

CHAPTER 667—S.F.No. 2003

An act relating to state government; providing for salary ranges for certain state employees; clarifying requirements for submitting certain salaries for legislative approval; requiring certain reports; regulating emergency civil service appointments; clarifying limits on certain salaries; authorizing the governor to change the salaries of newly appointed agency heads; regulating affirmative action; regulating separation from certain bargaining units; regulating health and other fringe benefit coverages; providing duties for the commissioner of employee relations; amending Minnesota Statutes 1986, sections 15A.083, subdivision 7; 43A.04, subdivision 7; 43A.15, subdivision 2; 43A.17, subdivisions 1 and 9; 43A.18, subdivision 5; 43A.19, subdivision 1; 43A.23, subdivisions 1 and 3; 43A.27, subdivision 3, and by adding a subdivision; 175.101, by adding a subdivision; and 179A.10, subdivision 3; Minnesota Statutes 1987 Supplement, sections 15A.081, subdivisions 1 and 7b; 43A.08, subdivision 1a; 43A.191, subdivision 3; 43A.316, subdivisions 2, 4, 8, and by adding a subdivision; 43A.421; 44A.02, subdivision 1; 79.34, subdivision 1; 176.611, subdivisions 2 and 3a; and 214.04, subdivision 3.

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

Section 1. Minnesota Statutes 1987 Supplement, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	Salary Range Effective July 1, 1987
Commissioner of finance; Commissioner of education; Commissioner of transportation; Commissioner of human services; Commissioner of revenue; Executive director, state board of investment;	\$57,500-\$78,500
Commissioner of administration; Commissioner of agriculture; Commissioner of commerce; Commissioner of corrections; Commissioner of jobs and training; Commissioner of employee relations; Commissioner of energy and economic development; Commissioner of health; Commissioner of labor and industry; Commissioner of natural resources; Commissioner of public safety; <u>Commissioner of trade and economic development;</u>	\$50,000-\$67,500

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Chair, waste management board;
 Chief administrative law judge; office of
 administrative hearings;
 Director, pollution control agency;
 Director, state planning agency;
 Executive director, housing finance
 agency;
 Executive director, public employees
 retirement association;
 Executive director, teacher's
 retirement association;
 Executive director, state retirement
 system;
 Chair, metropolitan council;
 Chair, regional transit board;
 Commissioner of human rights; \$42,500-\$60,000
 Director, department of public service;
 Commissioner of veterans' affairs;
 Director, bureau of mediation services;
 Commissioner, public utilities commission;
 Member, transportation regulation board;
Ombudsman for corrections;
Ombudsman for mental health and retardation.

Sec. 2. Minnesota Statutes 1987 Supplement, section 15A.081, subdivision 7b, is amended to read:

Subd. 7b. **HIGHER EDUCATION OFFICERS.** The state university board, the state board for community colleges, the state board of vocational technical education, and the higher education coordinating board shall set the salary rates for, respectively, the chancellor of the state universities, the chancellor of the community colleges, the state director of vocational technical education, and the executive director of the higher education coordinating board. ~~At least 30 days before the respective board adopts a salary increase according to this subdivision,~~ The respective board shall submit the proposed salary increase to the legislative commission on employee relations for approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2. Salary rates for the positions specified in this subdivision may not exceed 95 percent of the salary set for of the governor under section 15A.082, subdivision 6 3.

Sec. 3. Minnesota Statutes 1986, section 15A.083, subdivision 7, is amended to read:

Subd. 7. **WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.** Salaries of judges of the workers' compensation court of appeals shall be 90 percent of the salary for district judges as provided in subdivision 1. Salaries of compensation judges shall be 75 percent of the salary of district court judges as provided in subdivision 1. The chief workers'

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compensation settlement judge at the department of labor and industry may be paid an annual salary that is up to five percent greater than the salary of workers' compensation settlement judges at the department of labor and industry.

Sec. 4. Minnesota Statutes 1986, section 43A.04, subdivision 7, is amended to read:

Subd. 7. **REPORTING.** The commissioner shall issue a written report by ~~January~~ February 1 and ~~July~~ August 1 of each year to the chair of the legislative commission on employee relations. The report ~~shall~~ must list the number of appointments made ~~pursuant to~~ under each of the categories in section 43A.15, ~~subdivisions 2 to 42~~ the number made to the classified service other than under section 43A.15, and the number made ~~pursuant to~~ under section 43A.08, subdivision 2a, during the six-month period ~~covered by the report periods ending~~ June 30 and December 31, respectively.

Sec. 5. Minnesota Statutes 1987 Supplement, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. **ADDITIONAL UNCLASSIFIED POSITIONS.** Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the departments of administration; agriculture; commerce; corrections; jobs and training; education; employee relations; ~~energy~~ trade and economic development; finance; health; human rights; labor and industry; natural resources; office of administrative hearings; public safety; public service; ~~public welfare~~ human services; revenue; transportation; and veterans affairs; the housing finance, state planning, and pollution control agencies; the state board of investment; the waste management board; the offices of the secretary of state, state auditor, and state treasurer; the state board of vocational technical education; and the school and resource center for the arts.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(a) (1) the designation of the position would not be contrary to other law relating specifically to that agency;

(b) (2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(c) (3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(d) (4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

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(e) (5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, or the employing constitutional officer;

(f) (6) the position would be at the level of division or bureau director or assistant to the agency head; and

(g) (7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 6. Minnesota Statutes 1986, section 43A.15, subdivision 2, is amended to read:

Subd. 2. **EMERGENCY APPOINTMENTS.** An appointing authority may make an emergency appointment for up to 30 working days. If necessary, the commissioner may grant an extension of the emergency appointment for 15 additional working days. No person ~~shall~~ may be employed in any one agency on an emergency basis for more than ~~30~~ 45 working days in any 12-month period.

Sec. 7. Minnesota Statutes 1986, section 43A.17, subdivision 1, is amended to read:

Subdivision 1. **SALARY LIMITS.** As used in ~~this section~~ subdivisions 1 to 8, "salary" means hourly, monthly, or annual rate of pay including any lump-sum payments and cost-of-living adjustment increases but excluding payments due to overtime worked, shift or equipment differentials, work out of class as required by collective bargaining agreements or plans established ~~pursuant to~~ under section 43A.18, and back pay on reallocation or other payments related to the hours or conditions under which work is performed rather than to the salary range or rate to which a class is assigned.

The salary, as established in section 15A.081, of the head of a state agency in the executive branch is the upper limit of compensation in the agency. The salary of the commissioner of labor and industry is the upper limit of compensation of employees in the bureau of mediation services. However, if an agency head is assigned a salary that is lower than the current salary of another agency employee, the employee ~~shall retain~~ retains the salary, but ~~shall~~ may not receive ~~any~~ an increase in salary as long as the salary is above that of the agency head. The commissioner may grant exemptions from these upper limits as provided in subdivisions 3 and 4.

Sec. 8. Minnesota Statutes 1986, section 43A.17, subdivision 9, is amended to read:

Subd. 9. **POLITICAL SUBDIVISION SALARY LIMIT.** The salary of a person employed by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, or employed ~~pursuant to~~ under section 422A.03, may not exceed 95

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percent of the salary of the governor as set under section 15A.082, except as provided in this subdivision. Deferred compensation and payroll allocations to purchase an individual annuity contract for an employee are included in determining the employee's salary. The salary of a medical doctor occupying a position that the governing body of the political subdivision has determined requires an M.D. degree is excluded from the limitation in this subdivision. The commissioner may increase the limitation in this subdivision for a position that the commissioner has determined requires special expertise necessitating a higher salary to attract or retain a qualified person. The commissioner shall review each proposed increase giving due consideration to salary rates paid to other persons with similar responsibilities in the state. The commissioner may not increase the limitation until the commissioner has presented the proposed increase to the legislative commission on employee relations and received the commission's recommendation on it. The recommendation is advisory only. If the commission does not give its recommendation on a proposed increase within 30 days from its receipt of the proposal, the commission is deemed to have recommended approval.

Sec. 9. Minnesota Statutes 1986, section 43A.18, subdivision 5, is amended to read:

Subd. 5. **GOVERNOR TO RECOMMEND CERTAIN SALARIES.** The governor shall, ~~on or before~~ by July 1 of each odd-numbered year, submit to the legislative commission on employee relations recommendations for salaries within the salary range for the positions listed in section 15A.081, subdivisions 1 and 7. The governor may also propose additions or deletions of positions from those listed.

(a) Before submitting the recommendations, the governor shall consult with the commissioner of administration, the commissioner of finance, and the commissioner of employee relations concerning the recommendations.

(b) In making recommendations, the governor shall consider only ~~these~~ the criteria established in subdivision 8 and ~~shall may~~ not take into account performance of individual incumbents. The governor shall establish an objective system for quantifying knowledge, abilities, duties, responsibilities, and accountabilities and in determining recommendations rate each position by this system.

(c) Before the governor's recommended salaries take effect, the recommendations ~~shall must~~ be reviewed and approved, rejected, or modified by the legislative commission on employee relations and the legislature in the same manner as provided for the commissioner's plan in subdivision 2. The governor may also at any time propose changes in the salary rate of any positions covered by this subdivision, which ~~shall must~~ be submitted and approved in the same manner as provided in this subdivision.

(d) The governor shall set the initial salary of a head of ~~an~~ a new agency or a chair of a new metropolitan board or commission ~~hereafter established~~ whose salary is not specifically prescribed by law ~~shall be fixed by the governor;~~ after

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consultation with the commissioner, whose recommendation ~~shall be~~ is advisory only, ~~in an~~. The amount of the new salary must be comparable to the salary of an agency head or commission chair having similar duties and responsibilities.

(e) The salary of a newly appointed head of an agency or chair of a metropolitan agency listed in section 15A.081, subdivision 1 or 7, may be increased or decreased by the governor from the salary previously set for that position within 30 days of the new appointment after consultation with the commissioner. If the governor increases a salary under this paragraph, the governor shall submit the new salary to the legislative commission on employee relations and the full legislature for approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2. If the legislature rejects an increased salary or adjourns without action during the following legislative session, the salary for the position reverts to the level in effect before the governor proposed the change.

Sec. 10. Minnesota Statutes 1986, section 43A.19, subdivision 1, is amended to read:

Subdivision 1. **STATEWIDE AFFIRMATIVE ACTION PROGRAM.** (a) To assure that positions in the executive branch of the civil service are equally accessible to all qualified persons, and to eliminate the underutilization of qualified members of protected groups, the commissioner shall adopt and periodically revise, if necessary, a statewide affirmative action program. The statewide affirmative action program ~~shall~~ must consist of at least the following:

(1) objectives, ~~long-range and interim~~ goals, and policies;

(2) procedures, standards and assumptions to be used by agencies in the preparation of agency affirmative action plans, including methods by which goals and timetables ~~shall be~~ are established; and

(3) requirements for annual objectives and submission of affirmative action progress reports from heads of agencies.

(b) The commissioner shall base ~~interim~~ affirmative action goals on at least the following factors:

(1) the percentage of members of each protected class in the recruiting area population who have the necessary skills;

(2) the availability for promotion or transfer of members of protected classes in the recruiting area population;

(3) the extent of unemployment of members of protected classes in the recruiting area population;

(4) the existence of training programs in needed skill areas offered by employing agencies and other institutions; and

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(5) the expected number of available positions to be filled.

(c) The commissioner shall designate a state director of equal employment opportunity who may be delegated the preparation, revision, implementation and administration of the program. The commissioner of employee relations may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a.

Sec. 11. Minnesota Statutes 1987 Supplement, section 43A.191, subdivision 3, is amended to read:

Subd. 3. **SANCTIONS AND INCENTIVES.** (a) The director of equal employment opportunity shall annually audit the record of each agency to determine the rate of compliance with annual hiring goals of each goal unit and to evaluate the agency's overall progress toward its affirmative action goals and objectives.

(b) By ~~February~~ March 1 of each year, the commissioner shall submit a report on affirmative action progress of each agency and the state as a whole to the governor and to the finance committee of the senate, the appropriations committee of the house of representatives, ~~and~~ the governmental operations committees of both houses of the legislature, and the legislative commission on employee relations. The report must include noncompetitive appointments made under section 43A.08, subdivision 2a, or 43A.15, and cover each agency's rate of compliance with annual hiring goals. In addition, any agency that has not met its affirmative action hiring goals, that fails to make an affirmative action hire, or fails to justify its nonaffirmative action hire in 25 percent or more of the appointments made in the previous calendar year must be designated in the report as an agency not in compliance with affirmative action requirements.

(c) The commissioner shall study methods to improve the performance of agencies not in compliance with affirmative action requirements. ~~By January 15, 1986, the commissioner shall submit to the legislature a proposal for improving compliance rates. This proposal must include penalties for noncompliance.~~

(d) The commissioner shall establish a program to recognize agencies that have made significant and measurable progress toward achieving affirmative action objectives.

Sec. 12. Minnesota Statutes 1986, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. **GENERAL.** The commissioner is authorized to request bids from carriers or to negotiate with carriers and to enter into contracts with carriers which in the judgment of the commissioner are best qualified to underwrite and service the benefit plans. The commissioner may negotiate premium rates and coverage provisions with all carriers licensed under chapters 62A, 62C, and 62D. The commissioner may also negotiate reasonable restrictions to be applied to all carriers under chapters 62A, 62C, and 62D. Contracts to under-

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write the benefit plans ~~shall~~ must be bid or negotiated separately from contracts to service the benefit plans, which ~~shall~~ may be awarded only on the basis of competitive bids. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers and any other factors which the commissioner deems appropriate. Each benefit contract ~~shall~~ must be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, make hospital and medical benefits available from at least one carrier licensed to do business pursuant to each of chapters 62A, 62C and 62D. The commissioner need not provide health maintenance organization services to an employee who resides in an area which is not served by a licensed health maintenance organization. The commissioner may refuse to allow a health maintenance organization to continue as a carrier ~~if it was selected by less than 200 employees in the preceding benefit year.~~ The commissioner may elect not to offer all three types of carriers if there are no bids or no acceptable bids by that type of carrier or if the offering of additional carriers would result in substantial additional administrative costs. ~~Any~~ A carrier licensed pursuant to under chapter 62A ~~shall be~~ is exempt from the tax imposed by section 60A.15 on premiums paid to it by the state.

Sec. 13. Minnesota Statutes 1986, section 43A.23, subdivision 3, is amended to read:

Subd. 3. **CONTRACT WITH INSURANCE CARRIERS.** The commissioner of ~~labor and industry~~ employee relations may contract with carriers authorized to provide coverage under the state employees group insurance plan to extend coverage to eligible employees who incur medical expenses due to a personal injury which results from their state employment which is compensable under chapter 176.

Sec. 14. Minnesota Statutes 1986, section 43A.27, subdivision 3, is amended to read:

Subd. 3. **RETIRED EMPLOYEES.** A retired employee of the state who receives an annuity under a state retirement program may elect to purchase at personal expense individual and dependent hospital, medical and dental coverages that are actuarially equivalent to those made available through collective bargaining agreements or plans established pursuant to section 43A.18 to employees in positions equivalent to that from which retired. A spouse of a deceased retired employee who received an annuity under a state retirement program may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the employee's death. Coverages ~~shall~~ must be coordinated with relevant health insurance benefits provided through the federally sponsored medicare program. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner

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within 30 days after the effective date of the retirement of intent to exercise this option.

Sec. 15. Minnesota Statutes 1986, section 43A.27, is amended by adding a subdivision to read:

Subd. 6. FOOD SERVICE EMPLOYEES. Employees of a contracted food service operation at a member institution of the state university system, if the food service was operated by the institution itself before it was turned over to a contractor and if the employer and the representative of employees, defined under section 179.01, subdivision 5, agree, may, before January 1, 1990, elect to enroll themselves and their dependents at their own or their employer's expense in the appropriate state plans for life insurance, hospital, medical, and dental benefits, and optional coverages at the time, in the manner, and under the conditions of eligibility the commissioner prescribes and otherwise approves.

Sec. 16. Minnesota Statutes 1987 Supplement, section 43A.316, subdivision 2, is amended to read:

Subd. 2. DEFINITIONS. For the purpose of this section, the terms defined in this subdivision have the meaning given them.

(a) **COMMISSIONER.** "Commissioner" means the commissioner of employment relations.

(b) **EMPLOYEE.** "Employee" means (1) a person who is a public employee within the definition of section 179A.03, subdivision 14, who is insurance eligible and is employed by an eligible employer or (2) a person employed by a labor organization or employee association certified as an exclusive representative of employees of an eligible employer or by another public employer approved by the commissioner.

(c) **ELIGIBLE EMPLOYER.** "Eligible employer" means

(1) a public employer within the definition of section 179A.03, subdivision 15, that is a town, county, city, school district as defined in section 120.02, educational cooperative service unit as defined in section 123.58, intermediate district as defined in section 136C.02, subdivision 7, cooperative center for vocational education as defined in section 123.351, regional management information center as defined in section 121.935, or an education unit organized under the joint powers action, section 471.59; or

(2) an exclusive representative of employees, as defined in paragraph (b); or

(3) another public employer approved by the commissioner.

(d) **EXCLUSIVE REPRESENTATIVE.** "Exclusive representative" means an exclusive representative as defined in section 179A.03, subdivision 8.

(e) **LABOR-MANAGEMENT COMMITTEE.** "Labor-management committee" means the committee established by subdivision 4.

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(f) **PLAN.** "Plan" means the statewide public employees insurance plan created by subdivision 3.

Sec. 17. Minnesota Statutes 1987 Supplement, section 43A.316, subdivision 4, is amended to read:

Subd. 4. **LABOR-MANAGEMENT COMMITTEE.** ~~There is created a~~ The labor-management committee consists of ten members appointed by the commissioner. The labor-management committee ~~shall consist of~~ must comprise five members who represent employees, including at least one retired employee, and five members who represent eligible employers. Committee members are eligible for expense reimbursement in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. The commissioner shall consult with the labor-management committee in major decisions that affect the plan. The committee shall study issues relating to the insurance plan including, but not limited to, flexible benefits, utilization review, quality assessment, and cost efficiency.

Sec. 18. Minnesota Statutes 1987 Supplement, section 43A.316, subdivision 8, is amended to read:

Subd. 8. **CONTINUATION OF COVERAGE.** (a) A participating employee who is laid off or is on ~~unrequested~~ leave may elect to continue the plan coverage. This coverage is at the expense of the employee unless otherwise provided by a collective bargaining agreement. Premiums for these employees ~~shall~~ must be established by the commissioner. Coverage continues until one of the following occurs:

(1) the employee is reemployed and eligible for health care coverage under a group policy; or

(2) the insurance continuation periods required by state and federal laws expire.

(b) A participating employee who retires and is receiving an annuity or is eligible for and has applied for an annuity under chapter 352, 352B, 352C, 352D, 353, 354, 354A, 356, 422A, 423, 423A, 424, or 490 is eligible to continue participation in the plan. Any employer's contribution must cease when the retiree reaches age 65. These employees, and employees who have already retired prior to the group from which they retired entering the plan, are eligible to participate as long as their group continues to participate. This participation is at the retiree's expense unless a collective bargaining agreement provides otherwise. Premiums for these participants must be established by the commissioner. An employer shall notify an employee of this option no later than the effective date of retirement. The retired employee shall notify the employer within 30 days of the effective date of retirement of intent to exercise this option.

(c) The spouse of a deceased, active, or retired employee may purchase the

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benefits provided at premiums established by the commissioner ~~if the deceased retired employee received an annuity under chapter 352, 353, 354, 354A, 356, 422A, 423, 423A, or 424 and~~ if the spouse was a dependent under the active or retired employee's coverage under this section at the time of the death of the retired employee. These participants are eligible to participate as long as the group which included their spouse participates. Coverage under this clause ~~shall~~ must be coordinated with relevant insurance benefits provided through the federally sponsored Medicare program.

(e) (d) The plan benefits ~~shall~~ must continue in the event of strike permitted by section 179A.18, if the exclusive representative chooses to have coverage continue and the employee pays the total monthly premiums when due.

(d) (c) A person who desires to participate under paragraphs (a) to (e) (d) shall notify the eligible employer or former employer of intent to participate according to rules established by the commissioner. The eligible employer shall notify the commissioner, and coverage ~~shall begin~~ begins as soon as the commissioner permits.

Persons participating under these paragraphs shall make appropriate premium payments in the time and manner established by the commissioner.

Sec. 19. Minnesota Statutes 1987 Supplement, section 43A.316, is amended by adding a subdivision to read:

Subd. 10. BIDDING REQUIREMENT EXEMPTION. The public employee insurance plan is exempt from the requirements imposed by section 471.616, subdivision 1.

Sec. 20. Minnesota Statutes 1987 Supplement, section 43A.421, is amended to read:

43A.421 SUPPORTED WORK PROGRAM.

A total of 50 additional full-time positions within agencies of state government may be selected for inclusion for a supported work program for persons with severe disabilities. A full-time position may be shared by up to three persons with severe disabilities and their job coach. The job coach is not a state employee within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14, unless the job coach holds another position within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14.

Sec. 21. Minnesota Statutes 1987 Supplement, section 44A.02, subdivision 1, is amended to read:

Subdivision 1. **SELECTION.** The president of the world trade center corporation is selected by a majority of the board and serves at the pleasure of the board. The president must be familiar with the international business community, and have demonstrated proficiency in communication skills, administration, and management. The salary of the president is set by the board, but may

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not exceed the top of the salary range set for the commissioner of finance under section 15A.081, subdivision 1.

Sec. 22. Minnesota Statutes 1987 Supplement, section 79.34, subdivision 1, is amended to read:

Subdivision 1. ~~A~~ The nonprofit association known as the workers' compensation reinsurance association ~~is created, which~~ may be incorporated under chapter 317 with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40 ~~or any amendments thereto~~, sections 79.34 to 79.40 ~~shall~~ govern. Each insurer as defined by section 79.01, subdivision 2, shall, as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and ~~shall be~~ is bound by the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in sections 60D.01 to 60D.13 ~~shall be~~ are considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association. Each self-insurer approved ~~pursuant to~~ under section 176.181 and each political subdivision ~~which~~ that self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and ~~shall be~~ is bound by its plan of operation; provided, that:

(a) (1) all affiliated companies within a holding company system, as determined by the commissioner in a manner consistent with the standards and definitions in sections 60D.01 to 60D.13, ~~shall be~~ are considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association; and

(b) (2) all group self-insurers granted authority to self-insure pursuant to section 176.181 ~~shall be~~ are considered a single ~~entity~~ entities for purposes of the exercise of all the rights and duties of membership in the reinsurance association. As a condition of its authority to self-insure workers' compensation liability, and for losses incurred ~~on or after January 1, 1984~~ December 31, 1983, the state ~~shall be~~ is a member of the reinsurance association and is bound by its plan of operation. The commissioner of ~~labor and industry~~ employee relations represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund upon warrants of the commissioner of ~~labor and industry~~ employee relations. For the purposes of this section "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner of finance may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The reinsurance association is not a state agency. Actions of the reinsurance association and its board of directors

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and actions of the commissioner of labor and industry with respect to the reinsurance association are not subject to chapters 13, 14, and 15. All property owned by the association is exempt from taxation. The reinsurance association is not obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Sec. 23. Minnesota Statutes 1986, section 175.101, is amended by adding a subdivision to read:

Subd. 4. The commissioner may designate a workers' compensation settlement judge at the department of labor and industry to serve as chief workers' compensation settlement judge. The commissioner may revoke the designation at any time. A revocation does not affect the revoked designee's status as a workers' compensation settlement judge.

Sec. 24. Minnesota Statutes 1987 Supplement, section 176.611, subdivision 2, is amended to read:

Subd. 2. **STATE DEPARTMENTS.** Every department of the state, including the University of Minnesota, shall reimburse the fund for money paid for its claims and the costs of administering the revolving fund at such times and in such amounts as the commissioner of ~~labor and industry~~ employee relations shall certify has been paid out of the fund on its behalf. The heads of the departments shall anticipate these payments by including them in their budgets. In addition, the commissioner of ~~labor and industry~~ employee relations, with the approval of the commissioner of finance, may require an agency to make advance payments to the fund sufficient to cover the agency's estimated obligation for a period of at least 60 days. Reimbursements and other money received by the commissioner of ~~labor and industry~~ employee relations under this subdivision must be credited to the state compensation revolving fund.

Sec. 25. Minnesota Statutes 1987 Supplement, section 176.611, subdivision 3a, is amended to read:

Subd. 3a. **LOANS.** To maintain an ongoing balance sufficient to pay sums currently due for benefits and administrative costs, the commissioner of finance, upon request of the commissioner of ~~labor and industry~~ employee relations, may transfer money from the general fund to the state compensation revolving fund. Before requesting the transfer, the commissioner of ~~labor and industry~~ employee relations must decide there is not enough money in the fund for an immediate, necessary expenditure. The amount necessary to make the transfer is appropriated from the general fund to the commissioner of finance. The commissioner of ~~labor and industry~~ employee relations shall make schedules to repay the transferred money to the general fund. The repayment may not extend beyond five years.

Sec. 26. Minnesota Statutes 1986, section 179A.10, subdivision 3, is amended to read:

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Subd. 3. **STATE EMPLOYEE SEVERANCE.** Each of the following groups of employees has the right, as specified in this subdivision, to separate from the general professional, health treatment, or general supervisory units provided for in subdivision 2: attorneys, physicians, professional employees of the higher education coordinating board who are compensated ~~pursuant to~~ under section 43A.18, subdivision 4, state patrol-supervisors, regional enforcement officers employed by the department of natural resources, and criminal apprehension investigative-supervisors. This right ~~shall~~ must be exercised by petition during the 60-day period commencing 270 days prior to the termination of a contract covering the units. If one of these groups of employees exercises the right to separate from the units they ~~shall~~ have no right to meet and negotiate, but ~~shall~~ retain the right to meet and confer with the commissioner of employee relations and with the appropriate appointing authority on any matter of concern to them. The ~~manner of exercise of the right to separate shall be~~ must be exercised as follows: An employee organization or group of employees claiming that a majority of any one of these groups of employees on a statewide basis wish to separate from their units may petition the director for an election during the petitioning period. If the petition is supported by a showing of at least 30 percent support for the petitioner from the employees, the director shall hold an election to ascertain the wishes of the majority with respect to the issue of remaining within or severing from the units provided in subdivision 2. This election ~~shall~~ must be conducted within 30 days of the close of the petition period. If a majority of votes cast endorse severance from the unit in favor of separate meet and confer status for any one of these groups of employees, the director shall certify that result. This election ~~shall~~, where not inconsistent with other provisions of this section, ~~be~~ is governed by section 179A.16. If a group of employees elects to sever ~~they~~, the group may rejoin that unit by following the same procedures specified above for severance, but may only do so during the periods provided for severance.

Sec. 27. Minnesota Statutes 1987 Supplement, section 214.04, subdivision 3, is amended to read:

Subd. 3. The executive secretary of each health-related and non-health-related board shall be the chief administrative officer for the board but shall not be a member of the board. The executive secretary shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive secretaries and other employees of the following boards shall be hired by the board, and the executive secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- (1) dentistry;
- (2) medical examiners;
- (3) nursing;
- (4) pharmacy;

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- (5) accountancy;
- (6) architecture, engineering, land surveying and landscape architecture;
- (7) barber examiners;
- (8) cosmetology;
- (9) electricity;
- (10) teaching;
- (11) peace officer standards and training;
- (12) social work;
- (13) marriage and family therapy;
- (14) unlicensed mental health service providers; and
- (15) office of social work and mental health boards.

The board of medical examiners shall set the salary of its executive director, which may not exceed 95 percent of the top of the salary range set for the commissioner of health in section 15A.081, subdivision 1. ~~In June of the year in which a salary increase is to be adopted, and at least 30 days before the board of medical examiners adopts a salary increase for its executive director,~~ The board shall submit the a proposed salary increase to the legislative commission on employee relations and the full legislature for approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2.

The executive secretaries serving the remaining boards ~~shall be~~ are hired by those boards, and ~~shall be~~ are in the unclassified civil service, except for part-time executive secretaries, who are not required to be in the unclassified service. Boards not requiring a full-time executive ~~secretary~~ secretaries may employ ~~such services them~~ on a part-time basis. To the extent practicable, the sharing of part-time executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive secretaries of the boards and employees of the attorney general, ~~shall be~~ are classified civil service employees of the department servicing the board. To the extent practicable, the commissioner shall ensure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations.

Sec. 28. WASTE MANAGEMENT BOARD EMPLOYEES.

By January 1, 1989, the commissioner of employee relations shall transfer employees of the waste management board in the unclassified service to the classified service of the state without competitive or qualifying examination and shall place them in their proper classifications. A transferred employee with less

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than six months of service in the employee's position at the time of the transfer shall serve a probationary period appropriate for the employee's classification under section 43A.16. The probation period must include the time since the employee's hire in the unclassified position from which the employee was transferred. This section does not apply to the chair of the board, the assistant to the chair, and one confidential secretary to the board.

Sec. 29. CERTAIN FOOD SERVICE EMPLOYEES.

Food service employees covered by section 15 who participate in the state group insurance plan are transferred to the public employees insurance plan under Minnesota Statutes, section 43A.316, effective January 1, 1990, or when the commissioner of employee relations certifies that the plan is able to enroll and provide coverage for groups, whichever is later. Food service employees covered by section 15 who do not participate in the state group insurance plan are eligible to participate in the public employees insurance plan under Minnesota Statutes, section 43A.316, effective September 1, 1989.

Approved April 26, 1988

CHAPTER 668—S.F.No. 2009

An act relating to family law; modifying and clarifying provisions for the collection and enforcement of child support; providing for cost-of-living adjustments in spousal maintenance awards; providing for grandparent visitation rights in all family law proceedings; providing for reopening of judgments; providing for custody rights; clarifying and modifying provisions relating to pension plan rights in marriage dissolutions; amending Minnesota Statutes 1986, sections 69.62; 123.35, by adding a subdivision; 256.978; 257.022, subdivision 2; 270A.03, subdivision 4; 383B.51; 423A.16; 424A.02, subdivision 6; 490.126, by adding a subdivision; 518.145; 518.17, subdivision 3; 518.171, by adding a subdivision; 518.175, by adding a subdivision; 518.551, subdivision 5, and by adding a subdivision; 518.552, by adding a subdivision; 518.54, by adding a subdivision; 518.611, subdivision 10; 518.64, subdivision 2; and 518.641; Minnesota Statutes 1987 Supplement, sections 356.80; 518.54, subdivision 10; 518.58, subdivision 2; 518.581, subdivision 4; and 518.611, subdivision 2.

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

Section 1. Minnesota Statutes 1986, section 69.62, is amended to read:

69.62 PENSION PAYMENTS EXEMPT FROM PROCESS.

No payment made or to be made by any fire department relief association in a city of the first class under the provisions of ~~section~~ sections 69.25 to 69.53 to any member of the pension roll shall be subject to judgment, garnishment, execution, or other legal process, except as provided in section 518.58, 518.581, or 518.611; and. No person entitled to ~~this~~ a payment from a fire department

New language is indicated by underline, deletions by strikethrough.