

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 3863

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DATE
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Introduction and first reading
Referred to State and Local Government and Veterans

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to state government; adding a position under agency head salaries; making
1.3 changes to the Compensation Council provisions; amending Minnesota Statutes
1.4 2022, section 15A.082, as amended; Minnesota Statutes 2023 Supplement, section
1.5 15A.0815, subdivision 2.

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

1.7 Section 1. Minnesota Statutes 2023 Supplement, section 15A.0815, subdivision 2, is
1.8 amended to read:

1.9 Subd. 2. **Agency head salaries.** The salary for a position listed in this subdivision shall
1.10 be determined by the Compensation Council under section 15A.082. The commissioner of
1.11 management and budget must publish the salaries on the department's website. This
1.12 subdivision applies to the following positions:

- 1.13 Commissioner of administration;
- 1.14 Commissioner of agriculture;
- 1.15 Commissioner of education;
- 1.16 Director of Office of Cannabis Management;
- 1.17 Commissioner of children, youth, and families;
- 1.18 Commissioner of commerce;
- 1.19 Commissioner of corrections;
- 1.20 Commissioner of health;
- 1.21 Commissioner, Minnesota Office of Higher Education;

- 2.1 Commissioner, Minnesota IT Services;
- 2.2 Commissioner, Housing Finance Agency;
- 2.3 Commissioner of human rights;
- 2.4 Commissioner of human services;
- 2.5 Commissioner of labor and industry;
- 2.6 Commissioner of management and budget;
- 2.7 Commissioner of natural resources;
- 2.8 Commissioner, Pollution Control Agency;
- 2.9 Commissioner of public safety;
- 2.10 Commissioner of revenue;
- 2.11 Commissioner of employment and economic development;
- 2.12 Commissioner of transportation;
- 2.13 Commissioner of veterans affairs;
- 2.14 Executive director of the Gambling Control Board;
- 2.15 Executive director of the Minnesota State Lottery;
- 2.16 Commissioner of Iron Range resources and rehabilitation;
- 2.17 Commissioner, Bureau of Mediation Services;
- 2.18 Ombudsman for mental health and developmental disabilities;
- 2.19 Ombudsperson for corrections;
- 2.20 Chair, Metropolitan Council;
- 2.21 Chair, Metropolitan Airports Commission;
- 2.22 School trust lands director;
- 2.23 Executive director of pari-mutuel racing; and
- 2.24 ~~Commissioner~~ Commissioners, Public Utilities Commission.

3.1 Sec. 2. Minnesota Statutes 2022, section 15A.082, as amended by Laws 2023, chapter 62,
3.2 article 2, sections 39 to 43, is amended to read:

3.3 **15A.082 COMPENSATION COUNCIL.**

3.4 Subdivision 1. **Creation.** A Compensation Council is created each odd-numbered year
3.5 to establish the compensation of constitutional officers and the heads of state and metropolitan
3.6 agencies identified in section 15A.0815, and to ~~assist~~ make recommendations to the
3.7 legislature in establishing the compensation of justices of the supreme court and judges of
3.8 the court of appeals and district court.

3.9 Subd. 2. **Membership.** (a) The Compensation Council consists of the following members:
3.10 eight nonjudges appointed by the chief justice of the supreme court, of whom no more than
3.11 four may belong to the same political party; and one member from each congressional
3.12 district appointed by the governor, of whom no more than four may belong to the same
3.13 political party. The speaker and minority leader of the house of representatives must each
3.14 appoint ~~two members~~ one member. The majority leader and minority leader of the senate
3.15 must each appoint ~~two members~~ one member. Appointments must be made after the first
3.16 Monday in January and before January 15. The compensation and removal of members
3.17 shall be as provided in section 15.059, subdivisions 3 and 4. Members continue to serve
3.18 until new members are appointed. ~~Members appointed by the governor may not vote on the~~
3.19 ~~salary of the governor.~~ In the case of a vacancy on the council, the appointing authority
3.20 must appoint a person to fill the vacancy for the remainder of the unexpired term. The
3.21 Legislative Coordinating Commission shall provide the council with administrative and
3.22 support services. The commissioner of management and budget must provide analytical
3.23 and policy support to the council related to the compensation of agency heads. ~~The provision~~
3.24 ~~of analytical and policy support under this subdivision shall not be considered ex parte~~
3.25 ~~communication under subdivision 7.~~

3.26 (b) Members appointed under paragraph (a) may not be a:

3.27 (1) ~~current or former judge,~~ current listed senior judge;

3.28 (2) current lobbyist registered under Minnesota law;

3.29 (3) current employee in the judicial, legislative, or executive branch of state government;

3.30 (4) ~~current or former~~ governor, lieutenant governor, attorney general, secretary of state,
3.31 or state auditor; or

3.32 (5) ~~current or former~~ legislator, or the spouse of a current legislator.

4.1 Subd. 3. **Submission of recommendations and Determination of constitutional officer**
4.2 **and agency head salaries.** (a) By April 1 in each odd-numbered year, the Compensation
4.3 Council shall ~~submit to the speaker of the house and the president of the senate salary~~
4.4 ~~recommendations for justices of the supreme court, and judges of the court of appeals and~~
4.5 ~~district court. The recommended salaries take effect on July 1 of that year and July 1 of the~~
4.6 ~~subsequent even-numbered year and at whatever interval the council recommends thereafter,~~
4.7 ~~unless the legislature by law provides otherwise. The salary recommendations take effect~~
4.8 ~~if an appropriation of money to pay the recommended salaries is enacted after the~~
4.9 ~~recommendations are submitted and before their effective date. Recommendations may be~~
4.10 ~~expressly modified or rejected.~~ prescribe salaries for constitutional officers and for the
4.11 agency and metropolitan agency heads identified in section 15A.0815. The prescribed salary
4.12 for each office shall take effect July 1 of that year and July 1 of the subsequent
4.13 even-numbered year, unless the legislature by law provides otherwise. Salary determinations
4.14 may be in the form of an across-the-board increase. An appropriation by the legislature to
4.15 fund the relevant office, branch, or agency of an amount sufficient to pay the salaries
4.16 prescribed by the council constitutes a prescription by law as provided in the Minnesota
4.17 Constitution, article V, sections 4 and 5.

4.18 (b) ~~By April 1 in each odd-numbered year, the Compensation Council must prescribe~~
4.19 ~~salaries for constitutional officers, and for the agency and metropolitan agency heads~~
4.20 ~~identified in section 15A.0815. The prescribed salary for each office must take effect July~~
4.21 ~~1 of that year and July 1 of the subsequent even-numbered year and at whatever interval~~
4.22 ~~the council determines thereafter, unless the legislature by law provides otherwise. An~~
4.23 ~~appropriation by the legislature to fund the relevant office, branch, or agency of an amount~~
4.24 ~~sufficient to pay the salaries prescribed by the council constitutes a prescription by law as~~
4.25 ~~provided in the Minnesota Constitution, article V, sections 4 and 5. November 1 of each~~
4.26 ~~even-numbered year, the Compensation Council may prescribe additional salary changes~~
4.27 ~~for constitutional officers and for the agency and metropolitan agency heads identified in~~
4.28 ~~section 15A.0815. As applicable, the changes take effect on July 1 of the next odd-numbered~~
4.29 ~~year and July 1 of the subsequent even-numbered year, unless the legislature by law provides~~
4.30 ~~otherwise.~~

4.31 (c) Notwithstanding the effective dates specified in paragraphs (a) and (b), determinations
4.32 under this subdivision for the salary of the governor must not take effect until July 1 of the
4.33 year the current term of the governor ends.

4.34 Subd. 3a. **Recommendation of judicial salaries.** By November 1 of each even-numbered
4.35 year, the Compensation Council shall submit to the speaker of the house and the president

5.1 of the senate salary recommendations for justices of the supreme court and judges of the
 5.2 court of appeals and district court. The recommended salaries take effect on July 1 of the
 5.3 next year and July 1 of the subsequent odd-numbered year, unless the legislature by law
 5.4 provides otherwise. The salary recommendations take effect if an appropriation of money
 5.5 to pay the recommended salaries is enacted after the recommendations are submitted and
 5.6 before their effective date. Recommendations may be expressly modified or rejected.

5.7 Subd. 4. **Criteria.** In making compensation recommendations and determinations, the
 5.8 council shall consider the amount of compensation paid in government service and the
 5.9 private sector to persons with similar qualifications, the amount of compensation needed
 5.10 to attract and retain experienced and competent persons, ~~and~~ the ability of the state to pay
 5.11 the recommended compensation, and the cost of labor inflation indices published by the
 5.12 United States Bureau of Labor Statistics.

5.13 Subd. 4a. ~~Constitutional officers~~ **Compensation for unused vacation or sick leave**
 5.14 **accrual.** No constitutional officer whose compensation is set under this section may receive
 5.15 monetary compensation for unused vacation or sick leave accruals.

5.16 Subd. 6. **Expiration.** Each Compensation Council shall expire upon submission of the
 5.17 recommendations required by subdivision ~~3~~ 3a.

5.18 ~~Subd. 7. **No ex parte communications.** Members may not have any communication~~
 5.19 ~~with a constitutional officer, a head of a state agency, or member of the judiciary during~~
 5.20 ~~the period after the first meeting is convened under this section and the date the prescribed~~
 5.21 ~~and recommended salaries are submitted under subdivision 3.~~

5.22 Sec. 3. **COMPENSATION COUNCIL SALARY RECOMMENDATIONS.**

5.23 In addition to the recommendations required under section 2, the Compensation Council,
 5.24 by April 1, 2025, may submit to the speaker of the house and the president of the senate
 5.25 salary recommendations for justices of the supreme court and judges of the court of appeals
 5.26 and district court. Salary recommendations may be in the form of an across-the-board
 5.27 increase. In determining salary recommendations, the council should consider the cost of
 5.28 labor inflation indices published by the United States Bureau of Labor Statistics. The
 5.29 recommended salaries take effect on July 1, 2025, and July 1, 2026, unless the legislature
 5.30 by law provides otherwise. The salary recommendations take effect if an appropriation of
 5.31 money to pay the recommended salaries is enacted after the recommendations are submitted
 5.32 and before their effective date. Recommendations may be expressly modified or rejected.