

1.1 CONFERENCE COMMITTEE REPORT ON S.F. No. 174

1.2 A bill for an act

1.3 relating to financing and operation of state government; providing deficiency
1.4 funding for food assistance, the Minnesota Security Hospital, natural resources
1.5 enforcement activities, Ebola-related costs, and the Zoological Board; freezing
1.6 agency head salaries; appropriating money.

1.7 February 25, 2015

1.8 The Honorable Sandra L. Pappas
1.9 President of the Senate

1.10 The Honorable Kurt L. Daudt
1.11 Speaker of the House of Representatives

1.12 We, the undersigned conferees for S.F. No. 174 report that we have agreed upon the
1.13 items in dispute and recommend as follows:

1.14 That the House recede from its amendments and that S.F. No. 174 be further
1.15 amended as follows:

1.16 Delete everything after the enacting clause and insert:

1.17 "Section 1. Minnesota Statutes 2014, section 3.855, subdivision 3, is amended to read:

1.18 Subd. 3. **Other salaries and compensation plans.** The commission shall also:

1.19 (1) review and approve, reject, or modify a plan for compensation and terms and
1.20 conditions of employment prepared and submitted by the commissioner of management
1.21 and budget under section 43A.18, subdivision 2, covering all state employees who are
1.22 not represented by an exclusive bargaining representative and whose compensation is not
1.23 provided for by chapter 43A or other law;

1.24 (2) review and approve, reject, or modify a plan for total compensation and terms
1.25 and conditions of employment for employees in positions identified as being managerial
1.26 under section 43A.18, subdivision 3, whose salaries and benefits are not otherwise
1.27 provided for in law or other plans established under chapter 43A;

1.28 (3) review and approve, reject, or modify recommendations for salaries submitted
1.29 by an the governor or other appointing authority ~~other than the governor~~ under section
1.30 15A.0815, subdivision 5, covering agency head positions listed in section 15A.0815;

2.1 (4) review and approve, reject, or modify recommendations for salary range of
2.2 officials of higher education systems under section 15A.081, subdivision 7c;

2.3 (5) review and approve, reject, or modify plans for compensation, terms, and
2.4 conditions of employment proposed under section 43A.18, subdivisions 3a, 3b, and 4; and

2.5 (6) review and approve, reject, or modify the plan for compensation, terms, and
2.6 conditions of employment of classified employees in the office of the legislative auditor
2.7 under section 3.971, subdivision 2.

2.8 Sec. 2. Minnesota Statutes 2014, section 15A.0815, subdivision 1, is amended to read:

2.9 Subdivision 1. **Salary limits.** The governor or other appropriate appointing
2.10 authority shall set the salary rates for positions listed in this section within the salary limits
2.11 listed in subdivisions 2 to 4. ~~If the appointing authority is not the governor,~~ The governor's
2.12 or other appointing authority's action is subject to approval of the Legislative Coordinating
2.13 Commission and the legislature as provided by subdivision 5 and section 3.855.

2.14 Sec. 3. Minnesota Statutes 2014, section 15A.0815, subdivision 5, is amended to read:

2.15 Subd. 5. **Determining individual salaries.** (a) ~~When~~ The governor is the ~~or other~~
2.16 ~~appointing authority, the governor must establish salaries~~ may submit to the Legislative
2.17 Coordinating Commission recommendations for salaries within the salary limits for the
2.18 positions listed in subdivisions 2 to 4. ~~Before establishing~~ recommending a salary, the
2.19 governor or other appointing authority must consult with the commissioner of management
2.20 and budget concerning the salary. ~~In establishing the~~ recommending a salary, the governor
2.21 or other appointing authority shall consider the criteria established in section 43A.18,
2.22 subdivision 8, and the performance of individual incumbents. The performance evaluation
2.23 must include a review of an incumbent's progress toward attainment of affirmative action
2.24 goals. The governor or other appointing authority shall establish an objective system for
2.25 quantifying knowledge, abilities, duties, responsibilities, and accountabilities, and in
2.26 determining recommendations rate each position by this system.

2.27 (b) ~~An appointing authority other than the governor may submit to the Legislative~~
2.28 ~~Coordinating Commission recommendations for salaries within the salary limits for the~~
2.29 ~~positions listed in subdivisions 2 to 4.~~

2.30 ~~Before submitting the recommendations, the appointing authority shall consult with~~
2.31 ~~the commissioner of management and budget concerning the recommendations.~~

2.32 ~~In making recommendations, the appointing authority shall consider the criteria~~
2.33 ~~established in section 43A.18, subdivision 8, and the performance of individual~~
2.34 ~~incumbents. The performance evaluation must include a review of an incumbent's progress~~

3.1 ~~toward attainment of affirmative action goals. The appointing authority shall establish~~
3.2 ~~an objective system for quantifying knowledge, abilities, duties, responsibilities, and~~
3.3 ~~accountabilities, and in determining recommendations, rate each position by this system.~~

3.4 Before the governor or other appointing authority's recommended salaries take
3.5 effect, the recommendations must be reviewed and approved, rejected, or modified
3.6 by the Legislative Coordinating Commission and the legislature under section 3.855,
3.7 subdivisions 2 and 3.

3.8 (c) The governor or other appointing authority may propose additions or deletions of
3.9 positions from those listed in subdivisions 2 to 4.

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

3.15 (e) The salary of a newly appointed head of an agency or chair of a metropolitan
3.16 agency listed in subdivisions 2 to 4 ~~who is appointed by someone other than the governor,~~
3.17 may be increased or decreased by the governor or other appointing authority from the
3.18 salary previously set for that position within 30 days of the new appointment after
3.19 consultation with the commissioner. If the appointing authority increases a salary under
3.20 this paragraph, the appointing authority shall submit the new salary to the Legislative
3.21 Coordinating Commission and the full legislature for approval, modification, or rejection
3.22 under section 3.855, subdivisions 2 and 3.

3.23 ~~(f) Within 30 days of approving a change in a salary for a position in subdivisions 2~~
3.24 ~~to 4, the governor must inform the Legislative Coordinating Commission of the change~~
3.25 ~~in salary and its effective date.~~

3.26 Sec. 4. **AGENCY HEAD SALARY FREEZE.**

3.27 Notwithstanding Minnesota Statutes, section 15A.0815, subdivisions 1 and 5, the
3.28 salary rate for positions listed in Minnesota Statutes, section 15A.0815, for positions
3.29 appointed by the governor, may not be set at a salary rate in excess of the previous
3.30 calendar year.

3.31 Sec. 5. **DEPARTMENT OF HUMAN SERVICES; APPROPRIATION.**

3.32 (a) \$10,683,000 is appropriated from the general fund to the commissioner of
3.33 human services in fiscal year 2015 for the purposes specified by and to supplement the

4.1 appropriations in Laws 2013, chapter 108, article 14, as amended by Laws 2014, chapter
4.2 312, article 30, and Laws 2013, chapter 108, article 15. This is a onetime appropriation.

4.3 (b) The commissioner of human services shall expend the appropriation in paragraph
4.4 (a) as follows:

4.5 (1) \$246,000 for the Minnesota Food Assistance program under Minnesota Statutes,
4.6 section 256D.053; and

4.7 (2) \$10,437,000 for the Minnesota Security Hospital under Minnesota Statutes,
4.8 section 253.20.

4.9 (c) The appropriation in paragraph (b), clause (2), must be spent only on increased
4.10 staffing levels, renovations, and improvements at the Minnesota Security Hospital in St.
4.11 Peter as required by the conditional licenses issued to the facility.

4.12 **Sec. 6. DEPARTMENT OF NATURAL RESOURCES; APPROPRIATION.**

4.13 (a) \$568,000 is appropriated to the commissioner of natural resources in fiscal
4.14 year 2015 for enforcement activities under Laws 2013, chapter 114, article 3, section 4,
4.15 subdivision 7.

4.16 (b) The appropriation under paragraph (a) shall consist of the following:

4.17 (1) \$69,000 from the general fund;

4.18 (2) \$128,000 from the natural resources fund; and

4.19 (3) \$371,000 from the game and fish fund.

4.20 (c) This is a onetime appropriation.

4.21 **Sec. 7. DEPARTMENT OF HEALTH; APPROPRIATION.**

4.22 (a) \$891,000 is appropriated from the general fund to the commissioner of health in
4.23 fiscal year 2015 for costs of statewide planning, coordination, preparation, and response
4.24 activities related to Ebola. The commissioner shall use federal funds awarded to the state
4.25 for Ebola-related costs on or after December 19, 2014, to the extent permitted under
4.26 federal law, before spending any of this appropriation. This appropriation is available for
4.27 expenditures between July 1, 2014, and June 30, 2016. Any unspent funds shall cancel.

4.28 (b) \$2,000,000 is appropriated in fiscal year 2015 from the general fund to the
4.29 commissioner of health to provide grants to eligible hospitals and the Emergency
4.30 Medical Services Regulatory Board for Ebola-related expenditures. The grants under this
4.31 paragraph must only be awarded to the following hospitals and the Emergency Medical
4.32 Services Regulatory Board for the amounts shown:

4.33 (1) Unity Hospital in Fridley, \$221,000;

4.34 (2) Children's Hospitals and Clinics of Minnesota, St. Paul Campus, \$710,000;

5.1 (3) Mayo Clinic Hospital, St. Mary's Campus, \$413,000;
5.2 (4) the University of Minnesota Medical Center, \$508,000; and
5.3 (5) \$148,000 to the Emergency Medical Services Regulatory Board for service
5.4 providers who can demonstrate extraordinary costs directly attributable to maintaining a
5.5 state of readiness with respect to the public health threat posed by Ebola. The Emergency
5.6 Medical Services Regulatory Board shall proportionally allocate this grant to these service
5.7 providers.

5.8 The commissioner shall make no payments under this paragraph for expenses that are
5.9 reimbursable with federal funds.

5.10 (c) The appropriations in this section are onetime.

5.11 **Sec. 8. ZOOLOGICAL BOARD; APPROPRIATION.**

5.12 (a) \$1,350,000 is appropriated from the general fund to the Zoological Board in
5.13 fiscal year 2015 to supplement the appropriation in Laws 2013, chapter 114, article 3,
5.14 section 8. This is a onetime appropriation.

5.15 (b) By December 15, 2015, the Zoological Board shall submit a report to the chairs
5.16 and ranking minority members of the house of representatives and senate committees and
5.17 divisions with jurisdiction over the Minnesota Zoological Garden that details the board's
5.18 financial plan to ensure the long-term financial stability and success of the zoo. The board
5.19 shall submit an interim report to the chairs and ranking minority members by April 1, 2015.

5.20 **Sec. 9. BUDGET REDUCTIONS.**

5.21 The commissioner of management and budget must reduce previously enacted
5.22 general fund appropriations for fiscal year 2015 to the Departments of Health, Human
5.23 Services, and Natural Resources as follows:

- 5.24 (1) \$16,000 for the Department of Health;
5.25 (2) \$6,000 for the Department of Human Services; and
5.26 (3) \$18,000 for the Department of Natural Resources.

5.27 To the extent possible, the commissioner of management and budget must allocate
5.28 each reduction to the agency appropriation that supports that agency's commissioner's
5.29 salary. These are onetime reductions.

5.30 **Sec. 10. EFFECTIVE DATE.**

5.31 (a) Sections 1 to 3 are effective July 2, 2015.

5.32 (b) Section 4 is effective the day following final enactment and applies to salaries for
5.33 positions listed under Minnesota Statutes, section 15A.0815, where the governor is the

6.1 appointing authority, between the day following final enactment and June 30, 2015. The
6.2 restriction provided under section 4 applies to current incumbents and any successors.

6.3 (c) Sections 5 to 9 are effective the day following final enactment."

6.4 Delete the title and insert:

6.5 "A bill for an act
6.6 relating to financing and operation of state government; providing deficiency
6.7 funding for food assistance, the Minnesota Security Hospital, natural resources
6.8 enforcement activities, Ebola-related costs, and the Zoological Board; requiring
6.9 legislative approval of salaries for certain executive branch officials; freezing
6.10 salary increases; appropriating money; amending Minnesota Statutes 2014,
6.11 sections 3.855, subdivision 3; 15A.0815, subdivisions 1, 5."

7.1 We request the adoption of this report and repassage of the bill.

7.2 Senate Conferees:

7.3
7.4 Richard Cohen Kathy Sheran

7.5
7.6 David J. Tomassoni Bill Ingebrigtsen

7.7
7.8 Karin Housley

7.9 House Conferees:

7.10
7.11 Jim Knoblach Roz Peterson

7.12
7.13 Denny McNamara Lyndon Carlson Sr.

7.14
7.15 Clark Johnson