House Research

Short Subjects

Mark Shepard Updated: June 2016

State Agency Head Salaries

The governor proposes most agency head salaries

The governor proposes salaries for most state executive branch agency heads, within limits set in law. For most agency heads, the limit is 133 percent of the governor's salary, to be adjusted for inflation each January. For several, the limit is 120 percent of the governor's salary, to be adjusted for inflation each January. Minn. Stat. § 15A.0815, subds. 2 and 3. Changes that the governor proposes in individual agency head salaries are subject to legislative approval. A subcommittee established by the Legislative Coordinating Commission may approve changes in these salaries during legislative interims, subject to final approval by the full legislature.

The salary limit for most agency heads is \$169,747 (133 percent of the governor's salary of \$127,629). As indicated in the table on the following page, none of the agency head salaries currently is close to the limit. Current annual salaries range from about \$120,000 to \$155,000.

The legislature changed this system in 2013 and in 2015. Before the 2013 changes, agency head salaries were limited to 95 percent (or in several cases 85 percent) of the governor's salary. In 2013 the legislature removed the requirement for legislative approval of individual agency head salaries within the salary limits, but the requirement for legislative approval was reinstated in 2015.

There is a different process for setting some agency head salaries There is a different process for setting salaries for heads of the statewide public pension funds, the lottery director, and the executive director of the State Board of Investment.

- For directors of the three statewide public pension funds, the governing board of the applicable pension system sets the salary, within the statutory limit of 133 percent of the governor's salary. Minn. Stat. §§ 352.03, subd. 5; 353.03, subd. 3a; and 354.06, subd. 2.
- The lottery director salary is set in statute at 95 percent of the governor's salary. Minn. Stat. § 349A.02, subd. 1.
- The salary for the executive director of the State Board of Investment is set by the board, under a compensation plan approved by the Subcommittee on Employee Relations of the Legislative Coordinating Commission and the full legislature. Minn. Stat. §§ 11A.04, cl. (14), and 43A.18, subd. 3b.

Agency head salaries vary

The following table lists the salaries for agency heads who are subject to the salary limits specified in statute. Most of the cabinet agency salaries were last increased by the governor on July 1, 2015, under a special provision that authorized these increases, without legislative approval, on that date only.

Cabinet Agencies	Salaries
Administration	\$144,991
Agriculture	144,991
Commerce	144,991
Corrections	150,002
Education	150,002
Employment and Economic Development	150,002
Health	150,002
Office of Higher Education	144,991
Housing Finance Agency	144,991
Human Rights	144,991
Human Services	154,992
Iron Range Resources and Rehabilitation	140,000
Labor and Industry	144,991
Management and Budget	154,992
Mediation Services	140,000
Natural Resources	154,992
Pollution Control Agency	150,002
Public Safety	154,992
Revenue	154,992
Transportation	154,992
Veterans Affairs	144,991
Other Agencies	
Gambling Control Board	\$119,997
Metropolitan Airports Commission, Chair	30,000
Metropolitan Council, Chair	144,991
Ombudsman for Mental Health and Developmental	
Disabilities	119,997
Pari-mutuel Racing	115,998
Public Utilities Commission	140,000
Minnesota State Retirement System	144,991
Public Employees Retirement Association	144,991
School Trust Lands	125,009
Teachers Retirement Association	144,991

For more information: Contact legislative analyst Mark Shepard at 651-296-5051. Also see the House Research publication *State Elected Officials' Compensation*, January 2016.

The Research Department of the Minnesota House of Representatives is a nonpartisan office providing legislative, legal, and information services to the entire House.