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Minnesota House of Representatives

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TO: Members, Compensation Council

FROM: Mark Shepard, Legislative Analyst, 651-296-5051

RE: Agency Head Salaries within the Council's Jurisdiction

The compensation council is required to submit recommendations for salary ranges of the heads of state and metropolitan agencies included in Minnesota Statutes, section 15A.0815:

The council shall also submit...recommendations for the salary ranges of the heads of state and metropolitan agencies, to be effective retroactively from January 1 of that year if enacted into law. The recommendations shall include the appropriate group in section 15A.0815 to which each agency head should be assigned and the appropriate limitation on the maximum range of the salaries of the agency heads in each group, expressed as a percentage of the salary of the governor.

Process for establishing agency head salaries

Under current law, the appointing authority proposes salaries for agency heads within maximums established in section 15A.0815. The governor is the appointing authority for most agency heads. Boards, such as public pension boards, appoint others. The maximum salary for most agency heads is 95 percent of the governor's salary. For several agency heads the maximum is 85 percent of the governor's salary. The governor's salary is \$120,303 (95 percent of this amount is \$114,288; 85 percent is \$102,258).

Salaries recommended by the appointing authority must be approved by the legislature. During the interim between legislative sessions, the Legislative Coordinating Commission (LCC) may give interim approval to salary increase proposals. The LCC has appointed a Subcommittee on Employee Relations (SER) to perform these and other duties. Salary proposals from the governor submitted to SER during the interim are approved if the group does not modify or reject them within 30 days. Salary proposals submitted by other appointing authorities during the interim take effect only if approved by SER. Salaries implemented during the interim by SER must be approved by the next legislature, or they revert to the prior level. Salary proposals sent to the legislature during a legislative session must be approved by the full legislature before taking effect.

Current and historical salaries

The parts of section 15A.0815 assigning salary limits for agency heads are reproduced below. An attached spreadsheet shows current salaries and a ten-year salary history.

Subd. 2. Group I salary limits.

The salaries for positions in this subdivision may not exceed 95 percent of the salary of the governor:

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of health;

Executive director, Minnesota Office of Higher Education;

Commissioner, Housing Finance Agency;

Commissioner of human rights;

Commissioner of human services;

Commissioner of labor and industry;

Commissioner of management and budget;

Commissioner of natural resources;

Director of Office of Strategic and Long-Range Planning;

Commissioner, Pollution Control Agency;

Executive director, Public Employees Retirement Association;

Commissioner of public safety;

Commissioner of revenue;

Executive director, State Retirement System;

Executive director, Teachers Retirement Association;

Commissioner of employment and economic development;

Commissioner of transportation; and

Commissioner of veterans affairs.

Subd. 3. Group II salary limits.

The salaries for positions in this subdivision may not exceed 85 percent of the salary of the governor:

Executive director of Gambling Control Board;

Commissioner, Iron Range Resources and Rehabilitation Board;

Commissioner, Bureau of Mediation Services;

Ombudsman for Mental Health and Developmental Disabilities;

Chair, Metropolitan Council;

School trust lands director; *[effective July 1, 2013]*

Executive director of pari-mutuel racing; and

Commissioner, Public Utilities Commission.

Subd. 4. Group III salary limits.

The salary for a position in this subdivision may not exceed 25 percent of the salary of the governor:

Chair, Metropolitan Airports Commission.

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Enclosure