

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 756 **DATE:** March 14, 2011
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Subject: State Employee Performance Appraisal System
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Performance appraisal and pay. Amends the law governing the performance appraisal system for executive branch state employees. Requires a performance appraisal and bonus pay system to include three components:

- Evaluation of the individual employee's performance relative to goals for the individual, which must constitute a majority of the overall determination of an employee's performance;
- Evaluation of performance of the employee's program toward meeting outcomes for the program; and
- Evaluation of the performance of the entire agency toward meeting targeted outcomes for the agency.

Strikes language that currently limits parts of this section to employees not represented by an exclusive representative, and provides that pay increases for all employees shall be based on factors specified in this section and other factors consistent with this section that are negotiated in collective bargaining agreements. Provides that an employee in the executive branch may not receive an increase in salary or wages based on cost of living or progression to another step or lane unless the employee's supervisor certifies that the employee's individual performance has been satisfactory.

Provides that at least 5 percent of an employee's salary must be dependent on performance appraisals. Implementation of this paragraph must be determined through collective bargaining agreements or compensation plans.

This section does not apply to MnSCU. For employees covered by a collective bargaining agreement, this section applies to agreements entered into on and after July 1, 2011.