

State Employment

CHAPTER 43A

DEPARTMENT OF EMPLOYEE RELATIONS

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43A 01 POLICIES

Subdivision 1 **General** It is the policy of the state to maintain an efficient and effective merit based personnel management system to meet the management needs of the state and the social economic and program needs of the people of the state The system shall provide means to recruit select and develop an effective, productive and responsive work force representative of the labor market according to the demands of society, equity and law, and shall include policies and procedures for employee hiring and advancement, training and career development, job classification, salary administration, employee benefits, discipline, discharge, retirement and other related activities as appropriate, taking into consideration formal and informal labor relations arrangements

Subd 2 **Precedence of merit principles and nondiscrimination** It is the policy of this state to provide for equal employment opportunity consistent with chapter 363 by ensuring that all personnel actions be based on the ability to perform the duties and responsibilities assigned to the position without regard to age, race, creed or religion, color, disability, sex, national origin, marital status, status with regard to public assistance, or political affiliation It is the policy of this state to take affirmative action to eliminate the underutilization of qualified members of protected groups in the civil service, where such action is not in conflict with other provisions of this chapter or chapter 179, in order to correct imbalances and eliminate the present effects of past discrimination

No contract executed pursuant to chapter 179A shall modify, waive or abridge this section and sections 43A 07 to 43A 13, 43A 15, and 43A 17 to 43A 21, except to the extent expressly permitted in those sections

Subd 3 **Equitable compensation relationships** It is the policy of this state to attempt to establish equitable compensation relationships between female dominated, male dominated, and balanced classes of employees in the executive branch. Compensation relationships are equitable within the meaning of this subdivision when the primary consideration in negotiating, establishing, recommending, and approving total compensation is comparability of the value of the work in relationship to other positions in the executive branch.

History 1981 c 210 s 1, 1982 c 634 s 1, 1997 c 79 s 1

43A 02 DEFINITIONS

Subdivision 1 **Interpretation** Unless the language or context indicates that a different meaning is intended, the following terms, for the purposes of this chapter, have the meanings given them in this section.

Subd 2 **Agency** "Agency" means a department, commission, board, institution, or other employing entity of the civil service, in which all positions are under the same appointing authority.

Subd 3 **Allocation** "Allocation" means the assignment of an individual position to an appropriate class on the basis of the kind, difficulty, or responsibility of the work performed in the position.

Subd 4 **Applicant** "Applicant" means a person who has completed a state application for employment and has submitted it to the department of employee relations or other appointing authority who has been delegated authority to recruit and examine individuals for state jobs.

Subd 5 **Appointing authority** "Appointing authority" means a person or group of persons empowered by the constitution, statute, or executive order to employ persons in or to make appointments to positions in the civil service.

Subd 6 **Appointment** "Appointment" means the act of filling a vacancy by placement of a person in a civil service position through selection from an eligible list or a noncompetitive or qualifying process including transfer, demotion or reinstatement.

Subd 6a **Balanced class** "Balanced class" means any class in which no more than 80 percent of the incumbents are male and no more than 70 percent of the incumbents are female.

Subd 7 **Candidate** "Candidate" means an applicant whose application for employment has been accepted into the examination process for a class.

Subd 8 **Certification** "Certification" means the referral of names from an eligible list to an appointing authority to fill vacant positions in the classified service.

Subd 9 **Change in allocation** "Change in allocation" means reclassification resulting from abrupt, management imposed changes in the duties and responsibilities of a position.

Subd 10 **Civil service** "Civil service" means all employees in the legislative, judicial and executive branches of state government and all positions in the classified and unclassified services as provided in sections 43A 07 and 43A 08.

Subd 11 **Class** "Class" means one or more positions sufficiently similar with respect to duties and responsibilities that the same descriptive title may be used with clarity to designate each position allocated to the class and that the same general qualifications are needed for performance of the duties of the class, and that the same schedule of pay can be applied with equity to all positions in the class under the same or substantially the same employment conditions.

Subd 12 **Classified service** "Classified service" means all positions now existing or hereafter created in the civil service and not specifically designated unclassified pursuant to section 43A 08.

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Subd 13 **Commissioner** "Commissioner" means the commissioner of employee relations

Subd 14 **Commissioner's plan** "Commissioner's plan" means the plan required by section 3 855 regarding total compensation and terms and conditions of employment, including grievance administration, for employees of the executive branch who are not otherwise provided for in this chapter or other law

Subd 14a **Comparability of the value of the work** "Comparability of the value of the work" means the value of the work measured by the composite of the skill, effort, responsibility, and working conditions normally required in the performance of the work

Subd 15 **Competitive open** "Competitive open" means eligibility to compete in an examination for state employment is extended to all interested persons

Subd 16 **Competitive promotional** "Competitive promotional" means eligibility to compete in an examination for state employment is limited to persons currently occupying, or on leave or layoff from, civil service positions

Subd 17 **Declassified position** "Declassified position" means a position which is removed from the classified service and placed in the unclassified service

Subd 18 **Department** "Department" means the department of employee relations

Subd 19 **Eligible** "Eligible" means a person whose name is on an eligible list

Subd 20 **Eligible list** "Eligible list" means a list of candidates qualified under provisions of this chapter for employment in a specific class

Subd 21 **Employee** "Employee" means any person currently occupying, or on leave from, a civil service position

Subd 22 **Executive branch** "Executive branch" means heads of all agencies of state government, elective or appointive, established by statute or constitution and all employees of those agency heads who have within their particular field of responsibility statewide jurisdiction and who are not within the legislative or judicial branches of government. The executive branch also includes employees of the iron range resources and rehabilitation board. The executive branch does not include agencies with jurisdiction in specifically defined geographical areas, such as regions, counties, cities, towns, municipalities, or school districts, the University of Minnesota, the public employees retirement association, the Minnesota state retirement system, the teachers retirement association, the Minnesota historical society, and all of their employees, and any other entity which is incorporated, even though it receives state funds

Subd 22a **Female dominated class** "Female dominated class" means any class in which more than 70 percent of the incumbents are female

Subd 23 **Intermittent employee** "Intermittent employee" means an employee who works an irregular and uncertain schedule which alternately begins, ceases and begins again as the needs of the agency require

Subd 24 **Intern** "Intern" means an individual who for a work experience, is receiving academic credit from or is fulfilling an academic requirement of, an accredited educational institution

Subd 25 **Judicial branch** "Judicial branch" means all judges of the appellate courts, all employees of the appellate courts, including commissions, boards, and committees established by the supreme court, the board of law examiners, the law library, the office of the state public defender, district public defenders and their employees, all judges of all courts of law, district court referees, judicial officers, court reporters, law clerks, district administration employees under section 484 68, court administrator or employee of the court in a judicial district under section 480 181, subdivision 1, paragraph (b), guardian ad litem program employees, and other agencies placed in the judicial branch by law. Judicial branch does not include district administration or public defenders or their employees in the second and fourth judicial districts, court administrators not under section 480 181, subdivision 1, paragraph (b),

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or their staff under chapter 485, or other employees within the court system whose salaries are paid by the county, other than employees who remain on the county payroll under section 480 181, subdivision 2

Subd 26 Layoff list "Layoff list" means an eligible list by class of former permanent or probationary employees who have been terminated from positions in the class because of a shortage of funds or curtailment of service or for any other reason beyond their control not reflecting discredit on the employee

Subd 27 Legislative branch "Legislative branch" means all legislators and all employees of the legislature, legislative committees or commissions

Subd 27a Male dominated class "Male dominated class" means any class in which more than 80 percent of the incumbents are male

Subd 28 Managerial "Managerial" means those positions designated pursuant to section 43A 18, subdivision 3 as being accountable for determining, securing, and allocating human, financial, and other resources needed to accomplish objectives Positions in this category also are accountable for determining overall objectives, priorities, and policies within a program area Higher level positions in this category handle significant and involved relationships with governmental leadership Incumbents of these positions have the authority to exercise discretionary powers on a regular basis

Subd 29 Officer For purposes of chapter 15A the term "officer" may be used interchangeably with the term "employee" within the executive branch

Subd 30 Permanent status "Permanent status" means the state or condition achieved by an employee in the classified service who has successfully completed an initial probationary period or a probationary period required following reinstatement or reemployment, or whose probationary period is waived through specific statutory direction

Subd 31 Position "Position" means a group of duties and responsibilities assigned or delegated by competent authority, requiring the full time or less than full time employment of one person

Subd 32 Probationary period "Probationary period", part of the examination process, means a working period following unlimited appointment to a position in the classified service during which the employee is required to demonstrate ability to perform the duties and fulfill the responsibilities of the position

Subd 33 Protected groups For affirmative action purposes, protected groups means females persons with disabilities, and members of the following minorities Black Hispanic, Asian or Pacific Islander, and American Indian or Alaskan native

Subd 34 Qualifying appointment "Qualifying appointment" means the selection, from other than an eligible list, of a candidate who has demonstrated through an examination process that the candidate meets minimum job related requirements

Subd 35 Reallocation "Reallocation" means reclassification resulting from significant changes over a period of time in the duties and responsibilities of a position

Subd 36 Reclassification "Reclassification" means changing the allocation of a position to a higher, lower or equivalent class

Subd 37 Reemployment list "Reemployment list" means an eligible list by class of current or former permanent or probationary employees laid off, demoted in lieu of layoff, or separated in good standing from the class, or former permanent or probationary employees of the class who are receiving disability benefits under a state retirement plan and whose written applications for consideration for reemployment in the class have been approved by the commissioner

Subd 38 Total compensation "Total compensation" means salaries, cash payments and employee benefits including paid time off, group insurance benefits, and other direct and indirect items of compensation with the exception of retirement plans

Subd 39 Unclassified service "Unclassified service" means all positions designated not being classified pursuant to section 43A 08

Subd 40 **Unlimited appointment** ‘Unlimited appointment’ means an appointment for which there is no specified maximum duration

History 1981 c 210 s 2, 1982 c 560 s 8, 1982 c 634 s 2 5, 1983 c 247 s 19, 1989 c 335 art 3 s 2, 1990 c 594 art 2 s 1, 1993 c 146 art 2 s 9, 1997 c 79 s 2 6, 1999 c 182 s 2,3, 1999 c 216 art 7 s 1

NOTE Laws 1999 chapter 216 article 7 section 46 subdivisions 1 and 3 provide specific effective dates for the state takeover of court administrative and miscellaneous costs under subdivision 25 as amended by Laws 1999 chapter 216 article 7 section 1

43A 03 DEPARTMENT OF EMPLOYEE RELATIONS

Subdivision 1 **Creation** The department of employee relations is created under the control and direction of the commissioner

Subd 2 **Commissioner** The commissioner shall be appointed by the governor under the provisions of section 15 06 The commissioner shall be knowledgeable in executive personnel management and shall have background in labor relations

Subd 3 **Organization** The department shall be organized into two bureaus which shall be designated the personnel bureau and the labor relations bureau Each bureau shall be responsible for administering the duties and functions assigned to it by law When the duties of the bureaus are not mandated by law, the commissioner may establish and revise the assignments of either bureau Each bureau shall be under the direction of a deputy commissioner

Subd 4 **Deputy commissioners** The deputy commissioners of the personnel and labor relations bureaus shall be in the unclassified service and shall be appointed by and serve at the pleasure of the commissioner

Subd 5 **Confidential secretary** The commissioner may appoint a confidential secretary, who shall serve at the pleasure of the commissioner in the unclassified service

History 1981 c 210 s 3

43A 04 GENERAL POWERS AND RESPONSIBILITIES OF COMMISSIONER.

Subdivision 1 **Statewide leadership** (a) The commissioner is the chief personnel and labor relations manager of the civil service in the executive branch

Whenever any power or responsibility is given to the commissioner by any provision of this chapter, unless otherwise expressly provided the power or authority applies to all employees of agencies in the executive branch and to employees in classified positions in the office of the legislative auditor the Minnesota state retirement system the public employees retirement association, and the teacher's retirement association Unless otherwise provided by law, the power or authority does not apply to unclassified employees in the legislative and judicial branches

(b) The commissioner shall operate an information system from which personnel data, as defined in section 13 43, concerning employees and applicants for positions in the classified service can be retrieved

The commissioner has access to all public and private personnel data kept by appointing authorities that will aid in the discharge of the commissioner's duties

(c) The commissioner may consider and investigate any matters concerned with the administration of provisions of this chapter, and may order any remedial actions consistent with law The commissioner, at the request of an agency, shall provide assistance in employee misconduct investigations The commissioner shall have the right to assess from the requesting agency, any costs incurred while assisting the agency in the employee misconduct investigation Money received by the commissioner under this paragraph is appropriated to the commissioner for purposes of this paragraph

(d) The commissioner has sole authority to settle state employee workers' compensation claims

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(e) The commissioner may assess or establish and collect premiums from all state entities to cover the costs of programs under sections 15 46 and 176 603

Subd 1a **Mission, efficiency** It is part of the department's mission that within the department's resources the commissioner shall endeavor to

- (1) prevent the waste or unnecessary spending of public money,
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible,
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies,
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government,
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A,
- (6) report to the legislature on the performance of agency operations and the accomplishment of agency goals in the agency's biennial budget according to section 16A 10, subdivision 1, and
- (7) recommend to the legislature appropriate changes in law necessary to carry out the mission and improve the performance of the department

Subd 2 **Executive direction** The commissioner shall direct all departmental services, appoint employees and may enter into contracts to carry out the provisions of this chapter

Subd 3 **Rules** The commissioner shall adopt rules under the Administrative Procedure Act to implement the provisions of this chapter that directly affect the rights of or processes available to the general public. The rules have the force and effect of law and may include but are not limited to

- (1) the processes for determining the extent of competition for filling vacancies, for recruiting applicants, for conducting competitive open examinations, for ranking candidates and maintaining competitive open eligible lists and for certification and appointment of eligibles from competitive open eligible lists,
- (2) the process for effecting noncompetitive and qualifying appointments
- (3) the process for temporary designation of positions in the unclassified service and for effecting appointments to the unclassified service,
- (4) a statewide affirmative action program to include requirements for agency affirmative action plans, statewide policies and procedures, reporting requirements, accountability and responsibility of employees in the executive branch, and overall objectives of the program,
- (5) conditions under which moving and other expenses may be authorized and paid prior to appointment to persons who have accepted state employment,
- (6) procedures for administration of the code of ethics for employees of the executive branch,
- (7) examination procedures for candidates with disabilities as described in section 43A 15, subdivision 14, and
- (8) procedures or policies that affect the operation of or participation in the public employees insurance program

Subd 4 **Administrative procedures** The commissioner shall develop administrative procedures, which are not subject to the rulemaking provisions of the Administrative Procedure Act, to effect provisions of chapter 43A which do not directly affect the rights of or processes available to the general public. The commissioner may also adopt administrative procedures, not subject to the Administrative Procedure Act, which concern topics affecting the general public if those procedures concern only the

internal management of the department or other agencies and if those elements of the topics which affect the general public are the subject of department rules

Administrative procedures shall be reproduced and made available for comment to agencies, employees, and appropriate exclusive representatives certified pursuant to sections 179A 01 to 179A 25, for at least 15 days prior to implementation and shall include but are not limited to

(a) maintenance and administration of a plan of classification for all positions in the classified service and for comparisons of unclassified positions with positions in the classified service,

(b) procedures for administration of collective bargaining agreements and plans established pursuant to section 43A 18 concerning total compensation and the terms and conditions of employment for employees,

(c) procedures for effecting all personnel actions internal to the state service such as conduct of competitive promotional examinations, ranking and certification of employees for promotion, noncompetitive and qualifying appointments of employees and leaves of absence,

(d) maintenance and administration of employee performance appraisal, training and other programs, and

(e) procedures for pilots of the reengineered employee selection process Employment provisions of this chapter, associated personnel rules adopted under subdivision 3, and administrative procedures established under clauses (a) and (c) may be waived for the purposes of these pilots The pilots may affect the rights of and processes available to members of the general public seeking employment in the classified service The commissioner will provide public notice of any pilot directly affecting the rights of and processes available to the general public and make the administrative procedures available for comment to the general public agencies, employees, and appropriate exclusive representatives certified pursuant to sections 179A 01 to 179A 25 for at least 30 days prior to implementation

Subd 5 Precedence of collective bargaining provisions A provision of an agreement entered into by the commissioner pursuant to section 179A 22, subdivision 4, shall supersede the provisions of any rule or administrative procedure or portion thereof which is inconsistent with the agreement unless the provision is found to violate existing law

Subd 6 Payment for grievance settlements Notwithstanding any other law to the contrary, the commissioner may authorize an appointing authority to pay an employee for hours not worked, pursuant to the resolution of a grievance through a formal grievance procedure established by a collective bargaining agreement or one of the plans established pursuant to section 43A 18

Subd 7 Reporting The commissioner shall issue a written report by February 1 and August 1 of each year to the chair of the legislative coordinating commission The report must list the number of appointments made under each of the categories in section 43A 15, the number made to the classified service other than under section 43A 15, and the number made under section 43A 08, subdivision 2a, during the six month periods ending June 30 and December 31, respectively

Subd 8 Donation of time Notwithstanding any law to the contrary, the commissioner shall authorize the appointing authority to permit the donation of up to three hours of accumulated vacation time in each year by each employee who is a member of law enforcement unit number 1 to their union representative for the purpose of carrying out the duties of office

Subd 9 Experimental or research projects The commissioner of employee relations may conduct experimental or research projects designed to improve recruitment, selection, referral, or appointment processes for the filling of state classified positions

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The commissioner shall meet and confer with the affected exclusive bargaining representative of state employees concerning the design and implementation of experimental and research projects under this subdivision

Any provision in section 43A 02, except for subdivisions 33 and 38, sections 43A 07 to 43A 16, associated personnel rules adopted under subdivision 3, or administrative procedures established under subdivision 4, is waived for the purposes of these projects. The commissioner may not use an experimental or research project under this section to transfer positions between the unclassified and the classified service. The number of appointments under this subdivision may not exceed five percent of the total number of appointments in the preceding fiscal year, unless the commissioner authorizes appointments in excess of five percent with the mutual agreement of any affected bargaining unit.

The commissioner shall report by September 1 to the joint subcommittee on employee relations the results of the experimental research projects conducted in the preceding fiscal year.

Subd 10 Equitable compensation compliance The commissioner may adopt rules under the Administrative Procedure Act to assure compliance with sections 471 991 to 471 999.

Subd 11 Training for agency rulemaking staff The commissioner, in cooperation with the office of administrative hearings, the attorney general, the revisor of statutes, and experienced agency rulemaking staff, shall provide training to agency staff involved in rulemaking, including information about the availability of mediators through the office of administrative hearings.

The commissioner may charge agency staff a registration fee for attending this training. The fee must be set at a level that permits the commissioner to recover the costs, excluding costs of staff time for staff positions funded through general fund appropriations, of providing this training.

The office of administrative hearings, the attorney general, agencies involved in providing this training, and the revisor of statutes shall not assess the commissioner for the cost of staff time to conduct the training provided under this subdivision.

History 1981 c 210 s 4, 1981 c 311 s 39, 1982 c 545 s 24, 1982 c 560 s 9 11, 1983 c 293 s 61, 1984 c 462 s 27, 1984 c 654 art 3 s 48, 1985 c 11 s 3, 1Sp1985 c 13 s 164, 1986 c 444, 1988 c 667 s 4, 1990 c 571 s 6 8, 1991 c 128 s 2, 1995 c 233 art 2 s 37, 1995 c 248 art 2 s 7, art 10 s 2, art 11 s 4, 1997 c 79 s 7 10, 1997 c 97 s 4, 1998 c 286 s 1, 1998 c 366 s 48, 1999 c 182 s 4.

43A 044 HAZARD IDENTIFICATION AND ACCIDENT PREVENTION

(a) The commissioner of the department of employee relations must operate a program of occupational hazard identification and accident prevention for state agencies and state employees and shall provide the staff, equipment, and facilities needed for the program. The program must be offered to all state agencies through the agency safety contact or other designee, is consultative in nature, and must assist state agencies with the goal of providing a safe work environment, safe work methods, and hazard identification.

(b) The commissioner must cooperate with the department of labor and industry, department of health, and department of administration as well as other private and public community agencies to assist in the objective of hazard identification and accident prevention.

History 1997 c 97 s 5.

43A 045 RESTRUCTURING

(a) It is the policy of the state of Minnesota that any restructuring of executive branch agencies must include efforts to ensure that fair and equitable arrangements are carried out to protect the interests of executive branch employees and to provide the best possible service to the public. The commissioner shall make an effort to train and

retrain existing employees for a changing work environment Where restructuring may involve a loss of existing positions and employment, the commissioner shall assist affected employees in finding suitable employment

(b) Options available to employees whose positions will be eliminated by implementation of a restructuring plan must include, at a minimum, job and training opportunities necessary to qualify for another job in the same, an equal or a lower classification within their current department or in another state agency

(c) Implementation of this section, as well as procedures for notifying employees affected by restructuring plans, must be negotiated into collective bargaining agreements under chapter 179A Nothing in this section shall be construed as diminishing any rights defined in collective bargaining agreements under this chapter or chapter 179A

History 1991 c 345 art 1 s 67, 1993 c 192 s 75

43A 046 STAFF REDUCTIONS

In order to maximize delivery of services to the public, if layoffs of state employees are necessary, each agency with more than 50 full time equivalent employees must reduce at least the same percentage of management and supervisory personnel as line and support personnel

History 1997 c 202 art 2 s 31

43A 047 CONTRACTED SERVICES

(a) Executive agencies, including the Minnesota state colleges and universities system, must demonstrate that they cannot use available staff before hiring outside consultants or services If use of consultants is necessary, agencies are encouraged to negotiate contracts that will involve permanent staff, so as to upgrade and maximize training of state employees

(b) If agencies reduce operating budgets, agencies must give priority to reducing spending on professional and technical service contracts before laying off permanent employees

(c) Agencies must report to the commissioner of administration by November 1 each year on implementation of this section during the previous fiscal year The reports must include amounts spent on professional and technical service contracts during the previous fiscal year The commissioner shall compile the reports into a uniform format and forward them to the chairs of the senate finance and house ways and means committees by November 15

History 1997 c 202 art 2 s 32, 1999 c 250 art 1 s 71

43A 05 POWERS AND RESPONSIBILITIES THROUGH THE PERSONNEL BUREAU

Subdivision 1 **General** The commissioner through the personnel bureau shall perform the duties assigned in this chapter The deputy for the personnel bureau shall perform any duties delegated by the commissioner

The commissioner's authority and responsibility shall include but not be limited to maintenance of a classification plan, assignment of all positions in the classified service to job classes, maintenance and approval of total compensation plans for all positions in the executive branch pursuant to the provisions of section 43A 18 and other provisions of law, preparation of examinations, rating of candidates for employment and preparation of eligible lists, maintenance of employee performance appraisal, training and affirmative action programs, and maintenance and publication of logical career paths in the classified civil service

Subd 2 **Requests for nonstate funds** The commissioner shall have the authority to review and comment upon all requests for other than state appropriated funds by any agency for personnel and labor relations purposes before any funding request is made to a federal, local or private agency

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.

Subd 4 Time off in emergencies The commissioner shall authorize appointing authorities to pay for time off in emergencies. The commissioner, after consultation with the commissioner of public safety, may excuse employees from duty with full pay in the event of a natural or other emergency, if continued operation would involve a threat to the health or safety of individuals. Absence with pay shall not exceed 16 working hours at any one time unless the commissioner authorizes a longer duration. Authority to excuse employees from duty with full pay on the campuses of the Minnesota state colleges and universities is vested in the college and university presidents, under guidelines established by the board of trustees of the Minnesota state colleges and universities.

Subd 5 Comparability adjustments The commissioner shall compile, subject to availability of funds and personnel, and submit to the legislative coordinating commission by January 1 of each odd numbered year a list showing, by bargaining unit, and by plan for executive branch employees covered by a plan established under section 43A 18, those female dominated classes and those male dominated classes in state civil service for which a compensation inequity exists based on comparability of the value of the work. The commissioner shall also submit to the legislative coordinating commission, along with the list, an estimate of the appropriation necessary for providing comparability adjustments for classes on the list. The commission shall review and approve, disapprove, or modify the list and proposed appropriation. The commission's action must be submitted to the full legislature. The full legislature may approve, reject, or modify the commission's action. The commission shall show the distribution of the proposed appropriation among the bargaining units and among the plans established under 43A 18. Each bargaining unit and each plan must be allocated that proportion of the total proposed appropriation that equals the cost of providing adjustments for the positions in the unit or plan approved by the commission for comparability adjustments divided by the total cost of providing adjustments for all positions on the list approved by the commission for comparability adjustments. Distribution of any appropriated funds within each bargaining unit or plan must be determined by collective bargaining agreements or by plans.

Subd 6 Allocation The amount recommended by the legislative coordinating commission pursuant to subdivision 5 to make comparability adjustments shall be submitted to the full legislature by March 1 of each odd numbered year. The legislature may accept, reject or modify the amount recommended. The commissioner of finance, in consultation with the commissioner of employee relations, shall allocate the amount appropriated by the legislature, on a pro rata basis, if necessary, to the proper accounts for distribution to incumbents of classes which have been approved for comparability adjustments.

Funds appropriated for purposes of comparability adjustments for state employees shall be drawn exclusively from and shall not be in addition to the funds appropriated for salary supplements or other employee compensation. Funds not used for purposes of comparability adjustments shall revert to the appropriate fund.

Subd 7 Human rights The commissioner of human rights or any state court may use as evidence the results of any job evaluation system established under subdivision 5 and the reports compiled under subdivision 5 in any proceeding or action alleging discrimination.

History 1981 c 210 s 5, 1982 c 560 s 12, 1982 c 634 s 6,8, 1983 c 301 s 100, 1984 c 462 s 27, 1989 c 223 s 1, 1994 c 560 art 2 s 10, 1995 c 248 art 2 s 7, 1996 c 398 s 22, 1997 c 79 s 11,12

43A 06 POWERS AND RESPONSIBILITIES THROUGH THE LABOR RELATIONS BUREAU

Subdivision 1 **General** (a) The commissioner, through the labor relations bureau, shall perform the duties assigned to the commissioner by sections 3 855, 179A 01 to 179A 25 and this section

(b) The deputy commissioner for the labor relations bureau shall be the state labor negotiator for purposes of negotiating and administering agreements with exclusive representatives of employees and shall perform any other duties delegated by the commissioner subject to the limitations in paragraph (c)

(c) The board of trustees of the Minnesota state colleges and universities may exercise the powers under this section for employees included in units 9, 10, 11, and 12 in section 179A 10, subdivision 2, except with respect to sections 43A 22 to 43A 31, which shall continue to be the responsibility of the commissioner The commissioner of employee relations shall have the right to review and comment to the Minnesota state colleges and universities on the board's final proposals prior to exchange of final positions with the designated bargaining units as well as any requests for interest arbitration When submitting a proposed collective bargaining agreement to the legislative coordinating commission and the legislature under section 3 855, subdivision 2, the board of trustees must use procedures and assumptions consistent with those used by the commissioner of employee relations in calculating the costs of the proposed contract The legislative coordinating commission must, when considering a collective bargaining agreement or arbitration award submitted by the board of trustees, evaluate market conditions affecting the employees in the bargaining unit, equity with other bargaining units in the executive branch, and the ability of the trustees and the state to fund the agreement or award

Subd 2 **Hearings** The commissioner shall represent the state at hearings conducted by the commissioner of the bureau of mediation services

Subd 3 **Collective bargaining** The commissioner through the labor relations bureau shall represent the state in all collective bargaining between the state and exclusive representatives, and shall represent the state in mediation and arbitration of collective bargaining disputes

Subd 4 **Reports** The commissioner shall report to the legislative coordinating commission pursuant to section 3 855

Subd 5 **Interpretation of collective bargaining agreements** The commissioner shall be responsible for management interpretation of all collective bargaining agreements between the state and exclusive representatives and provide management personnel with training in the interpretation and application of these collective bargaining agreements

Subd 6 **Grievances, arbitration** The commissioner shall oversee the administration of all written grievances arising under collective bargaining agreements between the state and an exclusive representative and shall represent the state at all grievance arbitrations

Subd 7 **Grievance settlement** The commissioner shall have final authority to decide if a grievance shall be submitted to arbitration or if it shall be settled without arbitration

Subd 8 **Unfair labor practice charges** The commissioner shall direct investigations and shall have authority to decide whether agencies in the executive branch shall settle unfair labor practice charges filed against the employer, appointing authorities or their agents pursuant to chapter 179A

History 1981 c 210 s 6, 1984 c 462 s 27, 1987 c 186 s 15, 1992 c 582 s 2, 1994 c 532 art 4 s 1, 1995 c 212 art 4 s 64, 1995 c 248 art 2 s 7, 1996 c 398 s 23, 1997 c 156 s 2, 1999 c 182 s 5

43A 07 CLASSIFIED SERVICE

Subdivision 1 **Classification plan** The commissioner shall maintain, revise, and administer a classification plan.

Subd. 2 **Job classes and titles** An appointing authority shall notify the commissioner when a new position is to be established in the classified service. The commissioner shall allocate the position to an appropriate class in the classification plan or, if the position cannot be allocated to an existing class, establish a new class. The commissioner shall assign an appropriate salary rate or range to the class. If the class is in a bargaining unit under the provisions of section 179A.10, and there is an applicable provision in the collective bargaining agreement, the commissioner shall establish the salary rate or range pursuant to the agreement.

The commissioner may independently conduct classification studies or, upon request of a permanent employee, may investigate the duties of a classified position. If a request is denied, the employee must be given a written explanation. The commissioner shall investigate the duties of a classified position upon request of an appointing authority. The commissioner may reclassify the position, change the title of the position, or establish a new class. The commissioner shall assign an appropriate salary rate or range to the class. If the class is in a collective bargaining unit under the provisions of section 179A.10, and there is an applicable provision in the collective bargaining agreement, the commissioner shall establish the salary rate or range pursuant to the agreement.

Subd. 3 **Protested allocation or reclassification** An appointing authority who is affected by a position allocation or reclassification or an employee who is affected by a position reclassification may protest the allocation or reclassification in writing to the commissioner. The commissioner shall review the allocation or reclassification and may change the allocation or reclassification decision. This procedure shall not be subject to contested case provisions of the Administrative Procedure Act.

Subd. 4 **Effect of reclassification** Except as provided in section 43A.17, subdivision 5, the incumbent of a position which has been reclassified shall continue in the position only if the employee is eligible for and is appointed to the position of the new class in accordance with the provisions of this chapter and the rules, administrative procedures, or a collective bargaining agreement entered into under sections 179A.01 to 179A.25 governing reallocation or change in allocation of positions, promotion, transfer, and demotion. If the incumbent is ineligible to continue in the position and is not transferred, promoted, or demoted, the layoff provisions of plans pursuant to section 43A.18 or a collective bargaining agreement entered into under sections 179A.01 to 179A.25 shall apply. Personnel changes required by the reclassification of positions shall be completed within a reasonable period of time, as prescribed by the commissioner, following the reclassification notice to an appointing authority.

Subd. 5 **Leaves to accept unclassified appointments** An employee may be granted a leave of absence from a position in the classified service to accept a position in the unclassified service. Upon request, during the unclassified appointment or within 60 days of the end of the unclassified appointment, the employee shall be reappointed in the agency from which the employee was granted the leave, to a classified position comparable to that held immediately prior to being appointed to the unclassified position.

Subd. 6 **Rights of incumbents of declassified positions** Except for just cause, an incumbent with permanent status shall not be removed from a position which is declassified for a period of one year following the declassification. An appointing authority may remove an incumbent of a declassified position after one year with 30 days' prior notice. At any time after the declassification, and prior to the end of the 30-day notice period, if so requested, the employee shall be appointed within the same agency to a classified position comparable to the position that was declassified or, if a comparable position is unavailable, to a position in that agency comparable to that held immediately prior to being appointed to the declassified position. This section applies

only to the incumbent at the time the position is declassified and not to employees subsequently appointed to the declassified position

History 1981 c 210 s 7, 1984 c 462 s 27, 1Sp1985 c 13 s 165, 1986 c 444, 1997 c 97 s 6, 1999 c 182 s 6,7

43A 071 SERVICE WORKER

The disability levels and types covered under the service worker category in the state civil service may include persons with physical disabilities, mental health disabilities, and mental retardation

History 1987 c 232 s 1

43A 08 UNCLASSIFIED SERVICE

Subdivision 1 **Unclassified positions** Unclassified positions are held by employees who are

- (1) chosen by election or appointed to fill an elective office,
- (2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service,
- (3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a and in the office of strategic and long range planning,
- (4) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee,
- (5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses,
- (6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general,
- (7) employees of the Washington, D C , office of the state of Minnesota,
- (8) employees of the legislature and of legislative committees or commissions, provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service,
- (9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal Economic Opportunity Act work study program in the Perpich center for arts education and the Minnesota state colleges and universities, but not the custodial, clerical or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions,
- (10) officers and enlisted persons in the national guard,
- (11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization,
- (12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry,
- (13) members of the state patrol, provided that selection and appointment of state patrol troopers must be made in accordance with applicable laws governing the classified service,
- (14) chaplains employed by the state,
- (15) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining

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boards and intermittent staff employed by the technical colleges for the administration of practical skills tests and for the staging of instructional demonstrations,

(16) student workers,

(17) executive directors or executive secretaries appointed by and reporting to any policy making board or commission established by statute,

(18) employees unclassified pursuant to other statutory authority,

(19) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation, and

(20) the administrators and the deputy administrators at the state academies for the deaf and the blind

Subd 1a Additional unclassified positions Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision the departments of administration, agriculture, commerce, corrections, economic security, children, families, and learning, employee relations, trade and economic development, finance, health, human rights, labor and industry, natural resources, public safety, public service, human services, revenue, transportation, and veterans affairs, the housing finance and pollution control agencies, the state lottery, the state board of investment, the office of administrative hearings, the office of environmental assistance, the offices of the attorney general, secretary of state, state auditor, and state treasurer, the Minnesota state colleges and universities, the higher education services office, the Perpich center for arts education, and the Minnesota zoological board

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria

(1) the designation of the position would not be contrary to other law relating specifically to that agency,

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team,

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy,

(4) the duties of the position would not require primarily personnel accounting or other technical expertise where continuity in the position would be important

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with, the governor and the agency head, the employing statutory board or commission, or the employing constitutional officer,

(6) the position would be at the level of division or bureau director or assistant to the agency head, and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision

Subd 1b Exception The provisions of Laws 1982, chapter 634 do not apply to the positions contained in Minnesota Statutes 1981 Supplement, section 43A 08, subdivision 1, clause (g)

Subd 2 [Repealed, 1982 c 560 s 65]

Subd 2a Temporary unclassified positions The commissioner, upon request of an appointing authority, may authorize the temporary designation of a position in the unclassified service. The commissioner may make this authorization only for professional, managerial or supervisory positions which are fully anticipated to be of limited duration

Subd 3 Unclassified titles, salary rates and ranges, investigations Except for those positions listed in section 43A 18, subdivisions 4 and 6, when a new position is to be established in the unclassified service, the commissioner shall compare the position

to a class in the classified service if a comparable class exists or if not, establish a salary rate or range and official title for the position

The commissioner shall independently or upon request of an appointing authority or employee investigate the duties of a position unclassified under provisions of subdivision 1a or rule. If the commissioner determines the position is incorrectly placed in the unclassified service, the commissioner shall place the position in the classified service. If the commissioner determines the position is improperly compared or assigned to an inappropriate salary range, the commissioner shall recompare the position, change the title or establish a new title or reassign the position to a different salary rate or range.

If a new title is established for the position or if the position is reassigned to a different salary rate or range and the position will be covered by a bargaining unit under the provisions of section 179A 10, and if there is an applicable provision in a collective bargaining agreement, the commissioner shall establish the salary rate or range pursuant to the collective bargaining agreement.

Subd 4 Length of service for student workers A person may not be employed as a student worker in the unclassified service under subdivision 1 for more than 36 months. Employment at a school that a student attends is not counted for purposes of this 36 month limit. Student workers in the Minnesota department of transportation SEEDS program who are actively involved in a four year degree program preparing for a professional career job in the Minnesota department of transportation may be employed as a student worker for up to 48 months.

History 1981 c 37 s 2, 1981 c 210 s 8, 1982 c 560 s 13 16, 1982 c 634 s 9, 1983 c 258 s 11, 1983 c 289 s 10, 1984 c 462 s 27, 1984 c 544 s 79, 1984 c 640 s 29, 1Sp1985 c 13 s 166, 1Sp1985 c 14 art 9 s 75, 1986 c 444, 1987 c 186 s 3, 1987 c 312 art 1 s 13, 1987 c 398 art 10 s 5,6, 1988 c 667 s 5, 1988 c 686 art 1 s 49, 1989 c 269 s 38, 1989 c 326 art 5 s 51, 1989 c 329 art 12 s 1, 1989 c 335 art 1 s 269, 1990 c 375 s 3, 1990 c 571 s 9, 1990 c 589 art 1 s 1, 1991 c 233 s 109, 1991 c 238 art 1 s 2 4, 1992 c 567 art 3 s 3,4, 1994 c 483 s 1, 1994 c 532 art 4 s 2, 1994 c 560 art 2 s 11,12, 1995 c 212 art 3 s 59, art 4 s 64, 1995 c 247 art 2 s 54, 1995 c 248 art 10 s 3, 1Sp1995 c 3 art 16 s 13, 1996 c 395 s 18, 1996 c 412 art 9 s 19, 1996 c 425 s 3, 1997 c 79 s 13,14, 1999 c 241 art 10 s 8

43A 081 Subdivision 1 [Repealed, 1990 c 571 s 49]

Subd 2 [Repealed, 1990 c 571 s 49]

Subd 3 [Repealed, 1982 c 560 s 65]

Subd 4 [Repealed, 1982 c 560 s 65]

Subd 5 [Repealed, 1990 c 571 s 49]

43A 082 [Repealed, 1996 c 310 s 1]

43A 09 RECRUITMENT

The commissioner in cooperation with appointing authorities of all state agencies shall maintain an active recruiting program publicly conducted and designed to attract sufficient numbers of well-qualified people to meet the needs of the civil service, and to enhance the image and public esteem of state service employment. Special emphasis shall be given to recruitment of protected group members to assist state agencies in meeting affirmative action goals to achieve a balanced work force.

History 1981 c 210 s 9

43A 10 EXAMINATIONS, ELIGIBILITY TO COMPETE

Subdivision 1 **General** Entrance to the classified service shall be through successful competition in an examination and certification and appointment from an eligible list except as provided in section 43A 15 or other law.

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Subd 2 **Examination criteria** All examinations for positions in the classified service shall be job related and designed to fairly assess ability to perform the duties of the class for which the examination is given

Subd 3 **Facilities furnished examiners** The authorities having control of public buildings in political subdivisions of the state and school districts, upon written request of the commissioner, shall furnish convenient facilities for the administration of examinations Upon such request, it shall be the duty of state and local authorities and employees, as it is consistent with their other duties, to aid in carrying out the provisions of this section Campuses of the Minnesota state colleges and universities may charge the commissioner for actual costs incurred in providing facilities for examinations, provided that the costs were incurred due solely to the examination

Subd 4 **Candidates, eligibles, expenses** The commissioner or an appointing authority may pay travel expenses incurred by candidates or eligibles invited for oral examinations or employment interviews in the manner and amounts authorized by the commissioner

Subd 5 **Eligibility for competitive open examinations** Competitive open examinations shall, upon public notice, be open to all applicants who meet reasonable job related requirements fixed by the commissioner

Subd 6 **Eligibility for competitive promotional examinations** Competitive promotional examinations shall be open only to employees of the civil service, the Minnesota state retirement system, the public employees retirement association, and the teacher's retirement association The commissioner may require that competition be extended to all employees as defined above or may limit competition to employees of one or more agencies or organizational units thereof or to employees meeting specified employment conditions

Subd 7 **Examination accommodations** Upon request, the commissioner shall provide examination accommodations to a candidate with a disability that does not prevent performance of the duties of the class The accommodations must provide an opportunity to fairly examine the ability of the candidate to perform the duties of the class notwithstanding the disability but must preserve, to the extent feasible, the validity of the examination process and equitable comparison of examination scores with competitors without disabilities

Subd 8 **Eligibility for qualified disabled examinations** The commissioner shall establish alternative examination methods to assess the qualifications of applicants for a competitive open or competitive promotional examination who have a disability that does not prevent performance of the duties of the class but that cannot be accommodated in the regular examination process Alternative examination methods offered must allow candidates for competitive open and competitive promotional exams to demonstrate possession of the same knowledge, skills, and abilities essential to satisfactory performance in the job class without compromising inferences about other candidates qualifications

History 1981 c 210 s 10, 1983 c 39 s 1, 1984 c 544 s 80, 1984 c 642 s 1, 1985 c 11 s 4, 1Sp1985 c 13 s 167, 1986 c 444, 1987 c 232 s 2, 1990 c 571 s 10,11, 1995 c 248 art 10 s 4, 1996 c 398 s 24

43A 11 VETERAN'S PREFERENCE

Subdivision 1 **Creation** Recognizing that training and experience in the military services of the government and loyalty and sacrifice for the government are qualifications of merit which cannot be readily assessed by examination, a veteran's preference shall be available pursuant to this section to a veteran as defined in section 197.447

Subd 2 **Restrictions** Veteran's preference credit under this section may not be used by any veteran who is currently receiving or is eligible to receive a monthly veteran's pension based exclusively on length of military service

Subd 3 **Nondisabled veteran's credit** There shall be added to the competitive open examination rating of a nondisabled veteran, who so elects, a credit of five points

provided that the veteran obtained a passing rating on the examination without the addition of the credit points

Subd 4 Disabled veteran's credit There shall be added to the competitive open examination rating of a disabled veteran, who so elects, a credit of ten points provided that the veteran obtained a passing rating on the examination without the addition of the credit points There shall be added to the competitive promotional examination rating of a disabled veteran, who so elects, a credit of five points provided that (a) the veteran obtained a passing rating on the examination without the addition of the credit points and (b) the veteran is applying for a first promotion after securing public employment

Subd 5 Disabled veteran, definitions For the purpose of the preference to be used in securing appointment from a competitive open examination, "disabled veteran" means a person who has a compensable service connected disability as adjudicated by the United States Veterans Administration, or by the retirement board of one of the several branches of the armed forces, which disability is existing at the time preference is claimed For purposes of the preference to be used in securing appointment from a competitive promotional examination, "disabled veteran" means a person who, at the time of election to use a promotional preference, is entitled to disability compensation under laws administered by the veterans administration for a permanent service connected disability rated at 50 percent or more

Subd 6 Preference for spouses A preference available pursuant to this section may be used by the surviving spouse of a deceased veteran and by the spouse of a disabled veteran who because of the disability is unable to qualify

Subd 7 Ranking of veterans An eligible with a rating augmented by veteran's preference shall be entered on an eligible list ahead of a nonveteran with the same rating

Subd 8 Notification A governmental agency when notifying eligibles that they have passed examinations shall show the final examination ratings preference credits and shall notify eligibles that they may elect to use veteran's preference to augment passing ratings

Subd 9 Rejection, explanation If the appointing authority rejects a certified eligible who has received veteran's preference, the appointing authority shall notify the eligible in writing of the reasons for the rejection

History 1981 c 210 s 11, 1982 c 560 s 17 20, 1984 c 468 s 1, 1984 c 609 s 1 1985 c 248 s 85, 1Sp1985 c 16 art 2 s 8, 1986 c 444

43A 12 RANKING OF ELIGIBLES

Subdivision 1 General The commissioner shall prepare eligible lists as provided in this section

Subd 2 Layoff lists On layoff lists former employees of the class shall be ranked as provided in collective bargaining agreements, the plans established pursuant to section 43A 18, rules, or procedures implemented pursuant to section 43A 04, subdivision 4

Subd 3 Reemployment lists On reemployment lists former employees of the class with satisfactory prior service ratings shall be ranked as provided in collective bargaining agreements, the plans established pursuant to section 43A 18, rules, or procedures implemented pursuant to section 43A 04, subdivision 4

Subd 4 Competitive lists On competitive open and competitive promotional lists eligibles shall be ranked according to their ratings in examinations and the veteran's preference provisions of section 43A 11

Subd 5 Qualified disabled lists On qualified disabled lists eligibles must be ranked in alphabetical order

Subd 6 **Term of eligibility** The term of eligibility of eligibles on lists shall be determined by the commissioner but shall not be less than six months

History 1981 c 210 s 12, 1990 c 571 s 12

43A 13 CERTIFICATION OF ELIGIBLES

Subdivision 1 **General** Upon request of an appointing authority the commissioner shall certify eligibles from an eligible list determined appropriate by the commissioner, or as provided in collective bargaining agreements, rules or section 43A 04, subdivision 4 The commissioner may limit certification to those eligibles who meet special qualifications documented by an appointing authority and approved by the commissioner as job related and necessary for satisfactory performance of a specific vacant position The commissioner shall certify qualified available eligibles as provided in this section Where the vacancy to be filled is in a position covered by a collective bargaining agreement, the list of certified eligibles shall be made available upon request to the exclusive representative as defined in sections 179A 01 to 179A 25

Subd 2 **Layoff** If an agency has a layoff list for the class and employment conditions of the vacancy to be filled, the commissioner shall certify eligibles as provided in collective bargaining agreements, plans established under section 43A 18, rules, or procedures implemented under section 43A 04, subdivision 4

The commissioner, in accordance with collective bargaining agreements or plans established under section 43A 18, may also afford employees on permanent layoff from state service the opportunity to be tested for existing competitive open and promotional eligible lists for classes equal to or lower than those from which they are on layoff Candidates tested under this procedure who obtain passing scores are eligible in accordance with the ranking and certification provisions of section 43A 12 and this section

Subd 3 **Reemployment** The commissioner may certify any eligible on the reemployment list for the class

Subd 4 **Competitive open** (a) For positions to be filled by competitive open examination, the commissioner shall certify the first 20 eligibles on the list plus those eligibles having the same score as the 20th eligible certified

(b) When the position to be filled by competitive open examination is in a class for which the initially established eligible list contained the names of more than 200 eligibles and that list has existed for more than 12 months and been referred to more than ten vacancies, the commissioner shall certify the first 40 eligibles on the list plus those eligibles having the same score as the 40th eligible certified

Subd 5 **Competitive promotional** For positions to be filled by competitive promotional examination limited to employees of one or more agencies or organizational units, the commissioner shall certify the first ten eligibles on the list plus those eligibles having the same score as the tenth eligible certified For positions to be filled by competitive promotional examination extended to all employees of the civil service, the commissioner shall certify the first 20 eligibles on the list, plus those eligibles having the same score as the 20th eligible certified

Subd 6 **Qualified disabled** The commissioner shall refer all qualified disabled candidates with eligibles from the competitive open or competitive promotional list established from the same examination announcement

Subd 7 **Expanded certification** When the commissioner determines that a disparity as defined in rules exists between an agency's work force and its affirmative action plan approved in accordance with section 43A 19, the commissioner shall ensure to the extent possible that eligibles who are members of the protected groups for which the disparity exists are certified for appointment When fewer than two eligibles of each protected group for which a disparity has been determined to exist would be certified under subdivisions 4 and 5, the commissioner shall certify two eligibles from each protected group for which a disparity exists or four from each group for which a disparity exists if the number of names referred has been increased under subdivision 4,

paragraph (b) Implementation of this subdivision may not be deemed a violation of other provisions of this chapter or chapter 363

Subd 8 Refusal to certify The commissioner may refuse to certify an eligible who (a) is found to lack any of the requirements established for the examination for which the eligible has applied, (b) has been dismissed from the public service for delinquency or misconduct, (c) has been dismissed from the same or a similar classification within the civil service for unsatisfactory job performance, (d) has, directly or indirectly, given or promised to give anything of value to any person in connection with the eligible's examination, appointment, or proposed appointment, or (e) has made a false statement of any material fact or practiced or attempted to practice any deception or fraud in the application, or examination or in securing eligibility or appointment

When the commissioner refuses to certify an eligible, the commissioner shall, upon request of the eligible refused, furnish the eligible a statement of the reasons for the refusal Upon receipt of relevant information, the commissioner shall reconsider the refusal and may certify the eligible

Subd 9 [Repealed, 1999 c 182 s 20]

History 1981 c 210 s 13, 1982 c 560 s 21 23, 1984 c 462 s 27, 1987 c 186 s 4,5, 1990 c 571 s 13 18, 1991 c 128 s 3, 1995 c 248 art 10 s 5, 1997 c 79 s 15, 1999 c 182 s 8

43A 14 APPOINTMENTS

All appointments to the classified service shall be based upon merit and ability to perform the duties of the position and the needs of the employing agency, including the need to achieve and maintain a representative work force For employees in a bargaining unit as defined in section 179A 10 appointments shall be subject to applicable provisions of collective bargaining agreements

History 1981 c 210 s 14, 1984 c 462 s 27

43A 15 NONCOMPETITIVE AND QUALIFYING APPOINTMENTS

Subdivision 1 General Positions in the classified service may be filled other than by appointment from eligible lists only as provided in this section or other law, provided that appointments made pursuant to subdivisions 5, 6, 9, 10, 11, and 12 shall be subject to applicable provisions of collective bargaining agreements

Subd 2 Emergency appointments An appointing authority may make an emergency appointment for up to 30 working days If necessary the commissioner may grant an extension of the emergency appointment for 15 additional working days No person may be employed in any one agency on an emergency basis for more than 45 working days in any 12 month period

Subd 3 Temporary appointments The commissioner may authorize an appointing authority to make a temporary appointment of up to six months The commissioner may, in the best interest of the state, grant an extension of a temporary appointment or approve a temporary appointment to fill a vacancy created by an approved leave of absence to a maximum period of one year When practicable, the commissioner may certify any qualified eligible from an eligible list for the temporary appointment, but may authorize the appointment of any person deemed qualified by the appointing authority

No person shall be employed on a temporary basis in any one agency for more than 12 months in any 24 month period

Subd 4 Provisional appointments The commissioner may authorize an appointing authority to make a provisional appointment if there is an urgent reason for filling a vacancy and no person on an incomplete certification is suitable or available for appointment

No person shall be provisionally appointed unless the person has passed an appropriate qualifying examination or is qualified in all respects except for completion

of a licensure or certification requirement To the extent possible the commissioner shall ensure that provisional appointments are kept to a minimum

No person shall be employed on a provisional basis for more than six months unless the commissioner grants an extension to a maximum of 12 months in the best interest of the state No extension may be granted beyond 12 months except for persons provisionally appointed to physician positions or other positions requiring licensure or certification where there is a lack of eligibles

At the request of an appointing authority the commissioner may authorize the probationary appointment of a provisional appointee who has performed satisfactorily for at least 60 days

Subd 5 Noncompetitive promotions The commissioner may authorize an appointing authority to promote the incumbent with permanent or probationary status to a reallocated classified position

Subd 6 Appointments through transfer or demotion The commissioner may authorize the transfer or demotion of an employee in the classified service within an agency or between agencies Prior to authorizing a transfer or demotion, the commissioner shall determine that the employee to be transferred or demoted is qualified for the new position An authorized transfer may result in the movement of an employee between agencies in the same class or between or within agencies in different classes provided that the compensation for the classes is similar

The commissioner may enter into arrangements with public personnel agencies in other jurisdictions for the purpose of effecting transfers or voluntary demotions of employees between jurisdictions

Subd 7 Appointments for unclassified incumbents of newly classified positions The commissioner may authorize the probationary appointment of an incumbent who has passed a qualifying examination and who has served at least one year in an unclassified position which has been placed in the classified service by proper authority

Subd 8 Exceptional appointments Where a position requires exceptional qualifications of a scientific, professional or expert character and competition is impracticable, the commissioner may, at the request of an appointing authority, authorize the probationary appointment of a designated person possessing the required exceptional qualifications

Subd 9 Labor service appointments The commissioner shall designate classes involving unskilled labor as comprising a labor service and shall authorize appointing authorities to make appointments to such classes without prior approval

Subd 10 Routine service and entry clerical appointments The commissioner may authorize the administration of a qualifying selection process if a class is of a routine, service nature involving unskilled tasks, the performance of which cannot be directly related to qualifications beyond a minimum competency level The commissioner may also authorize the administration of qualifying skill tests for entry level clerical positions as an alternative to certification from an eligible list as provided in section 43A 13

Subd 11 Appointments to positions in shortage occupations The commissioner may designate classifications for which qualified applicants are in critically short supply and may develop recruitment, qualifying examination and referral processes as will provide agencies opportunity to make prompt appointments

Subd 12 Work training appointments The commissioner may authorize the probationary appointment of persons who successfully complete on the job state training programs which have been approved by the commissioner

Subd 13 Revenue seasonal employees The commissioner may authorize the administration of a qualifying selection process for the filling of seasonal positions in the department of revenue used in the processing of returns and providing information during the tax season The commissioner of revenue may consider any candidate found qualified through this process for probationary appointment

Subd 14 **On the job demonstration examination and appointment** The commissioner shall establish qualifying procedures for candidates whose disabilities are of such a severe nature that the candidates are unable to demonstrate their abilities in competitive and qualified disabled examination processes. The qualifying procedures must consist of up to 700 hours on-the-job trial work experience which will be in lieu of a competitive examination and for which the disabled person has the option of being paid or unpaid. Up to three persons with severe disabilities and their job coach may be allowed to demonstrate their job competence as a unit through the on-the-job trial work experience examination procedure. This work experience must be limited to candidates for appointment, promotion, or transfer for which there is no reasonable accommodation in the examination process.

The commissioner may authorize the probationary appointment of a candidate based on the request of the appointing authority that documents that the candidate has successfully demonstrated qualifications for the position through completion of an on-the-job trial work experience. The implementation of this subdivision may not be deemed a violation of chapter 43A or 363.

Subd 15 **Reinstatement** An appointing authority may directly reinstate a person who is a former permanent or probationary employee of the job class, within four years of separation from the class.

History 1981 c 210 s 15, 1982 c 560 s 24,25, 1Sp1985 c 13 s 168, 1988 c 667 s 6, 1990 c 571 s 19, 1995 c 248 art 10 s 6, 1999 c 182 s 9,10

43A 16 PROBATIONARY PERIODS

Subdivision 1 **General** All unlimited appointments to positions in the classified service except as provided in this subdivision shall be for a probationary period the duration of which shall be determined through collective bargaining agreements or plans established pursuant to section 43A 18 but which shall not be less than 30 days of full time equivalent service nor more than two years of full time equivalent service. An appointing authority may require a probationary period for transfers, reemployments, reinstatements, voluntary demotions, and appointments from layoff lists of former employees of a different appointing authority. For employees in a bargaining unit as defined in section 179A 10 the requirement of such a probationary period shall be subject to applicable provisions of collective bargaining agreements.

Subd 2 **Termination during probationary period** There is no presumption of continued employment during a probationary period. Terminations or demotions may be made at any time during the probationary period subject to the provisions of this section and collective bargaining agreements or plans established pursuant to section 43A 18.

If during the probationary period an employee with permanent status is dismissed for inability to perform the duties of the new position or for other cause not related to misconduct or delinquency, the employee shall be restored to a position in the employee's former class and agency.

History 1981 c 210 s 16, 1984 c 462 s 27

43A 17 SALARY LIMITS, RATES, RANGES AND EXCEPTIONS

Subdivision 1 **Salary limits** As used in subdivisions 1 to 9, "salary" means hourly, monthly, or annual rate of pay including any lump-sum payments and cost of living adjustment increases but excluding payments due to overtime worked, shift or equipment differentials, work out of class as required by collective bargaining agreements or plans established under section 43A 18, and back pay on reallocation or other payments related to the hours or conditions under which work is performed rather than to the salary range or rate to which a class is assigned. For presidents of state universities, "salary" does not include a housing allowance provided through a compensation plan approved under section 43A 18, subdivision 3a.

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The salary, as established in section 15A 0815 of the head of a state agency in the executive branch is the upper limit on the salaries of individual employees in the agency. However, if an agency head is assigned a salary that is lower than the current salary of another agency employee, the employee retains the salary, but may not receive an increase in salary as long as the salary is above that of the agency head. The commissioner may grant exemptions from these upper limits as provided in subdivisions 3 and 4.

Subd 2 General compensation For classes or positions covered under the provisions of section 43A 18, subdivision 1, the commissioner shall negotiate compensation. For classes or positions covered under the provisions of section 43A 18, subdivisions 2 and 3, the commissioner shall establish compensation. Employees covered under section 43A 18 shall receive salary at the appropriate single rate or within the limits of the salary range to which their class is assigned or their position compared except for any lump sum payments including cost of living lump sum payments. The commissioner may grant further exemptions from this subdivision as provided in subdivisions 3, 5, 6, and 7.

Subd 3 Unusual employment situations (a) Upon the request of the appointing authority, and when the commissioner determines that changes in employment situations create difficulties in attracting or retaining employees, the commissioner may approve an unusual employment situation increase to advance an employee within the compensation plan.

(b) If the commissioner determines that a position requires special expertise necessitating a higher salary to attract or retain qualified persons, the commissioner may grant an exemption not to exceed 120 percent of the salary of the head of the agency or the maximum rate established for the position, whichever is less.

(c) The following conditions apply to a request under paragraph (a) to advance an employee within a compensation plan or under paragraph (b) to exceed the salary of the agency head:

(1) the appointing authority making the request must submit a detailed written statement for each position contained in the request, specifying the changes in employment situations that create difficulties in attracting or retaining an employee for the position,

(2) the commissioner shall review each proposal giving due consideration to salary rates paid to other employees in the same class and agency and, if other conditions in this paragraph are met, may approve any request that in the commissioner's judgment is in the best interest of the state,

(3) the action must be consistent with applicable provisions of collective bargaining agreements or plans adopted under section 43A 18,

(4) each increase or exemption must be separately documented for each employee or position and may not be applied to groups of employees, and

(5) the commissioner shall report the granting of a request to the chair of the legislative coordinating commission within three working days.

Subd 4 Exceptions (a) The commissioner may without regard to subdivision 1 establish special salary rates and plans of compensation designed to attract and retain exceptionally qualified doctors of medicine. These rates and plans shall be included in the commissioner's plan. In establishing salary rates and eligibility for nomination for payment at special rates, the commissioner shall consider the standards of eligibility established by national medical specialty boards where appropriate. The incumbents assigned to these special ranges shall be excluded from the collective bargaining process.

(b) The commissioner may without regard to subdivision 1, but subject to collective bargaining agreements or compensation plans, establish special salary rates designed to attract and retain exceptionally qualified employees in the following positions:

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- (1) information systems staff,
- (2) actuaries in the departments of health, human services, and commerce, and
- (3) epidemiologists in the department of health

Subd 5 Salary on demotion, special cases The commissioner may, upon request of an appointing authority, approve payment of an employee with permanent status at a salary rate above the maximum of the class to which the employee is demoted. The commissioner shall take such action as required by collective bargaining agreements or plans pursuant to section 43A 18. If the action is justified by the employee's long or outstanding service, exceptional or technical qualifications, age, health, or substantial changes in work assignment beyond the control of the employee, the commissioner may approve a rate up to and including the employee's salary immediately prior to demotion. Thereafter, so long as the employee remains in the same position, the employee shall not be eligible to receive any increase in salary until the employee's salary is within the range of the class to which the employee's position is allocated unless such increases are specifically provided in collective bargaining agreements or plans pursuant to section 43A 18.

Subd 6 Salary on transfer The commissioner may authorize an employee transferring between two classes established as equivalent for purposes of transfer to retain a rate of compensation above the maximum of the range of the class to which the employee is transferring. The commissioner shall take such action as required by a collective bargaining agreement or plans pursuant to section 43A 18. Thereafter, so long as the employee remains in the same class, the employee shall receive an increase in salary only as provided pursuant to applicable collective bargaining agreements or plans pursuant to section 43A 18, until the employee's salary is within the range of the class to which the position is allocated.

Subd 7 Injured on duty pay Notwithstanding section 176 021, subdivision 5, the commissioner may provide for injured on duty pay through collective bargaining agreements or plans pursuant to section 43A 18.

Subd 8 Accumulated vacation leave The commissioner of employee relations shall not agree to a collective bargaining agreement or recommend a compensation plan pursuant to section 43A 18, subdivisions 1, 2, 3, and 4, nor shall an arbitrator issue an award under sections 179A 01 to 179A 25, if the compensation plan, agreement, or award permits an employee to convert accumulated vacation leave into cash before separation from state service.

This section does not prohibit the commissioner from negotiating a collective bargaining agreement or recommending approval of a compensation plan which (1) permits an employee to receive payment for accumulated vacation leave upon beginning an unpaid leave of absence approved for more than one year in duration if the leave of absence is not for the purpose of accepting an unclassified position in state civil service, (2) permits an employee to receive payment for accumulated vacation leave upon layoff, or (3) permits an employee to receive payment for accumulated vacation leave if a change in employment results in the employee being ineligible to accrue further vacation leave.

Subd 9 Political subdivision compensation limit The salary and the value of all other forms of compensation of a person employed by a statutory or home rule charter city, county, town, metropolitan or regional agency, or other political subdivision of this state excluding a school district, or employed under section 422A 03, may not exceed 95 percent of the salary of the governor as set under section 15A 082, except as provided in this subdivision. Deferred compensation and payroll allocations to purchase an individual annuity contract for an employee are included in determining the employee's salary. Other forms of compensation which shall be included to determine an employee's total compensation are all other direct and indirect items of compensation which are not specifically excluded by this subdivision. Other forms of compensation which shall not be included in a determination of an employee's total compensation for the purposes of this subdivision are

(1) employee benefits that are also provided for the majority of all other full time employees of the political subdivision, vacation and sick leave allowances, health and dental insurance, disability insurance, term life insurance, and pension benefits or like benefits the cost of which is borne by the employee or which is not subject to tax as income under the Internal Revenue Code of 1986,

(2) dues paid to organizations that are of a civic, professional, educational, or governmental nature, and

(3) reimbursement for actual expenses incurred by the employee which the governing body determines to be directly related to the performance of job responsibilities, including any relocation expenses paid during the initial year of employment

The value of other forms of compensation shall be the annual cost to the political subdivision for the provision of the compensation. The salary of a medical doctor or doctor of osteopathy occupying a position that the governing body of the political subdivision has determined requires an MD or DO degree is excluded from the limitation in this subdivision. The commissioner may increase the limitation in this subdivision for a position that the commissioner has determined requires special expertise necessitating a higher salary to attract or retain a qualified person. The commissioner shall review each proposed increase giving due consideration to salary rates paid to other persons with similar responsibilities in the state and nation. The commissioner may not increase the limitation until the commissioner has presented the proposed increase to the legislative coordinating commission and received the commission's recommendation on it. The recommendation is advisory only. If the commission does not give its recommendation on a proposed increase within 30 days from its receipt of the proposal, the commission is deemed to have recommended approval.

Subd 10 Local elected officials, certain compensation prohibited The compensation plan for an elected official of a statutory or home rule charter city, county, or town may not include a provision for vacation or sick leave. The salary of an official covered by this subdivision may not be diminished because of the official's absence from official duties because of vacation or sickness.

Subd 11 Severance pay for certain employees (a) For purposes of this subdivision, "highly compensated employee" means an employee of the state whose estimated annual compensation is greater than 60 percent of the governor's annual salary and who is not covered by a collective bargaining agreement negotiated under chapter 179A.

(b) Severance pay for a highly compensated employee includes benefits or compensation with a quantifiable monetary value, that are provided for an employee upon termination of employment and are not part of the employee's annual wages and benefits and are not specifically excluded by this subdivision. Severance pay does not include payments for accumulated vacation, accumulated sick leave, and accumulated sick leave liquidated to cover the cost of group term insurance. Severance pay for a highly compensated employee does not include payments of periodic contributions by an employer toward premiums for group insurance policies. The severance pay for a highly compensated employee must be excluded from retirement deductions and from any calculations of retirement benefits. Severance pay for a highly compensated employee must be paid in a manner mutually agreeable to the employee and the employee's appointing authority over a period not to exceed five years from retirement or termination of employment. If a retired or terminated employee dies before all or a portion of the severance pay has been disbursed, the balance due must be paid to a named beneficiary or, lacking one, to the deceased's estate. Except as provided in paragraph (c), severance pay provided for a highly compensated employee leaving employment may not exceed an amount equivalent to six months of pay.

(c) Severance pay for a highly compensated employee may exceed an amount equivalent to six months of pay if the severance pay is part of an early retirement incentive offer approved by the state and the same early retirement incentive offer is also made available to all other employees of the appointing authority who meet generally defined criteria relative to age or length of service.

Subd 12 [Repealed, 1999 c 221 s 9]

History 1981 c 210 s 17, 1982 c 560 s 26, 1983 c 299 s 12 14, 1984 c 462 s 27, 1Sp1985 c 17 s 7, 1986 c 444, 1988 c 667 s 7,8, 1990 c 571 s 20,21, 1992 c 505 s 1, 1992 c 549 art 5 s 2, 1993 c 315 s 5,6, 1993 c 345 art 5 s 2, 1995 c 248 art 2 s 7, 1996 c 425 s 4, 1997 c 202 art 2 s 33, 2Sp1997 c 3 s 9,10, 1998 c 351 s 2, 1998 c 366 s 49, 1998 c 398 art 5 s 1,2, 1999 c 182 s 11, 1999 c 221 s 3

43A 18 TOTAL COMPENSATION, COLLECTIVE BARGAINING AGREEMENTS, PLANS

Subdivision 1 Collective bargaining agreements Except as provided in section 43A 01 and to the extent they are covered by a collective bargaining agreement, the compensation, terms and conditions of employment for all employees represented by an exclusive representative certified pursuant to chapter 179A shall be governed solely by the collective bargaining agreement executed by the parties and approved by the legislature

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.

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 approved or modified by the legislative coordinating commission and the legislature under section 3 855, subdivisions 2 and 3.

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

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

Subd 3a Board of trustees of the Minnesota state colleges and universities plan Total compensation for unclassified managerial positions under section 43A 08, subdivision 1, clause (9), in the board of trustees of the Minnesota state colleges and universities not covered by a collective bargaining agreement must be determined by the board of trustees of the Minnesota state colleges and universities. Before submitting a compensation plan to the legislature and the legislative commission on employee relations, the board of trustees of the Minnesota state colleges and universities must submit the plan to the commissioner of employee relations for review and comment. The commissioner must complete the review within 14 days of its receipt. Compensation plans established under this subdivision must be approved by the legislature and

the legislative commission on employee relations under section 3 855, before becoming effective

Subd 4 Plans not established but approved by commissioner (a) Notwithstanding any other law to the contrary, terms and conditions of employment for employees listed in this subdivision must be set by appointing authorities within the limits of compensation plans that have been approved by the commissioner before becoming effective. Compensation plans established under paragraph (c) must be reviewed and approved, modified, or rejected by the legislature and the legislative coordinating commission under section 3 855, subdivisions 2 and 3, before becoming effective.

(b) Total compensation for employees who are not covered by a collective bargaining agreement in the offices of the governor, lieutenant governor, attorney general, secretary of state, state auditor, and state treasurer must be determined by the governor, lieutenant governor, attorney general, secretary of state, state auditor, and state treasurer, respectively.

(c) Total compensation for unclassified positions not covered by a collective bargaining agreement in the higher education services office must be determined by the higher education services office.

Subd 4a Compensation reports On July 1 of each odd-numbered year the state agricultural society, the Minnesota Technology, Inc board of directors, and the governing board of the Minnesota state high school league shall each submit a report to the legislative commission on employee relations on the total compensation plan for their employees.

Subd 5 Appointing authorities to recommend certain salaries (a) The governor, or other appropriate appointing authority, may submit to the legislative coordinating commission recommendations for salaries within the salary limits for the positions listed in section 15A 0815, subdivisions 2 to 4. An appointing authority may also propose additions or deletions of positions from those listed.

(b) Before submitting the recommendations, the appointing authority shall consult with the commissioner of administration, the commissioner of finance, and the commissioner of employee relations concerning the recommendations.

(c) In making recommendations, the appointing authority shall consider the criteria established in subdivision 8 and the performance of individual incumbents. The performance evaluation must include a review of an incumbent's progress toward attainment of affirmative action goals. The appointing authority shall establish an objective system for quantifying knowledge, abilities, duties, responsibilities, and accountabilities and in determining recommendations rate each position by this system.

(d) Before the appointing authority's recommended salaries take effect, the recommendations must be reviewed and approved, rejected, or modified by the legislative coordinating commission and the legislature under section 3 855, subdivisions 2 and 3. If, when the legislature is not in session, the commission fails to reject or modify salary recommendations of the governor within 30 calendar days of their receipt, the recommendations are deemed to be approved.

(e) The appointing authority shall set the initial salary of a head of a new agency or a chair of a new metropolitan board or commission whose salary is not specifically prescribed by law after consultation with the commissioner, whose recommendation is advisory only. The amount of the new salary must be comparable to the salary of an agency head or commission chair having similar duties and responsibilities.

(f) The salary of a newly appointed head of an agency or chair of a metropolitan agency listed in section 15A 0815, subdivisions 2 to 4, may be increased or decreased by the appointing authority from the salary previously set for that position within 30 days of the new appointment after consultation with the commissioner. If the appointing authority increases a salary under this paragraph, the appointing authority shall submit the new salary to the legislative coordinating commission and the full legislature for approval, modification, or rejection under section 3 855, subdivisions 2 and 3. If when the legislature is not in session, the commission fails to reject or modify salary

recommendations of the governor within 30 calendar days of their receipt, the recommendations are deemed to be approved

Subd 6 Legislative and judicial branch compensation Total compensation plans for unclassified employees of the legislature and of legislative commissions shall be determined by the legislature consistent with chapter 3, provided that insurance benefits for these employees and for legislators shall be determined by the legislative coordinating commission, consistent with sections 43A.22 to 43A.30. Total compensation plans for unclassified employees of the judicial branch shall be determined by the appointing authority, unless other law provides a different method for establishing this compensation. Judicial branch compensation plans shall be consistent with sections 43A.22 to 43A.30.

Subd 7 Members of Minnesota national guard Members of the Minnesota national guard shall receive the pay and allowances prescribed by the armed forces of the United States for similar rank and time in service.

Subd 8 Compensation relationships of positions In preparing management negotiating positions for compensation which is established pursuant to subdivision 1, and in establishing, recommending and approving total compensation for any position within the plans covered in subdivisions 2, 3 and 4, the commissioner shall assure that

(a) Compensation for positions in the classified and the unclassified service compare reasonably to one another,

(b) Compensation for state positions bears reasonable relationship to compensation for similar positions outside state service,

(c) Compensation for management positions bears reasonable relationship to compensation of represented employees managed,

(d) Compensation for positions within the classified service bears reasonable relationships among related job classes and among various levels within the same occupation, and

(e) Compensations bear reasonable relationships to one another within the meaning of this subdivision if compensation for positions which require comparable skill, effort, responsibility, and working conditions is comparable and if compensation for positions which require differing skill, effort, responsibility, and working conditions is proportional to the skill, effort, responsibility, and working conditions required.

History 1981 c 210 s 18, 1982 c 424 s 130, 1982 c 560 s 27,28, 1982 c 634 s 7, 1983 c 216 art 1 s 12, 1983 c 258 s 12, 1983 c 299 s 15 17, 1984 c 462 s 27, 1984 c 640 s 32, 1Sp1985 c 10 s 48, 1Sp1985 c 13 s 170, 1986 c 444, 1987 c 186 s 6, 1988 c 667 s 9, 1990 c 375 s 3, 1990 c 571 s 22 24, 1991 c 238 art 1 s 5, 1993 c 122 s 2, 1994 c 532 art 4 s 3,4, 1994 c 560 art 2 s 13 16, 1995 c 212 art 3 s 59, art 4 s 64, 1995 c 248 art 2 s 7, 1996 c 425 s 5, 2Sp1997 c 3 s 11,12,18, 1999 c 86 art 1 s 79, 1999 c 182 s 12, 2000 c 260 s 10

43A.181 UNREIMBURSED MEDICAL COSTS VACATION DONATION PROGRAM

Subdivision 1 Donation of vacation time A state employee may donate up to 12 hours of accrued vacation time in any fiscal year to the account established by subdivision 2 for the benefit of another state employee. The employee must notify the employee's agency head of the amount of accrued vacation time the employee wishes to donate and the name of the other state employee who is to benefit from the donation. The agency head shall determine the monetary value of the donated time, using the gross salary of the employee making the donation. The agency head shall transfer that amount, less deductions for applicable taxes and retirement contributions, to the account established by subdivision 2. A donation of accrued vacation time is irrevocable once its monetary value has been transferred to the account.

Subd 2 Benefit account The vacation benefit account, consisting of money transferred under subdivision 1, is administered by the commissioner of employee relations. Money in the account is appropriated to the commissioner for purposes of this section.

Subd 3 **Use of account assets** Expenditures from the account established by subdivision 2 may be made to pay unreimbursed medical expenses when the total of those expenses is at least \$10,000 and the expenses are incurred because of the illness of or injury to a state employee or the employee's spouse or dependent. Up to 40 percent of the funds donated to an individual employee's account may be used to pay for housing and transportation accessibility costs required by the employee who suffered an injury. Any money remaining after all of the expenses incurred by the employee named to benefit from a donation have been paid may be transferred to a general pool. The commissioner may use the pool to pay unreimbursed medical expenses for another state employee named to benefit from donated vacation time but whose unreimbursed expenses exceed the monetary value of the donated time.

History 1990 c 571 s 25, 1991 c 9 s 1, 1994 c 516 s 1

43A 1815 VACATION DONATION TO SICK LEAVE ACCOUNT

In addition to donations under section 43A 181, a state employee may donate a total of up to 12 hours of accrued vacation leave each fiscal year to the sick leave account of one or more state employees. A state employee may not be paid for more than 80 hours in a payroll period during which the employee uses sick leave credited to the employee's account as a result of a transfer from another state employee's vacation account. The commissioner shall establish procedures under section 43A 04, subdivision 4, for eligibility, duration of need based on individual cases, monitoring and evaluation of individual eligibility status, and other topics related to administration of this program.

History 1996 c 425 s 6

43A 182 [Repealed, 1997 c 97 s 20]

43A 185 DISASTER VOLUNTEER LEAVE

Subdivision 1 **Leave authorized** A state employee who is a certified disaster service volunteer of the American Red Cross may be granted leave from work with 100 percent of pay, not to exceed 15 working days in each year, to participate in specialized disaster relief services for the American Red Cross. The employee must be released from work for this function upon the request of the American Red Cross for the services of that employee, and upon the approval of that employee's appointing authority. The appointing authority shall compensate the employee granted leave under this section at 100 percent of the employee's regular rate of pay for those regular hours during which the employee is absent from work. This leave, if granted by the appointing authority, may not affect the employee's vacation leave, pension, compensatory time, personal vacation days, sick leave, earned overtime accumulation or cause a loss of seniority.

Subd 2 **Liability** The state is not liable for workers' compensation claims arising from accident or injury while a state employee is on assignment as a certified disaster service volunteer for the American Red Cross. Duties performed while on disaster leave are not considered to be a work assignment by a state agency. The employee is granted leave based on the need for expertise in the employee's certified area. Job functions, although similar or related to the employee's state job functions, are performed on behalf of and for the benefit of the American Red Cross.

History 1994 c 583 s 1, 1998 c 356 s 1

43A 19 AFFIRMATIVE ACTION

Subdivision 1 **Statewide affirmative action program** (a) To assure that positions in the executive branch of the civil service are equally accessible to all qualified persons, and to eliminate the underutilization of qualified members of protected groups, the commissioner shall adopt and periodically revise, if necessary, a statewide affirmative action program. The statewide affirmative action program must consist of at least the following:

- (1) objectives, goals, and policies,
 - (2) procedures, standards, and assumptions to be used by agencies in the preparation of agency affirmative action plans, including methods by which goals and timetables are established,
 - (3) the analysis of separation patterns to determine the impact on protected group members, and
 - (4) requirements for annual objectives and submission of affirmative action progress reports from heads of agencies
- (b) The commissioner shall base affirmative action goals on at least the following factors
- (1) the percentage of members of each protected class in the recruiting area population who have the necessary skills,
 - (2) the availability for promotion or transfer of members of protected classes in the recruiting area population,
 - (3) the extent of unemployment of members of protected classes in the recruiting area population,
 - (4) the existence of training programs in needed skill areas offered by employing agencies and other institutions, and
 - (5) the expected number of available positions to be filled
- (c) The commissioner shall designate a state director of diversity and equal employment opportunity who may be delegated the preparation, revision, implementation, and administration of the program. The commissioner of employee relations may place the director's position in the unclassified service if the position meets the criteria established in section 43A 08, subdivision 1a.

Subd 2 [Repealed, 1Sp1985 c 13 s 376]

Subd 3 **Exemptions** Implementation of the provisions of this section shall not be deemed a violation of other provisions of this chapter or chapter 363

History 1981 c 210 s 19, 1982 c 560 s 29, 1Sp1985 c 13 s 171, 1988 c 667 s 10, 1995 c 248 art 10 s 7, 1999 c 182 s 13

43A 191 AGENCY AFFIRMATIVE ACTION PROGRAMS

Subdivision 1 **Affirmative action officers** (a) Each agency with 1 000 employees or more shall have at least one full-time affirmative action officer, who shall have primary responsibility for developing and maintaining the agency's affirmative action plan. The officer shall devote full time to affirmative action activities. The affirmative action officer shall report administratively and on policy issues directly to the agency head.

(b) The agency heads shall assign affirmative action officers or designees for agencies with fewer than 1,000 employees. The designees shall report administratively and on policy issues directly to the agency head.

(c) An agency may not use authority under section 43A 08 subdivision 1a, to place the position of an agency affirmative action officer or designee in the unclassified service.

Subd 2 **Agency affirmative action plans** (a) The head of each agency in the executive branch shall prepare and implement an agency affirmative action plan consistent with this section and rules issued under section 43A 04, subdivision 3.

(b) The agency plan must include a plan for the provision of reasonable accommodation in the hiring and promotion of qualified disabled persons. The reasonable accommodation plan must consist of at least the following:

- (1) procedures for compliance with section 363 03 and, where appropriate, regulations implementing United States Code, title 29, section 794, as amended through December 31, 1984, which is section 504 of the Rehabilitation Act of 1973, as amended

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and the Americans with Disabilities Act, United States Code, title 42, sections 101 to 108, 201 to 231, 241 to 246, 401 402, and 501 to 514,

(2) methods and procedures for providing reasonable accommodation for disabled job applicants, current employees, and employees seeking promotion, and

(3) provisions for funding reasonable accommodations

(c) The agency plan must be prepared by the agency head with the assistance of the agency affirmative action officer and the director of diversity and equal employment opportunity. The council on disability shall provide assistance with the agency reasonable accommodation plan.

(d) The agency plan must identify any positions in the agency that can be used for supported employment as defined in section 268A 01, subdivision 13, of persons with severe disabilities. The agency shall report this information to the commissioner. An agency that hires more than one supported worker in the identified positions must receive recognition for each supported worker toward meeting the agency's affirmative action goals and objectives.

(e) An agency affirmative action plan may not be implemented without the commissioner's approval.

Subd 3 Audits, sanctions and incentives (a) The commissioner shall annually audit the record of each agency to determine the rate of compliance with affirmative action requirements.

(b) By March 1 of each odd numbered year, the commissioner shall submit a report on affirmative action progress of each agency and the state as a whole to the governor and to the finance committee of the senate, the ways and means committee of the house of representatives, the governmental operations committees of both houses of the legislature, and the legislative commission on employee relations. The report must include noncompetitive appointments made under section 43A 08, subdivision 2a, or 43A 15, subdivisions 3 to 13, and cover each agency's rate of compliance with affirmative action requirements.

(c) An agency that does not meet its hiring goals must justify its nonaffirmative action hires in competitive and noncompetitive appointments according to criteria issued by the department of employee relations. 'Missed opportunity' includes failure to justify a nonaffirmative action hire. An agency must have 25 percent or less missed opportunities in competitive appointments and 25 percent or less missed opportunities in appointments made under sections 43A 08, subdivisions 1, clauses (9), (11), and (16), and 2a, and 43A 15, subdivisions 3, 10, 12, and 13. In addition, an agency shall

(1) demonstrate a good faith effort to recruit protected group members by following an active recruitment plan,

(2) implement a coordinated retention plan, and

(3) have an established complaint resolution procedure.

(d) The commissioner shall develop reporting standards and procedures for measuring compliance.

(e) An agency is encouraged to develop other innovative ways to promote awareness, acceptance, and appreciation for diversity and affirmative action. These innovations will be considered when evaluating an agency's compliance with this section.

(f) An agency not in compliance with affirmative action requirements of this section must identify methods and programs to improve performance, to reallocate resources internally in order to increase support for affirmative action programs, and to submit program and resource reallocation proposals to the commissioner for approval. An agency must submit these proposals within 120 days of being notified by the commissioner that it is out of compliance with affirmative action requirements. The commissioner shall monitor quarterly the affirmative action programs of an agency found to be out of compliance.

(g) The commissioner shall establish a program to recognize an agency that has made significant and measurable progress in implementing an affirmative action plan

History *1Sp1985 c 13 s 172, 1987 c 186 s 7, 1987 c 354 s 8, 1988 c 667 s 11, 1990 c 571 s 26,27, 1992 c 513 art 9 s 2, 1995 c 248 art 10 s 8 10, 1996 c 305 art 1 s 11*

43A 192 [Repealed, 1990 c 426 art 1 s 12]

43A 20 PERFORMANCE APPRAISAL AND PAY

The commissioner shall design and maintain a performance appraisal system under which each employee in the civil service in the executive branch shall be evaluated and counseled on work performance at least once a year Individual pay increases for all employees not represented by an exclusive representative certified pursuant to chapter 179A shall be based on the evaluation and other factors the commissioner includes in the plans developed pursuant to section 43A 18 Collective bargaining agreements entered into pursuant to chapter 179A may, and are encouraged to, provide for pay increases based on employee work performance

History *1981 c 210 s 20, 1999 c 182 s 14*

43A 21 TRAINING PROGRAMS

Subdivision 1 **Authority, purpose** The commissioner shall develop and interpret policy and administer and, to the extent possible, conduct programs in training and development for employees to promote individual, group and agency efficiency and effectiveness

Subd 2 **Responsibilities** The commissioner is responsible for developing and coordinating consistent training policy which shall be binding on all state agencies in the executive branch The policies shall include conditions under which employees may receive or be assigned to training, internships and work training programs, minimum and maximum training standards for employee participation and agency reporting requirements Career development training is a permissive subject of collective bargaining Each appointing authority in the executive branch, including the Minnesota state retirement system and the teachers retirement association, is primarily responsible for planning, budgeting, conducting and evaluating training programs

Subd 3 **Programs** The commissioner or the commissioner's designee shall design and implement management training and development programs for the state service The programs shall include but not be limited to mandatory training and development requirements for managers and supervisors No person shall acquire permanent status in a management or supervisory position in the classified service until training and development requirements have been met

Subd 4 **Funds** For purposes of training and development, the commissioner is authorized to apply for and accept funds from any source including reimbursement charges from agencies for reasonable program costs Funds received shall be deposited in the special revenue fund of the state treasury and shall be appropriated annually to the department for the purposes for which they are received

Subd 5 [Repealed, 1994 c 429 s 5]

History *1981 c 210 s 21, 1983 c 299 s 18, 1Sp1985 c 17 s 8, 1989 c 335 art 4 s 106, 1994 c 429 s 3*

43A 211 [Repealed, 1995 c 254 art 1 s 97]

43A 22 BENEFITS, INTENT

(a) It is the intent of the state to provide eligible employees and other eligible persons with life insurance and hospital, medical, and dental benefits coverage through provider organizations, hereafter referred to as "carriers, authorized to do business in the state

(b) The commissioner may self insure any hospital and medical plan offered under sections 43A 22 to 43A 31 to promote reasonably stable and predictable premiums for hospital and medical benefits paid by the state and its employees and to promote affordable, ongoing relationships between employees and dependents and their medical providers. The commissioner shall consult with the commissioners of commerce and health and human services regarding the development and reporting of quality of care measures.

History 1981 c 210 s 22, 1999 c 250 art 1 s 72

43A 23 CONTRACTING AUTHORITY

Subdivision 1 General The commissioner is authorized to request bids from carriers or to negotiate with carriers and to enter into contracts with carriers which in the judgment of the commissioner are best qualified to underwrite and service the benefit plans. Contracts entered into with carriers are not subject to the requirements of sections 16C 16 to 16C 19. The commissioner may negotiate premium rates and coverage provisions with all carriers licensed under chapters 62A, 62C, and 62D. The commissioner may also negotiate reasonable restrictions to be applied to all carriers under chapters 62A, 62C, and 62D. Contracts to underwrite the benefit plans must be bid or negotiated separately from contracts to service the benefit plans, which may be awarded only on the basis of competitive bids. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers, and any other factors which the commissioner deems appropriate. Each benefit contract must be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, make hospital and medical benefits available from at least one carrier licensed to do business pursuant to each of chapters 62A, 62C, and 62D. The commissioner need not provide health maintenance organization services to an employee who resides in an area which is not served by a licensed health maintenance organization. The commissioner may refuse to allow a health maintenance organization to continue as a carrier. The commissioner may elect not to offer all three types of carriers if there are no bids or no acceptable bids by that type of carrier or if the offering of additional carriers would result in substantial additional administrative costs. A carrier licensed under chapter 62A is exempt from the taxes imposed by chapter 297I on premiums paid to it by the state.

All self insured hospital and medical service products must comply with coverage mandates, data reporting, and consumer protection requirements applicable to the licensed carrier administering the product, had the product been insured, including chapters 62J, 62M, and 62Q. Any self insured products that limit coverage to a network of providers or provide different levels of coverage between network and nonnetwork providers shall comply with section 62D 123 and geographic access standards for health maintenance organizations adopted by the commissioner of health in rule under chapter 62D.

Subd 2 Contract to contain statement of benefits (a) Each contract under sections 43A 22 to 43A 30 shall contain a detailed statement of benefits offered and shall include any maximums, limitations, exclusions, and other definitions of benefits the commissioner deems necessary or desirable. Each hospital and medical benefits contract shall provide benefits at least equal to those required by section 62E 06, subdivision 2.

(b) All summaries of benefits describing the hospital and medical service benefits offered to state employees must comply with laws and rules for content and clarity applicable to the licensed carrier administering the product. Referral procedures must be clearly described. The commissioners of commerce and health, as appropriate, shall review the summaries of benefits, whether written or electronic, and advise the commissioner of employee relations on any changes needed to ensure compliance.

Subd 3 **Contract with insurance carriers** The commissioner of employee relations may contract with carriers authorized to provide coverage under the state employees group insurance plan to extend coverage to eligible employees who incur medical expenses due to a personal injury which results from their state employment which is compensable under chapter 176

History 1981 c 210 s 23, 1983 c 290 s 1, 1983 c 301 s 101, 1984 c 544 s 81, 1984 c 642 s 2, 1988 c 667 s 12,13, 1990 c 571 s 28, 1991 c 199 art 2 s 1, 1998 c 386 art 2 s 20, 1999 c 250 art 1 s 73,74, 2000 c 394 art 2 s 1

43A 24 ELIGIBILITY FOR STATE PAID INSURANCE AND BENEFITS

Subdivision 1 **General** Employees, including persons on layoff from a civil service position, and employees who are employed less than full time, shall be eligible for state paid life insurance and hospital, medical and dental benefits as provided in collective bargaining agreements or plans established pursuant to section 43A 18

Subd 2 **Other eligible persons** The following persons are eligible for state paid life insurance and hospital, medical, and dental benefits as determined in applicable collective bargaining agreements or by the commissioner or by plans pursuant to section 43A 18, subdivision 6, or by the board of regents for employees of the University of Minnesota not covered by collective bargaining agreements Coverages made available, including optional coverages, are as contained in the plan established pursuant to section 43A 18, subdivision 2

(a) a member of the state legislature, provided that changes in benefits resulting in increased costs to the state shall not be effective until expiration of the term of the members of the existing house of representatives An eligible member of the state legislature may decline to be enrolled for state paid coverages by filing a written waiver with the commissioner The waiver shall not prohibit the member from enrolling the member or dependents for optional coverages, without cost to the state, as provided for in section 43A 26 A member of the state legislature who returns from a leave of absence to a position previously occupied in the civil service shall be eligible to receive the life insurance and hospital, medical, and dental benefits to which the position is entitled,

(b) an employee of the legislature or an employee of a permanent study or interim committee or commission or a state employee on leave of absence to work for the legislature, during a regular or special legislative session, as determined by the legislative coordinating commission,

(c) a judge of the appellate courts or an officer or employee of these courts, a judge of the district court, a judge of county court, or a judge of county municipal court, a district court referee, judicial officer, court reporter, or law clerk, a district administrator, an employee of the office of the district administrator that is not in the second or fourth judicial district, a court administrator or employee of the court administrator in a judicial district under section 480 181, subdivision 1, paragraph (b), and a guardian ad litem program employee,

(d) a salaried employee of the public employees retirement association,

(e) a full time military or civilian officer or employee in the unclassified service of the department of military affairs whose salary is paid from state funds,

(f) a salaried employee of the Minnesota historical society, whether paid from state funds or otherwise, who is not a member of the governing board,

(g) an employee of the regents of the University of Minnesota,

(h) notwithstanding section 43A 27, subdivision 3, an employee of the state of Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65 years of age on July 1, 1982, who is otherwise eligible for employee and dependent insurance and benefits pursuant to section 43A 18 or other law, who has at least 20 years of service and retires, earlier than required, within 60 days of March 23, 1982 or an employee who is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state service and retires, earlier than required, from employment at

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Rochester state hospital after July 1, 1981, or an employee who is at least 55 and not yet 65 years of age on July 1, 1982, and is covered by the Minnesota state retirement system correctional employee retirement plan or the state patrol retirement fund, who has at least 20 years of state service and retires, earlier than required, within 60 days of March 23, 1982. For purposes of this clause, a person retires when the person terminates active employment in state or University of Minnesota service and applies for a retirement annuity. Eligibility shall cease when the retired employee attains the age of 65, or when the employee chooses not to receive the annuity that the employee has applied for. The retired employee shall be eligible for coverages to which the employee was entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established pursuant to section 43A 18, for employees in positions equivalent to that from which retired, provided that the retired employee shall not be eligible for state paid life insurance. Coverages shall be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program,

(i) an employee of an agency of the state of Minnesota identified through the process provided in this paragraph who is eligible to retire prior to age 65. The commissioner and the exclusive representative of state employees shall enter into agreements under section 179A 22 to identify employees whose positions are in programs that are being permanently eliminated or reduced due to federal or state policies or practices. Failure to reach agreement identifying these employees is not subject to impasse procedures provided in chapter 179A. The commissioner must prepare a plan identifying eligible employees not covered by a collective bargaining agreement in accordance with the process outlined in section 43A 18, subdivisions 2 and 3. For purposes of this paragraph, a person retires when the person terminates active employment in state service and applies for a retirement annuity. Eligibility ends as provided in the agreement or plan, but must cease at the end of the month in which the retired employee chooses not to receive an annuity, or the employee is eligible for employer-paid health insurance from a new employer. The retired employees shall be eligible for coverages to which they were entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established under section 43A 18 for employees in positions equivalent to that from which they retired, provided that the retired employees shall not be eligible for state-paid life insurance,

(j) employees of the state board of public defense, with eligibility determined by the state board of public defense in consultation with the commissioner of employee relations, and

(k) employees of the health data institute under section 62J 451, subdivision 12, as paid for by the health data institute

Subd 3 [Repealed, 1993 c 122 s 7]

History 1981 c 37 s 2, 1981 c 210 s 24, 1982 c 522 s 1, 1983 c 247 s 20, 1986 c 444, 1987 c 186 s 8, 1988 c 605 s 1, 1989 c 81 s 2,3, 1989 c 335 art 3 s 3, 1990 c 594 art 2 s 2, 1993 c 146 art 2 s 10, 1995 c 189 s 8, 1995 c 248 art 10 s 11, 1996 c 277 s 1, 1996 c 305 art 1 s 12, 1999 c 216 art 7 s 2, 2000 c 457 s 5

NOTE Laws 1999 chapter 216 article 7 section 46 subdivisions 1 and 3 provide specific effective dates for the state takeover of court administrative and miscellaneous costs under subdivision 2 as amended by Laws 1999 chapter 216 article 7 section 2

43A 25 [Repealed, 1989 c 81 s 4]

43A 26 OPTIONAL COVERAGES

The commissioner may make available to eligible persons and their dependents certain optional coverages provided by carriers selected by the commissioner. Eligible employees may elect to purchase optional coverages at their own expense.

History 1981 c 210 s 26

43A 27 ELIGIBILITY FOR INDIVIDUAL PAID INSURANCE AND BENEFITS

Subdivision 1 **General** Notwithstanding any other provisions of this chapter, the persons listed in subdivisions 2 and 3, and their dependents, may elect to enroll at their own expense in the appropriate life insurance, hospital, medical and dental benefits, and optional coverages at the time, in the manner, and under conditions of eligibility the commissioner prescribes and otherwise approves. The commissioner may also provide for payroll deductions to be made in the same manner and under the same conditions as provided in section 43A 30, subdivision 2 authorizing payroll deductions for an eligible employee and the employee's dependents.

Subd 2 **Elective eligibility** The following persons, if not otherwise covered by section 43A 24, may elect coverage for themselves or their dependents at their own expense

(a) a state employee, including persons on layoff from a civil service position as provided in collective bargaining agreements or a plan established pursuant to section 43A 18,

(b) an employee of the board of regents of the University of Minnesota, including persons on layoff, as provided in collective bargaining agreements or by the board of regents,

(c) an officer or employee of the state agricultural society, state horticultural society, Sibley house association, Minnesota humanities commission, Minnesota area industry labor management councils, Minnesota international center, Minnesota academy of science, science museum of Minnesota, Minnesota safety council, state office of disabled American veterans, state office of the American Legion and its auxiliary, state office of veterans of foreign wars and its auxiliary or state office of the Military Order of the Purple Heart,

(d) a civilian employee of the adjutant general who is paid from federal funds and who is not eligible for benefits from any federal civilian employee group life insurance or health benefits program, and

(e) an officer or employee of the state capitol credit union or the highway credit union

Subd 3 **Retired employees** (a) A person may elect to purchase at personal expense individual and dependent hospital, medical, and dental coverages if the person is

(1) a retired employee of the state or an organization listed in subdivision 2 or section 43A 24 subdivision 2 who, at separation of service

(i) is immediately eligible to receive a retirement benefit under chapter 354B or an annuity under a retirement program sponsored by the state or such organization of the state,

(ii) immediately meets the age and service requirements in section 352 115, subdivision 1, and

(iii) has five years of service or meets the service requirement of the collective bargaining agreement or plan, whichever is greater, or

(2) a retired employee of the state who is at least 50 years of age and has at least 15 years of state service

(b) The commissioner shall offer at least one plan which is actuarially equivalent to those made available through collective bargaining agreements or plans established under section 43A 18 to employees in positions equivalent to that from which retired

(c) A spouse of a person eligible under paragraph (a) may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the retiree's death

(d) Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Until the retired employee reaches age 65, the retired employee and dependents must be pooled in the same

group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance. Coverage for retired employees and their dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

Subd 4 Retired judges, former legislators (a) Retired judges or former legislators may elect to purchase coverage for themselves or their dependents at their own expense as provided in paragraphs (b) and (c).

(b) A retired judge of the state supreme court, the court of appeals, a district court, a county court, a county municipal court, or a probate court may elect to purchase coverage provided persons listed in section 43A 24, subdivision 2, clause (c). The commissioner shall notify judges no later than the effective date of their retirement of their right to exercise the option provided in this subdivision. A retired judge must notify the commissioner or designee of the commissioner within 30 days after the effective date of retirement if the judge intends to exercise the option.

(c) A former member of the legislature may elect to purchase coverage provided persons listed in section 43A 24, subdivision 2, clause (a).

Subd 5 Employees of exclusive representatives Upon request of an exclusive representative of state employees listed in section 179A 10, subdivision 2, those employees of exclusive representatives whose duties involve representing state employees for at least 75 percent of their time and their dependents may elect to enroll at their own expense in the appropriate life insurance, hospital, medical and dental benefits, and optional coverages at the time, in the manner, and under the conditions of eligibility the commissioner prescribes and otherwise approves.

Subd 6 [Repealed, 1996 c 310 s 1]

History 1981 c 210 s 27, 1982 c 424 s 5, 1982 c 560 s 30, 1983 c 247 s 21, 1984 c 654 art 2 s 69, 1985 c 32 s 1, 1986 c 444, 1987 c 384 art 2 s 1, 1987 c 394 s 2, 1988 c 667 s 14,15, 1989 c 282 art 2 s 2, 1990 c 571 s 29, 1992 c 488 s 1, 1995 c 248 art 10 s 12, 1995 c 254 art 1 s 65,66, 1997 c 79 s 16, 1997 c 97 s 7,20, 1999 c 222 art 19 s 1

43A 28 ENROLLMENT

The time, manner, and conditions and terms of eligibility for enrollment of persons eligible for state paid or individual paid life insurance, hospital, medical and dental benefits, and optional coverages authorized shall be determined and prescribed by the commissioner according to collective bargaining agreements and plans established pursuant to section 43A 18.

History 1981 c 210 s 28

43A 29 CONTRIBUTIONS BY STATE

The total contribution by the state for eligible state employees and for dependents of eligible state employees shall be prescribed by collective bargaining agreements or plans established pursuant to section 43A 18.

History 1981 c 210 s 29

43A 30 PAYMENT OF PREMIUMS

Subdivision 1 Payments from agency revenues Each agency shall pay the amounts due for state paid life insurance and hospital, medical and dental benefits coverage authorized for eligible employees pursuant to this chapter.

Each agency shall pay the amounts from accounts and funds from which the agency receives its revenues, including appropriations from the general fund and from any other fund, now or hereafter existing for the payment of salaries and in the same

proportion as it pays therefrom the amounts of salaries. In order to enable the commissioner of finance to maintain proper records covering the appropriations pursuant to this section, the commissioner of finance may require certifications in connection with payments as the commissioner of finance deems necessary from the Minnesota historical society, the University of Minnesota, or any agency whose employees receive benefits pursuant to this chapter. The accounts and funds from which agencies receive appropriations under the terms of this section are a source of revenue for the purposes of any other law or statutory enactment.

Subd 2 Payroll deduction If an eligible person who is on any payroll of the state or an eligible person's dependents is enrolled for any of the optional coverages made available by the commissioner pursuant to section 43A 26 the commissioner of finance, upon the person's written order, shall deduct from the salary or wages of the person those amounts required from time to time to maintain the optional coverages in force, and issue a warrant therefor to the appropriate carrier.

Subd 3 [Repealed, 1Sp1981 c 4 art 4 s 10]

Subd 4 Employee insurance trust fund The commissioner of employee relations may direct that all or a part of the amounts paid for life insurance, hospital, medical, and dental benefits and optional coverages authorized for eligible employees and other eligible persons be deposited by the state in an employee insurance trust fund in the state treasury, from which the approved claims of eligibles are to be paid. Investment income and investment losses attributable to the investment of the fund shall be credited to the fund. There is appropriated from the fund to the commissioner amounts needed to pay the approved claims of eligibles, related service charges, insurance premiums, and refunds. The commissioner shall not market or self insure life insurance. The commissioner may market and self insure dental and optional coverages. Nothing in this subdivision precludes the commissioner from determining plan design, providing informational materials, or communicating with employees about coverages.

Subd 5 Administration The commissioner of employee relations may administer the employee insurance program. The commissioner may assess agencies, and employers of persons eligible for state-paid insurance and benefits under section 43A 24, the cost of these administrative services, including diagnostic and referral services provided by the employee assistance program under section 43A 319, and include it in the amounts billed for life insurance, hospital, medical, and dental benefits, and optional coverages authorized. Receipts from the assessments must be deposited in the state treasury and credited to a special account in the employee insurance trust fund and are appropriated to the commissioner to pay these administrative costs.

Subd 6 Contingency reserve The commissioner shall maintain a contingency reserve within the employee insurance trust fund. The reserve must be used to increase the controls over medical plan provisions and insurance costs for the state's employee populations. The reserve consists of appropriations from the general fund, receipts from billings to agencies, and credited investment gains and losses attributable to balances in the account. The state board of investment shall invest the assets of the account according to section 11A 24.

History 1981 c 210 s 30, 1984 c 654 art 2 s 68, 1Sp1985 c 13 s 174,175, 1986 c 444, 1987 c 186 s 9, 1997 c 79 s 17, 1997 c 97 s 8,9, 1998 c 366 s 50, 1999 c 250 art 1 s 75,114

43A 31 ADMINISTRATION

Subdivision 1 General The commissioner shall maintain records, prepare reports, and perform all functions necessary to carry out the intent of sections 43A 22 to 43A 30. Upon request of the commissioner, the commissioner of finance shall perform necessary accounting and disbursement functions.

Subd 2 Commissioner reports The commissioner shall transmit a report each biennium to the legislative commission on employee relations concerning the operation of sections 43A 22 to 43A 30, including a study of local and statewide market trends regarding provider concentration, costs, and other factors as they may relate to the

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state's health benefits purchasing strategy The commissioner shall consult with the commissioners of commerce and health in the conduct of this study The commissioner shall also report the number, type, and disposition of complaints relating to the insurance programs offered by the commissioner

Subd 3 Agency reports and records Each agency shall keep the records, make the certifications, and furnish the commissioner or carriers with the information and reports necessary to enable the commissioner or carriers to carry out their functions under sections 43A 22 to 43A 30

Subd 4 [Repealed, 1993 c 337 s 20]

Subd 5 Customer assistance The commissioner shall employ staff for the purposes of assisting state employees and their dependents in

- (1) understanding their benefits and coverage levels,
- (2) obtaining information and responses to questions regarding issues of coverage, benefits, and service from carriers and providers, and
- (3) making use of all grievance, appeals, and complaint resolution processes provided by law or contract

History 1981 c 210 s 31, 1983 c 260 s 14, 1983 c 289 s 114 subd 1, 1984 c 655 art 1 s 92, 1986 c 444, 1999 c 250 art 1 s 76,77

43A 316 PUBLIC EMPLOYEES INSURANCE PROGRAM

Subdivision 1 Intent The legislature finds that the creation of a statewide program to provide public employees and other eligible persons with life insurance and hospital, medical, and dental benefit coverage through provider organizations would result in a greater utilization of government resources and would advance the health and welfare of the citizens of the state

Subd 2 Definitions For the purpose of this section, the terms defined in this subdivision have the meaning given them

(a) **Commissioner** "Commissioner" means the commissioner of employee relations

(b) **Employee** 'Employee' means

(1) a person who is a public employee within the definition of section 179A 03, subdivision 14, who is insurance eligible and is employed by an eligible employer,

(2) an elected public official of an eligible employer who is insurance eligible,

(3) a person employed by a labor organization or employee association certified as an exclusive representative of employees of an eligible employer or by another public employer approved by the commissioner, so long as the plan meets the requirements of a governmental plan under United States Code, title 29, section 1002(32), or

(4) a person employed by a county or municipal hospital

(c) **Eligible employer** 'Eligible employer' means

(1) a public employer within the definition of section 179A 03, subdivision 15, that is a town, county, city, school district as defined in section 120A 05, service cooperative as defined in section 123A 21, intermediate district as defined in section 136D 01, cooperative center for vocational education as defined in section 123A 22, regional management information center as defined in section 123A 23, or an education unit organized under the joint powers action, section 471 59, or

(2) an exclusive representative of employees, as defined in paragraph (b),

(3) a county or municipal hospital, or

(4) another public employer approved by the commissioner

(d) **Exclusive representative** "Exclusive representative" means an exclusive representative as defined in section 179A 03, subdivision 8

(e) **Labor management committee** "Labor management committee" means the committee established by subdivision 4

(f) **Program** "Program" means the statewide public employees insurance program created by subdivision 3

Subd 3 Public employee insurance program The commissioner shall be the administrator of the public employee insurance program and may determine its funding arrangements. The commissioner shall model the program after the plan established in section 43A 18, subdivision 2, but may modify that plan, in consultation with the labor management committee

Subd 4 Labor management committee The labor-management committee consists of ten members appointed by the commissioner. The labor management committee must comprise five members who represent employees, including at least one retired employee, and five members who represent eligible employers. Committee members are eligible for expense reimbursement in the same manner and amount as authorized by the commissioner's plan adopted under section 43A 18, subdivision 2. The commissioner shall consult with the labor management committee in major decisions that affect the program. The committee shall study issues relating to the insurance program including, but not limited to, flexible benefits, utilization review, quality assessment, and cost efficiency

Subd 5 Public employee participation (a) Participation in the program is subject to the conditions in this subdivision

(b) Each exclusive representative for an eligible employer determines whether the employees it represents will participate in the program. The exclusive representative shall give the employer notice of intent to participate at least 30 days before the expiration date of the collective bargaining agreement preceding the collective bargaining agreement that covers the date of entry into the program. The exclusive representative and the eligible employer shall give notice to the commissioner of the determination to participate in the program at least 30 days before entry into the program. Entry into the program is governed by a schedule established by the commissioner

(c) Employees not represented by exclusive representatives may become members of the program upon a determination of an eligible employer to include these employees in the program. Either all or none of the employer's unrepresented employees must participate. The eligible employer shall give at least 30 days' notice to the commissioner before entering the program. Entry into the program is governed by a schedule established by the commissioner

(d) Participation in the program is for a two year term. Participation is automatically renewed for an additional two year term unless the exclusive representative, or the employer for unrepresented employees, gives the commissioner notice of withdrawal at least 30 days before expiration of the participation period. A group that withdraws must wait two years before rejoining. An exclusive representative, or employer for unrepresented employees, may also withdraw if premiums increase 50 percent or more from one insurance year to the next

(e) The exclusive representative shall give the employer notice of intent to withdraw to the commissioner at least 30 days before the expiration date of a collective bargaining agreement that includes the date on which the term of participation expires

(f) Each participating eligible employer shall notify the commissioner of names of individuals who will be participating within two weeks of the commissioner receiving notice of the parties' intent to participate. The employer shall also submit other information as required by the commissioner for administration of the program

Subd 6 Coverage (a) By January 1, 1989, the commissioner shall announce the benefits of the program. The program shall include employee hospital, medical, dental, and life insurance for employees and hospital and medical benefits for dependents. Health maintenance organization options and other delivery system options may be provided if they are available, cost effective, and capable of servicing the number of people covered in the program. Participation in optional coverages may be provided by

collective bargaining agreements For employees not represented by an exclusive representative, the employer may offer the optional coverages to eligible employees and their dependents provided in the program

(b) The commissioner, with the assistance of the labor-management committee, shall periodically assess whether it is financially feasible for the program to offer or to continue an individual retiree program that has competitive premium rates and benefits If the commissioner determines it to be feasible to offer an individual retiree program, the commissioner shall announce the applicable benefits, premium rates, and terms of participation Eligibility to participate in the individual retiree program is governed by subdivision 8, but applies to retirees of eligible employers that do not participate in the program and to those retirees' dependents and surviving spouses

Subd 6a **Chiropractic services** All benefits provided by the program or a successor program relating to expenses incurred for medical treatment or services of a physician must also include chiropractic treatment and services of a chiropractor to the extent that the chiropractic services and treatment are within the scope of chiropractic licensure

This subdivision is intended to provide equal access to benefits for program members who choose to obtain treatment for illness or injury from a doctor of chiropractic, as long as the treatment falls within the chiropractor's scope of practice This subdivision is not intended to change or add to the benefits provided for in the program

Subd 7 **Premiums** The proportion of premium paid by the employer and employee is subject to collective bargaining or personnel policies If, at the beginning of the coverage period, no collective bargaining agreement has been finalized, the increased dollar costs, if any, from the previous year is the sole responsibility of the individual participant until a collective bargaining agreement states otherwise Premiums, including an administration fee, shall be established by the commissioner Each employer shall pay monthly the amounts due for employee benefits including the amounts under subdivision 8 to the commissioner no later than the dates established by the commissioner If an employer fails to make the payments as required, the commissioner may cancel program benefits and pursue other civil remedies

Subd 8 **Continuation of coverage** (a) A former employee of an employer participating in the program who is receiving a public pension disability benefit or an annuity or has met the age and service requirements necessary to receive an annuity under chapter 353 353C 354, 354A, 356, 422A, 423, 423A, or 424, and the former employee's dependents, are eligible to participate in the program This participation is at the person's expense unless a collective bargaining agreement or personnel policy provides otherwise Premiums for these participants must be established by the commissioner

The commissioner may provide policy exclusions for preexisting conditions only when there is a break in coverage between a participant's coverage under the employment based group insurance program and the participant's coverage under this section An employer shall notify an employee of the option to participate under this paragraph no later than the effective date of retirement The retired employee or the employer of a participating group on behalf of a current or retired employee shall notify the commissioner within 30 days of the effective date of retirement of intent to participate in the program according to the rules established by the commissioner

(b) The spouse of a deceased employee or former employee may purchase the benefits provided at premiums established by the commissioner if the spouse was a dependent under the employee's or former employee's coverage under this section at the time of the death The spouse remains eligible to participate in the program as long as the group that included the deceased employee or former employee participates in the program Coverage under this clause must be coordinated with relevant insurance benefits provided through the federally sponsored Medicare program

(c) The program benefits must continue in the event of strike permitted by section 179A 18, if the exclusive representative chooses to have coverage continue and the employee pays the total monthly premiums when due

(d) A participant who discontinues coverage may not reenroll

Persons participating under these paragraphs shall make appropriate premium payments in the time and manner established by the commissioner

Subd 9 Insurance trust fund The insurance trust fund in the state treasury consists of deposits of the premiums received from employers participating in the program and transfers before July 1, 1994, from the excess contributions holding account established by section 353 65, subdivision 7 All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs Premiums paid by employers to the fund are exempt from the taxes imposed by chapter 297I The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid The state board of investment shall invest the money according to section 11A 24 Investment income and losses attributable to the fund must be credited to the fund

Subd 10 Exemption The public employee insurance program and, where applicable, the employers participating in it are exempt from chapters 60A, 62A, 62C, 62D, 62E, and 62H, section 471 617, subdivisions 2 and 3, and the bidding requirements of section 471 6161

History 1987 c 404 s 89, 1988 c 605 s 2, 1988 c 629 s 13, 1988 c 667 s 16 19, 1989 c 90 s 1, 1989 c 319 art 6 s 1, 1990 c 571 s 30 36, 1990 c 589 art 2 s 1, 1991 c 128 s 4, 1991 c 291 art 9 s 1, 1992 c 488 s 2, 1992 c 491 s 1 4, 1994 c 632 art 3 s 46, 1995 c 248 art 10 s 13, 1Sp1995 c 3 art 13 s 1, 1996 c 412 art 13 s 1, 1998 c 271 s 1, 1998 c 397 art 11 s 3, 2000 c 394 art 2 s 2

43A 317 MINNESOTA EMPLOYEES INSURANCE PROGRAM

Subdivision 1 Intent The legislature finds that the creation of a statewide program to provide employers with the advantages of a large pool for insurance purchasing would advance the welfare of the citizens of the state

Subd 2 Definitions (a) **Scope** For the purposes of this section, the terms defined have the meaning given them

(b) **Commissioner** ‘Commissioner’ means the commissioner of employee relations

(c) **Eligible employee** ‘Eligible employee’ means an employee eligible to participate in the program under the terms described in subdivision 6

(d) **Eligible employer** Eligible employer means an employer eligible to participate in the program under the terms described in subdivision 5

(e) **Eligible individual** Eligible individual means a person eligible to participate in the program under the terms described in subdivision 6

(f) **Employee** ‘Employee’ means an employee of an eligible employer ‘Employee’ includes a sole proprietor, partner of a partnership, member of a limited liability company, or independent contractor

(g) **Employer** ‘Employer’ means a private person, firm, corporation, partnership, limited liability company, association, or other entity actively engaged in business or public services ‘Employer’ includes both for profit and nonprofit entities

(h) **Program** Program’ means the Minnesota employees insurance program created by this section

Subd 3 Administration After consulting with the chairs of the senate governmental operations and veterans committee and the house of representatives governmental operations and veterans affairs policy committee, the commissioner may determine when the program provided under this section is available When the commissioner

makes the program available, the commissioner shall, consistent with the provisions of this section, administer the program and determine its coverage options, funding and premium arrangements, contractual arrangements and all other matters necessary to administer the program. The commissioner's contracting authority for the program, including authority for competitive bidding and negotiations, is governed by section 43A 23.

Subd 4 Advisory committee After the commissioner consults as required in subdivision 3 and then determines to make the program available, the commissioner shall establish a ten member advisory committee that includes five members who represent eligible employers and five members who represent eligible individuals. The committee shall advise the commissioner on issues related to administration of the program. The committee is governed by sections 15 014 and 15 059, and continues to exist while the program remains in operation.

Subd 5 Employer eligibility (a) Procedures All employers are eligible for coverage through the program subject to the terms of this subdivision. The commissioner shall establish procedures for an employer to apply for coverage through the program.

(b) Term The initial term of an employer's coverage may be for up to two years from the effective date of the employer's application. After that, coverage will be automatically renewed for an additional term unless the employer gives notice of withdrawal from the program according to procedures established by the commissioner or the commissioner gives notice to the employer of the discontinuance of the program. The commissioner may establish conditions under which an employer may withdraw from the program prior to the expiration of a term, including by reason of an increase in health coverage premiums of 50 percent or more from one insurance year to the next. An employer that withdraws from the program may not reapply for coverage for a period of time equal to its initial term of coverage.

(c) Minnesota work force An employer is not eligible for coverage through the program if five percent or more of its eligible employees work primarily outside Minnesota, except that an employer may apply to the program on behalf of only those employees who work primarily in Minnesota.

(d) Employee participation, aggregation of groups An employer is not eligible for coverage through the program unless its application includes all eligible employees who work primarily in Minnesota, except employees who waive coverage as permitted by subdivision 6. Private entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer, except as otherwise approved by the commissioner.

(e) Private employer A private employer is not eligible for coverage unless it has two or more eligible employees in the state of Minnesota. If an employer has only two eligible employees and one is the spouse, child, sibling, parent, or grandparent of the other, the employer must be a Minnesota domiciled employer and have paid social security or self employment tax on behalf of both eligible employees.

(f) Minimum participation The commissioner must require as a condition of employer eligibility that at least 75 percent of its eligible employees who have not waived coverage participate in the program. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. For purposes of this section, waiver of coverage includes only waivers due to coverage under another group health benefit plan.

(g) Employer contribution The commissioner must require as a condition of employer eligibility that the employer contribute at least 50 percent toward the cost of the premium of the employee and may require that the contribution toward the cost of coverage is structured in a way that promotes price competition among the coverage options available through the program.

(h) Enrollment cap The commissioner may limit employer enrollment in the program if necessary to avoid exceeding the program's reserve capacity.

Subd 6 **Individual eligibility** (a) **Procedures** The commissioner shall establish procedures for eligible employees and other eligible individuals to apply for coverage through the program

(b) **Employees** An employer shall determine when it applies to the program the criteria its employees must meet to be eligible for coverage under its plan. An employer may subsequently change the criteria annually or at other times with approval of the commissioner. The criteria must provide that new employees become eligible for coverage after a probationary period of at least 30 days, but no more than 90 days

(c) **Other individuals** An employer may elect to cover under its plan

(1) the spouse, dependent children, and dependent grandchildren of a covered employee,

(2) a retiree who is eligible to receive a pension or annuity from the employer and a covered retiree's spouse, dependent children, and dependent grandchildren,

(3) the surviving spouse, dependent children, and dependent grandchildren of a deceased employee or retiree, if the spouse, children, or grandchildren were covered at the time of the death,

(4) a covered employee who becomes disabled, as provided in sections 62A 147 and 62A 148, or

(5) any other categories of individuals for whom group coverage is required by state or federal law

An employer shall determine when it applies to the program the criteria individuals in these categories must meet to be eligible for coverage. An employer may subsequently change the criteria annually, or at other times with approval of the commissioner. The criteria for dependent children and dependent grandchildren may be no more inclusive than the criteria under section 43A 18, subdivision 2. This paragraph shall not be interpreted as relieving the program from compliance with any federal and state continuation of coverage requirements

(d) **Waiver and late entrance** An eligible individual may waive coverage at the time the employer joins the program or when coverage first becomes available. The commissioner may establish a preexisting condition exclusion of not more than 18 months for late entrants as defined in section 62L 02, subdivision 19

(e) **Continuation coverage** The program shall provide all continuation coverage required by state and federal law

Subd 7 **Coverage** Coverage is available through the program beginning on July 1, 1993. Until an arrangement is in place to provide coverage through a transfer of risk to one or more carriers regulated under chapter 62A 62C or 62D, the commissioner shall solicit bids under section 43A 23, from carriers regulated under chapters 62A, 62C, and 62D, to provide coverage of eligible individuals. The commissioner shall provide coverage through contracts with carriers, unless the commissioner receives no reasonable bids from carriers

(a) **Health coverage** Health coverage is available to all employers in the program. The commissioner shall attempt to establish health coverage options that have strong care management features to control costs and promote quality and shall attempt to make a choice of health coverage options available. Health coverage for a retiree who is eligible for the federal Medicare program must be administered as though the retiree is enrolled in Medicare parts A and B. To the extent feasible as determined by the commissioner and in the best interests of the program, the commissioner shall model coverage after the plan established in section 43A 18, subdivision 2. Health coverage must include at least the benefits required of a carrier regulated under chapter 62A, 62C, or 62D for comparable coverage. Coverage under this paragraph must not be provided as part of the health plans available to state employees

(b) **Optional coverages** In addition to offering health coverage, the commissioner may arrange to offer dental coverage through the program. Employers with health

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coverage may choose to offer dental coverage according to the terms established by the commissioner

(c) **Open enrollment** The program must meet all underwriting requirements of chapter 62L and must provide periodic open enrollments for eligible individuals for those coverages where a choice exists

(d) **Technical assistance** The commissioner may arrange for technical assistance and referrals for eligible employers in areas such as health promotion and wellness, employee benefits structure, tax planning, and health care analysis services as described in section 62J 2930

Subd 8 **Premiums** (a) **Payments** Employers enrolled in the program shall pay premiums according to terms established by the commissioner. If an employer fails to make the required payments, the commissioner may cancel coverage and pursue other civil remedies

(b) **Rating method** The commissioner shall determine the premium rates and rating method for the program. The rating method for eligible small employers must meet or exceed the requirements of chapter 62L. The rating methods must recover in premiums all of the ongoing costs for state administration and for maintenance of a premium stability and claim fluctuation reserve. On June 30, 1999, after paying all necessary and reasonable expenses, the commissioner must apply up to \$2,075,000 of any remaining balance in the Minnesota employees insurance trust fund to repayment of any amounts drawn or expended for this program from the health care access fund

(c) **Taxes and assessments** To the extent that the program operates as a self-insured group, the premiums paid to the program are not subject to the taxes imposed by chapter 297I, but the program is subject to a Minnesota comprehensive health association assessment under section 62E 11

Subd 9 **Minnesota employees insurance trust fund** (a) **Contents** The Minnesota employees insurance trust fund in the state treasury consists of deposits received from eligible employers and individuals, contractual settlements or rebates relating to the program, investment income or losses, and direct appropriations

(b) **Appropriation** All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other costs necessary to administer the program

(c) **Reserves** For any coverages for which the program does not contract to transfer full financial responsibility, the commissioner shall establish and maintain reserves

(1) for claims in process, incomplete and unreported claims, premiums received but not yet earned, and all other accrued liabilities, and

(2) to ensure premium stability and the timely payment of claims in the event of adverse claims experience. The reserve for premium stability and claim fluctuations must be established according to the standards of section 62C 09, subdivision 3, except that the reserve may exceed the upper limit under this standard until July 1, 1997

(d) **Investments** The state board of investment shall invest the fund's assets according to section 11A 24. Investment income and losses attributable to the fund must be credited to the fund

Subd 10 **Program status** The Minnesota employees insurance program is a state program to provide the advantages of a large pool to small employers for purchasing health coverage, other coverages, and related services from insurance companies, health maintenance organizations, and other organizations. The program is not an insurance company. Coverage under this program shall be considered a certificate of insurance or similar evidence of coverage and is subject to all applicable requirements of chapters 60A, 62A, 62C, 62E, 62H, 62L, and 72A, and is subject to regulation by the commissioner of commerce to the extent applicable

Subd 11 [Repealed, 1996 c 310 s 1]

Subd 12 **Status of agents** Notwithstanding sections 60K 03, subdivision 5, and 72A 07, the program may use, and pay referral fees, commissions, or other compensation to, agents licensed as life and health agents under chapter 60K or licensed under section 62C 17, regardless of whether the agents are appointed to represent the particular health carriers or community integrated service networks that provide the coverage available through the program. When acting under this subdivision, an agent is not an agent of the health carrier or community integrated service network, with respect to that transaction.

History 1992 c 549 art 3 s 1, 1993 c 13 art 1 s 15, 1993 c 247 art 3 s 1 3, 1993 c 345 art 8 s 1, 1994 c 625 art 10 s 1,50, 1995 c 234 art 5 s 23, 1995 c 248 art 10 s 14, 1997 c 225 art 2 s 62, 1998 c 366 s 51, 1999 c 182 s 15,16, 2000 c 394 art 2 s 3

43A 318 PUBLIC EMPLOYEES GROUP LONG TERM CARE INSURANCE PROGRAM

Subdivision 1 **Definitions** (a) **Scope** For the purposes of this section, the terms defined have the meaning given them.

(b) **Advisory committee, committee** "Advisory committee" or "committee" means the committee created under subdivision 3.

(c) **Committee member, member** "Committee member" or "member" means a person serving on the advisory committee created under subdivision 3.

(d) **Eligible person** "Eligible person" means

(1) an active member of a public pension plan of the state,

(2) an employee or elected official of the state who is not eligible for participation in a public employee pension plan of the state, or

(3) a spouse or parent of a person described in clause (1) or (2), regardless of the enrollment status in the program of the person described in clause (1) or (2).

(e) **Program** "Program" means the statewide public employees long term care insurance program created under subdivision 2.

(f) **Public employee pension plan** "Public employee pension plan" means any Minnesota public pension plan or fund that provides pension or retirement coverage for state employees.

(g) **Qualified vendor** "Qualified vendor" means an entity licensed or authorized to underwrite, provide, or administer group long term care insurance benefits in this state.

Subd 2 **Program creation, general provisions** (a) The commissioner may administer a program to make long term care coverage available to eligible persons. The commissioner may determine the program's funding arrangements, request bids from qualified vendors, and negotiate and enter into contracts with qualified vendors. Contracts are not subject to the requirements of section 16C 16 or 16C 19. Contracts must be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. The program may not be self-insured until the commissioner has completed an actuarial study of the program and reported the results of the study to the legislature and self insurance has been specifically authorized by law.

(b) The program may provide coverage for home, community, and institutional long term care and any other benefits as determined by the commissioner. Coverage is optional. The enrolled eligible person must pay the full cost of the coverage.

(c) The commissioner shall promote activities that attempt to raise awareness of the need for long term care insurance among residents of the state and encourage the increased prevalence of long term care coverage. These activities must include the sharing of knowledge gained in the development of the program.

(d) The commissioner may employ and contract with persons and other entities to perform the duties under this section and may determine their duties and compensation consistent with this chapter.

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(e) The benefits provided under this section are not terms and conditions of employment as defined under section 179A 03, subdivision 19, and are not subject to collective bargaining

(f) The commissioner shall establish underwriting criteria for entry of all eligible persons into the program. Eligible persons who would be immediately eligible for benefits may not enroll

(g) Eligible persons who meet underwriting criteria may enroll in the program upon hiring and at other times established by the commissioner

(h) An eligible person enrolled in the program may continue to participate in the program even if an event, such as termination of employment, changes the person's employment status

(i) Participating public employee pension plans and public employers may provide automatic pension or payroll deduction for payment of long term care insurance premiums to qualified vendors contracted with under this section

(j) The premium charged to program enrollees must include an administrative fee to cover all program expenses incurred in addition to the cost of coverage. All fees collected are appropriated to the commissioner for the purpose of administering the program

Subd 3 **Advisory committee** (a) The committee consists of

(1) the executive directors or designees of the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association,

(2) one member of the investment advisory committee of the state board of investment provided under section 11A 08 appointed by the board,

(3) one staff member of the department of human services appointed by the commissioner of human services,

(4) one staff member of the department of commerce appointed by the commissioner of commerce,

(5) one member of the medical community with clinical knowledge of long-term care appointed by the commissioner of employee relations, and

(6) six members representing the interests of eligible persons, including exclusive representatives of employees as defined by section 179A 03, subdivision 8, and unrepresented employees appointed by the commissioner of employee relations

(b) Appointment to and removal from the committee must be in the manner provided in section 15 059

(c) The members of the committee described in paragraph (a), clauses (1) to (5), serve without term limits. The terms of members described in paragraph (a), clause (6), are governed by section 15 059, subdivision 2

(d) Members serve without compensation, but are eligible for reimbursement of expenses in the same manner and amount as authorized under section 43A 18, subdivision 2

(e) The committee shall advise the commissioner on program issues, including, but not limited to, benefits, coverage, funding, eligibility, enrollment, underwriting, and marketing

Subd 4 **Long term care insurance trust fund** (a) The long term care insurance trust fund in the state treasury consists of deposits of the premiums received from persons enrolled in the program. All money in the fund is appropriated to the commissioner to pay premiums, claims, refunds, administrative costs, and other related service costs. The commissioner shall reserve an amount of money sufficient to cover the actuarially estimated costs of claims incurred but unpaid. The trust fund must be used solely for the purpose of the program

(b) The state board of investment shall invest the money in the fund according to section 11A.24. Investment income and losses attributable to the fund must be credited to or deducted from the fund.

Subd 5 Private sources This section does not prohibit or limit individuals or local governments from purchasing long term care insurance through other private sources.

History 1999 c 250 art 1 s 78

43A.319 EMPLOYEE ASSISTANCE PROGRAM

The commissioner shall provide an employee assistance program of training, diagnostic, and referral services for state employees and their dependents.

History 1984 c 531 s 3, 1984 c 544 s 44, 1984 c 655 art 2 s 13 subd 1, 1986 c 444, 1987 c 365 s 11, 1989 c 343 s 5, 1993 c 337 s 2, 1999 c 250 art 1 s 114

43A.32 POLITICAL ACTIVITIES

Subdivision 1 Prohibition No employee shall, directly or indirectly, during hours of employment solicit or receive funds for political purposes, or use official authority or influence to compel an employee in the classified service to apply for membership in or become a member of any political organization, to pay or promise to pay any assessment, subscription, or contribution or to take part in any political activity.

Subd 2 Leaves of absence for elected public officials, candidates Except as herein provided any officer or employee in the classified service shall

(a) Take leave of absence upon assuming an elected federal office or an elected state office other than state legislative office or, if elected to state legislative office, during times that the legislature is in session,

(b) Take leave of absence upon assuming any elected public office other than enumerated in clause (a), if, in the opinion of the commissioner, the holding of the office conflicts with regular state employment, and

(c) Upon request, be granted leave of absence upon becoming a candidate, or during the course of candidacy, for any elected public office.

All requests for opinions of the commissioner and all opinions from the commissioner under the provisions of clause (b) shall be in writing and shall be delivered by mail or by use of a facsimile machine.

The commissioner shall issue an opinion under the provisions of clause (b) within seven calendar days of receipt of the request.

Subd 3 Leave of absence No executive branch officer or employee in the unclassified service who is covered by a collective bargaining agreement, and no executive branch officer or employee in the classified service, may be required to take a leave of absence upon becoming a candidate, or during the course of candidacy, for any elected public office. Said officers and employees shall take leave of absence upon assuming an elected federal office or an elected state office other than state legislative office or, if elected to state legislative office, during times that the legislature is in session.

History 1981 c 210 s 32, 1986 c 444, 1987 c 281 s 1,2, 1994 c 429 s 4

43A.321 VOLUNTEER FIREFIGHTER AND RESCUE WORKERS, AGREEMENTS

(a) An employee may reach an agreement with the employee's appointing authority to respond to emergency calls as a volunteer emergency fire or rescue worker during working hours, provided that

(1) the employee does not respond to a call when the employee's sudden absence would endanger others, and

(2) the employee remits to the appointing authority any compensation received for responding to the call.

(b) If such an agreement is entered into

(1) the appointing authority shall make no deductions from the employee's wages or sick or vacation time for time spent responding to calls, and

(2) workers' compensation liability is the responsibility of the entity for which the emergency services are provided while the employee is responding to the call

History 1993 c 136 s 1

43A 33 GRIEVANCES

Subdivision 1 **Discharge, suspension, demotion for cause, salary decrease** Managers and employees shall attempt to resolve disputes through informal means prior to the initiation of disciplinary action No permanent employee in the classified service shall be reprimanded, discharged, suspended without pay, or demoted, except for just cause

Subd 2 **Just cause** For purposes of this section, just cause includes, but is not limited to, consistent failure to perform assigned duties, substandard performance, insubordination, and serious violation of written policies and procedures, provided the policies and procedures are applied in a uniform, nondiscriminatory manner

Subd 2a **Abuse** In an arbitration or hearing proceeding involving discipline of an employee for allegedly abusing a resident of a state hospital or a state nursing home, "abuse" includes but is not limited to

(1) Conduct which constitutes abuse under policies or procedures adopted by state hospitals or state nursing homes, or

(2) Any act which constitutes a violation under sections 609 221 to 609 235, 609 322, 609 342, 609 343, 609 344, or 609 345, or

(3) The intentional and nontherapeutic infliction of physical pain or injury, or any persistent course of conduct intended to produce mental or emotional distress

Subd 3 **Procedures** Procedures for discipline and discharge of employees covered by collective bargaining agreements shall be governed by the agreements Procedures for employees not covered by a collective bargaining agreement shall be governed by this subdivision and by the commissioner's and managerial plans

(a) For discharge, suspension without pay or demotion, no later than the effective date of such action, a permanent classified employee not covered by a collective bargaining agreement shall be given written notice by the appointing authority The content of that notice as well as the employee's right to reply to the appointing authority shall be as prescribed in the grievance procedure contained in the applicable plan established pursuant to section 43A 18 The notice shall also include a statement that the employee may elect to appeal the action to the office of administrative hearings within 30 calendar days following the effective date of the disciplinary action A copy of the notice and the employee's reply, if any, shall be filed by the appointing authority with the commissioner no later than ten calendar days following the effective date of the disciplinary action The commissioner shall have final authority to decide whether the appointing authority shall settle the dispute prior to the hearing provided under subdivision 4

(b) For discharge, suspension, or demotion of an employee serving an initial probationary period, and for noncertification in any subsequent probationary period, grievance procedures shall be as provided in the plan established pursuant to section 43A 18

(c) Any permanent employee who is covered by a collective bargaining agreement may elect to appeal to the chief administrative law judge within 30 days following the effective date of the discharge, suspension, or demotion if the collective bargaining agreement provides that option In no event may an employee use both the procedure under this section and the grievance procedure available pursuant to sections 179A 01 to 179A 25

Subd 4 Appeals, public hearings, findings Within ten days of receipt of the employee's written notice of appeal, the chief administrative law judge shall assign an administrative law judge to hear the appeal

The hearing shall be conducted pursuant to the contested case provisions of chapter 14 and the procedural rules adopted by the chief administrative law judge. If the administrative law judge finds, based on the hearing record, that the action appealed was not taken by the appointing authority for just cause, the employee shall be reinstated to the position, or an equal position in another division within the same agency, without loss of pay. If the administrative law judge finds that there exists sufficient grounds for institution of the appointing authority's action but the hearing record establishes extenuating circumstances, the administrative law judge may reinstate the employee, with full, partial, or no pay, or may modify the appointing authority's action. The administrative law judge's order shall be the final decision, but it may be appealed according to the provisions of sections 14 63 to 14 68. Settlement of the entire dispute by mutual agreement is encouraged at any stage of the proceedings. Any settlement agreement shall be final and binding when signed by all parties and submitted to the chief administrative law judge of the office of administrative hearings. Except as provided in collective bargaining agreements the appointing authority shall bear the costs of the administrative law judge for hearings provided for in this section.

History 1981 c 210 s 33, 1982 c 424 s 130, 1982 c 560 s 31 33, 1984 c 425 s 1, 1984 c 462 s 27, 1984 c 544 s 82,83, 1986 c 444, 1987 c 186 s 10

43A 34 RETIREMENT

Subdivision 1 Mandatory retirement age Employees in the executive branch who are subject to the provisions of the Minnesota state retirement system or the teachers retirement association and who are serving as faculty members or administrators under a contract of unlimited terms or similar arrangement providing for unlimited tenure at an institution of higher education, as defined by United States Code, title 20, section 1141(a), as amended through December 31, 1986, must retire from employment by the state upon reaching the age of 70, except as provided in other law. Other employees in the executive branch who are subject to the provisions of the Minnesota state retirement system or the teachers retirement association, except as provided in subdivision 3 or 4, or as provided in section 354 44, subdivision 1a, are not subject to a mandatory retirement age provision.

Subd 2 [Repealed, 1987 c 186 s 16, 1987 c 284 art 2 s 9]

Subd 3 Correctional personnel exempted Any employee of the state of Minnesota in a covered classification as defined in section 352 91 who is a member of the special retirement program for correctional personnel established pursuant to sections 352 90 to 352 95, may elect or be required to retire from employment in the covered correctional position upon reaching the age of 55 years.

A correctional employee occupying a position covered by provisions of section 352 91, desiring employment beyond the conditional mandatory retirement age shall, at least 30 days prior to the date of reaching the conditional mandatory retirement age of 55 years, and annually thereafter, request in writing to the employee's appointing authority authorization to continue in employment in the covered position. Upon receiving the request, the appointing authority shall have a medical examination made of the employee. If the results of the medical examination establish the mental and physical ability of the employee to continue the duties of employment, the employee shall be continued in employment for the following year. If the determination of the appointing authority based upon the results of the physical examination is adverse, the disposition of the matter shall be decided by the commissioner of corrections or, for employees of the Minnesota security hospital, the commissioner of human services. Based on the information provided, the decision of the applicable commissioner shall be made in writing and shall be final.

Subd 4 Officers exempted Notwithstanding any provision to the contrary, (a) conservation officers and crime bureau officers who were first employed on or after

July 1, 1973, and who are members of the state patrol retirement fund by reason of their employment, and members of the Minnesota state patrol division and alcohol and gambling enforcement division of the department of public safety who are members of the state patrol retirement association by reason of their employment, shall not continue employment after attaining the age of 60 years, except for a fractional portion of one year that will enable the employee to complete the employee's next full year of allowable service as defined pursuant to section 352B 01, subdivision 3, and (b) conservation officers and crime bureau officers who were first employed and are members of the state patrol retirement fund by reason of their employment before July 1, 1973, shall not continue employment after attaining the age of 70 years

History 1981 c 37 s 2, 1981 c 210 s 34, 1982 c 578 art 3 s 1, 1984 c 654 art 5 s 58, 1986 c 444, 1987 c 186 s 12,13, 1987 c 284 art 2 s 1,2, 1990 c 570 art 1 s 1, 1997 c 129 art 2 s 2

43A 345 EARLY RETIREMENT INCENTIVE

Subdivision 1 **Eligibility** The incentive in subdivision 2 is available to any employee of the bureau of criminal apprehension in the department of public safety who

(1) retires during the pay period in which the employee's 55th birthday occurs, or retires during the first pay period after the employee's 55th birthday in which the employee's anniversary date occurs,

(2) is covered by the state patrol retirement fund and is eligible to receive an annuity from that fund at the time of retirement, and

(3) is receiving the full employer contribution for health and dental coverage immediately before retirement, or is on an unpaid leave of absence immediately before retirement which began not more than six months before retirement, during which leave the employee continues to be covered by the state group insurance program by employee payment of premiums

Subd 2 **Incentive** For an employee who meets the requirements of subdivision 1, the employer shall pay the full employer contribution, as specified in the collective bargaining agreement with the bargaining unit in section 179A 10, subdivision 2, clause (1), for health and dental insurance for the employee and, if the employee had dependent coverage immediately before retirement, for the employee's dependents. Notwithstanding section 179A 20, subdivision 2a, the employer contributions under this subdivision must continue until the employee reaches age 65. The postretirement health and dental insurance coverage provided under this section is that coverage the employee was receiving as of the date of retirement, subject to any changes in coverage specified in the collective bargaining agreement with the bargaining unit in section 179A 10, subdivision 2, clause (1).

Subd 3 **Pre 55 incentive** An employee who meets the conditions in subdivision 1 but has attained the age of 50 but not yet 55 at the time of retirement must receive until age 65 an employer contribution of 120 times the amount of the monthly employer contribution applicable to the employee at the time of retirement, divided by the number of months from the date of retirement until the employee attains age 65.

Subd 4 **Duration** If a collective bargaining agreement with the bargaining unit in section 179A 10, subdivision 2, clause (1), does not contain an early retirement incentive similar to that provided in this section, the benefits under this section are not available to an employee who retires after the implementation date of the agreement.

Subd 5 **Transition** An employee otherwise eligible for an early retirement incentive under subdivisions 1 and 2 who retires on or after the employee's 55th birthday and between June 30, 1997, and July 1, 1998, is entitled to the incentive in subdivision 2.

History 1998 c 351 s 3

43A 35 DEATH BENEFIT FOR RETIRED EMPLOYEES

Employees who retire from the civil service on or after July 1, 1977, and before July 1, 1981, shall be entitled to a \$500 cash death benefit payable to a beneficiary designated by the employee, if, at the time of the employee's death, the employee is entitled to an annuity under a state retirement program. A \$500 cash death benefit shall also be payable to the designated beneficiary of an employee who becomes totally and permanently disabled after July 1, 1979, and before July 1, 1981, and who at the time of death is receiving a state disability benefit and is eligible for a deferred annuity under a state retirement program.

Employees who retire from the civil service on or after July 1, 1981 shall be entitled to a cash death benefit payable to a beneficiary designated by the employee if provided in collective bargaining agreements or plans pursuant to section 43A 18 in effect at the time of the employee's retirement.

History 1981 c 210 s 35

43A 36 RELATIONSHIPS WITH OTHER AGENCIES AND JURISDICTIONS

Subdivision 1 Cooperation, state agencies The commissioner may delegate administrative functions associated with the duties of the commissioner to appointing authorities who have the capability to perform such functions when the commissioner determines that it is in the best interests of the state civil service. The commissioner shall consult with agencies and agencies shall cooperate as appropriate in implementation of this chapter.

The commissioner, in conjunction with appointing authorities, shall analyze and assess current and future human resource requirements of the civil service and coordinate personnel actions throughout the civil service to meet the requirements. The commissioner shall permit appointing authorities to use eligible lists in making appointments to positions in the unclassified service and shall provide recruiting assistance.

The head of each agency in the executive branch shall designate an agency personnel officer. The agency personnel officer shall be accountable to the agency head for all personnel functions prescribed by laws, rules, collective bargaining agreements, the commissioner and the agency head. Except when otherwise prescribed by the agency head in a specific instance, the personnel officer shall be assumed to be the authority accountable to the agency head over any other officer or employee in the agency for personnel functions.

The head of each agency in the executive branch shall designate an affirmative action officer who shall have primary responsibility for the administration of the agency's affirmative action plan. The officer shall report directly to the head of the agency on affirmative action matters.

Subd 2 Services available to political subdivisions The services and facilities of the department and its staff may be made available upon request to political subdivisions of the state. Enforcement and administration of other provisions of this chapter shall take precedence over the provision of the services and facilities. Political subdivisions shall reimburse the state for the reasonable cost of services and facilities.

Subd 3 Services exchanged with other jurisdictions The commissioner may enter into arrangements with personnel agencies in other jurisdictions to exchange services. The commissioner may also join or subscribe to any association or service having as its purpose the interchange of information relating to the practices of personnel administration and labor relations. The commissioner is authorized as an agent of the state of Minnesota to enter into contracts or cooperative agreements involving matters of personnel and labor relations with other governments within the United States.

History 1981 c 210 s 36, 1997 c 79 s 18,19

43A 37 PAYROLLS

Subdivision 1 Accuracy of payroll The appointing authority shall ensure that all employees have been appointed as required by law, rules, or administrative procedures.

and that the salary or compensation is within the compensation plan fixed by law. The appointing authority shall ensure that all employees are performing service as required by law. This provision does not apply to positions defined in section 43A 08, subdivision 1, clauses (8), (9), (10), and (12). Employees to whom this subdivision does not apply may be paid on the state's payroll system, and the appointing authority or fiscal officer submitting their payroll register is responsible for the accuracy and legality of the payments.

Salary or compensation claims presented against existing appropriations, which have been deemed in violation of the provisions of this subdivision, may be certified for payment if, upon investigation, the commissioner determines the personal services for which payment is claimed actually have been rendered in good faith without collusion and without intent to defraud.

Subd 2 Salaries paid contrary to provisions recovered from appointing employee
Any sum intentionally paid contrary to the provisions of this section may be recovered from any employee making the appointments in contravention of the provisions of law or the rules, or from any employee signing or countersigning or authorizing the signing or countersigning of any warrant for the payment of the sum, or from the sureties on the official bond of any employee, in an action maintained by the commissioner in the district court of any county within the state. All money recovered in any action brought under this section when collected shall be paid into the state treasury.

Subd 3 Action against appointing employees, not reimbursed for sums paid
Any person appointed contrary to the provisions of this chapter and the rules, whose payroll or account is refused certification, shall have an action against the employee employing or appointing or attempting to appoint the person for the amount due by reason of the employment or purported employment and the costs of the action. No employee, during the time of official service, or thereafter, shall be reimbursed by the state for any sum recovered in any court action under subdivision 2.

History 1981 c 210 s 37, 1982 c 560 s 34, 1990 c 571 s 37, 1991 c 238 art 1 s 6, 1994 c 632 art 3 s 47

43A 375 DEDUCTION FOR EXPENSES, FRAUD OR MISTAKE

If expenses are reimbursed to an employee by the employer under circumstances of fraud or mistake, the expenses may be deducted from wages earned by or due the employee.

History 1997 c 97 s 10

43A 38 CODE OF ETHICS FOR EMPLOYEES IN THE EXECUTIVE BRANCH

Subdivision 1 **Definitions** For the purpose of this section the following definitions shall apply:

(a) "Business" means any corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual or any other legal entity which engages either in nonprofit or profit making activities.

(b) "Confidential information" means any information obtained under government authority which has not become part of the body of public information and which, if released prematurely or in nonsummary form, may provide unfair economic advantage or adversely affect the competitive position of an individual or a business.

(c) "Private interest" means any interest, including but not limited to a financial interest, which pertains to a person or business whereby the person or business would gain a benefit, privilege, exemption or advantage from the action of a state agency or employee that is not available to the general public.

Subd 2 Acceptance of gifts, favors Employees in the executive branch in the course of or in relation to their official duties shall not directly or indirectly receive or agree to receive any payment of expense, compensation, gift, reward, gratuity, favor, service or promise of future employment or other future benefit from any source, except the state for any activity related to the duties of the employee unless otherwise

provided by law. However, the acceptance of any of the following shall not be a violation of this subdivision:

(a) Gifts of nominal value or gifts or textbooks which may be accepted pursuant to section 15.43

(b) Plaques or similar mementos recognizing individual services in a field of specialty or to a charitable cause

(c) Payment of reimbursement expenses for travel or meals, not to exceed actual expenses incurred, which are not reimbursed by the state and which have been approved in advance by the appointing authority as part of the work assignment

(d) Honoraria or expenses paid for papers, talks, demonstrations, or appearances made by employees on their own time for which they are not compensated by the state

(e) Tips received by employees engaged in food service and room cleaning at restaurant and lodging facilities in Itasca State Park

Subd 3 Use of confidential information An employee in the executive branch shall not use confidential information to further the employee's private interest, and shall not accept outside employment or involvement in a business or activity that will require the employee to disclose or use confidential information

Subd 4 Use of state property (a) An employee shall not use or allow the use of state time, supplies or state-owned or leased property and equipment for the employee's private interests or any other use not in the interest of the state, except as provided by law

(b) An employee may use state time, property, or equipment to communicate electronically with other persons including, but not limited to, elected officials, the employer, or an exclusive bargaining representative under chapter 179A, provided this use, including the value of the time spent, results in no incremental cost to the state or results in an incremental cost that is so small as to make accounting for it unreasonable or administratively impracticable

(c) The commissioners of administration and employee relations shall issue a statewide policy on the use of electronic mail and other forms of electronic communications by executive branch state employees. The policy is not subject to the provisions of chapter 14 or 179A. Appointing authorities in the legislative and judicial branches shall issue policies on these issues for their employees. The policies shall permit state employees to make reasonable use of state time, property, and equipment for personal communications and shall address issues of privacy, content of communications, and the definition of reasonable use as well as other issues the commissioners and appointing authorities identify as necessary and relevant

Subd 5 Conflicts of interest The following actions by an employee in the executive branch shall be deemed a conflict of interest and subject to procedures regarding resolution of the conflicts, section 43A.39 or disciplinary action as appropriate

(a) use or attempted use of the employee's official position to secure benefits, privileges, exemptions or advantages for the employee or the employee's immediate family or an organization with which the employee is associated which are different from those available to the general public,

(b) acceptance of other employment or contractual relationship that will affect the employee's independence of judgment in the exercise of official duties,

(c) actions as an agent or attorney in any action or matter pending before the employing agency except in the proper discharge of official duties or on the employee's behalf, or

(d) the solicitation of a financial agreement for the employee or entity other than the state when the state is currently engaged in the provision of the services which are the subject of the agreement or where the state has expressed an intention to engage in competition for the provision of the services, unless the affected state agency waives this clause

Subd 6 **Determination of conflicts of interest** When an employee believes the potential for a conflict of interest exists, it is the employee's duty to avoid the situation. A conflict of interest shall be deemed to exist when a review of the situation by the employee, the appointing authority or the commissioner determines any one of the following conditions to be present:

(a) the use for private gain or advantage of state time, facilities, equipment or supplies or badge, uniform, prestige or influence of state office or employment,

(b) receipt or acceptance by the employee of any money or other thing of value from anyone other than the state for the performance of an act which the employee would be required or expected to perform in the regular course or hours of state employment or as part of the duties as an employee,

(c) employment by a business which is subject to the direct or indirect control, inspection, review, audit or enforcement by the employee,

(d) the performance of an act in other than the employee's official capacity which may later be subject directly or indirectly to the control, inspection, review, audit or enforcement by the employee.

Subd 7 **Resolution of conflict of interest** If the employee, appointing authority or commissioner determine that a conflict of interest exists, the matter shall be assigned to another employee who does not have a conflict of interest. If it is not possible to assign the matter to an employee who does not have a conflict of interest, interested persons shall be notified of the conflict and the employee may proceed with the assignment.

Subd 8 **Precedence of chapter 10A** Where specific provisions of chapter 10A apply to employees and would conflict with this section, the provisions of chapter 10A shall apply.

Subd 9 **Limits** This section shall not be interpreted to apply to any activity which is protected by sections 179A.01 to 179A.25 and collective bargaining agreements and practices thereunder nor to prevent a current or former employee from accepting employment with a labor or employee organization representing employees.

History 1981 c 210 s 38, 1982 c 560 s 35, 1984 c 462 s 27, 1Sp1985 c 17 s 9, 1987 c 128 s 1, 1997 c 202 art 2 s 34

43A 39 COMPLIANCE WITH LAW

Subdivision 1 **Prohibited acts, penalties** All employees shall comply with and aid in all proper ways the enforcement of the provisions of this chapter. No employee or any other person shall intentionally:

(a) Make any false oral or written statement, mark, rating or report concerning any application, examination, certification or appointment made under provisions of this chapter or in any manner commit or attempt to commit any fraud preventing the impartial execution of this chapter,

(b) Directly or indirectly, give, render, pay, offer, solicit, or accept any money, service or other valuable consideration for any appointment, proposed appointment, promotion or proposed promotion to, or any advantage in obtaining, a position in the civil service,

(c) Defeat, deceive or obstruct any person in rights to examination, eligibility, certification or appointment under this chapter, or furnish to any person any special or secret information for the purpose of affecting the rights or prospects of any person with respect to appointment, advancement or retention in the classified service,

(d) Violate the provisions of section 43A 37 or 43A 38, or

(e) If in the classified service, engage in activities prohibited by section 43A 32.

Subd 2 **Noncompliance** Any employee who intentionally fails to comply with the provisions of chapter 43A shall be subject to disciplinary action and action pursuant to chapter 609. An appointing authority shall report in writing to the legislative auditor when there is probable cause to believe that a substantial violation has occurred. Any

person convicted of a crime based on violations of this chapter shall be ineligible for appointment in the civil service for three years following conviction

Subd 3 **Violations, position vacated** Intentional violation of section 43A 37 may be cause for disciplinary action and conviction of an employee in the classified service under section 43A 32 shall render the position vacant

History 1981 c 210 s 39, 1982 c 560 s 36

43A 40 [Repealed, 1999 c 182 s 20]

43A 41 [Repealed, 1999 c 182 s 20]

43A 42 [Repealed, 1999 c 182 s 20]

43A 421 SUPPORTED WORK PROGRAM

A total of 50 full time positions within agencies of state government may be selected for inclusion for a supported work program for persons with severe disabilities. A full-time position may be shared by up to three persons with severe disabilities and their job coach. The job coach is not a state employee within the scope of section 43A 02, subdivision 21, or 179A 03, subdivision 14, unless the job coach holds another position within the scope of section 43A 02, subdivision 21, or 179A 03, subdivision 14.

History 1987 c 232 s 3, 1988 c 667 s 20, 1999 c 182 s 17

43A 43 Subdivision 1 MS 1982 [Repealed, 1983 c 145 s 9]

Subd 2 MS 1998 [Repealed, 1999 c 182 s 20]

43A 44 [Repealed, 1999 c 182 s 20]

43A 45 [Repealed, 1999 c 182 s 20]

43A 46 [Repealed, 1999 c 182 s 20]

43A 465 [Repealed, 1999 c 182 s 20]

43A 47 [Repealed, 1996 c 310 s 1]

43A 48 PRETAX EXPENSE ACCOUNTS

The commissioner of employee relations may use FICA savings generated from the dependent care and medical and dental expense account programs to pay for the administrative costs of the programs and to pay for unfunded liabilities in the medical and dental expense account program. Forfeited balances from the programs may be used to pay for the administrative costs of the programs.

History 1991 c 345 art 1 s 69, 1992 c 375 s 1