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State of Minnesota  
HOUSE OF REPRESENTATIVES  
NINETIETH SESSION

H. F. No. 3518

03/08/2018 Authored by O'Neill, Drazkowski, McDonald, Rarick and Garofalo  
The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act  
1.2 relating to state government; requiring pay increases for state personnel be tied to  
1.3 performance; amending Minnesota Statutes 2016, section 43A.20.

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

1.5 Section 1. Minnesota Statutes 2016, section 43A.20, is amended to read:

1.6 **43A.20 PERFORMANCE APPRAISAL AND PAY.**

1.7 (a) The commissioner shall must design and maintain a performance appraisal system  
1.8 under which each employee in the civil service in the executive branch shall be evaluated  
1.9 and counseled on work performance at least once a year. Individual pay increases for all  
1.10 employees not represented by an exclusive representative certified pursuant to chapter 179A  
1.11 shall be based on the evaluation and other factors the commissioner includes in the plans  
1.12 developed pursuant to section 43A.18. Collective bargaining agreements entered into  
1.13 pursuant to chapter 179A may, and are encouraged to, provide for pay increases based on  
1.14 employee work performance. The performance appraisal system must include a rating  
1.15 system for employee performance that identifies those employees whose performance:

1.16 (1) does not meet expectations;

1.17 (2) meets expectations; and

1.18 (3) exceeds expectations.

1.19 (b) Subject to the exception in paragraph (d), all pay increases or decreases for employees  
1.20 in the civil service in the executive branch must be tied to a yearly evaluation placing  
1.21 employees into one of the three categories prescribed in paragraph (a).

2.1 (c) The commissioner must yearly prescribe a single percentage of pay increase or  
2.2 decrease for each of the three categories in paragraph (a).

2.3 (d) Notwithstanding anything to the contrary, no employee in the civil service in the  
2.4 executive branch shall receive any pay increase, in the year following a performance  
2.5 appraisal, different from the prescribed percentage associated with the applicable performance  
2.6 review category under which the employee was found not to meet expectations.

2.7 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
2.8 applies to collective bargaining agreements entered into on or after that date.