

Delegation of Authority Policy for Classification, Selection or Compensation

Authority for Delegation

Pursuant to Administrative Procedure 36, the Commissioner of Minnesota Management & Budget (MMB) may transfer MMB authority in whole or in part to appointing authorities or other employees within an agency to act in place of MMB under personnel law (43A), personnel rules or plans of compensation. This delegation of authority may be limited to specific kinds of decisions, particular classes and compensation levels, or other authority as determined by the Commissioner of MMB.

Individuals receiving delegated authority are responsible and accountable for making decisions in a manner that considers statewide implications and is within the parameters of the delegated authority granted by MMB and pertinent collective bargaining agreements or compensation plans, statutes, Administrative Procedures and Personnel Rules.

Areas of Delegation

This policy covers granting delegation in the following areas:

- Classification, including:
 - initial allocation and reclassification of positions in the classified and unclassified service;
 - establishment and extension of positions in the unclassified service;
 - determination of whether a reclassification is a reallocation or change in allocation;
 - response to appeals of classification decisions.

NOTE: This delegation does not include the initial allocation or reclassification of positions in the Personnel series. This includes positions currently in, going in to, or out of, the Personnel Series.

- Selection, including:
 - limiting consideration of applicants according to Administrative Procedure 10;
 - noncompetitive appointments, including provisional appointments, extension of provisional appointments and provisional to probationary conversions, noncompetitive promotions, transfers, demotions, unclassified to probationary conversions, work-training to probationary conversions, interjurisdictional transfers and demotions;
 - determination of minimum qualifications and subsequent determination and administration of selection assessments;
 - response to appeals of selection decisions.

- Compensation, including:
 - establishment of starting rates of pay for employees accepting initial appointments to state service, except as limited by compensation plan or salaries set in statute;
 - determination of the rate of pay an employee receives upon promotion to a higher classification as defined in Administrative Procedure 15.6, except as limited by compensation plan or salaries set in statute;
 - determination of salary rates on work out of class assignments as defined in Administrative Procedure 17.1, except as limited by compensation plan or salaries set in statute.

NOTE: The applicable provisions of collective bargaining agreements, compensation plans, rules and statutes limit compensation delegation. Compensation delegation also does not include authority to place salaries outside the salary range, make exceptions to the transfer policy, freeze the salary over the range maximum of an employee upon demotion, adjust salaries upon return from leave, reinstate employees at rates above that which they were earning when they left, grant unusual employment situation increases per §M.S.43A.17, Subd. 3, grant hiring incentives, or any other authority not mentioned above, except as explicitly authorized to an appointing authority under the terms of a collective bargaining agreement or compensation plan.

Process for Requesting and Receiving Delegation of Authority

Effective with the date of this policy, [requests for delegation of authority](#) for classification, selection and/or compensation must be made in writing to the MMB Commissioner.

The request must include:

- the type(s) of delegation of authority being requested,
- the individual(s) to whom the authority is being delegated and how those individual(s) meet the criteria for delegated authority as described under Criteria for Delegated Authority below,
- the approval and signature of the Agency Head or Commissioner.

MMB will review each request individually, applying the criteria for delegated authority as described later in this document, and will respond appropriately. Requesting agencies will be sent written notice approving or denying delegated authority.

Sub-delegation - The individual receiving delegated classification, selection or compensation authority may sub-delegate all or part of his/her delegated authority to other Human Resources staff in regard to those activities. However, the delegate remains ultimately responsible and accountable to the MMB Commissioner for any decisions made by the individual(s) with sub-delegation. The MMB Commissioner must also be notified in writing of any individual receiving sub-delegated authority. The notice must include a list of the topic areas or the tasks that have been sub-delegated.

NOTE: Process for Documenting Current Delegation of Authority

With the implementation of this policy, agencies that have previously received delegation of authority from MMB for classification, selection and/or compensation prior to July 1, 2007 will be asked to update their current delegation authority. MMB will provide agencies with an updated summary of their existing delegated authority. Agencies will then be asked to submit in writing to the Commissioner no later than December 31, 2007, a list of employees who have been granted delegation and any individuals to whom sub-delegation has been granted, so MMB can update its records accordingly.

The list must include:

- the names of employees granted delegation of authority,
- the type(s) of delegation of authority employees have received, and
- the approval and signature of the Agency Head or Commissioner.

Criteria for Delegated Authority

Individuals with delegated authority are required to make important decisions applying statutes, personnel rules, administrative procedures, labor agreements and plans. A thorough knowledge of the state's classification and compensation systems; a comprehensive understanding of human resources merit system principles; and an understanding of the concepts of classification, selection, assessment methods and compensation administration are required.

Taking this into consideration, the following criteria will be applied by MMB when reviewing requests for delegated authority:

- Organizational and classification level of Human Resources staff – The agency requesting delegated authority for an individual must have:
 - A full-time Human Resources Director* with at least two years of state experience in the topic areas being requested for delegation; OR
 - Experienced staff at the Personnel Representative or Personnel Officer Principal level that have a history of working with the state human resources system(s) for at least two years, in the topic areas being requested for delegation.

**Human Resource Director means any position that oversees an agency HR office and is in a managerial or supervisory classification typically in the personnel series.*

- Quality and quantity of experience (in the past year)
 - Classification and compensation recommendations made by the individual have been supported by MMB staff.
 - Classification and compensation recommendations made by the individual have covered positions in several different bargaining units and plans, showing a broad range of knowledge of the state classification and compensation system.
 - The quantity of classification and compensation decisions made by the individual has been sufficient to show broad experience in these areas.

- Documentation of recommendations submitted by the individual has been complete. Analysis is well thought out and written reports or communications are reasonable, clear and comprehensive. The analysis covers all items related to the particular transaction being recommended.
- Sufficient requisitions to hire have been submitted by the individual to show knowledge of the state's selection processes and systems and the requisitions have covered a broad range of classifications.
- Selection criteria developed for each requisition by the individual are appropriate for the classification and reflect an understanding of job analysis, selection assessment, merit principles and employment law.
- Agency internal controls
 - The requesting agency has internal policies and procedures in place covering the administration of their classification, selection, and compensation functions. Policies and procedures are documented, clear and complete.
 - The agency's HR staff has a process for reviewing and updating their policies and procedures as needed.
 - Agencies that have sub-delegated authority have established an internal review process of those transactions processed by sub-delegates.

Maintenance/Monitoring of Delegated Authority

Status Change of Individual with Delegated Authority:

When the original delegate leaves the agency (or is no longer in a position to administer the delegated authority) the agency must review this policy along with the experience of existing sub delegates and determine if one of them should be named as the interim delegate until a permanent replacement is made. As far in advance as practicable to the departure of the delegate/sub-delegate, agencies must notify the MMB Commissioner in writing of any delegate or sub-delegate leaving the agency and also the name of the individual designated as the interim delegate, if any. An agency may name an interim delegate for a period not to exceed 30 days. Extensions may be granted with the approval of the MMB Commissioner.

To obtain delegated authority for a permanent delegate that replaces the original (or interim) delegate (e.g., HR Director), the agency must submit a new request for delegated authority to the MMB Commissioner. The request must describe how the new individual meets the criteria for receiving delegation as described above under "Criteria for Delegated Authority."

MMB will respond to requests for new or interim delegates within 7 days of receipt of the request.

Requests for Expansion of Delegated Authority: Should an agency desire to add other classifications or areas of delegation to their original delegated authority, a written request must be submitted to the MMB Commissioner identifying the additional classifications or areas of delegation and stating the reasons for the request.

MMB Review: MMB will periodically monitor and evaluate the delegate's performance under this delegated authority policy to determine if performance standards are met under the guidelines below.

Review of Agency Administration of Delegated Authority

Expectations: Agencies are required to follow guidelines set forth by MMB as a minimum standard.

- For all compensation decisions, agencies are required to document, at a minimum, the information set forth on the form "Documentation for Salary Decisions."
- For classification decisions, agencies are required to document, at a minimum, the information set forth in the *Job Audits: An Agency Accountability Guide*.
- For selection decisions, agencies are required to follow the guidelines set forth in the *Multi-Source Recruitment and Selection Guidebook*.

Agencies are encouraged to supplement the information in these guides with information specific to their agencies and create internal documents that guide and assist agency employees in the decision making processes.

Schedule for Agency Reviews: Agencies with delegated authority will be reviewed biennially on a scheduled basis. This does not prevent MMB from conducting ad hoc reviews on an as needed basis. The schedule can be found in Appendix A.

Contents of the Review: Agency reviews will incorporate data and information from the preceding 24 month time period prior to the start date of the review.

There are several areas involving management discretion or delegated authority that may be reviewed including but not limited to: changes in salary for existing employees including transfers, promotions, demotions, work-out-of-class assignments, mobility assignments, recalls from layoff, etc.; starting salary determinations for new or re-hired employees; changes in appointment end dates; or unlimited classified hires that were made in SEMA4 without going through Resumix.

MMB will employ the following means to complete its review: 1) SEMA4 HR audit team queries, 2) Resumix operator review, 3) Account Representative review of Vacancy Builders and audits, and 4) general information collected from agencies and other sources. Agencies may be asked to self-report in certain areas.

Process for Agency Reviews: Each agency will receive notification of the review along with various Resumix and SEMA4 summary reports of their data. Currently agencies are contacted each time a transaction or requisition is discovered that needs to be corrected or explained. This will continue. This additional process, however, will provide for a summary review and determination that sampled transactions and requisitions were appropriate.

The biennial review process consists of the following:

- 1) Those who have been given delegated authority will be notified that their agency's delegation of authority will be reviewed over the next six months.
- 2) With the notification letter, MMB will provide agencies with transaction information from SEMA4 and Resumix.
- 3) Agencies will be required to provide to MMB:
 - a. A list of the classification and selection appeals they handled and their results;
 - b. Copies of their internal documentation standards for classification, compensation and selection; and
 - c. Specific information based on SEMA4/Resumix data processed in the previous 24 months:
 - i. Copies of job audits as requested by MMB;
 - ii. Copies of their compensation documentation related to transactions as requested by MMB.
- 4) Upon receipt of the Agency's information, the following will occur:
 - a. The information will be sent to the assigned Agency Services Account Representative.
 - b. The Account Representative will ensure that MMB has received all of the requested information.
 - c. The Account Representative will review the information related to classification and selection, and will forward all relevant copies of information related to compensation delegation to the Compensation Unit for review.
 - d. For classification audits, the Account Representative will review a sampling of classification transactions and audits to determine if:
 - i. Classification determinations follow existing guidelines as set forth in *Job Audits: An Agency Accountability Guide*.
 - ii. Proper documentation exists
 - iii. Decisions about reallocation and change in allocation are clearly documented and supported
 - iv. Any appeals were documented and handled in a timely manner.
 - e. For selection, the account representative will:
 - i. Review a sampling of requisitions to determine if minimum qualifications are consistent across similar classes within the agency.
 - f. For compensation audits, Compensation Unit staff will review a sampling of compensation transactions to ensure that:
 - i. Documentation exists to show that compensation decisions are made consistent with Minnesota Rules 3900.2100;
 - ii. All other relevant laws, rules, bargaining agreements, administrative procedures, etc. have been followed;
 - iii. Compensation decisions have been limited to those things that have been delegated.
- 5) The Agency Services Account Representative and/or Compensation Unit staff will discuss with agencies any of the information or issues that result from the biennial review process.

Report of Agency Review: A summary report of this information will be provided to:

- MMB Commissioner
- Compensation Manager (grantor of compensation delegation)
- Agency Services Supervisor/HRMD Manager (grantor of class/selection delegation).

Agencies will also receive a report detailing MMB's analysis of their use of delegated authority. The report will include recognition for appropriate use of delegated authority and/or recommendations for improvements or training initiatives.

Agencies will have an opportunity to respond to the report. That response may include, but is not limited to, any question of fact or concerns about the report and/or offer an explanation in response to any findings in the report. The response may also include steps to be taken to improve understanding and application of delegated authority.

Inappropriate Use of Delegated Authority: Inappropriate use of delegated authority includes but is not limited to delegated decisions or actions that are contrary to state laws, bargaining agreements, personnel rules or administrative procedures.

The following procedure will be implemented whenever MMB receives information concerning allegations of inappropriate use of delegated authority:

- The MMB Commissioner will be informed of the allegations and will determine what actions to take in regard to investigating the allegations. Such actions may include but are not limited to: requesting that all documentation pertaining to the transactions giving rise to the allegations be reviewed by MMB staff or other assigned experts; speaking to the Agency Head about the allegations; speaking to the individual with the delegated authority about the allegations; temporarily suspending delegated authority for the agency while the allegations are being investigated.
- Should the Commissioner order an investigation, such investigation will be conducted by MMB staff or other experts with knowledge of state classification, selection, and compensation statutes, rules, policies and procedures. As part of the investigation the agency must submit any documents requested by the investigators.
- The results of any investigation will be submitted to the Commissioner for review.
- The Commissioner will determine final action to be taken after review of the investigative report. Such action may include but is not limited to rescinding the delegated authority of any individual, placing individuals with delegated authority on probation (the terms of which will be determined the Commissioner), requesting that corrective action be taken in regard to any individual involved. Such corrective action may include, but is not limited to, additional training in skills, knowledge and procedures related to delegated authority.
- The Commissioner retains the final authority and has the right to rescind delegation, or to rescind/change any decision made under delegated authority at any time.

APPENDIX A

January-June even years

Administration, SmART, OET
Human Services
Labor & Industry*
Zoo*

July-December even years

DEED
Explore Minnesota Tourism*
Faribault Academies*
Minnesota Management & Budget*
Lottery*
DNR
Revenue*

January-June odd years

Health
MnSCU – Central Office, State Univ
MnSCU – CC, TC, CCTC
Vets Home*

July-December odd years

Administrative Hearings*
Agriculture & Animal Health
Attorney General
Commerce*
Corrections
Education
Housing Finance
Pollution Control*
Public Safety*
State Auditor
Transportation

* Designates classification and selection delegated authority only.

APPENDIX B

MINNESOTA MANAGEMENT & BUDGET

Delegation of Authority Request Form

Please complete this form to request delegation of authority and submit to MMB's Agency Services Division for classification and selection delegation, and to MMB's Compensation Unit for compensation delegation.

Date:

Agency:

Proposed Delegate Name:

Which categories of delegation are being requested (check all that apply):

- Classification Compensation Selection

Check the situation that applies to your request:

- I am a full-time Human Resources Director* with at least two years of state experience in the topic areas being requested for delegation; OR
- I have experienced staff at the Personnel Representative or Personnel Officer Principal level that have a history of working with the state human resources system(s) for at least two years, in the topic areas being requested for delegation.

**Human Resource Director means any position that oversees an agency HR office and is in a managerial or supervisory classification typically in the personnel series.*

I am requesting limited agency delegation or am requesting authority in addition to the authority that has already been granted to me (please explain):

Explanation of experience which supports the delegation request and the agency's internal controls in place (see criteria for delegation of authority on pages 3-4 of policy):

Signature of Delegate: _____

Signature of Agency Head/Commissioner: _____