

1.1 A bill for an act
1.2 relating to public employment; directing MN.IT to provide services to additional
1.3 agencies; clarifying limits on severance pay to highly compensated public
1.4 employees; amending Minnesota Statutes 2016, sections 16E.016; 43A.17,
1.5 subdivision 11.

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

1.7 Section 1. Minnesota Statutes 2016, section 16E.016, is amended to read:

1.8 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES**
1.9 **AND EQUIPMENT.**

1.10 (a) The chief information officer is responsible for providing or entering into managed
1.11 services contracts for the provision, improvement, and development of the following
1.12 information technology systems and services to state agencies:

1.13 (1) state data centers;

1.14 (2) mainframes including system software;

1.15 (3) servers including system software;

1.16 (4) desktops including system software;

1.17 (5) laptop computers including system software;

1.18 (6) a data network including system software;

1.19 (7) database, electronic mail, office systems, reporting, and other standard software
1.20 tools;

1.21 (8) business application software and related technical support services;

2.1 (9) help desk for the components listed in clauses (1) to (8);

2.2 (10) maintenance, problem resolution, and break-fix for the components listed in clauses
2.3 (1) to (8);

2.4 (11) regular upgrades and replacement for the components listed in clauses (1) to (8);
2.5 and

2.6 (12) network-connected output devices.

2.7 (b) All state agency employees whose work primarily involves functions specified in
2.8 paragraph (a) are employees of the Office of MN.IT Services. This includes employees who
2.9 directly perform the functions in paragraph (a), as well as employees whose work primarily
2.10 involves managing, supervising, or providing administrative services or support services
2.11 to employees who directly perform these functions. The chief information officer may assign
2.12 employees of the office to perform work exclusively for another state agency.

2.13 (c) Subject to sections 16C.08 and 16C.09, the chief information officer may allow a
2.14 state agency to obtain services specified in paragraph (a) through a contract with an outside
2.15 vendor when the chief information officer and the agency head agree that a contract would
2.16 provide best value, as defined in section 16C.02, under the service-level agreement. The
2.17 chief information officer must require that agency contracts with outside vendors ensure
2.18 that systems and services are compatible with standards established by the Office of MN.IT
2.19 Services.

2.20 (d) The Minnesota State Retirement System, the Public Employees Retirement
2.21 Association, the Teachers Retirement Association, the State Board of Investment, the
2.22 Campaign Finance and Public Disclosure Board, and the State Lottery, ~~and the Statewide~~
2.23 ~~Radio Board~~ are not state agencies for purposes of this section.

2.24 (e) Effective upon certification by the chief information officer that the information
2.25 technology systems and services provided under this section meet all professional and
2.26 technical standards necessary for the entity to perform its functions, the following are state
2.27 agencies for purposes of this section: the Statewide Radio Board.

2.28 Sec. 2. Minnesota Statutes 2016, section 43A.17, subdivision 11, is amended to read:

2.29 Subd. 11. **Severance pay for certain employees.** (a) For purposes of this subdivision,
2.30 "highly compensated employee" means an employee of the state whose estimated annual
2.31 compensation is greater than 60 percent of the governor's annual salary, and who is not
2.32 covered by a collective bargaining agreement negotiated under chapter 179A or a
2.33 compensation plan authorized under section 43A.18, subdivision 3a.

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

3.18 (1) six months pay; or

3.19 (2) the highly compensated employee's regular rate of pay multiplied by 35 percent of
3.20 the highly compensated employee's accumulated but unused sick leave hours.

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

3.26 (d) An appointing authority may make severance payments to a highly compensated
3.27 employee, up to the limits prescribed in this subdivision, only if doing so is authorized by
3.28 a compensation plan under section 43A.18 that governs the employee, provided that the
3.29 following highly compensated employees are not eligible for severance pay:

3.30 (1) a commissioner, deputy commissioner, or assistant commissioner of any state
3.31 department or agency as listed in section 15.01 or 15.06, including the state chief information
3.32 officer; and

3.33 (2) any unclassified employee who is also a public official, as defined in section 10A.01,
3.34 subdivision 35.

4.1 (e) Severance pay shall not be paid to a highly compensated employee who has been
4.2 employed by the appointing authority for less than six months or who voluntarily terminates
4.3 employment.

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