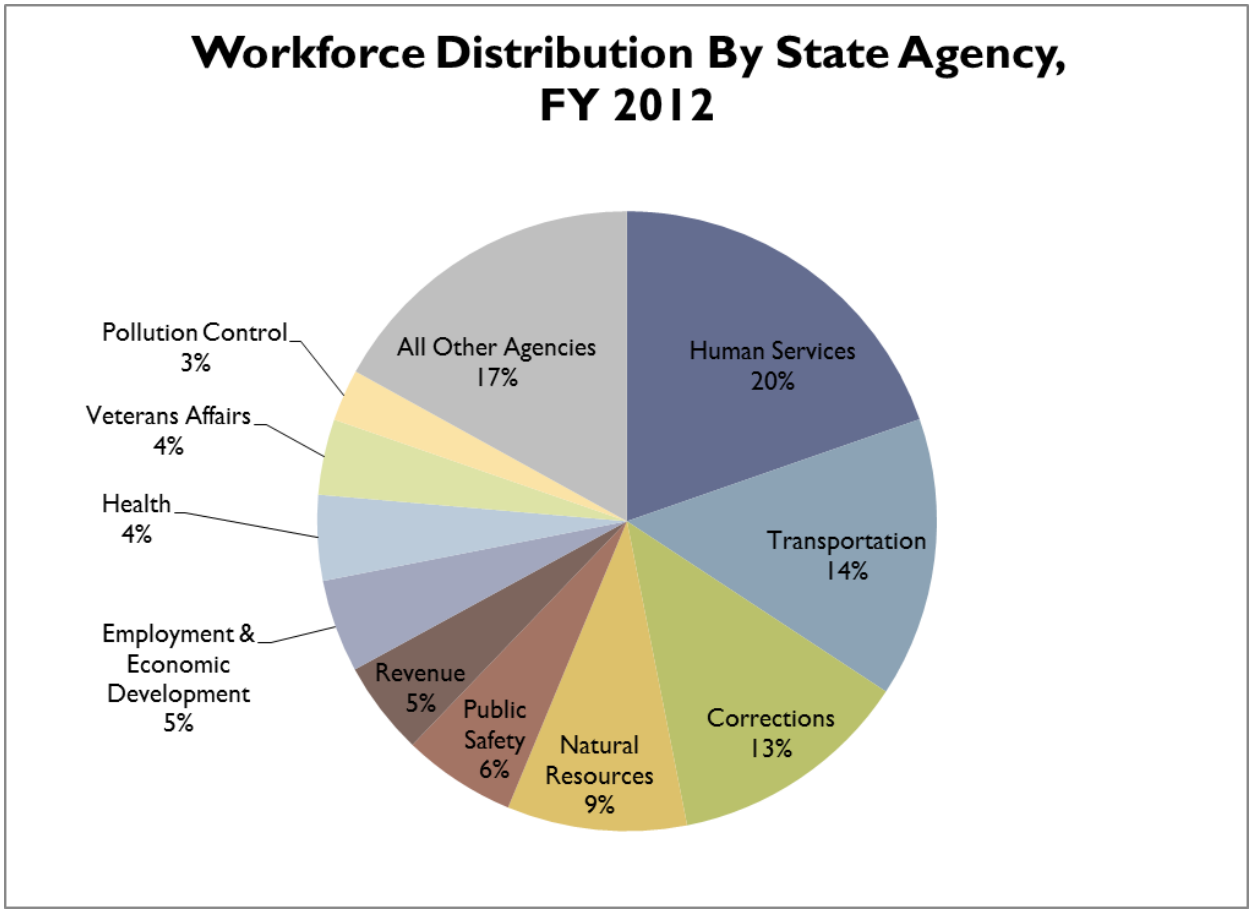
- Over the past 11 years, the Executive Branch state workforce has fluctuated between about 32,400 and 34,200 employees. The size of the FY2012 workforce is larger than that in FY2011, but smaller than FYs 2008-11. Overall, the size of the current workforce represents a 1% reduction since 2002.

Figure 3: Change in Executive Branch Workforce Size over Time

- Between FY 2011 and FY 2012, the Executive Branch gained nearly 600 employees. This is in line with changes during the past 11 years, in which the relative size of the Executive Branch workforce has varied (positively or negatively) within 600 employees of the prior year, although gains were generally more sizeable than losses. The larger gains in FY 2009 resulted from new hiring related to specific projects such as The Legacy Fund, Revenue Collectors, and the Statewide Integrated Financial Tracking (SWIFT) system. However, the FY 2002-03 and FY 2010-11 periods were particularly dramatic, experiencing a loss of nearly 1,200 employees within a single year. The FY 2010-2011decline was due largely to accelerated

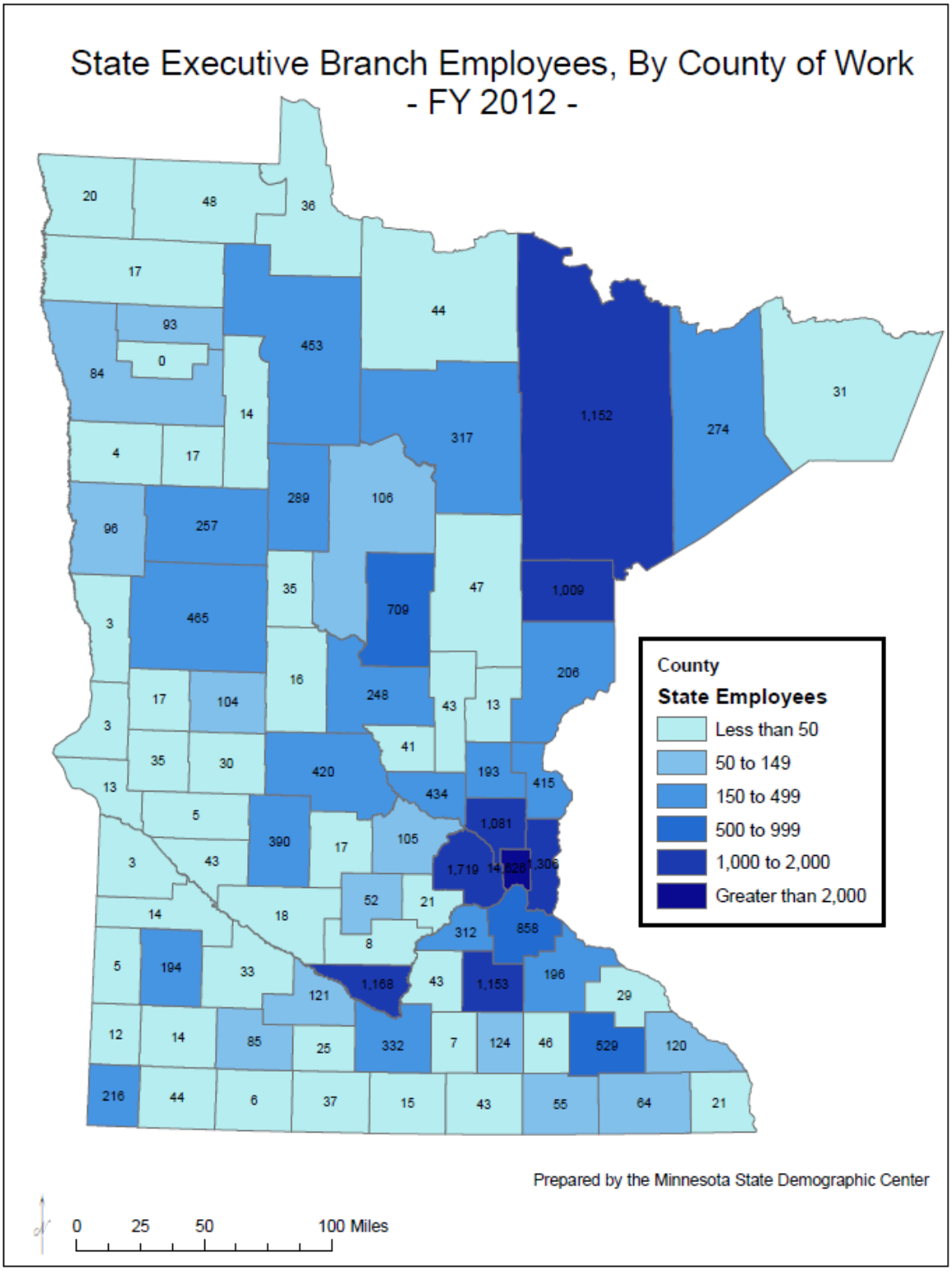
numbers of retirements, combined with other attrition, decreasing agency budgets, and hiring restrictions in place at that time.

Figure 4: Executive Branch Workforce by Largest Agencies



- One in five employees (20%) of the state Executive Branch workforce works at the Minnesota Department of Human Services, the state's largest agency. Transportation and Corrections, the next largest departments, account for 14 and 13%, respectively. The 10 largest agencies account for 83 % of the entire Executive Branch workforce.
- The Executive Branch also includes numerous Boards and Councils, most of which have less than 30 employees, including four with only one employee.
- See Appendix A for a complete list of agencies by position counts, and FY 2011 to FY 2012 change in employees by agency.

Figure 5: Statewide Executive Branch Workforce Distribution By County of Employment



- The state Executive Branch workforce is distributed across the entire state, with employees reporting to workplaces[3] in 86 of Minnesota's 87 counties (excepting Red Lake). In additional, a small share of employees (30 total, or .1%) work in out-of-state locations.
- As home to the State Capitol and most agencies, Ramsey County hosts the largest number of employees (44% of the total, representing more than 14,500 workers).
- About 60% of the state's Executive Branch employees work in the Twin Cities seven-county metro area, while about 40% work in the 80 "Greater Minnesota" counties.
- The Department of Transportation's District Offices, the Department of Human Services' Regional Treatment Centers, the Veteran's Hospitals and state correctional facilities are major employment hubs for Executive Branch workers outside of the seven-county metro area.

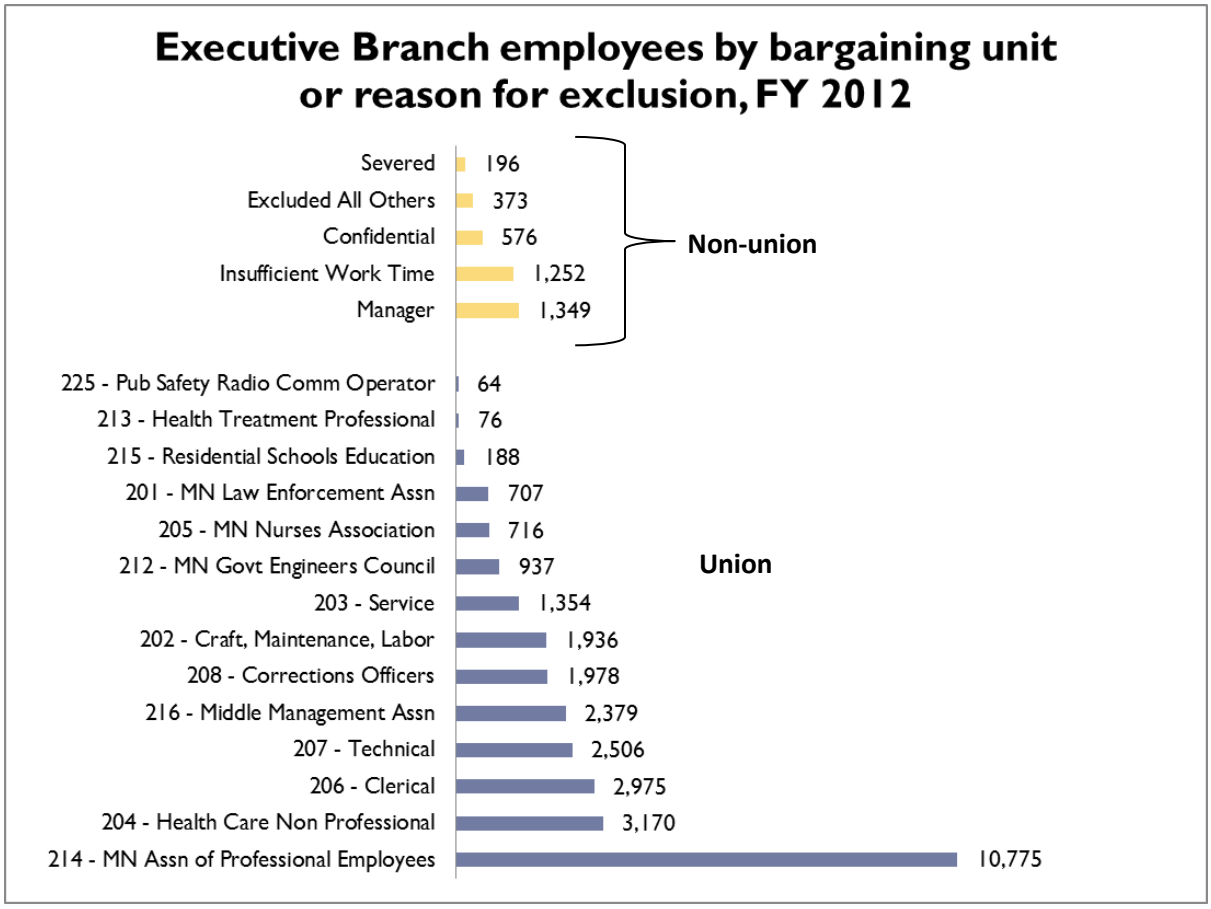
Table 2: Statewide Executive Branch Workforce Distribution by County of Employment

County/Geography	Employees	% of State Workforce
Aitkin	47	0.1%
Anoka	1,081	3.3%
Becker	257	0.8%
Beltrami	453	1.4%
Benton	41	0.1%
Big Stone	13	0.0%
Blue Earth	332	1.0%
Brown	121	0.4%
Carlton	1,009	3.0%
Carver	21	0.1%
Cass	106	0.3%
Chippewa	43	0.1%
Chisago	415	1.3%
Clay	96	0.3%
Clearwater	14	0.0%
Cook	31	0.1%
Cottonwood	85	0.3%
Crow Wing	709	2.1%
Dakota	858	2.6%
Dodge	46	0.1%
Douglas	104	0.3%
Faribault	15	0.0%
Fillmore	64	0.2%
Freeborn	43	0.1%
Goodhue	196	0.6%
Grant	17	0.1%
Hennepin	1,719	5.2%
Houston	21	0.1%
Hubbard	289	0.9%
Isanti	193	0.6%
Itasca	317	1.0%
Jackson	6	0.0%
Kanabec	13	0.0%
Kandiyohi	390	1.2%
Kittson	20	0.1%
Koochiching	44	0.1%
Lac Qui Parle	3	0.0%
Lake	274	0.8%
Lake of the Woods	36	0.1%
Le Sueur	43	0.1%
Lincoln	5	0.0%
Lyon	194	0.6%
Mahnomen	17	0.1%
Marshall	17	0.1%
Martin	37	0.1%
McLeod	52	0.2%

County/Geography	Employees	% of State Workforce
Meeker	17	0.1%
Mille Lacs	43	0.1%
Morrison	248	0.7%
Mower	55	0.2%
Murray	14	0.0%
Nicollet	1,168	3.5%
Nobles	44	0.1%
Norman	4	0.0%
Olmsted	529	1.6%
Otter Tail	466	1.4%
Pennington	93	0.3%
Pine	206	0.6%
Pipestone	12	0.0%
Polk	84	0.3%
Pope	30	0.1%
Ramsey	14,628	44.1%
Red Lake	0	0.0%
Redwood	33	0.1%
Renville	18	0.1%
Rice	1,153	3.5%
Rock	216	0.7%
Roseau	48	0.1%
Scott	313	0.9%
Sherburne	434	1.3%
Sibley	8	0.0%
St. Louis	1,152	3.5%
Stearns	420	1.3%
Steele	124	0.4%
Stevens	35	0.1%
Swift	5	0.0%
Todd	16	0.0%
Traverse	3	0.0%
Wabasha	29	0.1%
Wadena	35	0.1%
Waseca	7	0.0%
Washington	1,306	3.9%
Watonwan	25	0.1%
Wilkin	3	0.0%
Winona	120	0.4%
Wright	105	0.3%
Yellow Medicine	14	0.0%
MN Locations	33,170	99.9%
Non-MN Locations	30	0.1%
Total Excluding Non-Indicated	33,200	100%
Workplace County Not Indicated	307	N/A
Total Employees	33,507	N/A

[3] Because some employees work from home, the map may not reflect actual work location, which is private data.

Figure 6: Statewide Executive Branch Workforce by Bargaining Agreements



- Unions represent the majority (88.6%) of Executive Branch workforce employees. The largest union is the American Federation of State, County, and Municipal Employees (AFSCME), which includes nearly 14,000 employees in bargaining units 225, 203, 202, 208, 207, 206, and 204, as displayed in Figure 6.
- The second largest union is the Minnesota Association of Professional Employees (MAPE), accounting for 32% of the total Executive Branch workforce and representing close to 11,000 employees, which perform a wide array of specialized, professional services from accounting to demography to zoology.
- Other unions include the Middle Management Association (MMA), Minnesota Government Engineers Council (MGEC), Minnesota Law Enforcement Association (MLEA), Minnesota Nurses Association (MNA), State Residential Schools Educators Association (SRSEA) and Health Treatment Professionals.
- A union does not represent about 11.4% of the workforce. These employees are primarily in managerial and commissioner plans.

5. Profile of the State Executive Branch Workforce

This section contains information about the characteristics of workers with the state Executive Branch—their self-identified race/ethnicity, gender, age and disability and veteran's status.

Figure 7: Detailed Racial Composition of the Executive Branch Workforce

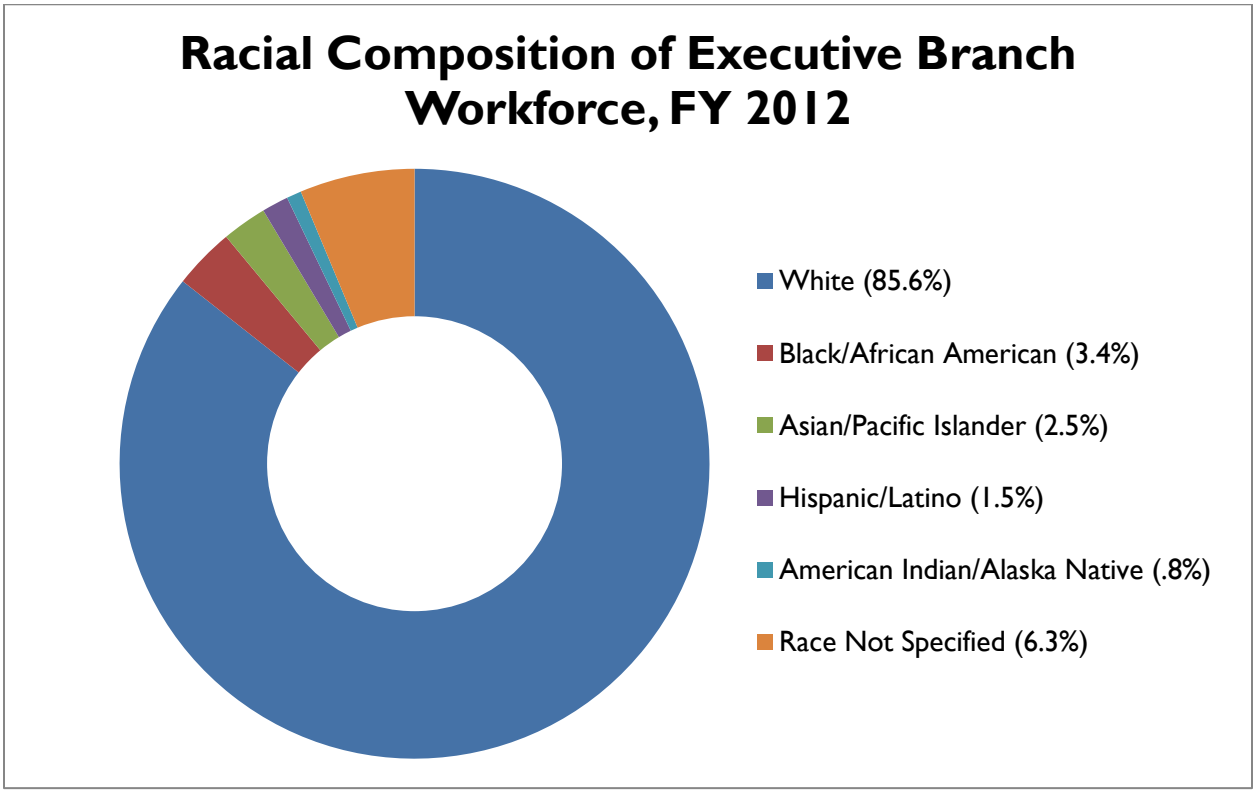
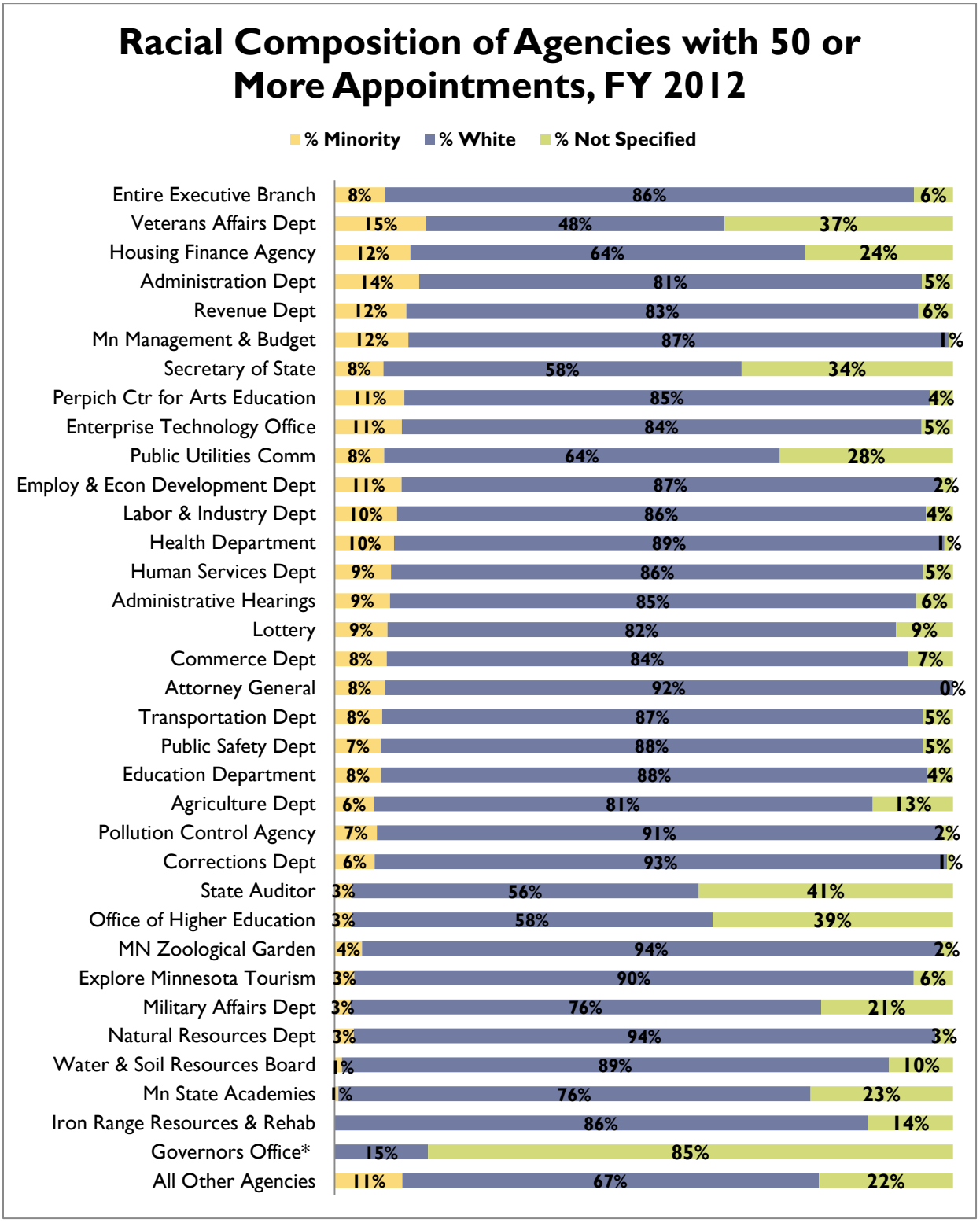


Table 3: Detailed Racial Composition of the Executive Branch Workforce

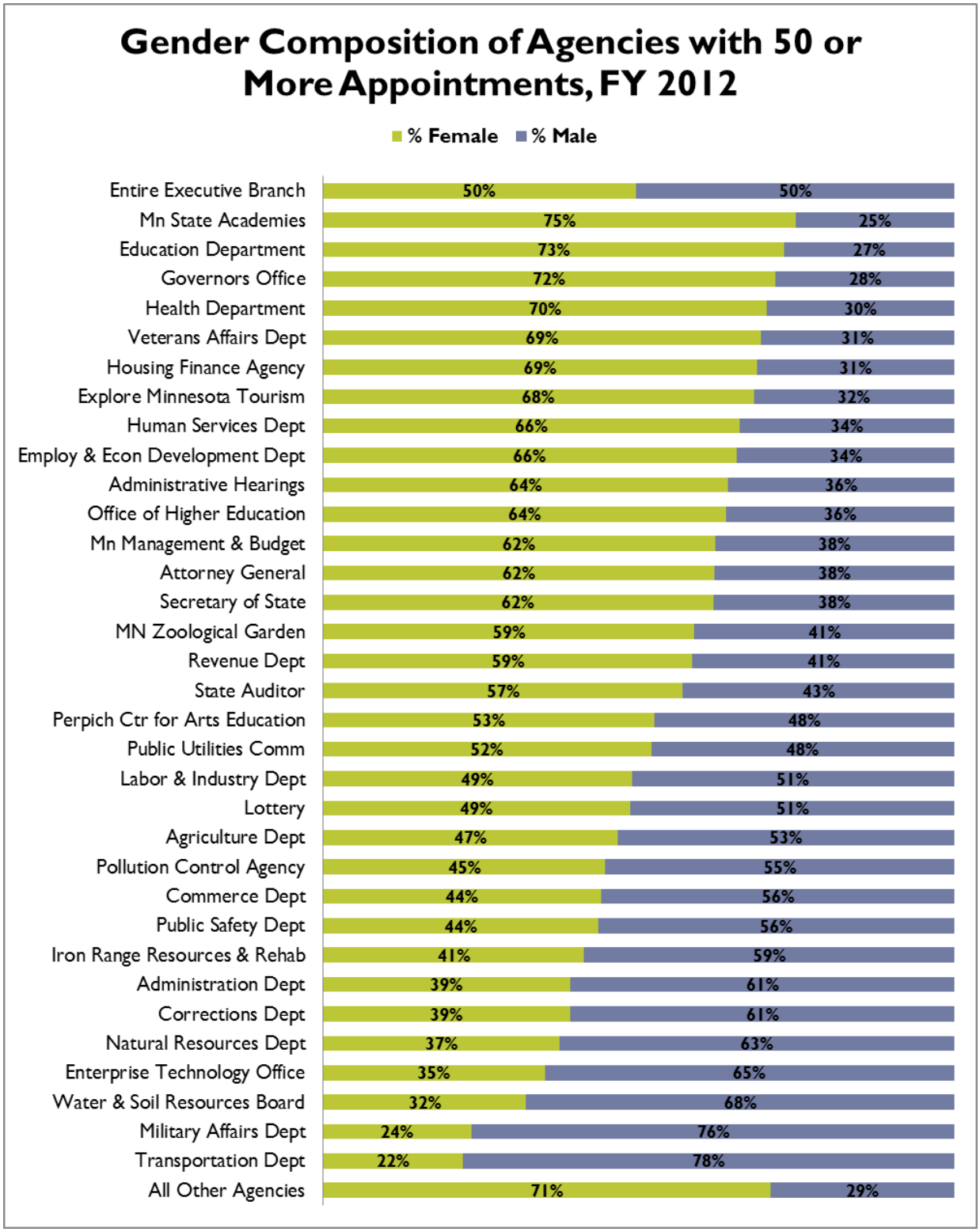
Employees Who did not Specify Race	2,112	6%
White	28,687	86%
Black/African American	1,125	3.3%
Asian/Pacific Islander	824	2.4%
Hispanic/Latino	488	1.5%
American Indian/Alaska Native	271	0.8%
Total Executive Branch Appointments	33,507	100%

Figure 8: Racial Composition of the Executive Branch Agencies



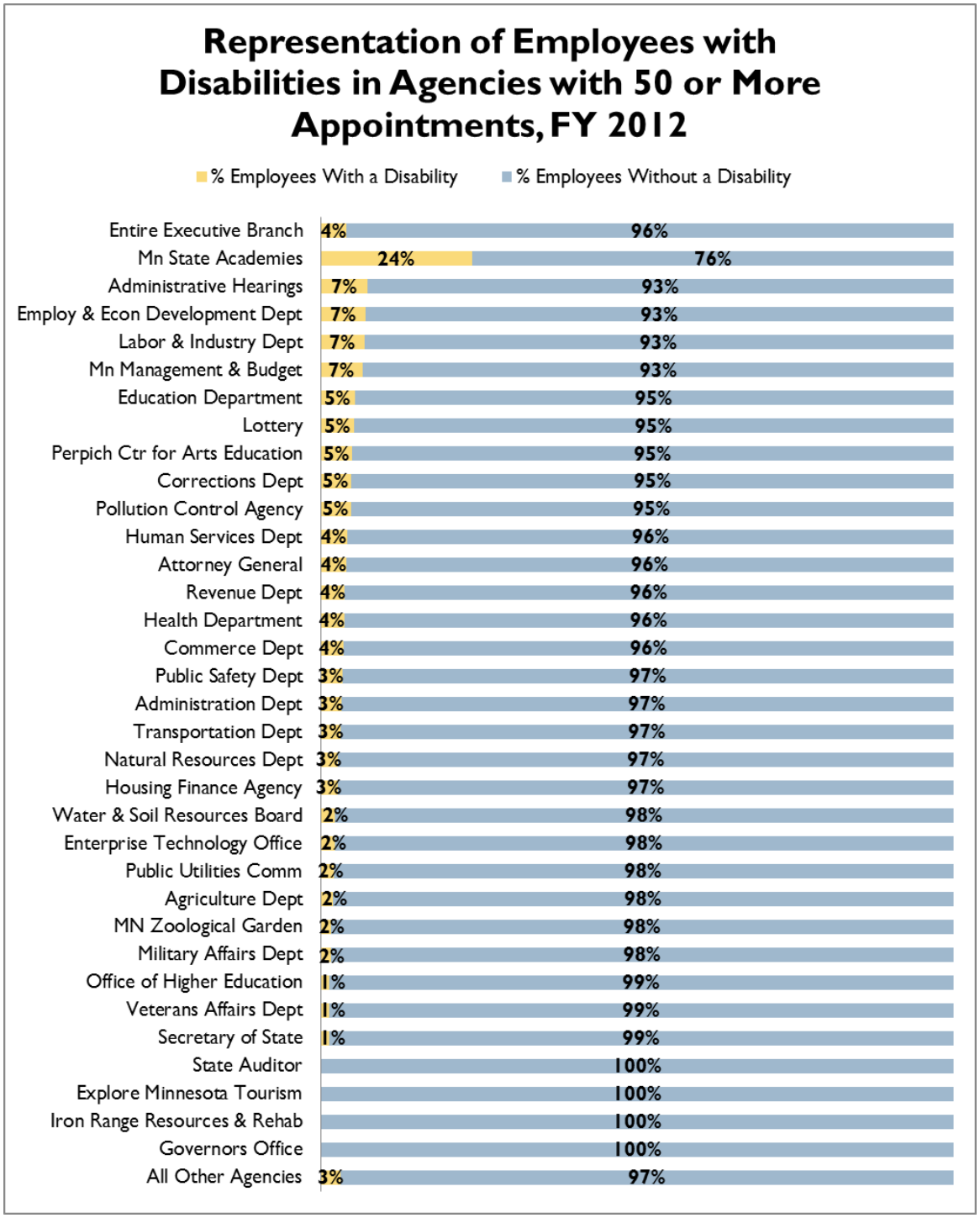
- Among employees who voluntarily disclosed their racial background in the Executive Branch, 86% of those employees are non-Hispanic Whites, and 9% are minorities. However, significant racial variation exists by agency.
- The Veteran's Affairs Department is the most racially diverse among these larger agencies with nearly one-quarter of its staff being employees of color. The Housing Finance Agency and the Department of Administration rank second and third, respectively, as the next most diverse agencies.
- In aggregate, the remaining smaller agencies (those with fewer than 50 appointments) are more diverse than all but three of the large agencies, with 11% of employees being minorities.
- See Appendix A for a complete list of agencies by racial composition.

Figure 9: Gender Composition of the Executive Branch Agencies



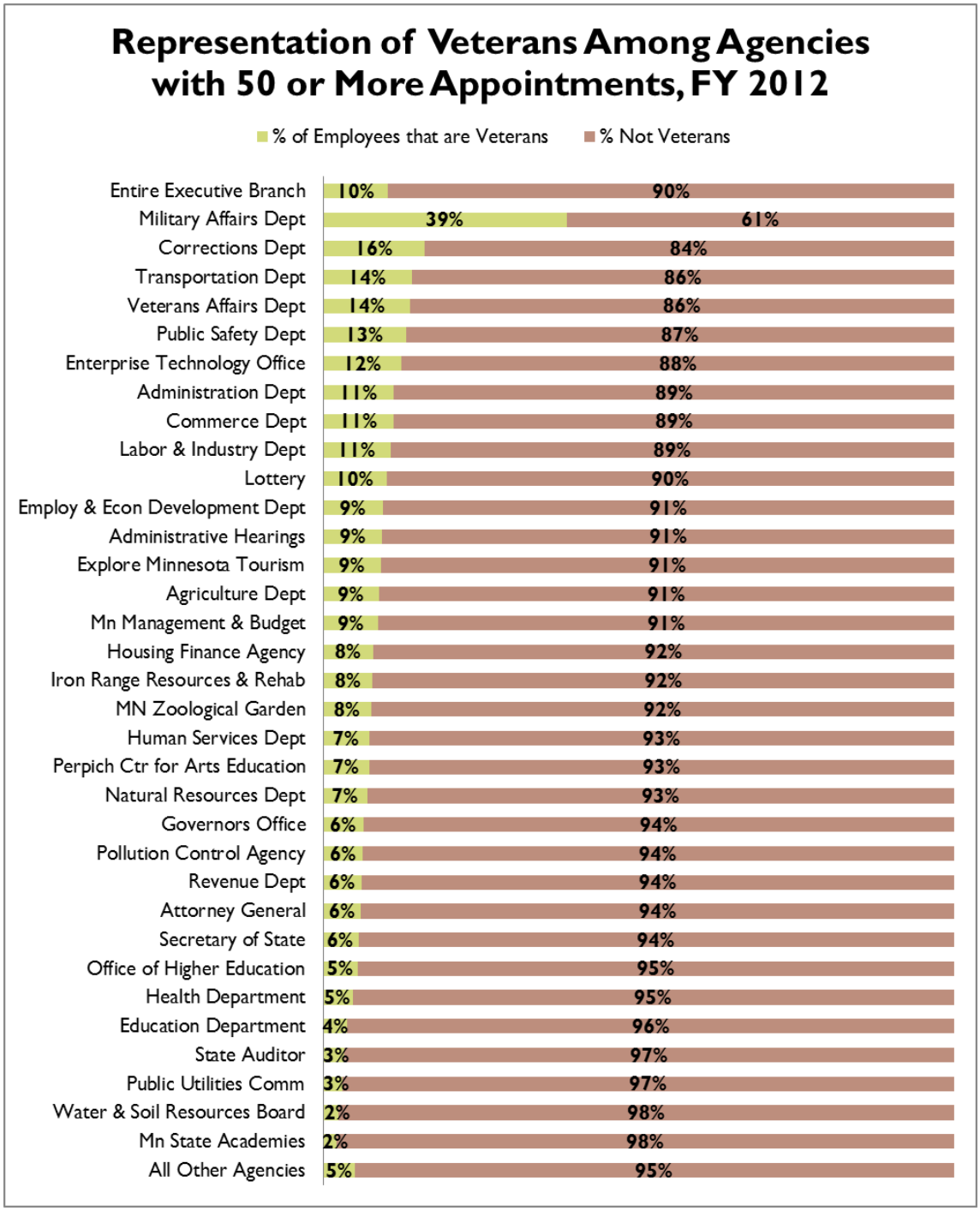
- Across the entire Executive Branch, 16,611 women and 16,894 men are employed, for a 50-50 female-to-male ratio. However, significant gender variation exists by agency.
- Above, the gender distribution of those agencies with 50 or more appointments is shown. Four agencies—Minnesota State Academies, the Governor's Office and the Departments of Education and Health—employ a workforce that is 70 percent or more female. Among the Departments of Military Affairs and Transportation, this percentage is reversed, with more than 70 % of employees being male.
- Among those smaller agencies with fewer than 50 appointments, women are also considerably more likely to be employed than men—representing 71 % and 29 %, respectively.
- See Appendix A for a complete list of agency appointments by gender.

Figure 10: Employees with Disabilities in the Executive Branch Agencies



- Individuals with disabilities represent 4 % of the entire Executive Branch workforce. Among agencies with 50 or more employees, the Minnesota State Academies (for the deaf and blind) stand out as leaders in the employment of individuals with disabilities, at 24 %.
- Four other agencies—Administrative Hearings, the Departments of Employment and Economic Development, and Labor and Industry, plus MN Management and Budget—employed people with disabilities to make up 7 % of their workforce. See Appendix A for complete results.

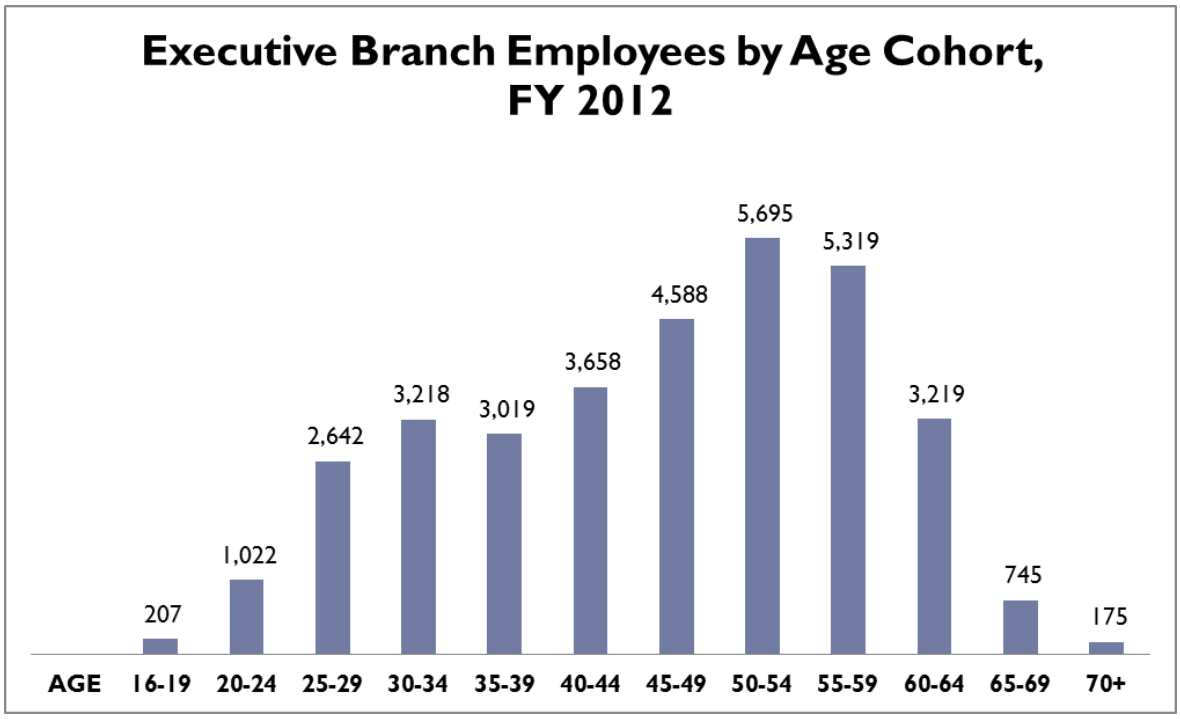
Figure 11: Veterans[4] in the Executive Branch Workforce



[4] Meet criteria as defined in M.S. 197.447.

- Across the Executive Branch, about 10% of employees indicated they are veterans. Nine of the largest agencies employ 10% or more veterans.
- The Department of Military Affairs, perhaps not surprisingly, leads all agencies in its employment of those with military service, with about 40% of its workers having served. See Appendix A for complete results.

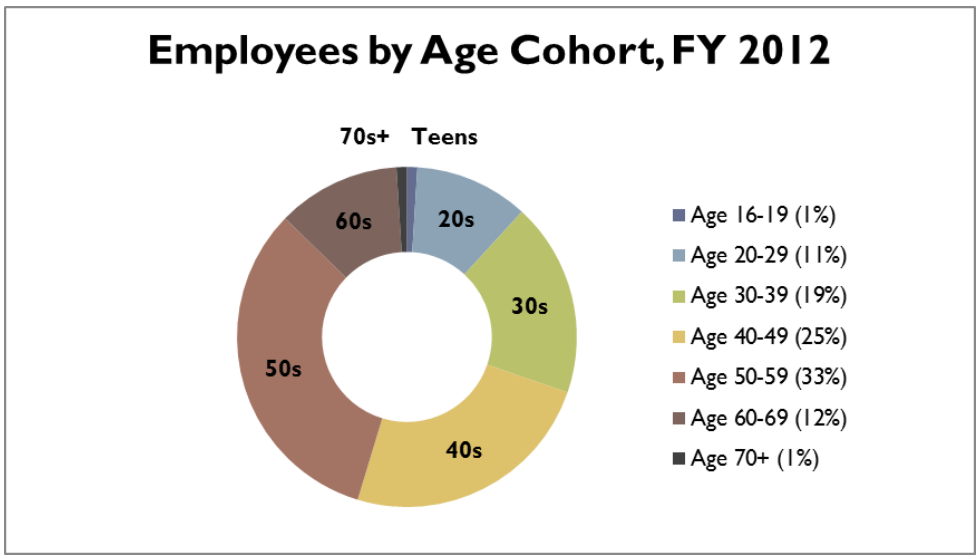
Figure 12a: Distribution of Executive Branch Appointments by Age Cohorts



- Distributing the Executive Branch workforce[5] into five-year age cohorts (except for the youngest and oldest) reveals that the most workers fall in the 50- to 54-year-old cohort, followed by those age 55 to 59. All told, more than 11,000 workers are currently in their fifties, representing about one-third of the Executive Branch workforce. See Appendix A for agency-specific data.

[5] The above graph shows all employees, regardless of whether they worked full- or part-time, including temporary workers.

Figure 12b: Distribution of Executive Branch Appointments by Age Cohorts



48:

The median age of the Executive Branch workforce. Half of the workforce is older; half of the workforce is younger.

- Forty-six percent of the entire workforce is 50 years or older, which raises considerations for impending retirements, workforce planning, and knowledge transfer.

6. Executive Branch Workforce Characteristics Relative to Minnesota's Workforce

This section contrasts the major characteristics of the Executive Branch workforce with Minnesota's workforce as a whole, to examine how the state's workforce differs in significant ways.

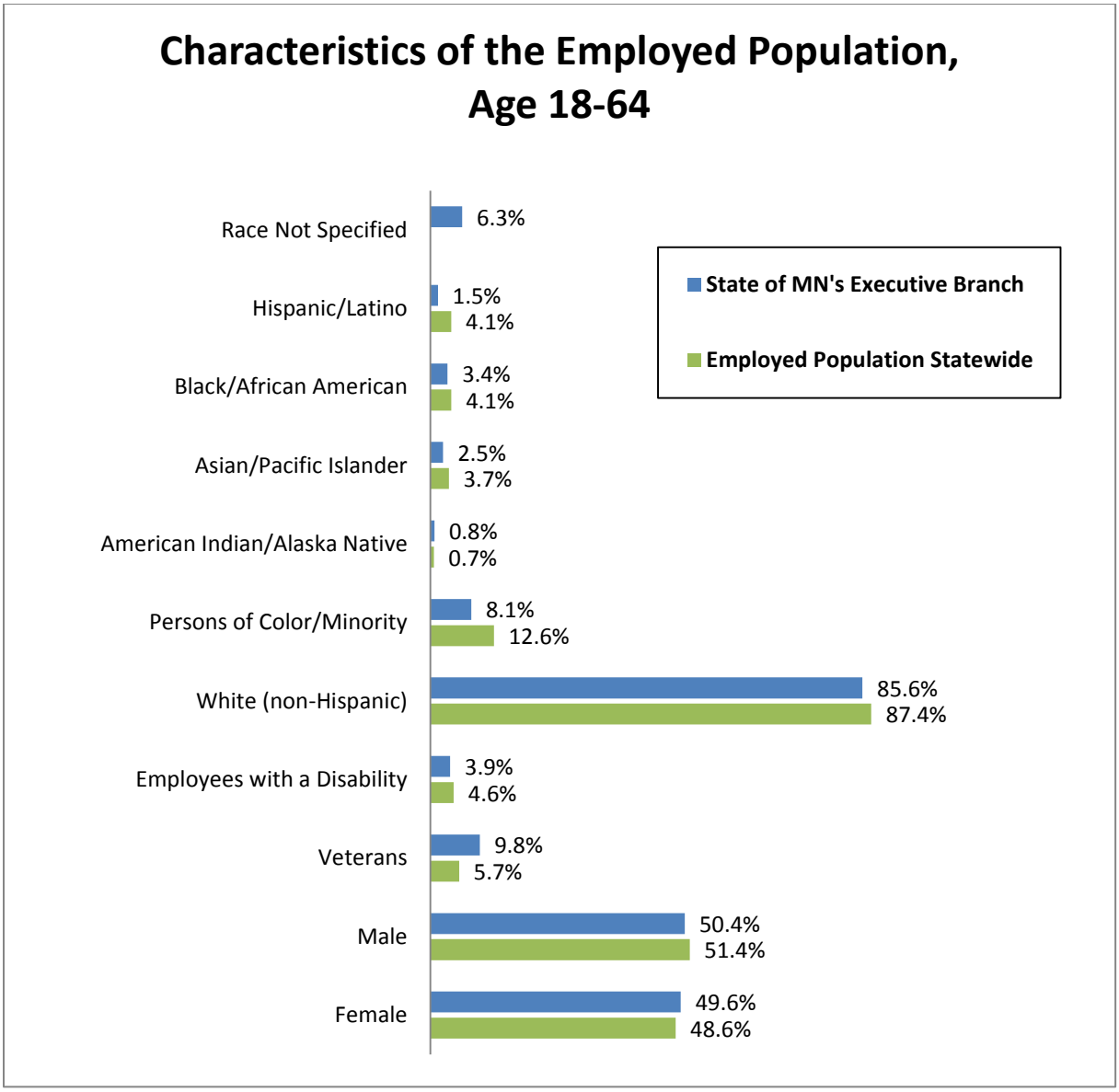
Table 4: Characteristics of Those Employed, Age 18-64, Executive Branch FY 2012 vs. Employed Population Statewide[6]

	State of MN's Executive Branch	Employed Population Statewide	Percentage Point Difference
Female	49.6%	48.6%	1.0%
Male	50.4%	51.4%	-1.0%
Veterans	9.8%	5.7%	4.1%
Employees with a Disability	3.9%	4.6%	-0.7%
White (non-Hispanic)	85.6%	87.4%	-1.8%
Persons of Color/Minority	8.1%	12.6%	-4.5%
American Indian/Alaska Native	0.8%	0.7%	0.1%
Asian/Pacific Islander	2.5%	3.7%	-1.2%
Black/African American	3.4%	4.1%	-0.7%
Hispanic/Latino	1.5%	4.1%	-2.6%
Race Not Specified	6.3%	0.0%	6.3%

[6] Notes: The 18-64 population is used for an appropriate comparison to the state workforce. Characteristics of the entire Executive Branch workforce (including workers below age 18 and above age 64), are included elsewhere in this report. All race groups shown here are non-Hispanic, except for the Hispanic category. Source: Integrated Public Use Microdata Series, 2009-2011 American Community Survey, for Employed Population Statewide. Only the civilian, non-institutionalized population was examined. Three years of data have been used to minimize errors resulting from survey sampling.

- The personal characteristics of Executive Branch employees differ in some ways from the statewide workforce as a whole. Notably, the Executive Branch is slightly closer to achieving a 50-50 balance in gender equity in employment. The State Executive Branch also employs considerably more veterans as a percentage than does the statewide workforce overall—a 4 percentage-point difference.
- However, when examining racial and ethnic diversity of employees statewide, the Executive Branch lags the overall workforce. While employees of color represent nearly 13 percent of Minnesota's workforce, only about 8 percent of the Executive Branch workforce consists of minorities.
- Hispanic/Latino employees are most likely to be underrepresented in Executive Branch employment relative to their share in the overall state workforce.
- Employees with a disability are over half a percentage point more likely to be employed in any capacity statewide than with the State's Executive Branch.
- A more thorough investigation is needed to examine the reasons for these differences.

Figure 13: Characteristics of the Those Employed, Age 18-64, Executive Branch FY 2012 vs. Employed Population Statewide[7]



[7] Notes: The 18-64 population is used for an appropriate comparison to the state workforce. Characteristics of the entire Executive Branch workforce including workers below age 18 and above age 64, are included elsewhere in this report. All race groups shown here are non-Hispanic, except for the Hispanic category. Source: Integrated Public Use Microdata Series, 2009-2011 American Community Survey, for Employed Population Statewide. Only the civilian, non-institutionalized population was examined. Three years of data have been used to minimize errors resulting from survey sampling.

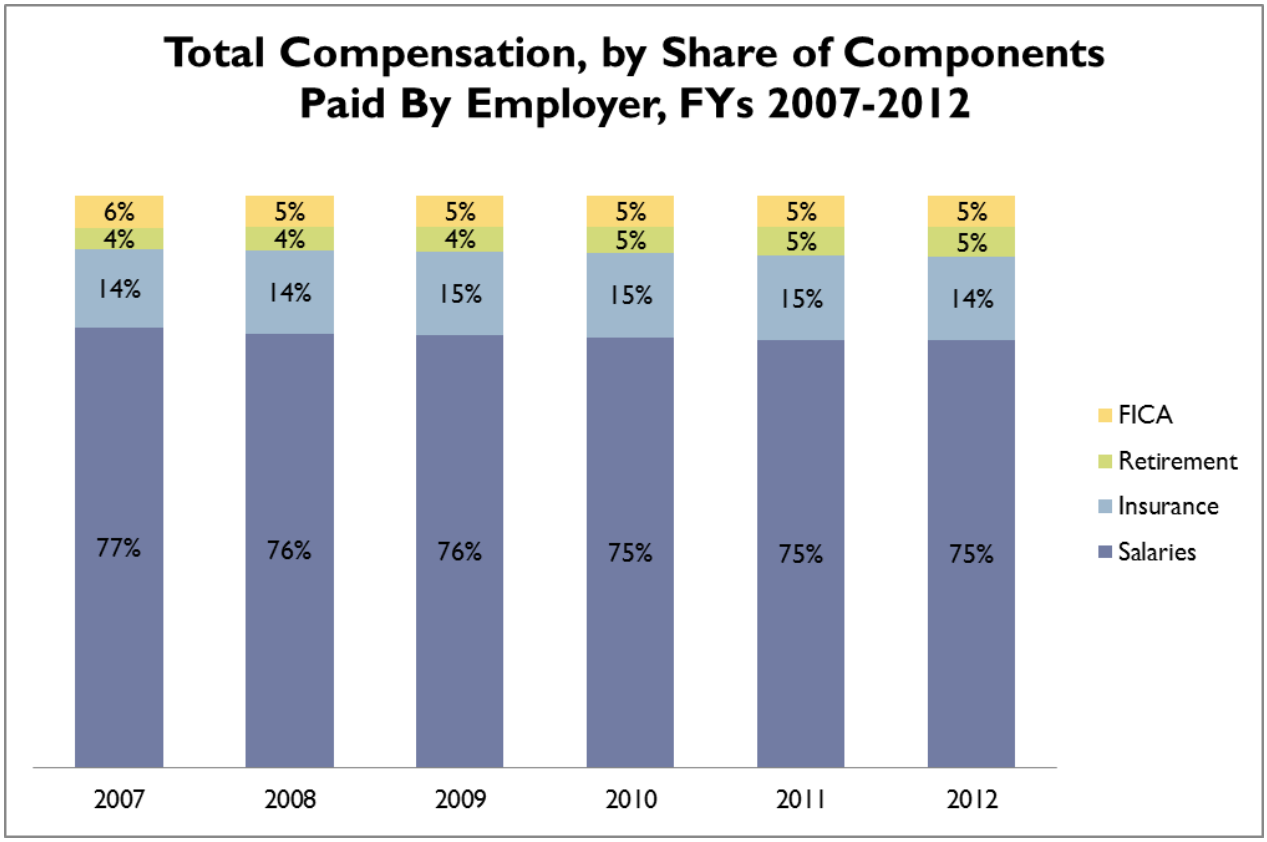
7. Compensation and Overtime

This section contains information about trends in total compensation for the Executive Branch as well as overtime hours worked and compensation.

Table 5: Executive Branch Total Compensation and Components

Compensation (in Million $)	2007	2008	2009	2010	2011	2012
Employees' Salaries	$1,590	$1,683	$1,758	$1,767	$1,754	$1,625
Employer's Contribution to Insurance	$282	$321	$339	$347	$348	$314
Employer's Contribution to Retirement	$79	$92	$100	$107	$120	$116
Employer's Contribution to FICA Taxes	$114	$120	$125	$126	$125	$116
Total Compensation Costs	$2,066	$2,216	$2,323	$2,347	$2,347	$2,171

Figure 14: Executive Branch Total Compensation and Components



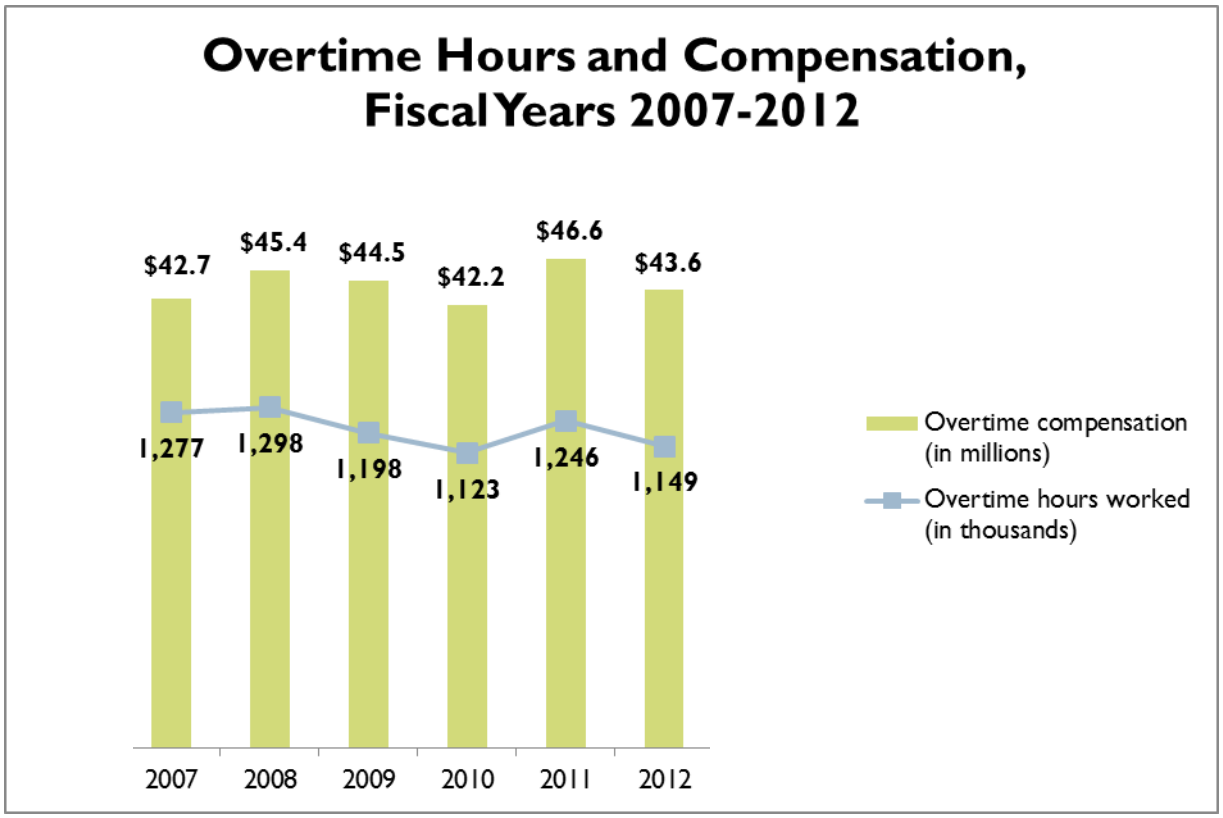
- In FY 2012, the State of Minnesota paid its Executive Branch workforce $2.171 billion in total compensation. This represents a 5 % increase over five years earlier, in FY 2007. The largest share of the total compensation package, at 75 %, was devoted to employee salaries. Employer contributions to insurance accounted for 14 %, while employer contributions to retirement accounts and FICA (Social Security and Medicare) taxes each represented 5 % of total compensation. See Appendix A for total compensation figures by agency.

Table 6: Overtime Hours and Compensation By Fiscal Year

FISCAL YEAR	OVERTIME HOURS WORKED	OVERTIME TOTAL COMPENSATION
2007	1,277,051	$42,725,972
2008	1,298,158	$45,420,709
2009	1,197,922	$44,453,026
2010	1,122,628	$42,172,149
2011	1,246,453	$46,574,812
2012	1,148,914	$43,568,335

- Between FY 2011 and FY2012, overtime work declined by more than 97,500 hours, resulting in a decline in overtime compensation of more than $3 million.
- Overtime is a means to complete important projects and provide essential services without adding additional headcount. Overtime uses include completing roadways before the end of the construction season, providing safety and assistance on the roadways, increased presence during weather emergencies and natural disasters, coverage over absences in prisons and health care facilities, maintaining the performance and security of the state's many and varied information systems, and keeping communities safe on a daily basis.

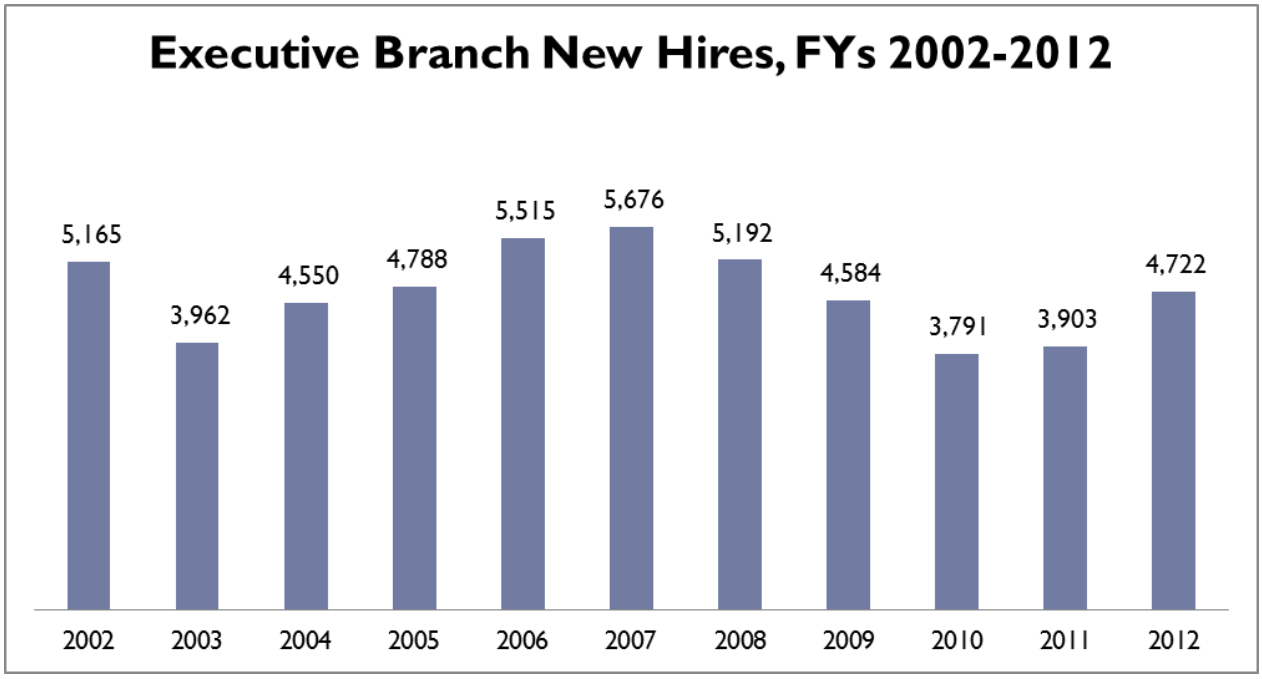
Figure 15: Overtime Hours and Compensation (Rounded) By Fiscal Year



8. Recruitment and Hiring

This section contains information about the newly hired employees during Fiscal Year 2012, hiring trends over the past decade, the hiring status for new hires, and a comparison of the characteristics of new hires versus the entire Executive Branch workforce.

Figure 16: Executive Branch New Hires By Fiscal Year



In FY 2012, more than 4,700 positions were filled in the Executive Branch. FY 2012 saw 819 more employees hired than in FY 2011. The corresponding increase in retirements during FY2011, illustrated in Figure 17, provides background data to explain the change.

Table 7: Executive Branch New Hires with Permanent, Unlimited Status, by Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Percent Permanent, Unlimited New Hires	31%	39%	39%	41%	45%	46%	51%	42%	37%	42%	46%

- In each of the past 11 years excepting 2008, less than half of all new hires in the Executive Branch were hired to permanent, unlimited positions. In FY 2012, 46% of new hires were permanent, unlimited workers. The remainder was made up of limited employment hires, including emergency, provisional, temporary or trainee categories.

Table 8: Characteristics of Executive Branch New Hires Versus Total Workforce

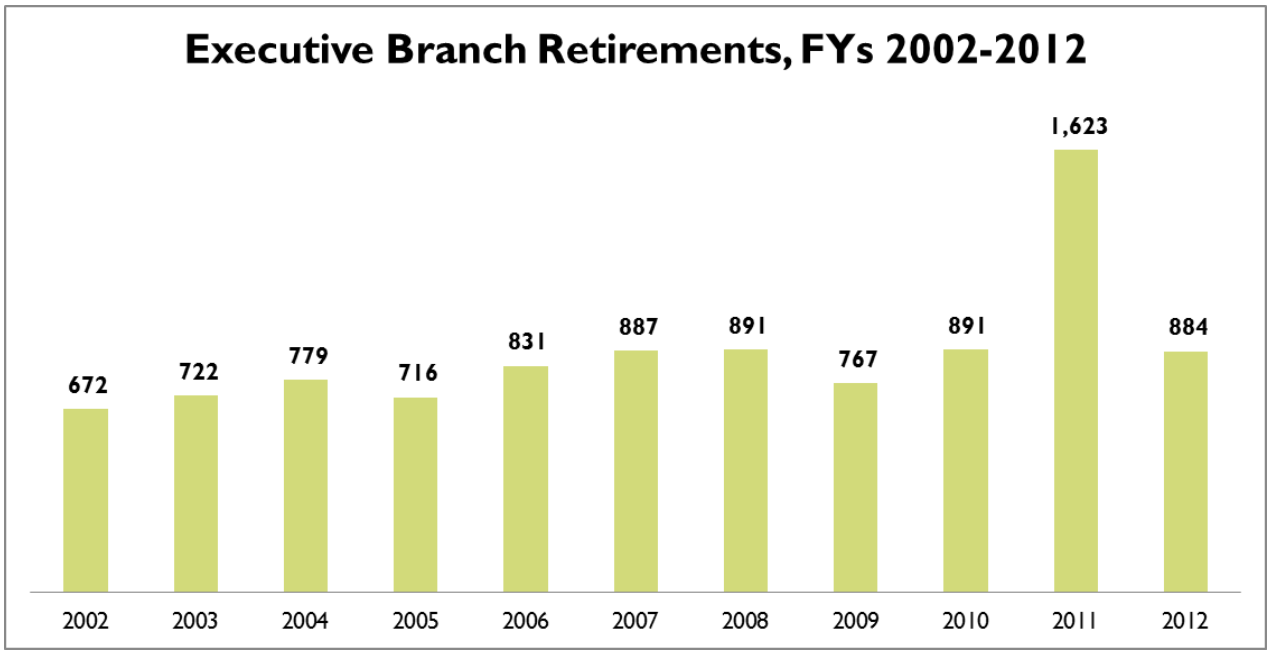
FY 2012	New Hires		Total Workforce	
	Number	Percent	Number	Percent
Employees	4,722	100.0%	33,507	100.0%
AGE				
Median age	33	N/A	48	N/A
Employees 60+	327	6.9%	4,139	12.4%
RACE				
Race Not Specified	981	20.8%	2,112	6%
Race Specified	3,741	79.2%	31,395	94%
White	3,313	70.1%	28,687	86%
Minority	428	9%	2,708	8%
American Indian/Alaska Native	39	.9%	271	0.8%
Asian/Pacific Islander	134	2.8%	824	2.4%
Black/African American	190	4.0%	1,125	3.3%
Hispanic/Latino	65	1.3%	488	1.5%
GENDER				
Gender Not Specified	1	N/A	2	N/A
Gender Specified	4,721	100.0%	33,505	100.0%
Female	2,323	49.2%	16,611	49.6%
Male	2,398	50.8%	16,894	50.4%
DISABILITY STATUS				
Disability Not Specified	0	N/A	1	N/A
Disability Specified	4,722	100.0%	33,507	100.0%
With Disability	96	2.0%	1,347	4.0%
No Disability	4,626	98.0%	32,160	96.0%
VETERAN STATUS				
Veteran Status Not Specified	921	N/A	4,787	N/A
Veteran Status Specified	3,801	100.0%	28,720	100.0%
Veteran	371	9.8%	2,955	10.3%
Not a Veteran	3,430	90.2%	25,765	89.7%

- The median age of new hires was 33 years, compared to 48 years among the total workforce.
- The number of minorities in new hires is greater than the number of minorities in the overall state workforce.
- The gender balance of new hires was even-handed among men and women.
- Ten percent of new hires during FY 2012 were a veteran, a rate similar to the general workforce.

9. Retirements and Future Considerations

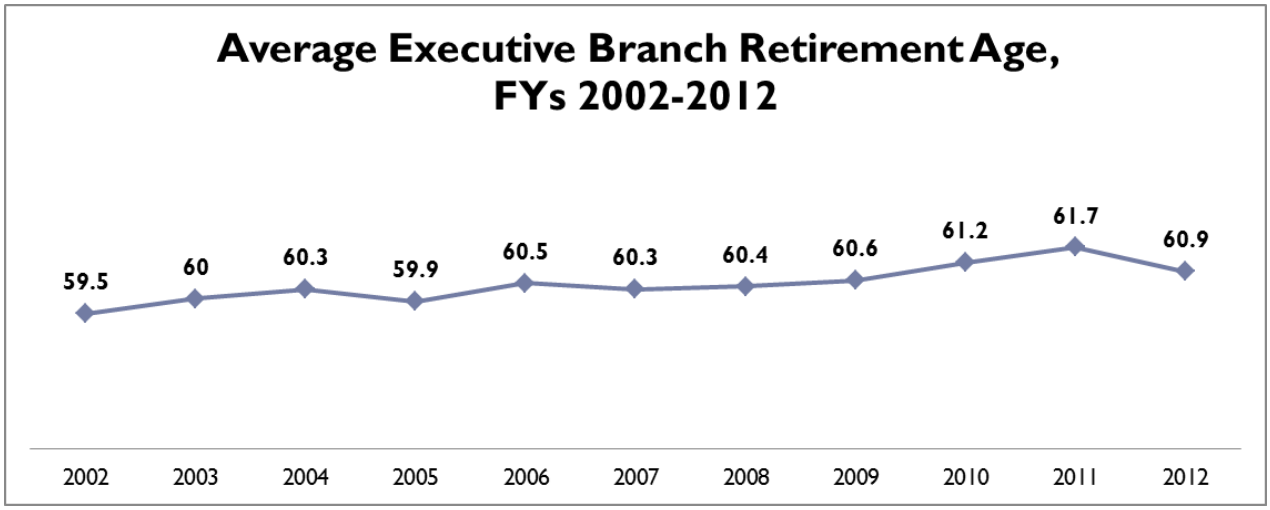
Summary: This section contains information about current and impending retirements. [8]

Figure 17: Annual Retirements Trend



- Eight hundred eighty four (884) employees retired from their public service with the state's Executive Branch in FY 2012, nearly half as many as in FY 2011, but a number similar to the prior five years. The spike in retirements during FY 2011 was largely due to an early retirement incentive passed by the legislature, which had to be in place by the end of FY 2011.

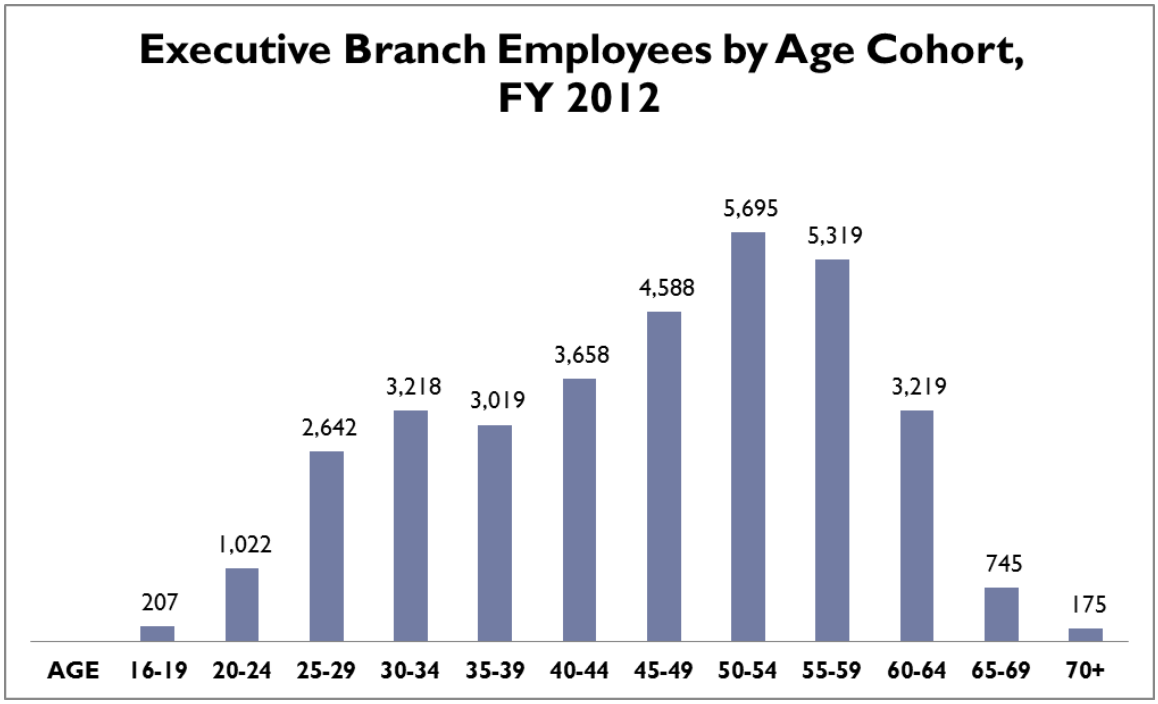
Figure 18: Average Retirement Age Trend, FYs 2002-2012



[8] More information about retirement eligibility can be found online at http://www.msrs.state.mn.us/pdf/hbgerp.pdf

- The average age at retirement during FY 2012 was 60.9 years, younger than the past two fiscal years.

Figure 19: Distribution of Executive Branch Appointments by Age Cohorts (repeated)



- In FY 2012, there were 823 employees who were 61 years of age, an additional 580 who were 62 years of age, and 1,820 who were age 63 or older. In sum, that is more than 3,200 employees who are currently past the average age of retirement — the potential for an unprecedented volume of retirements in any of the next fiscal years.
- With the median age of the workforce being 48 years, 13% of the workforce 60 years or older, and with an additional one-third of all employees between 50 and 59 years old~~in their fifties~~, the Executive Branch is poised to experience a retirement wave throughout the coming decade, as the Baby Boomers exit the state workforce.
- These retirement effects are being experienced differently across various agencies. In FY 2012, across the Executive Branch, 42 agencies experienced one or more retirements[T1]. Furthermore, at 29 agencies, the average age of employees was 50 or older, portending many retirements in the coming two decades. See Appendix A for full list of agency-specific retirement counts.

10. Implications and Discussion

This report has sketched a portrait of the Executive Branch of the state workforce, identifying major features and characteristics of the more than 33,500 public servants who performed the state's work during fiscal year 2012. It has also identified some key challenges related to human resources and workforce development in the years to come. Specifically, emerging issues include an aging workforce, numerous impending retirements, and a need to focus on talent acquisition, retention, and development to replace state workers who are leaving state employment. Another emerging issue is related to state demographicsand the need for the state workforce to mirror changing demographics of the whole state and the general labor force in terms of racial and ethnic diversity and employees with disabilities.

While the data contained in this report relates to fiscal year 2012 (July 1, 2011 – June 30, 2012), many of the trends identified continue to the present. In light of these considerations, ongoing efforts to attract, develop, and engage state employees are in place.

Employee Engagement

Minnesota Management and Budget conducted the first enterprise-wide employee engagement survey[9] using Journeywell Health Assessment Platform in November 2012. The goal was to gain a high level understanding of employee engagement levels by measuring agreement to questions related to commitment to one's employment; a sense of inclusion in goals and decision-making; and the level of training, development and feedback necessary to feel enabled in one's job. The following selected results were encouraging:

- 90% of respondents said, "I would recommend the state of Minnesota as a good place to work."
- 89% said, "Overall, I am satisfied with my current job."
- 97% said, "I understand how my work contributes to my agency's mission and goals."
- More than 80% of respondents said they feel valued for the work they do and are encouraged to participate in decisions that affect their work.
- More than 90% of respondents said their job allows them to effectively use their existing knowledge, skills and abilities, and that during the past year, they had opportunities at work to improve their knowledge and job skills.

Full results were shared with agency leaders, who were encouraged to review their individual scores and determine if any follow up is needed. In short, the first survey revealed a high degree of engagement, opportunities for utilizing and developing one's talents, and satisfaction among the existing workforce that chose to respond to the survey. [T2]This bodes well for retaining a high share of the current workforce, which will be critical for transition planning and institutional knowledge given the impending wave of retirements throughout the coming two decades.

[9] The online survey had 11 questions and was available to the 85% of employees who are eligible for health insurance coverage. The overall response rate was 67%.

Employee Leadership and Professional Development

While leadership development is essential to good government, it is apparent that preparing employees to move into leadership roles continues to be a high priority in the face of increasing state employee retirements. Enterprise Learning & Development at MMB is continuously expanding leadership development opportunities to increase the talent pool of prepared employees. Described below is a sample of leadership development programs and courses available for state government employees.

The *Emerging Leaders Institute* (ELI) launched in 2006 to prepare the next generation of leaders in state government. ELI is a cohort-based program based in behavioral science. Over the course of seven months, participants experience large group instruction from topical experts, small group interaction, interviews with other leaders, and 360 feedback assessments designed to build awareness of themselves in the context of leadership. To date, there are nearly 250 ELI alumni, many of which have moved into greater roles of responsibility and promotions in state government. Each September, two more cohorts begin with 30 competitively selected participants per group.

The *Senior Leadership Institute* (SLI) originated in 2010 to prepare more experienced managers and directors for higher administrative roles in leadership. The 9-week Senior Leadership Institute, delivered in partnership with the Humphrey Institute of Public Affairs, fosters creativity and innovation and builds leadership skills with a systems-focus. SLI encourages participants to integrate course topics into their ongoing work, build relationships with other state leaders, and learn from each other about their challenges and successes.

Strategic Effectiveness for Aspiring Leaders (SEAL) is for staff in non-management roles that aspire to become leaders and wish to build skills towards this goal. SEAL is also engaging for those who want to lead more effectively—regardless of title—or to learn what defines a leader. Learning modules include Effective Communication, Thinking Strategically, Creative Problem Solving, and Orchestrating Meetings, among other topics.

State employees regularly participate in these and other courses offered through Enterprise Learning & Development at MMB to build skills, improve performance, and learn to coach and inspire, manage others, and lead through change in the complex and dynamic environment that is state government. For more information about leadership training opportunities, contact ELD at ELD.training@state.mn.us.

11.Appendix A: Complete Agency-Specific Data

Executive Branch Agency	Total Compensation	Appointments	Retirements	New Hires	Net Change in Appointments, FY2011-12	Average age of Employees	Average Years of Service
Accountancy Board	183,116	4	1	3	-1	39	5
Administration Dept	28,749,940	454	21	65	4	51	13
Administrative Hearings	6,102,544	67	3	6	0	55	19
Agriculture Dept	30,150,816	523	7	111	30	46	11
Amateur Sports Comm	261,006	3	0	0	0	59	23
Animal Health Board	3,537,443	48	1	8	-2	47	12
Architecture, Engineering Bd	346,153	9	1	4	1	37	7
Arts Board	884,302	15	0	7	0	51	9
Asian-Pacific Council	161,860	4	0	2	0	29	4
Attorney General	24,083,727	297	11	23	-13	47	13
Barber Examiners Board	142,194	3	0	0	0	46	2
Bd of Podiatric Medicine	43,018	1	0	0	0	57	3
Black Minnesotans Council	191,650	2	1	1	-2	51	9
Board Behavioral Hlth&Therapy	200,313	4	0	1	1	40	10
Bureau of Mediation Services	966,078	12	0	2	2	58	16
Campaign Fin & Public Discl Bd	512,789	8	0	2	1	50	9
Capitol Area Architect	219,131	3	0	0	0	63	22
Chicano/Latino Affairs Council	208,468	4	0	4	1	34	1
Chiropractors Board	283,062	5	0	0	0	53	15
Commerce Dept	24,364,199	356	11	54	28	48	14
Corrections Dept	287,691,945	4,233	133	333	-24	43	11
Cosmetologist Exam Board	665,711	14	0	4	0	38	4
Dentistry Board	1,222,248	19	0	1	8	51	11
Dietetics & Nutrition Practice	21,434	1	0	2	0	52	15
Disability Council	351,624	9	0	3	1	48	8
Education Department	31,401,384	412	13	45	15	51	13
Emergency Medical Services Bd	823,678	11	0	1	-10	45	12
Employ & Econ Development Dept	103,576,409	1,625	81	192	20	49	14
Enterprise Technology Office	29,405,952	313	8	34	7	51	13
Explore Minnesota Tourism	2,921,348	63	3	7	0	49	7
Gambling Control Board	1,976,244	28	2	1	-1	53	25
Governor's Office	2,884,162	53	1	18	1	33	3
Health Department	102,557,572	1,493	38	186	-16	47	12
Higher Ed Facilities Authority	212,686	2	0	0	0	57	24
Housing Finance Agency	17,198,118	221	6	32	21	47	11
Human Rights Dept	2,130,192	33	3	10	-1	45	13
Human Services Dept	433,666,743	6,588	188	829	-63	46	12
Indian Affairs Council	343,553	5	0	0	0	47	6
Investment Board	2,777,335	21	1	1	-1	47	16
Iron Range Resources & Rehab	4,099,238	58	0	68	-2	49	18
Labor & Industry Dept	32,304,998	477	5	36	34	50	14
Lottery	9,774,985	152	8	35	6	47	14
Marriage & Family Therapy	102,539	2	0	1	0	48	13
Medical Practice Board	1,476,123	23	0	0	-1	53	19
Military Affairs Dept	16,543,683	314	5	62	16	44	12
Mn Management & Budget	25,813,563	285	11	31	-21	50	14
Mn State Academies	11,928,186	334	7	49	4	47	11
MN Zoological Garden	14,063,163	362	2	122	20	39	8
Natural Resources Dept	170,198,052	3,143	56	600	142	46	14
Nursing Board	2,148,479	31	0	4	1	50	9
Nursing Home Admin Board	718,316	11	1	3	0	44	11
Office of Higher Education	4,302,512	72	1	41	7	42	12
Ombud Mental Health & Dev Dis	1,271,237	20	1	3	1	52	14
Ombudsperson for Families	288,690	4	0	0	-1	54	13
Optometry Board	27,992	1	0	1	0	52	15
Peace Officers Board (POST)	828,564	11	0	0	0	56	20
Perpich Ctr for Arts Education	5,341,817	80	1	17	2	50	10
Pharmacy Board	1,223,382	14	1	6	1	45	10
Physical Therapy Board	178,685	3	0	1	0	43	7
Pollution Control Agency	65,313,951	907	33	65	-11	47	16
Private Detective Board	76,936	1	0	1	0	63	1
Psychology Board	503,789	10	0	4	2	40	9
Public Facilities Authority	790,563	9	0	1	0	54	19
Public Safety Dept	148,822,592	1,978	83	120	-40	45	13
Public Utilities Comm	4,081,573	50	2	6	2	50	14
Racing Commission	851,422	25	0	8	4	45	6
Revenue Dept	96,259,080	1,639	45	325	144	43	11
Science Technology Authority	169,144	2	0	0	0	53	5
Secretary of State	4,453,854	76	2	36	14	42	10
Sentencing Guidelines Comm	390,564	6	0	1	0	40	12
Social Work Board	655,942	11	0	0	0	50	11
State Auditor	7,462,601	107	2	14	1	41	11
Tax Court	605,241	7	0	2	1	53	10
Transportation Dept	324,883,120	4,890	46	780	252	47	14
Veterans Affairs Dept	63,058,649	1,323	37	269	15	46	9
Veterinary Medicine Board	147,647	2	0	0	0	55	26
Water & Soil Resources Board	5,275,834	87	0	10	6	46	12
Workers Comp Court of Appeals	1,162,726	14	1	4	1	59	23
Total Executive Branch	2,171,165,574	33,507	884	4,722	583	46	13

NOTE: Combative Sports Commission reported 4 hires and compensation of $146,768 in FY12, and 24 appointments in FY11 (included in totals). However, because of incomplete data, it is not listed above.

Executive Branch Agency	Employee Race not Specified	Employees of Color	White Employees	Female Employees	Male Employees	Employee Gender not Specified	Employees without a Disability	Employees with a Disability	Employees who are not Veterans	Employees who are Veterans	Employees with veteran Status not specified
Accountancy Board	R	R	R	R	R	R	R	R	3	0	1
Administration Dept	23	62	369	178	276	0	439	15	372	47	35
Administrative Hearings	4	6	57	43	24	0	62	5	58	6	3
Agriculture Dept	68	33	422	244	279	0	513	10	424	41	58
Amateur Sports Comm	R	R	R	R	R	R	R	R	3	0	0
Animal Health Board	R	R	R	R	24	0	R	R	28	2	18
Arch., Engineering Bd	R	R	R	7	2	0	R	R	9	0	0
Arts Board	R	R	R	12	3		R	R	12	1	2
Asian-Pacific Council	R	R	R	R	R	R	R	R	4	0	0
Attorney General	0	24	273	184	113	0	285	12	223	14	60
Barber Examiners Board	R	R	R	R	R	R	R	R	1	0	0
Bd of Podiatric Medicine	R	R	R	R	R	R	R	R	1	0	0
Black Minnesotans Council	R	R	R	R	R	R	R	R	2	0	0
Board Behavioral Hlth &Therapy	R	R	R	R	R	R	R	R	3	0	1
Bureau of Mediation Svcs	3	2	7	5	7	0	R	R	7	2	3
Campaign Fin. Pub Discl Bd	R	R	R	4	4	0	R	R	8	0	0
Capitol Area Architect	R	R	R	R	R	R	R	R	3	0	0
Chicano/Latino Aff. Council	R	R	R	2	2	0	R	R	2	0	2
Chiropractors Board	R	R	R	3	2	0	R	R	3	1	1
Commerce Dept	26	30	300	157	199	0	343	13	278	35	43
Corrections Dept	42	273	3,918	1,657	2,576	0	4,028	205	3,188	608	437
Cosmetologist Exam Board	R	R	R	R	R	R	R	R	2	0	12
Dentistry Board	R	R	R	16	3	0	R	R	16	0	3
Dietetics & Nutrition Prac.	R	R	R	R	R	R	R	R	1	0	0
Disability Council	R	R	R	7	2	0	R	R	5	0	4
Education Department	17	31	364	301	111	0	390	22	324	13	75
Emergency Med.Svcs Bd	R	R	R	8	3	0	R	R	4	0	7
Employ & Econ. Develop.	36	176	1,413	1,065	560	0	1,510	115	1,289	135	201
Enterprise Technology Off.	16	34	263	110	203	0	306	7	247	35	31
Explore MN Tourism	R	R	R	43	20	0	R	R	40	4	19
Gambling Control Board	R	R	R	16	12	0	24	4	26	0	2
Governor's Office	R	R	R	38	15	0	R	R	29	2	22
Health Department	21	143	1,329	1,050	443	0	1,438	55	1,276	62	155
Higher Ed Facilities Auth.	R	R	R	R	R	R	R	R	2	0	0
Housing Finance Agency	53	27	141	152	69	0	215	6	139	12	70
Human Rights Dept	5	12	16	21	12	0	29	4	25	2	6
Human Services Dept	313	601	5,674	4,352	2,236	0	6,310	278	5,198	412	978
Indian Affairs Council	R	R	R	3	2	0	R	R	3	0	2
Investment Board	R	R	R	11	10	0	20	1	15	0	6
Iron Range Res. & Rehab	R	R	R	24	34	0	R	R	47	4	7
Labor & Industry Dept	21	48	408	233	243	1	444	33	377	45	55
Lottery	14	13	125	74	78	0	144	8	117	13	22
Marriage & Family Therapy	R	R	R	R	R	R	R	R	2	0	0
Medical Practice Board	0	4	19	16	7	0	R	R	15	3	5
Military Affairs Dept	67	8	239	74	240	0	309	5	151	95	68
Mn Mgmt. & Budget	2	34	249	177	108	0	266	19	231	22	32
Mn State Academies	77	2	255	250	84	0	254	80	189	4	141
MN Zoological Garden	7	16	339	213	149	0	356	6	204	17	141
Natural Resources Dept	88	97	2,958	1,177	1,966	0	3,057	86	2,576	193	374
Nursing Board	5	2	24	R	R	R	R	R	19	2	10
Nursing Home Admin Bd	R	R	R	6	5	0	R	R	8	0	3
Office of Higher Education	28	2	42	46	26	0	R	R	35	2	35
Ombud Ment. Hlth Dev Dis	R	R	R	15	4	1	R	R	15	1	4
Ombud. for Families	R	R	R	R	R	R	R	R	3	0	1
Optometry Board	R	R	R	R	R	R	R	R	1	0	0
Peace Officers Bd (POST)	1	2	8	4	7	0	R	R	10	0	1
Perpich Ctr for Arts Educ.	3	9	68	42	38	0	76	4	64	5	11
Pharmacy Board	R	R	R	11	3	0	R	R	10	1	3
Physical Therapy Board	R	R	R	R	R	R	R	R	1	0	2
Pollution Control Agency	16	62	829	406	501	0	864	43	759	50	98
Private Detective Board	R	R	R	R	R	R	R	R	1	0	0
Psychology Board	R	R	R	R	R	R	R	R	5	0	5
Public Facilities Authority	R	R	R	6	3	0	R	R	7	0	2
Public Safety Dept	96	148	1,734	863	1,115	0	1,911	67	1,510	230	238
Public Utilities Comm	14	4	32	26	24	0	R	R	33	1	16
Racing Commission	R	R	R	20	5	0	R	R	7	0	18
Revenue Dept	92	190	1,357	960	679	0	1,578	61	1,357	89	193
Science Technology Auth.	R	R	R	R	R	R	R	R	1	0	1
Secretary of State	26	6	44	47	29	0	R	R	51	3	22
Sentencing Guideline Com.	R	R	R	R	R	R	R	R	6	0	0
Social Work Board	0	2	9	R	R	R	R	R	8	0	3
State Auditor	44	3	60	61	46	0	R	R	57	2	48
Tax Court	R	R	R	R	R	R	R	R	5	0	2
Transportation Dept	240	375	4,275	1,082	3,808	0	4,736	154	3,718	607	565
Veterans Affairs Dept	489	196	638	918	405	0	1,305	18	799	128	396
Veterinary Medicine Board	R	R	R	R	R	R	R	R	2	0	0
Water & Soil Resources Bd	R	R	R	28	59	0	R	R	80	2	5
Work Comp Crt of Appeals	R	R	R	9	5	0	R	R	11	2	1
Total Executive Branch	2,112	2,708	28,687	16,611	16,894	2	32,160	1,347	25,765	2,955	4,787

12. Definitions and Technical Notes

Definitions:

Appointment: Appointment counts are the number of filled positions. An employee with multiple concurrent jobs (e.g., two part-time jobs at the same time) will be counted once for each job or position regardless if both positions are in the same agency or job class. Because one employee can hold more than one appointment, appointment counts are usually larger than the number of actual employees.

Average: The most representative score in a distribution. The total divided by the number of cases: for example, , the average age of the group is determined by adding all ages together and dividing by the number of individuals.

Calendar year: January 1 through December 31 of a given year.

Contingent workforce: Temporary, emergency, and provisional employees hired for a limited time-period within the span of a fiscal year.

Executive Branch: Agencies of state government established by Statute 43A that have statewide jurisdiction and are not within the Legislative or Judicial branches of government.

Fiscal Year: State government runs on a fiscal year calendar that runs July 1 of one year through June30 of the following year. Fiscal year 2011 runs from July 1 2010 through June 30 2011 and is the time period used for this report.

FTE: Full Time Equivalent, or FTE, is a calculation of how much work was compensated last fiscal year. This is represented in 2080 hour increments or what a regular full-time employee would have worked in one fiscal year. Average Annual Salary per FTE represents the total salary compensation (dollars) divided by the calculated FTE total.

Median: The point at which half of cases in a distribution fall below and half fall above in a given range. For example, the median age of new hires was 33 years (half were younger and half were older).

Unlimited status: Employees hired on an unlimited status means an appointment for which there is no specified maximum duration.

Technical Notes:

Percentages are calculated only from data where a response was given for a particular topic throughout the report. For calculating percentages Individuals who did not indicate race, gender, county of workplace, et cetera have been excluded; therefore, the true percentage, while unknown, may vary slightly from the given percentage, depending upon the size of the unknown group.

Minnesota Management and Budget

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