

000634

This document is made available electronically by the Minnesota Legislative Reference Library as part of an ongoing digital archiving project. <http://www.leg.state.mn.us/lrl/lrl.asp>
(Funding for document digitization was provided, in part, by a grant from the Minnesota Historical & Cultural Heritage Program.)

SMOKECHASER COVERED EMPLOYMENT RECOMMENDATION

Minnesota Department of Natural Resources
Division of Forestry

RECEIVED

DEC 22 2000

LEGISLATIVE REFERENCE LIBRARY
STATE OFFICE BUILDING
ST. PAUL, MN 55155

October 13, 2000



Purpose

This report provides an analysis and recommendation on the inclusion of smokechasers employed by the Department of Natural Resources (DNR) as covered employees¹, in accordance with Laws of 2000, Chapter 485, Section 29.

Firefighting Personnel

The Division of Forestry is obligated to provide protection from wildfires on state and private ownership throughout the state of Minnesota per Minn. Stat. § 88.08. Firefighters are needed from March to December of each year. The fire season usually occurs during two separate time periods. The first season typically occurs for two months in the Spring and another six weeks in the Fall depending on the frequency and amount of precipitation during the seasons. Summer time precipitation and green-up conditions reduce wildfire potential. There are three types of firefighting personnel;

Permanent Full-Time:

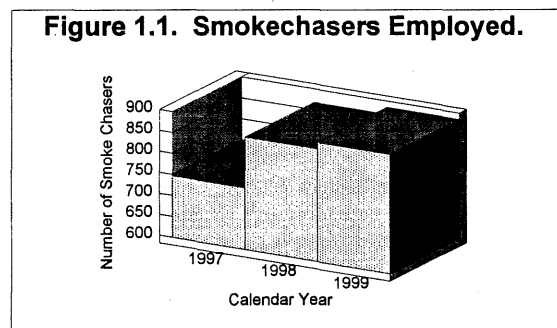
Permanent Division of Forestry field foresters annually devote 10 to 30 percent of their time working on fire related activities. They are augmented by other firefighting personnel depending on the severity of fire conditions.

Permanent Seasonal:

Permanent seasonal firefighters (44) are hired each year. They are guaranteed a specific term of employment; are classified; and members of the A.F.S.C.M.E. Council 6, AFL-CIO bargaining unit. Therefore, they are covered employees and may use base salary wages to apply for unemployment compensation.

Smokechasers:

Smokechasers are hired in response to the actual or imminent threat of wildfires. Their length of employment varies according to the threat of wildfire. The average number of smokechasers employed over the past three calendar years is 833 persons. The total number of smokechasers employed by the DNR steadily increased over the past two years. This higher number of smokechasers during the 1998-99 fire seasons is due to drier conditions.



¹Covered employment means employees may use base salary wages to apply for unemployment compensation "unless excluded as 'noncovered employment' under subdivision 20." (See Minn. Stat. § 268.035 Subd. 12)

Smokechasers are designated into two classifications according to their primary job description:

- The Natural Resource (NR) Smokechaser Support, primarily dispatchers, classification may use their base salary wages to apply for unemployment compensation.
- The NR Smokechaser Direct Fire Suppression classification, primarily line qualified firefighters, is not considered covered employment and can not use their base salary wages to apply for unemployment compensation. Due to the unpredictable frequency of wildland fires, the NR Smokechaser Direct Fire Suppression classification is considered to be engaged in noncovered employment per Minn. Stat. § 268.035 Subd. 20, (14):

“ ‘Noncovered employment’ means employment for Minnesota, a political subdivision, or instrumentality thereof, as an employee serving only on a temporary basis in case of fire, flood, tornado, or similar emergency.”

The Division of Forestry does not make the ultimate decision regarding the eligibility of smokechasers for covered employment. The Division of Forestry does designate the primary job classification. Smokechasers are informed at the time of hire whether they may use their base salary wages to apply for unemployment compensation. The ultimate decision of eligibility rests with the Department of Economic Security based on the base salary wages earned from DNR and non-DNR employment and other eligibility factors.

Fiscal Impact²

Assuming smokechasers were considered covered employees, the maximum total cost is calculated based on the total earnings of smokechasers in FY1999, the number of smokechasers employed in FY1999, and the average number of smokechasers employed from the last three years. The total earnings of smokechasers in FY1999 was \$1,816,224. The average smokechaser wage (\$2,054.55) is calculated when the total earnings (\$1,816,224) are divided by the total number of smokechasers employed (884) in FY1999. A reimbursing employer (i.e., the DNR) is charged no more than one third of the employer's base period contribution. Thus, the DNR maximum cost per claim is \$684.85. Assuming 100% of all smokechasers filed for benefits and multiplying the three year smokechaser average (833), then the maximum fiscal impact would be \$570,480 (See Table 1.1).

Table 1.1. DNR Maximum Total Cost

Average DNR Smokechaser Wages	\$2,054.55
DNR Maximum Cost per Claim (1/3 of the average wage)	\$684.85
Average Number of Smokechasers (FY 1997-1999)	833
DNR Maximum Total Cost	\$570,480

²The Department of Economic Security provided essential assistance in determining eligibility requirements and the potential fiscal impact.

Analysis

Several factors influence the potential cost of unemployment compensation to smokechasers. The length of a fire season creates annual variability in the factors: wages paid to smokechasers by the Department of Natural Resources, wages paid to smokechasers by other employers, average duration of benefits received, and the percentage of smokechasers that would file for benefits.

The total amount of wages earned by smokechasers, including non-DNR employment is unknown. The amount of smokechasers eligible to receive benefits could be determined using social security numbers (SSNs). Due to privacy concerns SSNs are not available.

The actual number of smokechasers that would file for unemployment compensation is unknown. However, anecdotal evidence gathered by the DNR Human Resource Bureau in conversations with smokechasers suggests that firefighting is their primary job during the year. During the off season smokechasers are self employed or find short term employment. Therefore, liability for unemployment compensation would be assumed by the DNR.

Recommendation

We recommend smokechasers employed by the DNR not be included for covered employment. The fiscal impact to provide covered employment for an average of 833 smokechasers may approach \$570,480. Since most smokechasers cannot use base salary wages to apply for unemployment compensation given Minn. Stat. § 268.035 Subd. 20, (14) we do not intend to pursue a budget initiative regarding covered employment for smokechasers.