

**Legislative Coordinating Commission
Subcommittee on Employee Relations
Friday, July 18, 2008
9:00 am
Room 123, Capitol**

Present:

Senator Don Betzold
Senator James Metzen
Senator Gen Olson
Senator Linda Scheid
Senator Betsy Wergin
Representative Karla Bigham
Representative Chris DeLaForest
Representative Debra Hilstrom
Representative Morrie Lanning
Representative Leon Lillie

Sen. Metzen called the meeting of the Subcommittee on Employee Relations to order at 9:05 am. A quorum was present.

Approval of Minutes:

Sen. Scheid moved approval of the minutes from March 27, 2008 meeting. **MOTION PREVAILED.**

Review/approve collective bargaining agreement with the Minnesota State University Administrative and Service Faculty:

Mary Leary, Associate Vice Chancellor for Labor Relations of the Minnesota State College and Universities, and Chris Dale, System Director for Labor Relations at MnSCU, reviewed the provisions of the negotiated Minnesota State University Administrative Services Faculty contract. The negotiated contract includes: a 1.5% increase in salary effective on July 1, 2007 and July 1, 2008 and step increases for eligible employees of approximately 3% effective on July 1, 2007 and July 1, 2008. Ms. Leary and Mr. Dale stood for questions. Discussion ensued.

Resolution recommending approval:

Rep. Hilstrom moved approval of SER 1, the resolution recommending approval of the Minnesota State University Administrative and Service Faculty collective bargaining agreement. **MOTION PREVAILED.**

Review/approve amendments to Commissioners Plan and Managerial Plan:

Paul Larson, Assistant Commissioner for the Department of Finance and Employee Relations, and Mike Tessneer, Chief Executive Officer for the Department of Human Services, reviewed proposed amendments to the Commissioners and Managerial Plans.

Proposed amendments to the Commissioners Plan include: excluding “insufficient work time employees” from the requirement that all employees contribute 1% of their earnings

to their Health Care Savings Plan accounts; amending the Medical Specialists addendum to provide salary differentials ranging from 10% to 20% for specialized psychiatrists for state facilities; require all Medical Specialists participate in the requirement for employees to contribute 1% of their salaries to the Health Care Savings Plan accounts; and finally, amending the Medical Specialists addendum to revise on-call pay.

Mr. Larson reviewed a proposed amendment to both the Commissioners and Managerial Plans relating to early retirement incentives for employees in the Correctional and State Patrol Retirement Plans. Mr. Larson and Mr. Tessner stood for questions. Discussion ensued.

Resolution recommending approval:

Rep. Lillie moved approval of SER 2, the resolution recommending approval of the proposed amendments to the Commissioners and Managerial Plans. **MOTION PREVAILED.**

Review/approve proposed salary increases:

Curtis Hutchens, President of the Teachers Retirement Association Board of Trustees; Dennis Hegberg, President of the Public Employees Retirement Association Board of Trustees; and Mary Bennar, Chair of the Minnesota State Retirement Association Board of Directors; presented a proposal to increase the salary of their directors to the new range maximum to 95% of the salary of the governor. Mr. Hutchens, Mr. Hegberg, and Ms. Bennar stood for questions. Discussion ensued.

Resolution recommending approval:

Rep. Bigham moved approval of SER 3, the resolution to approve the proposed salaries of the directors of the Teachers Retirement Association, the Public Employees Retirement Association and the Minnesota State Retirement System. **MOTION PREVAILED.**

Department of Finance and Department of Employee Relations:

Tom Hansen, Commissioner of the Department of Finance and Department of Employee Relations, updated the Subcommittee on the merger of the two departments. Commissioner Hanson stood for questions. Discussion ensued.

Review Amendments to State Board of Investment Salary Administration Plan:

Laurie Hacking, Teachers Retirement Association, Judith Mares, State Board of Investment Advisory Committee, and Chris Murphy, McLagen Consulting, gave an overview of the State Board of Investment compensation proposal. Ms. Hacking noted that the compensation proposal was unanimously approved by the State Board of Investment. Mr. McLagen then reviewed the compensation analysis completed by McLagen Consulting. Ms. Hacking, Ms. Mares and Mr. McLagen stood for questions. Discussion ensued.

Sen. Wergin moved approval of the salary administration plan submitted by the State Board of Investment. **MOTION PREVAILED.**

Update on State Employee Group Insurance Program

Nathan Morocco, Manager of the State Employee Group Insurance Program, updated the Subcommittee on the status of the employee personal health assessments. Mr. Morocco went on to address the on-line pharmacy services. Mr. Morocco stood for questions. Discussion ensued.

Sen. Metzen was excused from the meeting. Rep. Bigham took over as Chair.

Other items as approved by the chair

Kelly Knight, Director of House Human Resources, addressed the Subcommittee regarding issues some employees have had with the new state pharmaceutical benefit manager, Navitus. Tom Radloff of Navitus addressed Ms. Knight's concerns as well as the steps Navitus took to resolve the employee's issues. Ms. Knight and Mr. Radloff stood for questions. Discussion ensued.

There being no further business, Rep. Bigham adjourned the meeting at 11:12 am.

Sen. James Metzen, Chair