

A bill for an act
relating to state government finance; implementing a salary freeze; making
reductions to executive branch agencies and the legislature; proposing coding for
new law in Minnesota Statutes, chapter 43A.

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

Section 1. **[43A.175] SALARY FREEZE.**

(a) Effective July 1, 2011, a state employee may not receive a salary or wage
increase. This section prohibits any increases, including but not limited to across-the-board
increases, cost-of-living adjustments, increases based on longevity, step increases,
increases in the form of lump-sum payments, increases in employer contributions to
deferred compensation plans, or any other pay grade adjustments of any kind. This section
does not prohibit an increase in the rate of salary and wages for an employee who is
promoted or transferred to a position with greater responsibilities and with a higher salary
or wage rate.

(b) A state appointing authority may not enter into a collective bargaining agreement
or implement a compensation plan that increases salary or wages in a manner prohibited
by this section. Neither a state appointing authority nor an exclusive representative of state
employees may request interest arbitration in relation to an increase in salary or wages that
is prohibited by this section, and an arbitrator may not issue an award that would increase
salary or wages in a manner prohibited by this section.

EFFECTIVE DATE. Paragraph (a) is effective June 30, 2011. Paragraph (b) is
effective the day following final enactment.

Sec. 2. **FISCAL YEAR 2011 REDUCTIONS.**

(a) By March 31, 2011, the commissioner of management and budget must allocate a reduction of \$199,236,000 for the fiscal year ending June 30, 2011, to general fund appropriations made to executive branch agencies as defined in Minnesota Statutes, section 16A.011, subdivision 12a. Reductions in fiscal year 2011 appropriations cancel to the general fund. Executive branch agencies must cooperate with the commissioner of management and budget in developing and implementing these reductions.

(b) The commissioner may not reduce appropriations for general education programs under Minnesota Statutes, section 126C.10, and special education programs under Minnesota Statutes, sections 125A.76 and 125A.79. The commissioner may not further reduce appropriations to the Board of Trustees of the Minnesota State Colleges and Universities or to the Board of Regents of the University of Minnesota below the reduction in Laws 2010, First Special Session chapter 1, article 5, sections 4 and 5. In allocating the reductions the commissioner must consider appropriation amounts carried forward from fiscal year 2010 into fiscal year 2011. The commissioner must report to the chairs and ranking minority members of the senate Finance Committee and the house of representatives Ways and Means Committee regarding the amount of reductions in spending by each agency and program under this section.

(c) Reductions in this section apply to fiscal year 2011 only.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. REDUCTIONS, LEGISLATURE, CONSTITUTIONAL OFFICERS.

Subdivision 1. **Reductions.** Appropriations for fiscal year 2011 made in Laws 2009, chapter 101, article 1, are reduced by the amount listed in this section. Reductions in this section apply to fiscal year 2011 only.

Subd. 2. **House of representatives.** \$96,000

Subd. 3. **State auditor.** \$41,000

Subd. 4. **Attorney general.** \$500,000

Subd. 5. **Secretary of state.** \$127,000

EFFECTIVE DATE. This section is effective the day following final enactment.