CHAPTER 43A

STATE PERSONNEL MANAGEMENT

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43A.001 MS 2006 [Renumbered 15.001]

43A.01 POLICIES.

Subdivision 1. **General.** It is the policy of the state to maintain an efficient and effective merit based personnel management system to meet the management needs of the state and the social, economic and program needs of the people of the state. The system shall provide means to recruit, select and develop an effective, productive and responsive work force representative of the labor market according to the demands of society, equity and law, and shall include policies and procedures for employee hiring and advancement, training and career development, job classification, salary administration, employee benefits, discipline, discharge, retirement and other related activities as appropriate, taking into consideration formal and informal labor relations arrangements.

Subd. 2. **Precedence of merit principles and nondiscrimination.** It is the policy of this state to provide for equal employment opportunity consistent with chapter 363A by ensuring that all personnel actions be based on the ability to perform the duties and responsibilities assigned to the position without regard to age, race, creed or religion, color, disability, sex, national origin, marital status, status with regard to public assistance, or political affiliation. It is the policy of this state to take affirmative action to eliminate the underutilization of qualified members of protected groups in the civil service, where such action is not in conflict with other provisions of this chapter or chapter 179, in order to correct imbalances and eliminate the effects of discrimination and support full and equal participation in the social and economic life in the state. Heads of departments and agencies must provide training to managers and supervisors that are responsible for hiring and evaluating employee performance regarding bias that can be present in the hiring and performance evaluation processes.

No contract executed pursuant to chapter 179A shall modify, waive or abridge this section and sections 43A.07 to 43A.121, 43A.15, and 43A.17 to 43A.21, except to the extent expressly permitted in those sections.

Subd. 3. **Equitable compensation relationships.** It is the policy of this state to establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees in the executive branch. Compensation relationships are equitable within the meaning of this subdivision when the primary consideration in negotiating, establishing, recommending, and approving total compensation is comparability of the value of the work in relationship to other classifications in the executive branch.

History: *1981 c 210 s 1; 1982 c 634 s 1; 1997 c 79 s 1; 2016 c 158 art 1 s 16; 2023 c 62 art 8 s 1; 2025 c 39 art 3 s 1*

43A.02 DEFINITIONS.

Subdivision 1. **Interpretation.** Unless the language or context indicates that a different meaning is intended, the following terms, for the purposes of this chapter, have the meanings given them in this section.

Subd. 1a. **Accommodation fund.** "Accommodation fund" means the fund created under section 16B.4805 for reimbursing state agencies for eligible expenses incurred in providing reasonable accommodations to state employees with disabilities.

Subd. 2. **Agency.** "Agency" means a department, commission, board, institution, or other employing entity of the civil service, in which all positions are under the same appointing authority.

Subd. 3. **Allocation.** "Allocation" means the assignment of an individual position to an appropriate class on the basis of the kind, difficulty, or responsibility of the work performed in the position.

Subd. 3a. **Americans with Disabilities Act.** "Americans With Disabilities Act" or "ADA" means the Americans with Disabilities Act of 1990, as amended, United States Code, title 42, sections 12101 to 12117.

Subd. 4. **Applicant.** "Applicant" means a person who has satisfied the minimum requirements for application established by the commissioner.

Subd. 4a. **Applicant pool.** "Applicant pool" means those applicants who satisfy any limits on consideration for the position under section 43A.10, subdivision 6a, and who have been determined to meet the minimum qualifications for a vacant position.

Subd. 5. **Appointing authority.** "Appointing authority" means a person or group of persons empowered by the constitution, statute, or executive order to employ persons in or to make appointments to positions in the civil service.

Subd. 6. **Appointment.** "Appointment" means the act of filling a vacancy by placement of a person in a civil service position through selection from a finalist pool or a noncompetitive or qualifying process including transfer, demotion or reinstatement.

Subd. 6a. **Balanced class.** "Balanced class" means any class in which no more than 80 percent of the incumbents are male and no more than 70 percent of the incumbents are female.

Subd. 7. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 8. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 9. **Change in allocation.** "Change in allocation" means reclassification resulting from abrupt, management-imposed changes in the duties and responsibilities of a position.

Subd. 10. **Civil service.** "Civil service" means all employees in the legislative, judicial and executive branches of state government and all positions in the classified and unclassified services as provided in sections 43A.07 and 43A.08.

Subd. 11. **Class.** "Class" means one or more positions sufficiently similar with respect to duties and responsibilities that the same descriptive title may be used with clarity to designate each position allocated to the class and the same schedule of pay can be applied with equity to all positions in the class under the same or substantially the same employment conditions.

Subd. 12. **Classified service.** "Classified service" means all positions now existing or hereafter created in the civil service and not specifically designated unclassified pursuant to section 43A.08.

Subd. 13. **Commissioner.** "Commissioner" means the commissioner of management and budget.

Subd. 14. **Nonrepresented employees compensation plan.** " Nonrepresented employees compensation plan" means the plan required by section 3.855 regarding total compensation and terms and conditions of employment, including grievance administration, for employees of the executive branch who are not otherwise provided for in this chapter or other law.

Subd. 14a. **Comparability of the value of the work.** "Comparability of the value of the work" means the value of the work measured by the composite of the skill, effort, responsibility, and working conditions normally required in the performance of the work.

Subd. 15. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 16. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 17. **Declassified position.** "Declassified position" means a position which is removed from the classified service and placed in the unclassified service.

Subd. 18. **Department.** "Department" means the Department of Management and Budget.

Subd. 18a. **Digital accessibility.** "Digital accessibility" means information and communication technology, including products, devices, services, and content that are designed and built so people with disabilities can use or participate in them, as defined by the accessibility standard adopted under section 16E.03, subdivision 9. Any statutory reference to accessible or accessibility in the context of information and communication technology includes digital accessibility.

Subd. 19. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 20. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 21. **Employee.** "Employee" means any person currently occupying, or on leave from, a civil service position.

Subd. 22. **Executive branch.** "Executive branch" means heads of all agencies of state government, elective or appointive, established by statute or constitution and all employees of those agency heads who have within their particular field of responsibility statewide jurisdiction and who are not within the legislative or judicial branches of government. The executive branch also includes employees of the Department of Iron Range Resources and Rehabilitation. The executive branch does not include agencies with jurisdiction in specifically defined geographical areas, such as regions, counties, cities, towns, municipalities, or school districts, the University of Minnesota, the Public Employees Retirement Association, the Minnesota State Retirement System, the Teachers Retirement Association, the Minnesota Historical Society, and all of their employees, and any other entity which is incorporated, even though it receives state funds.

Subd. 22a. **Female-dominated class.** "Female-dominated class" means any class in which more than 70 percent of the incumbents are female.

Subd. 22b. **Finalist pool.** "Finalist pool" means those members of the applicant pool who have been determined to best meet all the qualifications for a vacant position and who may be legally appointed to the position.

Subd. 22c. **Goal unit.** "Goal unit" means, for the purposes of affirmative action, the group of jobs in an agency or agency subdivision assigned to one of the federal Equal Employment Opportunity (EEO) occupation categories applicable to state employment.

Subd. 23. **Intermittent employee.** "Intermittent employee" means an employee who works an irregular and uncertain schedule which alternately begins, ceases and begins again as the needs of the agency require.

Subd. 24. **Intern.** "Intern" means an individual who, for a work experience, is receiving academic credit from or is fulfilling an academic requirement of, an accredited educational institution.

Subd. 25. **Judicial branch.** "Judicial branch" means all judges of the appellate courts, all employees of the appellate courts, including commissions, boards, and committees established by the supreme court, the Board of Law Examiners, the law library, the Office of the State Public Defender, district public defenders and their employees, all judges of all courts of law, district court referees, judicial officers, court reporters, law clerks, district administration employees under section 484.68, court administrator or employee of the court in a judicial district under section 480.181, subdivision 1, paragraph (b), guardian ad litem program employees, and other agencies placed in the judicial branch by law. Judicial branch does not include district administration or public defenders or their employees in the Second and Fourth Judicial Districts, court administrators not under section 480.181, subdivision 1, paragraph (b), or their staff under chapter 485, or

other employees within the court system whose salaries are paid by the county, other than employees who remain on the county payroll under section 480.181, subdivision 2.

Subd. 26. **Layoff list.** "Layoff list" means a list of former permanent or probationary employees of a job class who are eligible to be recalled to that class under the provisions of a collective bargaining agreement or plan established under section 43A.18.

Subd. 27. **Legislative branch.** "Legislative branch" means all legislators and all employees of the legislature, legislative committees or commissions.

Subd. 27a. **Male-dominated class.** "Male-dominated class" means any class in which more than 80 percent of the incumbents are male.

Subd. 28. **Managerial.** "Managerial" means those positions designated pursuant to section 43A.18, subdivision 3 as being accountable for determining, securing, and allocating human, financial, and other resources needed to accomplish objectives. Positions in this category also are accountable for determining overall objectives, priorities, and policies within a program area. Higher level positions in this category handle significant and involved relationships with governmental leadership. Incumbents of these positions have the authority to exercise discretionary powers on a regular basis.

Subd. 29. **Officer.** For purposes of chapter 15A the term "officer" may be used interchangeably with the term "employee" within the executive branch.

Subd. 30. **Permanent status.** "Permanent status" means the state or condition achieved by an employee in the classified service who has successfully completed an initial probationary period or a probationary period required following reinstatement or reemployment, or whose probationary period is waived through specific statutory direction.

Subd. 31. **Position.** "Position" means a group of duties and responsibilities assigned or delegated by competent authority, requiring the full-time or less than full-time employment of one person.

Subd. 32. **Probationary period.** "Probationary period," part of the selection process, means a working period following unlimited appointment to a position in the classified service, during which the employee is required to demonstrate ability to perform the duties and fulfill the responsibilities of the position.

Subd. 33. **Protected groups.** For affirmative action purposes, "protected groups" means females, persons with disabilities, and members of the following minorities: Black, Hispanic, Asian or Pacific Islander, and American Indian or Alaskan native.

Subd. 34. **Qualifying appointment.** "Qualifying appointment" means the selection, from other than a finalist pool, of an applicant who has demonstrated through a selection process that the applicant meets minimum job-related requirements.

Subd. 35. **Reallocation.** "Reallocation" means reclassification resulting from significant changes over a period of time in the duties and responsibilities of a position.

Subd. 35a. **Reasonable accommodation.** "Reasonable accommodation" has the meaning given under section 363A.08, subdivision 6.

Subd. 36. **Reclassification.** "Reclassification" means changing the allocation of a position to a higher, lower or equivalent class.

Subd. 37. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 38. **Total compensation.** "Total compensation" means salaries, cash payments and employee benefits including paid time off, group insurance benefits, and other direct and indirect items of compensation with the exception of retirement plans.

Subd. 39. **Unclassified service.** "Unclassified service" means all positions designated not being classified pursuant to section 43A.08.

Subd. 40. **Unlimited appointment.** "Unlimited appointment" means an appointment for which there is no specified maximum duration.

History: *1981 c 210 s 2; 1982 c 560 s 8; 1982 c 634 s 2-5; 1983 c 247 s 19; 1989 c 335 art 3 s 2; 1990 c 594 art 2 s 1; 1993 c 146 art 2 s 9; 1997 c 79 s 2-6; 1999 c 182 s 2,3; 1999 c 216 art 7 s 1; 2004 c 207 s 1-8; 2004 c 287 s 1; 2008 c 204 s 42; 2009 c 101 art 2 s 109; 2017 c 94 art 7 s 6; 2023 c 62 art 8 s 2-5; 2025 c 39 art 3 s 2*

43A.03 MS 2006 [Repealed, 2008 c 204 s 43]

43A.04 GENERAL POWERS AND RESPONSIBILITIES OF COMMISSIONER.

Subdivision 1. **Statewide leadership.** (a) The commissioner is the chief personnel and labor relations manager of the civil service in the executive branch.

Whenever any power or responsibility is given to the commissioner by any provision of this chapter, unless otherwise expressly provided, the power or authority applies to all employees of agencies in the executive branch and to employees in classified positions in the Office of the Legislative Auditor, the Minnesota State Retirement System, the Public Employees Retirement Association, and the Teacher's Retirement Association. Unless otherwise provided by law, the power or authority does not apply to unclassified employees in the legislative and judicial branches.

(b) The commissioner shall operate an information system from which personnel data, as defined in section 13.43, concerning employees and applicants for positions in the classified service can be retrieved.

The commissioner has access to all public and private personnel data kept by appointing authorities that will aid in the discharge of the commissioner's duties.

(c) The commissioner may consider and investigate any matters concerned with the administration of provisions of this chapter, and may order any remedial actions consistent with law. The commissioner, at the request of an agency, shall provide assistance in employee misconduct investigations. Upon request of the appointing authority, the commissioner may issue determinations on personnel matters regarding board-appointed executive directors or leaders. The commissioner shall have the right to assess from the requesting agency, any costs incurred while assisting the agency in the employee misconduct investigation. Money received by the commissioner under this paragraph is appropriated to the commissioner for purposes of this paragraph.

(d) The commissioner may assess or establish and collect premiums from all state entities to cover the costs of programs under section 15.46.

Subd. 1a. **Mission; efficiency.** It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

(1) prevent the waste or unnecessary spending of public money;

(2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;

(3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) ensure that all technology utilized is accessible to employees and provided in a timely manner as described in sections 363A.42 and 363A.43 and the accessibility standards under section 16E.03, subdivisions 2, clause (3), and 9;

(6) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(7) report to the legislature on the performance of agency operations and the accomplishment of agency goals in the agency's biennial budget according to section 16A.10, subdivision 1;

(8) recommend to the legislature appropriate changes in law necessary to carry out the mission and improve the performance of the department; and

(9) endeavor to use equitable and inclusive practices to attract and recruit protected class employees; actively eliminate discrimination against protected group employees; and ensure equitable access to development and training, advancement, and promotional opportunities.

Subd. 2. **Executive direction.** The commissioner shall direct all departmental services, appoint employees and may enter into contracts to carry out the provisions of this chapter. The commissioner may appoint one deputy with principal responsibility for employee relations. The deputy shall serve in the unclassified service.

Subd. 3. **Rules.** The commissioner shall adopt rules under the Administrative Procedure Act to implement the provisions of this chapter that directly affect the rights of or processes available to the general public. The rules have the force and effect of law and may include but are not limited to:

(1) the processes for determining the extent of competition for filling vacancies, for recruiting applicants, for conducting selection procedures and for making appointments of individuals who are not employees of the civil service;

(2) the process for effecting noncompetitive and qualifying appointments;

(3) the process for temporary designation of positions in the unclassified service and for effecting appointments to the unclassified service;

(4) a statewide affirmative action program to include requirements for agency affirmative action plans, statewide policies and procedures, reporting requirements, accountability and responsibility of employees in the executive branch, and overall objectives of the program;

(5) conditions under which moving and other expenses may be authorized and paid prior to appointment to persons who have accepted state employment;

(6) procedures for administration of the code of ethics for employees of the executive branch;

(7) examination procedures for candidates with disabilities as described in section 43A.15, subdivision 14; and

(8) procedures or policies that affect the operation of or participation in the public employees insurance program.

Subd. 4. **Administrative procedures.** The commissioner shall develop administrative procedures, which are not subject to the rulemaking provisions of the Administrative Procedure Act, to effect provisions of chapter 43A which do not directly affect the rights of or processes available to the general public. The commissioner may also adopt administrative procedures, not subject to the Administrative Procedure Act, which concern topics affecting the general public if those procedures concern only the internal management of the department or other agencies and if those elements of the topics which affect the general public are the subject of department rules.

Administrative procedures shall be reproduced and made available for comment in accessible digital formats under section 16E.03 to agencies, employees, and appropriate exclusive representatives certified pursuant to sections 179A.01 to 179A.25, for at least 15 days prior to implementation and shall include but are not limited to:

(1) maintenance and administration of a plan of classification for all positions in the classified service and for comparisons of unclassified positions with positions in the classified service;

(2) procedures for administration of collective bargaining agreements and plans established pursuant to section 43A.18 concerning total compensation and the terms and conditions of employment for employees;

(3) procedures for effecting all personnel actions internal to the state service such as processes and requirements for agencies to publicize job openings and consider applicants who apply, conduct of selection procedures limited to employees, noncompetitive and qualifying appointments of employees and leaves of absence;

(4) maintenance and administration of employee performance appraisal, training and other programs; and

(5) procedures for pilots of the reengineered employee selection process. Employment provisions of this chapter, associated personnel rules adopted under subdivision 3, and administrative procedures established under clauses (1) and (3) may be waived for the purposes of these pilots. The pilots may affect the rights of and processes available to members of the general public seeking employment in the classified service. The commissioner will provide public notice of any pilot directly affecting the rights of and processes available to the general public and make the administrative procedures available for comment to the general public, agencies, employees, and appropriate exclusive representatives certified pursuant to sections 179A.01 to 179A.25 for at least 30 days prior to implementation. The commissioner must publish the public notice in an accessible digital format under section 16E.03. The commissioner must provide a comment process that allows the public to submit comments through multiple formats to ensure accessibility. These formats must include telephone, digital content, and email.

Subd. 5. **Precedence of collective bargaining provisions.** A provision of an agreement entered into by the commissioner pursuant to section 179A.22, subdivision 4, shall supersede the provisions of any rule or administrative procedure or portion thereof which is inconsistent with the agreement unless the provision is found to violate existing law.

Subd. 6. **Payment for grievance settlements.** Notwithstanding any other law to the contrary, the commissioner may authorize an appointing authority to pay an employee for hours not worked, pursuant to

the resolution of a grievance through a formal grievance procedure established by a collective bargaining agreement or one of the plans established pursuant to section 43A.18.

Subd. 7. **Reporting.** The commissioner shall issue a written report by February 1 and August 1 of each year to the chair of the Legislative Coordinating Commission. The report must list the number of appointments made under each of the categories in section 43A.15, the number made to the classified service other than under section 43A.15, and the number made under section 43A.08, subdivision 2a, during the six-month periods ending June 30 and December 31, respectively. The report must be posted online and must be accessible under section 16E.03. The commissioner shall advertise these reports in multiple formats to ensure broad dissemination.

Subd. 8. **Donation of time.** Notwithstanding any law to the contrary, the commissioner shall authorize the appointing authority to permit the donation of up to eight hours of accumulated vacation time in each year by each employee who is a member of law enforcement unit number 1, 18, or 19 to their union representative for the purpose of carrying out the duties of office.

Subd. 9. **Experimental or research projects.** The commissioner may conduct experimental or research projects designed to improve recruitment, selection, referral, or appointment processes for the filling of state classified positions.

The commissioner shall meet and confer with the affected exclusive bargaining representative of state employees concerning the design and implementation of experimental and research projects under this subdivision.

Any provision in section 43A.02, except for subdivisions 33 and 38, sections 43A.07 to 43A.16, associated personnel rules adopted under subdivision 3, or administrative procedures established under subdivision 4, is waived for the purposes of these projects. The commissioner may not use an experimental or research project under this section to transfer positions between the unclassified and the classified service. The number of appointments under this subdivision may not exceed five percent of the total number of appointments in the preceding fiscal year, unless the commissioner authorizes appointments in excess of five percent with the mutual agreement of any affected bargaining unit.

The commissioner shall report by September 1 to the joint subcommittee on Employee Relations the results of the experimental research projects conducted in the preceding fiscal year.

Subd. 10. **Equitable compensation compliance.** The commissioner may adopt rules under the Administrative Procedure Act to assure compliance with sections 471.991 to 471.999.

Subd. 11. **Training for agency rulemaking staff.** The commissioner, in cooperation with the Court of Administrative Hearings, the attorney general, the revisor of statutes, and experienced agency rulemaking staff, shall provide training to agency staff involved in rulemaking, including information about the availability of mediators through the Court of Administrative Hearings.

The commissioner may charge agency staff a registration fee for attending this training. The fee must be set at a level that permits the commissioner to recover the costs, excluding costs of staff time for staff positions funded through general fund appropriations, of providing this training.

The Court of Administrative Hearings, the attorney general, agencies involved in providing this training, and the revisor of statutes shall not assess the commissioner for the cost of staff time to conduct the training provided under this subdivision.

Subd. 12. **Total compensation reporting.** (a) The commissioner, in consultation with the commissioner of management and budget, shall report to the governor and the legislature by January 15 each year on executive branch employee salary and benefits. The purpose of the report is to assist in effective long-range planning and to provide data necessary to compute annual and biennial costs related to the state workforce. The report must use data available in the biennial budget system and other necessary sources. The report also must be made available to the public in an electronic format.

(b) The report must be organized by agency. The report must list the salary or hourly rate of pay for each agency employee. The report may list the employee by name or by an identification number.

(c) The report must also include an estimate of the average cost to the state of providing insurance and other benefits to a state employee.

(d) The report must also include the number of employees by agency or department, separated by retirement plan membership, and for each plan, the total compensation, the total employee retirement plan contribution, and the total employer retirement plan contributions.

Subd. 13. **Combined charities campaign.** (a) The commissioner shall administer the state employee combined charities campaign. This duty includes registration of combined charitable organizations under section 43A.50, and coordination of the process under which state employees contribute to combined charitable organizations.

(b) The commissioner, in consultation with other commissioners, shall appoint a voluntary board of state employees to oversee the conduct of an annual combined charities campaign. The board must, to the extent possible, represent a cross-section of state employee groups and geographic areas where state employees are located. The board shall provide direction to the commissioner's employee assigned to administer the annual campaign.

History: *1981 c 210 s 4; 1981 c 311 s 39; 1982 c 545 s 24; 1982 c 560 s 9-11; 1983 c 293 s 61; 1984 c 462 s 27; 1984 c 654 art 3 s 48; 1985 c 11 s 3; 1Sp1985 c 13 s 164; 1986 c 444; 1988 c 667 s 4; 1990 c 571 s 6-8; 1991 c 128 s 2; 1995 c 233 art 2 s 37; 1995 c 248 art 2 s 7; art 10 s 2; art 11 s 4; 1997 c 79 s 7-10; 1997 c 97 s 4; 1998 c 286 s 1; 1998 c 366 s 48; 1999 c 182 s 4; 2001 c 70 s 2; 1Sp2001 c 10 art 2 s 49,50; 2004 c 207 s 9,10; 2006 c 277 art 5 s 1; 2007 c 101 s 2; 2008 c 204 s 7-9; 2009 c 101 art 2 s 109; 2023 c 62 art 2 s 84; art 8 s 6-8; 2025 c 39 art 2 s 68; art 3 s 3-5*

43A.044 MS 2006 [Renumbered 16B.495]

43A.045 RESTRUCTURING.

(a) It is the policy of the state of Minnesota that any restructuring of executive branch agencies must include efforts to ensure that fair and equitable arrangements are carried out to protect the interests of executive branch employees and to provide the best possible service to the public. The commissioner shall make an effort to train and retrain existing employees for a changing work environment. Where restructuring may involve a loss of existing positions and employment, the commissioner shall assist affected employees in finding suitable employment.

(b) Options available to employees whose positions will be eliminated by implementation of a restructuring plan must include, at a minimum, job and training opportunities necessary to qualify for another job in the same, an equal, or a lower classification within their current department or in another state agency.

(c) Implementation of this section, as well as procedures for notifying employees affected by restructuring plans, must be negotiated into collective bargaining agreements under chapter 179A. Nothing in this section

shall be construed as diminishing any rights defined in collective bargaining agreements under this chapter or chapter 179A.

History: *1991 c 345 art 1 s 67; 1993 c 192 s 75*

43A.046 STAFF REDUCTIONS.

In order to maximize delivery of services to the public, if layoffs of state employees are necessary, each agency with more than 50 full-time equivalent employees must reduce at least the same percentage of management and supervisory personnel as line and support personnel.

History: *1997 c 202 art 2 s 31*

43A.047 CONTRACTED SERVICES.

(a) Executive agencies, including the Minnesota State Colleges and Universities system, must demonstrate that they cannot use available staff before hiring outside consultants or services. If use of consultants is necessary, agencies are encouraged to negotiate contracts that will involve permanent staff, so as to upgrade and maximize training of state employees.

(b) If agencies reduce operating budgets, agencies must give priority to reducing spending on professional and technical service contracts before laying off permanent employees.

(c) This section does not apply to an agency's use of inmates pursuant to sections 241.20 to 241.23 or to an agency's use of persons required by a court to provide:

(1) community service; or

(2) conservation or maintenance services on lands under the jurisdiction and control of the state.

History: *1997 c 202 art 2 s 32; 1999 c 250 art 1 s 71; 1Sp2001 c 10 art 2 s 51; 2005 c 136 art 13 s 2*

43A.05 POWERS AND RESPONSIBILITIES; PERSONNEL.

Subdivision 1. **General.** The commissioner shall perform the duties assigned in this chapter.

The commissioner's authority and responsibility shall include but not be limited to maintenance of a classification plan, assignment of all positions in the classified service to job classes, maintenance and approval of total compensation plans for all positions in the executive branch pursuant to the provisions of section 43A.18 and other provisions of law; administration of systems for employee selection; maintenance of employee performance appraisal, training and affirmative action programs; and maintenance and publication of logical career paths in the classified civil service.

Subd. 2. **Requests for nonstate funds.** The commissioner shall have the authority to review and comment upon all requests for other than state appropriated funds by any agency for personnel and labor relations purposes before any funding request is made to a federal, local or private agency.

Subd. 3. **Nonrepresented employees compensation plan.** The commissioner shall periodically develop and establish pursuant to this chapter a nonrepresented employees compensation plan. The commissioner shall submit the plan to the Legislative Coordinating Commission.

Subd. 4. **Time off in emergencies.** The commissioner shall authorize appointing authorities to pay for time off in emergencies. The commissioner, after consultation with the commissioner of public safety, may excuse employees from duty with full pay in the event of a natural or other emergency, if continued operation

would involve a threat to the health or safety of individuals. Absence with pay shall not exceed 16 working hours at any one time unless the commissioner authorizes a longer duration. Authority to excuse employees from duty with full pay on the campuses of the Minnesota State Colleges and Universities is vested in the college and university presidents, under guidelines established by the Board of Trustees of the Minnesota State Colleges and Universities.

Subd. 5. **Comparability adjustments.** The commissioner shall compile, subject to availability of funds and personnel, and submit to the Legislative Coordinating Commission by January 1 of each odd-numbered year a list showing, by bargaining unit, and by plan for executive branch employees covered by a plan established under section 43A.18, those female-dominated classes and those male-dominated classes in state civil service for which a compensation inequity exists based on comparability of the value of the work. The commissioner shall also submit to the Legislative Coordinating Commission, along with the list, an estimate of the appropriation necessary for providing comparability adjustments for classes on the list. The commission shall review and approve, disapprove, or modify the list and proposed appropriation. The commission's action must be submitted to the full legislature. The full legislature may approve, reject, or modify the commission's action. The commission shall show the distribution of the proposed appropriation among the bargaining units and among the plans established under 43A.18. Each bargaining unit and each plan must be allocated that proportion of the total proposed appropriation that equals the cost of providing adjustments for the positions in the unit or plan approved by the commission for comparability adjustments divided by the total cost of providing adjustments for all positions on the list approved by the commission for comparability adjustments. Distribution of any appropriated funds within each bargaining unit or plan must be determined by collective bargaining agreements or by plans.

Subd. 6. **Allocation.** The amount recommended by the Legislative Coordinating Commission pursuant to subdivision 5 to make comparability adjustments shall be submitted to the full legislature by March 1 of each odd-numbered year. The legislature may accept, reject, or modify the amount recommended. The commissioner shall allocate the amount appropriated by the legislature, on a pro rata basis, if necessary, to the proper accounts for distribution to incumbents of classes which have been approved for comparability adjustments.

Funds appropriated for purposes of comparability adjustments for state employees shall be drawn exclusively from and shall not be in addition to the funds appropriated for salary supplements or other employee compensation. Funds not used for purposes of comparability adjustments shall revert to the appropriate fund.

Subd. 7. **Human rights.** The commissioner of human rights or any state court may use as evidence the results of any job evaluation system established under subdivision 5 and the reports compiled under subdivision 5 in any proceeding or action alleging discrimination.

History: *1981 c 210 s 5; 1982 c 560 s 12; 1982 c 634 s 6,8; 1983 c 301 s 100; 1984 c 462 s 27; 1989 c 223 s 1; 1994 c 560 art 2 s 10; 1995 c 248 art 2 s 7; 1996 c 398 s 22; 1997 c 79 s 11,12; 2004 c 207 s 11; 2008 c 204 s 11,12; 2024 c 127 art 72 s 4; 2025 c 39 art 3 s 6*

43A.06 POWERS AND RESPONSIBILITIES; LABOR RELATIONS.

Subdivision 1. **General.** (a) The commissioner shall perform the duties assigned to the commissioner by this section and sections 3.855 and 179A.01 to 179A.25.

(b) The commissioner shall be the state labor negotiator for purposes of negotiating and administering agreements with exclusive representatives of employees and shall perform any other duties delegated by the commissioner subject to the limitations in paragraph (c).

(c) The Board of Trustees of the Minnesota State Colleges and Universities may exercise the powers under this section for employees included in the units provided in section 179A.10, subdivision 2, clauses (9), (10), and (11), except with respect to sections 43A.22 to 43A.31, which shall continue to be the responsibility of the commissioner. The commissioner shall have the right to review and comment to the Minnesota State Colleges and Universities on the board's final proposals prior to exchange of final positions with the designated bargaining units as well as any requests for interest arbitration. The legislature encourages the Board of Trustees, in coordination with the commissioner of management and budget and the Board of Regents of the University of Minnesota, to endeavor in collective bargaining negotiations to seek fiscal balance recognizing the ability of the employer to fund the agreements or awards.

Subd. 2. **Hearings.** The commissioner shall represent the state at hearings conducted by the commissioner of the bureau of mediation services.

Subd. 3. **Collective bargaining.** The commissioner shall represent the state in all collective bargaining between the state and exclusive representatives, and shall represent the state in mediation and arbitration of collective bargaining disputes.

Subd. 4. **Reports.** The commissioner shall report to the Legislative Coordinating Commission pursuant to section 3.855.

Subd. 5. **Interpretation of collective bargaining agreements.** The commissioner shall be responsible for management interpretation of all collective bargaining agreements between the state and exclusive representatives and provide management personnel with training in the interpretation and application of these collective bargaining agreements.

Subd. 6. **Grievances; arbitration.** The commissioner shall oversee the administration of all written grievances arising under collective bargaining agreements between the state and an exclusive representative and shall represent the state at all grievance arbitrations.

Subd. 7. **Grievance settlement.** The commissioner shall have final authority to decide if a grievance shall be submitted to arbitration or if it shall be settled without arbitration.

Subd. 8. **Unfair labor practice charges.** The commissioner shall direct investigations and shall have authority to decide whether agencies in the executive branch shall settle unfair labor practice charges filed against the employer, appointing authorities or their agents pursuant to chapter 179A.

History: *1981 c 210 s 6; 1984 c 462 s 27; 1987 c 186 s 15; 1992 c 582 s 2; 1994 c 532 art 4 s 1; 1995 c 212 art 4 s 64; 1995 c 248 art 2 s 7; 1996 c 398 s 23; 1997 c 156 s 2; 1999 c 182 s 5; 2001 c 133 s 1; 2008 c 204 s 13,14; 2017 c 89 art 2 s 1; 2023 c 62 art 2 s 85*

43A.07 CLASSIFIED SERVICE.

Subdivision 1. **Classification plan.** The commissioner shall maintain, revise and administer a classification plan.

Subd. 2. **Job classes and titles.** An appointing authority shall notify the commissioner when a new position is to be established in the classified service. The commissioner shall allocate the position to an appropriate class in the classification plan or if the position cannot be allocated to an existing class, establish a new class. The commissioner shall assign an appropriate salary rate or range to the class. If the class is in a bargaining unit under the provisions of section 179A.10, and there is an applicable provision in the collective bargaining agreement the commissioner shall establish the salary rate or range pursuant to the agreement.

The commissioner may independently conduct classification studies or, upon request of a permanent employee, may investigate the duties of a classified position. If a request is denied, the employee must be given a written explanation. The commissioner shall investigate the duties of a classified position upon request of an appointing authority. The commissioner may reclassify the position, change the title of the position or establish a new class. The commissioner shall assign an appropriate salary rate or range to the class. If the class is in a collective bargaining unit under the provisions of section 179A.10, and there is an applicable provision in the collective bargaining agreement, the commissioner shall establish the salary rate or range pursuant to the agreement.

Subd. 3. **Protested allocation or reclassification.** An appointing authority who is affected by a position allocation or reclassification or an employee who is affected by a position reclassification may protest the allocation or reclassification in writing to the commissioner. The commissioner shall review the allocation or reclassification and may change the allocation or reclassification decision. This procedure shall not be subject to contested case provisions of the Administrative Procedure Act.

Subd. 4. **Effect of reclassification.** Except as provided in section 43A.17, subdivision 5, the incumbent of a position which has been reclassified shall continue in the position only if the employee is eligible for and is appointed to the position of the new class in accordance with the provisions of this chapter and the rules, administrative procedures or a collective bargaining agreement entered into under sections 179A.01 to 179A.25 governing reallocation or change in allocation of positions, promotion, transfer, and demotion. If the incumbent is ineligible to continue in the position and is not transferred, promoted or demoted, the layoff provisions of plans pursuant to section 43A.18 or a collective bargaining agreement entered into under sections 179A.01 to 179A.25 shall apply. Personnel changes required by the reclassification of positions shall be completed within a reasonable period of time, as prescribed by the commissioner, following the reclassification notice to an appointing authority.

Subd. 5. **Leaves to accept unclassified appointments.** An employee may be granted a leave of absence from a position in the classified service to accept a position in the unclassified service. Upon request, during the unclassified appointment or within 60 days of the end of the unclassified appointment, the employee shall be reappointed in the agency from which the employee was granted the leave, to a classified position comparable to that held immediately prior to being appointed to the unclassified position.

Subd. 6. **Rights of incumbents of declassified positions.** Except for just cause, an incumbent with permanent status shall not be removed from a position which is declassified for a period of one year following the declassification. An appointing authority may remove an incumbent of a declassified position after one year with 30 days' prior notice. At any time after the declassification, and prior to the end of the 30-day notice period, if so requested, the employee shall be appointed within the same agency to a classified position comparable to the position that was declassified or, if a comparable position is unavailable, to a position in that agency comparable to that held immediately prior to being appointed to the declassified position. This section applies only to the incumbent at the time the position is declassified and not to employees subsequently appointed to the declassified position.

History: *1981 c 210 s 7; 1984 c 462 s 27; 1Sp1985 c 13 s 165; 1986 c 444; 1997 c 97 s 6; 1999 c 182 s 6,7*

43A.071 SERVICE WORKER.

The disability levels and types covered under the service worker category in the state civil service may include persons with physical disabilities, mental health disabilities, and developmental disabilities.

History: *1987 c 232 s 1; 2005 c 56 s 1*

43A.08 UNCLASSIFIED SERVICE.

Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees who are:

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

(2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

(3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a;

(4) the confidential secretary to each of the elective officers of this state and, for the secretary of state and state auditor, an additional deputy, clerk, or employee;

(5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the Office of the Adjutant General;

(7) employees of the Washington, D.C., office of the state of Minnesota;

(8) employees of the legislature and of legislative committees or commissions; provided that employees of the Legislative Audit Commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal Economic Opportunity Act work study program in the Perpich Center for Arts Education and the Minnesota State Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(10) officers and enlisted persons in the National Guard;

(11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the Department of Labor and Industry;

(13) members of the State Patrol; provided that selection and appointment of State Patrol troopers must be made in accordance with applicable laws governing the classified service;

(14) examination monitors and intermittent training instructors employed by the Departments of Management and Budget and Commerce and by professional examining boards and intermittent staff employed by the technical colleges for the administration of practical skills tests and for the staging of instructional demonstrations;

(15) student workers;

(16) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;

(17) employees unclassified pursuant to other statutory authority;

(18) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation;

(19) the administrators and the deputy administrators at the State Academies for the Deaf and the Blind; and

(20) the chief executive officer of Direct Care and Treatment.

Subd. 1a. **Additional unclassified positions.** Appointing authorities for an agency, including the Offices of the Attorney General, Secretary of State, and State Auditor, may designate additional unclassified positions.

A position designated according to this subdivision must meet the following standards and criteria:

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

(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;

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

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

(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, the employing statutory board or commission, or the employing constitutional officer;

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

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

Subd. 1b. **Exception.** The provisions of Laws 1982, chapter 634 do not apply to the positions contained in Minnesota Statutes 1981 Supplement, section 43A.08, subdivision 1, clause (g).

Subd. 2. MS 1981 Supp [Repealed, 1982 c 560 s 65]

Subd. 2a. **Temporary unclassified positions.** The commissioner, upon request of an appointing authority, may authorize the temporary designation of a position in the unclassified service. The commissioner may make this authorization only for professional, managerial or supervisory positions which are fully anticipated to be of limited duration.

Subd. 3. **Unclassified titles; salary rates and ranges; investigations.** Except for those positions listed in section 43A.18, subdivisions 4 and 6, when a new position is to be established in the unclassified service, the commissioner shall compare the position to a class in the classified service if a comparable class exists or if not, establish a salary rate or range and official title for the position.

The commissioner shall independently or upon request of an appointing authority or employee investigate the duties of a position unclassified under provisions of subdivision 1a or rule. If the commissioner determines

the position is incorrectly placed in the unclassified service, the commissioner shall place the position in the classified service. If the commissioner determines the position is improperly compared or assigned to an inappropriate salary range, the commissioner shall recompare the position, change the title or establish a new title or reassign the position to a different salary rate or range.

If a new title is established for the position or if the position is reassigned to a different salary rate or range and the position will be covered by a bargaining unit under the provisions of section 179A.10, and if there is an applicable provision in a collective bargaining agreement, the commissioner shall establish the salary rate or range pursuant to the collective bargaining agreement.

Subd. 4. **Length of service for student workers.** A person may only be employed as a student worker in the unclassified service under subdivision 1 if they are enrolled in secondary, postsecondary, or graduate study.

History: *1981 c 37 s 2; 1981 c 210 s 8; 1982 c 560 s 13-16; 1982 c 634 s 9; 1983 c 258 s 11; 1983 c 289 s 10; 1984 c 462 s 27; 1984 c 544 s 79; 1984 c 640 s 29; 1Sp1985 c 13 s 166; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1987 c 186 s 3; 1987 c 312 art 1 s 13; 1987 c 398 art 10 s 5,6; 1988 c 667 s 5; 1988 c 686 art 1 s 49; 1989 c 269 s 38; 1989 c 326 art 5 s 51; 1989 c 329 art 12 s 1; 1989 c 335 art 1 s 269; 1990 c 375 s 3; 1990 c 571 s 9; 1990 c 589 art 1 s 1; 1991 c 233 s 109; 1991 c 238 art 1 s 2-4; 1992 c 567 art 3 s 3,4; 1994 c 483 s 1; 1994 c 532 art 4 s 2; 1994 c 560 art 2 s 11,12; 1995 c 212 art 3 s 59; art 4 s 64; 1995 c 247 art 2 s 54; 1995 c 248 art 10 s 3; 1Sp1995 c 3 art 16 s 13; 1996 c 395 s 18; 1996 c 412 art 9 s 19; 1996 c 425 s 3; 1997 c 79 s 13,14; 1999 c 241 art 10 s 8; 2001 c 70 s 3; 1Sp2001 c 4 art 6 s 13; 2003 c 112 art 2 s 50; 2003 c 130 s 12; 1Sp2003 c 4 s 1; 2005 c 107 art 2 s 60; 1Sp2005 c 1 art 2 s 161; 2006 c 260 art 4 s 1; 2006 c 281 art 4 s 1; 2008 c 204 s 15,42; 2009 c 101 art 2 s 109; 2013 c 134 s 25; 2021 c 31 art 2 s 16; 2023 c 61 art 8 s 3; 2023 c 62 art 2 s 86; 2023 c 70 art 12 s 6; 2024 c 122 art 2 s 2; 2024 c 125 art 5 s 11,12; 2024 c 127 art 50 s 11,12; art 64 s 2; 2025 c 39 art 3 s 7,8*

43A.081 Subdivision 1. MS 1988 [Repealed, 1990 c 571 s 49]

Subd. 2. MS 1988 [Repealed, 1990 c 571 s 49]

Subd. 3. MS 1986 [Repealed, 1982 c 560 s 65]

Subd. 4. MS 1986 [Repealed, 1982 c 560 s 65]

Subd. 5. MS 1988 [Repealed, 1990 c 571 s 49]

43A.082 MS 1994 [Repealed, 1996 c 310 s 1]

43A.09 RECRUITMENT.

The commissioner in cooperation with appointing authorities of all state agencies shall maintain an active recruiting program publicly conducted and designed to attract sufficient numbers of well-qualified people to meet the needs of the civil service, and to enhance the image and public esteem of state service employment. Special emphasis shall be given to recruitment of veterans and protected group members, including qualified individuals with disabilities, to assist state agencies in meeting affirmative action goals to achieve a balanced work force. All technology and digital content related to recruiting and hiring shall be accessible to people with disabilities.

History: *1981 c 210 s 9; 2012 c 192 s 2; 2023 c 62 art 8 s 9*

43A.10 SELECTION PROCESS; ELIGIBILITY TO COMPETE.

Subdivision 1. **General.** Entrance to the classified service shall be through successful competition in a selection process and appointment from a finalist pool except as provided in section 43A.15 or other law and for employees in a bargaining unit as defined in section 179A.10, appointments shall be subject to applicable provisions of collective bargaining agreements.

Subd. 2. **Selection criteria and methods.** All selection criteria and methods for filling positions in the classified service shall be job related and designed to fairly assess ability to perform the duties of the vacant position for which the selection process is conducted.

Subd. 2a. **Application requirements.** (a) The commissioner shall establish and maintain a database of applicants for state employment. The commissioner shall establish, publicize, and enforce minimum requirements for applications, and shall ensure that:

(1) all postings shall be written so as to be relevant to the duties of the job and be nondiscriminatory;

(2) the appointing authority enforces the established minimum requirements for application;

(3) the 700-hour on-the-job demonstration experience is considered an alternative, noncompetitive hiring process for classified positions for qualified individuals with disabilities; and

(4) hiring managers and others involved in the selection process are aware of the accommodation fund under section 16B.4805 to ensure that people with disabilities obtain timely and appropriate accommodations within the hiring process and the state agency can request reimbursement.

(b) The commissioner shall ensure that all online application processes and all digital content relating to the database referenced in paragraph (a) shall be accessible for people with disabilities.

Subd. 2b. **Term of eligibility.** The term of eligibility on layoff lists shall be as provided in the collective bargaining agreement or plan established under section 43A.18, under which the layoff list was established. The term of eligibility for all other applicants shall be determined by the commissioner but shall not be less than six months.

Subd. 2c. **Managerial positions.** (a) The commissioner, and any applicable appointing authority, must ensure that all hiring for classified positions identified as managerial under section 43A.18, subdivision 3, is conducted through a fair and open process where all candidates who meet the minimum qualifications for the position are considered. For classified management positions filled through a competitive selection process, under no circumstances may:

(1) the job requirements be altered to fit a particular candidate prior to the posting of a position; or

(2) internal documents identify a particular candidate as the future holder of a position prior to their official hiring.

(b) Notice of a vacant position subject to this section must be posted, and applications must be accepted, for a period of no fewer than 21 days before the position is filled. Upon request of an appointing authority, the commissioner may waive the requirements of this paragraph. Notice of a waiver must be published in the State Register no more than 14 days after the waiver is granted. The notice must describe the reason for the waiver.

(c) This subdivision does not apply to positions subject to more specific appointment procedures under section 43A.15 or other applicable law, and does not restrict the authority of the commissioner to limit or remove an applicant from consideration under subdivision 6a or 6b.

Subd. 3. **Facilities furnished for selection procedures.** The authorities having control of public buildings in political subdivisions of the state and school districts, upon written request of the commissioner, shall furnish convenient facilities for the administration of selection procedures. Upon such request, it shall be the duty of state and local authorities and employees, as it is consistent with their other duties, to aid in carrying out the provisions of this section. Campuses of the Minnesota State Colleges and Universities may charge the commissioner for actual costs incurred in providing facilities for selection procedures, provided that the costs were incurred due solely to the selection procedure.

Subd. 4. **Applicants; expenses.** The commissioner or an appointing authority may pay travel expenses incurred by applicants invited for oral examinations or employment interviews in the manner and amounts authorized by the commissioner.

Subd. 5. MS 2002 [Repealed by amendment, 2004 c 207 s 12]

Subd. 6. MS 2002 [Repealed by amendment, 2004 c 207 s 12]

Subd. 6a. **Limited consideration of applicants.** The commissioner may limit consideration to only those applicants who have indicated availability for the geographic location, employment condition, travel status, and job grouping of the vacant position and who have indicated possession of the minimum qualifications for the vacant position. In addition, the commissioner may limit consideration to only those applicants who are:

(1) employees on a layoff list for the job class of the position. The appointing authority shall consider those names as provided in collective bargaining agreements and plans established under section 43A.18;

(2) current employees of the civil service, the Minnesota State Retirement System, the Public Employees Retirement Association, and the Teacher's Retirement Association, or employees of one or more agencies or organizational units under them;

(3) former permanent and probationary employees of the job class who separated from the class within the past four years and have indicated availability for reinstatement to the class; or

(4) current permanent and probationary employees who have indicated availability for transfer or demotion to the job class.

Subd. 6b. **Refusal to consider an applicant.** The commissioner may remove from consideration any applicant who:

(1) has been dismissed for cause from the public service;

(2) has directly or indirectly given or promised to give anything of value to any person in connection with the selection process, appointment, or proposed appointment;

(3) has made a false statement of any material fact, or practiced or attempted to practice any deception or fraud in the application or selection process or in securing eligibility or appointment; or

(4) has a prior conviction of a crime directly related to the vacant position provided the refusal is consistent with the requirements and procedures of chapter 364.

When the commissioner refuses to consider an applicant, the commissioner shall, upon request of the applicant, furnish the applicant a statement of the reasons for the refusal. Upon receipt of relevant information, the commissioner shall reconsider the refusal and may restore the applicant to consideration.

Subd. 7. **Selection process accommodations.** Upon request, the commissioner or appointing authority shall provide reasonable accommodations to a qualified applicant with a disability to ensure full participation in the selection process, including use of the accommodation fund under section 16B.4805 during the selection process. The commissioner must ensure that each agency head is aware of the accommodation fund and its critical function of removing cost considerations from interview selection decisions.

Subd. 8. MS 2002 [Repealed by amendment, 2004 c 207 s 12]

History: *1981 c 210 s 10; 1983 c 39 s 1; 1984 c 544 s 80; 1984 c 642 s 1; 1985 c 11 s 4; 1Sp1985 c 13 s 167; 1986 c 444; 1987 c 232 s 2; 1990 c 571 s 10,11; 1995 c 248 art 10 s 4; 1996 c 398 s 24; 2004 c 207 s 12; 2005 c 144 s 1; 1Sp2019 c 10 art 2 s 10; 2023 c 62 art 8 s 10,11*

43A.11 VETERAN'S PREFERENCE.

Subdivision 1. **Creation.** Recognizing that training and experience in the military services of the government and loyalty and sacrifice for the government are qualifications of merit which cannot be readily assessed by examination, a veteran's preference shall be available pursuant to this section to a veteran as defined in section 197.447.

Subd. 2. MS 2004 [Repealed, 2005 c 95 s 1; 2005 c 156 art 4 s 12]

Subd. 3. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 4. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 5. **Disabled veteran; definitions.** For the purpose of the preference to be used in securing appointment from an applicant pool, "disabled veteran" means a person who has a compensable service connected disability as adjudicated by the United States Veterans Administration, or by the retirement board of one of the several branches of the armed forces, which disability is existing at the time preference is claimed.

Subd. 6. **Preference for spouses.** A preference available pursuant to this section may be used by the surviving spouse of a deceased veteran and by the spouse of a disabled veteran who because of the disability is unable to qualify.

Subd. 7. **Ranking of veterans.** Applicants who meet the minimum qualifications for a vacant position and claim disabled veteran's preference shall be listed in the applicant pool ahead of all other applicants. Applicants who meet the minimum qualifications for a vacant position and claim nondisabled veteran's preference shall be listed in the applicant pool after those claiming disabled veteran's preference and ahead of nonveterans. Each recently separated veteran who meets minimum qualifications for a vacant position and has claimed a veterans or disabled veterans preference must be considered for the position. The top five recently separated veterans must be granted an interview for the position by the hiring authority.

The term "recently separated veteran" means a veteran, as defined in section 197.447, who has served in active military service, at any time on or after September 11, 2001, and who has been honorably discharged from active service, as shown by the person's form DD-214.

Subd. 8. **Notification.** The commissioner or an appointing authority, when notifying applicants that they have been accepted into the state's selection process, shall notify applicants that they may elect to use veteran's preference.

Subd. 9. **Nonselection; explanation.** If the appointing authority does not select a member of the finalist pool who has claimed veteran's preference, the appointing authority shall notify the finalist in writing of the reasons for the rejection.

History: *1981 c 210 s 11; 1982 c 560 s 17-20; 1984 c 468 s 1; 1984 c 609 s 1; 1985 c 248 s 85; 1Sp1985 c 16 art 2 s 8; 1986 c 444; 2004 c 207 s 13-16; 2009 c 94 art 3 s 6; 2025 c 39 art 3 s 9*

43A.111 NONCOMPETITIVE APPOINTMENT OF CERTAIN DISABLED VETERANS.

(a) Whenever a vacancy occurs in a position in the classified service, the appointing authority may appoint a disabled veteran, on a noncompetitive basis, if all of the following occur:

(1) the disabled veteran has served in the United States armed forces and is included on a United States armed forces permanent disability list with a disability rating of at least 30 percent or the disabled veteran has been rated by the United States Department of Veterans Affairs as having a compensable service-connected disability of at least 30 percent;

(2) the disabled veteran presents to the appointing authority written documentation from an appropriate department of the federal government certifying the existence and extent of disability. The certification must have been issued by the appropriate department of the federal government within the year preceding appointment; and

(3) the appointing authority determines that the disabled veteran meets the minimum qualifications for the vacant position.

(b) If an appointing authority elects to appoint a disabled veteran to a vacant position on a noncompetitive basis under paragraph (a), an appointing authority is not required to interview any other person.

History: *2012 c 231 s 1*

43A.12 MS 2002 [Repealed, 2004 c 207 s 31]

43A.121 RANKING OF THE APPLICANT POOL.

Applicants referred from a layoff list shall be ranked as provided in the collective bargaining agreement or plan established under section 43A.18, under which the layoff list was established. All other names in an applicant pool shall be ranked according to the veteran's preference provisions of section 43A.11, subdivision 7. If any ties in rank remain, those names shall appear in alphabetical order.

History: *2004 c 207 s 17; 2025 c 39 art 3 s 10*

43A.13 Subdivision 1. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 2. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 3. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 4. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 5. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 6. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 7. MS 2003 Supp [Repealed, 2004 c 207 s 31]

Subd. 8. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 9. MS 1998 [Repealed, 1999 c 182 s 20]

43A.14 APPOINTMENTS.

All appointments to the classified service shall be based upon merit and ability to perform the duties of the position and the needs of the employing agency, including the need to achieve and maintain a representative work force, including representation of people with disabilities. For employees in a bargaining unit as defined in section 179A.10 appointments shall be subject to applicable provisions of collective bargaining agreements.

History: *1981 c 210 s 14; 1984 c 462 s 27; 2023 c 62 art 8 s 12*

43A.15 NONCOMPETITIVE AND QUALIFYING APPOINTMENTS.

Subdivision 1. **General.** Positions in the classified service may be filled other than by appointment from a finalist pool only as provided in this section or other law, provided that appointments made pursuant to subdivisions 5, 6, 10, 12, and 13 shall be subject to applicable provisions of collective bargaining agreements.

Subd. 2. **Emergency appointments.** An appointing authority may make an emergency appointment for up to 45 working days. No person may be employed in any one agency on an emergency basis for more than 45 working days in any 12-month period.

Subd. 3. **Temporary appointments.** The commissioner may authorize an appointing authority to make a temporary appointment of up to six months. The commissioner may, in the best interest of the state, grant an extension of a temporary appointment or approve a temporary appointment to fill a vacancy created by an approved leave of absence to a maximum period of one year. When practicable, the appointing authority may search the employment database for qualified applicants or, when necessary, the commissioner may authorize the appointment of any person deemed qualified by the appointing authority.

No person shall be employed on a temporary basis in any one agency for more than 12 months in any 24-month period.

Subd. 4. **Provisional appointments.** The commissioner may authorize an appointing authority to make a provisional appointment if no applicant is suitable or available for appointment and the person to be provisionally appointed is qualified in all respects except for completion of a licensure or certification requirement.

No person shall be employed on a provisional basis for more than six months unless the commissioner grants an extension to a maximum of 12 months in the best interest of the state. No extension may be granted beyond 12 months except where there is a lack of applicants and the provisional appointee is continuing to work to complete the licensure or certification requirement.

At the request of an appointing authority, the commissioner may authorize the probationary appointment of a provisional appointee who has performed satisfactorily and has completed the licensure or certification requirement.

Subd. 5. **Noncompetitive promotions.** The commissioner may authorize an appointing authority to promote the incumbent with permanent or probationary status to a reallocated classified position.

Subd. 6. **Appointments through transfer or demotion.** The commissioner may authorize the transfer or demotion of an employee in the classified service within an agency or between agencies. Prior to authorizing a transfer or demotion, the commissioner shall determine that the employee to be transferred or demoted is qualified for the new position. An authorized transfer may result in the movement of an employee between agencies in the same class or between or within agencies in different classes provided that the compensation for the classes is similar.

The commissioner may enter into arrangements with public personnel agencies in other jurisdictions for the purpose of effecting transfers or voluntary demotions of employees between jurisdictions.

Subd. 7. **Appointments for unclassified incumbents of newly classified positions.** The commissioner may authorize the probationary appointment of an incumbent who has passed a qualifying selection process and who has served at least one year in an unclassified position.

Subd. 8. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 9. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 10. **Routine service.** The commissioner may authorize the administration of a qualifying selection process if a class is of a routine, service nature involving unskilled tasks, the performance of which cannot be directly related to qualifications beyond a minimum competency level.

Subd. 11. MS 2002 [Repealed, 2004 c 207 s 31]

Subd. 12. **Trainee appointments.** The commissioner may authorize the probationary appointment of persons who successfully complete on-the-job state training programs that have been approved by the commissioner.

Subd. 13. **Revenue seasonal employees.** The commissioner may authorize the administration of a qualifying selection process for the filling of seasonal positions in the Department of Revenue used in the processing of returns and providing information during the tax season. The commissioner of revenue may consider any candidate found qualified through this process for probationary appointment.

Subd. 14. **700-hour on-the-job demonstration experience.** (a) The commissioner shall consult with the Department of Employment and Economic Development's Vocational Rehabilitation Services and State Services for the Blind and other disability experts in establishing, reviewing, and modifying the qualifying procedures for applicants whose disabilities are of such a significant nature that the applicants are unable to demonstrate their abilities in the selection process. The qualifying procedures must consist of up to 700 hours of on-the-job demonstration experience. The 700-hour on-the-job demonstration experience is an alternative, noncompetitive hiring process for qualified applicants with disabilities. All permanent executive branch classified positions are eligible for a 700-hour on-the-job demonstration experience, and all permanent classified job postings must provide information regarding the on-the-job demonstration overview and certification process.

(b) The commissioner shall authorize the probationary appointment of an applicant based on the request of the appointing authority that documents that the applicant has successfully demonstrated qualifications for the position through completion of an on-the-job demonstration experience. A qualified applicant shall be converted to probationary appointments at the point in the 700-hour on-the-job experience when the applicant has demonstrated the ability to perform the essential functions of the job with or without reasonable

accommodation. The implementation of this subdivision may not be deemed a violation of chapter 43A or 363A.

(c) The commissioner and the ADA and disability employment director, described in section 43A.19, subdivision 1, paragraph (e), are responsible for the administration and oversight of the 700-hour on-the-job demonstration experience, including the establishment of policies and procedures, data collection and reporting requirements, and compliance.

(d) The commissioner or the commissioner's designee shall design and implement a training curriculum for the 700-hour on-the-job demonstration experience. All executive leaders, managers, supervisors, human resources professionals, affirmative action officers, and ADA coordinators must receive annual training on the program.

(e) The commissioner or the commissioner's designee shall develop, administer, and make public a formal grievance process for individuals in the 700-hour on-the-job demonstration experience under this subdivision and customized employment program under section 43A.421, subdivision 2.

(f) An appointing authority must make reasonable accommodations in response to a request from an applicant with a disability, including providing accommodations in a timely manner during the application and hiring process and throughout the 700-hour on-the-job demonstration experience. Requirements for accessibility for public records under section 363A.42, continuing education under section 363A.43, and technology under section 16E.03, subdivision 2, clauses (3) and (9), apply to an agency filling an appointment during the application and hiring process and through the on-the-job demonstration experience period.

Subd. 14a. **Report and survey.** (a) The commissioner shall annually collect enterprise-wide statistics on the 700-hour on-the-job demonstration experience under subdivision 14. The statistics collected and reported annually must include:

(1) the number of certifications submitted, granted, and rejected;

(2) the number of applicants interviewed, appointed, and converted to probationary status;

(3) the number of employees retained after one year in state employment;

(4) the number of employees with terminated appointments and the reason for termination;

(5) the average length of time in an on-the-job demonstration appointment;

(6) the number and category of entity certifications; and

(7) by department or agency, the number of appointments and hires and the number of managers and supervisors trained.

(b) The commissioner shall administer an annual survey of participants in the 700-hour on-the-job demonstration experience who are hired and those who are not hired, as well as the managers of participants in the 700-hour on-the-job demonstration experience.

(c) The commissioner must consult at least annually with the Department of Employment and Economic Development's Vocational Rehabilitation Services and State Services for the Blind and other disability experts to review the survey results, assess program satisfaction, and recommend areas for continuous improvement.

(d) The commissioner shall annually publish a report on the department's website that includes the data described in paragraph (a), survey results described in paragraph (b), and recommendations for continuous improvement described in paragraph (c).

Subd. 15. **Reinstatement.** An appointing authority may directly reinstate a person who is a former permanent or probationary employee of the job class, within four years of separation from the class. The four-year limitation does not apply to former permanent or probationary employees of the class who are receiving disability benefits under a state retirement plan.

History: *1981 c 210 s 15; 1982 c 560 s 24,25; 1Sp1985 c 13 s 168; 1988 c 667 s 6; 1990 c 571 s 19; 1995 c 248 art 10 s 6; 1999 c 182 s 9,10; 2004 c 207 s 18-24; 2005 c 144 s 2; 1Sp2019 c 10 art 2 s 11; 2022 c 55 art 1 s 13; 2023 c 62 art 8 s 13,14; 2025 c 39 art 3 s 11-14*

43A.16 PROBATIONARY PERIODS.

Subdivision 1. **General.** All unlimited appointments to positions in the classified service except as provided in this subdivision shall be for a probationary period the duration of which shall be determined through collective bargaining agreements or plans established pursuant to section 43A.18 but which shall not be less than 30 days of full-time equivalent service nor more than two years of full-time equivalent service. An appointing authority may require a probationary period for transfers, reinstatements, voluntary demotions, and appointments from layoff lists of former employees of a different appointing authority. For employees in a bargaining unit as defined in section 179A.10 the requirement of such a probationary period shall be subject to applicable provisions of collective bargaining agreements.

Subd. 2. **Termination during probationary period.** There is no presumption of continued employment during a probationary period. Terminations or demotions may be made at any time during the probationary period subject to the provisions of this section and collective bargaining agreements or plans established pursuant to section 43A.18.

If during the probationary period an employee with permanent status is dismissed for inability to perform the duties of the new position or for other cause not related to misconduct or delinquency, the employee shall be restored to a position in the employee's former class and agency.

History: *1981 c 210 s 16; 1984 c 462 s 27; 2004 c 207 s 25*

43A.17 SALARY LIMITS, RATES, RANGES AND EXCEPTIONS.

Subdivision 1. **Salary limits.** As used in subdivisions 1 to 9, "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 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. For presidents of state universities, "salary" does not include a housing allowance provided through a compensation plan approved under section 43A.18, subdivision 3a.

Subd. 2. **General compensation.** For classes or positions covered under the provisions of section 43A.18, subdivision 1, the commissioner shall negotiate compensation. For classes or positions covered under the provisions of section 43A.18, subdivisions 2 and 3, the commissioner shall establish compensation. Employees covered under section 43A.18 shall receive salary at the appropriate single rate or within the limits of the salary range to which their class is assigned or their position compared except for any lump-sum payments including cost of living lump-sum payments. The commissioner may grant further exemptions from this subdivision as provided in subdivisions 3, 5, 6, and 7.

Subd. 3. **Unusual employment situations.** (a) Upon the request of the appointing authority, and when the commissioner determines that changes in employment situations create difficulties in attracting or retaining employees, the commissioner may approve an unusual employment situation increase to advance an employee within the salary range.

(b) The following conditions apply to a request under paragraph (a) to advance an employee within a salary range:

(1) the appointing authority making the request must submit a detailed written statement for each position contained in the request, specifying the changes in employment situations that create difficulties in attracting or retaining an employee for the position;

(2) the commissioner shall review each proposal giving due consideration to salary rates paid to other employees in the same class and agency and, if other conditions in this paragraph are met, may approve any request that in the commissioner's judgment is in the best interest of the state;

(3) the action must be consistent with applicable provisions of collective bargaining agreements or plans adopted under section 43A.18;

(4) each increase or exemption must be separately documented for each employee or position and may not be applied to groups of employees; and

(5) the commissioner shall report the granting of a request to the chair of the Legislative Coordinating Commission within three working days.

Subd. 4. MS 2012 [Repealed, 2013 c 142 art 6 s 13]

Subd. 5. **Salary on demotion; special cases.** The commissioner may, upon request of an appointing authority, approve payment of an employee with permanent status at a salary rate above the maximum of the class to which the employee is demoted. The commissioner shall take such action as required by collective bargaining agreements or plans pursuant to section 43A.18. If the action is justified by the employee's long or outstanding service, exceptional or technical qualifications or substantial changes in work assignment beyond the control of the employee, the commissioner may approve a rate up to and including the employee's salary immediately prior to demotion. Thereafter, so long as the employee remains in the same position, the employee shall not be eligible to receive any increase in salary until the employee's salary is within the range of the class to which the employee's position is allocated unless such increases are specifically provided in collective bargaining agreements or plans pursuant to section 43A.18.

Subd. 6. **Salary on transfer.** The commissioner may authorize an employee transferring between two classes established as equivalent for purposes of transfer to retain a rate of compensation above the maximum of the range of the class to which the employee is transferring. The commissioner shall take such action as required by a collective bargaining agreement or plans pursuant to section 43A.18. Thereafter, so long as the employee remains in the same class, the employee shall receive an increase in salary only as provided pursuant to applicable collective bargaining agreements or plans pursuant to section 43A.18, until the employee's salary is within the range of the class to which the position is allocated.

Subd. 7. **Injured on duty pay.** Notwithstanding section 176.021, subdivision 5, the commissioner may provide for injured on duty pay through collective bargaining agreements or plans pursuant to section 43A.18.

Subd. 8. **Accumulated vacation leave.** The commissioner shall not agree to a collective bargaining agreement or recommend a compensation plan pursuant to section 43A.18, subdivisions 1, 2, 3, and 4, nor shall an arbitrator issue an award under sections 179A.01 to 179A.25, if the compensation plan, agreement,

or award permits an employee to convert accumulated vacation leave into cash before separation from state service.

This section does not prohibit the commissioner from negotiating a collective bargaining agreement or recommending approval of a compensation plan which: (1) permits an employee to receive payment for accumulated vacation leave upon beginning an unpaid leave of absence approved for more than one year in duration if the leave of absence is not for the purpose of accepting an unclassified position in state civil service; (2) permits an employee to receive payment for accumulated vacation leave upon layoff; or (3) permits an employee to receive payment for accumulated vacation leave if a change in employment results in the employee being ineligible to accrue further vacation leave.

Subd. 9. MS 2022 [Repealed, 2023 c 62 art 3 s 22]

Subd. 10. **Local elected officials; certain compensation prohibited.** The compensation plan for an elected official of a statutory or home rule charter city, county, or town may not include a provision for vacation or sick leave. The salary of an official covered by this subdivision may not be diminished because of the official's absence from official duties because of vacation or sickness.

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

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

(1) six months pay; or

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

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

(d) An appointing authority may make severance payments to a highly compensated employee, up to the limits prescribed in this subdivision, only if doing so is authorized by a compensation plan under section

43A.18 that governs the employee, provided that the following highly compensated employees are not eligible for severance pay:

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

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

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

Subd. 12. MS 1998 [Repealed, 1999 c 221 s 9]

Subd. 13. **Compensation for law enforcement officers.** (a) For purposes of this subdivision, the term "law enforcement officers" means all licensed peace officers employed by the state who are included in the state units under section 179A.10, subdivision 2, including without limitation: Minnesota State Patrol troopers, Bureau of Criminal Apprehension agents, including Financial Crimes and Fraud Section agents, and Alcohol and Gambling Enforcement agents, in the Department of Public Safety; Department of Natural Resources conservation officers; and Department of Corrections Fugitive Apprehension Unit members.

(b) When the commissioner of management and budget negotiates a collective bargaining agreement establishing compensation for law enforcement officers, the commissioner must use compensation and benefit data from the most recent salary and benefits survey conducted pursuant to section 299D.03, subdivision 2a, to compare salaries to ensure appropriate increases are made to law enforcement officer salaries and benefits.

[See Note.]

History: *1981 c 210 s 17; 1982 c 560 s 26; 1983 c 299 s 12-14; 1984 c 462 s 27; 1Sp1985 c 17 s 7; 1986 c 444; 1988 c 667 s 7,8; 1990 c 571 s 20,21; 1992 c 505 s 1; 1992 c 549 art 5 s 2; 1993 c 315 s 5,6; 1993 c 345 art 5 s 2; 1995 c 248 art 2 s 7; 1996 c 425 s 4; 1997 c 202 art 2 s 33; 2Sp1997 c 3 s 9,10; 1998 c 351 s 2; 1998 c 366 s 49; 1998 c 398 art 5 s 1,2; 1999 c 182 s 11; 1999 c 221 s 3; 1Sp2003 c 1 art 2 s 60; 2005 c 169 s 1; 2006 c 282 art 16 s 1; 2008 c 204 s 16; 2010 c 359 art 12 s 4; 2013 c 142 art 6 s 9,10; 2016 c 119 s 7; 1Sp2017 c 4 art 2 s 25; 2024 c 104 art 1 s 2; 2025 c 35 art 3 s 2; 2025 c 39 art 3 s 15*

NOTE: Subdivision 13, as added by Laws 2024, chapter 104, article 1, section 2, is effective May 16, 2024, and expires January 1, 2032, and applies to contracts entered into on or after May 16, 2024, but before January 1, 2032. Laws 2024, chapter 104, article 1, section 1, the effective date.

43A.18 TOTAL COMPENSATION; COLLECTIVE BARGAINING AGREEMENTS; PLANS.

Subdivision 1. **Collective bargaining agreements.** Except as provided in section 43A.01 and to the extent they are covered by a collective bargaining agreement, the compensation, terms and conditions of employment for all employees represented by an exclusive representative certified pursuant to chapter 179A shall be governed solely by the collective bargaining agreement executed by the parties.

Subd. 2. **Nonrepresented employees compensation plan.** Except as provided in section 43A.01, the compensation, terms and conditions of employment for all classified and unclassified employees, except unclassified employees in the legislative and judicial branches, who are not covered by a collective bargaining agreement and not otherwise provided for in chapter 43A or other law are governed solely by a plan developed

by the commissioner. The Legislative Coordinating Commission shall review the plan under section 3.855, subdivision 2. The plan need not be adopted in accordance with the rulemaking provisions of chapter 14.

Subd. 3. **Managerial plan.** (a) The commissioner shall identify individual positions or groups of positions in the classified and unclassified service in the executive branch as being managerial. The list must not include positions listed in subdivision 4.

(b) The commissioner shall periodically prepare a plan for total compensation and terms and conditions of employment for employees of those positions identified as being managerial and whose salaries and benefits are not otherwise provided for in law or other plans established under this chapter. Before becoming effective those portions of the plan establishing compensation and terms and conditions of employment must be submitted to the Legislative Coordinating Commission under section 3.855, subdivisions 2 and 3.

(c) Incumbents of managerial positions as identified under this subdivision must be excluded from any bargaining units under chapter 179A.

(d) The management compensation plan must provide methods and levels of compensation for managers that will be generally comparable to those applicable to managers in other public and private employment. The plan must ensure that compensation within assigned salary ranges is related to level of performance. The plan must also provide a procedure for establishment of a salary rate for a newly created position and a new appointee to an existing position and for progression through assigned salary ranges. The employee benefits established under the provisions of the managerial plan may be extended to agency heads whose salaries are established in section 15A.0815 and to constitutional officers, judges of the Workers' Compensation Court of Appeals, and Tax Court judges.

Subd. 3a. **Board of Trustees of the Minnesota State Colleges and Universities plan.** Total compensation for unclassified managerial positions under section 43A.08, subdivision 1, clause (9), in the Board of Trustees of the Minnesota State Colleges and Universities not covered by a collective bargaining agreement must be determined by the Board of Trustees of the Minnesota State Colleges and Universities. Before submitting a compensation plan to the legislature and the Legislative Commission on Employee Relations, the Board of Trustees of the Minnesota State Colleges and Universities must submit the plan to the commissioner of management and budget for review and comment. The commissioner must complete the review within 14 days of its receipt. Compensation plans established under this subdivision must be approved by the legislature and the Legislative Commission on Employee Relations under section 3.855, before becoming effective.

Subd. 3b. **State Board of Investment plan.** Total compensation for unclassified positions under section 11A.04, clause (14), in the State Board of Investment must be determined by the State Board of Investment. Before submitting a compensation plan to the legislature and the Legislative Coordinating Commission, the State Board of Investment must submit the plan to the commissioner of management and budget for review and comment. The commissioner must complete the review within 14 days of its receipt. Compensation plans established under this subdivision must be approved by the legislature and the Legislative Coordinating Commission under section 3.855, before becoming effective.

Subd. 4. **Plans not established but approved by commissioner.** (a) Notwithstanding any other law to the contrary, terms and conditions of employment for employees listed in this subdivision must be set by appointing authorities within the limits of compensation plans that have been approved by the commissioner before becoming effective. Compensation plans established under paragraph (c) must be reviewed and approved, modified, or rejected by the legislature and the Legislative Coordinating Commission under section 3.855, subdivisions 2 and 3, before becoming effective.

(b) Total compensation for employees who are not covered by a collective bargaining agreement in the offices of the governor, lieutenant governor, attorney general, secretary of state, and state auditor must be determined by the governor, lieutenant governor, attorney general, secretary of state, and state auditor, respectively.

(c) Total compensation for unclassified positions not covered by a collective bargaining agreement in the Minnesota Office of Higher Education must be determined by the Minnesota Office of Higher Education.

Subd. 4a. **Compensation reports.** On July 1 of each odd-numbered year the State Agricultural Society, the Enterprise Minnesota, Inc. board of directors, and the governing board of the Minnesota State High School League shall each submit a report to the Legislative Commission on Employee Relations on the total compensation plan for their employees.

Subd. 5. MS 2000 [Repealed, 1Sp2001 c 10 art 2 s 102]

Subd. 6. **Legislative and judicial branch compensation.** Total compensation plans for unclassified employees of the legislature and of legislative commissions shall be determined by the legislature consistent with chapter 3, provided that insurance benefits for these employees and for legislators shall be determined by the Legislative Coordinating Commission, consistent with sections 43A.22 to 43A.30. Total compensation plans for unclassified employees of the judicial branch shall be determined by the appointing authority, unless other law provides a different method for establishing this compensation. Judicial branch compensation plans shall be consistent with sections 43A.22 to 43A.30.

Subd. 7. **Members of Minnesota National Guard.** Members of the Minnesota National Guard shall receive the pay and allowances prescribed by the armed forces of the United States for similar rank and time in service.

Subd. 8. **Compensation relationships of positions.** In preparing management negotiating positions for compensation which is established pursuant to subdivision 1, and in establishing, recommending and approving total compensation for any position within the plans covered in subdivisions 2, 3 and 4, the commissioner shall assure that:

(a) compensation for positions in the classified and the unclassified service compare reasonably to one another;

(b) compensation for state positions bears reasonable relationship to compensation for similar positions outside state service;

(c) compensation for management positions bears reasonable relationship to compensation of represented employees managed;

(d) compensation for positions within the classified service bears reasonable relationships among related job classes and among various levels within the same occupation; and

(e) compensations bear reasonable relationships to one another within the meaning of this subdivision if compensation for positions which require comparable skill, effort, responsibility, and working conditions is comparable and if compensation for positions which require differing skill, effort, responsibility, and working conditions is proportional to the skill, effort, responsibility, and working conditions required.

Subd. 9. **Summary information on website.** Before the commissioner submits a proposed collective bargaining agreement, arbitration award, or compensation plan to the Legislative Coordinating Commission for review under section 3.855, the commissioner must post on a state website a summary covering employees

of the Minnesota State Colleges and Universities and to compensation plans that must be submitted to the Legislative Coordinating Commission by other executive appointing authorities. The Minnesota State Colleges and Universities and other executive appointing authorities must submit information to the commissioner, at a time and in a manner specified by the commissioner, so the commissioner can post information relating to these appointing authorities on the web as required by this section.

History: *1981 c 210 s 18; 1982 c 424 s 130; 1982 c 560 s 27,28; 1982 c 634 s 7; 1983 c 216 art 1 s 12; 1983 c 258 s 12; 1983 c 299 s 15-17; 1984 c 462 s 27; 1984 c 640 s 32; 1Sp1985 c 10 s 48; 1Sp1985 c 13 s 170; 1986 c 444; 1987 c 186 s 6; 1988 c 667 s 9; 1990 c 375 s 3; 1990 c 571 s 22-24; 1991 c 238 art 1 s 5; 1993 c 122 s 2; 1994 c 532 art 4 s 3,4; 1994 c 560 art 2 s 13-16; 1995 c 212 art 3 s 59; art 4 s 64; 1995 c 248 art 2 s 7; 1996 c 425 s 5; 2Sp1997 c 3 s 11,12,18; 1999 c 86 art 1 s 79; 1999 c 182 s 12; 2000 c 260 s 10; 2003 c 112 art 2 s 50; 2005 c 55 s 4; 2005 c 107 art 2 s 60; 2008 c 204 s 42; 2008 c 290 s 2; 2009 c 101 art 2 s 109; 2010 c 323 s 2; 2022 c 65 art 6 s 5; 2023 c 62 art 2 s 87; 2024 c 127 art 72 s 5-7; 2025 c 39 art 3 s 16*

43A.181 UNREIMBURSED MEDICAL COSTS VACATION DONATION PROGRAM.

Subdivision 1. **Donation of vacation time.** A state employee may donate up to 12 hours of accrued vacation time in any fiscal year to the account established by subdivision 2 for the benefit of another state employee. A donation of accrued vacation time is irrevocable once its monetary value has been transferred to the account.

Subd. 2. **Benefit account.** The vacation benefit account, consisting of money transferred under subdivision 1, is administered by the commissioner of management and budget. Money in the account is appropriated to the commissioner for purposes of this section.

Subd. 3. **Use of account assets.** Expenditures from the account established by subdivision 2 may be made to pay unreimbursed medical expenses when the total of those expenses is at least $10,000 and the expenses are incurred because of the illness of or injury to a state employee or the employee's spouse or dependent. Up to 40 percent of the funds donated to an individual employee's account may be used to pay for housing and transportation accessibility costs required by the employee who suffered an injury. Any money remaining after all of the expenses incurred by the employee named to benefit from a donation have been paid may be transferred to a general pool. The commissioner may use the pool to pay unreimbursed medical expenses for another state employee named to benefit from donated vacation time but whose unreimbursed expenses exceed the monetary value of the donated time.

History: *1990 c 571 s 25; 1991 c 9 s 1; 1994 c 516 s 1; 2008 c 204 s 42; 2009 c 101 art 2 s 109; 2025 c 39 art 3 s 17*

43A.1815 VACATION DONATION TO SICK LEAVE ACCOUNT.

(a) In addition to donations under section 43A.181, a state employee may donate a total of up to 40 hours of accrued vacation leave each fiscal year to the sick leave account of one or more state employees. A state employee may not be paid for more than 80 hours in a payroll period during which the employee uses sick leave credited to the employee's account as a result of a transfer from another state employee's vacation account.

(b) At retirement, eligible state employees may donate additional accumulated vacation hours in excess of their vacation payout at time of retirement, into a general pool, even if they already have donated 40 hours.

(c) The recipient employee must receive donations, as available, for a life-threatening condition of the employee or spouse or dependent child that prevents the employee from working. A recipient may use program donations retroactively to when all forms of paid leave are exhausted if the employee has sufficient donations to cover the period of retroactivity. A recipient who receives program donations under this section may use up to 80 hours of program donations after the death of a spouse or dependent child.

(d) An applicant for benefits under this section who receives an unfavorable determination may select a designee to consult with the commissioner or commissioner's designee on the reasons for the determination.

(e) The commissioner shall establish procedures under section 43A.04, subdivision 4, for eligibility, duration of need based on individual cases, monitoring and evaluation of individual eligibility status, and other topics related to administration of this program.

History: *1996 c 425 s 6; 2009 c 101 art 2 s 61; 2014 c 166 s 1; 2025 c 39 art 3 s 18*

43A.182 MS 1996 [Repealed, 1997 c 97 s 20]

43A.183 PAYMENT OF SALARY DIFFERENTIAL TO RESERVE FORCES WHO REPORT FOR ACTIVE SERVICE.

Subdivision 1. **Payment required.** Each agency head shall pay to each eligible member an amount equal to the person's salary differential for each month or portion of month that the person is ordered to serve in active service.

This payment may be made only to a person for whom the amount in subdivision 2, paragraph (b), clause (1), is greater than the amount in subdivision 2, paragraph (b), clause (2). Payments must be made at the intervals at which the member received pay as a state employee, except that any back pay due under this section may be paid as a lump sum. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve. An eligible member may apply for the salary differential benefits authorized under this section no later than two years after completion of active service. The eligible member must be provided with notice as described in subdivision 4 of the two-year deadline. A copy of military orders showing active service must be provided prior to payment.

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Salary differential" means the difference between:

(1) the person's monthly total gross earnings as an active state employee, excluding any overtime pay received but including all other earnings, averaged over the last three full months of the person's active state employment prior to reporting to active service, and including any additional salary or earnings adjustments that the person would have received at any time during the person's authorized leave from state employment had the person been serving as an active state employee during that time; and

(2) the person's monthly base pay in active service.

(c) "Eligible member" means:

(1) any member of the National Guard or other reserve component of the United States armed forces who was an employee of the state of Minnesota at the time the member took military leave under section 192.261 to report for active military service; and

(2) any member of any other nonmilitary reserve component of the uniformed services of the United States who was an employee of Minnesota at the time the member took properly authorized leave from state employment under substantially comparable federal or state authority ordering the person to report for federal or state active service.

(d) "State employee" means an employee of the executive, judicial, or legislative branch of state government or an employee of the Minnesota State Retirement System, the Public Employee Retirement Association, or the Teachers Retirement Association.

(e) "Active service" has the meaning given in section 190.05, subdivision 5, for military members, and includes substantially comparable service for reserve members of other nonmilitary components of the uniformed services of the United States, but excludes service performed exclusively for purposes of:

(1) basic training, advanced individual training, annual training, and periodic inactive duty training;

(2) special training periodically made available to reserve members;

(3) service performed in accordance with section 190.08, subdivision 3; and

(4) service performed as part of the active guard/reserve program pursuant to United States Code, title 32, section 502(f), or other applicable authority, as well as substantially comparable service by members of other nonmilitary components of the uniformed services of the United States.

Subd. 3. **Health and dental coverage.** The agency head must continue the employee's enrollment in health and dental coverage, and the employer contribution toward that coverage, until the employee reports for active service. If the employee had elected dependent coverage for health or dental coverage as of the time that the employee reported for active service, the agency head must offer the employee the option to continue the dependent coverage at the employee's own expense. The agency head must permit the employee to continue participating in any pretax account in which the employee participated when the employee reported for active service, to the extent of employee pay available for that purpose. An employee who has opted to continue a permitted benefit may cancel that continuation at any time during the person's authorized leave from state employment by written notification from the employee, or from the employee's designated attorney-in-fact under a power of attorney, to the agency head or the commissioner of management and budget.

Subd. 4. **Notice.** The agency head must periodically inform in writing all agency personnel who are or may be members of the reserve component of the United States armed forces or any other nonmilitary reserve component of the uniformed services of the United States of the benefits provided under this section and of the procedures relevant to securing those benefits, including, but not limited to, any procedures regarding the continuation and discontinuation of any optional deductions. It will suffice to meet this requirement if the agency head posts the information on the agency website in a highly recognizable manner that can be easily found and understood by the employees to whom it might apply.

Upon being ordered to active service, the employee must notify the agency head of that order in a timely manner and must provide to the agency head the name of and contact information for the employee's designated attorney-in-fact under a power of attorney. Prior to the commencement of the employee's authorized leave from state employment, the agency head must ensure the agency's receipt of that information and immediately convey that information to the commissioner of management and budget, including any subsequent change in that designation by the employee. When communicating with the employee during the person's leave, the agency head and the commissioner of management and budget must immediately provide a copy of the communication to the employee's designated attorney-in-fact. Those officials must

also honor requests for information or other appropriate directives from that designee on behalf of the employee during the employee's leave.

Subd. 5. **Procedures.** The commissioner of management and budget shall adopt procedures required to implement this section. The procedures are exempt from chapter 14.

Subd. 6. **Exclusion.** This section does not apply to a judge, legislator, or constitutional officer of the executive branch.

History: *2003 c 123 s 1; 2005 c 35 s 1; 2006 c 273 s 1; 2008 c 204 s 17-19; 2009 c 101 art 2 s 109; 2022 c 54 art 2 s 1*

43A.184 SICK LEAVE FOR VETERANS WITH SERVICE-RELATED DISABILITIES.

On a form prescribed by the commissioner, a state employee who is a veteran with a service-related disability may apply to the employee's appointing authority for additional sick leave to receive treatment for the disability, as provided in this section. The employee must qualify as a veteran under section 197.447, and have a sick leave balance that is insufficient to receive treatment for the disability. If the appointing authority approves the request, the appointing authority shall authorize up to 40 hours of sick leave for the employee in the current fiscal year. The appointing authority may approve sick leave for an employee under this section one time in each fiscal year.

History: *2009 c 101 art 2 s 62*

43A.185 DISASTER VOLUNTEER LEAVE.

Subdivision 1. **Leave authorized.** A state employee who is a certified disaster service volunteer of the American Red Cross may be granted leave from work with 100 percent of pay, not to exceed 15 working days in each year, to participate in specialized disaster relief services for the American Red Cross. The employee must be released from work for this function upon the request of the American Red Cross for the services of that employee, and upon the approval of that employee's appointing authority. The appointing authority shall compensate the employee granted leave under this section at 100 percent of the employee's regular rate of pay for those regular hours during which the employee is absent from work. This leave, if granted by the appointing authority, may not affect the employee's vacation leave, pension, compensatory time, personal vacation days, sick leave, earned overtime accumulation, or cause a loss of seniority.

Subd. 2. **Liability.** The state is not liable for workers' compensation claims arising from accident or injury while a state employee is on assignment as a certified disaster service volunteer for the American Red Cross. Duties performed while on disaster leave are not considered to be a work assignment by a state agency. The employee is granted leave based on the need for expertise in the employee's certified area. Job functions, although similar or related to the employee's state job functions, are performed on behalf of and for the benefit of the American Red Cross.

History: *1994 c 583 s 1; 1998 c 356 s 1*

43A.187 BLOOD DONATION LEAVE.

A state employee must be granted leave from work with 100 percent of pay to donate blood at a location away from the place of work. The total amount of leave used under this section may not exceed three hours in a 12-month period, and must be determined by the employee. A state employee seeking leave from work under this section must provide 14 days' notice to the appointing authority. This leave must not affect the

employee's vacation leave, pension, compensatory time, personal vacation days, sick leave, earned overtime accumulation, or cause a loss of seniority.

History: *2008 c 318 art 1 s 11; 2026 c 116 s 1*

43A.19 AFFIRMATIVE ACTION.

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 effects of past and present discrimination, intended or unintended, on the basis of protected group status, the commissioner shall adopt and periodically revise, if necessary, a statewide affirmative action program. The statewide affirmative action program must consist of at least the following:

(1) objectives, 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 are established;

(3) the analysis of separation patterns to determine the impact on protected group members; and

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

Agency heads must report the data in clause (3) to the state Director of Affirmative Action and the state ADA coordinator, in addition to being available to anyone upon request. The commissioner must annually post the aggregate and agency-level reports under clause (4) on the agency's website.

(b) The commissioner shall establish statewide affirmative action goals for each of the federal Equal Employment Opportunity (EEO) occupational categories applicable to state employment, using at least the following factors:

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

(2) the availability for promotion or transfer of current employees who are members of protected classes.

(c) The commissioner may use any of the following factors in addition to the factors required under paragraph (b):

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

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

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

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

(e) The commissioner shall designate a statewide ADA and disability employment director. The commissioner may delegate the preparation, revision, implementation, evaluation, and administration of the program to the director. The director must administer the 700-hour on-the-job demonstration experience

under the customized employment program and disabled veteran's employment programs. The ADA and disability employment director shall have education, knowledge, and skills in disability policy, employment, and the ADA. The commissioner may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a.

(f) Agency affirmative action plans, including reports and progress, must be posted on the agency's public and internal websites within 30 days of being approved. The commissioner of management and budget shall post a link to all executive branch agency-approved affirmative action plans on its public website. Accessible copies of the affirmative action plan must be available to all employees and members of the general public upon request.

Subd. 2. MS 1984 [Repealed, 1Sp1985 c 13 s 376]

Subd. 3. **Exemptions.** Implementation of the provisions of this section shall not be deemed a violation of other provisions of this chapter or chapter 363A.

History: *1981 c 210 s 19; 1982 c 560 s 29; 1Sp1985 c 13 s 171; 1988 c 667 s 10; 1995 c 248 art 10 s 7; 1999 c 182 s 13; 2004 c 287 s 2; 2008 c 204 s 42; 2009 c 101 art 2 s 109; 2023 c 62 art 8 s 15; 2025 c 39 art 3 s 19*

43A.191 AGENCY AFFIRMATIVE ACTION PROGRAMS.

Subdivision 1. **Affirmative action officers.** (a) Each agency with 1,000 employees or more shall have at least one full-time affirmative action officer, who shall have primary responsibility for developing and maintaining the agency's affirmative action plan. The officer shall devote full time to affirmative action activities. The affirmative action officer shall report administratively and on policy issues directly to the agency head. The affirmative action officer shall be in the classified service.

(b) The agency heads shall assign affirmative action officers or designees for agencies with fewer than 1,000 employees. The designees shall report administratively and on policy issues directly to the agency head.

(c) An agency may not use authority under section 43A.08, subdivision 1a, to place the position of an agency affirmative action officer or designee in the unclassified service.

Subd. 2. **Agency affirmative action plans.** (a) The head of each agency in the executive branch shall prepare and implement an agency affirmative action plan consistent with this section and rules issued under section 43A.04, subdivision 3.

(b) The agency plan must include a plan for the provision of reasonable accommodation in the hiring and promotion of qualified persons with disabilities. The reasonable accommodation plan must consist of at least the following:

(1) procedures for compliance with sections 16E.03, subdivision 9, 363A.08 to 363A.19, and 363A.28, subdivision 10, and, where appropriate, regulations implementing United States Code, title 29, section 794, as amended through December 31, 1984, which is section 504 of the Rehabilitation Act of 1973, as amended and the Americans with Disabilities Act, United States Code, title 42, sections 101 to 108, 201 to 231, 241 to 246, 401, 402, and 501 to 514;

(2) methods and procedures for providing timely access to reasonable accommodations during the application process, throughout current employment, and when seeking promotion;

(3) provisions for funding reasonable accommodations; and

(4) the number of requests made, the number of requests approved, and the number of requests reimbursed from the state accommodation account under section 16B.4805.

(c) The agency plan must be prepared by the agency head with the assistance of the agency affirmative action officer and the director of diversity and equal employment opportunity. The agency may consult with the Council on Disability, vocational rehabilitation services, state services for the blind, and other disability experts to review and make recommendations on recruitment and retention of people with disabilities.

(d) The agency plan must identify any positions in the agency that can be used for supported employment as defined in section 268A.01, subdivision 13, of persons with significant disabilities. The agency shall report this information to the commissioner. An agency that hires more than one supported worker in the identified positions must receive recognition for each supported worker toward meeting the agency's affirmative action goals and objectives.

(e) An agency affirmative action plan may not be implemented without the commissioner's approval.

Subd. 2a. **Disability recruitment, hiring, and advancement.** (a) Each agency affirmative action plan must include a section that provides sufficient assurances, procedures, and commitments to provide adequate hiring, placement, and advancement opportunities for individuals with disabilities at all levels of state employment. The criteria for this section of the agency affirmative action plan must include a section on disability hiring and advancement, including the provisions in this subdivision.

(b) The plan must describe specific actions to ensure that a broad range of individuals with disabilities will be aware of and be encouraged to apply for job vacancies when eligible. The actions must include, at a minimum:

(1) the use of programs and resources that identify job applicants with disabilities who are eligible to be appointed under a hiring authority that takes disability into account, consistent with the demonstration program under section 43A.15, subdivision 14. The programs may include the Department of Employment and Economic Development's Vocational Rehabilitation Services and State Services for the Blind that provide the qualifications necessary for positions within the agency to individuals with disabilities. Resources may include databases of individuals with disabilities who previously applied to the agency but were not hired for the positions they applied for, and training and internship programs that lead directly to employment for individuals with disabilities; and

(2) establishment and maintenance of contacts, that may include formal agreements, with organizations that specialize in providing assistance to individuals with disabilities in securing and maintaining employment, such as the Department of Employment and Economic Development's Vocational Rehabilitation Services, State Services for the Blind, community rehabilitation programs, day training and habilitation programs, and employment network service providers.

(c) The plan must ensure that the agency has designated sufficient staff to handle any disability-related issues that arise during the application and selection process, and shall require the agency to provide staff with sufficient training, support, and other resources to carry out the responsibilities under this section. Responsibilities include, at a minimum:

(1) ensuring that disability-related questions from members of the public regarding the agency's application and selection processes are answered promptly and correctly, including questions about reasonable accommodations needed by job applicants during the application and selection process and questions about how individuals may apply for positions under hiring authorities that take disability into account;

(2) processing requests for reasonable accommodations needed by job applicants during the application and placement process and ensuring that the agency provides such accommodations when required;

(3) accepting applications for a position under hiring authorities that take disability into account;

(4) if an individual has applied for appointment to a particular position under a hiring authority that takes disability into account, determining whether the individual is eligible for appointment under such authority and if so forwarding the individual's application to the relevant hiring officials with an explanation of how and when the individual may be appointed, consistent with all applicable laws; and

(5) overseeing any other agency programs designed to increase hiring of individuals with disabilities.

Subd. 3. **Audits; sanctions and incentives.** (a) The commissioner shall annually audit the record of each agency to determine the rate of compliance with affirmative action requirements. The commissioner must report all audit findings to the governor if a state agency fails to meet any of its affirmative action requirements for two consecutive years.

(b) By March 1 of each odd-numbered 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 Ways and Means Committee of the house of representatives, the Governmental Operations Committees of both houses of the legislature, and the Legislative Coordinating Commission. The report must include noncompetitive appointments made under section 43A.08, subdivision 2a, or 43A.15, subdivisions 3 to 7, 10, and 12, and cover each agency's rate of compliance with affirmative action requirements. The report must be made available to the public on the department's website.

(c) An agency that does not meet its hiring goals must justify its nonaffirmative action hires in competitive appointments and noncompetitive appointments made under section 43A.08, subdivisions 1, clauses (9), (11), and (16), and 2a; and section 43A.15, subdivisions 3, 10, 12, and 13, according to criteria issued by the department. In addition, an agency shall:

(1) demonstrate a good faith effort to recruit protected group members by following an active recruitment plan;

(2) implement a coordinated retention plan; and

(3) have an established complaint resolution procedure.

(d) The commissioner shall develop reporting standards and procedures for measuring compliance.

(e) An agency is encouraged to develop other innovative ways to promote awareness, acceptance, and appreciation for diversity and affirmative action. These innovations will be considered when evaluating an agency's compliance with this section.

(f) An agency not in compliance with affirmative action requirements of this section must identify methods and programs to improve performance, to reallocate resources internally in order to increase support for affirmative action programs, and to submit program and resource reallocation proposals to the commissioner for approval. An agency must submit these proposals within 120 days of being notified by the commissioner that it is out of compliance with affirmative action requirements. The commissioner shall monitor quarterly the affirmative action programs of an agency found to be out of compliance.

(g) The commissioner shall establish a program to recognize an agency that has made significant and measurable progress in implementing an affirmative action plan.

(h) The commissioner must maintain and make available, on an annual basis, summary data as defined in section 13.02, subdivision 19, on the percentage of members of each protected group as defined in section 43A.02, subdivision 33, that were hired in the executive branch in each of the federal Equal Employment Opportunity (EEO) occupational categories applicable to state employment. Nothing in this provision, however, shall require any person to disclose their protected group status, nor shall it require the commissioner or any appointing authority to determine the protected group status of any person.

History: *1Sp1985 c 13 s 172; 1987 c 186 s 7; 1987 c 354 s 8; 1988 c 667 s 11; 1990 c 571 s 26,27; 1992 c 513 art 9 s 2; 1995 c 248 art 10 s 8-10; 1996 c 305 art 1 s 11; 2004 c 207 s 26; 2007 c 35 s 1; 2008 c 204 s 42; 2009 c 101 art 2 s 109; 1Sp2019 c 10 art 2 s 12,13; 2023 c 62 art 8 s 16*

43A.192 MS 1988 [Repealed, 1990 c 426 art 1 s 12]

43A.20 PERFORMANCE APPRAISAL AND PAY.

The commissioner shall design and maintain a performance appraisal system under which each employee in the civil service in the executive branch shall be evaluated and counseled on work performance at least once a year. Individual pay increases for all employees not represented by an exclusive representative certified pursuant to chapter 179A shall be based on the evaluation and other factors the commissioner includes in the plans developed pursuant to section 43A.18. Collective bargaining agreements entered into pursuant to chapter 179A may, and are encouraged to, provide for pay increases based on employee work performance.

History: *1981 c 210 s 20; 1999 c 182 s 14*

43A.21 TRAINING PROGRAMS.

Subdivision 1. **Authority; purpose.** The commissioner, in coordination with the statewide ADA and disability employment director and chief inclusion officer, shall develop and interpret policy and administer and, to the extent possible, conduct programs in training and development for employees to, at a minimum:

(1) promote individual, group and agency efficiency and effectiveness;

(2) build employee capacity to deliver accessible and inclusive services to the public, including people with disabilities; and

(3) support an inclusive work environment for employees with disabilities and employees of other protected classes.

Subd. 2. **Responsibilities.** (a) The commissioner is responsible for developing and coordinating consistent training policy which shall be binding on all state agencies in the executive branch. The policies shall include conditions under which employees may receive or be assigned to training; internships and work-training programs; minimum and maximum training standards for employee participation and agency reporting requirements. At a minimum, state employees must receive annual training on statutes or policies related to:

(1) Title II of the Americans with Disabilities Act;

(2) the state's affirmative action policy;

(3) equal opportunity employment; and

(4) digital accessibility standards.

(b) Career development training is a permissive subject of collective bargaining. Each appointing authority in the executive branch, including the Minnesota State Retirement System and the Teachers Retirement Association, is primarily responsible for planning, budgeting, conducting and evaluating training programs.

Subd. 3. **Programs.** (a) The commissioner or the commissioner's designee shall design and implement management training and development programs for the state service. The programs shall include but not be limited to mandatory training and development requirements for managers and supervisors. No person shall acquire permanent status in a management or supervisory position in the classified service until training and development requirements have been met.

(b) All managers and supervisors must receive training on inclusive work environments, disability awareness, cultural competence, and other equity and diversity areas.

(c) Agencies shall conduct an annual Americans with Disabilities Act self-assessment to ensure training programs meet the standards for universal design in learning.

Subd. 4. **Funds.** For purposes of training and development, the commissioner is authorized to apply for and accept funds from any source including reimbursement charges from agencies for reasonable program costs. Funds received shall be deposited in the special revenue fund of the state treasury and shall be appropriated annually to the department for the purposes for which they are received.

Subd. 5. MS 1992 [Repealed, 1994 c 429 s 5]

Subd. 6. **Accessibility.** The commissioner must ensure that all training content and platforms meet the accessibility standards under section 16E.03, subdivisions 2, clause (3), and 9. Reasonable accommodations must be implemented in a timely and appropriate manner to ensure that all state employees can participate in state-offered trainings. All state employees, including ADA coordinators and human resources staff, must have the training and resources to implement an accessible and inclusive workplace.

History: *1981 c 210 s 21; 1983 c 299 s 18; 1Sp1985 c 17 s 8; 1989 c 335 art 4 s 106; 1994 c 429 s 3; 2023 c 62 art 8 s 17-20*

43A.211 MS 1998 [Repealed, 1995 c 254 art 1 s 97]

43A.22 BENEFITS; INTENT.

(a) It is the intent of the state to provide eligible employees and other eligible persons with life insurance and hospital, medical, and dental benefits coverage through provider organizations, hereafter referred to as "carriers," authorized to do business in the state.

(b) The commissioner may self-insure any hospital and medical plan offered under sections 43A.22 to 43A.31 to promote reasonably stable and predictable premiums for hospital and medical benefits paid by the state and its employees and to promote affordable, ongoing relationships between employees and dependents and their medical providers. The commissioner shall consult with the commissioners of commerce and health and human services regarding the development and reporting of quality of care measures.

History: *1981 c 210 s 22; 1999 c 250 art 1 s 72*

43A.23 CONTRACTING AUTHORITY.

Subdivision 1. **General.** (a) The commissioner is authorized to request proposals or to negotiate and to enter into contracts with parties which in the judgment of the commissioner are best qualified to provide

service to the benefit plans. Contracts entered into are not subject to the requirements of sections 16C.16 to 16C.19. The commissioner may negotiate premium rates and coverage. 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 that the commissioner deems appropriate. Each benefit contract 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. A carrier licensed under chapter 62A is exempt from the taxes imposed by chapter 297I on premiums paid to it by the state.

(b) All self-insured hospital and medical service products must comply with coverage mandates, data reporting, and consumer protection requirements applicable to the licensed carrier administering the product, had the product been insured, including chapters 62J, 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or provide different levels of coverage between network and nonnetwork providers shall comply with section 62D.123 and geographic access standards for health maintenance organizations adopted by the commissioner of health in rule under chapter 62D.

(c) Notwithstanding paragraph (b), a self-insured hospital and medical product offered under sections 43A.22 to 43A.30 is required to extend dependent coverage to an eligible employee's child to the full extent required under chapters 62A and 62L. Dependent child coverage must, at a minimum, extend to an eligible employee's dependent child to the limiting age as defined in section 62Q.01, subdivision 2a, disabled children to the extent required in sections 62A.14 and 62A.141, and dependent grandchildren to the extent required in sections 62A.042 and 62A.302.

(d) Beginning January 1, 2010, the health insurance benefit plans offered in the nonrepresented employees compensation plan under section 43A.18, subdivision 2, and the managerial plan under section 43A.18, subdivision 3, may include an option for a health plan that is compatible with the definition of a high-deductible health plan in section 223 of the United States Internal Revenue Code. The commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance within 30 days of electing to eliminate the health plan option authorized under this paragraph. The notification must include the commissioner's rationale for this decision.

Subd. 2. **Contract to contain statement of benefits.** (a) Each contract under sections 43A.22 to 43A.30 shall contain a detailed statement of benefits offered and shall include any maximums, limitations, exclusions, and other definitions of benefits the commissioner deems necessary or desirable. Each hospital and medical benefits contract shall provide benefits at least equal to those required by section 62E.06, subdivision 2.

(b) All summaries of benefits describing the hospital and medical service benefits offered to state employees must comply with laws and rules for content and clarity applicable to the licensed carrier administering the product. Referral procedures must be clearly described. The commissioners of commerce and health may review the summaries of benefits and advise the commissioner on any changes needed to ensure compliance.

Subd. 3. **Contract with insurance carriers.** The commissioner of management and budget 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.

Subd. 4. **Coverage for autism spectrum disorders.** For participants in the state employee group insurance program, the commissioner of management and budget must administer the identical benefit as is required under section 62A.3094.

History: *1981 c 210 s 23; 1983 c 290 s 1; 1983 c 301 s 101; 1984 c 544 s 81; 1984 c 642 s 2; 1988 c 667 s 12,13; 1990 c 571 s 28; 1991 c 199 art 2 s 1; 1998 c 386 art 2 s 20; 1999 c 250 art 1 s 73,74; 2000 c 394 art 2 s 1; 2005 c 156 art 3 s 1; 2007 c 35 s 2; 2007 c 147 art 12 s 1; 2008 c 204 s 20,42; 2008 c 358 art 4 s 1; 2009 c 94 art 3 s 7; 2009 c 101 art 2 s 109; 2013 c 84 art 1 s 1; 2013 c 108 art 12 s 2; 2017 c 99 s 1; 2025 c 39 art 3 s 20,21; 2026 c 119 art 2 s 10*

43A.231 PROCUREMENT OF A PHARMACY BENEFIT MANAGER AND A PLATFORM TECHNOLOGY VENDOR.

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Market check" means a technology-driven evaluation of prescription drug pricing based on benchmarks derived from reverse auction processes conducted in the United States over the immediately preceding 12 months.

(c) "Pharmacy benefit management services" means:

(1) the procurement of prescription drugs at a negotiated rate for dispensation within the State Employees Group Insurance Program (SEGIP) to enrollees;

(2) the administration and management of the prescription drug benefit under SEGIP; and

(3) any services defined in section 62W.02, subdivisions 8, 12, and 15, paragraph (a).

(d) "Pharmacy benefit manager" has the meaning given in section 62W.02, subdivision 15, paragraph (a).

(e) "Price" means the projected cost of a bid for providing pharmacy benefit management services over the duration of the contract.

(f) "Reverse auction" means an automated bidding process conducted online that starts with an opening price and allows qualified bidders to counteroffer a lower price for multiple rounds of bidding.

(g) "SEGIP" means the State Employees Group Insurance Program under sections 43A.22 to 43A.31.

Subd. 2. **Purpose.** The purpose of this section is to optimize prescription drug savings in SEGIP through:

(1) contracting with a pharmacy benefit manager to manage and administer the prescription drug benefit for SEGIP;

(2) the adoption of a reverse auction process for the selection of a pharmacy benefit manager;

(3) providing a process for the electronic review and validation of pharmacy benefit manager claims invoices for the purpose of reconciling pharmacy bills;

(4) market checks of the pharmacy benefit manager's prescription drug pricing; and

(5) limiting independent pharmacies from unsustainable reimbursement practices.

Subd. 3. **Procurement of a pharmacy benefit manager.** (a) Notwithstanding any law to the contrary, the commissioner of management and budget shall procure a contract for the services of a pharmacy benefit manager to administer the prescription drug benefit and pharmacy benefit management services, effective January 1, 2023.

(b) For the contract effective January 1, 2023, the commissioner shall conduct a reverse auction as described in this section to select the pharmacy benefit manager and use a reverse auction for procurement of subsequent pharmacy benefit manager contracts as provided in subdivision 5, paragraph (b).

(c) In consultation with the technology platform vendor selected under subdivision 4, the commissioner shall specify the terms of a participant bidding agreement that all bidders must accept as a prerequisite for participation in the reverse auction process, including:

(1) common definitions;

(2) prescription drug classifications;

(3) retail pricing rules, including maximum allowable cost price lists and dispensing fees; and

(4) any other contract terms the commissioner deems necessary to further the purpose of this section as specified under subdivision 2.

(d) A pharmacy benefit manager who submits a bid under this subdivision must provide the commissioner access to complete pharmacy claims data necessary for the commissioner to conduct the reverse auction and to carry out administrative and management duties.

(e) The terms of a contract entered into under this subdivision shall not be modified by the pharmacy benefit manager except with the approval of the commissioner.

(f) The commissioner may structure the contract awarded under this subdivision to pay the cost of the technology platform and the associated professional services contracted for under this subdivision by assessing a fee per prescription to be paid directly by the pharmacy benefit manager to the technology platform vendor.

(g) The commissioner must perform annual market checks on pharmacy benefit manager services performed by the pharmacy benefit manager during the term of the contract. A market check performed under this paragraph may include an evaluation of the effect of alternative drug pricing metrics, such as the national average drug acquisition cost and average wholesale price, on the cost of prescription drugs and savings to the state.

(h) The commissioner shall make regular, periodic payment of invoices within the time periods specified in the contract based on the automated adjudication of invoiced claims using the technology platform to validate that claims payments comply with the terms of the contract.

(i) The joint labor-management committee on health plans shall assist in the process through which the commissioner conducts the reverse auction, evaluation, and comparison of the competing pharmacy benefit manager bids for award of the contract.

Subd. 4. **Technology platform.** (a) At least three months before the reverse auction process is scheduled to be completed, the commissioner shall procure through a competitive bidding process a contract with a professional services vendor for a technology platform and any associated professional services necessary to operate the platform to:

(1) evaluate the qualifications of prospective pharmacy benefit manager bidders for the pharmacy benefit manager procurement;

(2) automatically adjudicate prescription drug claims; and

(3) collect data on pharmacy reimbursement.

(b) The platform procured under paragraph (a) must have the following capabilities to ensure optimal performance of the reverse auction and security of data:

(1) host and conduct an online automated reverse auction:

(i) using a software application and high-performance data infrastructure to intake, cleanse, and normalize pharmacy benefit manager data; and

(ii) with development methods and information security standards that have been validated by receiving Service Organization Control 2 (SOC 2) and National Institute of Standards and Technology certification;

(2) automate repricing of diverse and complex pharmacy benefit manager prescription drug pricing proposals to enable direct comparisons of the price of bids using all annual claims data available for the program using code-based classification or prescription drugs from nationally accepted drug sources;

(3) simultaneously evaluate, within six hours, diverse and complex multiple proposals from full-service pharmacy benefit managers that shall include at least guaranteed net cost, Average Wholesale Price and National Average Drug Acquisition Cost (NADAC) pricing models, as well as proposals from pharmacy benefit administrators and specialty drug and rebate carve-out services providers;

(4) produce an automated report and analysis of bids, including ranking of bids on the comparative costs and qualitative aspects of the costs within six hours after the close of each round of reverse auction bidding; and

(5) after the close of the reverse auction process, perform an electronic, line-by-line, claim-by-claim review of all invoiced pharmacy benefit manager claims within six hours of receipt that allows for an online comparison of pharmacy benefit manager invoices and identifies all deviations from the specific terms of the services contract resulting from the reverse auction.

(c) The commissioner may require additional capabilities or more rigorous standards than those specified in paragraph (b).

(d) The commissioner shall not award the platform technology vendor contract under this subdivision to:

(1) a pharmacy benefit manager;

(2) a subsidiary or affiliate of a pharmacy benefit manager; or

(3) a vendor who is managed by a pharmacy benefit manager or who receives, directly or indirectly, remuneration from a pharmacy benefit manager for aggregating clients into a contractual relationship with a pharmacy benefit manager.

(e) The vendor who is awarded the contract under this subdivision must not subcontract any part of the reverse auction process or the review described under paragraph (b), clause (5).

Subd. 5. **Report; savings determination; process for selecting successor pharmacy benefit manager.** (a) The commissioner of management and budget, with the assistance of an actuarial consultant, shall compare the following: (1) actual, electronically adjudicated prescription drug costs under the first two years of the contract that begins on January 1, 2023, with a pharmacy benefit manager that was selected by the reverse auction; and (2) a projection of what prescription drug costs would have been for those same two years under the pharmacy benefit manager contract in effect from 2018 to 2022, with appropriate adjustment for any adopted formulary or beneficiary utilization changes. The projection must use industry-recognized data sources. The commissioner of management and budget shall report the results of the comparison to the legislative auditor and to the chairs and ranking minority members of the committees in the senate and house of representatives with jurisdiction over state government finance and policy by March 1, 2025.

(b) The commissioner of management and budget must require the actuarial consultant to take appropriate measures to ensure that the consultant's work is not compromised by a conflict of interest.

(c) By April 1, 2025, the legislative auditor shall provide a report to the commissioner of management and budget and to the chairs and ranking minority members of the committees in the senate and house of representatives with jurisdiction over state government finance and policy. The legislative auditor's report must make a determination as to whether the commissioner's report accurately performs the comparison required under paragraph (a).

(d) The technology platform vendor shall provide to the commissioner of management and budget and to the legislative auditor the electronically adjudicated prescription drug data and any other support or assistance required by the commissioner of management and budget to prepare a report and for the legislative auditor to validate the accuracy of the commissioner's results of the comparison, by deadlines established by the commissioner of management and budget and the legislative auditor. Individual-identifying data received from the technology platform vendor is private data on individuals, as defined by section 13.02, subdivision 12.

(e) If the commissioner of management and budget determines that savings on prescription drug costs were not achieved, based on the comparison required under paragraph (a), with appropriate adjustment for any adopted formulary or beneficiary utilization changes, the commissioner may forego the use of a reverse auction for procurement of a successor pharmacy benefit manager contract. If the commissioner of management and budget determines that savings have been achieved, the commissioner must select the successor pharmacy benefit manager contract using the reverse auction process described in this section. If the commissioner's comparison in paragraph (a) finds that savings are not achieved, the commissioner's report under paragraph (a) must include the commissioner's findings that support a determination that savings were not achieved, analysis of the factors that caused a failure to achieve savings, and recommendations for how savings could be achieved in the next contract with a pharmacy benefit manager.

Subd. 6. **Data protections.** The commissioner of management and budget may only enter into an agreement with a technology platform vendor if the agreement provides privacy protections for data collected and maintained by the technology platform vendor, including:

(1) procedures for the prevention of unauthorized access or use;

(2) a prohibition on the sale of data collected and maintained as provided in the agreement; and

(3) a prohibition on dissemination of data unless authorized by state or federal law or the agreement.

History: *1Sp2021 c 12 art 2 s 8*

43A.24 ELIGIBILITY FOR STATE PAID INSURANCE AND BENEFITS.

Subdivision 1. **General.** Employees, including persons on layoff from a civil service position, and employees who are employed less than full time, shall be eligible for state paid life insurance and hospital, medical and dental benefits as provided in collective bargaining agreements or plans established pursuant to section 43A.18.

Subd. 1a. **Opt out.** (a) An individual eligible for state-paid hospital, medical, and dental benefits under this section has the right to decline those benefits, provided the individual declining the benefits can prove health insurance coverage from another source. Any individual declining benefits must do so in writing, signed and dated, on a form provided by the commissioner.

(b) The commissioner must create, and make available in hard copy and online a form for individuals to use in declining state-paid hospital, medical, and dental benefits. The form must, at a minimum, include notice to the declining individual of the next available opportunity and procedure to re-enroll in the benefits.

Subd. 2. **Other eligible persons.** The following persons are eligible for state paid life insurance and hospital, medical, and dental benefits as determined in applicable collective bargaining agreements or by the commissioner or by plans pursuant to section 43A.18, subdivision 6. Coverages made available, including optional coverages, are as contained in the plan established pursuant to section 43A.18, subdivision 2:

(1) a member of the state legislature, provided that changes in benefits resulting in increased costs to the state shall not be effective until expiration of the term of the members of the existing house of representatives. An eligible member of the state legislature may decline to be enrolled for state paid coverages by filing a written waiver with the commissioner. The waiver shall not prohibit the member from enrolling the member or dependents for optional coverages, without cost to the state, as provided for in section 43A.26. A member of the state legislature who returns from a leave of absence to a position previously occupied in the civil service shall be eligible to receive the life insurance and hospital, medical, and dental benefits to which the position is entitled;

(2) an employee of the legislature or an employee of a permanent study or interim committee or commission or a state employee on leave of absence to work for the legislature, during a regular or special legislative session, as determined by the Legislative Coordinating Commission;

(3) a judge of the appellate courts or an officer or employee of these courts; a judge of the district court, a judge of county court, or a judge of county municipal court; a district court referee, judicial officer, court reporter, or law clerk; a district administrator; an employee of the Office of the District Administrator that is not in the Second or Fourth Judicial District; a court administrator or employee of the court administrator in a judicial district under section 480.181, subdivision 1, paragraph (b), and a guardian ad litem program employee;

(4) a salaried employee of the Public Employees Retirement Association;

(5) a full-time military or civilian officer or employee in the unclassified service of the Department of Military Affairs whose salary is paid from state funds;

(6) an employee of the Minnesota Historical Society, whether paid from state funds or otherwise, who is not a member of the governing board;

(7) notwithstanding section 43A.27, subdivision 3, an employee of the state of Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65 years of age on July 1, 1982, who is otherwise eligible for employee and dependent insurance and benefits pursuant to section 43A.18 or other law, who

has at least 20 years of service and retires, earlier than required, within 60 days of March 23, 1982; or an employee who is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state service and retires, earlier than required, from employment at Rochester state hospital after July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982, and is covered by the Minnesota State Retirement System correctional employee retirement plan or the State Patrol retirement fund, who has at least 20 years of state service and retires, earlier than required, within 60 days of March 23, 1982. For purposes of this clause, a person retires when the person terminates active employment in state or University of Minnesota service and applies for a retirement annuity. Eligibility shall cease when the retired employee attains the age of 65, or when the employee chooses not to receive the annuity that the employee has applied for. The retired employee shall be eligible for coverages to which the employee was entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established pursuant to section 43A.18, for employees in positions equivalent to that from which retired, provided that the retired employee shall not be eligible for state-paid life insurance. Coverages shall be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program;

(8) an employee of an agency of the state of Minnesota identified through the process provided in this paragraph who is eligible to retire prior to age 65. The commissioner and the exclusive representative of state employees shall enter into agreements under section 179A.22 to identify employees whose positions are in programs that are being permanently eliminated or reduced due to federal or state policies or practices. Failure to reach agreement identifying these employees is not subject to impasse procedures provided in chapter 179A. The commissioner must prepare a plan identifying eligible employees not covered by a collective bargaining agreement in accordance with the process outlined in section 43A.18, subdivisions 2 and 3. For purposes of this paragraph, a person retires when the person terminates active employment in state service and applies for a retirement annuity. Eligibility ends as provided in the agreement or plan, but must cease at the end of the month in which the retired employee chooses not to receive an annuity, or the employee is eligible for employer-paid health insurance from a new employer. The retired employees shall be eligible for coverages to which they were entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established under section 43A.18 for employees in positions equivalent to that from which they retired, provided that the retired employees shall not be eligible for state-paid life insurance;

(9) employees of the state Board of Public Defense, with eligibility determined by the state Board of Public Defense in consultation with the commissioner of management and budget; and

(10) employees of supporting organizations of Enterprise Minnesota, Inc., established after July 1, 2003, under section 116O.05, subdivision 4, as paid for by the supporting organization.

Subd. 3. MS 1992 [Repealed, 1993 c 122 s 7]

Subd. 4. **For-profit health maintenance organizations prohibited.** The commissioner must ensure that state paid hospital, medical, and dental benefits are not provided to eligible employees by a health maintenance organization which is not a nonprofit corporation organized under chapter 317A or a local governmental unit, as defined in section 62D.02.

History: *1981 c 37 s 2; 1981 c 210 s 24; 1982 c 522 s 1; 1983 c 247 s 20; 1986 c 444; 1987 c 186 s 8; 1988 c 605 s 1; 1989 c 81 s 2,3; 1989 c 335 art 3 s 3; 1990 c 594 art 2 s 2; 1993 c 146 art 2 s 10; 1995 c 189 s 8; 1995 c 248 art 10 s 11; 1996 c 277 s 1; 1996 c 305 art 1 s 12; 1999 c 216 art 7 s 2; 2000 c 457 s 5; 2003 c 128 art 15 s 2; 1Sp2003 c 14 art 7 s 88; 2008 c 204 s 42; 2008 c 290 s 2; 2009 c 101 art 2 s 109; 2014 c 174 s 2; 1Sp2017 c 4 art 2 s 26; 2024 c 127 art 57 s 1; 2025 c 39 art 3 s 22,23*

43A.241 INSURANCE CONTRIBUTIONS; FORMER EMPLOYEES.

(a) This section applies to a person who:

(1) was employed by the commissioner of corrections, the commissioner of human services, or the Direct Care and Treatment executive board;

(2) was covered by the correctional employee retirement plan under section 352.91 or the general state employees retirement plan of the Minnesota State Retirement System as defined in section 352.021;

(3) while employed under clause (1), was assaulted by:

(i) a person under correctional supervision for a criminal offense; or

(ii) a client or patient at the Minnesota Sex Offender Program, or at a state-operated forensic services program as defined in section 352.91, subdivision 3j; and

(4) as a direct result of the assault under clause (3), was determined to be totally and permanently physically disabled under laws governing the Minnesota State Retirement System.

(b) For a person to whom this section applies, the commissioner of corrections, the commissioner of human services, or the Direct Care and Treatment executive board, using existing budget resources, must continue to make the employer contribution for medical and dental benefits under the State Employee Group Insurance Program after the person terminates state service. If the person had dependent coverage at the time of terminating state service, employer contributions for dependent coverage also must continue under this section. The employer contributions must be in the amount of the employer contribution for active state employees at the time each payment is made. The employer contributions must continue until the person reaches age 65, provided the person makes the required employee contributions, in the amount required of an active state employee, at the time and in the manner specified by the commissioner.

History: *2014 c 158 s 1; 2015 c 65 art 5 s 1; 2015 c 71 art 4 s 1; 2024 c 79 art 9 s 3; 2025 c 38 art 3 s 4*

43A.25 MS 1988 [Repealed, 1989 c 81 s 4]

43A.26 OPTIONAL COVERAGES.

The commissioner may make available to eligible persons and their dependents certain optional coverages provided by carriers selected by the commissioner. Eligible employees may elect to purchase optional coverages at their own expense.

History: *1981 c 210 s 26*

43A.27 ELIGIBILITY FOR INDIVIDUAL PAID INSURANCE AND BENEFITS.

Subdivision 1. **General.** Notwithstanding any other provisions of this chapter, the persons listed in subdivisions 2 and 3, and their dependents, may elect to enroll at their own expense in the appropriate life insurance, hospital, medical and dental benefits, and optional coverages at the time, in the manner, and under conditions of eligibility the commissioner prescribes and otherwise approves. The commissioner may also provide for payroll deductions to be made in the same manner and under the same conditions as provided in section 43A.30, subdivision 2, authorizing payroll deductions for an eligible employee and the employee's dependents.

Subd. 2. **Elective eligibility.** The following persons, if not otherwise covered by section 43A.24, may elect coverage for themselves or their dependents at their own expense:

(1) a state employee, including persons on layoff from a civil service position as provided in collective bargaining agreements or a plan established pursuant to section 43A.18;

(2) an officer or employee of the State Agricultural Society, Center for Rural Policy and Development, Agricultural Utilization Research Institute, State Horticultural Society, Sibley House Association, Minnesota Humanities Center, Minnesota Area Industry Labor Management Councils, Minnesota International Center, Minnesota Academy of Science, Science Museum of Minnesota, Minnesota Safety Council, state Office of Disabled American Veterans, state Office of the American Legion and its auxiliary, state Office of Veterans of Foreign Wars and its auxiliary, or state Office of the Military Order of the Purple Heart;

(3) a civilian employee of the adjutant general who is paid from federal funds and who is not eligible for benefits from any federal civilian employee group life insurance or health benefits program;

(4) an officer or employee of the Affinity Plus Federal Credit Union; and

(5) an employee of the joint underwriting association pursuant to section 62I.121 or Minnesota FAIR plan pursuant to section 65A.35, subdivision 5, unless the commissioner determines that making these employees eligible to purchase this coverage would cause the state employee group insurance program to lose its status as a governmental plan or would cause the program to be treated as a multiemployer welfare arrangement.

Subd. 3. **Retired employees.** (a) A person may elect to purchase at personal expense individual and dependent hospital, medical, and dental coverages if the person is:

(1) a retired employee of the state or an organization listed in subdivision 2 or section 43A.24, subdivision 2, who, at separation of service:

(i) is immediately eligible to receive a retirement benefit under chapter 354B or an annuity under a retirement program sponsored by the state or such organization of the state;

(ii) immediately meets the age and service requirements in section 352.115, subdivision 1; and

(iii) has five years of service or meets the service requirement of the collective bargaining agreement or plan, whichever is greater; or

(2) a retired employee of the state who is at least 50 years of age and has at least 15 years of state service.

(b) The commissioner shall offer at least one plan which is actuarially equivalent to those made available through collective bargaining agreements or plans established under section 43A.18 to employees in positions equivalent to that from which retired.

(c) A spouse of a person eligible under paragraph (a) 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 retiree's death.

(d) A spouse of a person eligible under paragraph (a) who is a dependent under the retired employee's coverage may purchase the coverage listed in this subdivision if the retired employee loses eligibility for coverage because the retired employee enrolls in medical assistance under chapter 256B and has a disability that meets the categorical eligibility requirements of the Supplemental Security Income program.

(e) Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Until the retired employee reaches age 65, the retired employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance. Coverage for retired employees and their dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left. 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 within 30 days after the effective date of the retirement of intent to exercise this option.

Subd. 4. **Retired judges; former legislators.** (a) Retired judges or former legislators may elect to purchase coverage for themselves or their dependents at their own expense as provided in paragraphs (b) and (c).

(b) A retired judge of the state supreme court, the court of appeals, a district court, a county court, a county municipal court, or a probate court may elect to purchase coverage provided persons listed in section 43A.24, subdivision 2, clause (3). The commissioner shall notify judges no later than the effective date of their retirement of their right to exercise the option provided in this subdivision. A retired judge must notify the commissioner or designee of the commissioner within 30 days after the effective date of retirement if the judge intends to exercise the option.

(c) A former member of the legislature may elect to purchase coverage provided persons listed in section 43A.24, subdivision 2, clause (1).

Subd. 5. **Employees of exclusive representatives.** Upon request of an exclusive representative of state employees listed in section 179A.10, subdivision 2, those employees of exclusive representatives whose duties involve representing state employees for at least 75 percent of their time and their dependents may elect to enroll at their own expense in the appropriate 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.

Subd. 6. MS 1994 [Repealed, 1996 c 310 s 1]

History: *1981 c 210 s 27; 1982 c 424 s 5; 1982 c 560 s 30; 1983 c 247 s 21; 1984 c 654 art 2 s 69; 1985 c 32 s 1; 1986 c 444; 1987 c 384 art 2 s 1; 1987 c 394 s 2; 1988 c 667 s 14,15; 1989 c 282 art 2 s 2; 1990 c 571 s 29; 1992 c 488 s 1; 1995 c 248 art 10 s 12; 1995 c 254 art 1 s 65,66; 1997 c 79 s 16; 1997 c 97 s 7,20; 1999 c 222 art 19 s 1; 2009 c 78 art 9 s 8; 2014 c 184 s 1; 2025 c 39 art 2 s 52; art 3 s 24*

43A.28 ENROLLMENT.

Subdivision 1. **General.** The time, manner, and conditions and terms of eligibility for enrollment of persons eligible for state paid or individual paid life insurance, hospital, medical and dental benefits, and optional coverages authorized shall be determined and prescribed by the commissioner according to collective bargaining agreements and plans established pursuant to section 43A.18.

Subd. 2. **Audit data.** Data submitted to the commissioner by individuals for the purposes of a dependent eligibility audit conducted pursuant to Laws 2011, First Special Session chapter 10, article 3, section 40, for life insurance and hospital, medical, and dental benefits are private data on individuals as defined in section 13.02, subdivision 12, provided that the data may be shared with and used by an employer if necessary to pursue any action arising out of apparent ineligibility of a dependent.

History: *1981 c 210 s 28; 2012 c 290 s 65*

43A.281 MS 2012 [Expired, 2012 c 290 s 66]

43A.29 CONTRIBUTIONS BY STATE.

The total contribution by the state for eligible state employees and for dependents of eligible state employees shall be prescribed by collective bargaining agreements or plans established pursuant to section 43A.18.

History: *1981 c 210 s 29*

43A.30 PAYMENT OF PREMIUMS.

Subdivision 1. **Payments from agency revenues.** Each agency shall pay the amounts due for state paid life insurance and hospital, medical and dental benefits coverage authorized for eligible employees pursuant to this chapter.

Each agency shall pay the amounts from accounts and funds from which the agency receives its revenues, including appropriations from the general fund and from any other fund, now or hereafter existing for the payment of salaries and in the same proportion as it pays therefrom the amounts of salaries. In order to enable the commissioner of management and budget to maintain proper records covering the appropriations pursuant to this section, the commissioner of management and budget may require certifications in connection with payments as the commissioner of management and budget deems necessary from the Minnesota Historical Society, the University of Minnesota, or any agency whose employees receive benefits pursuant to this chapter. The accounts and funds from which agencies receive appropriations under the terms of this section are a source of revenue for the purposes of any other law or statutory enactment.

Subd. 2. **Payroll deduction.** If an eligible person who is on any payroll of the state or an eligible person's dependents is enrolled for any of the optional coverages made available by the commissioner pursuant to section 43A.26 the commissioner of management and budget, upon the person's written order, shall deduct from the salary or wages of the person those amounts required from time to time to maintain the optional coverages in force, and issue a payment therefor to the appropriate carrier.

Subd. 3. 1981 c 210 s 30 [Repealed, 1Sp1981 c 4 art 4 s 10]

Subd. 4. **Employee insurance trust fund.** The commissioner may direct that all or a part of the amounts paid for life insurance, hospital, medical, and dental benefits, and optional coverages authorized for eligible employees and other eligible persons be deposited by the state in an employee insurance trust fund in the state treasury, from which the approved claims of eligibles are to be paid. Investment income and investment losses attributable to the investment of the fund shall be credited to the fund. There is appropriated from the fund to the commissioner amounts needed to pay the approved claims of eligibles, related service charges, insurance premiums, and refunds. The commissioner shall not market or self-insure life insurance. The commissioner may market and self-insure dental and optional coverages. Nothing in this subdivision precludes the commissioner from determining plan design, providing informational materials, or communicating with employees about coverages.

Subd. 5. **Administration.** The commissioner may administer the employee insurance program. The commissioner may assess agencies, and employers of persons eligible for state-paid insurance and benefits under section 43A.24, the cost of these administrative services, including assessment, referral, and training services provided by the employee assistance program under section 43A.319, and include it in the amounts billed for life insurance, hospital, medical, and dental benefits, and optional coverages authorized. Receipts from the assessments must be deposited in the state treasury and credited to a special account in the employee insurance trust fund and are appropriated to the commissioner to pay these administrative costs.

Subd. 6. **Contingency reserve.** The commissioner shall maintain a contingency reserve within the employee insurance trust fund. The reserve must be used to increase the controls over medical plan provisions and insurance costs for the state's employee populations. The reserve consists of appropriations from the general fund, receipts from billings to agencies, and credited investment gains and losses attributable to balances in the account. The State Board of Investment shall invest the assets of the account according to section 11A.24.

History: *1981 c 210 s 30; 1984 c 654 art 2 s 68; 1Sp1985 c 13 s 174,175; 1986 c 444; 1987 c 186 s 9; 1997 c 79 s 17; 1997 c 97 s 8,9; 1998 c 366 s 50; 1999 c 250 art 1 s 75,114; 2004 c 143 s 1; 2008 c 204 s 21,22; 2009 c 101 art 2 s 109; 1Sp2019 c 10 art 3 s 40*

43A.31 ADMINISTRATION.

Subdivision 1. **General.** The commissioner shall maintain records, prepare reports, and perform all functions necessary to carry out the intent of sections 43A.22 to 43A.30. Upon request of the commissioner, the commissioner of management and budget shall perform necessary accounting and disbursement functions.

Subd. 2. MS 2012 [Repealed, 2013 c 134 s 31]

Subd. 3. **Agency reports and records.** Each agency shall keep the records, make the certifications, and furnish the commissioner or carriers with the information and reports necessary to enable the commissioner or carriers to carry out their functions under sections 43A.22 to 43A.30.

Subd. 4. MS 1992 [Repealed, 1993 c 337 s 20]

Subd. 5. **Customer assistance.** The commissioner shall employ staff for the purposes of assisting state employees and their dependents in:

(1) understanding their benefits and coverage levels;

(2) obtaining information and responses to questions regarding issues of coverage, benefits, and service from carriers and providers; and

(3) making use of all grievance, appeals, and complaint resolution processes provided by law or contract.

Subd. 6. **Dissemination of information.** The commissioner may electronically transmit to active employees all information necessary to administer sections 43A.22 to 43A.30, including, but not limited to, information necessary for open enrollment elections. The commissioner must provide notification that the information will be electronically transmitted.

History: *1981 c 210 s 31; 1983 c 260 s 14; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92; 1986 c 444; 1999 c 250 art 1 s 76,77; 2005 c 144 s 3; 2009 c 101 art 2 s 109*

43A.311 DRUG PURCHASING PROGRAM.

The commissioner, in conjunction with the commissioner of human services and other state agencies, shall evaluate whether participation in a multistate or multiagency drug purchasing program can reduce costs or improve the operations of the drug benefit programs administered by the department and other state agencies. The commissioner and other state agencies may enter into a contract with a vendor or other states for purposes of participating in a multistate or multiagency drug purchasing program.

History: *1Sp2003 c 1 art 2 s 61; 2008 c 204 s 23*

43A.312 MS 2008 [Renumbered 62J.63]

43A.315 MS 2024 [Repealed, 2025 c 39 art 3 s 30]

43A.316 PUBLIC EMPLOYEES INSURANCE PROGRAM.

Subdivision 1. **Intent.** The legislature finds that the creation of a statewide program to provide public employees and other eligible persons with life insurance and hospital, medical, and dental benefit coverage through provider organizations would result in a greater utilization of government resources and would advance the health and welfare of the citizens of the state.

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 management and budget.

(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;

(2) an elected public official of an eligible employer who is insurance eligible;

(3) 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, so long as the plan meets the requirements of a governmental plan under United States Code, title 29, section 1002(32); or

(4) a person employed by a county or municipal hospital.

(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 120A.05, service cooperative as defined in section 123A.21, intermediate district as defined in section 136D.01, Cooperative Center for Vocational Education as defined in section 123A.22, regional management information center as defined in section 123A.23, 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);

(3) a county or municipal hospital; or

(4) 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) **Program.** "Program" means the statewide public employees insurance program created by subdivision 3.

Subd. 3. **Public employee insurance program.** The commissioner shall be the administrator of the public employee insurance program and may determine its funding arrangements. The commissioner shall model the program after the plan established in section 43A.18, subdivision 2, but may modify that plan.

Subd. 4. MS 2012 [Repealed, 2014 c 286 art 1 s 5]

Subd. 5. **Public employee participation.** (a) Participation in the program is subject to the conditions in this subdivision.

(b) Each exclusive representative for an eligible employer determines whether the employees it represents will participate in the program. The exclusive representative shall give the employer notice of intent to participate at least 30 days before the expiration date of the collective bargaining agreement preceding the collective bargaining agreement that covers the date of entry into the program. The exclusive representative and the eligible employer shall give notice to the commissioner of the determination to participate in the program at least 30 days before entry into the program. Entry into the program is governed by a schedule established by the commissioner.

(c) Employees not represented by exclusive representatives may become members of the program upon a determination of an eligible employer to include these employees in the program. Either all or none of the employer's unrepresented employees must participate. The eligible employer shall give at least 30 days' notice to the commissioner before entering the program. Entry into the program is governed by a schedule established by the commissioner.

(d) Participation in the program is for a four-year term. Participation is automatically renewed for an additional four-year term unless the exclusive representative, or the employer for unrepresented employees, gives the commissioner notice of withdrawal at least 30 days before expiration of the participation period. A group that withdraws must wait two years before rejoining. An exclusive representative, or employer for unrepresented employees, may also withdraw if premiums increase 20 percent or more from one insurance year to the next.

(e) The exclusive representative shall give the employer notice of intent to withdraw to the commissioner at least 30 days before the expiration date of a collective bargaining agreement that includes the date on which the term of participation expires.

(f) Each participating eligible employer shall notify the commissioner of names of individuals who will be participating within two weeks of the commissioner receiving notice of the parties' intent to participate. The employer shall also submit other information as required by the commissioner for administration of the program.

Subd. 6. **Coverage.** (a) By January 1, 1989, the commissioner shall announce the benefits of the program. The program shall include employee hospital, medical, dental, and life insurance for employees and hospital and medical benefits for dependents. Health maintenance organization options and other delivery system options may be provided if they are available, cost-effective, and capable of servicing the number of people covered in the program. Participation in optional coverages may be provided by collective bargaining agreements. For employees not represented by an exclusive representative, the employer may offer the optional coverages to eligible employees and their dependents provided in the program.

(b) The commissioner shall periodically assess whether it is financially feasible for the program to offer or to continue an individual retiree program that has competitive premium rates and benefits. If the commissioner determines it to be feasible to offer an individual retiree program, the commissioner shall announce the applicable benefits, premium rates, and terms of participation. Eligibility to participate in the individual retiree program is governed by subdivision 8, but applies to retirees of eligible employers that do not participate in the program and to those retirees' dependents and surviving spouses.

Subd. 6a. **Chiropractic services.** All benefits provided by the program or a successor program relating to expenses incurred for medical treatment or services of a physician must also include chiropractic treatment

and services of a chiropractor to the extent that the chiropractic services and treatment are within the scope of chiropractic licensure.

This subdivision is intended to provide equal access to benefits for program members who choose to obtain treatment for illness or injury from a doctor of chiropractic, as long as the treatment falls within the chiropractor's scope of practice. This subdivision is not intended to change or add to the benefits provided for in the program.

Subd. 7. **Premiums.** The proportion of premium paid by the employer and employee is subject to collective bargaining or personnel policies. If, at the beginning of the coverage period, no collective bargaining agreement has been finalized, the increased dollar costs, if any, from the previous year is the sole responsibility of the individual participant until a collective bargaining agreement states otherwise. Premiums, including an administration fee, shall be established by the commissioner. Each employer shall pay monthly the amounts due for employee benefits including the amounts under subdivision 8 to the commissioner no later than the dates established by the commissioner. If an employer fails to make the payments as required, the commissioner may cancel program benefits and pursue other civil remedies.

Subd. 8. **Continuation of coverage.** (a) A former employee of an employer participating in the program who is receiving a public pension disability benefit or an annuity or has met the age and service requirements necessary to receive an annuity under chapter 353, 353C, 354, 354A, 356, or 423, or Minnesota Statutes 2008, chapter 422A, and the former employee's dependents, are eligible to participate in the program. This participation is at the person's expense unless a collective bargaining agreement or personnel policy provides otherwise. Premiums for these participants must be established by the commissioner.

The commissioner may provide policy exclusions for preexisting conditions only when there is a break in coverage between a participant's coverage under the employment-based group insurance program and the participant's coverage under this section. An employer shall notify an employee of the option to participate under this paragraph no later than the effective date of retirement. The retired employee or the employer of a participating group on behalf of a current or retired employee shall notify the commissioner within 30 days of the effective date of retirement of intent to participate in the program according to the rules established by the commissioner.

(b) The spouse of a deceased employee or former employee may purchase the benefits provided at premiums established by the commissioner if the spouse was a dependent under the employee's or former employee's coverage under this section at the time of the death. The spouse remains eligible to participate in the program as long as the group that included the deceased employee or former employee participates in the program. Coverage under this clause must be coordinated with relevant insurance benefits provided through the federally sponsored Medicare program.

(c) The program benefits 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) A participant who discontinues coverage may not reenroll.

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

Subd. 9. **Insurance trust fund.** The insurance trust fund in the state treasury consists of deposits of the premiums received from employers participating in the program and transfers before July 1, 1994, from the excess contributions holding account established by Minnesota Statutes 1995 Supplement, section 353.65,

subdivision 7. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. Premiums paid by employers to the fund are exempt from the taxes imposed by chapter 297I. The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid. The State Board of Investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.

Subd. 10. **Exemption.** The public employee insurance program and, where applicable, the employers participating in it are exempt from chapters 60A, 62A, 62C, 62D, 62E, and 62H; section 471.617, subdivisions 2 and 3; and the bidding requirements of section 471.6161. The public employee insurance program must follow the requirements of section 471.6161, subdivision 8.

Subd. 11. **Proposal from school district; response required.** Upon receipt of a request for a proposal from a school district pursuant to section 471.6161, subdivision 8, the public employees insurance program shall respond to the request within 60 days.

History: *1987 c 404 s 89; 1988 c 605 s 2; 1988 c 629 s 13; 1988 c 667 s 16-19; 1989 c 90 s 1; 1989 c 319 art 6 s 1; 1990 c 571 s 30-36; 1990 c 589 art 2 s 1; 1991 c 128 s 4; 1991 c 291 art 9 s 1; 1992 c 488 s 2; 1992 c 491 s 1-4; 1994 c 632 art 3 s 46; 1995 c 248 art 10 s 13; 1Sp1995 c 3 art 13 s 1; 1996 c 412 art 13 s 1; 1998 c 271 s 1; 1998 c 397 art 11 s 3; 2000 c 394 art 2 s 2; 2001 c 161 s 11; 2008 c 204 s 42; 2009 c 101 art 2 s 109; 2010 c 359 art 12 s 5; 1Sp2011 c 8 art 8 s 3,14; 2014 c 279 s 1,2; 2014 c 286 art 1 s 1-3; 2017 c 40 art 1 s 6; 2024 c 95 s 1*

43A.317 Subdivision 1. MS 2024 [Repealed, 2025 c 39 art 3 s 30]

Subd. 2. MS 2024 [Repealed, 2025 c 39 art 3 s 30]

Subd. 3. MS 2024 [Repealed, 2025 c 39 art 3 s 30]

Subd. 4. MS 2012 [Repealed, 2014 c 286 art 1 s 5]

Subd. 5. MS 2024 [Repealed, 2025 c 39 art 3 s 30]

Subd. 6. MS 2024 [Repealed, 2025 c 39 art 3 s 30]

Subd. 7. MS 2024 [Repealed, 2025 c 39 art 3 s 30]

Subd. 8. MS 2024 [Repealed, 2025 c 39 art 3 s 30]

Subd. 9. MS 2024 [Repealed, 2025 c 39 art 3 s 30]

Subd. 10. MS 2024 [Repealed, 2025 c 39 art 3 s 30]

Subd. 11. MS 1994 [Repealed, 1996 c 310 s 1]

Subd. 12. MS 2024 [Repealed, 2025 c 39 art 3 s 30]

43A.318 Subdivision 1. MS 2024 [Repealed, 2025 c 39 art 3 s 30]

Subd. 2. MS 2024 [Repealed, 2025 c 39 art 3 s 30]

Subd. 3. MS 2006 [Repealed, 2007 c 133 art 2 s 13]

Subd. 4. MS 2024 [Repealed, 2025 c 39 art 3 s 30]

Subd. 5. MS 2024 [Repealed, 2025 c 39 art 3 s 30]

43A.319 EMPLOYEE ASSISTANCE PROGRAM.

The commissioner shall provide an employee assistance program of training, assessment, counseling, and referral services for state employees and their dependents.

History: *1984 c 531 s 3; 1984 c 544 s 44; 1984 c 655 art 2 s 13 subd 1; 1986 c 444; 1987 c 365 s 11; 1989 c 343 s 5; 1993 c 337 s 2; 1999 c 250 art 1 s 114; 2004 c 143 s 2*

43A.32 POLITICAL ACTIVITIES.

Subdivision 1. **Prohibition.** No employee shall, directly or indirectly, during hours of employment solicit or receive funds for political purposes, or use official authority or influence to compel an employee in the classified service to apply for membership in or become a member of any political organization, to pay or promise to pay any assessment, subscription, or contribution or to take part in any political activity.

Subd. 2. **Leaves of absence for elected public officials, candidates.** Except as herein provided any officer or employee in the classified service shall:

(1) take leave of absence upon assuming an elected federal office or an elected state office other than state legislative office or, if elected to state legislative office, during times that the legislature is in session;

(2) take leave of absence upon assuming any elected public office other than enumerated in clause (1), if, in the opinion of the commissioner, the holding of the office conflicts with regular state employment; and

(3) upon request, be granted leave of absence upon becoming a candidate, or during the course of candidacy, for any elected public office.

All requests for opinions of the commissioner and all opinions from the commissioner under the provisions of clause (2) shall be in writing and shall be delivered by mail or by use of a facsimile machine.

The commissioner shall issue an opinion under the provisions of clause (2) within seven calendar days of receipt of the request.

Subd. 3. **Leave of absence.** No executive branch officer or employee in the unclassified service who is covered by a collective bargaining agreement, and no executive branch officer or employee in the classified service, may be required to take a leave of absence upon becoming a candidate, or during the course of candidacy, for any elected public office. Said officers and employees shall take leave of absence upon assuming an elected federal office or an elected state office other than state legislative office or, if elected to state legislative office, during times that the legislature is in session.

Subd. 4. **Leave for legislative service.** An officer or employee elected to state legislative office and required to take a leave of absence under subdivision 2 or 3 has the same rights with respect to accrued and future seniority status, efficiency rating, vacation, insurance benefits, sick leave, and other benefits as if the leave had not been taken. The appointing authority must not subtract a period of mandatory legislative leave when determining the officer's or employee's length of service. The officer's or employee's pension and

retirement benefit rights are as provided for local government employees under section 3.088, subdivisions 3 and 6.

History: *1981 c 210 s 32; 1986 c 444; 1987 c 281 s 1,2; 1994 c 429 s 4; 2026 c 92 art 2 s 2*

43A.321 VOLUNTEER FIREFIGHTER AND RESCUE WORKERS; AGREEMENTS.

(a) An employee may reach an agreement with the employee's appointing authority to respond to emergency calls as a volunteer emergency fire or rescue worker during working hours, provided that:

(1) the employee does not respond to a call when the employee's sudden absence would endanger others; and

(2) the employee remits to the appointing authority any compensation received for responding to the call.

(b) If such an agreement is entered into:

(1) the appointing authority shall make no deductions from the employee's wages or sick or vacation time for time spent responding to calls; and

(2) workers' compensation liability is the responsibility of the entity for which the emergency services are provided while the employee is responding to the call.

History: *1993 c 136 s 1*

43A.325 BEST PRACTICES FOR INVESTIGATIONS.

The commissioner of management and budget must develop and make available to appointing authorities in the executive branch a best practices policy for conducting investigations in which the appointing authority compels its employees to answer questions about allegedly inappropriate activity. The best practices policy must be designed to facilitate effective investigations, without compromising the ability to prosecute criminal cases when appropriate. Each appointing authority must follow the best practices policy or, in consultation with the attorney general, must develop its own policy for conducting these investigations.

History: *2009 c 101 art 2 s 63,109*

43A.33 GRIEVANCES.

Subdivision 1. **Discharge, suspension, demotion for cause, salary decrease.** Managers and employees shall attempt to resolve disputes through informal means prior to the initiation of disciplinary action. No permanent employee in the classified service shall be reprimanded, discharged, suspended without pay, or demoted, except for just cause.

Subd. 2. **Just cause.** For purposes of this section, just cause includes, but is not limited to, consistent failure to perform assigned duties, substandard performance, insubordination, and serious violation of written policies and procedures, provided the policies and procedures are applied in a uniform, nondiscriminatory manner.

Subd. 2a. **Abuse.** In an arbitration or hearing proceeding involving discipline of an employee for allegedly abusing a resident of a state hospital or a state nursing home, "abuse" includes but is not limited to:

(1) conduct which constitutes abuse under policies or procedures adopted by state hospitals or state nursing homes; or

(2) any act which constitutes a violation under sections 609.221 to 609.235, 609.322, 609.342, 609.343, 609.344, or 609.345; or

(3) the intentional and nontherapeutic infliction of physical pain or injury, or any persistent course of conduct intended to produce mental or emotional distress.

Subd. 3. **Procedures.** (a) Procedures for discipline and discharge of employees covered by collective bargaining agreements shall be governed by the agreements. Procedures for employees not covered by a collective bargaining agreement shall be governed by this subdivision and by the commissioner's and managerial plans.

(b) For discharge, suspension without pay or demotion, no later than the effective date of such action, a permanent classified employee not covered by a collective bargaining agreement shall be given written notice by the appointing authority. The content of that notice as well as the employee's right to reply to the appointing authority shall be as prescribed in the grievance procedure contained in the applicable plan established pursuant to section 43A.18. The notice shall also include a statement that the employee may elect to appeal the action to the Bureau of Mediation Services within 30 calendar days following the effective date of the disciplinary action. A copy of the notice and the employee's reply, if any, shall be filed by the appointing authority with the commissioner no later than ten calendar days following the effective date of the disciplinary action. The commissioner shall have final authority to decide whether the appointing authority shall settle the dispute prior to the hearing provided under this subdivision.

(c) For discharge, suspension, or demotion of an employee serving an initial probationary period, and for noncertification in any subsequent probationary period, grievance procedures shall be as provided in the plan established pursuant to section 43A.18.

(d) Within ten days of receipt of the employee's written notice of appeal, the commissioner of the Bureau of Mediation Services shall provide both parties with a list of potential arbitrators according to the rules of the Bureau of Mediation Services to hear the appeal. The process of selecting the arbitrator from the list shall be determined by the plan. The hearing shall be conducted pursuant to the rules of the Bureau of Mediation Services. If the arbitrator finds, based on the hearing record, that the action appealed was not taken by the appointing authority for just cause, the employee shall be reinstated to the position, or an equal position in another division within the same agency, without loss of pay. If the arbitrator finds that there exists sufficient grounds for institution of the appointing authority's action but the hearing record establishes extenuating circumstances, the arbitrator may reinstate the employee, with full, partial, or no pay, or may modify the appointing authority's action. The appointing authority shall bear the costs of the arbitrator for hearings provided for in this section.

Subd. 4. MS 2004 [Repealed, 2005 c 114 s 3]

History: *1981 c 210 s 33; 1982 c 424 s 130; 1982 c 560 s 31-33; 1984 c 425 s 1; 1984 c 462 s 27; 1984 c 544 s 82,83; 1986 c 444; 1987 c 186 s 10; 2005 c 114 s 1; 2025 c 39 art 3 s 25*

43A.34 RETIREMENT.

Subdivision 1. MS 2005 Supp [Repealed, 2006 c 271 art 3 s 46]

Subd. 2. MS 1986 [Repealed, 1987 c 186 s 16; 1987 c 284 art 2 s 9]

Subd. 3. **Correctional personnel exempted.** Any employee of the state of Minnesota in a covered classification as defined in section 352.905, who is a member of the special retirement program for correctional

personnel established pursuant to sections 352.90 to 352.95, may elect to retire from employment in the covered correctional position upon reaching the age of 55 years.

Subd. 4. **Officers exempted.** Notwithstanding any provision to the contrary, (a) conservation officers and crime bureau officers who were first employed on or after July 1, 1973, and who are members of the State Patrol retirement fund by reason of their employment, and members of the Minnesota State Patrol Division and Alcohol and Gambling Enforcement Division of the Department of Public Safety who are members of the State Patrol Retirement Association by reason of their employment, may not continue employment after attaining the age of 60 years, except for a fractional portion of one year that will enable the employee to complete the employee's next full year of allowable service as defined pursuant to section 352B.011, subdivision 3; and (b) conservation officers and crime bureau officers who were first employed and are members of the State Patrol retirement fund by reason of their employment before July 1, 1973, may not continue employment after attaining the age of 70 years.

History: *1981 c 37 s 2; 1981 c 210 s 34; 1982 c 578 art 3 s 1; 1984 c 654 art 5 s 58; 1986 c 444; 1987 c 186 s 12,13; 1987 c 284 art 2 s 1,2; 1990 c 570 art 1 s 1; 1997 c 129 art 2 s 2; 2005 c 114 s 2; 2009 c 169 art 2 s 1; 2026 c 88 art 1 s 8*

43A.345 EARLY RETIREMENT INCENTIVE.

Subdivision 1. **Eligibility.** The incentive in subdivision 2 is available to any employee of the Bureau of Criminal Apprehension in the Department of Public Safety who:

(1) retires during the pay period in which the employee's 55th birthday occurs, or retires during the first pay period after the employee's 55th birthday in which the employee's anniversary date occurs;

(2) is covered by the State Patrol retirement fund and is eligible to receive an annuity from that fund at the time of retirement; and

(3) is receiving the full employer contribution for health and dental coverage immediately before retirement, or is on an unpaid leave of absence immediately before retirement which began not more than six months before retirement, during which leave the employee continues to be covered by the state group insurance program by employee payment of premiums.

Subd. 2. **Incentive.** For an employee who meets the requirements of subdivision 1, the employer shall pay the full employer contribution, as specified in the collective bargaining agreement with the bargaining unit in section 179A.10, subdivision 2, clause (1), for health and dental insurance for the employee and, if the employee had dependent coverage immediately before retirement, for the employee's dependents. Notwithstanding section 179A.20, subdivision 2a, the employer contributions under this subdivision must continue until the employee reaches age 65. The postretirement health and dental insurance coverage provided under this section is that coverage the employee was receiving as of the date of retirement, subject to any changes in coverage specified in the collective bargaining agreement with the bargaining unit in section 179A.10, subdivision 2, clause (1).

Subd. 3. **Pre-55 incentive.** An employee who meets the conditions in subdivision 1 but has attained the age of 50 but not yet 55 at the time of retirement must receive until age 65 an employer contribution of 120 times the amount of the monthly employer contribution applicable to the employee at the time of retirement, divided by the number of months from the date of retirement until the employee attains age 65.

Subd. 4. **Duration.** If a collective bargaining agreement with the bargaining unit in section 179A.10, subdivision 2, clause (1), does not contain an early retirement incentive similar to that provided in this

section, the benefits under this section are not available to an employee who retires after the implementation date of the agreement.

Subd. 5. **Transition.** An employee otherwise eligible for an early retirement incentive under subdivisions 1 and 2 who retires on or after the employee's 55th birthday and between June 30, 1997, and July 1, 1998, is entitled to the incentive in subdivision 2.

History: *1998 c 351 s 3*

43A.346 POSTRETIREMENT OPTION.

Subdivision 1. **Definition.** For purposes of this section, "terminated state employee" means a person who occupied a civil service position in the executive or legislative branch of state government, the Minnesota State Retirement System, the Public Employees Retirement Association, the Office of the Legislative Auditor, or a person who was employed by the Metropolitan Council.

Subd. 2. **Eligibility.** (a) This section applies to a terminated state employee who:

(1) for at least the five years immediately preceding separation under clauses (2) and (3), was regularly scheduled to work 1,044 or more hours per year in a position covered by a pension plan administered by the Minnesota State Retirement System or the Public Employees Retirement Association;

(2) terminated state or Metropolitan Council employment;

(3) at the time of termination under clause (2), met the age and service requirements necessary to receive an unreduced retirement annuity from the plan and satisfied requirements for the commencement of the retirement annuity or, for a terminated employee under the unclassified employees retirement plan, met the age and service requirements necessary to receive an unreduced retirement annuity from the plan and satisfied requirements for the commencement of the retirement annuity or elected a lump-sum payment; and

(4) agrees to accept a postretirement option position with the same or a different appointing authority, working a reduced schedule that is both (i) a reduction of at least 25 percent from the employee's number of previously regularly scheduled work hours; and (ii) 1,044 hours or less in state or Metropolitan Council service.

(b) For purposes of this section, an unreduced retirement annuity includes a retirement annuity computed under a provision of law which permits retirement, without application of an earlier retirement reduction factor, whenever age plus years of allowable service total at least 90.

(c) For purposes of this section, as it applies to state employees who are members of the Public Employees Retirement Association who are at least age 62, the length of separation requirement and termination of service requirement prohibiting return to work agreements under section 353.01, subdivisions 11a and 28, are not applicable.

Subd. 3. **Unclassified service.** Notwithstanding any law to the contrary, state postretirement option positions shall be in the unclassified service but shall not be covered by the Minnesota State Retirement System unclassified employees plan.

Subd. 4. **Annuity reduction not applicable.** Notwithstanding any law to the contrary, the provisions of section 352.115, subdivision 10, or 353.37 governing annuities of reemployed annuitants, shall not apply for the duration of a terminated state employee's employment in a postretirement option position.

Subd. 5. **Appointing authority discretion.** The appointing authority has sole discretion to determine if and the extent to which a postretirement option position under this section is available to a terminated state employee. Any offer of such a position must be made in writing to the person by the appointing authority on a form prescribed by the Department of Management and Budget and the Minnesota State Retirement System or the Public Employees Retirement Association. If the person is under age 62, an offer of a postretirement option position and any related verbal offer or agreement must not be made until at least 30 days after the person terminated employment. The appointing authority may not require a person to waive any rights under a collective bargaining agreement or unrepresented employee compensation plan as a condition of participation.

Subd. 6. **Duration.** Postretirement option employment is for an initial period not to exceed one year. During that period, the appointing authority may not modify the conditions of employment specified in the written offer without the person's consent, except as required by law or by the collective bargaining agreement or compensation plan applicable to the person. At the end of the initial period, the appointing authority has sole discretion to determine if the offer of a postretirement option position will be renewed, renewed with modifications, or terminated. Postretirement option employment may be renewed for periods of up to one year, not to exceed a total duration of five years. No person may be employed in one or a combination of postretirement option positions under this section for a total of more than five years.

Subd. 7. **Copy to fund.** The appointing authority shall provide the Minnesota State Retirement System or the Public Employees Retirement Association with a copy of the offer, the terminated state employee's acceptance of the terms, and any subsequent renewal agreement.

Subd. 8. **Service credit; contributions.** (a) Notwithstanding any law to the contrary, a person may not earn service credit in the Minnesota State Retirement System or the Public Employees Retirement Association for employment covered under this section.

(b) A person employed in a postretirement option position must not be required to make payroll deduction contributions to the Minnesota State Retirement System or the Public Employees Retirement Association during the period of postretirement option employment.

(c) The employer of a person in a postretirement option position who would otherwise be covered by the general state employees retirement plan of the Minnesota State Retirement System must make employer contributions to the general state employees retirement fund as specified in section 352.04, subdivision 3, during the period of postretirement option employment. The employer of the person in a postretirement option position who would otherwise be covered by the general employees retirement plan of the Public Employees Retirement Association must make employer and additional employer contributions to the general employees retirement fund as specified in section 353.27, subdivisions 3 and 3a, during the period of postretirement option employment.

(d) No change may be made to a monthly annuity or retirement allowance based on employment under this section.

Subd. 9. **Insurance contribution.** Notwithstanding any law to the contrary, the appointing authority must make an employer insurance contribution for a person who is employed in a postretirement option position under this section and who is not receiving any other state-paid or Metropolitan Council-paid employer insurance contribution. The amount of the contribution must be equal to the percent time worked in the postretirement option position (hours scheduled to be worked annually divided by 2,088) times 1.5 times the full employer contribution for employee-only health and dental coverage. The appointing authority must contribute that amount to a health reimbursement arrangement.

Subd. 10. **Subsequent employment.** If a person has been in a postretirement option position and accepts any other position in state or Metropolitan Council-paid service, in the subsequent state or Metropolitan Council-paid employment the person may not earn service credit in the Minnesota State Retirement System or Public Employees Retirement Association, no payroll deductions for the retirement fund may be made, and the provisions of section 352.115, subdivision 10, or 353.37, apply.

History: *2005 c 156 art 3 s 2; 2007 c 134 art 11 s 4,5; 2007 c 148 art 2 s 45; 2008 c 204 s 42; 2008 c 349 art 3 s 1-6; 2009 c 101 art 2 s 109; 2009 c 169 art 4 s 1,2; 2025 c 39 art 3 s 26,27; 2026 c 106 art 8 s 1,2*

43A.35 DEATH BENEFIT FOR RETIRED EMPLOYEES.

Employees who retire from the civil service on or after July 1, 1977, and before July 1, 1981, shall be entitled to a $500 cash death benefit payable to a beneficiary designated by the employee, if, at the time of the employee's death, the employee is entitled to an annuity under a state retirement program. A $500 cash death benefit shall also be payable to the designated beneficiary of an employee who becomes totally and permanently disabled after July 1, 1979, and before July 1, 1981, and who at the time of death is receiving a state disability benefit and is eligible for a deferred annuity under a state retirement program.

Employees who retire from the civil service on or after July 1, 1981 shall be entitled to a cash death benefit payable to a beneficiary designated by the employee if provided in collective bargaining agreements or plans pursuant to section 43A.18 in effect at the time of the employee's retirement.

History: *1981 c 210 s 35*

43A.36 RELATIONSHIPS WITH OTHER AGENCIES AND JURISDICTIONS.

Subdivision 1. **Cooperation; state agencies.** (a) The commissioner may delegate administrative functions associated with the duties of the commissioner to appointing authorities who have the capability to perform such functions when the commissioner determines that it is in the best interests of the state civil service. The commissioner shall consult with agencies and agencies shall cooperate as appropriate in implementation of this chapter.

(b) The commissioner, in conjunction with appointing authorities, shall analyze and assess current and future human resource requirements of the civil service and coordinate personnel actions throughout the civil service to meet the requirements. The commissioner shall provide recruiting assistance and make the applicant database available to appointing authorities to use in making appointments to positions in the unclassified service.

(c) The head of each agency in the executive branch shall designate an agency personnel officer. The agency personnel officer shall be accountable to the agency head for all personnel functions prescribed by laws, rules, collective bargaining agreements, the commissioner and the agency head. Except when otherwise prescribed by the agency head in a specific instance, the personnel officer shall be assumed to be the authority accountable to the agency head over any other officer or employee in the agency for personnel functions.

(d) The head of each agency in the executive branch shall designate an affirmative action officer who shall have primary responsibility for the administration of the agency's affirmative action plan. The officer shall report directly to the head of the agency on affirmative action matters.

(e) Pursuant to section 43A.431, the head of each agency in the executive branch shall designate an ADA coordinator who shall have primary responsibility for the administration of ADA policies, procedures, trainings, requests, and arbitration. The coordinator shall report directly to the agency head.

(f) The head of each agency in the executive branch must designate a Safe at Home coordinator who shall serve as the initial contact for staff of the Safe at Home program under chapter 5B. The coordinator is the designated employee of the government entity who must respond to inquiries from Safe at Home program staff regarding program participants, maintain knowledge of program requirements and procedures, communicate with entity staff and leadership about the entity's obligations under the Safe at Home program, and respond to inquiries from program participants regarding the entity's treatment of data protected under the Safe at Home program. This designation must occur by August 1, 2026. If a Safe at Home coordinator is not designated, the agency head shall serve as the coordinator.

Subd. 2. **Services available to political subdivisions.** The services and facilities of the department and its staff may be made available upon request to political subdivisions of the state. Enforcement and administration of other provisions of this chapter shall take precedence over the provision of the services and facilities. Political subdivisions shall reimburse the state for the reasonable cost of services and facilities.

Subd. 3. **Services exchanged with other jurisdictions.** The commissioner may enter into arrangements with personnel agencies in other jurisdictions to exchange services. The commissioner may also join or subscribe to any association or service having as its purpose the interchange of information relating to the practices of personnel administration and labor relations. The commissioner is authorized as an agent of the state of Minnesota to enter into contracts or cooperative agreements involving matters of personnel and labor relations with other governments within the United States.

History: *1981 c 210 s 36; 1997 c 79 s 18,19; 2004 c 207 s 27; 2023 c 62 art 8 s 21; 2025 c 39 art 3 s 28; 2026 c 67 s 6*

43A.37 PAYROLLS.

Subdivision 1. **Accuracy of payroll.** The appointing authority shall ensure that all employees have been appointed as required by law, rules, or administrative procedures and that the salary or compensation is within the compensation plan fixed by law. The appointing authority shall ensure that all employees are performing service as required by law. This provision does not apply to positions defined in section 43A.08, subdivision 1, clauses (8), (9), (10), and (12). Employees to whom this subdivision does not apply may be paid on the state's payroll system, and the appointing authority or fiscal officer submitting their payroll register is responsible for the accuracy and legality of the payments.

Salary or compensation claims presented against existing appropriations, which have been deemed in violation of the provisions of this subdivision, may be certified for payment if, upon investigation, the commissioner determines the personal services for which payment is claimed actually have been rendered in good faith without collusion and without intent to defraud.

Subd. 2. **Salaries paid contrary to provisions recovered from appointing employee.** Any sum intentionally paid contrary to the provisions of this section may be recovered from any employee making the appointments in contravention of the provisions of law or the rules, or from any employee signing or countersigning or authorizing the signing or countersigning of any warrant for the payment of the sum, or from the sureties on the official bond of any employee, in an action maintained by the commissioner in the district court of any county within the state. All money recovered in any action brought under this section when collected shall be paid into the state treasury.

Subd. 3. **Action against appointing employees; not reimbursed for sums paid.** Any person appointed contrary to the provisions of this chapter and the rules, whose payroll or account is refused certification, shall have an action against the employee employing or appointing or attempting to appoint the person for the amount due by reason of the employment or purported employment and the costs of the action. No

employee, during the time of official service, or thereafter, shall be reimbursed by the state for any sum recovered in any court action under subdivision 2.

History: *1981 c 210 s 37; 1982 c 560 s 34; 1990 c 571 s 37; 1991 c 238 art 1 s 6; 1994 c 632 art 3 s 47*

43A.375 DEDUCTION FOR EXPENSES; FRAUD OR MISTAKE.

If expenses are reimbursed to an employee by the employer under circumstances of fraud or mistake, the expenses may be deducted from wages earned by or due the employee.

History: *1997 c 97 s 10*

43A.38 CODE OF ETHICS FOR EMPLOYEES IN THE EXECUTIVE BRANCH.

Subdivision 1. **Definitions.** For the purpose of this section the following definitions shall apply:

(a) "Business" means any corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual or any other legal entity which engages either in nonprofit or profit making activities.

(b) "Confidential information" means any information obtained under government authority which has not become part of the body of public information and which, if released prematurely or in nonsummary form, may provide unfair economic advantage or adversely affect the competitive position of an individual or a business.

(c) "Private interest" means any interest, including but not limited to a financial interest, which pertains to a person or business whereby the person or business would gain a benefit, privilege, exemption or advantage from the action of a state agency or employee that is not available to the general public.

Subd. 2. **Acceptance of gifts; favors.** Employees in the executive branch in the course of or in relation to their official duties shall not directly or indirectly receive or agree to receive any payment of expense, compensation, gift, reward, gratuity, favor, service or promise of future employment or other future benefit from any source, except the state for any activity related to the duties of the employee unless otherwise provided by law. However, the acceptance of any of the following shall not be a violation of this subdivision:

(a) Gifts of nominal value or gifts or textbooks which may be accepted pursuant to section 15.43.

(b) Plaques or similar mementos recognizing individual services in a field of specialty or to a charitable cause.

(c) Payment of reimbursement expenses for travel or meals, not to exceed actual expenses incurred, which are not reimbursed by the state and which have been approved in advance by the appointing authority as part of the work assignment.

(d) Honoraria or expenses paid for papers, talks, demonstrations, or appearances made by employees on their own time for which they are not compensated by the state.

(e) Tips received by employees engaged in food service and room cleaning at restaurant and lodging facilities in Itasca State Park.

Subd. 3. **Use of confidential information.** An employee in the executive branch shall not use confidential information to further the employee's private interest, and shall not accept outside employment or involvement in a business or activity that will require the employee to disclose or use confidential information.

Subd. 4. **Use of state property.** (a) An employee shall not use or allow the use of state time, supplies or state-owned or leased property and equipment for the employee's private interests or any other use not in the interest of the state, except as provided by law.

(b) An employee may use state time, property, or equipment to communicate electronically with other persons including, but not limited to, elected officials, the employer, or an exclusive bargaining representative under chapter 179A, provided this use, including the value of the time spent, results in no incremental cost to the state or results in an incremental cost that is so small as to make accounting for it unreasonable or administratively impracticable.

(c) The commissioners of administration and management and budget shall issue a statewide policy on the use of electronic mail and other forms of electronic communications by executive branch state employees. The policy is not subject to the provisions of chapter 14 or 179A. Appointing authorities in the legislative and judicial branches shall issue policies on these issues for their employees. The policies shall permit state employees to make reasonable use of state time, property, and equipment for personal communications and shall address issues of privacy, content of communications, and the definition of reasonable use as well as other issues the commissioners and appointing authorities identify as necessary and relevant.

Subd. 5. **Conflicts of interest.** The following actions by an employee in the executive branch shall be deemed a conflict of interest and subject to procedures regarding resolution of the conflicts, section 43A.39 or disciplinary action as appropriate:

(1) use or attempted use of the employee's official position to secure benefits, privileges, exemptions or advantages for the employee or the employee's immediate family or an organization with which the employee is associated which are different from those available to the general public;

(2) acceptance of other employment or contractual relationship that will affect the employee's independence of judgment in the exercise of official duties;

(3) actions as an agent or attorney in any action or matter pending before the employing agency except in the proper discharge of official duties or on the employee's behalf; or

(4) the solicitation of a financial agreement for the employee or entity other than the state when the state is currently engaged in the provision of the services which are the subject of the agreement or where the state has expressed an intention to engage in competition for the provision of the services; unless the affected state agency waives this clause.

Subd. 6. **Determination of conflicts of interest.** When an employee believes the potential for a conflict of interest exists, it is the employee's duty to avoid the situation. A conflict of interest shall be deemed to exist when a review of the situation by the employee, the appointing authority or the commissioner determines any one of the following conditions to be present:

(1) the use for private gain or advantage of state time, facilities, equipment or supplies or badge, uniform, prestige or influence of state office or employment;

(2) receipt or acceptance by the employee of any money or other thing of value from anyone other than the state for the performance of an act which the employee would be required or expected to perform in the regular course or hours of state employment or as part of the duties as an employee;

(3) employment by a business which is subject to the direct or indirect control, inspection, review, audit or enforcement by the employee;

(4) the performance of an act in other than the employee's official capacity which may later be subject directly or indirectly to the control, inspection, review, audit or enforcement by the employee.

Subd. 7. **Resolution of conflict of interest.** If the employee, appointing authority or commissioner determine that a conflict of interest exists, the matter shall be assigned to another employee who does not have a conflict of interest. If it is not possible to assign the matter to an employee who does not have a conflict of interest, interested persons shall be notified of the conflict and the employee may proceed with the assignment.

Subd. 8. **Precedence of chapter 10A.** Where specific provisions of chapter 10A apply to employees and would conflict with this section, the provisions of chapter 10A shall apply.

Subd. 9. **Limits.** This section shall not be interpreted to apply to any activity which is protected by sections 179A.01 to 179A.25 and collective bargaining agreements and practices thereunder nor to prevent a current or former employee from accepting employment with a labor or employee organization representing employees.

History: *1981 c 210 s 38; 1982 c 560 s 35; 1984 c 462 s 27; 1Sp1985 c 17 s 9; 1987 c 128 s 1; 1997 c 202 art 2 s 34; 2008 c 204 s 42; 2009 c 101 art 2 s 109*

43A.39 COMPLIANCE WITH LAW.

Subdivision 1. **Prohibited acts; penalties.** All employees shall comply with and aid in all proper ways the enforcement of the provisions of this chapter. No employee or any other person shall intentionally:

(1) make any false oral or written statement, mark, rating or report concerning any application, selection process, or appointment made under provisions of this chapter or in any manner commit or attempt to commit any fraud preventing the impartial execution of this chapter;

(2) directly or indirectly, give, render, pay, offer, solicit, or accept any money, service or other valuable consideration for any appointment, proposed appointment, promotion or proposed promotion to, or any advantage in obtaining, a position in the civil service;

(3) defeat, deceive, or obstruct any person in exercising rights under this chapter, or furnish to any person any special or secret information for the purpose of affecting the rights or prospects of any person with respect to appointment, advancement or retention in the classified service;

(4) violate the provisions of section 43A.37 or 43A.38; or

(5) if in the classified service, engage in activities prohibited by section 43A.32.

Subd. 2. **Noncompliance.** Any employee who intentionally fails to comply with the provisions of chapter 43A shall be subject to disciplinary action and action pursuant to chapter 609. An appointing authority shall report in writing to the legislative auditor when there is probable cause to believe that a substantial violation has occurred. Any person convicted of a crime based on violations of this chapter shall be ineligible for appointment in the civil service for three years following conviction.

Subd. 3. **Violations; position vacated.** Intentional violation of section 43A.37 may be cause for disciplinary action and conviction of an employee in the classified service under section 43A.32 shall render the position vacant.

History: *1981 c 210 s 39; 1982 c 560 s 36; 2004 c 207 s 28*

43A.40 MS 1998 [Repealed, 1999 c 182 s 20]

Subdivision 1. MS 1998 [Repealed, 1999 c 182 s 20]

Subd. 2. MS 1998 [Repealed, 1999 c 182 s 20]

Subd. 3. MS 1982 [Repealed, 1983 c 145 s 9; 1999 c 182 s 20]

Subd. 4. MS 1998 [Repealed, 1999 c 182 s 20]

Subd. 5. MS 1998 [Repealed, 1999 c 182 s 20]

Subd. 6. MS 1998 [Repealed, 1999 c 182 s 20]

43A.42 MS 1998 [Repealed, 1999 c 182 s 20]

43A.421 CUSTOMIZED EMPLOYMENT PROGRAM.

Subdivision 1. **Program established.** The commissioner is responsible for the establishment, administration, and oversight of a program providing customized employment opportunities for individuals with significant disabilities as defined in United States Code, title 29, section 705(21). Employees in the customized employment program are appointed to a customized employment position by matching the skills offered by eligible individuals to specific tasks and projects within agencies, rather than to an existing job classification. When job coach services are necessary for the individuals employed through this program, 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.

Subd. 2. **Customized employment.** (a) The commissioner is responsible for the administration and oversight of the customized employment program, including the establishment of policies and procedures, eligibility, data collection and reporting requirements, and compliance.

(b) The commissioner or the commissioner's designee shall design and implement a training curriculum for the customized employment program. All executive leaders, managers, supervisors, human resources professionals, affirmative action officers, and Americans with Disabilities Act coordinators must receive training regarding the program.

(c) The commissioner or the commissioner's designee shall develop, administer, and make public a formal grievance process for individuals in the program.

History: *1987 c 232 s 3; 1988 c 667 s 20; 1999 c 182 s 17; 2023 c 62 art 8 s 22; 2025 c 39 art 3 s 29*

43A.43 Subdivision 1. MS 1982 [Repealed, 1983 c 145 s 9]

Subd. 2. MS 1998 [Repealed, 1999 c 182 s 20]

43A.431 AMERICANS WITH DISABILITIES ACT COORDINATORS.

(a) Each state agency shall designate at least one ADA coordinator who is responsible for implementation of Title I of the ADA, to advance the prohibition on discrimination against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, job training and other terms, conditions, and privileges of employment. The ADA coordinator must have demonstrated knowledge and experience in:

(1) the recruitment, selection, development, and retention of people with disabilities;

(2) workforce data analysis;

(3) disability employment laws and regulations; and

(4) strategy development for universal and inclusive workplaces.

(b) The ADA coordinator is responsible for overseeing the development, implementation, monitoring, and evaluation of effective strategies to attract, engage, and advance people with disabilities. This includes assisting employees with identifying, acquiring, and maintaining effective accommodations and submitting reimbursement requests to the statewide accommodation fund under section 16B.4805.

(c) The ADA coordinator is responsible for collecting data and preparing reports to ensure transparency and accountability and must serve as a key liaison for disability employment and training initiatives.

History: *2023 c 62 art 8 s 23*

43A.44 MS 1998 [Repealed, 1999 c 182 s 20]

43A.45 MS 1998 [Repealed, 1999 c 182 s 20]

43A.46 MS 1998 [Repealed, 1999 c 182 s 20]

43A.465 MS 1998 [Repealed, 1999 c 182 s 20]

43A.47 MS 1994 [Repealed, 1996 c 310 s 1]

43A.48 PRETAX EXPENSE ACCOUNTS.

The commissioner may use FICA savings generated from the dependent care and medical and dental expense account programs to pay for the administrative costs of the programs and to pay for unfunded liabilities in the medical and dental expense account program. Forfeited balances from the programs may be used to pay for the administrative costs of the programs.

History: *1991 c 345 art 1 s 69; 1992 c 375 s 1; 2008 c 204 s 24*

43A.49 VOLUNTARY UNPAID LEAVE OF ABSENCE.

(a) Appointing authorities in state government may allow each employee to take unpaid leaves of absence for up to 1,040 hours in each two-year period beginning July 1 of each odd-numbered year. Each appointing authority approving such a leave shall allow the employee to continue accruing vacation and sick leave, be eligible for paid holidays and insurance benefits, accrue seniority, and accrue service credit and credited salary in retirement plans as if the employee had actually been employed during the time of leave. An employee covered by the unclassified plan may voluntarily make the employee contributions to the unclassified plan during the leave of absence. If the employee makes these contributions, the appointing authority must make the employer contribution. If the leave of absence is for one full pay period or longer, any holiday pay shall be included in the first payroll payment after return from the leave of absence. The appointing authority shall attempt to grant requests for the unpaid leaves of absence consistent with the need to continue efficient operation of the agency. However, each appointing authority shall retain discretion to grant or refuse to grant requests for leaves of absence and to schedule and cancel leaves, subject to the applicable provisions of collective bargaining agreements and compensation plans.

(b) To receive eligible service credit and credited salary in a defined benefit plan, the member shall pay an amount equal to the applicable employee contribution rates. If an employee pays the employee contribution for the period of the leave under this section, the appointing authority must pay the employer contribution.

The appointing authority may, at its discretion, pay the employee contributions. Contributions must be made in a time and manner prescribed by the executive director of the applicable retirement system.

History: *1Sp2003 c 1 art 2 s 130; 2007 c 35 s 3; 2009 c 101 art 2 s 64; 1Sp2019 c 10 art 3 s 40*

43A.50 STATE EMPLOYEE COMBINED CHARITIES CAMPAIGN REGISTRATION.

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given them.

(b) "Registered combined charitable organization" means a federated funding organization:

(1) which is tax exempt under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1992 (hereinafter "Internal Revenue Code"), and to which contributions are deductible under section 170 of the Internal Revenue Code;

(2) which is properly registered with the attorney general of Minnesota to solicit contributions in Minnesota;

(3) which secures funds through the state employee combined charities campaign for distribution to 14 or more affiliated agencies, each of which must devote substantially all of its activities to providing health, welfare, social, or other services that benefit individuals in Minnesota and contiguous counties;

(4) which is governed either by an independent, voluntary board and at least 90 percent of the directors of the governing board live or work in Minnesota or contiguous counties or, if the charitable agencies are solely educational institutions which meet the requirements of paragraph (c), by a national board of directors that has a local advisory board composed of members who live or work in Minnesota or contiguous counties;

(5) which expended no more than 30 percent of total contributions received in the organization's accounting year last reported for management and general costs and fundraising costs;

(6) which distributed at least 70 percent of total contributions received in the organization's accounting year last reported to affiliated agencies, programs, and designated agencies in Minnesota and contiguous counties or, if the charitable agencies are solely educational institutions which meet the requirements of paragraph (c), distributes at least 70 percent of the state employee combined charitable campaign income and revenue directly to Minnesota residents or schools using established eligibility criteria; and

(7) which has been registered with the commissioner in accordance with this section.

Registered combined charitable organization includes a charitable organization organized by Minnesota state employees and their exclusive representatives for the purpose of providing grants to nonprofit agencies providing Minnesota residents with food or shelter if the charitable organization meets the requirements of clauses (1), (2), (4), (5), (6), and (7).

(c) "Affiliated agency" means a charitable agency that is represented by a federation and has an ongoing relationship with that federation which involves a review and monitoring process to ensure financial, managerial, and programmatic responsibility.

(d) "Charitable agency" means a governmental agency or an organization (1) which is tax-exempt under section 501(c)(3) of the Internal Revenue Code; (2) to which contributions are deductible under section 170 of the Internal Revenue Code; and (3) which is in compliance with the provisions of this chapter.

(e) "State employee combined charities campaign" means the annual state campaign that allows a state employee to authorize payroll deduction for the employee's contribution to a registered combined charitable organization, pursuant to section 16A.134.

(f) "Management and general costs" means costs as defined in section 309.50, subdivision 11.

(g) "Fundraising costs" means costs as defined in section 309.50, subdivision 12.

(h) "Contiguous counties" means counties in Iowa, North Dakota, South Dakota, and Wisconsin that share a border with Minnesota.

Subd. 2. **Registration.** (a) A federated funding organization shall apply to the commissioner by March 1 in order to be eligible to participate in the state employee combined charities campaign for that year.

(b) A federated funding organization must apply in the form prescribed by the commissioner and shall provide the following:

(1) assurance of tax-exempt status for the federated funding organization and each of the charitable agencies identified by the federated funding organization as an affiliated agency;

(2) assurance of proper registration with the attorney general of Minnesota to solicit contributions in the state of Minnesota for the federated funding organization and each of the charitable agencies identified by the federated funding organization as an affiliated agency. A copy of the registration letter in effect at the time of application for the state employee combined charities campaign must be available upon request;

(3) an affidavit signed by a duly constituted officer of the federated funding organization attesting to the fact that the federated funding organization and its affiliated agencies are in compliance with each of the provisions of this section;

(4) a list of the board of directors or local advisory board for the federated funding organization which identifies the members who live or work in Minnesota and contiguous counties;

(5) a list of the name and business address of each affiliated agency the federated funding organization supports;

(6) a list of any related organizations, as defined in section 317A.011, subdivision 18;

(7) the total contributions received in the organization's accounting year last reported and, from those contributions, the amounts expended by the federated funding organization for management and general costs and for fundraising costs and the amount distributed to the affiliated agencies, programs, and designated agencies it supports; and

(8) a fee of $100, or ten percent of the funds raised from state employees in the previous campaign, whichever is less. The fee for an organization which did not participate in the previous year's state employee campaign is $100. These fees must be credited to an account in the special revenue fund and are appropriated to the commissioner to be expended with the approval of the Combined Charities Board in section 43A.04 for costs associated with administering the annual campaign.

The commissioner may require submission of additional information needed to determine compliance with the provisions of this chapter.

(c) The commissioner shall register or not register the application of an organization and shall notify the organization of the decision by May 1. An organization whose application is denied has ten calendar

days after receiving notice of the denial to appeal the decision or file an amended application correcting the deficiency. The commissioner shall register or not register the organization within ten calendar days after receiving the appeal or amended application. If registration is denied a second time, the organization may appeal within five calendar days after receiving notice of the denial. A hearing shall be scheduled by the commissioner and shall be held within 15 calendar days after receiving notice of the appeal. The parties may mutually agree to a later date. The provisions of chapter 14 do not apply to the hearing. The hearing shall be conducted in a manner considered appropriate by the commissioner. The commissioner shall make a determination within five calendar days after the hearing has been completed.

(d) Only organizations that are approved may participate in the state employee combined charities campaign for the year of approval and only contributions to approved organizations may be deducted from an employee's pay pursuant to section 16A.134.

Subd. 3. **Related organization.** No two federated funding campaigns that are related organizations, as defined in section 317A.011, subdivision 18, may participate simultaneously in the state employee combined charities campaign.

Subd. 4. **Optional designations.** A registered combined charitable organization may offer the option of designating in writing that the amount deducted in section 16A.134 be designated to any charitable agency whether or not the charitable agency receives funds from the single, annual consolidated effort.

History: *2007 c 101 s 3; 2008 c 204 s 25,26; 2010 c 392 art 1 s 10*

43A.55 MANAGEMENT ANALYSIS REVOLVING FUND.

Subdivision 1. **Creation.** The management analysis revolving fund is created in the state treasury.

Subd. 2. **Appropriation and use of funds.** Money in the management analysis revolving fund is appropriated annually to the commissioner to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, school districts, and other public entities in the state.

Subd. 3. **Reimbursements.** Except as specifically provided otherwise, each agency shall reimburse the management analysis revolving fund for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, that the commissioner is authorized and directed to furnish an agency. The commissioner shall report the rates to be charged for the revolving fund no later than July 1 of each year to the chair of the committee or division of the senate or the house of representatives with primary jurisdiction over the budget of the Department of Management and Budget.

Subd. 4. **Cash flow.** The commissioner may make appropriate transfers to the revolving fund according to section 16A.126. The commissioner may make allotment and encumbrances in anticipation of these transfers. In addition, the commissioner may require an agency to make advance payments to the revolving fund sufficient to cover the office's estimated obligation for a period of at least 60 days. All reimbursements and other money received by the commissioner under this section must be deposited in the management analysis revolving fund.

Subd. 5. **Liquidation.** If the management analysis revolving fund is abolished or liquidated, the total net profit from the operation of the fund must be distributed to the various funds from which purchases were made. For a given period of time, the amount of total net profit to be distributed to each fund shall reflect the same ratio of total purchases attributable to each fund divided by the total purchases from all funds.

History: *2009 c 101 art 2 s 65,109*