

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE LEONARD W. LEVINE
COMMISSIONER OF HUMAN SERVICES

BEFORE SISTER MARY MADONNA ASHTON
COMMISSIONER OF HEALTH

BEFORE RUDY PERPICH
GOVERNOR

IN THE MATTER OF THE PROPOSED ADOPTION OF
RULES OF THE MINNESOTA MERIT SYSTEM GOVERNING STATEMENT OF NEED
SALARY ADJUSTMENTS AND INCREASES; AND THE AND REASONABLENESS
COMPENSATION PLAN.

I. The following considerations constitute the regulatory authority upon which the above-cited rule amendments are based:

1. Federal law requires that in order for Minnesota to be eligible to receive grant-in-aid funds for its various human services, public health and civil defense programs, it must establish and maintain a merit system for personnel administration. see, e.g. 42 USC Ch. ^{1/}62.

1/ Also see sections of the United States Code and Code of Federal regulations cited herein where the following programs have statutory or regulatory requirement for the establishment and maintenance of personnel standards on a merit basis:

Aid to Families With Dependent Children - "AFDC" [42 USC sec. 602 (a) (5)]
Food Stamps [7 USC sec. 2020 (e) (B)]
Medical Assistance - "MA" [42 USC sec. 1396 (a) (4) (A)]
Aid to the Blind [42 USC sec. 1202 (a) (5) (A)]
Aid to the Permanently and Totally Disabled [42 USC sec. 1352 (a) (5) (A)]
Aid to the Aged, Blind or Disabled [42 USC sec. 1382 (a) (5) (A)]
State and Community Programs on Aging [42 USC sec. 3027 (a) (4)]
Adoption Assistance and Foster Care [42 USC 671 (a) (5)]
Old-Age Assistance [42 USC 302 (a) (5) (A)]
National Health Planning and Resources Development, Public Health, Service Act [42 USC 300m-1 (b) (4) (B)]
Child Welfare Services [45 CFR 1392.49 (c)]
Emergency Management Assistance [44 CFR 302.5]

2. Pursuant to such congressional action the Office of Personnel Management, acting under authority transferred to the United States Civil Service Commission from the Departments of Health, Education and Welfare, Labor, and Agriculture by the Intergovernmental Personnel Act (IPA) of 1970 and subsequently transferred on January 1, 1979, to the Office of Personnel Management by the Reorganization Plan Number Two of 1978, promulgated the Standards for a Merit System of Personnel Administration 48 Fed. Reg. 9209-9212 (March 4, 1983), codified at 5 CFR Part 900, Subpart F, which imposes on the State of Minnesota general requirements for a merit system of personnel administration in the administration of the federal grant-in-aid programs. (See, Footnote 1 Supra.)

3. Under the aforementioned grant-in-aid programs the State of Minnesota, through its appropriate agencies, is the grantee of federal programs and administrative funds and, accordingly, the State is under an affirmative obligation to insure that such monies are properly and efficiently expended in compliance with the applicable federal standards. Those standards require that in order for the agencies under the Minnesota Merit System to be eligible to receive federal grant-in-aid funds the Minnesota Merit System rules must specifically include, among other things, an active recruitment, selection and appointment program, current classification and compensation plans, training, retention on the basis of performance, and fair nondiscriminatory treatment of applicants and employees with due regard to their privacy and constitutional rights (48 Fed. Reg. 9211 (March 4, 1983), codified at 5 CFR sec. 900.603).

4. In conformance with 5 CFR Pat 900, Subpart F, the Minnesota Legislature enacted Minn Stat. sec. 12.22 Subd. 3, sec. 144.071 and sec. 256.01^{2/}2, which respectively authorize the governor, the commissioner of health, and the commissioner of human services to adopt necessary methods of personnel administration for implementing merit systems within their individual agencies. Collectively, the resulting programs are referred to as the "Minnesota Merit System".

5. Pursuant to such statutory authority those state agencies have adopted comprehensive administrative rules which regulate administration of the Minnesota Merit System.^{3/}

6. The Minnesota Supreme Court upheld the Authority of the Commissioner of Human Services and by implication that of the Commissioner of Health and the governor to promulgate personnel rules and regulations in quashing a writ of mandamus brought by the Hennepin County Welfare Board against the county auditor in attempting to force payment of salaries in excess of the maximum rates established by the Director of Social Welfare.^{4/} State ex rel. Hennepin County Welfare Board and another v. Robert F. Fitzsimmons, et. al., 239 Minn. 407, 420, 58 N.A. 2d 882, (1953). The court stated:

.....It is clear that the Director of Social Welfare was clearly right in adopting and promulgating a merit plan which includes initial, intervening, and maximum rates of pay for each class of position of the county welfare board system included within the plan and that plan so adopted was binding upon all county welfare boards within the stateIn our opinion the federal and state acts, properly construed, provide that the Federal Security Administrator as well as the Director of Social Welfare shall have authority to adopt rules and regulations with respect to the selection, tenure of office and compensation of personnel within initial, intervening and maximum rates of pay but shall have no authority or voice in the selection of any particular person for a position in the state welfare program nor the determination of his tenure of office and individual compensation.

^{2/} See also Minn. Stat. secs. 393.07 (5), 256.01 (4), 393.07 (3) and 256.011.

^{3/} Minnesota Rules parts 9575.0010 - 9575.1580, parts 7520.0100 - 7520.1200, and parts 4670.0100 - 4670.4300.

^{4/} "Director of Social Welfare" was the former title of the Commissioner of Human Services.

7. The above cited proposed rule amendments are promulgated in accordance with the provisions of applicable Minnesota statutes and expressly guarantee the rights of public employers and Minnesota Merit System employees in conformance with the terms of the state's Public Employee Labor Relations Act (Minn. Stat. secs. 179.61 - 179.77).

II. The justification establishing the reasonableness of the specific substantive provisions of the proposed rules, all of which concern the Minnesota Merit System operation, is as follows:

A. Salary Adjustments and Increases; Recommended Adjustments

Minnesota Rules, parts 9575.0350, subpart 3; 4670.1320 and 7520.0650, subpart 3.

These rules specify in percentage terms the recommended general salary adjustment for all Merit System employees on all salary schedules. Minnesota Rules, parts 9575.0320, 4670.1200 and 7520.0620 require adjustments to Merit System compensation plans in both even-numbered and odd-numbered years. Adjustments always include a recommended general salary adjustment for employees. Therefore, parts 9575.0350 subpart 3; 4670.1320 and 7520.0650 subpart 3 must be amended annually, by varying percentage amounts.

Amendments are proposed to parts 9575.0350, subpart 3; 4670.1320 and 7520.0650 subpart 3 changing the Merit System general salary adjustment recommended for employees on all salary schedules from four percent to one percent. These amendments are necessary in order to comply with Merit System rule provisions governing recommended salary adjustments for employees proposed in even-numbered years, for implementation on January 1 of the following year.

Minnesota Rules, part 9575.0320, subpart 4; part 4670.1200, subpart 4 and part 7520.0620, subpart 4 requires the Merit System Supervisor recommend increases in the rates of pay for Merit System classifications and a general salary adjustment for employees proposed in even-numbered years, for implementation on January 1 of the following year.

The recommendation must be arrived at by following a formula specified in these rules involving changes in the consumer price index for urban wage earners and clerical workers for Minneapolis-St. Paul, as published by the Bureau of Labor Statistics, new series index (1967=100). The formula requires the Merit System Supervisor to recommend that, except for those classes for which a different comparability adjustment is required by the rules, all rates of pay for all classes be adjusted by an amount equal to 80 percent of the increase in the consumer price index between June of the current year and June of the preceding year. The recommended amount must be rounded to the nearest tenth of a percent, not to exceed nine percent. The rules further provide that the same percentage increase recommended for all rates of pay shall also be recommended as a general salary adjustment for all employees.

The Bureau of Labor Statistic's June 1986 consumer price index report for Minneapolis-St. Paul showed an increase in the consumer price index for the period June, 1985, to June, 1986, of 1.2 percent for urban wage earners and clerical workers. Eighty percent of this increase equals one percent rounded to the nearest tenth of a percent and so, under the formula, the recommended general salary adjustment for all employees in the Merit System is one percent. This change will become effective January 1, 1987. Therefore, in order to comply with current language, which has the force and effect of law, the proposed amendment must be one percent.

If approved, this amendment will adjust the minimum, intervening and maximum salary rates for the majority of Merit System classes by 1% and provide a recommended 1% general salary adjustment for all Merit System employees. Some Merit System classes will be proposed to have their minimum, intervening and maximum salary rates adjusted by a differing percentage in accordance with 9575.0320 subpart 6; 4670.1200 subpart 6 and 7520.0620 subpart 6.

It should be emphasized that the recommended salary adjustment of 1% is simply that, a recommendation. It lacks the binding effect of a negotiated collective bargaining agreement. Agencies, even those not covered by a collective bargaining agreement, are not required to adopt the Merit System recommended salary adjustment but have the flexibility to adopt a different salary adjustment (or no adjustment at all) for their employees.

Under whatever salary adjustment is finally adopted by an agency, the only salary increases that agencies are required to make by this recommended adjustment are those necessary to bring the salaries of individual employees up to the new minimum salary rate for their classification on the Merit System compensation plan adopted by the agency for that classification.

Another point is that, under Merit System rules (9575.0300 subpart 1; 4670.1000 and 7520.0600 subpart 1), Merit System compensation plans do not apply to employees included in a formally recognized bargaining unit. There are 36 Merit System agencies where most employees are covered by a collective bargaining agreement and employee compensation is the product of negotiation between the appointing authority and the exclusive representative. In these agencies, the only employees subject to the Merit System compensation plans are those in positions that are excluded from the bargaining unit by virtue of being supervisory or confidential in nature.

B. Compensation Plan

Minnesota Rules, parts 9575.1500; 4670.4200-4670.4240 and 7520.1000 - 7520.1100

Amendments proposed to these parts specifically recommend adjustments to the 1986 minimum and maximum salaries for all Merit System classifications of positions covered by the Human Services, Health and Emergency Services Merit System rules to be effective January 1, 1987.

Amendments to these rules are necessary to implement all adjustments required by rule language in parts 9575.0320, subpart 6 and 9575.0350 subpart 3; 4670.1200 subpart 6; 4670.1320; 7520.0620, subpart 6 and 7520.0650, subpart 3. These rules require adjustments to rates of pay based on changes in the Twin City Consumer price index and comparability adjustments, as necessary, to correct compensation inequities based on comparable work value. These adjustments include a one percent adjustment for many classes and varying adjustments for other classes. The latter adjustments are necessary to comply with the provisions of Minn. Stat. Sections 471.991-471.999 requiring the establishment of equitable compensation relationships between classes of positions based on their comparable work value as determined by a formal job evaluation process.

As background, the 1984 state Legislature passed Minn. Stat. Sections 471.991-471.999, known as the Local Government Pay Equity Act, which required the Merit System to ensure equitable compensation relationships between Merit System classes of positions based on the comparable work value of the positions as determined by a job evaluation system. Under the statute, classes of positions can no longer be compensated similarly merely because the duties and responsibilities performed are similar. Rather, jobs must be compensated according to whether the comparable work value of the positions to the organization are similar (Minn. Stat. Section 471.991 subd. 3 and 5).

In response to this legislative mandate, the Merit System conducted a job evaluation in late 1984 and early 1985 of all Merit System classifications, using the same job evaluation system used by the State of Minnesota which was developed by Hay and Associates, a large personnel management consulting firm.

The Merit System proposed adjustments to the minimum and maximum salaries for Merit System classes being presented today have their origin, initially, in the passage by the 1984 Legislature of Minn. Stat. Sections 471.991-471.999 also known as the Local Government Pay Equity Act.

It requires the Merit System, where applicable, to ensure that equitable compensation relationships between classes of positions be established based on the comparable work value of positions as determined by a job evaluation system. The law merely provides that a job evaluation system be used to determine comparable work value but was non-specific as to the system to be used. The Merit System salary adjustments to minimum and maximum salaries for 1986 are principally based on the results of the job evaluation study used by the Merit System to determine the comparable work value of its classes of positions. The importance of this study to the amendments requires a more detailed explanation of the job evaluation process that was followed by the Merit System.

The Hay Guide Chart-Profile method of job evaluation focuses on the factors of the knowledge required to do the job, the kind of thinking needed to solve problems commonly faced on the job and the responsibilities faced on the job. These three factors represent the degree of know-how, problem-solving and accountability present in a position. A fourth factor of working conditions surrounding the position is also used to evaluate positions, where appropriate.

The decision to use the Hay method was made for several reasons. Hay and Associates developed this method in 1951 and the method is presently being used by over 4,000 profit and non-profit organizations in 30 counties.

This indicates a proven track record in the field of job evaluation that has withstood the test of time. The factors used in this method of job evaluation are similar to those factors referred to in the Local Government Pay Equity Act as being necessary to measure in order to determine the comparable work value of classes of positions. Since the State of Minnesota also used the Hay evaluation system to conduct its comparable work study, choosing the same system allowed the Merit System to use the expertise of certain state employees with experience in this system in conducting its own study.

The Hay system allows jobs to be ranked in the order of importance within the organization and also to determine appropriate distances between job ranks. The focus of the Hay system is on the nature and requirements of the job itself and not on the skills or background or characteristics of pay of the employee in the position. Finally, there are many similar classes of positions in both the Merit System and the state classification system, allowing for direct comparisons between the two during the course of the evaluation. These factors established a reasonable basis for selecting the Hay method of job evaluation as the one to be used in conducting the Merit System comparable worth study.

The Merit System comparable worth study began on October 30, 1984 and was completed by approximately the middle of January of 1985. The rating process was conducted by two seven-member committees and involved rating some 300 individual positions in 144 separate Merit System classifications of positions. During the course of the study, a consultant from Hay and Associates provided the committees with approximately three days of training involving both initial training in using the Hay system and continued assistance in applying the system to the evaluation process. A point to be emphasized is that many of the committee members were familiar with the nature of the duties and responsibilities performed by employees in Merit System classifications.

The committees rated actual positions using individual position descriptions completed by employees rather than generic class specifications. In all cases, care was exercised to ensure that position descriptions evaluated were representative samples of the kinds of work performed by employees in the class and represented positions in both urban and rural counties. Because of the large number of employees in the Social Worker and Financial Worker series of classes, both committees rated some 20 social worker and 14 financial worker positions.

The actual evaluation process first involved providing each committee member with a copy of the position description to be evaluated and each member independently rated the position on the three factors of know-how, problem-solving and accountability using the Hay guide charts. The committee facilitator placed the separate evaluations on a blackboard and discussion took place, factor by factor, on differences between the individual evaluations. The end result of the discussion was that a consensus was arrived at by the committee as a whole as to the proper rating for the position on each factor. The ratings on the three factors were totaled in accordance with a prescribed formula which is part of the Hay job evaluation system and the resulting figure became the Hay rating for that position or, in some cases, that class of positions.

Once the process was completed, the committees went back and evaluated all classes of positions on the factor of working conditions which resulted in minor adjustments in point totals to only a few classes. The final ratings arrived at for all classes represented an array of point totals for each class ranging from 1418 points for the Welfare Director V class to 86 points for the Clerk I class.

The committee's final ratings were then correlated, on a sample basis, by Hay and Associates as part of a quality review process designed to determine the validity of the ratings. Actual position descriptions and the Committee ratings of those positions were reviewed and the ratings received an almost perfect correlation from Hay indicating that, in their opinion, the committees did apply the Hay guide charts in a consistent and proper manner in evaluating Merit System positions. It also indicated that there was internal consistency exercised by the two committees in the rating process.

The last step in the total process involved the translation of point totals for each class into recommended salary ranges for each class to be effective January 1, 1986. Hay and Associates recommends that when there is a just noticeable difference in point totals between two classes exceeding 15%, then separate classes should be maintained. In developing proposed salary ranges for classes from the Hay point totals arrived at in the study, the Merit System adopted the 15% difference used by Hay and Associates as a rule of thumb in determining where pay differences should occur between classes. All classes of positions from Welfare Director V with 1418 points to Clerk I with 86 points were placed into groups where the point total spread between the lowest and the highest rated class in each group did not exceed 15%. The initial objective in recommending new minimum and maximum salary rates for all classes in the same group was to provide identical or similar salary ranges between classes with identical or similar Hay point ratings, indicating identical or similar comparable work values. This objective is consistent with the statutory mandate to ensure equitable compensation relationships between classes of positions based on their comparable work value.

In view of the fact that salary ranges for some classes were already considerably higher than salary ranges for other classes with similar Hay point ratings and, because of our reluctance to propose significant reductions to current salary ranges, it was not feasible to attain that initial objective in all cases. In those situations, the objective then became one of narrowing the salary range differences that already existed between classes with identical or similar Hay point ratings. That objective is also consistent with the goal of establishing equitable compensation relationships between classes of positions.

Some recommendations involved freezing salary ranges at their 1985 levels and others involved recommended adjustments of considerable less than the general adjustment of 4%.

Given the results of the pay equity study, those recommendations were appropriate but were not easy to make. It would have been far easier to have recommended some sort of adjustment or a more significant salary range adjustment for these classes. However, that decision would have been wrong for the following reasons.

1. It would have continued already existing compensation inequities making further and greater compensation adjustments necessary in the future.
2. It would have had the effect of ignoring the results of the pay equity study which was a valid study.
3. It would have conflicted with the basic objective contained in the Local Government Pay Equity Act of achieving equitable compensation relationships between classes based on their comparable work value as determined by a job evaluation system.
4. It would have been a fiscally irresponsible decision in terms of its impact on local appointing authorities.

The purpose in providing this background is to show that the job evaluation system used by the Merit System to determine the comparable work value of all its classes of positions is a valid system.

In the Hay system, evaluators can not assign points to job factors in a completely subjective or random fashion. All jobs must be rated on the same job-relevant factors of know-how, problem-solving, accountability and working conditions. All committee members had to use the same Hay guide charts in determining point totals for each job factor evaluated. The number of possible point totals that could be assigned each factor are limited by the Hay guide charts. All committee members had to follow the same formula in arriving at a final point total for each class of positions. The use of multiple raters in evaluating all jobs minimized the effect that a single rater's subjectivity could have on the final rating for a job. The point to be made in this is that the study involved applying a systematic review process in a uniform manner that maximized objectivity in arriving at Hay point totals for all Merit System classes.

The results of the study formed the basis for the proposed adjustments to minimum, intervening and maximum rates of pay for Merit System classes to be effective January 1, 1986. All of the amendments as well as the use of the Hay evaluation method to determine the comparable work value of positions was approved by the Office of Administrative Hearings, subsequent to a public hearing held on October 30, 1985.

Complete pay equity is difficult, if not impossible, to implement all at one time. The State of Minnesota took two bienniums or four years to achieve what they consider to be complete pay equity within their compensation structure.

The 1986 Merit System salary range adjustments represented an initial effort by the Merit System to comply with the statutorily-based requirement to establish equitable compensation relationships between all classes of positions regardless of the gender-makeup of those classes (female-dominated, male-dominated or balanced classes of employees). It is both reasonable and necessary to continue the process of adjusting Merit System salary ranges to correct salary inequities based on the comparable work value of positions and to do it on a gradual basis to minimize the fiscal impact on counties facing increased minimum salary rates for Merit System classes of positions.

Proposed amendments to parts 9575.1500, 4670.4200-4670.4240 and 7520.1000-7520.1100 adjust the minimum and maximum salaries for many Merit System classes by 1%, based on the current rule language in 9575.0320 subpart 4; 4670.1200 subpart 4 and 7520.0620 subpart 4 requiring that the adjustments to salary ranges be the same as the general salary adjustment recommended for employees in even-numbered years. However, several of the proposed amendments to 9575.1500, 4670.4200-4670.4240 and 7520.1000-7520.1100 do not recommend a 1% adjustment to the minimum and maximum salaries for certain classes of positions, based on the results of the Merit System's job evaluation study and the continuing need to make adjustments in salary ranges to achieve equitable compensation relationships between jobs.

For some classes of positions, a straight 1% adjustment is not appropriate because of the need to establish equitable compensation relationships between classes of positions based on their comparable work value. These recommended adjustments are based on attaining the mandated objective of having an internally consistent Merit System compensation plan with reasonable compensation relationships existing between classes of positions based on their comparable work value as determined by Hay point totals. Classes with similar or identical Hay point totals indicate similar or identical comparable work values and similar or identical salary ranges should be provided for these classes.

In order to accomplish this, some of these proposed adjustments exceed the 1% general adjustment to minimum and maximum salaries while others actually result in a small reduction in minimum and maximum salaries from 1986 levels.

In proposing these varying adjustments, the Merit System staff went through the same process as in 1985 of comparing the current salaries and Hay point totals of classes in the same group.

Adjustments proposed to the salary ranges for all classes in the same group result in either identical or similar salary ranges being provided for classes with identical or similar Hay point ratings or a reduction in the salary range differentials that currently exist between classes in the same group that have identical or similar Hay point ratings.

Minnesota Rules, part 9575.1500 is the Department of Human Services Merit System Compensation plan. The plan contains three separate salary schedules (designated as Plan A, B and C) for professional, support and clerical classes of positions and two separate salary schedules (designated as Plan A and B) for maintenance and trades classes of positions. This factor is important since proposed adjustments for some classes are not the same on all plans.

Amendments are proposed to part 9575.1500 providing class titles and minimum and maximum salaries for new classes that have been established in response to a need for a new classification in one or more agencies. New classes established are: Employment Technician, Jobs and Training Supervisor and Medical Assistance Prepayment Project Manager. These amendments are necessary and reasonable to ensure that Merit System salary schedules contain both appropriate class titles and salary ranges reflective of the various functions actually being performed by Merit System employees.

Additional amendments for part 9575.1500 provide for the moving of the classes of Fiscal Officer, Fiscal Supervisor I and Financial Assistance Supervisor I from the support salary schedule to the professional salary schedule. This has been done, again, as part of the Merit System's attempt to come into compliance with the provisions of the Local Government Pay Equity Act. These three classifications have received job evaluation points equal to or greater than other classifications currently in the professional salary schedule. It is reasonable to move these classes from the support salary schedule to the professional salary schedule, since the levels of know-how, problem-solving and accountability for these classes are equal to the levels required in other professional positions.

Based on the results of the Merit System 1984-1985 Hay study, adjustments proposed to minimum and maximum salaries for Human Service Merit System professional classifications are 1% with the following exceptions:

1. Administrative Assistant I, Fiscal Supervisor II, Social Services Supervisor I, Social Worker and Social Worker (Child Protection Specialist) minimum and maximum salaries are adjusted approximately 3% on all salary schedules.
2. Administrative Assistant III and Personnel Director minimum and maximum salaries are adjusted by approximately 5% on all salary schedules.
3. Adult Day Care Center Supervisor minimum and maximum salaries are adjusted by approximately 7% on all salary schedules.
4. Chemical Dependency Coordinator, Collections Services Supervisor II, Family Service Coordinator II, Methods and Procedures Analyst, Office Manager, Staff Development Specialist and Systems Programmer Analyst minimum and maximum salaries are reduced to the next lower step from their 1986 minimum and maximum salaries on all salary schedules.

5. Community Relations Specialist minimum and maximum salaries are reduced approximately 5% from their 1986 minimum and maximum salaries on all salary schedules.
6. Director of Business Management I minimum salaries are reduced to the next lower step from their 1986 minimum salaries on all salary schedules and maximum salaries are adjusted by approximately 3% on all salary schedules.
7. Financial Assistance Supervisor I minimum and maximum salaries are adjusted by approximately 5% on the A and B salary schedules and by 1% on the C salary schedules.

Adjustments proposed to minimum and maximum salaries for Human Services Merit System support classifications are 1% with the following exceptions:

1. Accounting Technician minimum salaries are adjusted by 1% and maximum salaries by approximately 5% on all salary schedules.
2. Adult Day Care Center Coordinator, Case Aide, Family Service Coordinator I, Financial Worker and Home Health Aide Coordinator minimum and maximum salaries are adjusted by approximately 3% on all salary schedules.
3. Collections Services Supervisor I, Computer Operations Specialist, Housing Rehabilitation Specialist, Personnel Aide and Welfare Fraud Investigator minimum and maximum salaries are reduced to the next lower step from their 1986 minimum and maximum salaries on all salary schedules.
4. Community Service Aide, Family Service Aide II and Public Health Aide minimum salaries are adjusted by approximately 5% and maximum salaries by approximately 10% on all salary schedules.
5. Coordinator of Aging and Development Achievement Center Instructor minimum and maximum salaries are adjusted by approximately 5% on all salary schedules.
6. Family Service Aide I, Family Service/Home Health Aide, Home Health Aide and Senior Citizen's Aide minimum salaries are adjusted by approximately 3% and maximum salaries are adjusted approximately 8% on all salary schedules.

Adjustments proposed to minimum and maximum salaries for Human Service Merit System clerical classifications are 1% with the following exceptions:

1. Clerk Typist I minimum salaries are adjusted by approximately 5% and maximum salaries by 1% on all salary schedules.
2. Clerk Typist III minimum and maximum salaries are adjusted by approximately 3% on the A salary schedule and minimum salaries are adjusted by 1% and maximum salaries by approximately 5% on the B and C salary schedules.
3. Information Systems Specialist minimum and maximum salaries are reduced to the next lower step from their 1986 minimum and maximum salaries on all schedules.

Adjustments proposed to minimum and maximum salaries for all Human Service Merit System maintenance and trades classifications are 1%.

Minnesota Rules, part 4670.4200-4670.4240 is the Department of Health Merit System compensation plan. It, too, contains three separate salary schedules (designated as Plan A, B and C) for professional, support and clerical classes of positions and two separate salary schedules (Plan A and B) for building maintenance classes of positions. As with proposed amendments to the Human Services Merit System compensation plan, proposed amendments for certain classes are not the same on all plans.

Adjustments proposed to minimum and maximum salaries for all Health Merit System professional classifications are 1%.

Adjustments proposed to minimum and maximum salaries for Health Merit System support classifications are 1% with the following exceptions:

1. Home Health Aide minimum salaries are adjusted by approximately 3% and maximum salaries are adjusted approximately 8% on all salary schedules.
2. Home Health Aide Coordinator and Inspector minimum and maximum salaries are adjusted by approximately 3% on all salary schedules.
3. Public Health Aide minimum salaries are adjusted by approximately 5% and maximum salaries by approximately 10% on all salary schedules.

Adjustments proposed to minimum and maximum salaries for Health Merit System clerical classifications are 1% with the following exceptions:

1. Clerk Typist I minimum salaries are adjusted by approximately 5% and maximum salaries by 1% on all salary schedules.
2. Clerk Typist III minimum and maximum salaries are adjusted by approximately 3% on the A salary schedule and minimum salaries are adjusted by 1% and maximum salaries by approximately 5% on the B and C salary schedules.

Adjustments proposed to minimum and maximum salaries for all Health Merit System building maintenance classifications are 1%.

Minnesota Rules, part 7520.1000-7520.1100 is the Emergency Services Merit System compensation plan. It contains three separate salary schedules (designated as Plan A, B and C) for professional and clerical classes of positions. Proposed amendments for certain classes are not the same on all plans.

Adjustments proposed to minimum and maximum salaries for all Emergency Services Merit System professional classifications are 1%.

Adjustments proposed to minimum and maximum salaries for Emergency Services Merit System clerical classifications are 1% with the following exceptions:

1. Clerk Typist I minimum salaries are adjusted by approximately 5% and maximum salaries by 1% on all salary schedules.
2. Clerk Typist III minimum and maximum salaries are adjusted by approximately 3% on the A salary schedule and minimum salaries are adjusted by 1% and maximum salaries by approximately 5% on the B and C salary schedules.

The Merit System recognizes that these proposed adjustments to minimum and maximum salary rates for Merit System classes do not constitute the final step in attaining equitable compensation relationships between all classes of positions based on the comparable work value of those classes of positions. However, they represent a reasonable approach to continue the process, begun in 1986, of eliminating compensation inequities between classes based on their comparable work value and are necessary to achieve the objectives of establishing equitable and reasonable compensation relationships between Merit System classes of positions as mandated by the Local Government Pay Equity Act.

In proposing these adjustments, special emphasis was placed on the results of the Hay job evaluation study applied to all Merit System classifications which determined the comparable work value of classes of positions. The adjustments will bring closer together, in terms of their compensation levels, those classes of positions which were rated similarly in terms of know-how, problem-solving and accountability necessary to perform the work as well as the working conditions surrounding the work.

They do not affect the proposed amendment recommending that all Merit System employees receive a 1% general adjustment in their salaries or the minimum rate of pay for the class in which they are employed, whichever is greater, to be effective January 1, 1987. The general adjustment recommended for incumbent employees is based solely on the Consumer Price Index, not on factors related to comparable worth.

The foregoing authorities and comments are submitted in justification of final adoption of the above-cited proposed rule amendments.

Ralph W. Corey

Ralph W. Corey

Merit System Supervisor

Dated: 9/2/86