

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-THIRD SESSION**

**S.F. No. 5019**

(SENATE AUTHORS: CARLSON)

DATE  
03/18/2024

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OFFICIAL STATUS  
Introduction and first reading  
Referred to State and Local Government and Veterans

- 1.1 A bill for an act
- 1.2 relating to state government; making changes to employee compensation plans;
- 1.3 amending Minnesota Statutes 2022, sections 43A.05, subdivision 3; 43A.18,
- 1.4 subdivisions 2, 3, 9; Minnesota Statutes 2023 Supplement, section 3.855,
- 1.5 subdivisions 2, 3, 6; repealing Minnesota Statutes 2023 Supplement, section 3.855,
- 1.6 subdivision 5.
- 1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.8 Section 1. Minnesota Statutes 2023 Supplement, section 3.855, subdivision 2, is amended
- 1.9 to read:
- 1.10 Subd. 2. **Unrepresented State employee compensation.** (a) The commissioner of
- 1.11 management and budget shall submit to the chair of the commission any compensation
- 1.12 plans or salaries prepared under section 43A.18, subdivisions 2, 3, 3b, and 4. The chancellor
- 1.13 of the Minnesota State Colleges and Universities shall submit any compensation plan under
- 1.14 section 43A.18, subdivision 3a. ~~If the commission disapproves a compensation plan or~~
- 1.15 ~~salary, the commission shall specify in writing to the parties those portions with which it~~
- 1.16 ~~disagrees and its reasons. If the commission approves a compensation plan or salary, it shall~~
- 1.17 ~~submit the matter to the legislature to be accepted or rejected under this section.~~
- 1.18 ~~(b) When the legislature is not in session, the commission may give interim approval to~~
- 1.19 ~~a salary or compensation plan. The commission shall submit the salaries and compensation~~
- 1.20 ~~plans for which it has provided approval to the entire legislature for ratification at a special~~
- 1.21 ~~legislative session called to consider them or at its next regular legislative session as provided~~
- 1.22 ~~in this section. Approval or disapproval by the commission is not binding on the legislature.~~
- 1.23 ~~(c) When the legislature is not in session, (b)~~ The proposed salary or compensation plan
- 1.24 must be implemented upon its approval by submission to the commission, ~~and state~~

2.1 ~~employees covered by the proposed plan or salary do not have the right to strike while the~~  
2.2 ~~interim approval is in effect.~~

2.3 Sec. 2. Minnesota Statutes 2023 Supplement, section 3.855, subdivision 3, is amended to  
2.4 read:

2.5 Subd. 3. **Other salaries and compensation plans salary and compensation plan.** The  
2.6 commission shall:

2.7 ~~(1) review and approve or reject a plan for compensation and terms and conditions of~~  
2.8 ~~employment prepared and submitted by the commissioner of management and budget under~~  
2.9 ~~section 43A.18, subdivision 2, covering all state employees who are not represented by an~~  
2.10 ~~exclusive bargaining representative and whose compensation is not provided for by chapter~~  
2.11 ~~43A or other law;~~

2.12 ~~(2) review and approve or reject a plan for total compensation and terms and conditions~~  
2.13 ~~of employment for employees in positions identified as being managerial under section~~  
2.14 ~~43A.18, subdivision 3, whose salaries and benefits are not otherwise provided for in law or~~  
2.15 ~~other plans established under chapter 43A;~~

2.16 ~~(3) review and approve or reject recommendations for salary range of officials of higher~~  
2.17 ~~education systems under section 15A.081, subdivision 7e;~~

2.18 ~~(4) review and approve or reject plans for compensation, terms, and conditions of~~  
2.19 ~~employment proposed under section 43A.18, subdivisions 3a, 3b, and 4; and~~

2.20 ~~(5) review and approve or reject the plan for compensation, terms, and conditions of~~  
2.21 ~~employment of classified employees in the office of the legislative auditor under section~~  
2.22 ~~3.971, subdivision 2.~~

2.23 Sec. 3. Minnesota Statutes 2023 Supplement, section 3.855, subdivision 6, is amended to  
2.24 read:

2.25 Subd. 6. **Information required; collective bargaining agreements, memoranda of**  
2.26 **understanding, and interest arbitration awards.** Within 14 days after the implementation  
2.27 of a collective bargaining agreement, memorandum of understanding, compensation plan,  
2.28 or receipt of an interest arbitration award, the commissioner of management and budget  
2.29 must submit to the Legislative Coordinating Commission the following:

2.30 (1) a copy of the collective bargaining agreement or compensation plan showing changes  
2.31 from previous agreements and a copy of the executed agreement;

(2) a copy of any memorandum of understanding that has a fiscal impact or interest arbitration award;

(3) a comparison of biennial compensation costs under the current agreement or plan to the projected biennial compensation costs under the new agreement, memorandum of understanding, or interest arbitration award; and

(4) a comparison of biennial compensation costs under the current agreement or plan to the projected biennial compensation costs for the following biennium under the new agreement, memorandum of understanding, or interest arbitration award.

Sec. 4. Minnesota Statutes 2022, section 43A.05, subdivision 3, is amended to read:

Subd. 3. **Commissioner's plan.** The commissioner shall periodically develop and establish pursuant to this chapter a commissioner's plan. The commissioner shall submit the plan, ~~before becoming effective,~~ to the Legislative Coordinating Commission ~~for approval.~~

Sec. 5. Minnesota Statutes 2022, section 43A.18, subdivision 2, is amended to read:

Subd. 2. **Commissioner's plan.** Except as provided in section 43A.01, the compensation, terms and conditions of employment for all classified and unclassified employees, except unclassified employees in the legislative and judicial branches, who are not covered by a collective bargaining agreement and not otherwise provided for in chapter 43A or other law are governed solely by a plan developed by the commissioner. The Legislative Coordinating Commission shall review ~~and approve, reject, or modify~~ the plan under section 3.855, subdivision 2. The plan need not be adopted in accordance with the rulemaking provisions of chapter 14.

Sec. 6. Minnesota Statutes 2022, section 43A.18, subdivision 3, is amended to read:

Subd. 3. **Managerial plan.** (a) The commissioner shall identify individual positions or groups of positions in the classified and unclassified service in the executive branch as being managerial. The list must not include positions listed in subdivision 4.

(b) The commissioner shall periodically prepare a plan for total compensation and terms and conditions of employment for employees of those positions identified as being managerial and whose salaries and benefits are not otherwise provided for in law or other plans established under this chapter. Before becoming effective those portions of the plan establishing compensation and terms and conditions of employment must be ~~reviewed and~~

4.1 ~~approved or modified by~~ submitted to the Legislative Coordinating Commission ~~and the~~  
4.2 ~~legislature~~ under section 3.855, subdivisions 2 and 3.

4.3 (c) Incumbents of managerial positions as identified under this subdivision must be  
4.4 excluded from any bargaining units under chapter 179A.

4.5 (d) The management compensation plan must provide methods and levels of  
4.6 compensation for managers that will be generally comparable to those applicable to managers  
4.7 in other public and private employment. The plan must ensure that compensation within  
4.8 assigned salary ranges is related to level of performance. The plan must also provide a  
4.9 procedure for establishment of a salary rate for a newly created position and a new appointee  
4.10 to an existing position and for progression through assigned salary ranges. The employee  
4.11 benefits established under the provisions of the managerial plan may be extended to agency  
4.12 heads whose salaries are established in section 15A.0815 and to constitutional officers,  
4.13 judges of the Workers' Compensation Court of Appeals, and Tax Court judges.

4.14 Sec. 7. Minnesota Statutes 2022, section 43A.18, subdivision 9, is amended to read:

4.15 Subd. 9. **Summary information on website.** Before the commissioner submits a  
4.16 proposed collective bargaining agreement, arbitration award, or compensation plan to the  
4.17 Legislative Coordinating Commission for review under section 3.855, the commissioner  
4.18 must post on a state website a summary ~~of the proposed agreement, award, or plan. The~~  
4.19 ~~summary must include the amount of and nature of proposed changes in employee~~  
4.20 ~~compensation, the estimated cost to the state of proposed changes in employee compensation,~~  
4.21 ~~and a description of proposed significant changes in policy. After approval of an agreement,~~  
4.22 ~~award, or plan by the Legislative Coordinating Commission, the commissioner must provide~~  
4.23 ~~a link from the commissioner's summary to the full text of the agreement, award, or plan.~~  
4.24 ~~The summary must remain on the website at least until the full legislature has approved the~~  
4.25 ~~agreement, award, or plan. This section also applies to agreements, awards, and plans~~  
4.26 covering employees of the Minnesota State Colleges and Universities and to compensation  
4.27 plans that must be submitted to the Legislative Coordinating Commission by other executive  
4.28 appointing authorities. The Minnesota State Colleges and Universities and other executive  
4.29 appointing authorities must submit information to the commissioner, at a time and in a  
4.30 manner specified by the commissioner, so the commissioner can post information relating  
4.31 to these appointing authorities on the web as required by this section.

4.32 Sec. 8. **REPEALER.**

4.33 Minnesota Statutes 2023 Supplement, section 3.855, subdivision 5, is repealed.

**3.855 EMPLOYEE RELATIONS.**

Subd. 5. **Information required.** The commissioner of management and budget must submit to the Legislative Coordinating Commission the following information with the submission of a compensation plan under subdivision 2:

(1) for each agency and for each proposed plan, a comparison of biennial compensation costs under the current plan to the projected biennial compensation costs under the proposed plan, paid with funds appropriated from the general fund;

(2) for each agency and for each proposed plan, a comparison of biennial compensation costs under the current plan to the projected biennial compensation costs under the proposed plan, paid with funds appropriated from each fund other than the general fund;

(3) for each agency and for each proposed plan, an identification of the amount of the additional biennial compensation costs that are attributable to salary and wages and to the cost of nonsalary and nonwage benefits; and

(4) for each agency, for clauses (1) to (3), the impact of the aggregate of all plans being submitted to the commission.