

Public	X
Confidential Request	

DHS Fiscal Note Worksheet *for the* 2024 Session

Bill & Version #: N/A	Title: Workforce Standards Board Scenario – Holiday Pay Only
Companion File #: N/A	Author: N/A
Requesting Committee: Nursing Home Workforce Standards Board	Due Date: 4/10/2024
Consolidated Note?: No	Lead Agency: Human Services
DHS Lead Admin: Aging and Disability Services	DHS Contact: Elyse Bailey

Fiscal Impact	Yes	No
State (Does this bill have a fiscal impact to your Agency?)		X
Fee/Dept Earnings (Does this bill impact a Fee or Dept Earning?)		X
Tax Revenue (Does this bill impact Tax Revenues?)		X
Information Technology (Does this bill have an impact to state information systems?)		X
Local (Does this bill have a fiscal impact to a Local Gov Body?)		X

Dollars in Thousands (\$000's)		FY2026	FY2027	FY2028	FY2029
Expenditures					
Fund: 1000		0	0	0	0
Fund					
Less Agency Can Absorb					
Fund		(0)	(0)	(0)	(0)
Transfers Out					
Fund					
Net Expenditures					
Fund: 1000		0	0	0	0
Fund					
Revenues					
Fund		(0)	(0)	(0)	(0)
Fund		(0)	(0)	(0)	(0)
Transfers In					
Fund		(0)	(0)	(0)	(0)
Net Cost / (Savings) by Fund					
Fund: 1000		0	0	0	0
Fund					
Total Net Cost / (Savings)		0	0	0	0
Full Time Equivalent Staff					
Fund		0	0	0	0
Fund					
Total Net FTE		0	0	0	0

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Bill Description

The Nursing Home Workforce Standards Board has requested a fiscal note from the Department of Human Services, in accordance with Minnesota Statute 181.213, Subdivision 2(c).

The proposed standards require holiday pay for 11 specified holidays by the Board, effective January 1, 2025.

Assumptions

The Department used the following assumptions for this fiscal estimate:

1. The holiday pay mandate would be effective January 1, 2025.
2. The Department assumes employees already receive holiday pay for some of the holidays specified by the Board and assumes this is adding an average of 5.5 new holidays.
3. Taxes and Benefits exclude healthcare and dental costs in the expenditure formula.
4. The Department assumes this standard would be within the bounds of the expected increases in the Nursing Facility and Long-Term Care forecast as of the February 2024 Budget & Economic Forecast for nursing facility wages and benefits, as described in Minnesota Statute 181.213, Subdivision 2(c).
5. The Department assumes some providers may forego potential wage increases or benefits changes in exchange for fulfilling the holiday pay standard.
6. The Department assumes there are no systems costs related to this proposal.
7. This scenario does not assume a rate increase on the date the standards become effective (1/1/25), beyond rate increases that already occur in current law – future costs will be picked up in cost reporting cycles.
8. This estimate is subject to change after the release of the November 2024 Budget & Economics Forecast and the February 2025 Budget & Economic Forecast.

Expenditure and/or Revenue Formula

Fiscal Estimate	Calendar Year 2025
# of Days in a Year	365
# of Hours per Day	126,086
# of New holidays	5.5
Total New Holiday hours	693,472
Taxes & Benefits	11.33%
Total Employee wage cost	9,301,694
Contract Costs	\$45,307,770
Percentage of Cost	0.660%
Total Contract Costs	\$299,036
Total Cost for New Holidays	\$9,600,730
Total Resident Days	6,850,988
Per Day Cost	\$1.40
Forecast Days 2025	3,746,115
Total MA costs	\$5,249,671

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Because this amount is within the bounds of the expected increases in the Nursing Facility and Long-Term Care forecast as of the February 2024 Budget & Economic Forecast for nursing facility wages and benefits, this estimate assumes that this workforce standards would not have an additional cost, as required in Minnesota Statute 181.213, Subdivision 2(c).

Long Term Fiscal Considerations

It is assumed that the Forecast will be able to absorb this cost in subsequent fiscal years.

Local Government Impact

N/A

References / Sources

Nursing Home Workforce Standards Board Proposal
February 2024 LTC Forecast
2022 DHS Nursing Facility Cost Report Files