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TO: Goodhue County Board
FROM: Lucas Dahling, Finance Director
SUBJECT: School Resource Officer Contract Direction
DATE: April 1, 2025

Background:

The current School Resource Officer (SRO) contracts are only for one year in length and are set to expire on June 30, 2025. Staff drafted revisions to the contracts, which were discussed informally at the Board Meeting on March 4, 2025. Board Members expressed that they wanted this item to come back for further discussion. On March 18, 2025, staff presented two options as well as historical rates for context. At this meeting, the Board approved the City Policing contract rates to be used for SRO contracts with School Districts. These contracts were also to be for a one-year term with the option for a two-year term. Additionally, the Board gave direction that staff should work to develop an actual cost rate to be used specifically for School Resource Officers.

Discussion:

Finance and Sheriff Office staff worked to develop actual cost information for School Resource Officers. Below is a summary of the changes.

Items increasing calculated cost:

1. Added the 0.44% for Paid Family Medical Leave Payroll Tax starting January 2026.
2. Used a flat 10% overhead rate for 2025-2027. The Policing Contracts stepped the overhead rate up from 0% in 2025, to 5% in 2026, to 10% in 2027.
3. Health Insurance was increased for 2025 utilizing known figures, while 2026 includes a 40% increase and 2026 assumes a 10% increase. The 40% increase is what Goodhue County's insurance costs would have increased for 2025 had our insurance rates not been contractually locked.

Items reducing calculated cost:

1. Hours worked was reduced as SRO's work 40-hour weeks, which is less than a typical patrol deputy. Additionally, these positions are not backfilled for short-term absences.
2. Vehicle gas, insurance, and maintenance costs were calculated rather than using the standard rate used in the policing contracts. This item will be reviewed again when the policing contracts are up for renewal.
3. Employer liability was changed to 2.01% of salary, which is the current rate for law enforcement officers.
4. Squad car costs was reduced as well as the radar cost was removed to better reflect SRO squad car outfitting.
5. Vehicle Trade-In value was updated to reflect the most recent SRO trade-in.

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The cost of health insurance beyond 2025 is unknown at this time. This ultimately will be determined by several factors to include vendor proposals and union negotiations.

Below you will find the 2025-2026 and 2026-2027 school year contract rates approved by the Board on March 18, 2025. You will also find the actual rates calculated by staff as well as the option initially discussed at the March 4, 2025 Board Meeting.

Policing Contract Rate - APPROVED BY BOARD ON 3/18/2025							
Year	Hourly Rate	# of Hours	Total Amount	County Portion	School Portion	County Amount	School Amount
7/1/25-12/31/25	\$ 71.03	680	\$ 48,300	40%	60%	\$ 19,320	\$ 28,980
1/1/26-6/30/26	\$ 79.80	920	\$ 73,416	40%	60%	\$ 29,366	\$ 44,050
Total 2025/2026		1,600	\$ 121,716				\$ 73,030
7/1/26-12/31/26	\$ 79.80	680	\$ 54,264	40%	60%	\$ 21,706	\$ 32,558
1/1/27-6/30/27	\$ 89.61	920	\$ 82,441	40%	60%	\$ 32,976	\$ 49,465
Total 2026/2027		1,600	\$ 136,705				\$ 82,023

Option 1 - School Resource Officer Calculated Rate							
Year	Hourly Rate	# of Hours	Total Amount	County Portion	School Portion	County Amount	School Amount
7/1/25-12/31/25	\$ 68.16	680	\$ 46,346	40%	60%	\$ 18,539	\$ 27,808
1/1/26-6/30/26	\$ 73.90	920	\$ 67,986	40%	60%	\$ 27,194	\$ 40,792
Total 2025/2026		1,600	\$ 114,332				\$ 68,599
7/1/26-12/31/26	\$ 73.90	680	\$ 50,251	40%	60%	\$ 20,100	\$ 30,150
1/1/27-6/30/27	\$ 77.04	920	\$ 70,873	40%	60%	\$ 28,349	\$ 42,524
Total 2026/2027		1,600	\$ 121,123				\$ 72,674

Option 2 - \$70,000 first contract year with CPI indexing thereafter							
Year	Hourly Rate	# of Hours	Total Amount	County Portion	School Portion	County Amount	School Amount
2025/2026	\$ 72.92	1,600	\$ 116,667	40%	60%	\$ 46,667	\$ 70,000
2026/2027	<i>TBD</i>	1,600	<i>TBD</i>	40%	60%	<i>TBD</i>	<i>TBD</i>
<i>Note all italicized information is implied as the contract does not include these terms</i>							

Direction:

Staff requests the Board revise the SRO contract rates to be in line with actual costs.