

1.1 ..... moves to amend H.F. No. 756 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2010, section 43A.20, is amended to read:

1.4 **43A.20 PERFORMANCE APPRAISAL AND PAY.**

1.5 (a) The commissioner shall design and maintain a performance appraisal and bonus  
1.6 pay system under which each employee in the civil service in the executive branch shall  
1.7 be evaluated and counseled on work performance at least once a year. The performance  
1.8 appraisal and bonus pay system must include three components:

1.9 (1) evaluation of the individual employee's performance relative to goals for that  
1.10 individual, which must constitute a majority of the overall determination of an employee's  
1.11 performance;

1.12 (2) evaluation of the performance of the individual employee's program, defined by  
1.13 the agency head, toward meeting targeted outcomes for the program; and

1.14 (3) evaluation of the performance of the entire agency toward meeting targeted  
1.15 outcomes for the agency.

1.16 (b) Individual pay increases for all employees not represented by an exclusive  
1.17 representative certified pursuant to chapter 179A shall be based on the evaluation  
1.18 evaluations required by paragraph (a) and other factors consistent with paragraph (a)  
1.19 that the commissioner negotiates in collective bargaining agreements or includes in the  
1.20 plans developed pursuant to section 43A.18. Collective bargaining agreements entered  
1.21 into pursuant to chapter 179A may, and are encouraged to, provide for pay increases  
1.22 based on employee work performance. An employee in the executive branch may not  
1.23 receive an increase in salary or wages based on cost of living or progression to another  
1.24 step or lane unless the employee's supervisor certifies that the employee's performance  
1.25 has been satisfactory.

2.1 (c) At least five percent of an employee's salary must be dependent on performance  
2.2 appraisals. Implementation of this paragraph must be determined through collective  
2.3 bargaining agreements or compensation plans.

2.4 (d) This section does not apply to faculty and administrators in the Minnesota State  
2.5 Colleges and University system.

2.6 (e) This section supersedes any conflicting provision of other law.

2.7 **EFFECTIVE DATE.** This section is effective July 1, 2011. For employees covered  
2.8 by a collective bargaining agreement, this section applies to collective bargaining  
2.9 agreements entered into on or after that date."

2.10 Amend the title accordingly