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(c) If in the calculation of (a) or (b) above, a district suffers a loss of more than 15 percent in auditor's assessed valuation in any year after 1962 any subsequent increases in auditor's assessed valuation, if such should occur, shall be limited in calculating aid due under this section to eight percent for the first year and successive increases not to exceed eight percent for each year thereafter until the "controlled assessed valuation" and the increasing auditor's assessed valuation shall be equalized.

(d) Any district suffering a loss of assessed valuation of 15 percent or more due to the loss of a major industry, during the first year covered by the provisions of Laws 1967, Chapter 731, shall use the auditor's assessed valuation as determined January next after the loss occurs in the computation of its special aid under Laws 1967, Chapter 731.

(e) The local levy for maintenance, including public employees retirement associations, and group insurance, where identified as such, which was certified on or before October 10 of the current year under provisions of Minnesota Statutes 1965, Section 275.07, shall be divided by the current "controlled assessed valuation". The mill rate thus produced shall be multiplied by the actual auditor's assessed value for the current year. The difference between this result and the amount levied for maintenance purposes shall be paid to the school district from the general fund.

Sec. 2. <u>This act is effective for valuations determined after</u> <u>December 31, 1971.</u>

Approved May 21, 1973.

CHAPTER 507-H.F.No.1550

[Coded in Part]

An act relating to personnel in government; their rights, privileges and benefits; creating a department of personnel; defining its powers and duties; amending Minnesota Statutes 1971, Sections 15A.021; 15A.031; 15A.041; 15A.12; 43.01, Subdivisions 6, 7, 8, and 9, and by adding subdivisions 43.02; 43.03; 43.05; 43.06; 43.07; 43.09; 43.111; 43.122; 43.128; 43.13; 43.15; 43.17, Subdivision 2; 43.18, Subdivision 1; 43.19; 43.21; 43.23; 43.24; 43.32; 43.48; 43.43; and Chapter 43, by adding sections; repealing Minnesota Statutes 1971, Sections 15A.14; 16.02, Subdivisions 20 and 22; 43.01, Subdivision 5; 43.041; 43.08; 43.10; 43.18, Subdivision 3; and 43.34.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [43.001] DEPARTMENT OF PERSONNEL; CRE-ATION. <u>Subdivision 1. The department of personnel is hereby</u> <u>created under the control and supervision of a commissioner of</u> <u>personnel, which office is hereby established.</u>

Subd. 2. The commissioner of personnel is appointed by the governor by and with the advice and consent of the senate for a term which coincides with the term of the governor and until his successor is duly appointed and qualifies. He shall have broad experience in a managerial position including about five years as an executive personnel manager in one or more organizations essentially similar in complexity to state government. The governor may remove the commissioner only for cause, and after a public hearing. A vacancy in the office of the commissioner shall be filled by the appointing authority for the unexpired term.

Subd. 3. The commissioner may appoint two deputy commissioners and a confidential secretary, each of whom shall serve at the pleasure of the commissioner in the unclassified service. Except as may be otherwise provided for by law, the commissioner shall fix the compensation of each deputy commissioner. A deputy commissioner may perform and exercise a power, duty, or responsibility imposed by law on the commissioner when authorized so to do by the commissioner.

<u>Subd. 4.</u> Subject to the provisions of this act and to other applicable laws governing a state department or agency, the commissioner shall organize the department and employ such other officers, employees, and agents as he may deem necessary to discharge the functions of his department, define the duties of such officers, employees, and agents and to delegate to them any of his powers, duties, and responsibilities subject to his control and under such conditions as he may prescribe. Personnel employed pursuant to this subdivision are in the classified service of the state civil service.

Sec. 2. [43.002] TRANSFER OF DUTIES FROM CIVIL SERVICE DEPARTMENT. Except as otherwise provided for in this act, all the powers, duties, and responsibilities now vested in and imposed upon the director of civil service, and the civil service board are hereby transferred to, vested in, and imposed upon the department of personnel. The office of director of civil service, the givil service board, as heretofore constituted is hereby abolished.

Sec. 3. Minnesota Statutes 1971, Section 43.01, Subdivision 6, is amended to read:

Subd. 6. **DEPARTMENT.** "Department" means the department of eivil service personnel.

Changes or additions indicated by <u>underline</u>, deletions by strikeout. 1 Minn.S.L. 1973 Bd.Vol.--71 Sec. 4. Minnesota Statutes 1971, Section 43.01, Subdivision 7, is amended to read:

Subd. 7. BOARD. "Board" means the civil-service personnel board.

Sec. 5. Minnesota Statutes 1971, Section 43.01, Subdivision 8, is amended to read:

Subd. 8. COMMISSIONER. "Director <u>Commissioner</u>" means the director <u>commissioner</u> of the state civil service <u>personnel</u>.

Sec. 6. Minnesota Statutes 1971, Section 43.01, Subdivision 9, is amended to read:

Subd. 9. **RATE OF PAY.** <u>Unless otherwise prescribed by</u> <u>personnel rule</u>, "rate of pay" means rate of pay for a work month, and "salary" means compensation for a work month <u>regular work</u> <u>hour</u>, "monthly rate of pay" means compensation for 174 regular <u>hours of work and "annual rate of pay" means compensation for</u> 2088 regular hours of work.

Sec. 7. Minnesota Statutes 1971, Section 43.01, is amended by adding a subdivision to read:

<u>Subd. 15.</u> TOTAL COMPENSATION. <u>"Total compensation"</u> means salary, paid time off, group insurance benefits, the retirement plan, and other direct and indirect items of compensation.

Sec. 8. Minnesota Statutes 1971, Section 43.01, is amended by adding a subdivision to read:

<u>Subd. 16.</u> COMPETITIVE. <u>"Competitive" means a level which</u> is generally equal to the total compensation paid for similar types of work.

Sec. 9. Minnesota Statutes 1971, Section 43.02, is amended to read:

43.02 PERSONNEL BOARD, PERSONNEL. The department of civil-service shall consist of the civil service board, the director of the state-civil service, and all officers and employees-appointed by the director pursuant to law department of personnel shall furnish the personnel board with necessary officers and employees who shall be under the direction of the board and with adequate offices.

Sec. 10. Minnesota Statutes 1971, Section 43.03, is amended to read:

43.03 PERSONNEL BOARD CREATED. Subdivision 1. The civil-service personnel board of the State of Minnesota is hereby

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created and established. It shall consist of three members, who shall be appointed by the governor, with the consent of the senate, without regard to party affiliation seven members appointed by the governor with the advice and consent of the senate. The governor shall select one appointee each from lists submitted by the speaker of the house, the minority leader of the house, the majority leader of the senate, and the minority leader of the senate. Three of the appointees shall serve terms commencing on January 1 of the year of appointment for a three year term; the four appointees from the legislative lists shall serve two year terms commencing on January 1 of the year of appointment. Vacancies shall be filled by the governor for the unexpired term. A member of the legislature is ineligible for appointment to the board. No member of the board shall hold any other public office or public employment, the office of notary public or a military office excepted, and no person shall be appointed as a member of the board who has held a paid position in a political party within the two years immediately preceding his appointment. In appointing the first three members of the board, the governor shall designate one member for a term expiring February 1, 1941, a second member for-a term expiring February-1, 1943, and a third member for a term expiring February 1,-1945. - The terms of all subsequent members of the board shall be six-years and until their successors are appointed and have qualified. The governor may remove a member of the board only upon written charges, after the member has been given a copy of the charges against him and an opportunity to be heard publicly on the charges before the governor. A copy of the charges and a transcript of the record of the hearing shall be filed with the secretary of state. Vacancies in the membership of the board shall be filled by the governor, with the consent of the senate in the same manner as the appointment of the member that created the vacancy. The term of a member appointed to fill a vacancy shall be for the remainder of the unexpired term of the member he is appointed to succeed, and until his successor is appointed and has qualified. Each member shall take an oath of office before entering upon the duties of office. The chairman of the board shall be chosen by the members of the board from among their own number under such rules as they shall make. The chairman shall have the powers of a presiding officer.

Subd. 2. The eivil service personnel board shall maintain its principal office in such space as shall be provided for it by the proper state officials and shall maintain its records at this principal office, and shall hold its regular meetings there, but special meetings may be held in other cities in the state when, in the discretion of the chairman, it is necessary to meet in some other city than the capital city of the state in the performance of the duties of the board. Meetings of the board shall be open to the public, and no meetings or hearings of the board shall be held

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unless at least two five members of the board are present. The director of the state civil service shall act as the secretary of the board shall elect its officers and shall make such rules for its proceedings as it shall deem necessary. The board shall keep records and minutes of its business and official actions, and these records and minutes shall be public records open to public inspection, subject to such rules as to hours and conditions of inspection as the board may establish. It shall be the duty of the officer or officers charged by law with the custody of the state buildings, upon written request of the eivil service personnel board, to assign suitable office space for executing the dutics charged to it and to the director of the state civil service.

Subd. 3. Each member of the board shall be paid \$35 per day for each day actually devoted to duties as a member of the board, but in no case shall any member be paid more than \$1,050 in any one year; provided, that this limitation shall not apply to payments on account of expenses. Members of the board shall be paid for expenses in travel to and from meetings and for necessary expenses incurred during meetings of the board reimbursed for necessary expenses incurred on behalf of the board at a rate prescribed for state employees.

Sec. 11. Minnesota Statutes 1971, Section 43.06, is amended to read:

43.06 BOARD; DUTIES, POWERS. It shall be the duty of the civil service personnel board and it shall have power:

(1) To initiate on its own motion or to approve, modify, reject, or approve as modified, rules and regulations and amendments thereto prepared and recommended by the director for carrying out the purposes of this chapter; these rules and regulations and any amendments thereto shall not be approved by the board until after a public hearing by the board, of which two weeks published notice shall have been given that a hearing, at a specified place and time, is to be held upon the proposed rules and regulations, and that any citizon, officer, or employee of the state may attend and participate in the hearing; copies of all-rules and regulations shall be sent to all state appointing officers, and printed copies of these rules and regulations and amendments thereto shall be prepared for public distribution;

(2) After public hearing, to approve, modify, reject, or approve as modified, plans for the classification of positions in the state civil service prepared and recommended by the director of the state civil service;

(3) After public hearing, to approve, modify, reject, or approve as modified, compensation schedules for positions in the state civil

service propared and recommended by the director for submission to the commissioner;

(4) To make investigations either at the discretion of the governor, or upon petition of a citizen for just cause, or of its own motion, concerning the enforcement and effect of this chapter;

(5) To make a biennial report to the governor, on or before October 1 in each even-numbered year, for the two preceding fiscal years;

(6) (1) To conduct hearings and pass upon complaints by or against any officer or employee in the classified service for the purpose of demotion, suspension, or removal of the officer or employee, in accordance with the provisions of this chapter;

(7) (2) To hear and pass upon such other matters as the director of the state civil service commissioner may, from time to time, bring before the board for determination; and

(8) To discharge such other duties as are imposed upon it by this chapter.

(9) Upon the recommendation of the director that suitable persons are unavailable to fill vacancies in a class, grade, or group of positions and an eligible list therefor cannot be established, the board may authorize the director to extend provisional appointments made pursuant to Minnesota Statutes, Section 43.20, clause (1), in such class, grade, or group of positions until eligible lists can be established therefor but in no event shall any provisional appointee fill any vacancy for more than one year.

(10) The board shall submit each rule and regulation promulgated under Laws 1955, Chapter 774, for the consideration of the session of the legislature next convening following the adoption of the rule or regulation. If any rule or regulation is disapproved by the legislature, it is no longer in force and effect.

(3) The personnel board may employ, prescribe the duties, and, notwithstanding the provisions of section 15A.021, fix the compensation of temporary and permanent hearing officers who shall be in the unclassified service or may be retained by contract. The board may decide matters from a report of the testimony taken by a hearing officer and in accordance with such rules as it may prescribe.

(4) The personnel board shall advise the commissioner of personnel on any matters concerning his rules when requested so to do.

Sec. 12. Minnesota Statutes 1971, Section 15A.021, is amended to read:

15A.021 UNCLASSIFIED SALARIES SET BY LEGISLA-TURE OR PERSONNEL COMMISSIONER: EXCEPTIONS. Subdivision 1. Notwithstanding any other law to the contrary, salaries and salary ranges for all positions in the unclassified state service in the executive and judicial branches of government listed in sections 15A.081 and 15A.083, shall be as set forth therein, and salaries and salary ranges for all other positions in the unclassified state service in the executive and judicial branches branch of government shall be established by the civil service board, commissioner of personnel except for the following: (1) Executive secre-tary to the governor, whose salary shall be fixed by the governor; (2) positions in the state college system, the state junior college system, and the higher education coordinating commission, whose primary duties consist of instructing and counseling students, directing academic programs of schools, divisions or departments of the colleges and junior colleges, conducting research on academic subjects and conducting academic support programs. The individual salaries of such personnel shall be determined by the state college board, the state junior college board, and the higher education coordinating commission, respectively, within the limits of a salary plan which shall have been approved by the commissioner before becoming effective. The first such plan shall be submitted to the commissioner in July 1974 for the following academic year.

No provision of any subsequent law relating to salaries of state employees shall be construed as inconsistent with this subdivision unless it is expressly provided in such subsequent act that the provisions of this subdivision shall not be applicable or shall be superseded, amended, or repealed.

Subd. 2. The eivil service board <u>commissioner</u> shall fix the compensation under the provisions of subdivision 1, in the form of salary ranges which shall be comparable to the salary ranges for similar positions in the classified state service. The appointing authority shall fix the individual salary within the salary range provided considering experience and quality of performance.

Sec. 13. Minnesota Statutes 1971, Section 15A.031, is amended to read:

15A.031 UNCLASSIFIED SALARIES SHALL BE EQUITA-BLE. Subdivision 1. All salaries in the unclassified state service shall bear equitable relationship to one another and shall be reviewed with the same frequency as the salaries for positions in the classified state service.

Subd. 2. The salary of the head of any state department or agency shall serve as the upper limit of compensation in his organization unless the compensation review personnel board has been consulted and its concurrence obtained. <u>Medical doctors paid</u> <u>under the provisions of section 43.126 shall be exempted from the</u> <u>provisions of this subdivision</u>.

Sec. 14. Minnesota Statutes 1971, Section 15A.041, is amended to read:

15A.041 Subdivision 1. There is hereby established a compensation-review board. As used herein, the term-compensation shall include, but not be limited to, salaries, retirement benefits, emoluments, and other benefits inuring to the office.

Subd. 2. (1) The board shall be composed of nine members who shall be appointed. Appointments shall be made as follows:

(a) Three members shall be appointed by the governor, subject to the following: Only one member shall be appointed from any one congressional district; and one member shall be appointed by the governor to represent higher education following consultations with the higher education coordinating commission. One appointee shall be designated chairman of the board by the governor;

(b) Three members shall be appointed by the senate committee on-committees. Two of these appointees shall be members of the sonate from separate congressional districts. One appointee shall be a person who is not an official or employee of the state of Minnesota;

(c) Three members shall be appointed by the speaker of the house of representatives. Two of these appointees shall be members of the house of representatives from separate congressional districts. One appointee shall be a person who is not an official or employee of the state of Minnesota;

(d) Each of the two major political parties shall be represented in the appointments of each appointing authority listed in (a), (b), and (c).

(2) With the exception of the initial terms of certain members as outlined below, members shall be appointed to two year terms to commence on December 1 of the year in which their appointments are effective. Appointments shall be made so that the terms of four members shall expire in one year and the terms of-five members shall expire in the succeeding year. In order to accomplish this staggering of terms, the initial term of one of the governor's appointees, and two each of the appointees of the senate, and of the house of representatives shall be for three years. Thereafter, all appointments shall be for two year terms with

members serving-until their successors are appointed and qualified. In the event a vacancy occurs, the original appointing authority shall appoint a replacement within 60 days of notice of vacancy from the board. If the appointment of the replacement is not made within 60 days, the appointment shall be made by the governor.

(3) One each of the appointees of the governor, of the senate, and of the house of representatives, shall be experienced in the fields of salary administration or personnel management.

(4) Six members present shall be a quorum for formal action by the board.

(5) Members of the board, except those who are members of the state legislature, shall be compensated at the rate of \$35 for each day, or portion thereof, they are engaged in the business of the board. All members shall be reimbursed for their expenses necessarily incurred therein at the rate prescribed for state employees unless otherwise prescribed by law.

Subd.-3. FUNCTION OF THE BOARD. The personnel board shall conduct, in before November 15 of each even numbered year preceding a regular session of the legislature, a review of the compensation of all professional and managerial positions in the unclassified state service enumerated in sections 15A.081 and 15A.083. The board may also recommend adding or deleting positions from these lists. The review shall be made on a systematic, quantitative and qualitative basis for the purpose of determining and providing: (1) Internal equity and appropriate compensation relationships among the unclassified positions, and among those positions and positions in the classified state service based on the knowledge and abilities necessary for and the duties and responsibilities of the position; (2) external competitiveness by recommending appropriate compensation levels for unclassified positions in the executive and judicial branches of government and for members of the legislature. The board shall submit a report of the results of its review to the commissioner. The report shall be public information. The board upon request pursuant to law shall give its recommendation on other matters relating to compensation.

Subd. 4 2. **PROCUREMENT OF INFORMATION.** Each department or agency of state government and all persons connected with them shall cooperate with the board by furnishing the information the board requests to aid in the performance of its duties.

Subd. 5 <u>3</u>. **STAFF**. Subject to the appropriation, the board may engage expert consultants. The departments of administration and civil service shall provide staff services as required by the

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board and shall-assist the board in the evaluation of positions and in other matters as the board requests.

Subd.-6. The board shall submit a report of the results of each review required by subdivision 3 to the governor and the legislature, together with its recommendations. Each report shall be submitted no later than November 15 preceding the year of a regular session of the legislature.

Sec. 15. Minnesota Statutes 1971, Section 43.07, is amended to read:

43.07 TESTIMONIAL POWERS. Subdivision 1. SUBPOE-NAS, ISSUANCE. The civil service <u>personnel</u> board, or the director of the civil service when authorized by a majority vote of the board and hearing officers, may issue subpoenas to compel the attendance, at such place as may be designated in this state, of witnesses and the production of books and papers pertinent to any inquiry or investigation authorized by this chapter; or may take depositions of witnesses in the manner provided by sections 597.01 to 597.18 and 600.09. Subpoenas shall also be issued at the request of the parties to the proceedings other than the board and the director. The board, or any member thereof, and hearing officers or the director when authorized by the board, may administer oaths and The board and hearing officers or the director take testimony. may examine such public records as they require in relation to any matter which they have authority to investigate. All officers and other persons shall attend and testify when required to do so by the board, or by the director when authorized by the board.

Subd. 2. **REFUSAL TO TESTIFY, CONTEMPT OF COURT.** In case of the refusal by any person to comply with any subpoena issued hereunder or to testify to any matter regarding which he may be lawfully interrogated, the district court of any county, on application of any one of the members of the board, or of the director when authorized by the board, may issue an order requiring the person to comply with the subpoena and to testify; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

Subd. 3. WITNESS FEES AND MILEAGE. Each person not in the classified or unclassified services who appears before the board or the director by order shall receive for his attendance the fees and mileage provided for witnesses in civil actions in the district court, which fees and mileage shall be audited and paid by the state upon presentation of proper vouchers. Witnesses subpoenaed at the request of parties other than the board or the director shall be entitled to compensation from the state for attendance or travel only if the board certifies that the testimony of these witnesses was relevant and material to the matter investigated.

Subd. 4. RULES OF EVIDENCE NOT TECHNICAL. The board and the director, in conducting hearings and investigations in accordance with the provisions of this chapter, shall not be bound by the technical rules of evidence.

Sec. 16. Minnesota Statutes 1971, Section 15A.12, is amended to read:

15A.12 GOVERNOR MAY FIX CERTAIN SALARIES. The initial salary of a department head and any deputy of a department head occupying a position in the unclassified service hereafter established whose salary is not specifically prescribed by law shall be fixed by the governor, after consultation with the compensation review <u>personnel</u> board, whose recommendation shall be advisory only, in an amount comparable to the salary of a department head or a deputy of a department head having similar duties and responsibilities.

Sec. 17. Minnesota Statutes 1971, Section 43.05, is amended to read:

43.05 DUTIES AND POWERS OF COMMISSIONER. Subdivision 1. GENERAL DUTIES. The director of the state civil service shall be the executive and administrative head of the state department-of civil service and shall-supervise and control-all-examinations and the department. He shall act as the board's adviser on all matters-pertaining to the civil service of this state commissioner of personnel shall be the chief personnel manager of the state and shall have the responsibility and power to ascertain equitable treatment of all state employees in both the classified and unclassified civil service in the executive branch.

Subd. 2. SPECIFIED DUTIES. It shall be the duty of the director commissioner and he shall have power:

(1) To attend all meetings of the board;

(2) To prepare and recommend to the board personnel rules and regulations for the purpose of carrying out the provisions of this chapter; these rules shall provide, among other things, for current records of efficiency, and standards of performance, for all officers and employees subject to the provisions of this chapter; the manner of completing appointments and promotions; rejection of eligible candidates; competitive examinations; retention of examination records under the provisions of section 138.163; creation of eligible lists, with successful candidates ranked according to their ratings in the examinations; leaves of absence with and without pay; transfers, reinstatements, layoffs, vacations, and hours of work; public notice of examinations; procedure for changes in rates of pay; compulsory retirement at fixed ages; and

other conditions of employment. If a rule is made concerning sick leave for illness in the immediate family of an employee, the term "immediate family" shall be limited to the spouse, minor children, or parent where the parent has no other person to provide the necessary nursing care, living in the household of the employee;

(3) To appoint temporary and permanent examiners, including a chief examiner, clerks, stenographers, and such other employees and officers as are necessary to carry out the provisions of this chapter; these employees and officers shall be chosen in accordance with and shall be subject to, the provisions of this chapter;

(4) To keep in the office of the department of <u>eivil service</u> <u>personnel</u> an official roster of the state civil service showing the employment history of each and every person who has been appointed to, employed, promoted, reduced, or reinstated in any position in the service; which roster shall show, in connection with each name, the date of appointment, employment, promotion, reduction, reinstatement, increases or decreases in pay, the compensation and title of the position, changes in title, transfers, sick or annual leaves, and separations from the service; and the director commissioner shall have access to all public records and papers, the examination of which will aid in the discharge of his duty in connection with the roster;

(5) To prepare, in accordance with the provisions of this chapter and the rules adopted hereunder, examinations, eligible lists, and ratings of candidates for appointment;

(6) To make certifications for appointment within the classified service, in accordance with the provisions of this chapter;

(7) To make investigations concerning all matters touching the enforcement and effect of the provisions of this chapter and the <u>personnel</u> rules and regulations prescribed hereunder;

(8) To make a report and submit the same to the civil service board not later than October first each year; and

(9) (8) To discharge such duties as are imposed upon him by this chapter;

(9) Establish, publish and continually review logical career paths in the classified civil service; and

(10) All requests for other than state appropriated funds from any state department or agency for personnel purposes shall be submitted to the commissioner for comment before any such request is made of a federal, local, or private agency.

Sec. 18. Minnesota Statutes 1971, Section 43.09, is amended to read:

43.09 UNCLASSIFIED SERVICE; CLASSIFIED SERVICE. Subdivision 1. DIVISIONS. The civil service of the state of Minnesota is hereby divided into the unclassified and the classified services.

Subd. 2. UNCLASSIFIED SERVICE. The unclassified service comprises positions held by state officers or employees who are:

(1) Chosen by election or appointed to fill an elective office;

(2) Heads of department required by law to be appointed by the governor or other elective officers, except the department of public service, and the executive or administrative heads of departments, divisions and institutions specifically established by law, except that with respect to state institutions, the provisions of section 246.02 are hereby continued in effect; provided, this clause shall not apply to heads of divisions now existing in the department of labor and industry, nor to the director of the division of vocational rehabilitation in the department of education;

(3) Except as herein otherwise enlarged, one private secretary to each of the elective officers of this state, and in addition thereto, one deputy, clerk, or employee to the secretary of state, state auditor, and state treasurer;

(4) All deputy registrars of motor vehicles and seasonal help employed by the registrar and his deputies to assist in the issuance of motor vehicle licenses <u>Seasonal help employed by the commis-</u> sioner of public safety to assist in the issuance of motor vehicle licenses;

(5) One executive secretary and other confidential Employees in the office of the governor, and one confidential employee for the governor in the office of the adjutant general;

(6) Officers and employees of the senate and house of representatives of the legislature <u>including temporary or permanent</u> <u>employees of legislative committees or commissions</u>. Employees of the legislative audit commission, except for the legislative auditor, his deputy, and his confidential secretary, however, shall be employees in the classified civil service of the state;

(7) Teachers, research assistants, student employees on less than half-time pay basis or eligible under terms of the federal economic opportunity act work study program, presidents, deans, and administrative officers in the state colleges; but this clause shall not be construed to include the custodial, clerical, or maintenance employees, or any administrative officers, or clerical workers performing duties in connection with the business administration of these institutions:

Changes or additions indicated by underline, deletions by strikeout.

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(8) Officers and enlisted men in the national guard and the naval-militia and all-personnel employed by the adjutant general and assigned to any armory;

(9) Election officers;

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(10)-Persons engaged in public work for the state-but employed by contractors-when the performance of the contract is authorized by the legislature or other competent authority;

(11) Persons temporarily employed or designated by the legislature or by a legislative committee or commission or other competent authority to make or conduct a special inquiry, investigation, examination, or installation;

(12) (9) Deputy attorneys general, assistant attorneys general, legal assistants, examiners, three confidential employees, and special counsel to state departments appointed by the attorney general or employed with his authorization;

(13) (10) All courts and all employees thereof, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

(14) (11) Patient and inmate help in state charitable, penal, and correctional institutions;

(12) <u>Members of the state highway patrol; provided that</u> selection and appointment of highway patrol officers shall be made in accordance with applicable laws governing the classifed state civil service.

(15) State highway-patrolmen; provided, that with respect-to the method of selection and appointment only, they shall be selected and appointed in accordance with the state civil service law as applicable to the classified service, but in all other respects the provisions of the state civil service law shall not apply to them;

(16) (13) The deputy commissioner of agriculture;

(17) (14) Persons, not exceeding one, appointed or employed by One employee of the state treasurer, for the purpose of receiving and safekeeping assets deposited and maintained with the state treasurer, pursuant to Laws 1943, Chapter 591, and whose salary or compensation is to be reimbursed to the state under said act;

(18) (15) Seasonal help employed by the department of taxation.

<u>Subd. 2a.</u> ADDITIONAL UNCLASSIFIED POSITIONS. <u>Not-</u> withstanding any other law to the contrary, the personnel board,

upon the request of the governor, is hereby authorized to establish permanent unclassified positions, or to unclassify previously classified positions, provided that:

(1) Positions so established involve only deputy or assistant heads of departments or agencies, or director level positions which are not specifically established by law, and who are appointed by and report directly to a head of a department or agency who is required by law to be appointed by the governor, or by a gubernatorially appointed board; as well as one position for a personal secretary of any head of a department or agency listed in clause (3).

(2) Classified incumbents of such positions, if any, are not removed from that position for a period of one year except under applicable provisions of rules and laws governing classified state employees.

(3) If an employee in the classified civil service accepts a newly created unclassified position, he shall retain an inactive civil service status and, upon his request, the commissioner of personnel shall reappoint him to his previous classified position, or to a comparable position.

(4) Positions so established are limited in number to six in the departments of administration, corrections, finance, highways, natural resources, public safety, public welfare, and taxation; to five in the departments of commerce, education, health, labor and industry, and personnel; to four in the departments of agriculture, economic development, and manpower services; to three in the departments of aeronautics, public service, and the planning agency and pollution control agency; and to two in the departments of human rights and veterans affairs. Departments or agencies not enumerated in this clause shall not be authorized to establish additional unclassified positions under the provisions of this subdivision.

(5) Funds are available.

Subd. 3. LABOR SERVICE. All positions involving unskilled labor shall constitute a labor service. The eivil service board commissioner shall designate the class or classes of positions which shall comprise the labor service and create rules for that service designed to expedite and make more economical the personnel processes in such service. Such rules shall-provide, among other things, for: (1) certification of the entire-list-of-eligibles, which list may be supplemented by eligibles certified by any appointing authority, to appointing authorities from which selection and appointment to positions in the labor service may be made without limitation; (2) layoff and reemployment of employees within the

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discretion of the appointing-authority without recourse and without regard to factors considered-in similar transactions in classified positions in other than the labor service except as provided in subdivision-7; (3) simplified and expedient procedures of effecting and reporting personnel-transactions concerning employees in the labor-service; (4) temporary demotion and promotion of employees in the labor service as the needs of the service may require; (5) control, in the labor service, of leaves of absence with and without pay, sick leave and hours of employment by the appointing authority; -provided that any proposed deviation from the rules on these subjects governing-the classified service-other than the labor service shall be subject to the approval of the civil service board; \cdot (6)-appointments of special labor, under project or other unusual employment circumstances, to positions in the labor service; without-regard to existing reinstatement, reemployment, and original entrance lists, for such periods of time as the needs of the service may require as approved by the civil service board; (7) certification as-to-physical fitness of-eligibles by persons having-knowledge of the facts. Any such appointments which shall be for a total period of not to exceed five months in any calendar year may be made by the appointing authority not subject to other approval, providing pay-roll notice of such employment is regularly made to the department of eivil-service personnel.

Subd. 4. CLASSIFIED SERVICE. The classified service shall include the labor service and consist of all positions now existing or hereafter created and not included in the unclassified service. Appointments in the classified service shall be made according to merit and fitness from eligible lists prepared upon the basis of examination which so far as practicable shall be competitive. No person shall be appointed, transferred, promoted, reduced, or discharged as an officer, clerk, employee, or laborer in the classified service in any manner or by any means other than those prescribed in this chapter and the rules adopted in accordance therewith.

Subd. 5. EMPLOYEES MAY BE APPOINTED FROM REG-ISTERS OF ELIGIBLES. Officers authorized by law to make appointments to positions in the unclassified service, and appointing officers of departments or institutions whose employees are exempt from the provisions of this chapter because of the constitutional status of such departments or institutions shall be permitted to make appointments from appropriate registers of eligibles maintained by the department of eivil service personnel.

Subd. 6. ACT NOT APPLICABLE TO REGENTS OF UNI-VERSITY OF MINNESOTA. The state civil service act <u>except for</u> the provisions of sections 43.12, subdivision 2, and 43.122, subdivisions 1 and 3, shall not be deemed to have been heretofore or hereafter applied to the Regents of the University of Minnesota, nor to persons, institutions, or employees under their control.

Subd. 7. CIVIL SERVICE LABORERS. Employees in the labor service who have been employed for a total of 30 months. within three years immediately preceding the date of the enactment hereof, shall receive the same tenure rights given by this chapter to other classified employees of the state not in the labor service.

Employees in the labor service who shall be employed for a total of 30 months within any 36 month period beginning on the date of enactment hereof or thereafter, shall receive the same tenure rights given by this chapter to other classified employees of the state not in the labor service. are employed for a total of ten months within a twelve month period shall receive the same civil service status given by this chapter to other classified employees of the state not in the labor service.

Employees in the labor service entitled to tenure rights under this subdivision shall be known as civil service laborers.

Sec. 19. Minnesota Statutes 1971, Section 43.111, is amended to read:

43.111 POLICY. It is the public policy of the state of Minnesota that an efficient and well trained work force be maintained to carry out the work ordained by the legislature. It is further directed that modern methods of selection, training and salary administration be established and maintained. The standards of selection shall be of such a nature as to provide the proper level of preparation and experience. Recognizing the cost of excessive employee turnover, it is directed that priority be given to the maintenance of a steady work force. To this end, training, by way of in-service programs and stipend allowances shall be encouraged. It is also established as the policy of the state of Minnesota that employees be paid on the same level-as their counterparts in other private and public employment a total compensation which is competitive with that paid for like positions in other private and public employment. Proper attention will also be given to equitable internal pay relationships between related job classes and among the various levels within the same job family or department. Continuing analysis of pay rates and supplementary pay practices shall be carried on, as well as analyses of jobs to determine comparability of job content.

Sec. 20. Minnesota Statutes 1971, Section 43.122, is amended to read:

43.122 INDIVIDUAL SALARY INCREASES. Subdivision 1. Appointing authorities are authorized to grant achievement awards in the amount of one salary step for employees assigned to the schedule set forth in section 43.12, subdivision 2, clause (1), who

have demonstrated outstanding performance Justification to the director must be in writing setting-forth-qualitative and quantitative-criteria on-which-the determination was made , subject to personnel rules which the commissioner shall issue. In no instance shall such awards be granted in excess of 20 percent of employees authorized at the beginning of each fiscal year, nor to employees whose rates of pay are at or above the maximum rate of pay established for their class. Appointing authorities shall make every effort to distribute achievement awards equitably among and within all classifications to eligible employees. To-insure conformance to legislative intent, appointing authorities shall submit quarterly reports to the chairman of the senate civil administration and house-governmental-operations committees indicating the name and classification of each employee granted an achievement-award, and the salary step at which the employee is being compensated within his salary range. A copy of each such report must-be filed with the civil service director. The first-quarterly report is due April 1, 1972.

Subd. 2. Within the limits of available appropriations an appointing authority may propose salary increases within the range of more than one step or more frequently than provided in this section upon detailed written statements to the director commissioner specifying the unusual employment conditions that make such action necessary. The director commissioner shall review each such proposal giving due consideration to the salary rates paid other employees in the same class and agency and may deny any request which in his judgment is contrary to the best interest of the service.

Sec. 21. Minnesota Statutes 1971, Section 43.128, is amended to read:

43.128 SALARY INCREASES, UNCLASSIFIED SERVICE. Subdivision 1. The salaries of all employees, except attorneys appointed by the attorney general, in the unclassified service of the state for which an appropriation is made by law, whose salary is not fixed by law section 15A.081, shall be adjusted to the class of persons in the classified service performing comparable work and having comparable responsibility, as determined by the director of civil service commissioner of personnel but in no event to an amount in excess of the maximum of such class.

Subd. 2. The provisions of subdivision 1 shall not apply to state employees listed in sections 43.09, subdivision 2, clause (7) and 136A.03, except that the appointing authority of such employees shall submit a salary schedule to the commissioner for approval before such schedule may become effective.

Sec. 22. Minnesota Statutes 1971, Section 43.13, is amended to read:

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Subdivision 1. TESTS: EXAMINATIONS. FAIR 43.13 **RECORDS.** All competitive examinations for positions in the classified service shall relate to those matters which will fairly test the capacity and fitness of the persons examined to efficiently dis-charge the duties of the office or employment sought by them. The director shall keep and maintain accurate and complete minutes-or a recording of each oral examination so as to show the guestions-asked-each applicant-and applicant's answers thereto. Each applicant in an oral examination shall be rated individually by each examiner who shall sign his rating of the applicant. The average of the examiners, separate ratings, if more than one examiner conducts the oral examinations, is the applicant's oral examination rating. The records of oral examinations-are-public records but need only be preserved for one year from the date that an applicant's name is placed-on-an eligible-register-resulting from the examination of which the oral examination is -a part The appointing authority may pay reasonable travel expenses actually incurred to applicants invited for oral examinations for those positions where unusual difficulty in recruiting qualified applicants is being encountered.

ELIGIBILITY; TIME; PLACE. The competitive Subd. 2. examinations shall, after published notice, be open to all applicants who-are citizens of the United States, who have been residents of this state for two-years immediately preceding the date of examination, and who meet with reasonable standards or requirements fixed by the director commissioner with regard to experience, character, age, education, physical condition, and such other factors as may be held to relate to the ability of the candidates to perform with reasonable efficiency the duties of the position. No standards or requirements shall be fixed with reference to education or physical condition except such as relate directly to the duties of the office or employment to be filled. Persons under such physical disability as not to make them ineligible by reason thereof, shall be examined in such manner as will fairly test their ability to perform the duties of the position, notwithstanding such physical disability. In the case of an applicant who is blind, the department shall provide the applicant with either a braille examination, the services of a reader chosen by the applicant with the approval of the department, or, subject to the approval of the applicant, such other means of examination as are available to the examining department. The director commissioner may require candidates in filing their applications to submit certificates of general or special qualifications as the good of the service may require. Examinations shall-be-held at-such times-and-places as in the judgment of the director-most nearly meet the convenience of applicants, practicability of administration and the needs of the service.

Subd. 2a. For positions requiring professional, technical, or unusual qualifications, the director, subject to approval of the

board, may-open-competitive-examinations to residents of other states who are citizens of the United States or to noncitizens who have-filed with proper authorities, a declaration of intent to become citizens of the United States when such action is permitted by federal law and who are otherwise qualified. - Noncitizens appointed as a result of competitive examinations permitted under this section shall not acquire permanent civil service status until they present proof-of-United States citizenship. The period of employment of any noncitizen so appointed who shall not furnish proof of citizenship-within the applicable minimum-period preseribed by federal law, shall be automatically-terminated on that date, unless extended by the director because of circumstances beyond the control of the employee. For positions as provided in this subdivision, the appointing authority may pay one half of first class rail fare or its equivalent to out-of-state-applicants invited to Minnesota for oral examinations, for those positions-where unusual-difficulty in recruiting qualified applicants is being encountered, and as recommended by the director.

Subd. 3. TESTS VALIDATED. The director may also require candidates to undergo an examination at designated places in the state, in cases where oral tests or tests for manual skill or the use of instruments in construction work may be necessary to determine the fitness of such candidates. Examination for positions in the classified service shall relate to those areas which will reasonably measure success on the job. Appropriate scientific means of selection shall be used and empirical studies to validate examinations shall be conducted wherever feasible. No means of selection shall be used which are culturally specific unless it can be demonstrated that performance on such measures is significantly and directly related to job performance. The commissioner shall have discretionary authority regarding oral entrance level examinations.

Sec. 23. Minnesota Statutes 1971, Section 43.15, is amended to read:

43.15 **DISCRIMINATION FORBIDDEN.** No discrimination shall be exercised, threatened, or promised by any person in the civil service against, or in favor of, any applicant, eligible, or employee in the civil service because of his political or religious opinions or affiliations, or age, race, sex, or disability.

Sec. 24. Minnesota Statutes 1971, Section 43.17, Subdivision 2, is amended to read:

Subd. 2. **TERM OF ELIGIBILITY.** The term of eligibility of applicants on original entrance and reinstatement lists shall be six months, and on promotion and reinstatement lists shall be one year, but the term of any list may be extended by the director commissioner. In no case may eligibility be extended for a period of more than three years.

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Sec. 25. Minnesota Statutes 1971, Section 43.18, Subdivision 1, is amended to read:

43.18 VACANCIES. Subdivision 1. NOTICE. Appointing officers shall give written notice to the eivil service director commissioner of personnel of their intention to establish new positions and of the existence of any vacancy to be filled in any office or employment in the classified service, and, within a reasonable time after the receipt of this notice, the director commissioner shall certify, from the list of eligibles, appropriate for the grade and class in which the position is classified, the first three names on such list together with any additional names of persons having an examination rating within three points of the person on the list with the highest examination rating, except as provided in section 43.23. In the case of an eligible list for initial entry into the state service, the commissioner, however, shall certify the first ten names on such list.

Sec. 26. Minnesota Statutes 1971, Section 43.19, is amended to read:

43.19 VACANCIES; PROMOTIONS; DISMISSALS. Subdivision 1. VACANCIES FILLED BY PROMOTION. (1) Vacancies in positions shall be filled, so far as practicable, by promotion from among persons holding positions in the classified service, and, subject to such exceptions as the board commissioner may provide, from the lower class or group within the particular classification, and in accordance with section 43.18 and the personnel rules of the board. Except as provided in clause 2, promotions shall be based upon merit and fitness, to be ascertained by competitive examinations in which the employee's efficiency, character, and conduct, and seniority shall all constitute a factor. For positions defined by personnel rule as "non-managerial" seniority shall also constitute a factor.

(2) The director, with the approval of the board, <u>commission-</u> er may authorize the appointing authority of any state office or department to promote any employee in that office or department to a position of a higher grade or class requiring peculiar and exceptional qualifications of an administrative, scientific, professional, or expert character, following a non-competitive examination, which shall be practical and shall involve only the duties of the position.

(3) The director commissioner shall give the non-competitive examinations provided for in clause 2 upon request of any appointing authority, in accordance with <u>personnel</u> rules and regulations to be prescribed by the beard.

Subd. 2. INCREASE, WHEN A PROMOTION. For the purpose of this section, an increase in the salary or other compensation of any person holding an office or position subject to the provisions of this chapter, beyond the limit fixed for the grade in which such office or position is classified, shall be deemed a promotion.

Subd. 3. **RESTORATION TO POSITION AFTER DISMISS-AL.** Any promotional appointee who is dismissed for cause other than misconduct or delinquency on his part from the position to which he has been promoted either during the probationary period, or at the conclusion thereof by reason of the failure of the appointing authority to file a request for his continuance in the position, shall be restored to the position from which he was promoted. Nothing contained in this section shall be construed to prevent any employee of the classified service from competing for places upon registers of persons eligible for original appointments.

<u>Subd. 4.</u> Notwithstanding any provision in Minnesota Statutes, Chapter 43, to the contrary, every vacancy in a managerial or professional position shall be open to any state employee qualifying through examination and in accordance with the provisions of section 43.18, subdivision 1. The commissioner of personnel may require the filling of this type of vacancy by any qualified person, but in no case shall the filling of such a vacancy be limited to only the employees of a department or agency.

Sec. 27. Minnesota Statutes 1971, Section 43.21, is amended to read:

43.21 PROBATIONARY PERIOD. Except as in this chapter otherwise provided, all original appointments to and promotions within the classified service, and offices or employments within the classified service held by persons who become members of the classified-service without examination-pursuant to section 43.10, or by qualifying examination pursuant to section 43.10, shall be for a probationary period the duration of which is determined by personnel rule for each class, or group of classes to be not less than 30 days and not more than two years of six months, except special teachers, institutional-education administrators and supervisors employed under the classified service whose probationary period shall be one year, but dismissals or demotions may be made at any time during such period, subject to the provisions of section 43.19, subdivision 3. Provided, that no employee transferred or promoted from one position in the classified service to another position in the classified service shall be dismissed, except for just cause, demoted or transferred without his consent until he shall have served a trial period of at least 30 days in his new position. At the end of the probationary period the appointing officer shall notify the director commissioner, in writing, whether the probationer is a satisfactory employee and should receive the status of a permanent appointee.

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Upon such notice, the employee, if his service during the probationary period did not fall below such minimum standards as have been prescribed by the director of the civil service commissioner, shall be deemed to have a permanent classified civil service status; otherwise the employee is automatically separated from the service, except as provided in section 43.19, subdivision 3. Provided, any employee holding office-on-January 1, 1949, who was provisionally appointed prior to August 2, 1941, and who passed an open competitive-examination given November 18, 1944, and who was certified for appointment from an eligible list on April 16, 1945, or May 9, 1945, and who was appointed probationally on May 1, 1945, May 8, 1945, or May 10, 1945 shall be given full civil service status from the date of his probationary appointment Work performance counseling shall be available to a probationary period.

Sec. 28. Minnesota Statutes 1971, Section 43.23, is amended to read:

43.23 SENIORITY RIGHTS; POSITIONS ABOLISHED; PREFERENCE. Subdivision 1. RIGHT OF SENIORITY. When one or more employees in the classified service are laid off because of a shortage of funds or curtailment of service or for any other reason beyond their control, the order of layoff shall be determined according to <u>personnel</u> rules established by the board which shall be based on seniority within the department <u>and class</u>, and the names of such employees shall be placed at the head of the appropriate registers.

Subd. 2. NOTICE OF LAYOFF. In every case of layoff of a permanent officer or employee, the appointing authority shall, at least 15 days before the effective date thereof, give written notice to the employee and the director of civil service and may shall certify to the director commissioner the reasons therefor. In any case where an appointing authority refuses to certify, or fails to certify before the effective date thereof, that the layoff was for reasons not reflecting discredit on the employee, it shall be deemed a dismissal and shall be subject to the provisions concerning dismissals, as provided in this chapter.

Subd. 3. **POSITIONS ABOLISHED.** When positions in the classified service are abolished by statute or by administrative action, the names of the incumbents of these positions, if they are members of the classified service, shall be placed at the head of the appropriate register, according to seniority.

Subd. 4. **PREFERENCES.** Persons who have been separated from the classified service because of layoff or the abolition of positions shall be given preference over all other eligibles in filling vacancies in the same or similar positions within the department in

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which they were employed immediately prior to their separation from the service, and the <u>director commissioner</u> shall certify for each vacancy only the former officer or employee whose name stands first on the appropriate eligible register.

Subd. 5. MILITARY SERVICE. In determining seniority rights of any state employee who held a position in the classified service and became separated therefrom to enter military service, and who was honorably discharged therefrom and reentered state service within six months thereafter, full credit shall be given for all state service prior to such military service.

Sec. 29. Minnesota Statutes 1971, Section 43.24, is amended to read:

WRITTEN STATEMENT. 43.24 **REMOVAL.** Subdivision 1. No permanent employee in the classified service, under the provisions of this chapter or the rules made pursuant thereto, shall be removed, discharged, suspended without pay for more than 30 days, or reduced in pay or position, except for just cause, which shall not be religious or political or because of the employee's race. sex. disability or age, subject however to the mandatory retirement In case of any disciplinary action, as ages specified by law. enumerated in this section, the employee shall, before the action is taken, be furnished with a statement, in writing, setting forth the reasons for the disciplinary action, be permitted five days time to reply thereto, in writing, or upon his request, to appear personally and reply to the head of the department. A copy of the statement and the employee's reply, if any, shall be filed with the director-of civil service commissioner prior to the effective date thereof.

Subd. 2. APPEAL TO BOARD; PUBLIC HEARINGS, FIND-INGS, HEARING CONFERENCE. Any permanent employee who is removed, discharged, suspended without pay for-more-than-30 days in any one-year, or reduced in pay or position and who has not elected to proceed pursuant to a grievance procedure, if such procedure is available, pursuant to Minnesota Statutes, Sections 179.61 to 179.77, may appeal to the board within 30 days after the effective date of such action is taken removal, discharge, suspension or reduction in pay or position. In no event may an employee avail himself of both the procedure under this section and the grievance procedure under Minnesota Statutes, Sections 179.61 to Upon such appeal, both the appealing employee and the 179.77. appointing authority or their representatives shall meet with the director, acting as the agent of the board, or with any other-person appointed by the board hearing officer, at a place and on such date as set by him for the purpose of determining the facts at issue. If mutually satisfactory to both parties, the board may waive the requirement for a pre-hearing conference. At the pre-hearing Prior to the hearing conference, both parties may stipulate on

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mutually agreed matters relevant to the dismissal or other disciplinary action referred to in this subdivision. Those issues, upon which agreement cannot be reached, shall be reported to the board by the agent conducting the hearing and he shall-furnish copies to both parties. If the agent, during the course of a pre-hearing conference, is successful in reaching a mutually agreed-settlement between_both_parties,_such_agreement_shall_be_certified_to_the board, with copies furnished-to-both parties, and such agreement, if approved by the board, shall become binding on both parties. The pre-hearing conference shall be conducted in such manner and follow such procedures as prescribed by the board. The issues and facts-on-which agreement cannot-be reached during-the-pre-hearing conference will be decided by the board following the hearing on appeal-at which hearing technical rules of evidence shall not apply. If the hearing officer is successful in reaching a mutually agreed settlement between both parties, such agreement shall be certified to the board, with copies furnished to both parties, and such agreement, if approved by the board, shall become binding on both parties. The hearing conference shall be conducted in such manner and follow such procedures as prescribed by the board. The issues and facts on which agreement has not been reached will be decided during the hearing at which hearing technical rules of evidence shall not apply. If the board finds that the action complained of was not taken by the appointing authority for any political, racial or religious reason, or if the board finds that there was no reasonable ground for institution of dismissal proceedings just cause, the employee shall be reinstated to his position, or an equal position in another department or division, without loss of pay. If the board finds that there is insufficient ground exist sufficient grounds for institution of dismissal proceedings, or if but extenuating circumstances are brought out in testimony and evidence, it may in its discretion reinstate the employee, with full, partial, or no pay, or it may modify the appointing authority's action by substituting a lesser disciplinary action. The hearing officer shall recommend to the board an appropriate disposition of the case. If no exceptions are made, the hearing officer's recommended disposition shall, at the option of the board, become final. If exceptions are taken, the board, upon a review of the record, may accept the officer's recommendations with or without additional oral or written evidence from the parties, may remand the case to the officer for further hearing, adopt the examiner's report with any changes warranted by the record, or issue its own report of findings and orders. In those cases in which the board finds the grounds of just cause for dismissal reasonable, the findings and recommendations of the board shall be submitted to and considered by the appointing authority, who may, not later than 30 days after receipt of such findings and recommendations, reinstate the employee with or without pay for the period of suspension, or otherwise modify his original decision of suspension, demotion, or discharge. When any

permanent employee is dismissed and not reinstated after appeal, the board may direct that his name be placed on an appropriate reemployment list, for employment in any similar position other than the one from which he has been removed, which direction shall be enforced by the <u>director commissioner</u>.

Subd. 3. **REQUEST FOR WRITTEN STATEMENT.** When any such permanent employee shall be suspended without pay for 30 days or less, he shall upon his written request therefor, within 30 days time after being notified of such disciplinary action, be furnished with a statement in writing specifically setting forth the reasons for the disciplinary action, and a copy of such statement shall then also be filed with the <u>director of civil service commissioner</u>.

Sec. 30. Minnesota Statutes 1971, Chapter 43, is amended by adding a section to read:

[43.212] DEPARTMENTAL PERSONNEL OFFICERS. Each department or agency shall establish a position of departmental personnel officer either on a full or part time basis. The departmental personnel officer shall be accountable to his department head for employee counseling, labor relations, performance appraisal, training, manpower planning, compensation, conditions of employment and such other personnel functions as may be prescribed by law, by personnel rule, or by the department head.

Except when otherwise prescribed by the department head in a specific instance, the personnel officer shall be assumed to be the authority accountable to the department head over any other officer or employee in the department regarding personnel functions.

Sec. 31. Minnesota Statutes 1971, Section 43.32, is amended to read:

43.32 TRAINING PROGRAM. Subdivision 1. PURPOSE; PARTICIPATION BY EMPLOYEES. The director of eivil-service commissioner shall devise develop and have the power to enforce plans for and cooperate with appointing authorities and other supervisory personnel officers in the conduct of employee training programs, to the end that the quality of service rendered by persons in the state civil service may be continually improved. Provision may be made in the rules adopted by the eivil-service board to permit employees in the classified service to secure leaves of absence for the purpose of enrolling in courses of training for government service; and provision also may be made in these rules to permit qualified students to serve as internes or apprentices for a period not greater than two years in the several departments and agencies concerned except for psychiatric residencies and public

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health physician residencies where the period shall not exceed five years.

SPECIALIZED TRAINING. For the purpose of Subd. 2. meeting_the_needs_of_the_state_service_for_scientific, technical, professional-and management skills, the board may The commissioner shall by personnel rule prescribe: (a) conditions under which employees may be assigned to take specialized training; and (b) conditions under which employees may be reimbursed for tuition fees and other necessary expenses in connection with specialized training authorized by the appointing authority to meet the needs of the service. The conditions prescribed by the board shall-include but not be limited-to-the requirements that such training-shall-be of direct value to the state, be relevant to the employee's duties, and be limited to providing knowledges or skills that cannot be provided through available in service training. The board commissioner shall further prescribe the conditions under which an employee may be required to reimburse the state for the costs of such training in the event he fails to remain in state service for a reasonable time after receiving the training. The board commissioner shall report annually to the governor and biennially to each house of the legislature in session concerning activities under this subdivision. The board may delegate all or part of its authority conferred by this section to the director.

Subd. 3. **DEPARTMENTAL RESPONSIBILITY.** The head of each department shall be responsible for planning, budgeting, conducting and evaluating training programs within plans approved by the board the limits of the personnel rules. He shall foster employees' self-development by creating a work environment in which such development is encouraged, and by making opportunities for training and self-study reasonably available and giving recognition to department directed or self-initiated improvement in qualifications and performance.

Subd. 4. MANPOWER PLANNING. In the interest-of-planning and developing-long range training programs, the board will take into consideration the results of available manpower studies. With respect to the continuing development of the state's organization and its personnel, the board may provide by rule for a system of personnel-planning and reporting which will encourage the departments concerned with personnel to better accomplish their responsibilities and to exchange information which will be of mutual assistance in planning and preparing reports. The board may furnish technical assistance to department heads to accomplish manpower planning toward the end that the staffs of all state agencies will be continually improved The commissioner shall develop a statewide system of manpower planning in cooperation with state departments and agencies which shall provide for an assessment of present and future manpower needs. The commissioner

shall coordinate departmental training activities and other personnel_actions_throughout_the_state_service_in_order_to_meet_the current_and_projected_personnel_requirements_of_the_state.

Subd. 5. TRAINING AUTHORITY. The policy of the state to improve efficiency and economy of service to the public by all available training means shall be implemented by the board-which commissioner is authorized to enter into, as an agent of the state of Minnesota, contracts, compacts or cooperative agreements involving other governments. It <u>He</u> has authority and responsibility for coordinating the training programs throughout the state service and providing training assistance to local governments under approved training plans when so requested. Grants made available by federal legislation, or fees paid by political subdivisions of the state for training purposes are to supplement appropriations to the department for carrying out these aims and are hereby appropriated annually therefor.

Subd. 6. FUNDS. The board commissioner may apply for, receive, and accept federal funds or other funds made available by the United States of America or any agency thereof or other source for any of the purposes enumerated in this section and may disburse such moneys in accordance with the rules and regulations which the donor of such funds may prescribe. Moneys so received shall be deposited in the state treasury and are hereby appropriated therefrom annually to the board department of personnel for the purposes for which the moneys are received.

Subd. 7. PROGRAMS OF APPOINTING AUTHORITY; RE-PORTS. Those employee training programs being conducted under conditions and requirements of the appointing authority equaling or exceeding those prescribed by the board hereunder shall not be subject to the provisions of this section except that the appointing authorities shall submit reports to the board concerning the organization and operation of such employee training programs at such times and in such form as the board may require in cooperation with all departments, the commissioner shall initiate training in specialties common to more than one department. He shall review all training programs in the various departments in terms of methodology, but not in terms of technical contents; in matters of methodology, each department is required to abide by the commissioner's decision.

<u>Subd. 8.</u> MINIMUM TRAINING STANDARDS. <u>The commis-</u> sioner shall in consultation with the commissioner of finance establish minimum training standards which shall be binding on all departments and agencies.

<u>Subd. 9.</u> MANAGEMENT TRAINING. <u>The commissioner</u> shall identify the minimum elements necessary to support a coordi-

nated management system and shall design and operate a management training program accordingly. No management training shall be conducted by any department unless specifically approved by the commissioner.

SUPERVISORY TRAINING. The commissioner <u>Subd. 10.</u> shall require departments to conduct programs in supervisory training. No state employee shall be promoted permanently into a supervisory position unless he has successfully completed supervisory training for the position as approved by the commissioner.

Subd. 11. REVIEW OF TRAINING PLANS. The head of each department shall be responsible, with the advice and counsel of the commissioner, for planning, budgeting and conducting training programs within the scope of the overall training plan. He shall submit his training plans and budgets for each year of the biennium to the commissioner for review and comment prior to the implementation of any program, but in any case no later than six weeks after the budget appropriations are approved.

For purposes of training, the commissioner may accept funds from any source and may be reimbursed by the various departments for reasonable program cost.

Subd. 12. PERSONNEL RULES ON TRAINING. The commissioner shall issue such personnel rules as he deems necessary to carry out the provisions of this section.

Sec. 32. Minnesota Statutes 1971, Chapter 43, is amended by adding a section to read:

[43.245] PERFORMANCE APPRAISAL SYSTEM. The commissioner shall design and implement an employee performance appraisal system for the classified service. This system shall be based on uniform position description and results oriented performance standards formats. The commissioner, in consultation with the departments, shall develop criteria and content as necessary so long as the system is uniform for all departments. The commissioner shall establish and enforce rules with respect to the utilization of the results of this performance appraisal system in all decisions relating to the status of employees. The commissioner may further by rule prescribe the extent to which these reports shall be open to inspection by the public and by the affected employee. Each employee in the classified and unclassified service in the executive branch shall be evaluated and counseled at least once a year on his work performance. Individual pay increases shall be based on such evaluation.

Sec. 33. Minnesota Statutes 1971, Section 43.48, is amended to read:

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43.48 ADMINISTRATION. After the board <u>commissioner</u> shall have entered into contracts with carriers as provided in section 43.45, it shall be the <u>his</u> responsibility of the commissioner to account for and disburse premium payments, maintain records, prepare reports, and to perform such other functions as the board may determine to be necessary to carry out the intent of sections 43.42 to 43.49. The <u>board commissioner</u> may promulgate such regulations as may be necessary to carry out the provisions of sections 43.42 to 43.49. <u>Upon request of the commissioner</u>, the <u>commissioner of finance shall perform necessary accounting and</u> disbursements functions.

Sec. 34. INSTRUCTION TO REVISOR. Whenever the word "board" appears in sections 43.42 through 43.50, the revisor of statutes is hereby instructed to change this word to "commissioner" when it has the meaning of employee insurance benefit board.

Sec. 35. Minnesota Statutes 1971, Section 43.43, is amended to read:

43.43 **DEFINITIONS.** As used in sections 43.42 to 43.49(a) "state employee" for the purpose of determining eligibility for the basic life insurance and basic health benefits coverage hereunder means:

(1) An officer or employee in the classified service of the state civil service paid on a state payroll;

(2) An officer or employee in the unclassified service of the state paid on a state payroll who is not excluded from any of the provisions of Minnesota Statutes, Sections 43.42 to 43.49;

(3) An elective or appointed officer in the executive branch of the state government;

(4) A permanent officer or employee of the legislature or a permanent employee of a permanent study or interim committee or commission;

(5) A judge of the supreme court or an officer or employee of such court; a judge of the district court;

(6) A salaried officer or employee of the public employees retirement association;

(7) Full time military or civilian personnel in the unclassified service of the department of military affairs whose salary is paid from state funds;

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

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(9) An employee of the regents of the University of Minnesota, who is a member of the academic staff with the rank of instructor, research fellow, or above, including a lecturer, serving on not less than 75 percent regular appointment;

(10) An employee of the regents of the University of Minnesota and a member of the civil service staff under the civil service plan, adopted by the University of Minnesota, who is employed on a monthly salaried appointment;

(11) An employee of the state college board or the state junior college board who is a member of the academic staff, who is employed for not less than a 75 percent time basis, and who is paid on a state salary payroll; or

(12) An employee of the state college board or state junior college board who is either in the classified service or the unclassified service of the state civil service whose salary is paid from the college board of the state of Minnesota, revenue fund or the college activity fund. The required premium payment of such an employee is to be paid, however, from the fund from which the employee's salary is paid.

(13) A member of the state legislature, but no basic life insurance and health coverages shall be paid for a member of the legislature until the first Monday in January, 1969.

(14) A seasonal employee of the waters, soils and minerals division of the state department of natural resources whose duties include the sampling, weighing or grading of iron ore, taconite, or other minerals; provided further that such an employee shall receive the benefits provided for in section 43.42, to 43.50, at no cost to the employee for the period in each calendar year when said employee is not working at his said occupation, and the premiums therefor shall be paid from the same salary fund or account as the salary of such employee is paid from.

(b) "Hospital benefits coverage" means:

A plan which either provides coverage for, or pays, or reimburses, expenses for hospital services.

(c) "Medical benefits coverage" means:

A plan which either provides coverage for, or pays, or reimburses, expenses for medical services and medical expenses prescribed by a doctor.

(d) "Employee life insurance benefits coverage" means:

A plan which provides for life insurance coverage on the lives of eligible employees. Waiver of premium disability benefit and accidental death and dismemberment coverage may be included.

(e) "Carrier" means:

(1) For the hospital benefits coverage, an insurance company licensed to do business in the state or a nonprofit hospital service association or a prepaid group practice hospital care plan authorized to do business in the state.

(2) For the medical benefits coverage, an insurance company authorized to do business in the state or a nonprofit medical service association or a prepaid group practice medical care plan authorized to do business in the state.

(3) For the employee life insurance benefits coverage, an insurance company authorized to do business in the state.

(f) "Board" means the state employees insurance benefit board which is hereby created and which is composed of the governor, the state treasurer, the state auditor, the secretary of state, the attorney general, the insurance commissioner, the director of civil service, the commissioner of administration, and two members elected by the eligible state employees in a manner to be determined by the other members of the board, each for a four year term beginning July 1, 1965.

(g) (f) "Commissioner" means the commissioner of administration personnel.

(h) (g) A new eligible state employee's basic coverages shall become effective on the first day of the first payroll period beginning on or after the 28th day following the first day of employment.

Sec. 36. Minnesota Statutes 1971, Chapter 43, is amended by adding a section to read:

[43.321] GRIEVANCE PROCEDURE. The commissioner shall promulgate by personnel rule procedures relating to grievances of any state officer or employee in the executive branch and provide the circumstances under which the grievance procedure is available, except that no state employee may avail himself of more than one grievance procedure on any one complaint.

Sec. 37. Minnesota Statutes 1971, Chapter 43, is amended by adding a section to read:

[43.322] TRANSFER OF BENEFITS. <u>Notwithstanding any</u> other law to the contrary, the commissioner shall provide by personnel rule for the transfer of accumulated sick leave and vacation leave and other rights and benefits when an employee transfers from one department of state government to another. Such personnel rule shall enhance mobility of state employees among and between the various departments.

Sec. 38. Minnesota Statutes 1971, Chapter 43, is amended by adding a section to read:

[43.323] PERSONNEL RULE; PROCEDURE. Subdivision 1. When so authorized by law, the commissioner of personnel shall issue, in conformance with the requirements of chapter 15, personnel rules, or changes thereof, and shall submit such proposed rules, or changes to existing rules, to the personnel board, for its opinion which shall be advisory only.

<u>Within three weeks after receipt of such proposed rules or changes to existing rules, the personnel board shall file its opinion on the proposed rule or rule change with the commissioner.</u>

<u>After receipt of the board's advisory opinion on the proposed</u> rule or change of rule, the commissioner shall within seven days promulgate or withdraw the proposed rule or proposed change of rule.

<u>Subd. 2. A personnel rule having been issued under the</u> provisions of subdivision 1 shall have the effect of law and shall be binding on all state departments and agencies.

Sec. 39. [43.003] TRANSFER STATE NEGOTIATING TEAM; LABOR MATTER. All the powers, duties and responsibilities now vested in and imposed upon the commissioner of administration or his representative and the director of civil service or his representative as the "negotiating team" in matters concerning the state and its officers and employees under the public employment labor relations act of 1971, Minnesota Statutes 1971, Sections 179.61 to 179.77, are hereby transferred to and imposed upon the commissioner of personnel. He may delegate the reponsibilities imposed under this section in the manner provided by law.

Sec. 40. Minnesota Statutes 1971, Chapter 43, is amended by adding a section to read:

[43.324] COMPENSATION PLAN. Subdivision 1. On or before December 1 of each even numbered year, the commissioner of personnel shall after consultation with the commissioner of finance submit to the governor, or if a governor has been elected in that year to the governor-elect, his recommendations concerning compensation to be paid all state employees, in the classified and unclassified service. The recommendations so submitted shall be in bill form, drafted in conformity with the rules of the senate and house of representatives and may contain proposals concerning salaries, paid holidays, health and life insurance benefits, and other items of compensation for all employees of the state. The recommendations shall also include any agreements reached through collective bargaining, or ordered by arbitrators, or which may be the results of any negotiations conducted under a public employ-

ment labor relations law applicable to state employees to the extent that such agreements pertain to issues or items included in the commissioner's compensation recommendations described in this subdivision.

Subd. 2. The recommendation of the commissioner as required by subdivision 1 shall include the recommendations of the personnel board concerning salaries in the unclassified service or any modifications thereof which he has made. But no modification of the personnel board's recommendations shall be made by the commissioner without a written explanation therefor, and in no event may the commissioner make any changes in the recommendations of the personnel board concerning positions in the legislative and judicial branches.

Subd. 3. The governor at the time of delivering his budget message to the opening of a regular session of the legislature in January of each odd numbered year shall also transmit for legislative consideration the commissioner's proposals as recommended by the commissioner or as modified by the governor, but the governor shall not modify any recommendations concerning positions in the legislative or judicial branches, or any recommendations reached through collective bargaining, or ordered by arbitrators, or which may be the result of any negotiations conducted under a public employment labor relations law applicable to state employees.

Sec. 41. [43.004] SOCIAL SECURITY COVERAGE, TRANS-FER OF POWERS AND DUTIES. <u>All the powers, duties_and</u> responsibilities under Minnesota Statutes_1971, Chapter 355, relating to social security coverage is hereby transferred to and vested in the commissioner of personnel.

Sec. 42. Minnesota Statutes 1971, Chapter 43, is amended by adding a section to read:

[43.326] IDENTIFICATION OF POSITIONS. <u>Subdivision 1.</u> MANAGERIAL AND PROFESSIONAL POSITIONS. <u>By person-</u> nel_rule, the commissioner shall identify individual positions, or groups of positions in the classified and unclassified civil service in the executive branch as being "managerial" or "non-managerial" and as "professional" or "non-professional" in a manner that clearly identifies for each employee of the state the category into which his position belongs.

<u>Subd. 2.</u> SUPERVISORY POSITIONS. By personnel rule, the commissioner shall identify individual positions, or groups of positions in the classified and unclassified civil service in the executive branch as being "supervisory" or "non-supervisory" in a manner that clearly identifies for each employee of the state the category into which his position belongs. The determination of a position as "supervisory" by the commissioner under the provisions of this

Changes or additions indicated by <u>underline</u>, deletions by strikeout. 1 Minn.S.L. 1973 Bd.Vol.-73 section shall not be construed to be a definition of "supervisory" under the provisions of any public employees relation act.

Sec. 43. [43.005] EFFECT OF TRANSFER OF FUNCTIONS. Subdivision 1. With reference to the powers, duties, and responsibilities which by this act have been transferred to the department of personnel, the department of personnel is deemed to be the successor of the director of state civil service, the civil service board, the commissioner of administration and the matters within the jurisdiction of such former offices shall not be deemed to be a new authority.

With reference to the powers, duties and responsibilities which by this act have been transferred to the personnel board, the personnel board is deemed to be the successor of the state civil service board and the compensation review board and the matters within the jurisdiction of such former boards shall not be deemed to be a new authority.

With reference to the powers, duties and responsibilities which by this act have been transferred to the department of personnel from the compensation review board, the department of personnel is deemed to be the successor of the compensation review board and the matters within the jurisdiction of such former board shall not be deemed to be a new authority.

Subd. 2. Any proceeding, court action, prosecution, or other business or matter undertaken or commenced prior to the passage of this act with reference to powers, duties and responsibilities of the director of civil service, the civil service board, the compensation review board, the commissioner of administration, are hereby assigned to such agencies to which the transfer has been made, and such pending matters may be continued and completed in the same manner and under the same terms and conditions and with the same effect as if such matters were undertaken, commenced and completed prior to the date of such transfer.

Subd. 3. With reference to the powers, duties, and responsibilities transferred by this act from one state agency, department or officer to another, the respective state department, state agency, or state officer shall transfer and deliver to the department of personnel all contracts, books, maps, papers, notes, records, and other property of every description within its jurisdiction or control. The transferee agency, department, or officer is directed to take possession of such matters which have been transferred.

<u>Subd. 4.</u> Whenever in any other general law, heretofore or hereafter adopted, or any document, record, or proceeding authorized by the same, any word or phrase is used in reference to or descriptive of any power, duty, or responsibility which by this act is transferred from one officer, department, or agency to another

Changes or additions indicated by underline, deletions by strikeout.

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officer, department or agency, such word, phrase, or reference shall hereafter, unless the context or provision of this act otherwise requires, be deemed to describe the transferee officer, department or agency.

Subd. 5. All unexpended funds appropriated to an officer, department or agency for the purposes of any of the powers, duties, and responsibilities which by this act are transferred to another officer, department or agency are hereby transferred and reappropriated to such transferee officer, department or agency. Where unexpended funds appropriated to an officer, department or agency include funds for powers, duties, and responsibilities which are not transferred, the governor shall allocate the appropriation between the transferor and the transferee officer, agent or department, and the money so allocated is hereby reappropriated to the transferee, officer, department or agency.

Subd. 6. Except as otherwise provided in this act, all persons in the classified service of the state and employed by an officer, department or agency for the purposes of any of the powers, duties or responsibilities which are transferred by this act to another officer, department or agency are hereby transferred to the transferee officer, department or agency. The position of a person in the unclassified service of the state and employed by an officer, department or agency for the purposes of any of the powers, duties, or responsibilities which are transferred by this act to another officer, department or agency are hereby abolished. Notwithstanding the provisions of Minnesota Statutes 1971, Section 43.20, any person in the unclassified service whose position is abolished hereunder may be employed as a provisional employee not to exceed 12 months following the date of abolishment of his position.

Sec. 44. Minnesota Statutes 1971, Chapter 43, is amended by adding a section to read:

[43.327] TRAVEL AND RELOCATION EXPENSES. <u>Subdivi</u>sion 1. COMMISSIONER TO MAKE RULES ON RELOCATION. The commissioner shall make personnel rules relating to the expenses of moving state officers and employees, their families and household goods to new stations, subsistence, realtor fees, and such other expenses as may be incident to assignment to such stations.

<u>Subd. 2.</u> COMMISSIONER TO MAKE RULES ON TRAVEL. The commissioner shall make personnel rules relating to travel of state officers and employees on state business and expenses incurred thereon.

<u>Subd. 3.</u> COMMISSIONER OF FINANCE TO ENFORCE RULES. The commissioner of finance shall enforce the personnel rules concerning travel or relocation and provide for the payment

of expenses actually incurred or for payment on a daily flat rate as the rules may permit.

Sec. 45. INSTRUCTIONS TO REVISOR. In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall make such changes in terminology as may be required to carry out the terms and provisions of this act.

Sec. 46. [43.006] OFFICE FACILITIES. The commissioner of administration shall supply the commissioner of personnel with such space as may be necessary to physically effect a consolidation of functions and activities within his jurisdiction.

Sec. 47. **REPEALER.** <u>Minnesota Statutes 1971, Sections</u> <u>15A.14; 16.02, Subdivisions 20 and 22; 43.01, Subdivision 5; 43.041;</u> <u>43.08; 43.10; 43.18, Subdivision 3; and 43.34, are hereby repealed.</u>

EFFECTIVE DATE. This act is effective upon the Sec. 48. appointment by the governor of a commissioner of personnel. The transfer of powers, duties and responsibilities to the department of personnel, to the personnel board, shall be accomplished as soon as the commissioner of personnel advises the secretary of state in writing that his department is organized and ready to begin functioning and that the personnel board has been appointed and is ready to operate. Until then the director of civil service, the civil service board, the compensation review board, the state employees insurance benefit board and the commissioner of administration shall continue to exercise the powers, duties and responsibilities which by this act are transferred to the department of personnel and the personnel board. Notwithstanding any other law to the contrary, the state employees insurance benefit board shall retain its present members and elect no new members pending the transfer of its duties and responsibilities to the commissioner of personnel. If by January 1, 1975, the commissioner of personnel has not certified in writing as required by this section the transfers contemplated shall not occur but shall await such certification.

Approved May 21, 1973.

CHAPTER 508—S.F.No.899

An act relating to Hennepin county municipal court; providing that the assistant court administrator serve at the pleasure of the administrator; amending Minnesota Statutes 1971, Section 488A.025, Subdivision 3.