

## SF3544 - 0 - Private Sector Personnel Records; Access

Chief Author: **Sandra Pappas**  
 Committee: **Labor**  
 Date Completed: **3/5/2024 11:51:47 AM**  
 Agency: **Labor and Industry Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.  
 Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Dollars in Thousands					
General Fund	-	-	141	141	141
Total	-	-	141	141	141
Biennial Total			141		282

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	1.2	1.2	1.2
Total	-	-	1.2	1.2	1.2

## LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Karl Palm      Date: 3/5/2024 11:51:46 AM  
 Phone: 651-296-6055      Email: karl.palm@lbo.mn.gov

### State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>
Dollars in Thousands		<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>
					<b>FY2027</b>
General Fund	-	-	141	141	141
<b>Total</b>	-	-	<b>141</b>	<b>141</b>	<b>141</b>
<b>Biennial Total</b>			<b>141</b>		<b>282</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
General Fund	-	-	141	141	141
<b>Total</b>	-	-	<b>141</b>	<b>141</b>	<b>141</b>
<b>Biennial Total</b>			<b>141</b>		<b>282</b>
<b>2 - Revenues, Transfers In*</b>					
General Fund	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-

### Bill Description

This bill amends the definition of “employer” in Minn. Stat. 181.960 by reducing the number of employees an employer must employ to be subject to Minn. Stat. 181.960 to 181.966 from 20 employees to one employee. Both the current law and the bill do not include a state agency, statewide system, political subdivision, or advisory board or commission subject to chapter 13 within the definition of “employer.”

Minn. Stat. 181.960 to 181.966 address the following: definitions (Minn. Stat. 181.960); review of personnel records by employee (Minn. Stat. 181.961); removal or revision of information (Minn. Stat. 181.962); use of omitted personnel record (Minn. Stat. 181.963); notice of employee rights (Minn. Stat. 181.9631); retaliation prohibited (Minn. Stat. 181.964); enforcement (181.9641); remedies (181.965); and additional right of access to records (Minn. Stat. 181.966).

### Assumptions

DLI does not have enforcement authority over Minn. Stat. 181.960 - 181.966 through its compliance order authority, meaning it cannot issue a compliance order under Minn. Stat. 177.27 for violation of these statutory provisions related to personnel records. However, under Minn. Stat. 181.9641, DLI has enforcement authority over Minn. Stat. 181.960 to 181.964 through filing a civil action in district court to recover up to \$5,000 per violation; DLI does not have a history of using this enforcement provision but instead answers stakeholder inquiries related to personnel records and conducts an “inform and educate” process to inform employers of their responsibilities related to personnel records and to help employees obtain these records from their employers.

In 2023, DLI’s Labor Standards Division answered approximately 173 stakeholder inquiries related to personnel records. It also conducted the personnel record “inform and educate” process with employers 72 times. According to DLI’s Research and Statistics Division, Minnesota has approximately 22,430 private employers with 20 or more employees. Therefore, the personnel records inquiry rate was approximately 0.77% (173/22,430) and the “inform and educate” rate was approximately 0.32% (72/22,430).

Minnesota has approximately 201,212 private employers with one or more employees. Assuming a similar personnel records inquiry rate and “inform and educate” rate for these additional 178,782 covered employers (201,212 - 22,430) if the bill passes, DLI would answer approximately 1,377 additional inquiries (0.77% x 178,782) and conduct the “inform and educate” process related to personnel records approximately 572 more times (0.32% x 178,782) each year.

The estimated time to complete the following processes is:

1,377 instances of Answering Questions/Inquiries (one hour process).

572 instances of Inform and Educate (two-hour process).

Therefore, this bill would result in 2,521 (1,377 + (572 x 2)) additional hours of staff time if personnel records-related services were performed at their current rate, or a 1.2 FTE (2,521/2,080).

**Expenditure and/or Revenue Formula**

Expenditures	2024	2025	2026	2027
Labor Investigator (MAPE 14G)		141,367	141,367	141,367
Cumulative Expenditures		141,367	141,367	141,367

FTE Count	2024	2025	2026	2027
Labor Investigator (MAPE 14G)		1.20	1.20	1.20
Total FTE		1.20	1.20	1.20

**Long-Term Fiscal Considerations**

NA

**Local Fiscal Impact**

NA

**References/Sources**

DLI's Research and Statistics Division.

**Agency Contact:** Jessica Grosz 651-284-5307

**Agency Fiscal Note Coordinator Signature:** Jacob Gaub

**Phone:** 651-284-5812

**Date:** 3/4/2024 7:46:56 PM

**Email:** jacob.gaub@state.mn.us