

(SENATE AUTHORS: LILLIE and Hann)

DATE	D-PG	OFFICIAL STATUS
03/21/2011	606	Introduction and first reading Referred to State Government Innovation and Veterans

A bill for an act
relating to state government; specifying components of a state employee
performance appraisal and bonus pay system; amending Minnesota Statutes
2010, section 43A.20.

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

Section 1. Minnesota Statutes 2010, section 43A.20, is amended to read:

43A.20 PERFORMANCE APPRAISAL AND PAY.

(a) The commissioner shall design and maintain a performance appraisal and bonus pay 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. The performance appraisal and bonus pay system must include three components:

(1) evaluation of the individual employee's performance relative to goals for that individual;

(2) evaluation of the performance of the individual employee's program, defined by the agency head, toward meeting targeted outcomes for the program; and

(3) evaluation of the performance of the entire agency toward meeting targeted outcomes for the agency.

(b) Individual pay increases for all employees not represented by an exclusive representative certified pursuant to chapter 179A shall be based on the evaluation evaluations required by paragraph (a) and other factors consistent with paragraph (a) that the commissioner negotiates in collective bargaining agreements or 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. An employee in the executive branch may not receive

2.1 an increase in salary or wages based on cost of living or progression to another step or
2.2 lane unless the employee's supervisor certifies that the employee's individual performance
2.3 has been satisfactory and justifies spending additional public funds on the employee's
2.4 compensation.

2.5 (c) This section supersedes any conflicting provision of law.

2.6 **EFFECTIVE DATE.** This section is effective July 1, 2011. For employees covered
2.7 by a collective bargaining agreement, this section applies to collective bargaining
2.8 agreements entered into on or after that date.

2.9 Sec. 2. **SALARY FOR UPCOMING BIENNIUM.**

2.10 During the biennium ending June 30, 2013, each executive branch appointing
2.11 authority shall construct a performance bonus component as part of overall compensation
2.12 earned during that biennium. Under the performance bonus component, at least five
2.13 percent of total base salary and wages otherwise payable to an employee may be paid
2.14 only after completion of the performance appraisal conducted under Minnesota Statutes,
2.15 section 43A.20, paragraph (a), and upon the appointing authority's determination that the
2.16 employee's performance has been satisfactory and justifies spending additional public
2.17 funds on the employee's compensation.

2.18 This section supersedes any conflicting provision of law.

2.19 **EFFECTIVE DATE.** This section is effective July 1, 2011. For employees covered
2.20 by a collective bargaining agreement, this section applies to collective bargaining
2.21 agreements entered into on or after that date.