



February 19, 2021

***Sent via Email**

The Honorable Representative Nelson
Chair, State Government Finance and Elections
Minnesota House of Representatives
585 State Office Building
Saint Paul, MN 55155

RE: Olmsted County Support for HF 325

Dear Chair Nelson and State Government Finance and Elections Committee Members:

On behalf of Olmsted County, we would like to express our strong support for [HF 325](#) (Masin) to remove the compensation limits for persons employed by political subdivisions of the state. Olmsted County is in a period of significant growth¹ and is a regional hub for southeast Minnesota. To best serve our constituencies, it is vital for the county to retain our highly skilled, educated, and experienced employees. We would like to offer a few key points relating to the salary cap from our perspective in Olmsted County.

Waiver Process is Limited

While the possibility of a waiver to the salary cap is appreciated, the criteria for that process is not always able to factor in complex situations within regions of the state. For example, the county last requested a compensation limit increase in 2018. We learned the request was denied based on the per capita size of Olmsted County compared to other counties in the state. At the same time, the city of Rochester was granted a waiver, as they rank third in population compared with other cities in Minnesota. At times the city and county compete for the same qualified candidates since we employ many similar functions and services and are co-located in the same vicinity. We point this out as an example of the limitations of the waiver process, but in no way discredit the need or validity of the city's request. Counties in the metropolitan area² were also granted waivers in the last few years. Olmsted County has found our staff heavily recruited for positions with these governmental agencies.

Salary Levels Established by the Marketplace

With the growth of the regional economy, Olmsted County also experiences competition from the private sector where salaries and benefits are oftentimes more lucrative. We would like to be able to offer salaries that are competitive with salary levels established by the marketplace to help us attract the best employees.

Local Control

Olmsted County does our due diligence to be fair and equitable to staff and carefully manage local tax dollars on behalf of residents. The salary cap inhibits our ability to make the best possible local decisions.

Thank you for your consideration of HF 325 and we respectfully ask for your support. Please do not hesitate to contact me with any questions.

Sincerely,
DocuSigned by:

Stephanie Podulke 2/20/2021 | 5:52 PM CST

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Stephanie Podulke, Chair
Olmsted County Board of Commissioners
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¹ Olmsted County's population grew by about 16% between 1990 and 2020 and is projected to grow 17% between 2020 and 2030. (Comprehensive Housing Needs Analysis for Olmsted County, MN, July 2020).

² The 2020 median household income in Olmsted County is slightly higher than the metro area (\$80,078 versus \$79,721). However, four of the seven metro area counties have median household incomes higher than Olmsted County. (Comprehensive Housing Needs Analysis for Olmsted County, MN, July 2020).