



State of Minnesota Workforce Planning Report

FY 2021

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Minnesota Management and Budget's mission is to manage state government's financial, workforce, and information resources to support effective and efficient services for Minnesotans.

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Executive Summary

Report Scope

This report summarizes characteristics of the Executive Branch of Minnesota's state government workforce for fiscal year 2021 (occurring between July 1, 2020 and June 30, 2021). For the purposes of workforce planning, the Executive Branch is defined to include all state agencies apart from the Minnesota State University system and retirement agencies. By definition, the Executive Branch also excludes the Judicial and Legislative Branches of state government.

Workforce at a Glance

- The Executive Branch represents approximately 89 percent of state government, with 36,002 positions.
- Public servants perform the state's work across 82 agencies, boards, and commissions. While the size of state government has hovered between 33,000 and 37,000 over the last 10 years, the make-up of state employment continues to change with the demography of the state and the priorities of government.
- The Executive Branch declined by 761 positions, or 2.1 percent, since FY 2020. The departments of Human Services, Corrections and Transportation lost the most employment.
- The Department of Human Services is the biggest agency in the Executive Branch, representing about 19 percent of all employees. The departments of Transportation and Corrections account for 14 and 12 percent of the workforce, respectively. Thirty-four percent of employees work in smaller agencies, with less than 5 percent of total employment.
- The Executive Branch workforce is distributed across the entire state, with employees reporting to workplaces in 86 of 87 counties. Sixty-two percent of employees work in the Twin Cities seven-county metropolitan area, while 38 percent work in greater Minnesota counties. Twenty percent of staff work in metropolitan areas other than the Twin Cities metro area such as Duluth and St. Cloud, while 18 percent work in non-metropolitan areas.
- About 89 percent of staff is represented by organized bargaining units. The American Federation of State, County and Municipal Employees (AFSCME) represents 37 percent of staff while the Minnesota Association of Professional Employees (MAPE) represents another 36 percent.
- About 89 percent of appointments are full-time, 9 percent part-time, and the remainder intermittent (on call).

Executive Branch Demographics- Protected Group Representation

- About 15 percent of employees identify as being Black, Indigenous, or People of Color (BIPOC) while 80 percent indicate they are white. Five percent of employees did not specify their race. State government is becoming more diverse -- 12 percent of employees were racial/ethnic minorities in FY 2017. About 18 percent of new hires in 2021 were racial/ethnic minorities.
- The Executive Branch workforce is roughly 50 percent male and 50 percent female.
- Employees with disabilities represent approximately 9 percent of the workforce.
- Veterans represent 7.1 percent of the workforce.

- The state employs a higher percentage of women, veterans, and individuals with disabilities than exist in the overall Minnesota workforce.

Executive Branch Hiring, Retirements, and Age Demographics

- The state hired about 4,000 employees to full-time, part-time and intermittent positions in 2021. New hires in classified positions made up 73 percent of total new hires.
- New hires were down 851 from FY 2021, a decrease of 18 percent. BIPOC employees made up 18 percent of new hires. Women made up 52 percent of new hires while individuals with disabilities and veterans made up 12 and 7 percent of new hires, respectively.
- There were 1,177 retirements in 2021, an increase of about nine percent from 2020. The average retirement age has been increasing in recent years and stands at about 64 in FY 2021.
- The median age of state workers is 46 years. About 41 percent of the workforce is age 50 or older.
- With increased retirements and hiring, the largest generation in state government is Generation X (those born between 1965 and 1984), with 51 percent of total employment compared to 26 percent for the Baby Boom Generation (those born between 1946 and 1964). The Millennial generation (those born after 1984) is steadily increasing its share of employment and currently stands at 23 percent.

The Executive Branch at a Glance

This section contains information about key characteristics of the Executive Branch during FY 2021 and changes since FY 2020. These data are discussed in detail throughout the report.

Table 1: Select Executive Branch Characteristics, FY 2020 and FY 2021

State Employment Demographic	FY 2020	FY 2021	Change from FY 2020
Total appointments	36,763	36,002	-2.1%
Median age	46	46	0
Average age	46.1	45.7	-0.4 years
Female employees	50.3%	50.3%	0.0%
Male Employees	49.8%	49.8%	0.0%
BIPOC Employees	14.4%	14.8%	0.4%
% employees who are White	80.9%	80.0%	-0.9%
% employees not reporting race/ethnicity	4.8%	5.2%	0.4%
% employees with a disability	8.1%	8.6%	0.5%
% employees who are veterans	7.4%	7.1%	-0.3%
Avg. annual salary	\$67,710	\$68,705	1.5%
Represented by a bargaining unit	89.6%	89.1%	-0.5%
Permanent or unlimited status	89.8%	89.2%	-0.6%
Avg. length of service	12.4 years	12.5 years	0.1 years
Full-time employees	88.7%	88.9%	0.2%
New hires	4,718	3,867	-18.0%
Retirements	1,075	1,177	9.5%
Avg. retirement age	63.6	63.3	-0.3 years
Voluntary turnover	8.2%	8.4%	+0.2%
Retirement turnover	2.9%	3.3%	+0.4%
Resignation turnover	5.3%	5.4%	+0.1%
Number of employees age 60 or older	5,390	5,437	0.9%
% of employees age 60 or older	14.7%	15.1%	0.4%
Number of employees age 50 or older	15,122	14,919	-1.3%
% of employees age 50 or older	41.1%	41.4%	0.3%

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 2021, and the distribution of the Executive Branch workforce -- both among state agencies and geographic dispersion around the state -- and bargaining unit representation.

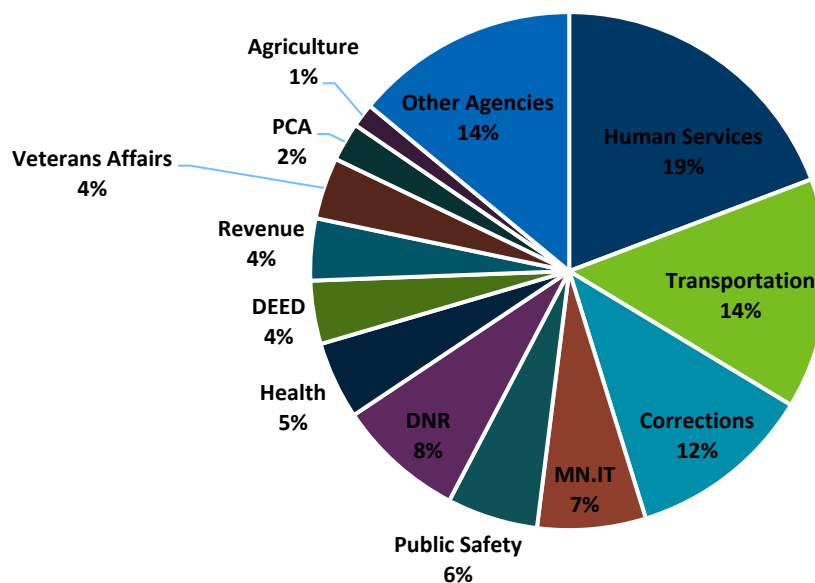
Workforce Size

The Executive Branch accounts for 89 percent of state government-filled positions during FY 2021. The remaining 11 percent includes positions in the Judicial Branch, the Legislative Branch (to the extent that data are available) and the State Retirement Systems; all position data exclude the MnSCU system. In total, the Executive Branch workforce comprises 36,002 positions.

About one in five (19 percent) of the Executive Branch workforce works at the Department of Human Services, the state's largest agency. Transportation and Corrections account for 14 and 12 percent, respectively. The six largest agencies account for 66 percent of the entire Executive Branch workforce. Fourteen percent of staff work in agencies with fewer than 530 appointments. See Figure 1.

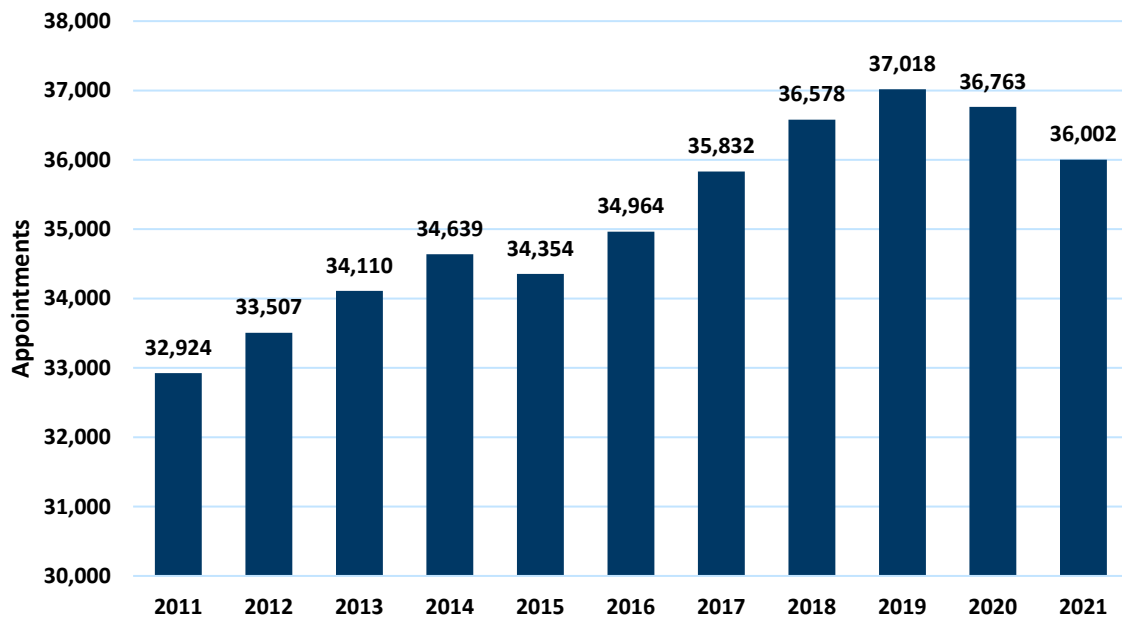
The Executive Branch also includes numerous boards and committees, most of which have fewer than 30 employees, including two with only one employee.

Figure 1: Executive Branch Workforce by Largest Agencies--Number of Appointments and Percent of Total Executive Branch Employment FY 2021



The state's workforce has fluctuated between about 33,000 and 37,000 employees since 2011. Employment in 2021 is down about 760 positions (-2.1 percent) from FY 2020.

Figure 2: Executive Branch Workforce Size, FY 2011-21



Relatively low employment levels in 2011 with an increase in 2012 is due to a large number of retirements resulting from early retirement incentives provided in 2011. The employment increases seen in 2012 and 2013 then may be due in part to filling some of the functions left vacant by these early retirements. Other new state programs and initiatives, such as the creation of MNsure, are also likely to have resulted in net employment gains. An increase in funding for various direct care facilities at the Department of Human Services in FY 2016 likely contributed to increases in FY 2016 and 2017. More recently, executive branch employment has fallen from a peak in FY 2019. This is largely due to COVID-related layoffs and a hiring freeze imposed in FY 2020. Hiring difficulties have persisted with the onset of the “Great Resignation” and may have contributed to the continuing employment decline in FY 2021. The impact of COVID will be covered in more detail near the end of this document.

Individual agency workforce size has fluctuated in the past year for various reasons. See Table 2 for changes at individual agencies. The recent decrease is spread across agencies, with the departments of Human Services, Transportation and Corrections accounting for 700 of the 761 appointments lost in the Executive Branch over the last year. Losses were partially offset by much smaller gains at the departments of Natural Resources (+123), Health (+115), and Employment and Economic Development (+68).

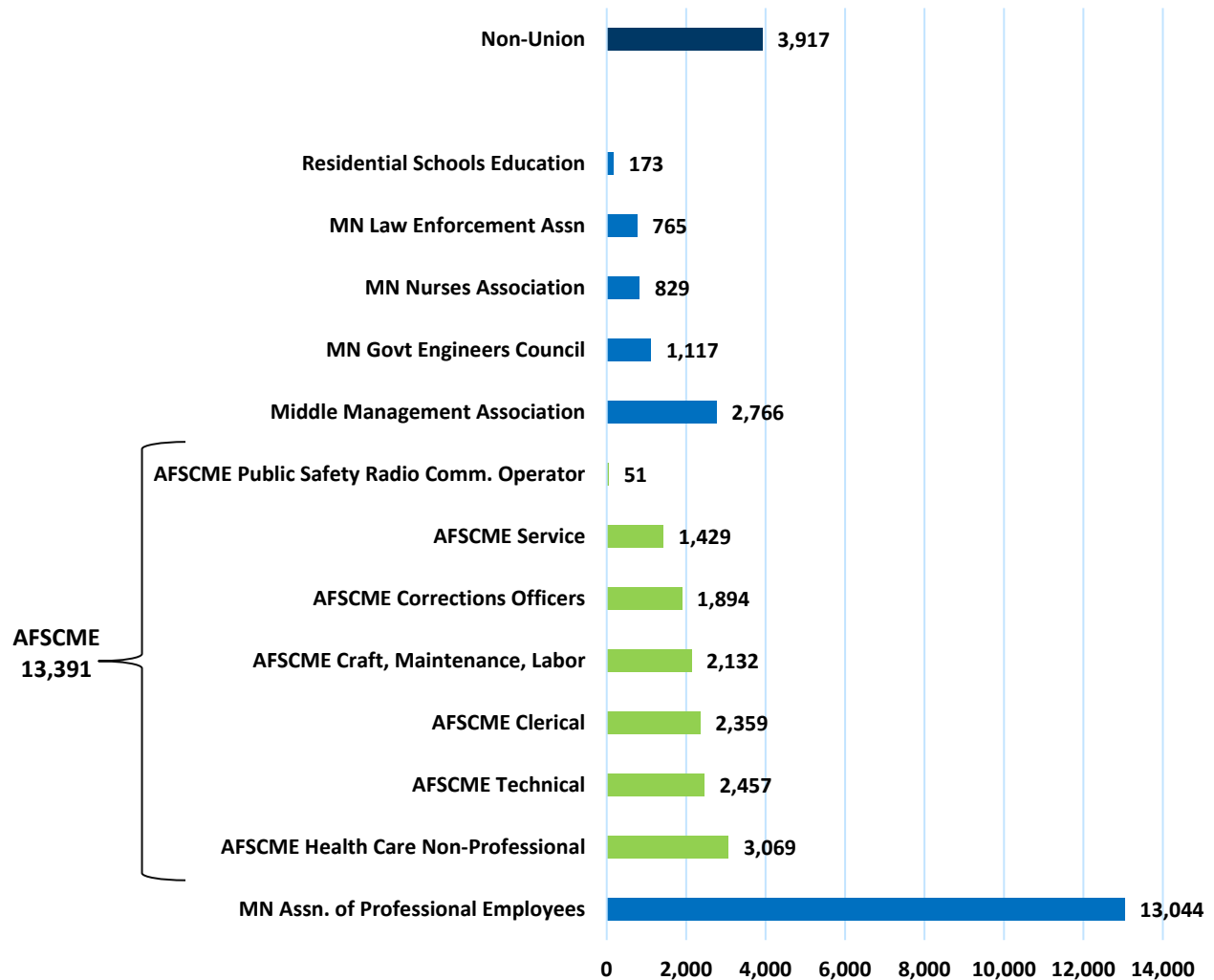
Table 2: Appointments by Largest State Agencies (FY 2021) and Change from FY 2020

Agency	2020 Appointments	2021 Appointments	Change	Percent Change
Human Services	7,290	6,924	-366	-5.0%
Transportation	5,324	5,190	-134	-2.5%
Corrections	4,365	4,165	-200	-4.6%
Natural Resources	2,741	2,864	123	4.5%
MN.IT Services	2,470	2,439	-31	-1.3%
Public Safety	2,063	2,042	-21	-1.0%
Health	1,628	1,743	115	7.1%
Employment & Economic Dev.	1,355	1,423	68	5.0%
Revenue	1,486	1,393	-93	-6.3%
Veterans Affairs	1,450	1,384	-66	-4.6%
Pollution Control Agency	870	869	-1	-0.1%
Agriculture	539	494	-45	-8.3%
Administration	539	494	-45	-8.3%
Military Affairs	492	475	-17	-3.5%
Labor & Industry	446	440	-6	-1.3%
Education	400	397	-3	-0.8%
Attorney General	319	330	11	3.4%
Commerce	340	325	-15	-4.4%
MN State Academies	302	271	-31	-10.3%
Housing Finance Agency	257	265	8	3.1%
MN Zoo	250	264	14	5.6%
MN Management & Budget	259	263	4	1.5%
Lottery	155	152	-3	-1.9%
MNsure	159	152	-7	-4.4%
Water & Soil Resources Bd.	123	119	-4	-3.3%
All Other Agencies	1,120	1,089	-31	-2.8%
Total Appointments	36,763	36,002	-761	-2.1%

Representation

Labor unions represent the vast majority (89 percent) of Executive Branch workforce employees. The largest representative is the American Federation of State, County, and Municipal Employees (AFSCME), which covers about 13,400 appointments, or 37 percent of total Executive Branch employment.

Figure 3: Statewide Executive Branch Workforce by Bargaining Units



The second largest union is the Minnesota Association of Professional Employees (MAPE), accounting for 36 percent of the total Executive Branch workforce and representing about 13,000 appointments who perform a wide array of specialized 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), and State Residential Schools Educators Association (MRSEA).

About 11 percent of Executive Branch appointments are not represented by unions. Terms and conditions of employment for these individuals are, for the most part, covered by the managerial and commissioner plans.

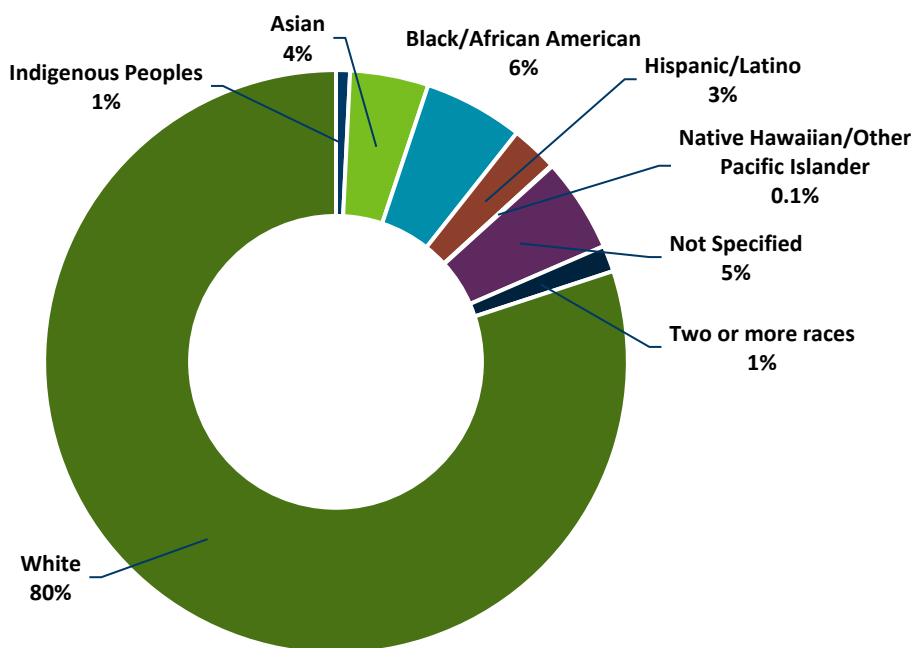
Demographics of the State Executive Branch Workforce

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

Protected Characteristics (Race/Ethnicity, Gender, Disability, and Veteran Status)

Statewide, 80 percent of employees who voluntarily disclosed their racial and ethnic background are White and about 15 percent identify as BIPOC. However, significant racial variation exists by agency. Notably, five percent of staff opt not to report their race/ethnicity.

Figure 4: Detailed Racial Composition of the Executive Branch Workforce



Of all agencies with over 100 employees, MNSure is the most racially diverse, with over 30 percent of its staff identifying as BIPOC. The departments of Veterans Affairs, MN.IT Services, Administration, and the Housing Finance Agency are among the most racially diverse agencies. See Table 3 series.

Individuals with disabilities represent 8.6 percent of the entire Executive Branch workforce. Among larger agencies, the Minnesota State Academies stands as a leader in the employment of individuals with disabilities at 24.4 percent. See Table 3 series.

Across the Executive Branch, 18,119 women and 17,830 men are employed, for a roughly 50-50 female-to-male ratio. However, significant gender variation exists by agency. Five agencies -- Department of Education, Department of Health, Minnesota State Academies, Housing Finance Agency and Department of Veterans Affairs -- 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 percent of employees being male. See Table 3 series.

Table 3 Series: Agencies with the Highest Staffing of Racial/Ethnic Minorities, Employees with Disabilities, Female Employees, and Veterans

Table 3.1: Agencies with the Highest BIPOC Staffing

Agency	BIPOC
MNsure	50 (32.9%)
MN.IT Services	647 (25.3%)
Veterans Affairs	347 (25.1%)
Administration	102 (20.6%)
Housing Finance Agency	52 (19.6%)

Table 3.2: Agencies with the Highest Staffing of Employees with Disabilities

Agency	Employees with Disabilities
MN State Academies	66 (24.4%)
Attorney General	60 (18.2%)
Employment & Economic Dev.	193 (13.6%)
Housing Finance Agency	33 (12.5%)
Lottery	17 (11.2%)

Table 3.3: Agencies with the Highest Female Staffing

Agency	Female Employees
Education	319 (80.4%)
Health	1,316 (75.5%)
Housing Finance Agency	192 (72.5%)
MN State Academies	196 (72.3%)
Veterans Affairs	972 (70.2%)

Table 3.4: Agencies with the Highest Veteran Staffing

Agency	Veteran Employees
Military Affairs	184 (38.7%)
Corrections	504 (12.1%)
Public Safety	238 (11.7%)
Veterans Affairs	130 (9.4%)
MN.IT Services	203 (8.3%)

Across the Executive Branch, about 7 percent of employees indicate they are veterans. Three of the largest agencies employ 10 percent or more veterans. Veterans represent 4 percent of the total employed workforce in Minnesota. See Table 3 series.

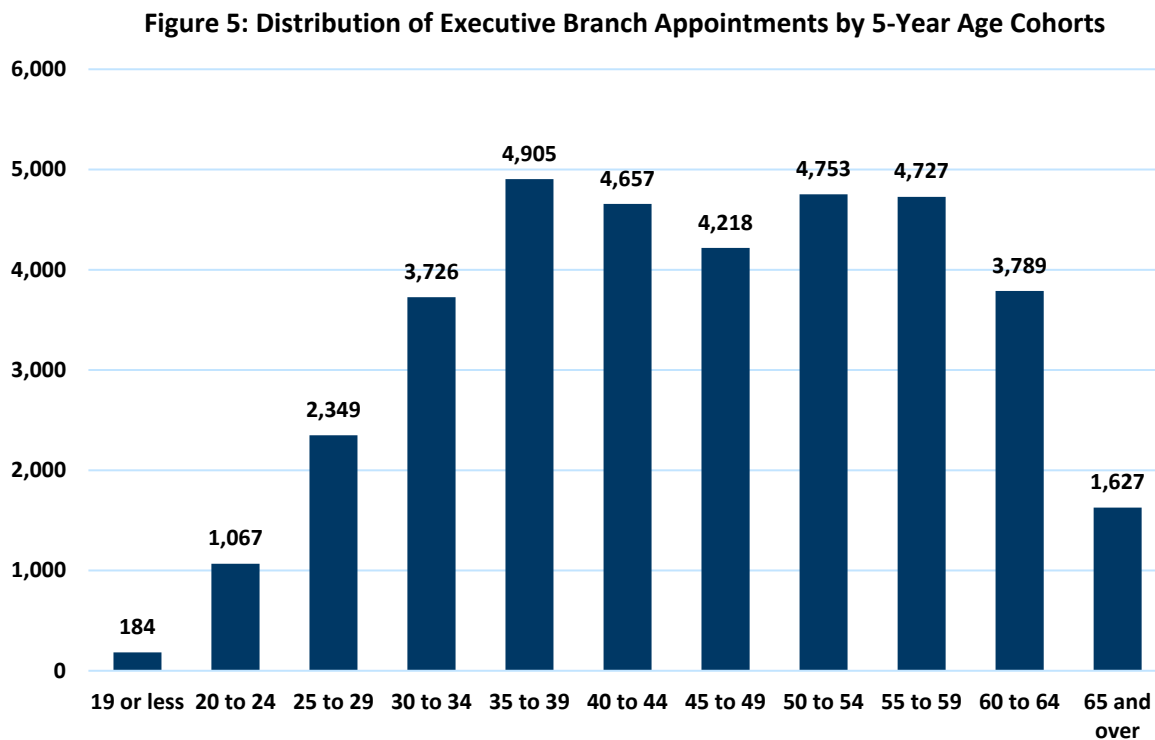
See Appendix Table 1 for a list of the largest agencies and their BIPOC, gender, disability, and veteran service composition.

Age

The median age of the state workforce stands at 46 -- meaning half of the workforce is over 46 and half is under 46. See Figure 5 for a distribution of employees by age. The greatest number of Executive Branch employees fall

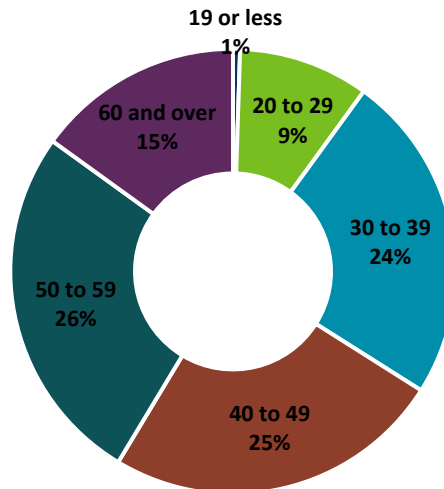
into a grouping of 35 to 39 years old. However, the second largest five-year employee cohort are those age 50 to 54. Forty-one percent of the entire workforce is 50 years or older, raising considerations for impending retirements, workforce planning, and knowledge transfer. Agencies must be prepared with tools to tackle these challenges in the coming years. The Executive Branch Workforce is substantially older than Minnesota's overall workforce with a median age of 38.0 years.¹

Altogether, about 10,000 workers -- nearly 26 percent of the total Executive Branch workforce -- are currently in their 50s. Employees in their 40s make up 25 percent of the workforce while workers in their 30s make up 24 percent of the state workforce. See Figure 6.



¹ US Census American Community Survey 2019. 5-Year Estimates

Figure 6: Distribution of Executive Appointments by Age Cohorts, FY 2021



Age trends vary by agency. Among agencies with 200 or more workers, the Department of Labor and Industry has the oldest workforce, with an average of 52 years. Five other agencies have an average workforce age of 49 years. MNsure is the youngest major agency with an average age of 40 and is also the most racially diverse agency in the executive branch. See Appendix Table 2 for age and retirement data for the largest state agencies.

Executive Branch Workforce Characteristics Relative to Minnesota's Workforce

This section contrasts the major characteristics of the Executive Branch workforce with Minnesota's labor force as a whole to examine how the state's workforce differs significantly from the population. The labor force consists of all Minnesotans over the age of 16 who are employed or unemployed (not working but actively searching for a job).

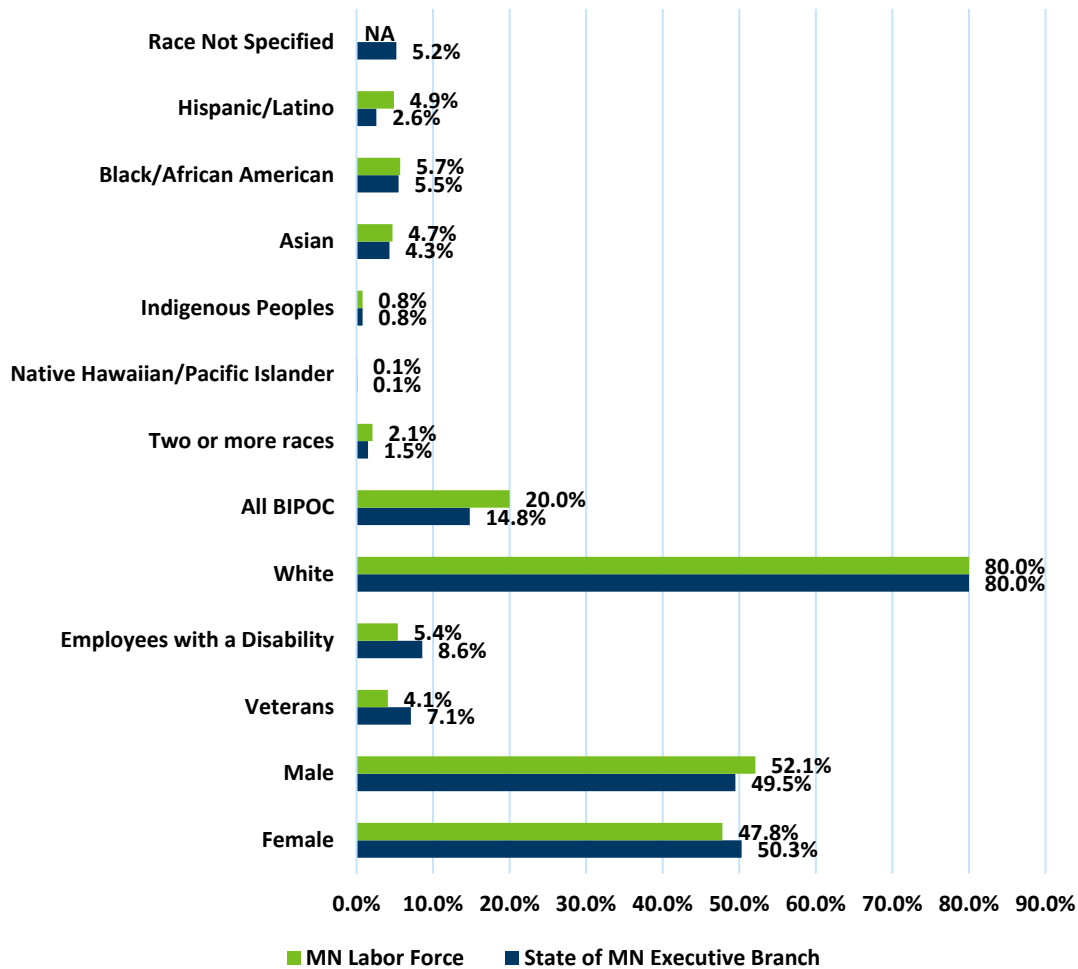
Minnesota's labor force is becoming more diverse as those who identify as BIPOC represent the fastest growing segment of the population. Similarly, the percent of individuals with a disability and veteran workers make up a significant proportion of the workforce. As an employer and a provider of services to this population, it is important that the State of Minnesota have a demographic makeup similar to the population.

The Executive Branch workforce exceeds the state workforce as a whole in terms of the percent of employees who are women (50.3 percent), veterans (7.1 percent) or disabled (8.6 percent). The percent of employees who identify as being an Indigenous Person is comparable between the Executive Branch and the state workforce at 0.8 percent. See Figure 7.

However, the state as an employer differs in terms of BIPOC staffing compared to the Minnesota workforce. About 15 percent of state workers reported being a racial/ethnic minority compared to 20 percent of the Minnesota workforce. The state is very close to matching the Minnesota workforce in the staffing of Indigenous

Persons and is within half of a percentage point for Black/African American and Asian workers. Hispanic/Latino employees are most likely to be underrepresented in Executive Branch employment relative to their share in the overall state workforce. It is important to note that data is not available for the about 5 percent of workers who have not reported their race/ethnicity.

Figure 7: Characteristics of the Executive Branch FY 2021 and the Minnesota Statewide Labor Force, CY 2019



People who identify as BIPOC are making up a larger share of Minnesota’s population and labor force². According to the Minnesota State Demographic Center, this population grew 47 percent between 2005 and 2015 compared to 10 percent for the entire population. Moreover, this demographic is projected to grow 50 percent from 2015 to 2035 compared to 13 percent for the entire population. By 2035, BIPOC persons will make up 25 percent of the population compared to 13 percent in 2015.

² Minnesota Population Projections by Race and Ethnicity 2005-2035. MN State Demographic Center. January 2009.

Beyond natural increase, Minnesota's population is diversifying due to immigration³. Between 1990 and 2019, the percentage of Minnesotans who were immigrants increased from 2.6 percent to 8.4 percent. As of 2019, about 472,000 Minnesotans were born in another country and 75 percent of these are in the workforce. The state has continued to grow because of its attractiveness to immigrants from other nations -- adding about 10,000 annually between 2010 and 2019. Among those groups with the biggest increases (2000 to 2019) are those from Somalia (+25,200), Mexico (+20,700), and India (+19,800). Other groups with past immigration waves but now slowing growth still make up a significant portion of the state's 2019 population including Hmong (29,180) and Vietnamese (17,800).

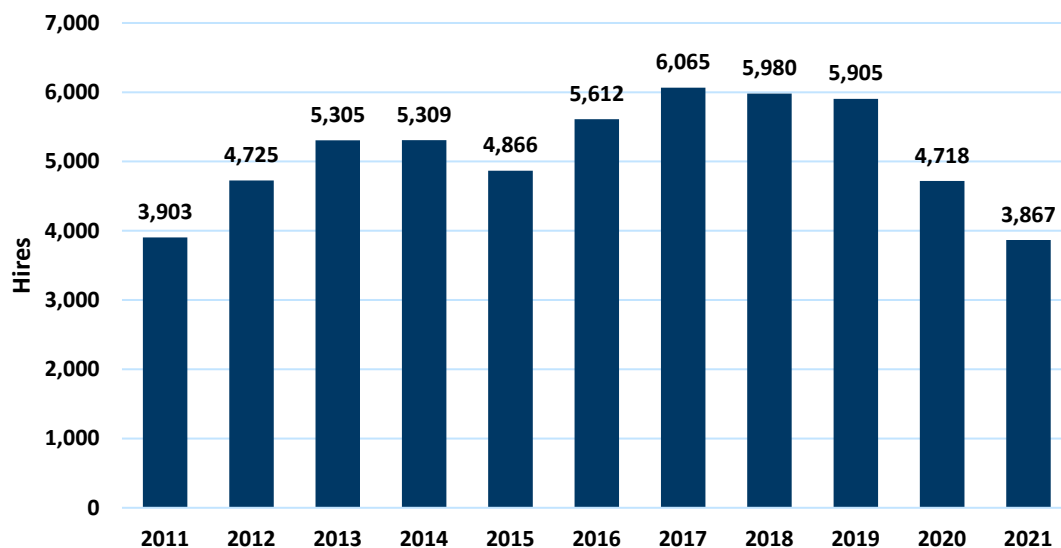
³ MN Compass- <https://www.mncompass.org/topics/demographics/immigration>

Workforce Dynamics: Hiring and Separation

This section contains information about newly hired employees during Fiscal Year 2021, hiring trends over the past decade, the racial/minority status of new hires, and a comparison of the characteristics of new hires versus the entire Executive Branch workforce.

Hiring

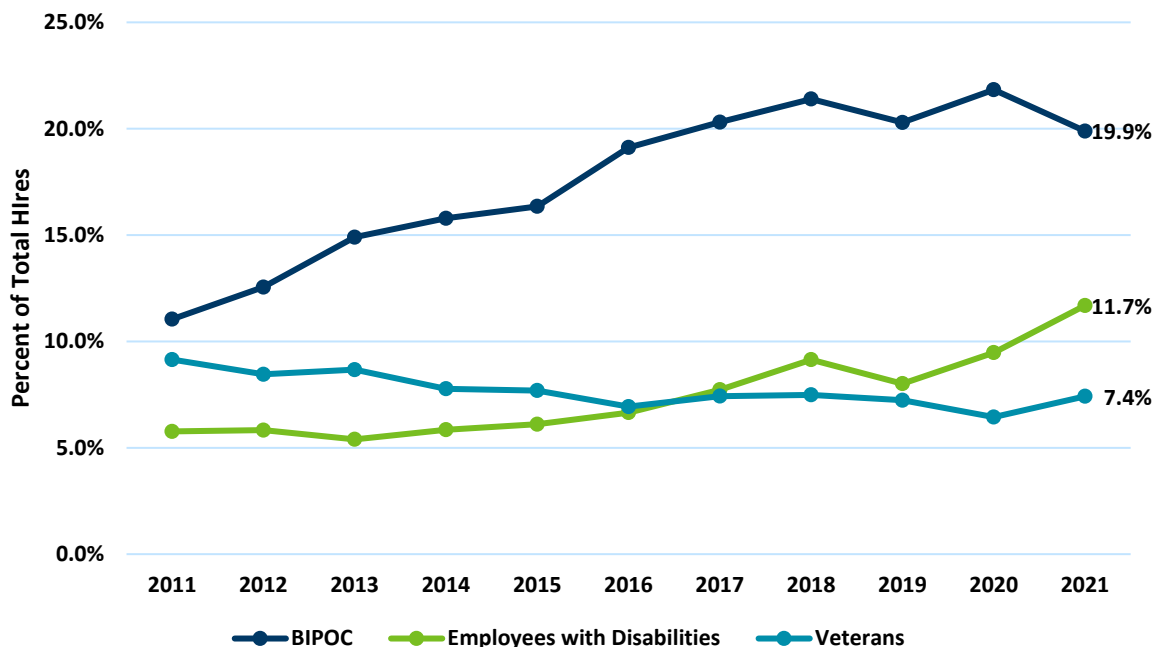
Figure 8: Executive Branch Hires by Fiscal Year, FY 2011-2021



In FY 2021, about 4,000 positions were filled in the Executive Branch with about 851 fewer employees hired than in FY 2020. See Figure 8. The recent decline in hiring is largely due to a hiring freeze that was instituted for 15 months between the last quarter of FY 2020 and all of FY 2021. In each of the last 10 years, over 70 percent of all hires in the Executive Branch were placed in classified positions. In FY 2021, 73 percent of hires were in classified positions.

New Hire Demographics

Figure 9: Executive Branch New Hires by Protected Group as a Percent of Total Hires



The percent of new hires that identify as BIPOC has steadily increased in recent years. In FY 2011, 11 percent of hires identified as BIPOC. In FY 2021, 20 percent of new hires self-identified as BIPOC. It should be noted that employees are not required to report this information. About 13 percent of new hires did not report their racial status in FY 2021. Fifteen percent did not report a disability status.

New hires are significantly younger and more racially/ethnically diverse than the total executive branch workforce. The median age of new hires is 34 years compared to 46 years among all employees. The percentage of new hires that identify as racial or ethnic minorities is greater than the percentage of all minorities in the overall state workforce by 6 percentage points.

Seven percent of new hires in FY 2021 were veterans, a rate similar to the general workforce of 7.1 percent. New hires with disabilities exceed the overall workforce by over 3 percentage points.

Table 4: Characteristics of Executive Branch Hires vs. Total Workforce

FY 2021	New Hires	New Hires %	Total Employees	Total Employees %
Number of employees	3,867	100.0%	36,002	100.0%
Age				
Median age	35	NA	46	NA
Employees age 60+	379	9.8%	5,437	15.1%

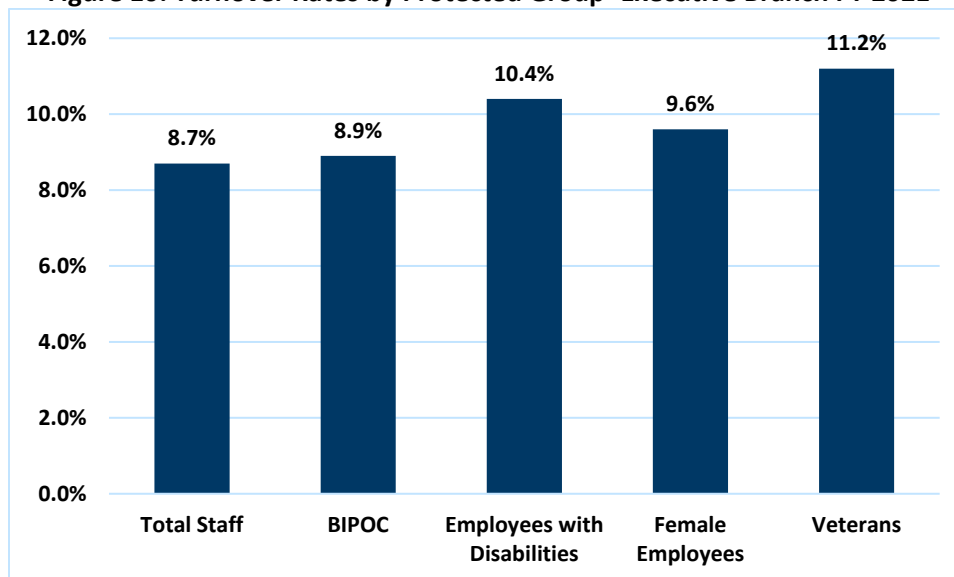
FY 2021	New Hires	New Hires %	Total Employees	Total Employees %
Race				
Race not specified	518	13.4%	1,875	5.2%
Race specified	3,349	86.6%	34,127	94.8%
White	2,580	66.7%	28,816	80.0%
Racial/ethnic minority	769	19.9%	5,311	14.8%
Indigenous Persons	24	0.6%	279	0.8%
Asian/Pacific Islander	166	4.3%	1,565	4.3%
Black/African American	308	8.0%	1,986	5.5%
Hispanic/Latino	161	4.2%	934	2.6%
Two or more races	110	2.8%	524	1.5%
Gender				
Female	2,019	52.2%	18,119	50.3%
Male	1,745	45.1%	17,830	49.6%
Gender not reported	103	2.7%	53	0.1%
Disability Status				
With disability	452	11.7%	3,080	8.6%
No disability	3,415	88.3%	29,536	91.4%
Veteran Status				
Veteran status not specified	504	13.0%	2,801	7.8%
Veteran status specified	3,363	87.0%	33,026	90.1%
Veteran	287	7.4%	2,542	7.1%
Not a veteran	3,076	79.5%	29,886	83.0%

Employee Turnover

Voluntary turnover measures the percent of employees who leave state government in a year for reasons of retirement or resignation. In FY 2021, about 9 percent of all employees voluntarily left state government -- a rate that is fairly typical of most recent years. Managing turnover is important in maintaining the skills and knowledge at the agency and division level.

Turnover differs with various protected groups. Turnover among BIPOC employees is slightly above the level for all employees. See Figure 10. Turnover among employees with disabilities and veterans are 1.7 to 2.5 percentage points higher than the 8.7 percent rate for all employees. Employees in these groups also tend to be older than the average employee and less likely to resign. The average age of veterans and employees with disabilities stands at 48 compared to 46 for all employees. The average age for BIPOC employees is 43. Turnover among women is 0.9 percentage points higher than all employees.

Figure 10: Turnover Rates by Protected Group- Executive Branch FY 2021

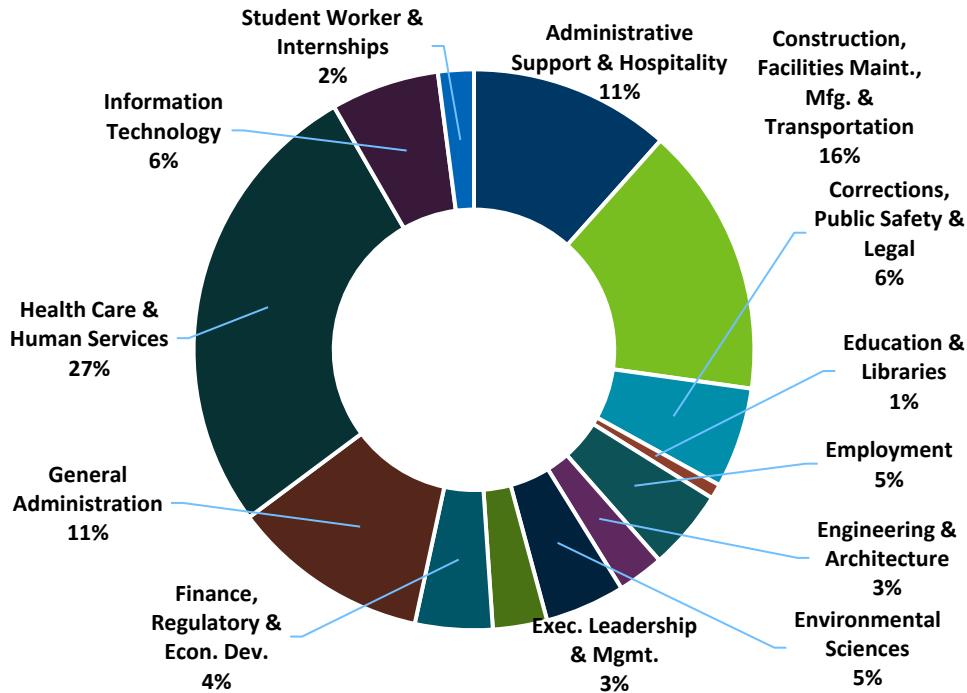


Characteristics of Job Postings and Applicants

There were about 4,703 job postings at the State of Minnesota in FY 2021, spanning a wide variety of occupations. Health and human services; construction, maintenance, manufacturing, and transportation; and administrative support and hospitality account for 54 percent of total job postings. See Figure 11.

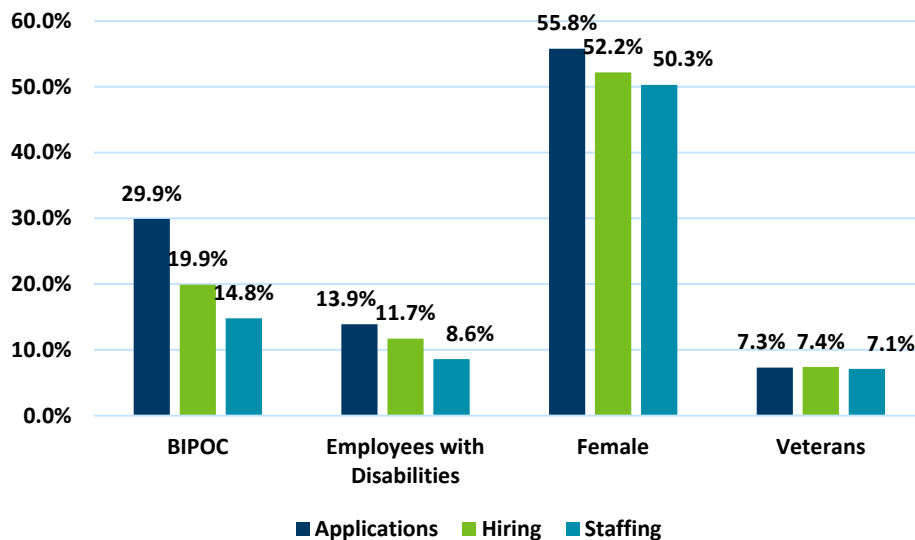
At the level of job classes, Information Technology positions had the most postings with 255 postings in FY 2021. Various Registered Nurse classes followed with 212 postings. Office and Administration jobs represented the third largest category with 205 postings. Human Service Technicians had 204 openings. Student workers and interns had 110 postings, reflecting the state's emphasis on attracting new generations of workers to state service. See Appendix Table 3.

Figure 11: Job Postings by Job Family (FY 2021)



There were about 114,500 applications for executive branch job vacancies in FY 2021. Due to the hiring freeze, applications are down 40 percent from FY 2019. The State of Minnesota continues to draw applications from a diverse applicant pool. Almost 30 percent of applications come from applicants identifying as BIPOC and 14 percent are applicants with disabilities. See Figure 12.

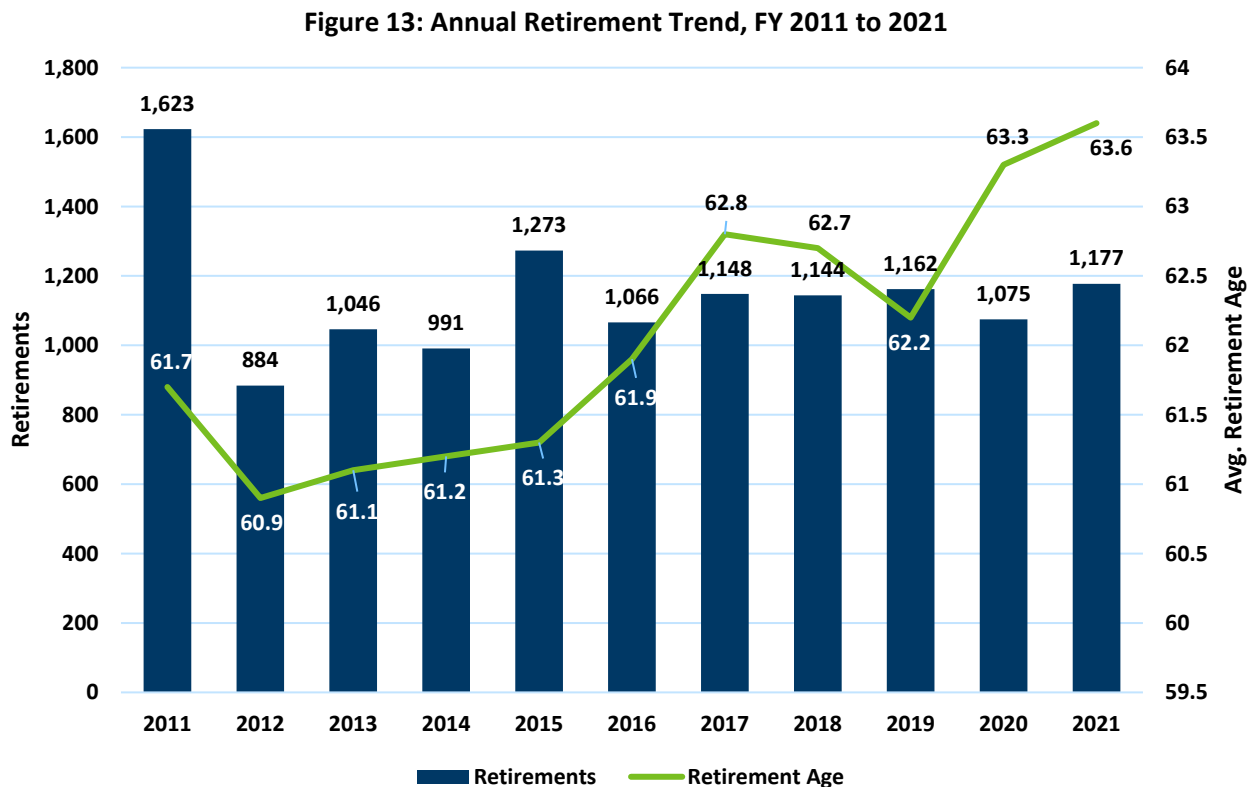
Figure 12: FY 2021 Applications, Hiring and Staffing by Protected Groups



Retirements, the Labor Market and Future Considerations

Retirements

In total, 3 percent of the Executive Branch workforce, about 1,170 employees, retired from public service with the state's Executive Branch in FY 2021 – a slightly higher level than in recent years. This continues a trend of 1,000 or more retirements per year since 2015. The FY 2011 spike in retirements was largely due to an early retirement incentive passed by the Legislature, which had to be in place by the end of FY 2011. Given the age structure of state government, it is likely that we will continue to see over 1,000 retirements annually for several years to come.



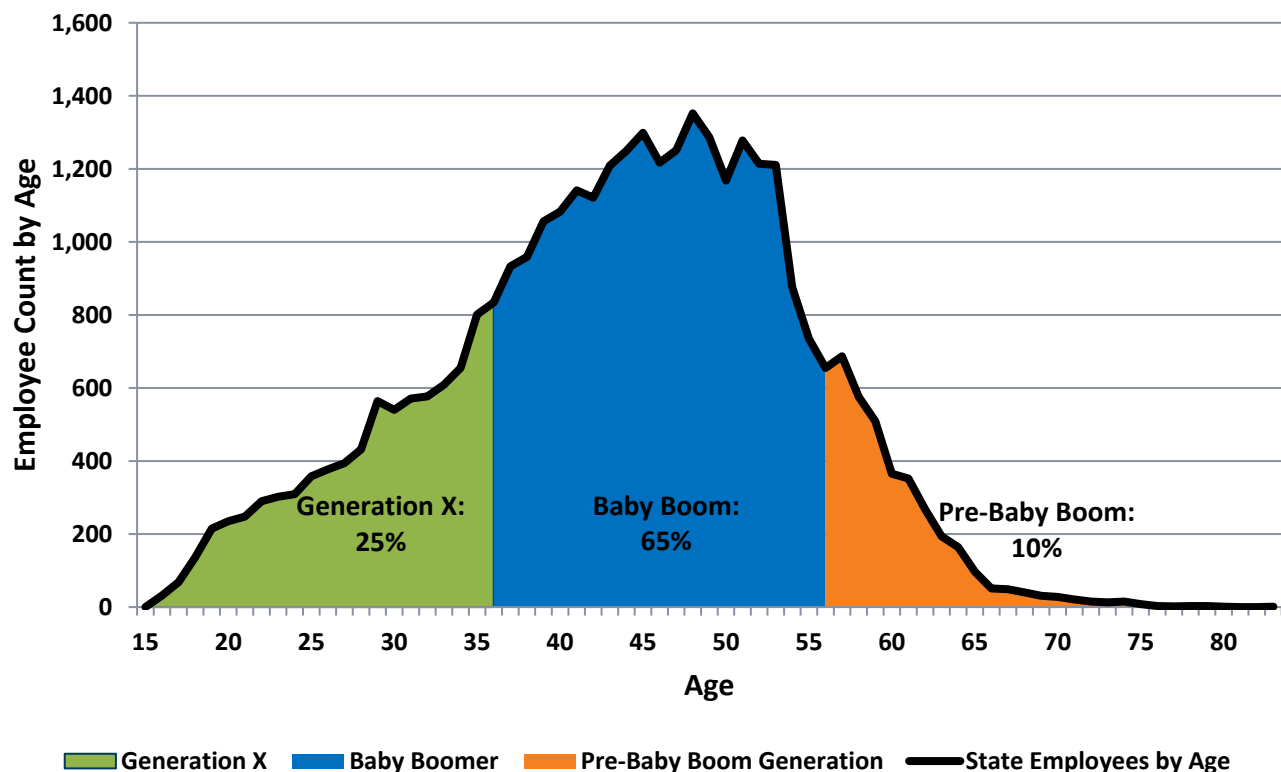
The average age at retirement in FY 2019 is 63.6 years and continues a five-year trend of average retirement age exceeding 62. There are 5,437 employees over 60 years old, an increase of 205 employees since 2019.

With the median age of the workforce being 46 years, 15.1 percent of the workforce 60 years or older, and an additional 26 percent of all employees between 50 and 59 years old, the Executive Branch is in the midst of a retirement wave that is likely to continue through the coming decade, as the Baby Boomers exit the workforce.

Generations in the Executive Branch Workforce

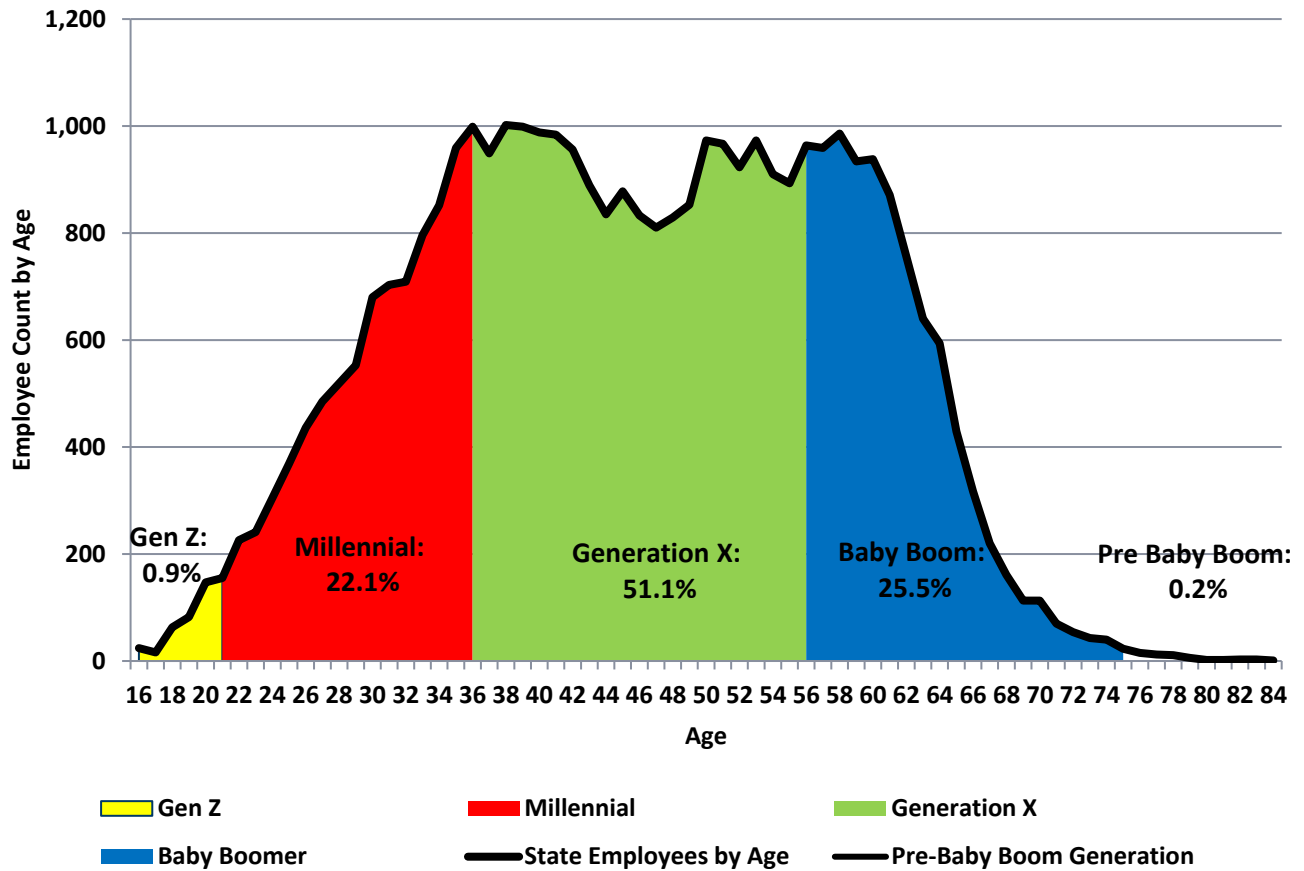
Figures 14 and 15 show the age distribution of Executive Branch employees in 2000 and 2021 respectively. The median age has shifted from 44 in 2000 to 46 in 2021. The Baby Boom Generation, which made up 65 percent of state workers in 2000, now makes up 26 percent of state employment and is second to Generation X in terms of its size. The generation born prior to the Baby Boom Generation -- those born prior to 1945 now make up only 0.2% percent of total employment. See the Definitions and Technical Notes Section for definitions of the various generations.

Figure 14: Distribution of Executive Branch Employees by Age Cohort and Generation (2000)



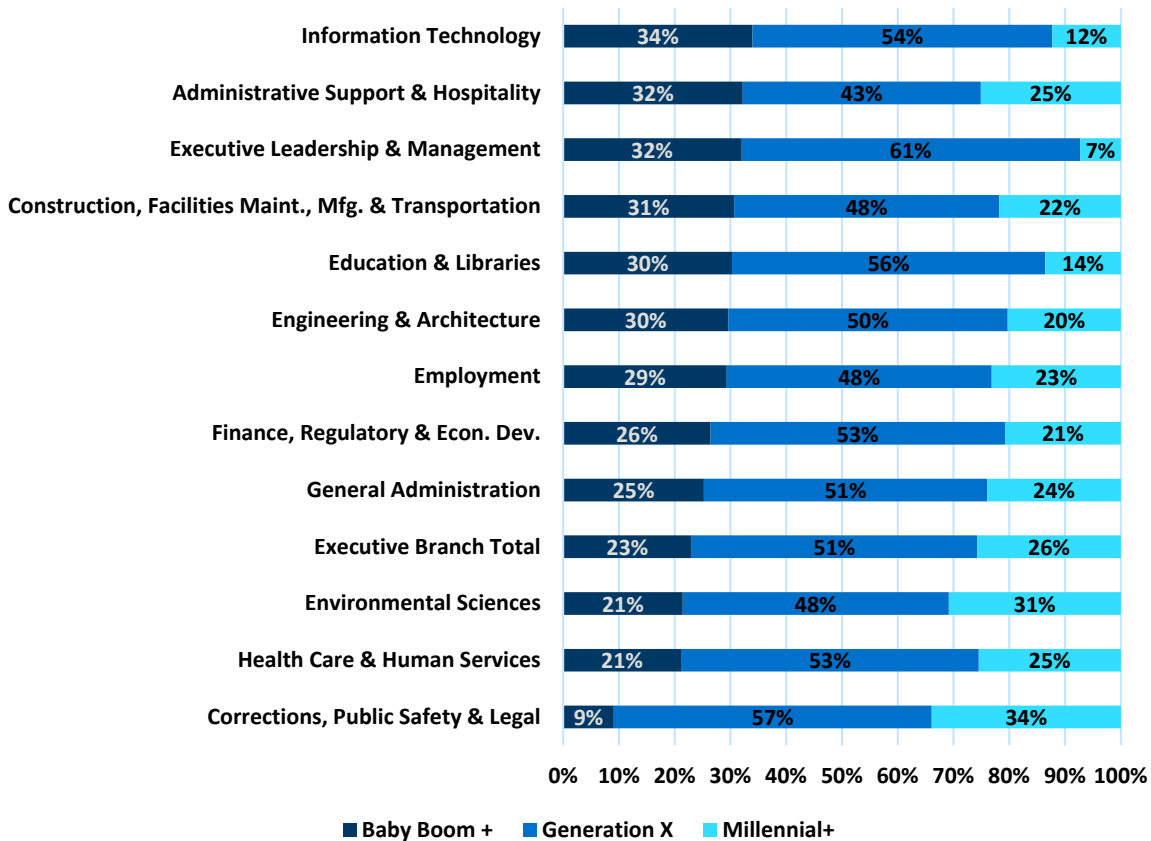
The large peak centered at age 48 in 2000 has been replaced by a 2021 distribution with two peaks. One peak at age 58 represents the largest group of the Baby Boom Generation that is poised to retire. Another peak at age 38 is represented by younger members of Generation X. However, the next generation of workers represented by the Millennial Generation and Gen Z are poised to take its place in state government and already have 23 percent of total employment.

Figure 15: Distribution of Executive Branch Employees by Age Cohort and Generation (2021)



Various state job families have different age structures. See Figure 16. Not surprisingly, Executive Leadership positions are overwhelmingly held by the oldest and most experienced workers. However, information technology and administrative support and hospitality are close behind with 34 and 32 percent of staff being from the Baby Boom Generation. Corrections and Environmental Sciences have the highest levels of Millennial staff.

Figure 16: State Job Families by Generation, FY 2021



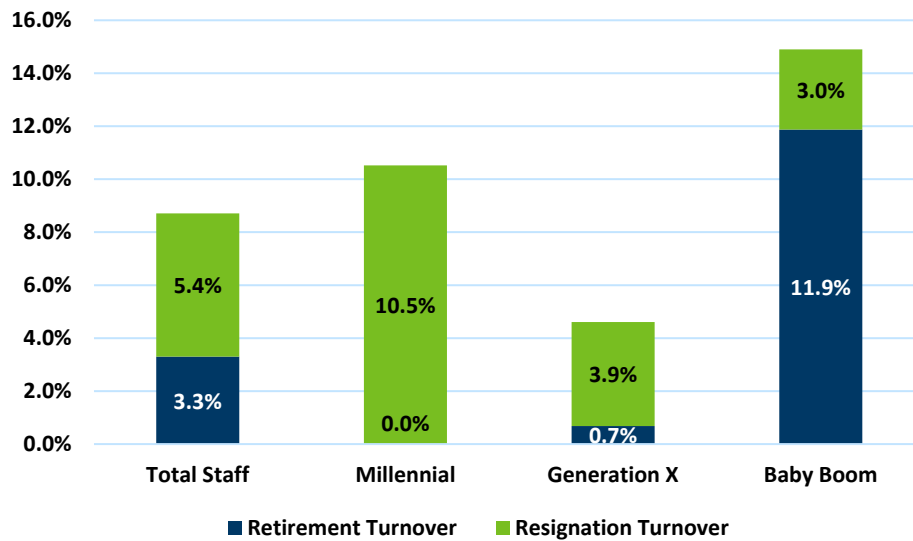
Turnover varies across generational groups, with the Baby Boom Generation having the highest rate (14.9 percent) followed by the Millennial Generation at 10.5 percent. With the oldest age in the Millennial Generation being 36, turnover is entirely due to resignations, with leavers likely finding opportunities outside state service. Separations among the Baby Boom Generation are largely due to retirement -- responsible for 11.9 percent of the total 14.9 percent turnover. Generation X makes up the largest group in state government and is also the most stable, with a turnover rate of only 4.6 percent mostly due to resignations. See Figure 17 for generational turnover rates.

Attracting and retaining the Millennial and subsequent generations will be absolutely essential to the State in delivering services in a shifting demographic and economic landscape. The Office of the State Demographer projects average annual workforce growth of 0.2 percent to 0.4 percent between 2020 and 2050⁴. This represents a substantial slowdown from previous decades when average annual growth rates stood at 1.5 percent (1990-2000) or 1.1 percent (2000 to 2010). Meanwhile, the economy will continue to add jobs -- see the

⁴ Minnesota State Demographic Center. Minnesota's Labor Force Projections by age and sex from 2015-2050.

Labor Market Considerations section. While State government will continue to serve Minnesota employers, it will also be in direct competition with those employers for the present and next generations of workers.

Figure 17: Voluntary Turnover by Generation, FY 2021



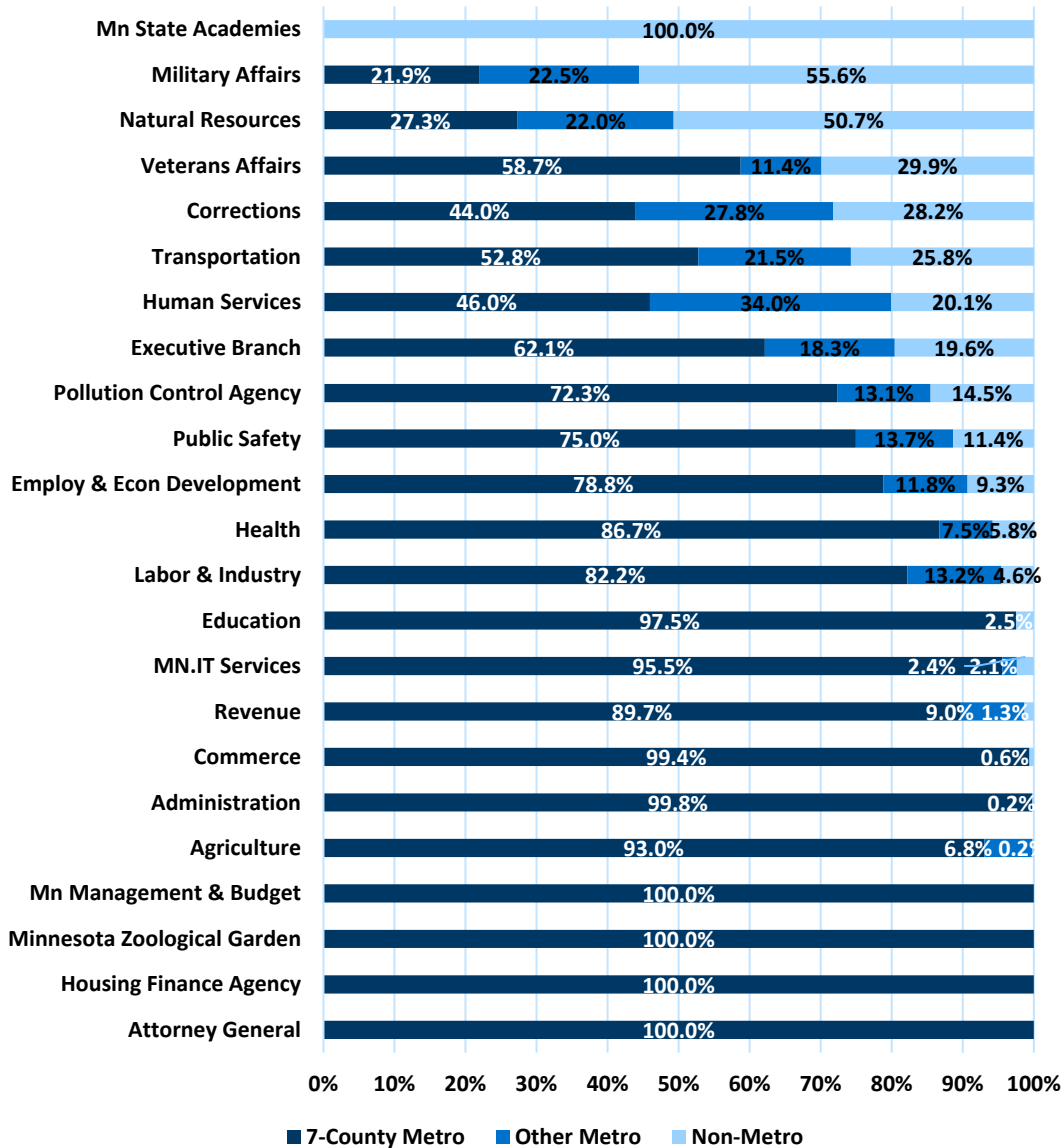
Regional Employment

The state's Executive Branch workforce is distributed across the entire state with employees reporting to workplaces in 86 out of 87 counties. Red Lake County is the only county without Executive Branch employees. A small number of employees (about 50, or 0.1 percent) work in out-of-state locations.

As home to the State Capitol and most agencies, Ramsey County hosts the largest number of employees (48 percent of the total, representing 17,189 employees). Sixty-two percent of the state's Executive Branch employees work in the Twin Cities seven-county metropolitan area while 38 percent work throughout greater Minnesota. See Appendix Table 4 for a list of employee counts by county.

Because the nature of the work of each state agency is different, agencies differ in the geographic distribution of jobs among the metropolitan and non-metropolitan regions. Figure 18 shows agency employment distribution by Twin Cities Metro (seven-county), other metro (e.g., Duluth, St. Cloud, Rochester, Mankato, Fargo, Grand Forks and La Crosse) and non-metro areas. About 18 percent of state staff work in these other metro areas while 20 percent work in non-metro areas.

Figure 18: Distribution of Executive Branch Jobs by Metro/Non-Metro Regions



Since the Minnesota State Academies for the Deaf and the Blind is located in Faribault, 100 percent of its employment is non-metropolitan. The Department of Transportation's district offices, the Department of Human Services' regional treatment centers, Veterans homes and state correctional facilities are major employment hubs for workers outside the Twin Cities metro area. These and other agencies show a mix of employment across geographic types and face staffing opportunities and challenges particular to regional labor markets.

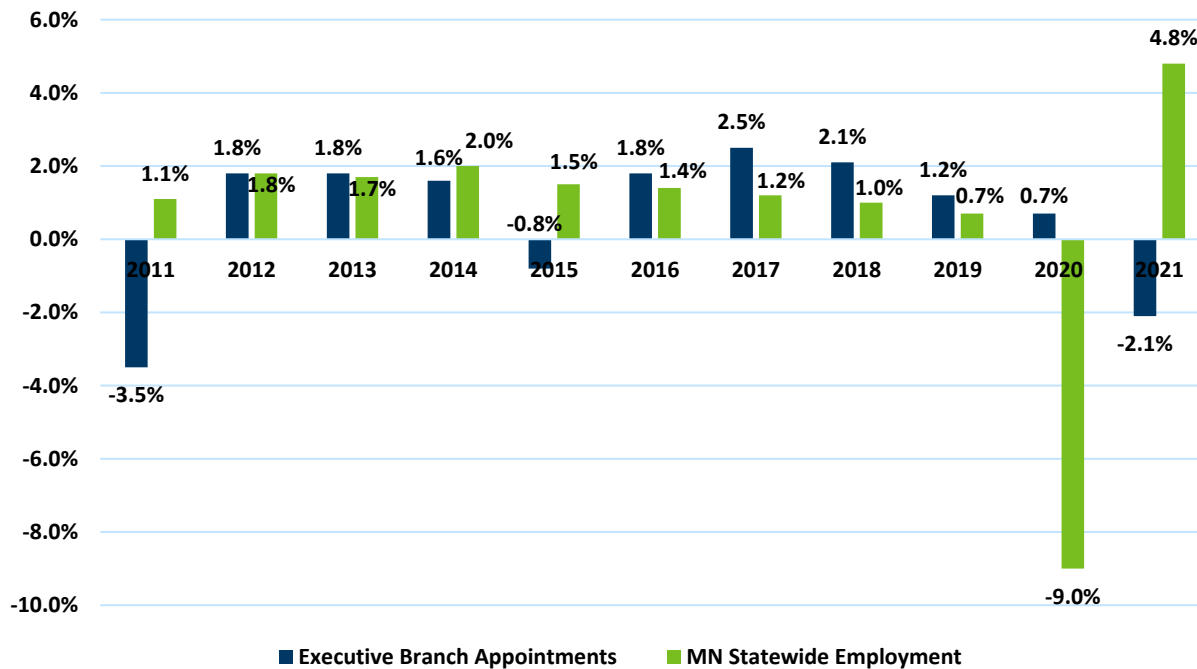
Labor Market Considerations

Between FY 2020 and 2021, the size of the State of Minnesota Executive Branch declined by 2.1 percent. See Figure 19. During the same period, the state job market grew by about 130,000 jobs -- and increase of almost 5 percent. However, the historically large increase in state employment came after a very rapid COVID-related decrease of 9 percent in FY 2020. At that time, state government employment continued to grow 0.7 percent. COVID-related layoffs in state government and a hiring freeze didn't take place until relatively late in FY 2020 extending in FY 2021. The 2021 decline in state government employment represents the lag in labor market trends that state government often witnesses after economic shocks. Prior to FY 2021, Executive Branch employment exceeded statewide employment growth in 6 out of 10 years. The previously discussed retirement incentives launched in 2010 resulted in Executive Branch employment losses relative to the economy in 2011.

As an employer, the state faces a tightening labor market. The unemployment rate of 4.0 percent in July 2021 is 4.9 percentage points lower than in July 2020 when it stood at 8.9 percent. The state unemployment rate peaked at 11.1 percent in May 2020. The Minnesota Department of Employment and Economic Development (DEED) reports that job openings in the second quarter of 2021 are up 84.1 percent from the previous year -- providing opportunities to new entrants into the labor market as well as the unemployed and incumbent workforces. As of Q2 2021, there were more job openings than unemployed individuals. Minnesota's labor force participation rate (the percent of persons over 16 employed or looking for a job) reached 65.1 percent on June 2021. This is about 6 percentage points higher than the U.S. figure. However, it is well below the peak of 68 percent seen at the end of calendar year 2019. At the time of writing this document, there was a high degree of speculation around whether dropping participation is due to retirements or younger workers simply dropping out of the labor market. Regardless, lower participation rates will make it more difficult for the state to fill positions and fulfill strategic goals.

DEED's Labor Market Information Office projects employment in Minnesota to grow 4.7 percent (adding 149,000 new jobs) between 2018 and 2028. This is a relatively slow rate of job growth but it does not include the replacement openings driven by resignations and retirements. The State of Minnesota is in direct competition with Minnesota's other employers in attracting a qualified workforce. Even if labor force participation improves with younger worker reentry, the Baby Boom Generation will continue to exit the labor force. As the economy grows the state will be challenged to find replacements for its own aging workforce while recruiting qualified staff for new initiatives.

Figure 19: Annual Employment Growth
Minnesota Executive Branch vs. Minnesota Statewide Employment* (FY 2011 to 2021)



* MN Dept. of Employment and Economic Development, Current Employment Statistics

The Impact of COVID-19 and the “Great Resignation”

The onset of COVID-19 directly impacted the way state employees deliver services while altering the overall makeup of the state workforce. Beyond the expansion of remote work and the extraordinary measures put in place to deliver face-to-face services to clients, the State was challenged by limited layoffs, a hiring freeze and the provision of a new array of COVID-related leave benefits. Furthermore, in the wake of COVID-19, the national labor market has witnessed the “Great Resignation.” While the magnitude and characteristics of this mass-resignation are still poorly understood, there is evidence that the State is also being impacted by a rise in workforce turnover and potential difficulty in hiring in some positions.

Early Impacts of COVID-19 on the State Workforce

The onset of COVID-19 challenged the state to meet new obligations in monitoring the disease and managing its economic fallout. In the 12 months from April 2020 through March 2021 most agencies witnessed declining employment counts due to a hiring freeze (covered in the next section). However, two agencies stand out for increasing their employment during this time.

The Minnesota Department of Health increased staffing by 245 employees -- an increase of 15.2 percent over 12 months. Hiring took place among a variety of job classes but was particularly high among Epidemiologists (+26,

+153%), Health Program Representatives (+27, +15%) and Nursing Evaluators (+16, +12%). The Department of Health also hired an additional 18 Student Workers to serve as pandemic trackers. In addition, numerous employees from such disparate agencies as the departments of Transportation, Revenue and Natural Resources were redeployed to pandemic tracking and other administrative roles.

The Department of Employment and Economic Development (DEED) witnessed growth of 73 employees, or 5 percent, over 12 months. DEED was tasked with managing the provision of unemployment insurance benefits around an unprecedented wave of layoffs in addition to managing new federal provisions around those benefits. As a result, DEED increased staffing of Unemployment Insurance Analysts by 49 employees (+42%). This was in addition to other job classes including Compensation Attorneys (+10), Disability Examiners (+16) and Unemployment Insurance Program Specialists (+7).

One of the earliest impacts of COVID on the State workforce was seen in layoffs. There were 57 permanent layoffs in FY 2020, with most of those taking place in the first six months of the 2020 calendar year. There were an additional 55 permanent layoffs in FY 2021, with the majority of those happening in the last six months of calendar year 2020. These figures compare to 30 layoffs in a more typical FY 2019. The uptick in FY 2020 layoffs was mostly due to layoffs in public-facing positions at the Minnesota Zoo. Since the facility was not considered essential, it was closed to the public as many other entertainment and educational facilities were closed by executive order.

Losses in early FY 2021 were largely led by layoffs at the Department of Corrections (29) and Explore Minnesota Tourism (8). Layoffs in Corrections included various positions in educational and training programs which were curtailed due to COVID restrictions on inmate gathering. Layoffs at Explore Minnesota Tourism were largely in customer service roles supporting the state's (now weakened) tourism industry.

It should be noted that 35 percent of those laid off in FY 2020-2021 have been reemployed within the executive branch as of January 2022. Some were recalled to their former agencies while some found other opportunities within state government.

The Hiring Freeze and Ongoing Impacts

Anticipating a loss of revenue, the State implemented a hiring freeze on March 27, 2020 that was discontinued on July 1, 2021 -- roughly 15 months in duration. During this period, only vacancies determined to be essential were filled. Since this hiring freeze was in effect for the entirety of FY 2021, the impacts of the policy have been noted throughout this document and are summarized in the table below.

Table 5: Summary of Workforce Metrics FY 2019 through FY 2021

Metric	FY 2021 Level	Change from FY 2020	Change from FY 2019
Employment	36,002	-761 (-2.1%)	-1,016 (-2.7%)
Job Postings	4,526	-690 (-13.2%)	-2,222 (-32.9%)
Job Applications	114,515	-32,645 (-22.2%)	-76,624 (-40.1%)
Hiring	3,867	-851 (-18.0%)	-2,038 (-34.5%)

Metric	FY 2021 Level	Change from FY 2020	Change from FY 2019
Resignations	1,916	-20 (-1.0%)	-274(-12.5%)
Retirements	1,177	+102 (+9.5%)	+15 (+1.3%)
Voluntary Turnover Rate	8.7%	+0.3%	-0.8%

As noted in Figure 2 and Table 5, total state employment has declined by about 1,000 jobs since FY 2019. Because of the hiring freeze, total hires in FY 2021 declined by about 35% compared to FY 2019, with job postings and job applicants falling 33 percent and 40 percent, respectively. Fortunately, resignations declined by 13 percent over the same period while the two-year retirement level increased only slightly (+1.3%). Voluntary turnover rates actually declined by about 1 percentage point over two years to a FY 2021 level of 8.7 percent. Higher levels of separation combined with lower levels of hiring may have exacerbated worker shortages in some agencies and divisions.

However, in the six months since the end of FY 2021, conditions have shifted substantially. For the first six months of FY 2022, resignations and retirements stood at 1,355 and 670, respectively, for a total of 2,025 voluntary separations. Using the first six months of FY 2019 for reference, resignations are up 25.1 percent while retirements are up 20.1 percent with total voluntary separations up 23.4 percent. The six-month voluntary turnover rate for FY 2022 stands at 5.8 percent compared to 4.6 percent and 4.0 percent for the first 6 months of FY 2019 and 2020 respectively. Note that these turnover rates are low compared to the typical fiscal year turnover rate since they represent only six months of a given year. A FY 2022 voluntary turnover rate between 11 and 12 percent is possible and would be historically very high.

At the time of writing, the State is witnessing difficulty hiring some key job classes. Some of the job classes listed in Appendix Table 3 (*e.g.*, nurses, human services technicians, correctional officers, etc.) are experiencing high employee turnover coupled with relatively low numbers of qualified applicants. These (and other) hardtofill job classes represent a tangible challenge to the state in terms of providing quality services to clients.

Appendices

Appendix Table 1: Demographic Composition of the Largest Executive Branch Agencies FY 2021

Executive Branch Agency	Total Appointments	Racial/Ethnic Minority	White	Female/Male Ratio	Persons with Disabilities	Veterans
Human Services	6,924	18.8%	77.3%	67.4%/32.5%	9.1%	4.5%
Transportation	5,190	10.4%	86.5%	22.5%/77.4%	6.0%	7.9%
Corrections	4,165	10.0%	85.6%	41.6%/58.4%	7.8%	12.1%
Natural Resources	2,864	5.7%	88.4%	40.3%/59.1%	7.2%	5.0%
MN.IT Services	2,439	25.3%	69.9%	35.4%/64.6%	9.2%	8.3%
Public Safety	2,042	15.1%	78.7%	44.4%/55.6%	7.5%	11.7%
Health	1,743	15.1%	78.5%	75.5%/24.0%	9.1%	2.8%
Employment & Economic Dev.	1,423	16.9%	75.8%	68.7%/31.2%	13.6%	6.2%
Revenue	1,393	18.4%	76.5%	55.9%/44.1%	9.8%	3.8%
Veterans Affairs	1,384	25.1%	63.5%	70.2%/29.4%	10.4%	9.4%
Pollution Control Agency	869	10.0%	84.1%	49.8%/50.2%	6.3%	3.0%
Agriculture	530	8.5%	81.9%	51.7%/47.2%	4.9%	4.5%
Administration	494	20.6%	73.9%	44.3%/55.7%	10.3%	5.5%
Military Affairs	475	6.1%	89.9%	20.8%/79.2%	3.2%	38.7%
Labor & Industry	440	12.3%	83.6%	45.0%/54.8%	10.5%	7.0%
Education	397	15.9%	79.6%	80.4%/19.6%	9.8%	2.3%
Attorney General	330	19.4%	79.4%	60.6%/39.4%	18.2%	1.8%
Commerce	325	11.7%	81.8%	51.1%/48.9%	8.0%	5.5%
MN State Academies	271	1.1%	86.3%	72.3%/27.7%	24.4%	1.1%
Housing Finance Agency	265	19.6%	77.4%	72.5%/27.5%	12.5%	1.9%
MN Zoo	264	5.7%	85.6%	57.6%/42.4%	6.4%	3.4%
MN Management & Budget	263	16.7%	79.5%	69.6%/30.4%	8.7%	3.4%
Lottery	152	15.8%	80.9%	53.3%/46.7%	11.2%	7.2%
MNsure	152	32.9%	64.5%	63.2%/36.8%	6.6%	0.0%
Water & Soil Resources Bd.	119	2.5%	87.4%	42.0%/58.0%	3.5.0%	1.7%
All Other Agencies	1,089	16.9%	73.8%	66.2%/33.5%	9.5%	3.9%
Total Appointments	36,002	14.8%	80.0%	50.3%/49.5%	8.6%	7.1%

Appendix Table 2: Employee Age and Service Demographics by Largest Agency (FY 2021)

Agency	Average Age	Average Years of Service	Total Retirements	Retirement Change from FY 2020
Human Services	45.0	11.1	209	47
Transportation	46.7	13.7	158	-6
Corrections	43.5	12.2	176	28
Natural Resources	45.4	14.7	84	-2
MN.IT Services	49.6	13.5	77	3
Public Safety	43.5	12.1	69	3
Health	45.4	11.7	55	8
Employment & Economic Dev.	47.4	13.0	58	5
Revenue	44.6	12.4	39	16
Veterans Affairs	46.7	10.2	42	5
Pollution Control Agency	44.6	14.9	31	-4
Agriculture	46.8	12.7	15	4
Administration	48.9	11.3	22	5
Military Affairs	43.3	9.9	11	0
Labor & Industry	51.9	14.5	20	5
Education	49.0	13.0	11	-3
Attorney General	44.3	9.8	13	4
Commerce	48.5	13.7	11	-4
MN State Academies	49.3	17.4	10	5
Housing Finance Agency	47.2	10.5	8	0
MN Zoo	41.2	10.6	7	-1
MN Management & Budget	46.0	11.5	3	-7
Lottery	47.2	14.6	5	-5
MNsure	38.2	4.6	3	-6
Water & Soil Resources Bd.	45.8	13.5	4	3
Total Appointments	45.7	12.5	1,177	102

Appendix Table 3: Occupations with the Most Job Postings in FY 2021⁵

Occupation Group	Job Family	Postings
Information Technology Specialists	Information Technology	255
State Program Administrators	Program Administration	233
Registered Nurses	Health Care & Human Services	212
Office & Administrative Specialists	Administrative Support & Hospitality	205
Human Services Technicians	Health Care & Human Services	204
Licensed Practical Nurses	Health Care & Human Services	129
Transportation Generalists	Construction, Maint., Manufacturing & Transportation	117
Clinical Program Therapists	Health Care & Human Services	112
Student Workers and Interns	Student Workers and Interns	110
Food Service Workers	Administrative Support & Hospitality	100
State Program Administrator Managers & Directors	Executive Leadership & Management	93
Human Services Program Reps.	Health Care & Human Services	87
Management Analysts	General Administration	85
Engineers	Engineering & Architecture	82
Customer Services Specialists	Administrative Support & Hospitality	82
Building & Grounds Workers	Construction, Maint., Manufacturing & Transportation	80
Correctional Officers	Corrections, Public Safety & Legal	77
General Maintenance Workers	Construction, Maint., Manufacturing & Transportation	76
Parks & Trails Associate	Environmental Sciences	73
Planners	General Administration	47
Environmental Specialists	Environmental Sciences	41
Accounting Officers	Finance, Regulatory & Economic Development	39
Central Svcs. Admin.Specialists	Administrative Support & Hospitality	37
Skills Development Specialists	Rehabilitation Therapy	37
Human Services Supervisors	Health Care & Human Services	35
Human Svcs. Program Consultants	Health Care & Human Services	32
Health Program Representatives	Public Health	30
Human Resources Specialists	Employment	29
Behavior Modification Assistants	Health Care & Human Services	28
Human Svcs. Manager	Health Care & Human Services	28
Research Analysts	General Administration	28
Transportation Specialists	Construction, Maint., Manufacturing & Transportation	28
Transportation Program Specialists	Construction, Maint., Manufacturing & Transportation	27
Accounting Technicians	Finance, Regulatory & Economic Development	26
Information Officers	General Administration	26
Engineering Specialists	Engineering & Architecture	25
Cook	Administrative Support & Hospitality	24
Chemical Dependency Prog. Asst.	Health Care & Human Services	24
Groundskeepers	Construction, Maint., Manufacturing & Transportation	23

⁵ A job posting may have more than one opening for a given job.

Occupation Group	Job Family	Postings
Laborers, General	Construction, Maint., Manufacturing & Transportation	23
Rehabilitation Counselor	Rehabilitation Therapy	23
Rehabilitation Representative	Rehabilitation Therapy	22
Total Job Postings		4,703

Appendix Table 4: Executive Branch Employment by County FY 2021

County	Employment Count	County	Employment Count
Aitkin	45	Martin	34
Anoka	1,222	McLeod	85
Becker	292	Meeker	17
Beltrami	490	Mille Lacs	61
Benton	46	Morrison	303
Big Stone	15	Mower	86
Blue Earth	385	Murray	16
Brown	81	Nicollet	1,392
Carlton	941	Nobles	30
Carver	43	Norman	5
Cass	76	Olmsted	544
Chippewa	30	Otter Tail	463
Chisago	423	Pennington	98
Clay	103	Pine	156
Clearwater	16	Pipestone	14
Cook	31	Polk	107
Cottonwood	88	Pope	28
Crow Wing	753	Ramsey	17,189
Dakota	707	Redwood	41
Dodge	58	Renville	18
Douglas	140	Rice	1,087
Faribault	14	Rock	225
Fillmore	68	Roseau	54
Freeborn	36	Scott	315
Goodhue	255	Sherburne	444
Grant	18	Sibley	7
Hennepin	1,491	St Louis	1,066
Houston	21	Stearns	406
Hubbard	263	Steele	132
Isanti	158	Stevens	43
Itasca	317	Swift	6
Jackson	9	Todd	10
Kanabec	18	Traverse	6
Kandiyohi	396	Wabasha	35
Kittson	19	Wadena	44
Koochiching	41	Waseca	12
Lac Qui Parle	4	Washington	1,324
Lake	248	Wilkin	4

County	Employment Count	County	Employment Count
Lake of the Woods	31	Winona	118
Le Sueur	57	Wright	138
Lincoln	5	Yellow Medicine	14
Lyon	191	Outside Minnesota	52
Mahnomen	20	County Not Known	54
Marshall	15		

Definitions and Technical Notes

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.

Baby Boom Generation: The U.S. population born between 1946 and 1964 according to Harvard University's Joint Center for Housing Studies.

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

Classified: Most positions in state government are designated as classified status. Classified positions require open competition under state law and a probationary period to obtain permanent status. (Compare to [unclassified](#) below.)

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 Minnesota Statute 43A that have statewide jurisdiction and are not within the Legislative or Judicial branches of government.

Fiscal Year: State government fiscal year runs July 1 of one year through June 30 of the following year. Fiscal year 2018 runs from July 1, 2017 through June 30, 2018 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 2,080hour 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.

Generation X: The U.S. population born between 1965 and 1984 according to Harvard University's Joint Center for Housing Studies.

Gen Z: The U.S. population born after 2000 according to Harvard University's Joint Center for Housing Studies.

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 state workers was 48 years (half were younger and half were older).

Millennial Generation: The U.S. population born after 1985 and before 2001(?) according to Harvard University's Joint Center for Housing Studies.

Turnover: For the purposes of this report, turnover is defined as being due to staff voluntarily leaving state government through resignation or retirement. The number of staff leaving in a year is divided by the total number of staff as of Q4, 2018.

Twin Cities Region: The seven counties of Minnesota encompassing Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties.

Unclassified: Jobs designated as unclassified status are [specifically designated in statute](#). They are specifically identified, such as elected officials, heads of agencies, judicial branch employees, legislative employees, and academic positions. Other statute allows for professional, managerial, or supervisory positions to have a maximum duration of up to three years.

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