

SF2401 - 0 - Medical Benefits Req'd; Part-Time, Adjunct Faculty

Chief Author: **Aric Putnam**
 Committee: **Higher Education**
 Date Completed: **3/21/2025 5:42:42 PM**
 Agency: **Minnesota State**

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	
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028
General Fund	-	43,874	45,410	-	-
Total	-	43,874	45,410	-	-
Biennial Total			89,284		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	-	-	-
Total	-	-	-	-	-

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: Steve McDaniel **Date:** 3/21/2025 5:42:42 PM
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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.

State Cost (Savings) = 1-2		Biennium		Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028
General Fund	-	43,874	45,410	-	-
Total	-	43,874	45,410	-	-
Biennial Total			89,284		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	43,874	45,410	-	-
Total	-	43,874	45,410	-	-
Biennial Total			89,284		-
2 - Revenues, Transfers In*					
General Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

This bill would appropriate funds to provide hospital, medical, and dental benefits coverage to part-time or adjunct faculty who teach six or more credits in an academic year and currently are not offered hospital, medical, and dental benefits.

Assumptions

It is assumed that the hospital benefits referenced are the hospital benefits included in the medical insurance currently provided to employees.

It is assumed that newly eligible employees would choose family coverage at the same frequency that current part-time faculty in IFO and MSCF do, which is approximately 47.8 percent of them. Some part-time and adjunct faculty currently receive partial benefits. It is assumed that all newly qualifying faculty would receive full benefits under this legislation.

Fiscal year 2026 coverage rates are calendar year 2025 rates plus 3.5% due to guidance from MMB that calendar rates will increase by approximately 7% half-way through the fiscal year. The same inflation rate is applied in fiscal year 2027 based on MMB's guidance for that year also.

Since the bill provides one-time funding for the 2026-2027 biennium, benefits would not continue in fiscal year 2028. The costs of producing a report in fiscal year 2028 would be absorbed within existing funding and staffing.

Expenditure and/or Revenue Formula

Type of Coverage to Add	FY2026 Cost of Health & Dental Coverage (Employer Share)	Number of Faculty	Total Costs FY2026	Total Costs FY2027
New Full Coverage, Family	\$27,977.04	975	\$27,277,617.51	\$28,232,334.12
New Full Coverage, Single	\$10,273.33	1,064	\$10,930,820.14	\$11,313,398.85
New Partial Coverage, Family	\$13,988.65	289	\$4,042,718.69	\$4,184,213.85
New Partial Coverage, Single	\$5,136.66	316	\$1,623,185.70	\$1,679,997.20
Total Newly Covered Faculty		2,644	\$43,874,342.04	\$45,409,944.01

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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Date: 3/21/2025 2:54:22 PM

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