

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE ANN WYNIA
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
DEFINITIONS, THE COMPENSATION PLAN, WORK
OUT OF CLASS AND TRANSFERS

STATEMENT OF NEED
AND REASONABLENESS

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 public safety programs, it must establish and maintain a merit system for personnel administration. See, e.g. 42 USC Ch. 62. (1)

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 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.)

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- 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]

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 Part 900, Subpart F, the Minnesota Legislature enacted Minn Stat. sec. 12.22 Subd. 3, sec. 144.071 and sec. 256.012, 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". (2)

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 has 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. The Court quashed 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.W. 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.

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 Employment Labor Relations Act (Minn. Stat. secs. 179A.61 - 179A.77).

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.

II. The justifications establishing the need for and the reasonableness of the specific substantive provisions of the proposed rules, all of which concern the Minnesota Merit System operation, are as follows:

A. Definitions

Minnesota Rules, parts 9575.0010, 4670.0100 and 7520.0100

An amendment is proposed to 9575.0010 Subp. 47; 4670.0100 Subp. 48 and 7520.0100 Subp. 48 providing a new definition for the term "transfer." The current language contained in the definition of transfer provides criteria for transfer that are inconsistent with the criteria for transfer contained in rule parts 9575.0850 and 4670.2800. The current definitional language refers to movement between classes with the same salary range, usually performing similar duties and requiring essentially the same qualifications of training and experience. Parts 9575.0850 and 4670.2800 governing transfers between positions in the same or different classes and in the same or different agencies don't even mention salary ranges as being a criteria for transfer but rather emphasize examination relatedness for the two classes involved which isn't mentioned in the definitional language for transfer. More importantly, neither of the rule parts refers to the criterion that transfers between classes be limited to classes with similar or identical comparable work values. In 1984, the Legislature passed what is known as the Local Government Pay Equity Act (Minn. Stat. 471.991-471.999) which required all political subdivisions, and the Merit System, to establish equitable compensation relationships between classes of positions based on their comparable work values as determined by a job evaluation system. The Merit System completed the process of determining the comparable work values of all Merit System classes in early 1985. The comparable work value for each class became the primary factor in determining the salary range for each class. It obviously, then, is a significant factor in transfers between positions in different classes.

The new definition in 9575.0010, subp. 47, 4670.0100, subp. 48 and 7520.0100, subp. 48 clarifies that the two primary criteria for transfer is salary range and comparable work value.

When the transfer of an employee from a position in one class to a position in another class is proposed, the Merit System looks primarily at the similarity of the salary ranges for the two classes, and the similarity of their comparable work values. If the salary ranges for the two classes involved in the transfer are more than one step apart, the movement between classes should be considered a promotion involving testing and appointment from an eligible register. This requirement is similar to one governing transfers within the state personnel system. If the comparable work values of the two classes are identical or similar, their salary ranges should be identical or similar. The Merit System has not, unfortunately, reached complete pay equity as yet and there still are a few situations where two classes have identical or similar comparable worth values but disparate salary ranges.

Both probationary and permanent employees may transfer and language has been proposed to clarify this fact. Transfers can take place between positions in the same class in the same or different agency or between positions in different classes in the same or different agency. It is reasonable to include who can transfer as well as the kinds of transfers in any definitional language. Since the current language is deficient in these two respects it is necessary to include this information as part of the proposed new definition.

B. Transfers

Minnesota Rules, parts 9575.0850 and 4670.2800 (Under the provisions of 7520.0200 Subp. 2, the Department of Human Services rules, parts 9575.0400 to 9575.1300 also apply to the Department of Public Safety's county and local agencies.)

A minor amendment is proposed to the heading for Subp. 3 of part 9575.0850 since the subject of this subpart is the transfer between different positions and not between the same position in different classes. The amendment is necessary so that the heading reasonably relates to the subject of the subpart.

Both part 9575.0850 Subp. 3 and the third paragraph of part 4670.2800 are proposed to be amended significantly. Part of the rationale for the amendment is the same as that for amending parts 9575.0010 Subp. 47 and 4670.0100 Subp. 48 and do not need repeating. There is a need that the language of these parts be consistent with the definitional language for transfer including who can transfer and what criteria governs the transfer between different classes and agencies. One other major amendment to 9575.0850 Subp. 3 and the third paragraph of 4670.2800 provides for Merit System testing under certain conditions of employees who wish to transfer between different classes. It involves situations where the salary ranges and comparable work values for the two classes are similar and the employee meets the minimum qualifications of education and experience for the class to which transfer is proposed but where the work behaviors and the exam content areas for the two classes are different. It allows, in such instances, for testing by the Merit System of the employee proposed for transfer. The employee must take the Merit System examination on an advisory basis for the class to which transfer is proposed. If the employee passes the examination, the Merit System will approve the proposed transfer. The key criteria here (in addition to similar salary ranges and comparable work values) is that the employee meets the minimum qualifications of education and experience for the class to which transfer is proposed.

If he or she does not, advisory testing is not offered. It is believed that advisory testing in these instances is reasonable in that it objectively allows for determining whether an employee possesses the necessary knowledges, skills and abilities to perform the specific job requirements of the position in the class to which he or she wishes to transfer even though the work behaviors and exam content areas for the two classes are different. This is also consistent with the Federal Standards for a Merit System of Personnel Administration which requires hiring employees on the basis of their knowledge, skill and ability. However, this option is not provided for in current rule language and it is necessary to implement the proposed language of this amendment to provide for that option.

Two amendments are proposed to 9575.0850 Subp. 2 and the second paragraph of 4670.2800. The first one provides for the transfer of probationary as well as permanent employees from a position on one county agency staff to another position in the same class in a different county agency. The second adds references to two other rule parts (9575.0760 and 4670.2650 respectively) relating to the transfer of probationary employees between positions in the same class but in different agencies. Under the provisions of other Merit System rules, probationary employees may transfer between positions in the same class in different county agencies under certain conditions. Given the existence of those conditions, the Merit System has approved such transfers. Yet the current language of 9575.0850 Subp. 2 and the second paragraph of 4670.2800 provides for such transfers only by a permanent employee. Since it is reasonable that different rule references to the same personnel action be consistent with each other, it is necessary to add the words "probationary or" to these rule parts to attain that consistency.

C. Compensation Plan

Minnesota Rules, parts 9575.0300-9575.0380, 4670.1020-4670.1600 and 7520.0600-7520.0680

Many relatively minor amendments being proposed to these rule parts are made necessary by a very significant amendment being proposed to rule parts 9575.1500, 4670.4210-4670.4240 and 7520.1000-7520.1100 which are the Merit System compensation plans for Human Services, Health and Emergency Services. These plans contain two or three separate and distinct salary schedules for the same classes of positions in various occupational groupings of classes such as professional, support, clerical and maintenance and trades classes. A total of 28 separate schedules are made available to local appointing authorities (agencies) in parts 9575.1500, 4670.4210-4240 and 7520.1000-7520.1100. The local agencies then adopt, by formal resolution, a particular salary schedule for each occupational grouping of classes used in the agency. Briefly, the amendment being proposed to parts 9575.1500, 4670.4210-4670.4240 and 7520.1000-7520.1100 (which will be explained in more detail later in this document) would reduce the number of salary schedules to one for each occupational grouping of classes. The total number of salary schedules would be reduced from 28 to 10. With only one plan available for each occupational grouping of classes, agencies will no longer adopt, by formal resolution, a salary schedule for each occupational grouping of classes from among multiple schedules for those groupings. With implementation of the proposed amendment to 9575.1500, 4670.4210-4670.4240 and 7520.1000-7520.1100, it is reasonable to expect that all other rule language references to compensation plans be consistent with the single salary schedule concept for each occupational grouping of classes. To attain that consistency it is necessary to delete any rule references to the "adoption" of a salary schedule from multiple salary schedules made available by the Merit System. The choice of one from among several simply will not be available and that needs to be made clear in rule language.

An amendment is proposed to the third sentence of 9575.0300 Subp. 1 to change salary "schedules" to salary "ranges". Under the single salary schedule concept, the Merit System develops and provides, through the Commissioners of Human Services and Health and the Governor, Merit System agencies with a single salary schedule for each occupational grouping of classes and a single salary range for each classification of positions in each occupational grouping. The amendment is both necessary and reasonable to clarify that multiple salary schedules no longer exist, that each class of positions has a single salary range and also provides consistency with the language in parts 4670.1000 and 7520.0600, Subp. 1.

An amendment is proposed to 9575.0300 Subp. 3, 4670.1020 and 7520.0600 Subp. 3. Again, it is both necessary and reasonable to clarify that the Merit System compensation plan adopted by the Commissioners of Human Services and Health and the Governor provides for only a single salary schedule for each occupational grouping of classes. It is also reasonable and, for purposes of clarification, necessary to specifically identify the title of each occupational grouping of classes used by Human Services, Health and Emergency Services agencies.

An amendment is proposed to delete rule parts 9575.0310 Subp. 1, 4670.1100 and 7520.0610 Subp. 1 in their entirety. With the single salary schedule concept, there is no choosing of salary schedules or plans by individual appointing authorities. Therefore, it is not only reasonable to abolish these rule parts, it is necessary to do so for consistency of rule language. An amendment to the heading of part 7520.0610 includes deletion of the term "civil defense" since this is out-dated language.

Amendments are necessarily proposed to 9575.0310 Subp. 2, 4670.1110 and 7520.0610 Subp. 2 to again clarify that there is only one salary schedule for each occupational grouping of classes and that appointing authorities do not adopt a salary schedule or plan from among alternatives.

Amendments are necessarily proposed to 9575.0310 Subp. 3, 4670.1120 and 7520.0610 Subp. 3 to clarify that, while appointing authorities may still designate and change minimum, intervening and maximum salaries for their classes, they no longer adopt or change salary plans since, under proposed amendments to 9575.1500, 4670.4210-4670.4240 and 7520.1000-7520.1100, they receive only one salary plan for each occupational grouping of classes which they must accept.

Amendments are proposed to 9575.0310 Subp. 4, 4670.1130 and 7520.0610 Subp. 4 again to clarify that appointing authorities no longer adopt salary plans but rather, in accordance with amendments to 9575.0300 Subp. 3, 4670.1020 and 7520.0600 Subp. 3, must accept the single salary schedule for each occupational grouping of classes adopted by the Commissioners of Human Services and Health and the Governor.

Amendments are proposed to 9575.0310 Subp. 5, 4670.1140 and 7520.0610 Subp. 5 simply to clarify that, when other proposed amendments to the compensation plans for Human Services, Health and Emergency Services agencies, there is only one salary range rather than a plurality of salary ranges for a single class.

Amendments are necessarily proposed to 9575.0350 Subp. 2A, 4670.1310 A and 7520.0650 Subp. 2A again to clarify that appointing authorities no longer adopt a compensation plan from among alternatives but must accept one for each occupational grouping of classes that is adopted by the Commissioners of Human Services and Health and the Governor.

Amendments are necessarily proposed to 9575.0350 Subp. 2C, 4670.1310 C and 7520.0650 Subp. 2C for exactly the same reasons as those proposed to 9575.0350 Subp. 2A, 4670.1310 A and 7520.0650 Subp. 2A.

Amendments are proposed to 9575.0350 Subp. 2G, 4670.1310 G and 7520.0650 Subp. 2G governing lump sum general salary adjustments to employees. These rule parts were established some years ago to provide salary relief for employees at the top of salary range for their class. Under these rule parts, such employees may be granted salary adjustments that exceed Merit System adopted adjustments in the form of a single annualized lump sum payment in the amount of the difference between the Merit System adopted adjustment and the agency adopted adjustment. When the rule parts were established, the intent was to have them apply not only to employees at the maximum for their salary range but those above the maximum for their class. Unfortunately, the adopted language only refers to employees at the maximum of their salary range. One proposed amendment allows for the rule parts to apply to employees above the maximum salary for their class. This is reasonable since existing rule language allows employees who receive Merit System adopted salary adjustments to have salaries that exceed the maximum salary for their class. In addition, other employees have exceeded their salary range maximums by virtue of receiving inequity salary adjustments based on the comparable work value of their position. In order to have these rule parts apply to such employees it is necessary to add the words "or above" to the language. The second proposed amendment allows an agency to grant these salary adjustments in the form of a single lump sum payment or multiple lump sum payments. Current language allows only for a single annualized lump sum payment. Agency managers have pointed to instances where such a payment is made and the employee separates from the agency shortly thereafter. In these situations, they correctly point out that the employer makes a significant salary investment with very little return in the form of service from the employee. They would like to see, as an additional

alternative, the flexibility of providing multiple lump sum payments on a sort of "pay as you go" basis throughout the work year. In this scenario, payment is made as service is rendered. It appears to us that such an alternative is reasonable. Therefore, the proposed amendment is necessary to allow a second alternative in granting lump sum salary adjustments.

An amendment is proposed to 9575.0380, 4670.1600 and 7520.0680 governing work out of class assignments. Quite often, employees are granted leaves of absence and agencies elevate a lower classified employee to perform the work in the vacant position for the period of the leave. In return, the rule allows the employer to grant a one step increase in the employee's current salary range or pay the employee at the minimum of the salary range for the higher class for the period of service in the higher class. We believe it is reasonable to allow individual agencies complete flexibility in determining what to pay employees given work out of class assignments. However, if an agency wishes to keep an employee in the same salary range during a work out of class assignment, current rule language restricts the amount of salary increase that can be granted to one step. It is necessary to amend the rule parts by deleting the words "one step" from the language to gain the desired level of flexibility. An amendment is proposed to 7520.0680 to correct an incorrect rule reference.

D. Compensation Plan

Minnesota Rules, parts 9575.1500, 4670.4210-4670.4240 and 7520.1000-7520.1100
These rule parts represent minimum and maximum salaries for all Merit System classes of positions covered by the Human Services, Health and Public Safety Merit System rules. Part 9575.1500 includes the Department of Human Services Merit System compensation plan. It includes 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 making a total of 11 separate salary schedules for Human Service Merit System classes. Parts 4670.4210-4670.4240 includes the Department of Health Merit System compensation plan. It also contains three separate salary schedules (designated as Plan A, B and C) for professional and administrative, support and clerical classes of positions and two separate salary schedules (designated as Plan A and B) for building maintenance classes of positions also making a total of 11 separate salary schedules for Health Merit System classes. Parts 7520.1000-7520.1100 includes 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 making a total of six separate salary schedules for Emergency Services Merit System. The grand total of separate Merit System salary schedules is 28 which, incidentally, the Merit System must maintain, amend and adjust on an annual basis. All appropriate schedules are available to the respective local appointing authorities and they are required to choose a schedule for each occupational grouping of classes. For example, for employees in a county human service agency, the county board adopts Plan A, B or C for professional employees; Plan A, B or C for support employees; Plan A, B or C for clerical employees and Plan A or B for maintenance and trades employees. Similar decisions are made by appointing authorities for health and emergency services. The rules also allow individual appointing authorities to amend their adopted plan and adopt by resolution, a different plan for each occupational grouping of classes.

The significant amendments proposed to these rule parts reduces the total number of separate salary schedules from 28 to 10. Human Services Merit System classes would have a total of four, one each for professional, support, clerical and maintenance and trades classes. Health Merit System classes would also have a total of four,

one each for professional and administrative, support, clerical and building maintenance classes. Emergency Services Merit System classes would have a total of two, one each for professional and clerical classes. There would be a single salary range for each Merit System class rather than the current three for most all classes. Other proposed amendments are related to this proposed amendment. An amendment is proposed to delete parts 9575.0310 Subp. 1, 4670.1100 and 7520.0610 Subp. 1 which eliminates the adopting of salary schedules from among several choices and an amendment is proposed to 9575.0310 Subp. 3, 4670.1120 and 7520.0610 Subp. 3 to clarify that appointing authorities will no longer adopt or change salary plans since there will be only one plan for each occupational grouping of classes.

It is evident that the proposed amendment reducing the number of Merit System salary schedules is both reasonable and necessary for several reasons. Presently, Merit System employees performing identical work in the same classification in adjoining counties are often paid in different salary ranges. A Merit System objective in rule language has been "equitable pay scales for the various classes established on the basis of equal pay for equal work." With passage of the Local Government Pay Equity Act, the Merit System has adopted, in rule language, the principle of equal pay for classes with equal comparable worth. Merit System staff have stated their public commitment to both principles. However, continuing to provide multiple salary schedules for the same occupational grouping of classes conflicts with both these principles. Providing multiple plans with differing salary ranges for the same class makes the Merit System vulnerable to the charge that we do not practice what we preach. There is truth to the charge and little or no defense for the current practice. It should be mentioned that the state personnel system, with 35,000 employees and over 1,800 classifications compared to the Merit System's 3,000 employees and 139 classifications, has only one salary range for each of its classes regardless of where the employees in each class work. The Merit System is also a statewide system covering 77 of the 87 county human services agencies. In comparison to the state personnel system, there is simply no justification for continuing to have more than one salary range for each class of positions in the Merit System.

The practice of having multiple salary schedules for each occupational grouping of classes has been in effect in the Merit System since 1970. Maintaining multiple salary schedules provides agencies with geographic salary differentials. The concept of geographic salary differentials is antiquated and no longer viable. There was some rationale 20 years ago for geographic differentials if you only considered the local labor market in setting compensation levels. However, since then, labor markets have expanded greatly in size as people have become much more mobile (including their pursuit of employment opportunities). In addition, the principle of comparable worth is mandated by statute and the labor market is only one factor in the salary setting process. In any event, the present configuration of multiple salary schedules and ranges for the same classification of positions is incompatible with the two equal pay principles mentioned in the preceding paragraph and, therefore, needs to be changed.

As far as Merit System staff members are concerned, having a single salary plan for each occupational grouping of classes would greatly reduce the amount of work necessary to propose amendments to the compensation plan. It would save both time and money. If there was a demonstrated need to continue providing agencies with the present number of separate salary schedules or plans, it would be inappropriate to mention the issues of cost and staff time in this document. However, since there is a lack of demonstrated need for this number of separate salary schedules, the issues of cost and staff time are appropriate issues for discussion. Presently, the Merit System amends annually a total of eleven (11) separate Human Services salary schedules, another eleven (11) separate Health salary schedules and six (6) Emergency Services salary schedules for a grand total of 28 salary schedules. Costs and the time involved in the preparation and printing of rule

amendments are not insignificant. By going to one salary schedule for each occupational grouping of classes, the Merit System would amend four (4) Human Services salary schedules, four (4) Health salary schedules and two (2) Emergency Services schedules for a grand total of ten (10) salary schedules. That number obviously represents a significant reduction in cost and staff time for amending compensation plans.

While perhaps not as significant, another advantage to having a single salary schedule for each occupational grouping of classes is that it will greatly simplify explaining the compensation plan to Merit System job applicants who want to know what the salary range is for the class for which they are applying. Now the staff must ask the applicant what county or counties he/she is interested in and then check to see what plan the county or counties have adopted before responding to the applicant. Often, it also leads to having to explain why there are different salary ranges for the same classification.

It is appropriate to discuss what effects, when implemented, the single salary schedule concept for each occupational grouping of classes will have on Merit System agencies. Individual appointing authorities will no longer be able to choose a single salary schedule for each occupational grouping of classes from a menu of schedules provided by the Merit System. However, each employer has full authority to determine the salary range, including the minimum, intervening and maximum rates of pay for every single class of positions in their employ. This is the same authority they have now. Each employer will also have full authority to change the salary range, including the minimum, intervening and maximum rates of pay for every single class of positions in their employ at any time they desire. This is also the same authority they have now. There is one effect the proposed amendments, if implemented, will have on agencies that cannot be overemphasized. The amendment will not require one Merit System agency to change even one salary range for one class of positions in its employ from what they are with the current configuration of multiple salary schedules for each occupational grouping of classes. The reason for this is that the parameters of the single salary range for each class of positions are the same as the parameters of the current two or, for the most part, three salary ranges for each class of positions. For example, the current salary ranges for Financial Worker are \$1233-\$1844 per month on the A plan, \$1289-\$1925 per month on the B plan and \$1351-\$2014 per month on the C plan. Under the single salary schedule concept being proposed, the single salary range for Financial Worker will be \$1233-\$2014 per month which encompasses the minimum salary on the current A plan and the maximum salary on the C plan for this class. This is also true for every other Merit System class of position.

As previously mentioned, a single salary schedule for each occupational grouping of classes still would allow individual agencies to establish their own salary range for each class within the Merit System salary schedule minimum and maximum salary for each class as they do now. Within a single salary schedule for each occupational grouping of classes, if there is a need to adjust the minimum or maximum salary for a single class upward in response to the recruiting or retention problem or a labor market salary issue, the agency can make the necessary salary range adjustment for that one class without having to adjust the salary ranges for all the other classes in that same occupational grouping (professional, support, clerical, etc.) to a higher salary schedule with higher salary ranges when there is no need to do so for other classes. Conversely, if an agency can hire in a given class at a rate lower than their minimum salary for that class, they can often adjust the minimum salary for that class downward without having to adjust the minimum salaries for all other classes in that same occupational grouping downward as well. That flexibility does not exist now. When the salary range for one class is adjusted upward (from plan A to B or B to C) or downward (from plan C to B or B to A) all other classes in the same occupational grouping must be treated the same. When one class goes up or down by plan, all the classes in the same occupational grouping goes up or down as well. All classes in the same

occupational grouping of classes must be in the same salary plan or schedule with no exceptions. It is obvious, therefore, that the proposed compensation plan amendments will provide Merit System agencies with greater flexibility for individual class salary setting than what is allowed in the current multiple salary plan configuration and, therefore, is more reasonable.

In summary, it is believed that the proposed compensation plan amendments are reasonable. It is also strongly believed that the amendments are necessary to bring Merit System compensation plans into compliance with equal pay principles expressed both in Merit System rule language and in statutes.


Minor amendments are proposed to 9575.1500 providing for different salary minimums and maximums for the classes Child Support Officer I, Collections Service Supervisor I and II and a new class title and salary minimums and maximums for Child Support Officer (Administrative Process). These amendments became necessary as a result of a classification study conducted by the Merit System of county social service agency child support and fraud classifications. The study was completed in January 1990. The need for the study came about because the Department of Human Services implemented, in 17 pilot counties, a new procedure for pursuing child support enforcement action to be followed by agency staff. The study revealed that several classes had their principal responsibilities significantly increased by the new procedure resulting in higher comparable work values for the classes and justifying, consequently, higher salary ranges for those classes. In the case of Child Support Officer I's in the pilot counties, their responsibilities increased dramatically so that a new classification, Child Support Officer (Administrative Process) with a higher salary range is justified. These amendments are both necessary and reasonable to ensure that the Human Services Merit System compensation plan properly reflects current class titles and salaries that are current and also reflective of functions actually being performed by Merit System employees.

Other amendments to part 9575.1500 provide for a class title and minimum and maximum salaries for the following new classes established in response to a legitimate need for such new classes in one or more Merit System agency: Financial Assistance Supervisor II (and subsequent retitling of the current Financial Assistance Supervisor II classification to Financial Assistance Supervisor III) and Crisis Center Resource Aide.

An amendment is proposed to Minnesota Rules, part 9575.1500 deleting the class title for Developmental Achievement Center Instructor because there are no employees in this class and there is no longer an intent to use this class. These amendments are both necessary and reasonable to ensure that the Human Services Merit System compensation plan reflects appropriate class titles and salary ranges that are current.

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

If this rule goes to public hearing, it is anticipated that there will be no expert witnesses called to testify on behalf of the agency. The small business considerations in rulemaking, Minnesota Statutes, section 14.115, do not apply to this rule amendment.



Ralph W. Corey
Merit System Supervisor

Dated: 5-2-90