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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE NO. **3839**

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The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections

1.1 A bill for an act
1.2 relating to state employment; creating an unpaid leave job retention program;
1.3 requiring reports.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **VOLUNTARY UNPAID JOB RETENTION LEAVE; STATE**
1.6 **EMPLOYEES.**

1.7 Subdivision 1. Unpaid job retention leave program created. The commissioner of
1.8 management and budget, in consultation with the commissioner of administration, shall
1.9 develop and implement a program, consistent with the requirements and limitations under
1.10 this section, that will allow an employee of the state to take an unpaid leave of absence for
1.11 up to 120 hours in a calendar year for the purposes of this section. The program shall be
1.12 known as the unpaid job retention leave program.

1.13 Subd. 2. Requirements; administration. The program required by subdivision 1
1.14 must:

1.15 (1) be open to all state employees, subject to the provisions of any collective
1.16 bargaining agreement that covers the employee;

1.17 (2) provide that leave under the program require the same supervisory or agency
1.18 approval as, and be granted or denied consistent with requests for, ordinary vacation time;

1.19 (3) include requirements that leave under the program may not be approved if it will
1.20 cause overtime payments to other employees, unless such overtime is unforeseeable;

1.21 (4) include provisions to allow the employee to continue accruing vacation and sick
1.22 leave, be eligible for paid holidays and insurance benefits, and accrue seniority;

1.23 (5) allow the employee to accrue service credit and credited salary, as applicable,
1.24 in state retirement plans;

2.1 (6) include other provisions necessary to execute and achieve the requirements
 2.2 and purposes of this section and to comply with any other law, as determined by the
 2.3 commissioners of administration and management and budget; and

2.4 (7) develop criteria, guidelines, and procedures for transferring the money from the
 2.5 state employee job retention fund created under subdivision 4 to state agencies to retain
 2.6 positions that would otherwise be reduced due to budget reductions. The commissioner of
 2.7 management and budget must consult with joint management and employee committees
 2.8 representing state agencies to prioritize and select positions to be retained by the funds.

2.9 Subd. 3. **Transfer of salary savings.** As part of the program required by subdivision
 2.10 1, the commissioner of management and budget shall, in a manner and frequency
 2.11 determined by the commissioner, account for and transfer from each agency the amounts
 2.12 that would have been paid in salary to employees of the state who take unpaid leaves of
 2.13 absence under this section in the following manner:

2.14 (1) 50 percent must be transferred to the state employee job retention fund created
 2.15 under subdivision 4;

2.16 (2) 25 percent must be transferred to the applicable group retirement fund of the
 2.17 employee taking the unpaid leave, if any. If the employee is not a member of a group
 2.18 retirement fund, the money shall be transferred pursuant to clause (1); and

2.19 (3) 25 percent must be transferred to the general fund.

2.20 Subd. 4. **State employee job retention fund account created.** A state employee
 2.21 job retention fund account is created in the general fund. The money in the account is
 2.22 appropriated to the commissioner of management and budget and may only be used for
 2.23 the payment of salaries of classified employees who would otherwise face layoff due to
 2.24 budget reductions according to the requirements of subdivision 2. No more than ten
 2.25 percent of the money in the account may be used for administrative purposes.

2.26 Subd. 5. **Report required.** The commissioner of management and budget must
 2.27 submit a report to the chairs and ranking minority members of the senate and house of
 2.28 representatives committees having jurisdiction over state government finance and labor
 2.29 and industry by September 1 of each year, starting in 2011, that includes, at minimum:

2.30 (1) the number of jobs saved by use of the state employee job retention fund;

2.31 (2) the number of employees, by agency, who have taken unpaid leave under the
 2.32 unpaid job retention leave program, and the average number of hours of leave taken
 2.33 per employee;

2.34 (3) an analysis of the costs required to administer the program in the previous fiscal
 2.35 year; and

3.1 (4) accounting of the state employee job retention fund account from the previous
3.2 fiscal year and projected expenditures and transfers for the current fiscal year.

3.3 Subd. 6. **Sunset.** This section expires on July 1, 2015. Upon expiration of this
3.4 section, the commissioner of management and budget shall close the state employee job
3.5 retention fund account and transfer all remaining funds in the account to the general fund.

3.6 **EFFECTIVE DATE.** This section is effective July 1, 2010.