

February 21, 2023

To Compensation Council
From Marta James, Legislative Analyst
Subject Agency Head Salaries within the Council's Jurisdiction

Recommendations for Agency Head Salary Ranges

The compensation council is required to submit recommendations for salary ranges of the heads of state and metropolitan agencies included under Minnesota Statutes, [section 15A.0815](#), to the speaker of the house and president of the senate:

The council shall also submit to the speaker of the house and the president of the senate 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.

Minnesota Statutes, [section 15A.082](#), subdivision 3(b).

In 2021, the Compensation Council made no recommendation regarding agency head salary ranges in its report, which can be accessed [here](#).

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.

Group Salary Limits

Agency heads are divided into three groups (listed below). Most agency heads are included in group one. The salary maximum for group one is set by law at 133 percent of the governor's salary. The law requires the number to be adjusted according to the consumer price index each January 1, with the limit published on the Department of Management and Budget (MMB)'s website. As of January 1, 2023, the salary maximum for group one is \$212,466.

For agency heads in group two, the salary maximum is set by law at 120 percent of the governor's salary. The group two limit is also adjusted according to the consumer price index

each January 1, and published on MMB's website. As of January 1, 2023, the salary maximum for group two is \$191,696.

Group three includes only one agency head, the chair of the Metropolitan Airports Commission, and it is not adjusted under the consumer price index. The salary maximum for the chair of the Metropolitan Airports Commission is 25 percent of the governor's salary or \$31,907.

Determining Individual Salaries

Agency head salaries recommended by the governor or other appointing authority must be reviewed and approved, rejected, or modified by the Legislative Coordinating Commission (LCC) and by the legislature as provided under Minnesota Statutes, [section 3.855](#), subdivisions 2 and 3, and section 15A.0815, subdivision 5. Before recommending a salary, the governor or other appointing authority must consult with the commissioner of MMB, evaluate the performance of incumbents, review the compensation of related positions, and objectively quantify knowledge, abilities, duties, responsibilities, and accountabilities to rate each position.

As provided under section 3.855, during the interim between legislative sessions, the LCC may give interim approval to salary increase proposals for agency heads. The LCC has appointed a Subcommittee on Employee Relations (SER) to perform these and other duties. Salary proposals submitted 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. Once approved by the legislature, agency head salaries are effective retroactively from January 1 of the year that they are enacted into law.

Current and Historical Salaries

The parts of Minnesota Statutes, section 15A.0815, assigning salary limits for agency heads are reproduced below. The Agency Head Salary Limits as of January 1, 2023, as well as the current salaries, can be accessed [here](#).

Subd. 2. Group I salary limits.

As of January 1, 2023, these salaries may not exceed \$212,466:

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of health;

Commissioner, 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;
Commissioner, Pollution Control Agency;
Commissioner of public safety;
Commissioner of revenue;
Commissioner of employment and economic development;
Commissioner of transportation; and
Commissioner of veterans affairs.

Subd. 3. Group II salary limits.

As of January 1, 2023, these salaries may not exceed \$191,696:

Executive director of Gambling Control Board;
Commissioner of Iron Range resources and rehabilitation;
Commissioner, Bureau of Mediation Services;
Ombudsman for mental health and developmental disabilities;
Ombudsperson for corrections;
Chair, Metropolitan Council;
School trust lands director;
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 \$31,907, which is 25 percent of the salary of the governor:

Chair, Metropolitan Airports Commission.

MJ/jf