

MMB Agency Head Presentation to Compensation Council March 14, 2025

Brief History – Agency Head Pay

Agency Head Salaries: Historical Context

- Prior to 2015, Agency Head pay was “capped” as a % of governor’s pay and no agency employees could earn more than the commissioner. Caused compression.
- In 2015, Governor Dayton divided agency head salaries primarily into three broad “tiers,” and legislation required any further agency head increases (including across-the-board increases) to be supported by a full vote of the House and Senate.
- No Agency Head received any increase from 2015 until 2023. By 2023, the salaries of Assistant and Deputy Commissioners exceeded the salaries of their Commissioners.
- In 2023, legislation rebased Commissioner salaries to include the across-the-board increases received by employees during 2015 – 2023 (approx. 17% increases to all agency heads).
- No agency head has received any increase since 2023 (with exception of OCM, DCT)

Internal Comparison

Recent Wage Settlements

Covered in 2023 Agency Head Rebasing

- July 1, 2017: 2.00%
- July 1, 2018: 2.00%
- July 1, 2019: 2.25%
- July 1, 2020: 2.50%
- July 1, 2021: 2.50%
- July 1, 2022: 2.50%

New Since 2023 Legislation

- July 1, 2023: 5.50%
- July 1, 2024: 4.50%

- Nearly all state employees other than agency heads receive across-the-board salary increases each July.
- Deputy and Assistant Commissioners, and classified directors, received these increases while Commissioner Pay remained flat from 2015 through 2023

Internal Comparison – Salary

MMB, DPS,
DOR, DHS

Dep. Comm
\$191,928

Commissioner
\$187,000

DEED, DOC,
MDH, MDE

Dep. Comm
\$185,393

Commissioner
\$181,000

Commerce,
MDHR, ADM

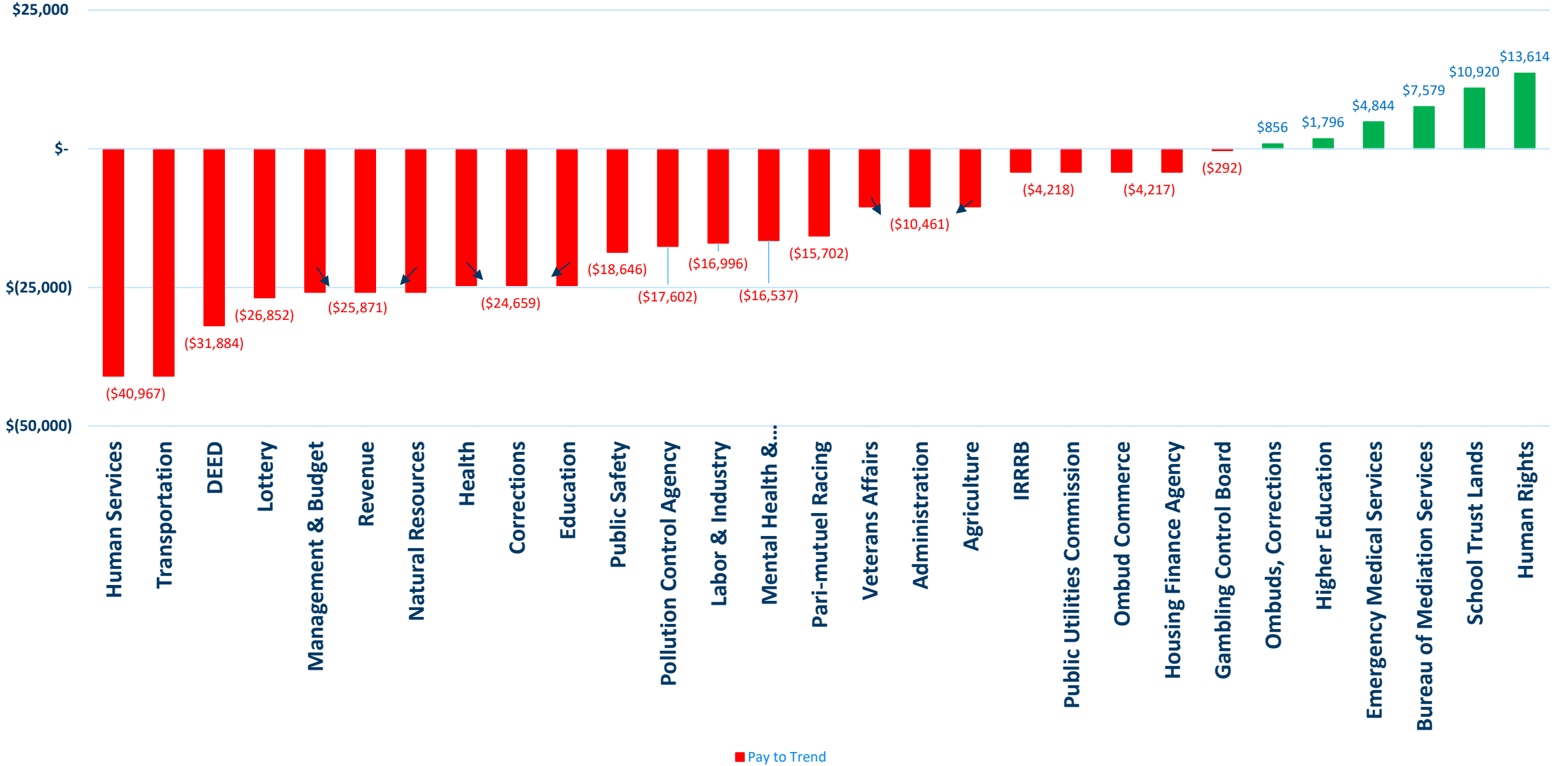
Dep. Comm
\$179,150

Commissioner
\$175,000

Hay Points (Handout)

- State jobs are evaluated with the Hay Methodology and assigned a “point value” that corresponds to a salary range.
- Agency Heads are among only a few executive branch employees whose salary has no relationship to Hay Points
- Among Agency Heads / Commissioners:
 - 11 are paid close to where Hay Points would place them on a salary scale
 - 14 are paid significantly less than where Hay Points would suggest
 - 2 more than where Hay Points alone would suggest
 - 6 do not have a Hay Rating associated with their position

Salary Above/Below Maximum Trend Based on Hay Points



■ Pay to Trend

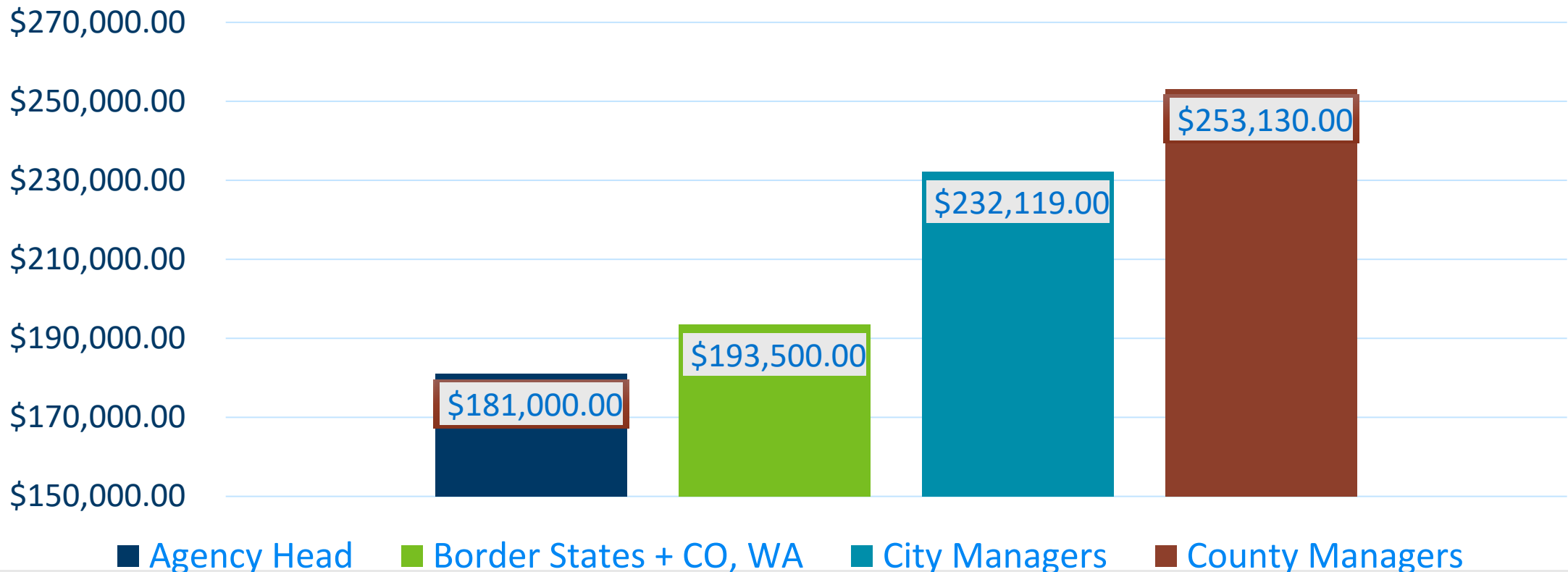
Employees Making more than Agency Head

- Admin, Dept. Ag, DLI, MDHR, MDE, PCA: 1 employee
- DNR, Revenue, DOT: 2 employees
- MDH, MMB, DPS: 3 employees
- MDVA, DEED: 4 employees
- Commerce: 7 employees
- Corrections: 9 employees
- MHFA: 10 employees
- Mn.IT: 14 employees
- DHS: 71 employees

External Comparisons

External Comparison

Agency Head Pay Compared to Average Regional Public Sector Positions in States, Cities, Counties



Recruiting and Retention

MMB Recommendation

- Rebase Agency Head pay to reflect across-the-board increases from 2023 and 2024 (5.5% and 4.5%)
- Consider a mechanism to annual adjust Commissioner / agency head pay to track with across-the-board increases negotiated for other executive branch employees

Duties of the Governor and Lt. Governor

March 14, 2024

Erin Campbell | Commissioner, Minnesota Management and Budget

Official Duties of the Governor

- General direction, administration, and supervision of the affairs of the executive branch of Minnesota state government
- Serve as Commander-in-Chief of the Minnesota National Guard, and oversee emergency responses
- Review, veto, or sign into law legislation and rules, call special sessions of the legislature when needed
- Chair the State Executive Council, the State Board of Investment, the Land Exchange Board, and the Board of Pardons
- Appoint state department heads, members of state boards and commissions, and judges to the state's ten judicial districts, the Court of Appeals, and the Supreme Court
- Issue extradition papers, proclamations, and writs of special elections

Official Duties of the Lt. Governor

- Assist the governor in carrying out the functions of the executive branch
- Serve as a member of the State Executive Council
- Serve as Vice-Chair of the State Capitol Preservation Commission
- Chair the Capitol Area Architectural Planning Board (CAAPB)
- Preside as the convening authority until the President of the Senate is elected and takes an oath of office on the first day of a regular legislative session
- Exercise powers delegated by the Governor
- Succeed the Governor if there is a vacancy