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**CHAPTER 276—S.F.No.867**

[Coded in Part]

*An act relating to state employees; authorizing training, development and compensation of state personnel designated as managerial; amending Minnesota Statutes 1974, Section 15.56, Subdivision 3; and Chapter 43, by adding a section.*

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:**

Section 1. Minnesota Statutes 1974, Section 15.56, Subdivision 3, is amended to read:

**Subd. 3. STATE GOVERNMENT; STATE EMPLOYEES; MANAGEMENT TRAINING.** Employees who are detailed to the receiving agency shall not by virtue of such detail be considered to be employees thereof, except as provided in subdivision 4 ; ~~nor shall they be paid a salary or wage by the receiving agency during the period of their detail~~ . The salary and supervision of the duties of such employees during the period of detail may be governed by agreement between the sending agency and the receiving agency.

Sec. 2. Minnesota Statutes 1974, Chapter 43, is amended by adding a section to read:

**[43.127] STATE MANAGEMENT GROUP. Subdivision 1. DEVELOPMENT OF PLANS.** The commissioner shall establish appropriate plans for training and development, mobility and compensation for those classified positions identified as being managerial pursuant to section 43.326. Such plans shall be oriented toward enhancing the capability of state managers to effectively and efficiently direct the resources and programs for which they are accountable.

**Subd. 2. MANAGERS EXCLUDED FROM BARGAINING UNITS.** Incumbents of classified positions defined as managerial by section 43.326 shall be excluded from any bargaining units under the provisions of chapter 179.

**Subd. 3. MANAGEMENT COMPENSATION SCHEDULE.** The management compensation schedule shall provide compensation methods and levels for state managers that will be generally comparable to those applicable to managers in other public and private employment. Provisions of the schedule shall ensure that compensation within assigned salary ranges is directly related to level of performance. In assigning salary ranges, the commissioner shall utilize an objective evaluation system which takes into consideration the knowledge, ability, responsibility, and accountability of positions. Employees assigned to positions in the management compensation schedule shall be exempt from all overtime provisions.

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Subd. 4. SALARY PROGRESSION. All salary increases within ranges for employees compensated according to this section must be specifically recommended by the appointing authority and based on evaluated job performance according to the results oriented performance appraisal system as provided by section 43.245. The commissioner shall establish and enforce guidelines which relate the amount and timing of achievement increases to relative levels of evaluated job performance.

Appointing authorities shall file a written report with the commissioner by August 15 of each year, in the format prescribed by the commissioner, indicating all increases granted during the previous fiscal year under the provisions of this subdivision. On the basis of the reports the commissioner may require prior approval of all increases for managerial employees in departments where guidelines are not being appropriately applied.

Subd. 5. ADJUSTMENTS OF SALARY RANGES. Salary ranges for classifications assigned to the management compensation schedule shall be adjusted by cost-of-living provisions on the same dates and by the same amounts as determined for salary ranges in the "A" schedule as provided in section 43.12; provided that if the cost-of-living adjustment for an "A" schedule employee is to be computed as a percentage of his salary, the amount of the adjustment for an employee compensated pursuant to the management compensation schedule shall not exceed the amount that would result if that percentage were applied to the average salary of all employees compensated pursuant to the management compensation schedule. Employees whose monthly rate of pay is lower than the adjusted minimum monthly rate for their class as a result of any cost-of-living adjustment shall be adjusted to the new minimum rate. All other employees eligible under subdivision 1 shall not receive the adjustments unless specifically recommended by their appointing authority on the basis of evaluated job performance.

Subd. 6. EMPLOYEE BENEFITS. The commissioner may design an employee benefit system for employees defined as managerial providing flexibility between leave, insurance, and other compensation items, which may differ from those for other state employees. Retirement items shall not be included in the commissioner's authority.

Sec. 3. This act shall be effective the day following final enactment.

Approved June 2, 1975.

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