

Table of Contents

Bureau of Mediation Services

Agency Profile.....	1
Expenditures Overview.....	3
Financing by Fund.....	4
Change Item: Operating Adjustment.....	6
Change Item: OCDR Community Mediation Grant Program.....	7
Change Item: Move PERB's Base Appropriation to PERB.....	9

mn.gov/bms/

AT A GLANCE

- The Bureau of Mediation Services (BMS) oversees the collective bargaining relationship between all public sector employers, some private sector employers and their unionized employees.
- Of the 260,000 MN Public Employees; 72% work under 3,548 union contracts.
- In FY16 the BMS received 1,036 requests for service and during the same period there were zero strikes.
- BMS grant funding helped nonprofit mediation centers to provide services in approximately 1,834 neighbor, family, school, housing and other similar types of cases last year.

PURPOSE

The BMS mission is to promote orderly and constructive labor-management relations and to advance the use of alternative dispute resolution and collaborative processes.

Labor-Management Relations

1. The BMS monitors collective bargaining disputes and works to prevent strikes and arbitration by directly mediating labor negotiations and grievances.
2. Representation rights (employee's right to unionize or refrain from such) are regulated through a quasi-judicial administrative process including administrative investigations, hearings and elections.
3. BMS clients are: employers, labor organizations, employees, elected officials, labor attorneys and other labor relations professionals.
4. BMS assists the new Public Employment Labor Relations Board while the independent board prepares to resolve unfair labor practice claims beginning July 1, 2017.

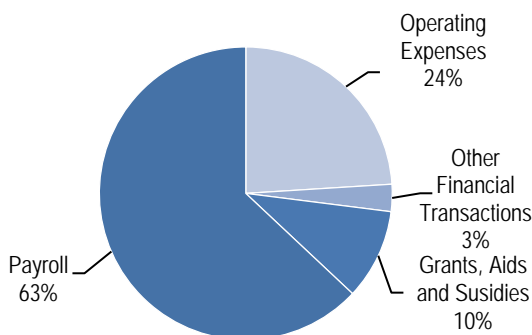
Alternative Dispute Resolution

Through the Office for Collaboration and Dispute Resolution (OCDR), BMS provides: 1) public policy collaborative dispute resolution services; 2) funds and promotes the broad use of community-based dispute resolution; and, 3) assistance to other state agencies in effectively implementing collaborative and dispute resolution initiatives. The OCDR works with elected officials, state and local government employees, and citizen leaders to develop sustainable solutions to contentious matters of public interest.

The BMS contributes to the statewide outcomes of: **A thriving economy that encourages business growth and employment opportunities; strong and stable families and communities; and efficient and accountable government services.**

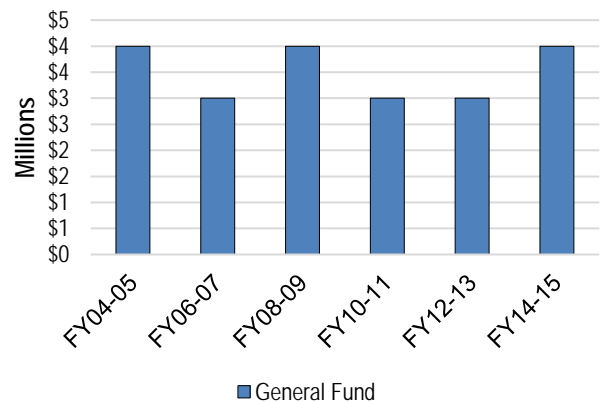
BUDGET

**Spending by Category
FY 15 Actual**



Source: BPAS

Historical Spending



Source: Consolidated Fund Statement

STRATEGIES

The BMS contributes to statewide outcomes by:

- Mediating collective bargaining and grievance disputes
- Promoting voluntary resolution of representation questions
- Promoting cooperation among labor and management through worksite labor management committees
- Administering a state-wide labor-management grant program
- Maintaining a roster of qualified neutral arbitrators to hear and decide contract and grievance disputes that cannot be resolved through mediation
- Training labor and management representatives in the skills of negotiation, mediation, conflict resolution, relationship management and interest focused bargaining.
- Investigating unfair labor disputes and issuing recommended decisions beginning in FY16
- Ensuring the sustainable resolution of matters of public interest by providing collaborative problem solving services to state and local government
- Administering a \$160,000 annual grant program to community dispute resolution centers which provide free and low cost mediation services across the state

RESULTS

In FY16 BMS resolved a total of 442 grievance and contract cases improving the efficiency and effectiveness of the public and private sector due to stable labor management relations. This resulted in dollars and work hours saved by the prevention of strikes, arbitration and litigation and contributed to improved productivity and higher employee morale.

The collaborative resolution of public policy issues improves the efficiency and effectiveness of government by preventing gridlock, generating higher quality solutions, and faster implementation of those sustainable solutions.

Current measures of BMS work are shown as successful case settlement rates, timely resolution of representation petitions and the quantity of successful community mediations.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Percentage of collective bargaining contract and grievance disputes successfully settled through mediation	90.2%	90%	FY15, FY16
Quality	Percentage of representation elections successfully completed within 90 days	87.1%	87.3%	FY15, FY16
Quality	Percentage of OCDR cases successfully settled through mediation.	50%	86%	CY14, CY15
Quantity	Number of mediations provided by BMS funded nonprofit dispute resolution centers	1,886	1,834	CY14, CY15
Quality	Percentage of mediations provided by BMS funded centers which successfully reached resolution	72%	63%	CY14, CY15

Bureau of Mediation Services Statutory Jurisdiction:

Minnesota Labor Relations Act – M.S. 179, <https://www.revisor.leg.state.mn.us/statutes/?id=179&view=chapter>

Public Employment Labor Relations Act – M.S. 179A, <https://www.revisor.leg.state.mn.us/statutes/?id=179A>

Data Practices Act – M.S. 13.37 – 13.43, <https://www.revisor.leg.state.mn.us/statutes/?id=13>

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecasted Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	2,001	2,226	2,026	2,798	2,370	2,370	2,575	2,652
2000 - Restrict Misc Special Revenue	0	0	0	8	0	0	0	0
2001 - Other Misc Special Revenue	0	0	20	77	44	44	44	44
Total	2,001	2,226	2,046	2,883	2,414	2,414	2,619	2,696
<i>Biennial Change</i>				702		(102)		385
<i>Biennial % Change</i>				17		(2)		8
<i>Governor's Change from Base</i>								487
<i>Governor's % Change from Base</i>								10

Expenditures by Program

Program: Mediation Services	2,001	2,226	2,046	2,883	2,414	2,414	2,619	2,696
Total	2,001	2,226	2,046	2,883	2,414	2,414	2,619	2,696

Expenditures by Category

Compensation	1,299	1,401	1,436	1,673	1,639	1,639	1,652	1,723
Operating Expenses	437	571	391	974	547	547	489	495
Other Financial Transactions	37	27	2					
Grants, Aids and Subsidies	228	228	217	236	228	228	478	478
Total	2,001	2,226	2,046	2,883	2,414	2,414	2,619	2,696

Full-Time Equivalents

	12.1	12.2	12.6	15.1	15.1	15.1	15.1	15.1
--	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	151	0	178	0	0	0	0
Direct Appropriation	2,188	2,158	2,208	2,622	2,372	2,372	2,577	2,654
Net Transfers	(40)	(83)	(1)	(3)	(3)	(3)	(3)	(3)
Cancellations	0	0	2	0	0	0	0	0
Expenditures	2,001	2,226	2,026	2,798	2,370	2,370	2,575	2,652
Balance Forward Out	147	0	178	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				597		(85)		402
<i>Biennial % Change in Expenditures</i>				14		(2)		8
<i>Gov's Exp Change from Base</i>								487
<i>Gov's Exp % Change from Base</i>								10
Full-Time Equivalents	12.1	12.2	12.6	15.1	15.1	15.1	15.1	15.1

2000 - Restrict Misc Special Revenue

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	1	0	0	0	0	0	0	0
Receipts	0	0	0	8	0	0	0	0
Net Transfers	(1)	0	0	0	0	0	0	0
Expenditures	0	0	0	8	0	0	0	0
<i>Biennial Change in Expenditures</i>				8		(8)		(8)
<i>Biennial % Change in Expenditures</i>						(100)		(100)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

2001 - Other Misc Special Revenue

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	0	28	34	0	0	0	0
Receipts	0	28	25	44	44	44	44	44
Expenditures	0	0	20	77	44	44	44	44
Balance Forward Out	0	28	34	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				97		(9)		(9)
<i>Biennial % Change in Expenditures</i>						(9)		(9)
<i>Gov's Exp Change from Base</i>								0

2001 - Other Misc Special Revenue

Gov's Exp % Change from Base

			0
--	--	--	---

Bureau of Mediation Services

FY18-19 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	80	157	157	157
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	80	157	157	157
FTEs	0	0	0	0

Recommendation:

The Governor recommends an increase to the Bureau of Mediation Services (BMS) base budget of \$80,000 in FY2018 and \$157,000 in each subsequent year to maintain the current level of service delivery at the Bureau.

Rationale/Background:

Each year, compensation costs rise due to wage growth and changes in employer-paid contributions for insurance, FICA, Medicare, retirement, and other factors. Absorbing this increase in compensation costs within existing agency base appropriations results in reduced capacity to deliver service. Other costs, such as in-state travel, are essential for continued agency service delivery for Minnesotans and the associated costs continue to rise. Lack of an operating increase will result in a reduction of the number of mediation meetings, hearings and other direct services BMS can provide.

Proposal:

The Governor recommends increasing agency operating budgets to maintain operations at current service levels. For the Bureau of Mediation Services, this funding includes employee wage and benefit costs, employer-paid pension costs, and other operating cost increases.

Results:

This proposal is intended for BMS to provide current levels of service and information to the public.

Statutory Change(s):

N.A.

Bureau of Mediation Services

FY18-19 Biennial Budget Change Item

Change Item Title: OCDR Community Mediation Grant Program

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	250	250	250	250
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	250	250	250	250
FTEs	0	0	0	0

Recommendation:

The Governor recommends increasing the Community Mediation grant program base allocation by \$250,000 per year to support a broader use of community mediation in the state as identified in MN Statute 179.90 (1). This is an ongoing appropriation.

Rationale/Background:

Minnesota citizens are currently challenged by facing people with differing views on key issues and changing communities, but also by a lack of skills and tools necessary to engage discussions that lead to conflict resolution. By increasing the awareness and use of effective community-based and volunteer-delivered conflict resolution tools, Minnesotans will have more opportunities to manage personal, neighbor, community, cultural, and other differences and disputes.

When people and communities are unable to effectively deal with tension and conflict, they continue to grow and often draw upon public safety and judicial resources. Youth, adults, and communities can learn the skills and access tools to engage in important conversations, appreciate different viewpoints, and resolve their disputes on their own. Additionally, community dispute resolution helps citizens resolve differences without acquiring court or police records which have a negative impact on future employment and housing, and which disproportionately effect low-income Minnesotans and communities of color.

Proposal:

The Governor's proposed funding will enable community and dispute resolution programs (CDRP) to expand their existing conflict resolution services statewide to underserved communities in both greater Minnesota and to culturally specific groups in metropolitan areas by developing a coordinated infrastructure among the CDRPs to leverage existing resources and technology. CDRP services are provided by community volunteers at low or no cost.

Currently, CDRPs are concentrated in the Minneapolis/St. Paul and Rochester metro areas. This proposal would make CDRP services available statewide, reducing barriers for organizations in Greater Minnesota to start mediation programs in schools, courts and for special communities.

CDRPs currently receive \$160,000 from the Executive Branch and \$100,000 from the Courts every year through a grant program that is jointly administered. Requesting an additional \$250,000 will allow CDRPs to leverage additional non-state funding from a variety of sources, including foundation grants, individual giving, volunteer service provision, etc.

Equity and Inclusion:

A key focus of this proposal is to expand the availability of CDRP services to low-income Minnesotans, communities of color, and Greater Minnesota. Expanding these culturally-responsive problem solving services would reduce disparities in access to community based conflict resolution services and prevent interactions with law enforcement and the criminal justice system.

This proposal would enable CDRPs to expand existing culturally-specific programs that are resource intensive, such as the Hmong American Mediation Center.

IT Related Proposals:

N.A.

Results:

CDRPs provide conflict resolution services to more than 9,000 Minnesotans each year and educational services to over 8,000 individuals each year. CDRP services improve the lives of Minnesotans by resolving family, neighborhood, community, school, and workplace conflicts, which is difficult to measure. They also prevent disputes from entering more costly venues, like the Courts.

Statutory Change(s):

N.A.

Bureau of Mediation Services

FY18-19 Biennial Budget Change Item

Change Item Title: Move PERB's Base Appropriation to PERB

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	(125)	(125)	(125)	(125)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(125)	(125)	(125)	(125)
FTEs	0	0	0	0

Recommendation:

The Governor recommends moving the ongoing Public Employment Relations Board (PERB) base allocation of \$125,000 per year from the Bureau of Mediation Service's (BMS) base to PERB's base. This proposal's impact to the general fund is net zero.

Rationale/Background:

Beginning July 1, 2017, the PERB will receive, investigate and resolve unfair labor practice charges for all public employers and their employees across the State of Minnesota. Funding in FY 2015 through FY 2017 was appropriated to BMS for purposes of assisting the PERB in the amount of \$125,000 per year from the general fund. Beginning in FY 2018, PERB will begin implementation, utilizing the rules it has adopted governing the procedures of investigations, hearings and appeals of unfair labor practices.

Proposal:

Beginning in FY 2018 and each year thereafter, the \$125,000 base appropriation will be moved from BMS to PERB, in order to support PERB in its first year as an operational agency and each year thereafter.

IT Related Proposals:

N.A.

Results:

Performance measures will be adopted by the PERB and will be measured with the first year of implementation.

Statutory Change(s):

N.A.