MnSCU
Minnesota State Colleges & Universities

PERSONNEL PLAN
For
MnSCU ADMINISTRATORS

7/1/1999 – 6/30/2001

Approved by MnSCU Board of Trustees – November 17, 1999
Approved by Subcommittee on Employee Relations – December 13, 1999
Revised & Approved by Subcommittee on Employee Relations - July 21, 2000

TABLE OF CONTENTS

1.00 APPLICATION

The policies contained in this plan are limited to all MnSCU unclassified unrepresented administrators of the Minnesota State Colleges and Universities as defined in 1.02 of this Plan who are not covered under the terms of a collective bargaining agreement, unless applicability to other employees is specifically noted in the policy statement.

1.01 NON-DISCRIMINATION

The provisions of these policies shall be applied equally without discrimination as to race, sex, creed, religion, color, national origin, age, disability, reliance on public assistance, marital status, status with regard to public assistance, political affiliation, orientation, or membership or activity in a local commission as defined by law. The Board is committed in accordance with its policies to ensuring an employment environment free of harassment and violence.

Revised and Approved
by LSER 7-21-2000

1.02 DEFINITIONS

Subd. 1 MnSCU Administrators

"MnSCU Administrators" ("Administrators") are those unclassified unrepresented positions which meet the "managerial" definition outlined in Minnesota Statute '43A.02, Subd. 28. Administrators are staff who create or formulate, influence, or manage policy or direct the college/university system. Administrators make high level operating decisions in the college/university system or delegate such decisions to others.

Administrators include the Chancellor, presidents, vice presidents/deans, vice chancellors, associate vice chancellors, System Office directors, associate/assistant vice presidents/deans, deans/directors (academic/instructional programs), associate/assistant deans/directors (academic/instructional programs) and other titles where the position has the same responsibilities. Additionally, administrators may include positions which:

(a) report directly to the Chancellor, president, vice president, vice chancellor, associate vice chancellor or System Office directors and who meet the test for "managerial employee"; or

(b) meet the test for a "managerial employee," and are responsible for academic research, academic public service responsibilities including institutional relations, alumni and foundation activities; academic program administration or academic program outreach, including curriculum development and implementation, instruction, or direction of a program having direct contact with students about financial aids, admissions and registration, placement, campus student life and development, or related educational programs and services.

For purposes of this Personnel Plan, administrator positions are those assigned to salary ranges 1 to 14 as well as the presidents and Chancellor. Assignment of positions to salary ranges shall be based upon individual position evaluations.

Subd. 2 Types of Appointments

< Continuing B employed in a position without a specified end date.

< Acting B assigned to fill a position when the incumbent is on leave.

< Temporary B employed in a position with a specified start and end date.

< Interim B assigned to temporarily fill a vacant position.

< Contractual B an appointment with a specific starting and ending date. These appointments have certain terms and conditions specified in the contract and are subject to renewal by the Board of Trustees.

Subd. 3 Supervisory Authority

For purposes of this Personnel Plan, supervisory authority for system administrators and college/university presidents resides with the Chancellor. Supervisory authority for campus administrators resides with the president. When used in this Plan, the phrase "Chancellor/president" shall mean the Chancellor for presidents and System Office administrators and the president for campus administrators.

Revised and Approved
by LSER 7-21-2000

1.03 APPOINTMENTS/TERMS OF APPOINTMENTS

Subd. 1 Chancellor

(a) The Chancellor is selected by and serves at the pleasure of the Board, which sets the terms and conditions of employment.

(b) The Board sets the annual salary for the Chancellor within the approved range pursuant to Section 1.13, Subd. 3 of this Plan.

(c) The Chancellor may hold academic rank and may retain faculty tenure or unlimited faculty status in a university/college, if applicable and approved by the Board, consistent with the provisions and procedures of the university/college.

(d) Upon completion of service as Chancellor, the Board may appoint the Chancellor as a ADistinguished Senior Fellow for Academic Affairs.@ The Board shall determine specific duties and shall set the salary pursuant to Section 1.13, Subd. 3 of this Plan.

(e) The Chancellor=s employment may be terminated at any time. However, at the Board=s discretion, upon notice of termination, the Chancellor may be reassigned up to twelve (12) months. In the event of reassignment, the Chancellor must perform the assigned duties until the date of separation from the Minnesota State Colleges and Universities.

(f) The Board may choose to appoint a Chancellor utilizing a contractual appointment. A contractual appointment must include:

< Established term lengths not to exceed five (5) years; however, an initial contract with a Chancellor may not exceed three (3) years.

< An annual salary and provision for any increases within the salary range.

< Provisions related to termination of employment by the Board before expiration of the term of the contract, which may include payments in addition to any benefits earned under Section 1.08 of this Plan. However, such payments may not exceed one (1) year's salary and may not be made when termination is for just cause.

If the Board so chooses, the contract may include:

< Non-economic provisions.

< Additional remuneration not covered elsewhere in this Plan, which shall not exceed 30% of the base salary established under Section 1.13, Subd. 3 of this Plan. This may include compensation above the maximum salary limits established in Section 1.13, Subd. 3.

If the Board appoints a Chancellor utilizing a contractual agreement as defined in Section 1.02, Subd. 2 of this Plan, it does not preclude the Board from exercising its power to terminate the Chancellor at any time.

Subd. 2 Vice Chancellors and Presidents

(a) Vice chancellors and presidents shall be appointed and terminated according to policies established by the Board.

(b) Annual salaries shall be set pursuant to Section 1.13, Subd. 4 and 5 of this Plan and in accordance with any process established in Board policy.

(c) A vice chancellor or president may hold academic rank and may retain faculty tenure or unlimited faculty status in a university/college, if applicable and approved by the Chancellor and Board, consistent with the provisions and procedures of the university/college.

(d) Upon completion of service as vice chancellor for academic affairs or president, the Board may appoint the individual as a ADistinguished Senior Fellow for Academic Affairs.@ The Chancellor shall determine the specific duties and shall set the salary pursuant to Section 1.13, Subd. 4 and 5 of this Plan.

(e) In accordance with process established in Board policy, if the continuing appointment of a vice chancellor or president is terminated, s/he may be reassigned for up to twelve (12) months. However, s/he will receive three (3) months written notice of the effective date of termination. In the event of reassignment, the vice chancellor or president must perform the assigned duties until the date of separation from the Minnesota State Colleges and Universities.

(f) The Board, upon the recommendation of the Chancellor, may choose to appoint a vice chancellor or president utilizing a contractual appointment. A contractual appointment must include:

< Established term lengths not to exceed five (5) years; however, an initial contract with a vice chancellor or president may not exceed three (3) years.
< An annual salary and provision for any increases consistent with the Plan.
< Provisions related to early termination of employment under the contract by the Board, which, for presidents, may include payments in addition to any benefits earned under Section 1.08 of this Plan. However, such payments may not exceed one (1) year's salary and may not be made when termination is for just cause.

If the Board so chooses, the contract may include:
< Non-economic provisions.
< Additional remuneration not covered elsewhere in this Plan, which shall not exceed 30% of the base salary established under Section 1.13, Subd. 4 and 5 of this Plan. This may include compensation above the maximum salary limits established in Section 1.13, Subd. 4 and 5.

If the Board appoints a vice chancellor or president utilizing a contractual agreement as defined in

Section 1.02, Subd. 2 of this Plan, it does not preclude the Board from exercising its power to terminate the vice chancellor or president at any time.

Subd. 3 All Other Administrators

(a) Administrators serve at the pleasure of the Chancellor/president; however, the Chancellor/president may choose to provide an initial appointment of up to 18 months for an administrator not previously employed by MnSCU. Such initial appointments may be terminated for just cause.

(b) Academic Rank and Faculty Tenure or Unlimited Status. Consistent with the provisions and procedures of the university/college for making decisions relative to these matters, administrators otherwise qualified may hold academic rank and may retain faculty tenure or unlimited faculty status in the college/university, if applicable and approved by the Chancellor or president(s).

University presidents may grant faculty tenure to individuals employed as academic program deans as defined by the Chancellor=s designee. The impact of such a tenure decision upon the terms and conditions of employment of members of the faculty bargaining unit shall be governed by the provisions of the labor agreement between MnSCU and the certified exclusive faculty representative. Any variance from such contractual provisions must be obtained through collective bargaining negotiations conducted by or on behalf of the university president.

(c) In accordance with the process established in MnSCU procedures, if the continuing appointment of an administrator is terminated, s/he may be reassigned for up to six (6) months. However, s/he will receive three (3) months written notice of the effective date of termination. In the event of reassignment, the administrator must perform the assigned duties until the date of separation from the Minnesota State Colleges and Universities.

Subd. 4 Reassignment

The Chancellor/president may at any time reassign an administrator to another position within the college/university or System Office. Where such reassignment is made to a college/university from the System Office by the Chancellor, the Chancellor shall consult with the individual and the president of the college/university prior to such reassignment. Reassignment between colleges/universities must be approved by the presidents of the affected institutions and must be consistent with personnel policies and contractual provisions. Such reassignment does not constitute a vacancy. Additionally, the president or Chancellor may redefine the duties of an administrator at any time.

1.04 EVALUATION

Subd. 1 Chancellor

(a) The Chancellor shall be evaluated each year.

(b) Any evaluation report prepared by or for the Board shall be deemed private and made available only to the Chancellor and the members of the Board.

Subd. 2 All Other Administrators

All other administrators shall be evaluated each fiscal year and a copy of the evaluation documentation shall be retained in the administrator's personnel file.

1.05 HOLIDAYS

Subd. 1 Observed Holidays

The following days shall be designated as holidays when they occur during an administrator's appointment:

- Independence Day
- Labor Day
- Veteran's Day*
- Thanksgiving Day
- Day after Thanksgiving*
- Christmas Day
- New Year's Day
- Martin Luther King Day
- Presidents' Day*
- Memorial Day
- Floating Holiday (see below)

* The Chancellor/president may designate an alternate day for the observance of the asterisked holidays.

When any of the above holidays falls on a Saturday, the preceding day shall be a holiday. When any of the above holidays falls on a Sunday, the following Monday shall be a holiday.

In order to receive a paid holiday, an eligible administrator must be in payroll status on the normal work day immediately preceding the holiday and the normal work day immediately following the holiday(s). Part-time administrators shall be paid for the number of hours s/he would have worked had there been no holiday.

Subd. 2 Floating Holidays

An administrator shall receive one floating holiday each fiscal year. The scheduling of such a day shall be by mutual agreement between the Chancellor/president or designee and the administrator. The floating holiday shall be taken in the fiscal year in which it is earned, or it is lost.

Subd. 3 Religious Holidays

When a religious holiday not observed as one of those holidays listed above falls on an administrator's regularly scheduled work day, the administrator shall be entitled to that day off to observe the religious holiday.

Time to observe a religious holiday shall be taken without pay unless the administrator uses accumulated annual leave or, by mutual consent with the appointing authority, is able to work an equivalent number of hours at some other time during the fiscal year to compensate for the hours lost. An administrator shall notify his/her supervisor of his/her intention to observe a religious holiday in advance of the holiday.

1.06 LEAVES OF ABSENCE WITH PAY

Subd. 1 Annual Leave

(a) Accrual. All full-time twelve (12) month administrators shall accrue annual leave with pay at the rates as set forth in Appendix A. For purposes of this section, continuous service shall include all continuous state service. Continuous service is broken by any separation from state employment.

Administrators who are employed on less than a twelve (12) month, but greater than a six (6) month basis, or who are employed less than full-time (normally 80 hours per payroll period) shall have their annual leave accrual rate prorated according to the portion of time worked.

When appointment to an administrator position in the Minnesota State Colleges and Universities is the initial entry into state service or a move from a faculty position, full-time administrators shall be credited with ten (10) days of annual leave. Such credit shall be reduced proportionately as annual leave is accumulated. Administrators, who separate from their administrative position and who have used more of the ten (10) days than they would have accrued as provided in Appendix A, shall have their last paycheck reduced by the number of days of annual leave taken in excess of that earned.

An administrator who moves without a break in employment between positions in the classified and/or unclassified services, whether within the system or between the system and other state agencies, shall have his/her accumulated leave, to a maximum of 34 days, and length of service transferred. This provision shall also apply to administrators/managers who move from positions in the legislative or judicial branches.

(b) Limits on Accrual. Annual leave may be accumulated to any amount provided that once during the fiscal year, each administrator's accumulation must be reduced to 34 days. If this is not accomplished prior to the last full payroll period of the fiscal year, the administrator's accumulation shall automatically be reduced to 34 days as of June 30, and the amount of accumulation over 34 days will transfer to the administrator's bank of lapsed sick leave [see Subd. 2(b)] below. Saturdays, Sundays and legal holidays will not be counted as days of leave. In the event that the accumulation cannot be reduced to 34 days due to assigned job requirements, the Chancellor/president may extend the end of the fiscal year deadline for up to a maximum of six (6) months. At the end of the agreed upon time frame (maximum of six [6] months), the accumulation shall be reduced and the excess transferred to lapsed sick leave.

(c) Use of Annual Leave.

(1) Beyond the ten (10) days credited pursuant to Subd. 1(a) above, new administrators may not take annual leave until they have been employed a sufficient length of time to have earned the number of days taken.

(2) Annual leave may only be taken in one-half (**2**) day increments.

(3) The Chancellor/president or designees shall approve annual leave. The Chancellor and presidents may determine periods of annual leave for him/herself at times best suited to the nature of the workload.

(d) Payment Upon Separation. Upon separation from state service, an administrator shall be paid for his/her accrued but unused balance of annual leave not to exceed 34 days.

(e) Reinstatement. At the discretion of the Chancellor/president, an administrator who is eligible to accrue annual leave, who is reappointed to employment within the Minnesota State Colleges and Universities within four (4) years from the date of separation in good standing, may accrue annual leave according to the length of service the administrator had attained at the time of separation. This provision shall also apply to administrators reappointed to an administrator position within the Minnesota State Colleges and Universities following separation in good standing from positions covered by other plans or collective bargaining agreements or from positions in the legislative or judicial branches.

(f) Conversion of Accumulated Annual Leave to a MnSCU Approved 403(b) Account. Once in each fiscal year, with the approval of the Chancellor/president and based on the availability of funds, an administrator may convert a portion of his/her accumulated annual leave to his/her MnSCU approved 403(b) account. Each administrator may convert up to one (1) day of annual leave for each three (3) days annual leave used in the 26 pay periods ending with the last full pay period in the previous fiscal year, provided that the administrator may not convert more than five (5) days per fiscal year.

This provision shall not be used in the pay period which contains the first of July. Contributions to the administrator's 403(b) account made through the conversion of annual leave days are subject to all of the rules and regulations of the respective program and IRS regulations.

Subd. 2 Sick Leave

All sick leave will accrue on a per pay period basis as follows:

(a) Accrual

(1) Except as noted in (2) below, 15 days of sick leave shall be credited to all new full-time administrators at the time of their employment to cover possible disability during the first 30 pay periods of employment. Beginning with the 31st pay period of employment, each administrator shall be credited with one-half (2) additional day of sick leave for each succeeding pay period of employment completed. Administrators who separate from their administrative position and who have used more of the 15 days than they would have accrued at the rate of one-half (2) day for each of the first 30 pay periods, shall have their last paycheck reduced by the number of days of sick leave taken in excess of that earned.

(2) Employees accepting an administrator position in the Minnesota State Colleges and Universities under the provisions of Subd. 2 (a)(5) below shall not be credited with days as defined in Subd. 2 (a)(1) above, but shall be credited with any sick leave balance and accrual rates in effect at the time of their appointment in the Minnesota State Colleges and Universities.

(3) Administrators commencing employment on less than a full-time basis shall be given a pro-rata portion of the sick leave credit as described in Subd. 2 (a)(1) above. Beginning with the 31st pay period of employment, each part-time administrator will be credited with one-half (2) day of sick leave pro-rated by the fraction of time employed for each succeeding pay period of employment.

(4) Administrators specifically employed for a limited period of service not to exceed 15 months shall be credited with one-half (2) day of sick leave for each pay period of anticipated service rather than 15 days as described above. The amount of sick leave credited for part-time administrators so employed shall be pro-rated by the fraction of time employed.

(5) An administrator who moves without a break in employment between positions in the classified and/or unclassified services, whether within a system or between agencies, shall have his/her accumulated leave transferred. This provision shall also apply to employees who move to administrative positions from administrative or non-administrative positions covered by other plans or collective bargaining agreements or from positions in the legislative or judicial branches.

(b) Limits on Accrual. Sick leave may be accrued up to a maximum of 125 days. Sick leave earned in excess of this amount will be considered lapsed but shall be recorded. Any administrator who has such lapsed sick leave recorded to his or her credit may, upon approval of the Chancellor/president, have the lapsed sick leave restored in the event of an extended illness. Such administrator shall supply medical information as may be required.

(c) Use of Sick Leave. Sick leave may only be taken in one-half (**2**) day increments. It shall be approved, when appropriate, by the Chancellor/president or his/her designee. Such sick leave shall be granted for absences made necessary by reason of illness, or disability, including temporary disabilities caused or contributed to by pregnancy, miscarriage, abortion, childbirth, and recovery therefrom; by exposure to contagious disease which may endanger the individual or the public health; or by illness in the immediate family making it necessary that the administrator be absent from his or her duties. In the case of absence for illness of members of the immediate family, the term "immediate family" shall be defined to include the spouse, brothers, sisters living in the administrator's household, or children, wards, parent or parents of the spouse. The Chancellor/president may extend these provisions to include other residents of the household. Leave taken under the Family Medical Leave Act shall be charged to sick leave as appropriate.

(d) Reinstatement. An administrator who is eligible to accrue sick leave, who is reappointed to a position within the Minnesota State Colleges and Universities within four (4) years from the date of separation in good standing, shall have his or her sick leave balance and bank, if any, restored. However, any administrator being reappointed after receiving severance pay shall have his or her leave restored proportionately by deducting the days or fractions of days which were paid as severance. This provision shall also apply to administrators who are reappointed to an unclassified position in the Minnesota State Colleges and Universities following separation in good standing from positions covered by other plans or collective bargaining agreements or from positions in the legislative or judicial branches, unless the previous accrual rates and maximum accumulations were greater than those provided in this Personnel Plan, in which case leave balances and banks shall be restored in amounts equal to what they would have accumulated under this regulation.

Subd. 3 Bereavement Leave

The use of a reasonable period of bereavement leave (not deducted from sick leave), up to five (5) days per occurrence, shall be granted in case of a death in the administrator's immediate family. The term "immediate family" shall include the spouse, parents, parents of the spouse, children, grandchildren, brothers, sisters, grandparents, or wards of the administrator. The use of sick leave for bereavement purposes shall be granted in case of the following relatives of the spouse: children, grandchildren, brothers, sisters, grandparents or wards.

Bereavement leave in all other cases may be granted, but shall be deducted from the administrator's annual leave.

Subd. 4 Military Leave of Absence

An administrator of the Minnesota State Colleges and Universities who is a member of the state or federal armed services is entitled to leave of absence with pay as defined in Minnesota Statute '192.26.

Subd. 5 Court-Related Leaves of Absence

An administrator in the Minnesota State Colleges and Universities shall be granted a leave of absence with pay for:

(a) appearance before a court, legislative committee, or other judicial or quasi-judicial body in response to a subpoena or other direction by proper authority for purposes related to the administrator's Minnesota State Colleges and Universities position.

(b) attendance in court in connection with an administrator's official duty, such attendance including the time required in going to the court and returning to the administrator's place of work.

Subd. 6 Jury Duty Leave

Jury duty leave for time to serve on a jury, provided that when not impaneled for actual service but only on call for service, the administrator shall report to work.

Subd. 7 Voting Time Leave

Voting time leave, in accordance with Minnesota Statute '204C.04 for administrators eligible to vote in any statewide general election or any election to fill a vacancy in the United States Congress, provided that the leave is for a period of time long enough to vote during the morning of the election day.

Subd. 8 Emergency Leave

Emergency leave, in the event of a natural or man-made emergency, shall be granted pursuant to MnSCU Board Policy 4.4, Weather/Emergency Closings.

1.07 LEAVES OF ABSENCE WITHOUT PAY

Subd. 1 Regular Leaves

The Chancellor/president may approve leaves of absence without pay and without employer paid benefits when deemed to be in the best interest of the college/university or system. No regular leave without pay shall extend for a period greater than one (1) year. No administrator shall have more than two (2) consecutive year long leaves without pay without the consent of the Chancellor. While on unpaid leave, an administrator shall have the right to continue insurance benefits, to the extent permitted by law at his/her own expense.

1.08 SEVERANCE

Subd. 1 Severance Pay

Administrators shall receive severance pay upon separation by reason of:

(a) retirement at or after age 65;

(b) death;

(c) separation immediately following:

  (1) ten (10) years of continuous state employment as a manager/administrator, or

  (2) five (5) years of continuous employment as an administrator in the Minnesota State Colleges and Universities, or

  (3) 20 years of continuous state employment;

(d) retirement immediately following ten (10) years of continuous state employment with immediate entitlement at the time of retirement to receive an annuity under a state retirement program.

Notwithstanding any other provision, severance pay shall not be made to an administrator under this Plan who is terminated for gross misconduct.

Severance pay shall be a sum equal to 40% of the administrator's accumulated but unused sick leave balance at the time of separation, not to exceed 112 days, plus 12.5% of the administrator's accumulated and unused sick leave in excess of 112 days, times the administrator's regular daily rate of pay at the time of separation. However, until June 30, 2001, administrators employed by the Community College System on June 30, 1995, shall continue to be eligible for severance pay equal to 40% of the accumulated but unused sick leave balance at the time of separation, not to exceed 112 days, plus 25% of the administrator's accumulated and unused sick leave in excess of 112 days, times the administrator's regular daily rate of pay at the time of separation. Should an administrator have less than 112 days of regular sick leave accumulated, the difference may be transferred from lapsed sick leave for purposes of severance pay.

Administrators employed by the state universities on June 30, 1995, who elected to retain severance pay at 50% of his/her accumulated but unused sick leave balance, not to exceed 125 days times the regular daily rate of pay at the time of separation, shall continue to be eligible for this severance pay provision. Should an administrator electing this option have less than 125 days of regular sick leave accumulated, the difference may be transferred from lapsed sick leave for purposes of severance pay.

In the event an administrator who has received severance pay is subsequently reappointed within the Minnesota State Colleges and Universities, future severance pay for that individual shall be computed upon the unused sick leave balance accumulated since the time of reappointment.

In addition to other severance pay benefits available under this section, a contractual appointment may include severance pay up to six (6) months salary upon completion of the full term of a contractual appointment which is not renewed.

Subd. 2 Health Insurance Upon Separation

A MnSCU administrator who has served at least 25 years in MnSCU or its predecessor systems, who is at least 55 years of age, who provides a statement from a medical provider that meets the standards for long term disability as provided in the Managerial Plan adopted under Minnesota Statute '43A.18, and who separates from MnSCU employment no later than January 31, 2000, may be eligible for an employer contribution to health, but not dental or life, insurance subject to the following conditions:

(a) The administrator is eligible for employee and family coverage at the employer contribution levels which the administrator was entitled to and receiving immediately before separation, subject to any changes future personnel plans may make to this coverage, and/or the employer and administrator payments for positions equivalent to that from which the administrator separated.

(b) Eligibility ceases when the administrator reaches age 65 or when s/he is eligible for employer-paid health insurance from a new employer. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program.

(c) An administrator is not eligible to receive this benefit if s/he is eligible for and receives an early retirement incentive provided through one of the state's and/or MnSCU's collective bargaining agreements.

(d) An administrator who accepts this benefit and then becomes eligible for employer-paid health insurance with a subsequent employer must so notify MnSCU within 30 days of becoming eligible for the subsequent coverage. Failure to so notify MnSCU obligates the administrator to reimburse MnSCU for any insurance premiums paid by MnSCU since the administrator became eligible for the subsequent employment health insurance coverage.

(e) An administrator who receives this benefit may not be re-employed in MnSCU or any of its institutions or any state agency. An administrator receiving this benefit may not be engaged as a consultant with MnSCU or any of its institutions or any state agency.

Subd. 3 Enhanced Separation Payment

As recommended by the president and certified by the Chancellor, administrators whose positions are permanently eliminated as a direct result of a consolidation shall be eligible to receive an enhanced separation payment equal to four percent (4%) of their annual base salary for each full year of employment up to a maximum of 20% of their annual base salary. Only positions eliminated and administrators actually separating from employment in the Minnesota State Colleges and Universities, during the twelve (12) months immediately preceding and the six (6) months immediately following a consolidation, may be considered in determining eligibility for this enhanced separation payment. Administrators eligible for and electing to take or who have taken a legislative or other early separation incentive are not eligible for this enhanced separation payment. Administrators receiving this enhanced separation payment shall not be re-employed in the Minnesota State Colleges and Universities.

Subd. 4 Re-employment of Early Retirees

Administrators who have received an early separation incentive from the Minnesota State Colleges and Universities or one of its predecessor systems/institutions may be re-employed by the Minnesota State Colleges and Universities only in short-term, emergency situations at minimal rates of pay, and with prior written approval of the Chancellor.

1.09 INSURANCE

Except as otherwise provided below, the insurance benefits provided in the State Managerial Plan are applicable to administrators. A copy of the State Managerial Plan insurance article is attached as Appendix B.

Subd. 1 Eligibility for Participation in the State Employee Group Insurance Program
An administrator employed on the basis of at least 50% of a nine (9) month or longer appointment may elect to be covered by the benefits provided for in this Plan.

Subd. 2 Eligibility for State-Paid Benefits
To be eligible for state-paid benefits, an administrator must be employed for at least 75% of a nine (9) month or longer appointment.

Subd. 3 Maintaining Eligibility for Employer Contribution During Leaves
An administrator eligible for basic coverage paid by the employer shall have such coverage maintained during the period of a sabbatical leave or leave without pay for educational or other purposes judged by the Chancellor to be of benefit to the Minnesota State Colleges and Universities.

Subd. 4 Amount of Employer Contribution

(a) Administrator Health Insurance. The employer shall contribute an amount equal to the total monthly premium of the carrier with the lowest cost family premium operating in the county of the administrator's permanent work location and under contract to serve the state employee group plan toward the cost of the administrator's health coverage.

(b) Dependent Health Insurance:

(1) *System Office Administrators*: The employer shall contribute an amount equal to the lessor of ninety percent (90%) of the dependent premium of the lowest cost carrier, or the actual dependent premium of the health plan chosen by the administrator. Administrators employed by the state universities who are subsequently appointed to the System Office shall continue to have the employer contribute an amount equal to the total monthly premium of the lowest cost carrier.

(2) *Two-Year College Administrators*: The employer shall contribute an amount equal to the lessor of 90% of the dependent premium of the lowest cost carrier, or the actual dependent premium of the health plan chosen by the administrator.

(3) *University Administrators*: The employer shall contribute an amount equal to the total monthly premium of the lowest cost carrier.

1.10 EXPENSE REIMBURSEMENT

Except as otherwise provided below, the expense reimbursements are the same as those provided in the State Managerial Plan for all administrators covered under this Plan. A copy of the State Managerial Plan expense reimbursement language is attached as Appendix C.

1.11 RELOCATION EXPENSES

Administrators may be reimbursed for relocation expenses as indicated below.

Reimbursement for relocation expenses will be allowed only if a change in residence is completed within one (1) year from the date of appointment or reassignment unless other time extension arrangements have been approved by the Chancellor/president and only if the administrator obtained prior authorization from the Chancellor/president before incurring reimbursable expenses.

Some of the payments under these provisions are considered wages by the Internal Revenue Service and as such are subject to income tax withholding.

Subd. 1 Covered Expenses
Reimbursable expenses may include, but are not limited to, the following:

(a) Travel Status. For up to six (6) months, a new administrator may be considered in travel status and receive expense reimbursement consistent with 1.10 of this Plan and Appendix C. Travel status for new administrators may be extended up to an additional six (6) months by the Chancellor/president.

Administrators in acting or interim positions may be considered in travel status for up to six (6) months. Extensions of up to an additional six (6) months may be granted by the Chancellor/president.

(b) Travel to Work Location. Four (4) round trips by the administrator's spouse and two (2) round trips by the administrator's dependents to the new work location with reimbursement consistent with 1.10 of this Plan and the State Managerial Plan (Appendix C).

Cost of travel of the administrator's spouse and dependents when moving to the new work location, consistent with 1.10 of this Plan and the State Managerial Plan (Appendix C).

(c) Moving Expenses. The actual cost of moving and packing household goods may be reimbursed. The administrator shall obtain no less than two (2) bids for packing and/or moving household goods. Approval shall be obtained from the president for college/university administrators, and the Chancellor for administrators in the System Office and presidents, prior to making any commitment to a mover to either pack or ship the administrator's household goods. Payment shall be made for moving a house trailer if the trailer is the administrator's domicile.

(d) Miscellaneous Expenses. Up to $1,000 in documented miscellaneous expenses directly related to the move may be reimbursed to the administrator. These expenses may include, but are not limited to, such items as: fees involved in the purchase of a house in the new location, disconnecting and connecting appliances and/or utilities, the cost of insurance for property damage during the move, the cost of moving up to two (2) automobiles, payment of loan origination fees not to exceed one percent (1%) of mortgage, or other direct costs associated with rental or purchase of another residence.

Neither the State of Minnesota nor the Minnesota State Colleges and Universities shall be responsible for the loss or damage to any administrator's household goods or personal effects.

Subd. 2 Realtor's Fees

The cost of the realtor's fees on the sale or purchase of the administrator's principal residence, but not both, or fees required to break a lease on an administrator's rented domicile may be reimbursed up to six percent (6%) of the selling price of the principal residence. A copy of the settlement statement showing that the employee paid the realtor's fees must accompany the request for reimbursement.

Subd. 3 Eligibility

(a) Chancellor. At the discretion of the Board.

(b) Presidents and System Office Administrators. At the discretion of the Chancellor.

(c) All Other Administrators. Relocation expenses for all other administrators may be reimbursed only after prior approval of the Chancellor/president.

1.12 CAREER DEVELOPMENT

Subd. 1 Courses, Tuition and Fees

(a) Administrators employed on at least a 75% basis shall be entitled to enroll, on a space available basis, in courses offered by a college/university in the Minnesota State Colleges and Universities without payment of tuition or fees, except laboratory and special course fees. For administrators employed prior to July 1, 1995, such enrollment shall not exceed a total of 24 semester credit hours per fiscal year. For administrators employed after July 1, 1995, such enrollment shall not exceed a total of 16 semester credit hours per fiscal year.

(b) To the extent that the administrator does not exercise the rights above, the administrator's spouse or dependents shall be eligible to take credits in an institution type which is similar to that in which the employee is employed (i.e., if employed in a community or technical college, is entitled to tuition waiver in any community, technical or consolidated college; if employed in a state university, is entitled to tuition waiver in any state university), within the limits above, with waiver of tuition only.

The spouse or dependent(s) of the System Office administrator shall be entitled to enroll, on a space available basis, without payment of tuition and fees, except laboratory and special course fees as follows:

(1) Administrators employed by the State University System on June 30, 1995 -- in courses offered by a state university.

(2) Administrators employed by the Community College System or the Technical College Board or a technical college on June 30, 1995 -- in courses offered by a state community, technical or consolidated college.

(3) Administrators not previously employed in one of the above systems -- shall select one type of college or university (state university, community or technical college) in which to exercise this right. This selection is offered on a one-time only basis and is not subject to change by the administrator.

Dependents shall be those persons meeting the Department of Employee Relations' definition of dependent for health insurance purposes.

Subd. 2 Professional Development

The Chancellor/president is authorized to fund professional development for administrators. This may include attendance at professional meetings, seminars, visits to post-secondary institutions or other relevant activities that will enhance professional knowledge and performance.

Subd. 3 Sabbatical Leave
An administrator is eligible for a sabbatical leave to secure additional education, training, or experience which will better prepare him/her to carry out his/her management responsibilities. A sabbatical leave may be granted for any period up to one (1) year at no pay, partial pay, or full pay. Granting of a sabbatical leave is at the discretion of the Chancellor. The administrator shall be eligible to retain state-paid insurance benefits for which s/he is otherwise eligible while on sabbatical leave. A sabbatical leave may be granted if the following criteria are met:

- the administrator has at least six (6) years of MnSCU service;
- the administrator has submitted a plan to the president or appropriate vice chancellor or Chancellor showing how the leave will serve the purpose described above;
- the president or vice chancellor has recommended approval of the plan to the Chancellor;
- the Chancellor has granted prior approval of the plan;
- the organization's functions and goals can be carried out during the administrator's absence;
- funds are available for this purpose; and
- the administrator agrees, in writing, to return to MnSCU employment following completion of a paid sabbatical leave for the amount of time specified by the Chancellor at the time the leave was approved and agrees to repay the amount of sabbatical compensation if s/he does not return for the agreed upon time.

Revised & Approved by
LSER 7/21/00

1.13 SALARY ADMINISTRATION

Subd. 1 Purpose

The purpose of this policy is to establish salary ranges and distribute available salary increase monies for fiscal years 2000 and 2001 to MnSCU administrators and to define other salary policies which affect administrators.

Subd. 2 Annual Base Salary

These salary ranges, and annual base salaries set within these ranges, are for the full fiscal year (July 1 - June 30) and shall not be added to or subtracted from to reflect fluctuations in the number of work days (260, 261 or 262) in a given year.

Subd. 3 Chancellor

The Board shall set the salary of the Chancellor within the range listed below. The salary range shall be subject to legislative approval pursuant to Minnesota Statute '15A.081, Subd. 7c.

Effective Date	***1/1/01 Minimum***	***1/1/01 Maximum***	***7/1/02 Maximum***
Salary Range	$197,000	$250,000$270,000	

Subd. 4 Presidents

(a) FY 2000 Increase. The Chancellor shall determine the salary of presidents within the salary ranges in (b) of this subdivision.

(b) FY 2000 Salary Ranges	***Minimum***	***Maximum***
IV	$120,950	$166,050
III	$113,980	$134,788
II	$107,061	$128,125
I	$89,483	$118,900

(c) FY 2001 Increase. The Chancellor shall determine the salary of presidents within the salary ranges in (d) of this subdivision.

(d) FY 2001 Salary Ranges	***Minimum***	***Maximum***
IV	$123,974	$170,201
III	$116,830	$138,157
II	$109,738	$131,328
I	$91,720	$121,873

Subd. 5 Salary Ranges and Increases for All Other Administrators

(a) Fiscal Year 2000. For fiscal year 2000, each administrator shall be eligible for a general performance increase of up to two and a half percent (2.5%) of base salary. Additionally, up to three and a half (3.5%) percent of aggregate base salaries may be used for merit increases to be effective no earlier than January 1, 2000. Merit increases may be granted either on the base or as a lump sum at the discretion of the Chancellor/president. Such salary increases shall not result in a salary above the maximum of the salary range to which the position is assigned.

(b) Fiscal Year 2001. For fiscal year 2001, each administrator shall be eligible for a general performance increase of up to two and a half percent (2.5%) of base salary. Additionally, up to three and a half (3.5%) percent of aggregate base salaries may be used for merit increases to be effective no earlier than January 1, 2001. Merit increases may be granted either on the base or as a lump sum at the discretion of the Chancellor/president. Such salary increases shall not result in a salary above the maximum of the salary range to which the position is assigned.

(c) Salary Ranges

		FY 2000			***FY 2001***	
Range	**Minimum**	**Midpoint**	**Maximum**	**Minimum**	**Midpoint**	**Maximum**
14	$117,363	$126,076	$134,788	$120,297	$129,227	$138,158
13	$106,600	$116,208	$125,815	$109,265	$119,113	$128,961
12	$90,168	$105,572	$120,976	$92,422	$108,211	$124,001
11	$86,700	$101,512	$116,323	$88,868	$104,049	$119,231
10	$83,365	$97,607	$111,849	$85,450	$100,048	$114,646
9	$80,159	$93,853	$107,547	$82,163	$96,200	$110,236
8	$77,076	$90,244	$103,411	$79,003	$92,500	$105,996
7	$72,565	$84,916	$97,267	$74,379	$87,039	$99,699
6	$65,874	$78,500	$91,125	$67,521	$80,462	$93,403
5	$63,544	$74,263	$84,981	$65,133	$76,119	$87,106
4	$57,659	$67,692	$77,724	$59,100	$69,384	$79,667
3	$56,984	$64,392	$71,800	$58,409	$66,002	$73,595
2	$54,705	$60,689	$66,672	$56,073	$62,206	$68,339
1	$52,882	$56,073	$59,263	$54,204	$57,474	$60,745

Subd. 6 General Salary Administration Policies

(a) Entry Appointment. Entry appointment should be made consistent with appropriate MnSCU salary equity guidelines. Appointments above the mid-point of the salary range that are not consistent with MnSCU salary guidelines must have the prior approval of the Chancellor's designee.

(b) Promotion. An individual promoted to a position assigned by the Chancellor's designee to a higher salary range may be granted a salary increase as follows:

(1) placement at the minimum of the new salary range; or

(2) a percentage increase in any amount provided such increase does not result in placement above the midpoint of the new salary range; or

(3) up to a maximum of ten percent (10%) if the increase would place the administrator above the midpoint of the new salary range.

Increases of larger amounts may be granted by the Chancellor or designee based on the employment conditions which may make such action necessary.

With the exception of administrators who are below the minimum of the new salary range, nothing in the above language should be interpreted as requiring that a salary increase be granted upon promotion.

(c) Counters to External Offers of Employment. The Chancellor may adjust the salary of any administrator who presents to him/her written evidence of an employment offer at a higher salary from a non-MnSCU employer.

(d) Review of Salary Range/Positions

(1) *Position Descriptions*. Position descriptions shall be reviewed by the administrator and his/her supervisor on a regular basis to determine if changes have occurred in the position or in the organizational structure. Revised or new position descriptions shall be approved by the Chancellor/president or designee, as appropriate.

(2) *Review of Present Salary Range/Positions*. The Chancellor or designee will assign positions to appropriate salary ranges. A request for position re-evaluation or salary range assignment review may be initiated at any time by an administrator or his/her supervisor. The procedure for handling requests for reviews shall be as set forth by the Chancellor or designee.

(e) Payments Under Special Circumstances for Administrators. Administrators are paid for accomplishing their jobs, not for the hours worked. Further, since they normally have the ability to schedule their time to accomplish their goals and objectives, they are excluded from Fair Labor Standards Act coverage and are therefore not compensated for overtime.

However, if an administrator teaches a credit-generating course at another MnSCU college/university on an overload basis, the administrator will be compensated the normal rate paid for that course for part-time temporary faculty not covered under a collective bargaining agreement. Administrators who are *assigned* to teach a credit-generating course at their home college/university on an overload basis may, at the president's discretion, be compensated at the normal rate paid for that course for part-time temporary faculty not covered under a collective bargaining agreement. Under no circumstances may an administrator be compensated for teaching more than two (2) courses in a fiscal year.

As approved by the president, administrators may receive additional compensation for work which is totally unrelated to their positions and incidental in nature, e.g., officiating at athletic contests, musical performances, but not including instruction-related activities such as non-credit teaching, counseling, etc. In no case may the pay for such additional work exceed $1,000 per fiscal year.

Subd. 7 Salary Review and Adjustment
The Chancellor shall have the right to review and adjust administrator salaries where evidence is found of salary inequity based on gender, race, or other equity claims.

Subd. 8 Health/Dental Premium and Expense Account
Insurance eligible administrators will have an option to pay for their portion of health and dental premiums on a pretax basis as permitted by law or regulation. Administrators may cover co-payments, deductibles, and other medical and dental expenses or expenses for services not covered by health or dental insurance as permitted by law or regulation, up to a maximum expenditure of $5,000 per insurance year.

Subd. 9 Dependent Care Expense Account
Insurance eligible administrators will have an option to participate in a dependent care reimbursement program for work-related dependent care expenses on a pretax basis as permitted by law or regulation.

Subd. 10 Supplemental Retirement
Pursuant to Minnesota Statute '354C.12, the employer shall deduct from the salary of full-time administrators a sum equal to five percent (5%) of the annual salary paid after the first $6,000 up to a maximum of $1,800 in FY2000 and $2,000 in FY2001 to be paid into the Minnesota State Colleges and Universities Supplemental Retirement Account of the retirement fund. The employer shall make a contribution in an amount equal to the deductions made from the administrator's salary. Deductions shall begin in the administrator's third year of full-time employment in the system.

APPENDIX A

ANNUAL LEAVE ACCRUAL SCHEDULE for MnSCU ADMINISTRATORS

Subd. 1 Chancellor, Presidents, Vice Chancellor for Academic Affairs
Seven (7) days at the end of the first full pay period, and one (1) day at the end of each of the remaining pay periods worked during each fiscal year of employment.

Subd. 2 Other Full-time Administrators
Shall be credited with annual leave on the following basis:

Length of Continuous State Service	Accrual Rate
0 through 5 years	One (1) day at the end of each of the first 22 full pay periods worked during each fiscal year of employment.
Year 6 through 12 years	One (1) day at the end of each pay period worked during each fiscal year of employment.
Year 13 through 20 years	Four (4) days at the end of the first full pay period and one (1) day at the end of each of the remaining pay periods worked during each fiscal year of employment.
Year 21 and after	Seven (7) days at the end of the first full pay period and one (1) day at the end of each of the remaining pay periods worked during each fiscal year of employment.

Administrators employed for less than full-time shall have the annual leave pro-rated.

APPENDIX B
(as taken from the 1999-01 Managerial Plan)

12 Insurance

Section 1. Manager Group Insurance Program. During the life of this Plan, the Employer shall provide a Group Insurance Program that includes health, dental, life, and disability coverages equivalent to existing coverages, subject to the provisions of this Chapter.

All insurance eligible managers will be provided with a Summary Plan Description describing these coverages. Such Summary Plan Description shall be provided no less than biennially and prior to the beginning of the insurance year. New insurance eligible managers shall receive a Summary Plan Description within thirty (30) days of their date of eligibility.

Section 2. Eligibility for Group Participation. This section describes eligibility to participate in the Group Insurance Program.

A. **Managers - Basic Eligibility**. Managers may participate in the Group Insurance Program if they are scheduled to work at least 1044 hours in any twelve consecutive months, except for: emergency, temporary, and intermittent managers.

B. **Managers - Special Eligibility**. The following managers are also eligible to participate in the Group Insurance Program:

1. **Managers with a Work-related Injury/Disability**. A manager who was off the State payroll due to a work-related injury or a work-related disability may continue to participate in the Group Insurance Program as long as such a manager receives workers' compensation payments or while the workers' compensation claim is pending.

2. **Totally Disabled Managers**. Consistent with M.S. 62A.148, certain totally disabled managers may continue to participate in the Group Insurance Program.

3. **Retired Managers**. A manager who retires from State service, is not eligible for regular (non-disability) Medicare coverage, has five (5) or more years of allowable pension service, and is entitled at the time of retirement to immediately receive an annuity under a State retirement program, may continue to participate in the health and dental coverages offered through the Group Insurance Program.

   Consistent with M.S. 43A.27, subdivision 3, a retired manager from State service who receives an annuity under a State retirement program may continue to participate in the health and dental coverages offered through the Group Insurance Program. Retiree coverage must be coordinated with Medicare.

C. **Dependents**. Eligible dependents for the purposes of this Chapter are as follows:

1. **Spouse**. The spouse of an eligible manager (if not legally separated). For the purpose of health insurance coverage, if that spouse works full-time for an organization employing more than 100 people and elects to receive either credits or cash (1) in place of health insurance or health coverage or (2) in addition to a health plan with a seven hundred and fifty dollar ($750) or greater deductible through his/her employing organization, s/he is not eligible to be a covered dependent for the purposes of this Chapter. If both spouses work for the State or another organization participating in the State's Group Insurance Program, neither spouse may be covered as a dependent by the other, unless one spouse is not eligible for a full Employer Contribution as defined in Section 3A.

2. **Children and Grandchildren**. An eligible manager's unmarried dependent children and unmarried dependent grandchildren: (1) through age eighteen (18); or (2) through age twenty-four (24) if the child or grandchild is a full-time student at an accredited educational institution; or (3) a child or grandchild, regardless of age or marital status, who is incapable of self-sustaining employment by reason of mental retardation, mental illness or physical disability and is chiefly dependent on the manager for support. The handicapped dependent shall be eligible for coverage as long as s/he continues to be handicapped and dependent, unless coverage terminates under the contract.

   "Dependent Child" includes a manager's: (1) biological child, (2) child legally adopted by or placed for adoption with the manager, (3) foster child, and (4) step-child. To be considered a dependent child, a foster child must be dependent on the manager for his/her principal support and maintenance and be placed by the court in the custody of the manager. To be considered a dependent child, a step-child must maintain residence with the manager and be dependent upon the manager for his/her principal support and maintenance.

   "Dependent Grandchild" includes a manager's: (1) grandchild placed in the legal custody of the manager, (2) grandchild legally adopted by the manager or placed for adoption with the manager, or (3) grandchild who is the dependent child of the manager's unmarried dependent child. Under (1) and (3) above, the grandchild must be dependent upon the manager for principal support and maintenance and live with the manager.

   If both spouses work for the State or another organization participating in the State's Group Insurance Program, either spouse, but not both, may cover their eligible dependent children or grandchildren. This restriction also applies to two divorced, legally separated, or unmarried managers who share legal responsibility for their eligible dependent children or grandchildren.

D. **Continuation Coverage**. Consistent with state and federal laws, certain managers, former managers, dependents, and former dependents may continue group health, dental, and/or life coverage at their own expense for a fixed length of time. As of the date of this Plan, state and federal laws allow certain group coverages to be continued if they would otherwise terminate due to:

a. termination of employment (except for gross misconduct);
b. layoff;
c. reduction of hours to an ineligible status;
d. dependent child becoming ineligible due to change in age, student status, marital status, or financial support (in the case of a foster child or stepchild);
e. death of manager; or
f. divorce.

Section 3. Eligibility for Employer Contribution. This section describes eligibility for an Employer Contribution toward the cost of coverage.

A. **Full Employer Contribution - Basic Eligibility**. The following managers covered by this Plan receive the full Employer Contribution:

1. Managers who are scheduled to work at least forty (40) hours weekly for a period of nine (9) months or more in any twelve (12) consecutive months.

2. Managers who are scheduled to work at least sixty (60) hours per pay period for twelve (12) consecutive months, but excluding part-time or seasonal managers serving on less than a seventy-five (75) percent basis.

B. **Partial Employer Contribution - Basic Eligibility**. The following managers covered by this Plan receive the full Employer Contribution for basic life coverage, and at the manager's option, a partial Employer Contribution for health and dental coverages. The partial Employer Contribution for health and dental coverages is seventy-five (75) percent of the full Employer Contribution for both employee only and dependent coverage.

1. **Part-time Managers**. Managers who hold part-time, unlimited appointments and who work at least fifty (50) percent of the time but less than seventy-five (75) percent of the time.

2. **Seasonal Managers**. Seasonal managers who are scheduled to work at least 1044 hours over a period of any twelve (12) consecutive months.

C. **Special Eligibility**. The following managers also receive an Employer Contribution:

1. **Managers on Layoff**. A classified manager who receives an Employer Contribution, who has three (3) or more years of continuous service, and who has been laid off, remains eligible for an Employer Contribution and all other benefits provided under this Chapter for six (6) months from the date of layoff.

2. **Work-related Injury/Disability**. A manager who receives an Employer Contribution and who is off the State payroll due to a work-related injury or a work-related disability remains eligible for an Employer Contribution as long as such a manager receives workers' compensation payments. If such manager ceases to receive workers' compensation payments for the injury or disability and is granted a disability leave under Chapter 6, s/he shall be eligible for an Employer Contribution during that leave.

D. **Maintaining Eligibility for Employer Contribution**.

1. **General**. A manager who receives a full or partial Employer Contribution maintains that eligibility as long as the manager meets the Employer Contribution eligibility requirements, and appears on a State payroll for at least one full working day during each payroll period. This requirement does not apply to managers who receive an Employer Contribution while on layoff as described in Section 3C2, or while eligible for workers' compensation payments as described in Section 3C3.

2. **Unpaid Leave of Absence**. If a manager is on an unpaid leave of absence, then vacation leave, compensatory time, or sick leave cannot be used for the purpose of maintaining eligibility for an Employer Contribution by keeping the manager on a State payroll for one (1) working day per pay period.

3. **School Year Employment**. If a manager is employed on the basis of a school year and such employment contemplates absences from the State payroll during the summer months or vacation periods scheduled by the Appointing Authority which occur during the regular school year, the manager shall nonetheless remain eligible for an Employer Contribution, provided that the manager appears on the regular payroll for at least one working day in the payroll period immediately preceding such absences.

4. A manager who is on an approved FMLA leave or on a salary savings leave as provided elsewhere in this plan maintains eligibility for an Employer contribution.

Section 4. Amount of Employer Contribution. For managers eligible for an Employer Contribution as described in Section 3, the amount of the Employer Contribution will be determined as follows beginning on January 5, 2000. The Employer Contribution amounts and rules in effect on June 30, 1999 will continue through January 4, 2000.

A. **Contribution Formula - Health Coverage**.

1. **Manager Coverage**. For manager health coverage, the Employer contributes an amount equal to the lesser of one hundred (100) percent of the manager-only premium of the Low-Cost Health Plan, or the actual manager-only premium of the health plan chosen by the manager.

2. **Dependent Coverage**. For dependent health coverage, the Employer contributes an amount equal to the lesser of ninety (90) percent of the dependent premium of the Low-Cost Health Plan, or the actual dependent premium of the health plan chosen by the manager.

3. **Low-Cost Health Plan**. For the purposes of Section 4A, "Low-Cost Health Plan" means the health plan with: (1) the lowest family premium rate; and (2) operating in the county of the manager's permanent work location; county of residence for insurance year 2001; see Section 4A4 below. "Family premium" is the total of the manager premium and the dependent premium.

   The Low-Cost Health Plan for each county for the 2000 insurance year is listed in Appendix I. During the 2000 insurance year, the list may be changed only if the Low-Cost Health Plan no longer operates in a county.

4. **Location as the Basis for Employer Contribution**. The Employer Contribution for each manager is based on the manager's permanent work location on the effective date of the 2000 insurance year. For the 2001 insurance year, the Employer contribution will be based on the manager's county of permanent residence (for Minnesota residents) or the manager's county of permanent work location (for Minnesota non-residents). If the health plan a manager is enrolled in is not available at the new permanent work location, then the Employer Contribution changes to the amount in effect at the new permanent work location.

B. **Contribution Formula - Dental Coverage**.

1. **Manager Coverage**. For manager dental coverage, the Employer contributes an amount equal to the lesser of one hundred (100) percent of the manager premium of the State Dental Plan, or the actual manager premium of the dental plan chosen by the manager.

2. **Dependent Coverage**. For dependent dental coverage, the Employer contributes an amount equal to the lesser of fifty (50) percent of the dependent premium of the State Dental Plan, or the actual dependent premium of the dental plan chosen by the manager.

C. **Contribution Formula - Basic Life Coverage**. For manager basic life coverage and accidental death and dismemberment coverage, the Employer contributes one-hundred (100) percent of the cost.

Section 5. Coverage Changes and Effective Dates.

A. **When Coverage May Be Chosen** A manager must make his/her choice of employee health and dental plans and choice of dependent coverage (if applicable) within sixty (60) calendar days of the date of initial appointment to an insurance-eligible position. When health and dental coverage are elected, the manager will automatically be enrolled in basic life coverage. Managers eligible for a partial employer contribution may elect health and dental coverage within sixty (60) calendar days of initial employment or during an open enrollment period. Managers who become eligible for a full employer contribution must make their choice of manager-only health and dental plans and dependent coverage within sixty (60) calendar days of becoming eligible or be enrolled in the low-cost plan in the county of the manager's work location. A manager may change his/her health or dental plan if the manager changes to a new permanent work location, and the manager's current plan is not available at the new work location.

A manager who receives notification of a work location change between the end of an open enrollment period and the beginning of the next insurance year, may change his/her health or dental plan within thirty (30) calendar days of the date of the relocation under the same provisions accorded during the last open enrollment period. A manager and a retired manager may add dependent health or dental coverage following the birth of a child or dependent grandchild, or following the adoption of a child without regard to the thirty (30) day enrollment period. In addition, a manager and a retired manager may add dependent health or dental coverage within thirty (30) days of the following events:

1. If a manager or retired manager becomes married, the manager or retiree may add his/her spouse and any dependent children/grandchildren.

2. If the manager's spouse loses group health or dental coverage, the manager may add his/her spouse and any dependent children/grandchildren.

3. If the retiree’s spouse involuntarily loses group health or dental coverage, the retiree may add his/her spouse and any dependent children/grandchildren. (Spouse’s loss of coverage due to his/her retirement would be considered involuntary.)

B. **When Coverage May Be Cancelled**.

1. **Dependent Coverage**. A manager may cancel dependent health or dependent dental coverage outside of open enrollment only in the case of certain life events that are consistent with the request to cancel coverage. The request to cancel coverage must be made within sixty (60) days of the event. Life events include, but are not limited to:

   - loss of dependent status of a sole dependent;
   - death of a sole dependent;
   - divorce;
   - change in employment condition of a manager or spouse; and
   - a significant change of spousal insurance coverage (cost of coverage is not a significant change).

   Dependent health or dependent dental coverage may also be cancelled during the open enrollment period that applies to each type of plan for any reason.

2. **Manager-only Coverage**. A part-time manager may also cancel manager-only coverage within sixty (60) days of when one of these same life events occurred.

3. **Effective Date of Benefit Termination**. Medical coverage termination will take effect on the first of the month following the end of the pay period coinciding with or next following the date of the application to cancel coverage, or the loss of eligible employee or dependent status.

   All other benefit coverage terminations will take effect on the first day of the pay period coinciding with or next following the date of the application to cancel coverage, or the loss of eligible employee or dependent status.

C. **Effective Date of Coverage**.

1. **Initial Effective Date**. The initial effective date of coverage under the Group Insurance Program is the first day of the first payroll period beginning on or after the 28th calendar day following the manager's first day of employment, re-employment, re-hire, or reinstatement with the State. A manager must be actively at work on the initial effective date of coverage, except that a manager who

is on paid leave on the date State-paid life insurance benefits increase is also entitled to the increased life insurance coverage. In no event shall a manager's dependent's coverage become effective before the manager's coverage.

If a manager is not actively at work due to manager or dependent health status or medical disability, medical and dental coverage will still take effect. (Life and disability coverage will be delayed until the manager returns to work.)

2. **Delay in Coverage Effective Date**.

a. **Basic Life**. If a manager is not actively at work on the initial effective date of coverage, coverage will be delayed until the first day of the pay period coinciding with or next following the manager's return to work. The effective date of a change in coverage is not delayed in the event that, on the date the coverage change would be effective, a manager is on an unpaid leave of absence or layoff.

b. **Medical and Dental**. If a manager is not actively at work on the initial effective date of coverage due to a reason other than hospitalization or medical disability of the manager or dependent, medical and dental coverage will be delayed until the first day of the pay period coinciding with or next following the manager's return to work.

The effective date of a change in coverage is not delayed in the event that, on the date the coverage change would be effective, a manager is on an unpaid leave of absence or layoff.

c. **Optional Life and Disability Coverages**. In order for coverage to become effective, the manager must be in active payroll status and not using sick leave on the first day of the pay period coinciding with or next following approval by the insurance company. If it is an open enrollment period, coverage may be applied for but will not become effective until the first day of the pay period coinciding with or next following the manager's return to work.

D. **Open Enrollment**.

1. **Frequency and Duration**. There shall be an open enrollment period for health coverage in each year of this Plan, and for dental coverage in the first year of this Plan. Open enrollment periods shall last a minimum of thirty (30) calendar days. Open enrollment changes become effective on January 5, 2000 in the first year of this Plan, and on January 3, 2001 in the second year of this Plan.

2. **Eligibility to Participate**. A manager eligible to participate in the State Employee Group Insurance Program, as described in Section 2A and 2B, may participate in open enrollment. In addition, a person in the following categories may, as allowed in Section 5E1 above, make certain changes: (1) a former manager or dependent on continuation coverage, as described in Section 2D, may change plans or add coverage for health and/or dental plans on the same basis as active managers; and (2) an early retiree, prior to becoming eligible for Medicare, may change health and/or dental plans as agreed to for active managers, but may not add dependent coverage.

3. **Materials for Manager Choice**. Each year prior to open enrollment, the Appointing Authority will give eligible managers the information necessary to make open enrollment selections. Managers will be provided a statement of their current coverage each year of the plan.

E. **Coverage Selection Prior to Retirement**. A manager who retires and is entitled to receive an annuity under a State retirement program may change his/her health or dental plan during the sixty (60) calendar day period immediately preceding the date of retirement. The manager may not add dependent coverage during this period. The change takes effect on the first day of the first pay period beginning after the date of retirement.

Section 6. Basic Coverages.

A. **Manager and Dependent Health Coverage**.

1. **Coverage Options**. Eligible managers must select coverage under one of the health plans offered by the Employer, including the State Health Plan, or other health plans.

2. **Coverage Under the State Health Plan**. From July 1, 1999 through January 4, 2000, coverage under the State Health Plan Point of Service and State Health Plan Select (hereinafter referred to as SHPPOS and SHPS, respectively) will continue at the level in effect on June 30, 1999. Effective January 5, 2000, SHPPOS and SHPS will cover allowable charges for the following eligible services subject to the copayments and coverage limits stated. Services provided through both plans are subject to their managed care procedures and principles, including standards of medical necessity and appropriate practice. Effective January 5, 2000, all other plans providing services to state employees will have the same coverages as the SHPS.

   a. **Services received from, or authorized by, a primary care physician within the primary care clinic.** State Health Plan Point of Service (SHPPOS) and State Health Plan Select (SHPS).

   The following health care services under SHPPOS and SHPS shall be received from, or authorized by, a primary care physician within the primary care clinic. The primary care clinic shall be selected from approved clinics in accordance with SHPPOS and SHPS administrative procedures. Higher out-of-pocket costs as described in 6A2b apply to the following services if not received from, or authorized by, a primary care physician within the primary care clinic.

   1. **Inpatient hospital services**. One hundred (100) percent coverage.

   2. **Outpatient surgery center services**. One hundred (100) percent coverage.

   3. **Home health services**. One hundred (100) percent coverage up to a maximum of five thousand dollars ($5,000) eligible expenses per person per year.

   4. **X-rays and laboratory tests**. One hundred (100) percent coverage.

   5. **Preventive care**. One hundred (100) percent coverage.

   6. **Physicians services**. One hundred (100) percent coverage.

7. **Durable medical equipment**. Eighty (80) percent coverage.

- All diabetic supplies, including test tapes and syringes, are covered under durable medical equipment.

b. **Services not authorized by a primary care physician within the primary care clinic.** Coverage under this section 6A2b is only available to individuals who elect SHPPOS coverage, and then only under the terms and conditions outlined in the Certificate of Coverage.

For services under 6A2a which are not authorized by a primary care physician within the primary care clinic in the 2000 and 2001 insurance years:

- there is a three hundred fifty dollar ($350) deductible per person with a maximum deductible per family of seven hundred dollars ($700).

After deductible is satisfied, seventy (70) percent coverage up to a maximum annual copayment of:

- three thousand dollars ($3,000) per person and six thousand dollars ($6,000) per family.

These deductibles and copayments are separate from the deductibles and copayments for authorized services under Section 6A2a.

c. **Special service networks (applies to SHPPOS and SHPS).** The following services must be received from Special Service network providers in order to be covered.

1. **Mental health services - inpatient and outpatient**. One hundred (100) percent coverage (up to 365 days for inpatient services). No coverage for services obtained from out-of-network providers under SHPS. Out-of-network services are available under SHPPOS according to the terms of the Certificate of Coverage. In-network services need not be authorized by a primary care physician within the primary care clinic under either plan.

2. **Chemical dependency services - inpatient and outpatient**. One hundred (100) percent coverage (up to 365 days for inpatient services). No coverage for services obtained from out-of-network providers under SHPS. Out-of-network services are available under SHPPOS according to the terms of the Certificate of Coverage. In-network services need not be authorized by a primary care physician within the primary care clinic under either plan.

3. **Chiropractic services**. One hundred (100) percent coverage. No coverage for services obtained from out-of-network providers. Services need not be authorized by a primary care physician within the primary care clinic. Coverage shall be provided for a minimum of twenty (20) services or twenty-one (21) calendar days, whichever is greater, per incident.

4. **Transplant coverage**. The SHPPOS and SHPS shall provide transplant coverage, as specified in their respective Certificates of Coverage. No coverage for services obtained from out-of-network providers.

   Referrals for eligible transplant services must be authorized by a primary care physician within the primary care clinic.

5. **Cardiac services**. No coverage for non-emergency cardiac services obtained from out-of-network providers. Referrals for services must be authorized by a primary care physician within the primary care clinic.

6. **Home Infusion Therapy**. The SHPPOS and SHPS shall provide Home Infusion Therapy coverage as specified in their respective Certificates of Coverage. No coverage for services obtained from out-of-network providers. Referrals for eligible Home Infusion Therapy services must be authorized by a primary care physician within the primary care clinic.

7. **Hospice Benefit**. One hundred (100) percent coverage for services obtained from in-network providers. Seventy (70) percent coverage for services obtained from out-of-network providers under SHPPOS. Referrals for eligible hospice services must be authorized by a primary care physician within the primary care network.

d. **Services not requiring authorization by a primary care physician within the primary care clinic**.

The following services do not require authorization by a primary care physician within the primary care clinic in order to be covered.

1. **Prescription drugs**.

   - Insulin will be treated as a prescription drug subject to a separate copay for each type prescribed.

   - If the subscriber chooses a brand name drug when a bioequivalent generic drug is available, the subscriber is required to pay the standard copayment plus the difference between the cost of the brand name drug and the generic. Amounts above the copay that an individual elects to pay for a brand name instead of a generic drug will not be credited toward the out-of-pocket maximum.

   a. **SHPS. Prescription Drugs**. For the 2000 and 2001 insurance years:

      - ten dollar ($10) copayment per prescription or refill for a generic formulary drug dispensed in a thirty-four (34) day supply.

- twenty-one dollar ($21) payment per prescription or refill for a non-formulary drug dispensed in a thirty-four (34) day supply.

- annual maximum eligible out of pocket expense for prescription drugs of two hundred dollars ($200) per person or four hundred dollars ($400) per family.

b. **Grandfathered Diabetic Group**. For insulin dependent diabetics who have been continuously enrolled in the State Health Plan since January 1, 1991 and who were identified as having used these supplies during the period January 1, 1991 through September 30, 1991, (hereinafter the "Grandfathered Diabetic Group") diabetic supplies are covered as follows:

- Test tapes and syringes are covered at one hundred (100) percent for the greater of a thirty-four (34) day supply or one hundred (100) units when purchased with insulin.

2. **Eye exams**. SHPPOS and SHPS. One hundred (100) percent coverage. (Limited to one routine examination per year.)

3. **Outpatient emergency and urgicenter services**. SHPPOS and SHPS. Thirty dollar ($30) copayment per visit for outpatient emergency visits and fifteen dollar ($15) copayment per visit for urgicenter visits that do not result in hospital admission within twenty-four (24) hours; one hundred (100) percent coverage thereafter.

4. **Ambulance**. SHPPOS and SHPS. Eighty (80) percent coverage for eligible expenses. (Air ambulance paid to ground ambulance coverage limit only, unless ordered "first response" or if air ambulance is the only medically acceptable means of transport as certified by the attending physician.)

e. **Emergency and urgently needed care outside the network (SHPPOS and SHPS)**. Professional services of a physician, emergency room treatment, and inpatient hospital services covered at eighty percent (80%) of the first two thousand dollars ($2,000) and one hundred percent (100%) thereafter of the charges incurred per insurance year. The maximum eligible out-of-pocket expense per individual per year for this benefit is four hundred dollars ($400). This benefit is not available when the member's condition permits him or her to receive care within the network of the plan in which the individual is enrolled.

f. **Lifetime maximum**. SHPPOS and SHPS. Coverage under the State Health Plan is subject to a per-person lifetime maximum. The lifetime maximum is two million dollars ($2,000,000) for services under 6A2a, 6A2c and 6A2d combined. The lifetime maximum for services under 6A2b is limited to five hundred thousand dollars ($500,000). The five hundred thousand dollar ($500,000) maximum which applies under 6A2b is part of, and not in addition to, the two million dollar ($2,000,000) lifetime plan maximum.

3. **Coordination with Workers' Compensation**. When a manager has incurred an on-the-job injury or an on-the-job disability and has filed a claim for workers' compensation, medical costs connected with the injury or disability shall be paid by the manager's health plan, pursuant to M.S. 176.191, subdivision 3.

4. **Health Promotion and Health Education**. The Employer recognizes the value and importance of

health promotion and health education programs. Such programs can assist managers and their dependents to maintain and enhance their health, and to make appropriate use of the health care system. To work toward these goals:

a. **Develop Programs**. The Department of Employee Relations will develop and implement health promotion and health education programs, subject to the availability of resources. Each Appointing Authority will develop a health promotion and health education program consistent with the Department of Employee Relations policy. Program topics shall include but are not limited to smoking cessation, weight loss, stress management, health education/self-care, and education on related benefits provided through the State Health Plan and HMO plans.

b. **Health Plan Specification**. The Employer will require health plans participating in the Group Insurance Program to develop and implement health promotion and health education programs for State managers and their dependents.

c. **Manager Participation**. The Employer will assist managers' participation in health promotion and health education programs. Health promotion and health education programs that have been endorsed by the Employer (Department of Employee Relations) will be considered to be non-assigned job-related training pursuant to Administrative Procedure 21B. Approval for this training is at the discretion of the Appointing Authority and is contingent upon meeting staffing needs in the manager's absence and the availability of funds. Managers are eligible for release time, tuition reimbursement, or a prorata combination of both. Managers may be reimbursed for up to one hundred (100) percent of tuition or registration costs upon successful completion of the program.

d. **Health Promotion Incentives**. The Joint Labor-Management Committee on Health Plans shall develop a program which provides incentives for managers who participate in a health promotion program. The health promotion program shall emphasize the adoption and maintenance of more healthy lifestyle behaviors and shall encourage wiser usage of the health care system.

B. **Manager and Family Dental Coverage**.

1. **Coverage Options**. Eligible managers may select coverage under any one of the dental plans offered by the Employer, including health maintenance organization plans, the State Dental Plan, or other dental plans.

2. **Coverage Under the State Dental Plan**. The State Dental Plan will provide the following coverage:

a. **Copayments**. Effective January 5, 2000, the State Dental Plan will cover allowable charges for the following services subject to the copayments and coverage limits stated. Higher out-of-pocket costs apply to services obtained from dental care providers not in the State Dental Plan network. Services provided through the State Dental Plan are subject to the State Dental Plan's managed care procedures and principles, including standards of dental necessity and appropriate practice. The plan shall cover general cleaning two (2) times per plan year and special cleanings (root or deep cleaning) as prescribed by the dentist.

Service	In-Network	Out-of-Network
Diagnostic/Preventive	100%	50%
Fillings	80%	50%
Endodontics	80%	50%
Periodontics	80%	50%
Oral Surgery	80%	50%
Crowns	80%	50%
Prosthetics	50%	None
Prosthetic Repairs	50%	None
Orthodontics*	80%	50%

*Please refer to your Certificate of Coverage for information regarding age limitation for dependent orthodontic care.

b. **Deductible**. An annual deductible of one hundred twenty-five dollars ($125) per person applies to State Dental Plan basic and special services received from out of network providers. The deductible must be satisfied before coverage begins.

c. **Annual Maximums**. State Dental Plan coverage is subject to a one thousand dollar ($1,000) annual maximum benefit payable (excluding orthodontia) per person. "Annual" means per insurance year.

d. **Orthodontia Lifetime Maximum**. Orthodontia benefits are available to eligible dependent children ages 8 through 18 subject to a two thousand eight hundred dollar ($2,800) lifetime maximum benefit.

C. **Income Protection Plan**.

1. **Basic Managerial Life, Accidental Death and Dismemberment (AD&D) Coverage, and Disability Insurance**. The Employer agrees to provide and pay for the following coverage in either Plan A or Plan B for all managers eligible for a full or partial Employer Contribution, as described in Section 3. Any premium paid by the State in excess of fifty thousand dollars ($50,000) coverage is subject to a tax liability in accord with Internal Revenue Service regulations. A manager may decline coverage in excess of fifty thousand dollars ($50,000) by filing a waiver in accord with Department of Finance procedures. The basic life insurance policy will include an accelerated benefits agreement providing for payment of benefits prior to death if the insured has a terminal condition.

   Managers select coverage under either Plan A or Plan B below. Both plans provide employer paid life and AD&D coverage. Plan A also includes employer paid disability coverage.

   Plan A: Employer paid life and AD&D coverage equal to one and one-half times annual salary and disability insurance with a one hundred and fifty (150) calendar day elimination period.

Managers may elect to purchase shorter elimination periods for disability insurance of thirty (30), sixty (60), ninety (90) or one hundred and twenty (120) days.

The disability benefit, after the elimination period, is sixty (60) percent of a manager's salary to a maximum of $5,000/month.

Plan B: Employer paid life and AD&D coverage equal to two times annual salary.

Managers may elect to purchase disability insurance at the manager's own expense. Managers may elect to purchase shorter elimination periods of thirty (30), sixty (60), ninety (90), one hundred and twenty (120) or one hundred and fifty (150) days.

The disability benefit, after the elimination period, is sixty (60) percent of a manager's salary to a maximum of $5,000/month.

Disability insurance elimination periods. Elimination periods can be changed once a year. The Group Benefits Plan brochure for the Managers Income Protection Plan contains information on when changes require evidence of insurability.

2. **Extended Benefits**. A manager who becomes totally disabled before age 70 shall be eligible for the extended benefit provisions of the life insurance policy until age 70. Employees who were disabled prior to July 1, 1983 and who have continuously received benefits shall continue to receive such benefits under the terms of the policy in effect prior to July 1, 1983.

3. **Additional Death Benefit**. Managers who retire on or after July 1, 1985, shall be entitled to a five hundred dollar ($500) death benefit payable to a beneficiary designated by the manager, if at the time of death the manager is entitled to an annuity under a State retirement program. A five hundred dollar ($500) cash death benefit shall also be payable to the designated beneficiary of a manager who becomes totally and permanently disabled on or after July 1, 1985, and who at the time of death is receiving a State disability benefit and is eligible for a deferred annuity under a State retirement program.

Section 7. Optional Coverages.

A. **Life Coverage**.

1. **Manager**. A manager may purchase up to five hundred thousand dollars ($500,000) additional life insurance, in increments established by the Employer, subject to satisfactory evidence of insurability. Upon initial appointment to state service, a new manager may purchase up to two (2) times annual salary or two hundred thousand dollars ($200,000), whichever is less, in optional employee life coverage within sixty (60) calendar days of hire without evidence of insurability.

2. **Spouse**. A manager may purchase up to five hundred thousand dollars ($500,000) life insurance

coverage for his/her spouse, in increments established by the Employer, subject to satisfactory evidence of insurability. Upon initial appointment to state service, a new manager may purchase either five thousand dollars ($5,000) or ten thousand dollars ($10,000) in optional spouse life coverage within sixty (60) calendar days of hire without evidence of insurability.

3. **Children/Grandchildren**. A manager may purchase life insurance in the amount of ten thousand dollars ($10,000) as a package for all eligible children/grandchildren (as defined in Section 2C of this Chapter). Child/grandchild coverage requires evidence of insurability if application is made after the first sixty (60) calendar days of employment. Child/grandchild coverage commences fourteen (14) calendar days after birth.

4. **Accelerated Life**. The additional manager, spouse and child life insurance policies will include an accelerated benefits agreement providing for payment of benefits prior to death if the insured has a terminal condition.

5. **Waiver of Premium**. In the event a manager becomes totally disabled before age seventy (70), there shall be a waiver of premium for all life insurance coverage that the manager had at the time of disability.

6. **Paid Up Life Policy**. At age sixty-five (65) or the date of retirement, a manager who has carried optional life insurance for the five (5) consecutive years immediately preceding the date of the manager's retirement or age sixty-five (65), whichever is later, shall receive a post-retirement paid-up life insurance policy in an amount equal to fifteen (15) percent of the smallest amount of optional manager life insurance in force during that five (5) year period. The manager's post-retirement death benefit shall be effective as of the date of the manager's retirement or the manager age sixty-five (65), whichever is later. Managers who retire prior to age sixty-five (65) must be immediately eligible to receive a state retirement annuity and must continue their optional manager life insurance to age sixty-five (65) in order to remain eligible for the manager post-retirement death benefit.

   A manager who has carried optional spouse life insurance for the five (5) consecutive years immediately preceding the date of the manager's retirement or spouse age sixty-five (65), whichever is later, shall receive a post-retirement paid-up life insurance policy in an amount equal to fifteen (15) percent of the smallest amount of optional spouse life insurance in force during that five (5) year period. The spouse post-retirement death benefit shall be effective as of the date of the manager's retirement or spouse age sixty-five (65), whichever is later. The manager must continue the full amount of optional spouse life insurance to the date of the manager's retirement or spouse age sixty-five (65), whichever is later, in order to remain eligible for the spouse post-retirement death benefit.

   Each policy remains separate and distinct, and amounts may not be combined for the purpose of increasing the amount of a single policy.

B. **Disability Coverage**.

1. **Short-term Disability Coverage**. An employee who carries short-term disability and is promoted

to a managerial position may continue the coverage in force at that time. The manager may decrease or cancel the coverage, but may not increase the coverage.

2. **Long-term Disability Coverage**. An employee who is promoted to a managerial position is eligible for long-term disability coverage only through the Income Protection Plan.

C. **Accidental Death and Dismemberment Coverage**. A manager may purchase accidental death and dismemberment coverage that provides principal sum benefits in amounts ranging from five thousand dollars ($5,000) to one hundred thousand dollars ($100,000). Payment is made only for accidental bodily injury or death and may vary, depending upon the extent of dismemberment. A manager may also purchase from five thousand dollars ($5,000) to twenty five thousand dollars ($25,000) in coverage for his/her spouse, but not in excess of the amount carried by the manager.

D. **Continuation of Optional Coverages During Unpaid Leave or Layoff**. A manager who takes an unpaid leave of absence or who is laid off may discontinue premium payments on short-term disability and optional employee, spouse and child life policies during the period of leave or layoff. If the manager returns within one (1) year, the manager shall be permitted to pick up all optionals held prior to the leave or layoff. For purposes of reinstating such optional coverages, the following limitations shall be applicable.

For the first twenty-four (24) months of short-term disability coverage after such a period of leave or layoff during which short-term or long-term disability coverage was discontinued, any such disability coverage shall exclude coverage for certain pre-existing conditions. For disability purposes, a pre-existing condition is defined as any disability which is caused by, or results from, any injury, sickness or pregnancy which occurred, was diagnosed, or for which medical care was received during the period of leave or layoff. In addition, any pre-existing condition limitations that would have been in effect under the policy but for the discontinuance of coverage shall continue to apply as provided in the policy.

The limitations set forth above do not apply to Family Medical Leave Act (FMLA) leaves.

14 Expense Reimbursement

General. The Appointing Authority may authorize payment of travel and other expenses and reimbursement of special expenses for managers in accord with the provisions of this Chapter, Chapter 8, and Administrative Procedure 4.4 for the effective conduct of the State's business. Such authorization must be granted prior to incurring the actual expenses.

Privately-Owned Vehicles and Aircraft. A manager shall be reimbursed for the use of privately-owned vehicles and aircraft under the situations and at the rates specified below. In all cases, mileage must be on the most direct route according to Department of Transportation records.

Situation	**Rate Per Mile 7/1/99-6/30/01**
• Use of personal automobile when a State-owned vehicle is not available.	Federal IRS mileage reimbursement rate
• Use of personal automobile when a State-owned vehicle is available and declined by the manager.	Federal IRS mileage reimbursement rate less $0.07
• Use of personal van or van-type vehicle specially equipped with a ramp, lift, or other level-changing device designed to provide wheelchair access.	$0.50
• Use of personal aircraft provided that the manager can demonstrate adequate liability coverage under the requirements of M.S. 360.59, subdivision 10, and the Appointing Authority has granted approval for the use of the aircraft.	$0.45
• Use of personal motorcycle or similar two-wheel motorized vehicle.	$0.15

In addition to mileage, actual parking fees and toll charges shall be reimbursed. At the sole discretion of the Appointing Authority, managers who normally are not required to travel on state business may be reimbursed for parking at their work location on an incidental basis when they are required to use their personal or a state vehicle for state business and no free parking is provided.

Managers shall not receive mileage reimbursement for commuting between a permanent work location and their home. For each position, the Appointing Authority may designate no more than two permanent work locations, which must be within 35 miles of each other. For purposes of expense reimbursement for trips to temporary work locations, the Appointing Authority shall designate one of the two permanent work locations as the primary location. The Appointing Authority must provide advance written notice of the two locations and the primary location to anyone being appointed to such a position.

When a manager does not report to the permanent work location during the day or makes business calls before or after reporting to the permanent work location, the allowable mileage is: (1) the lesser of the mileage from the manager's residence to the first stop or from his/her permanent work location to the first stop, (2) all mileage between points visited on State business during the day, and (3) the lesser of the mileage from the last stop to the manager's residence or from the last stop to his/her permanent work location.

Managers accepting mobility assignments, as defined in Administrative Procedure 1.1, are not eligible for mileage reimbursement for the trip between their home and the mobility assignment.

Other Travel Expenses. Upon approval of the Appointing Authority, managers in travel status may be reimbursed for expenses described below in the amounts actually incurred not to exceed any maximum amounts specified below.

Where anticipated expenses total at least $50.00, the Appointing Authority shall advance the manager the amount of the anticipated expenses upon the manager's request made a reasonable period of time prior to the travel date. If the amount advanced exceeds the actual expenses, the manager shall return the excess within two weeks of return from travel. The Appointing Authority may issue the manager a state-owned credit card in lieu of a travel advance.

Reimbursable expenses may include, but are not limited to, the following:

- Commercial transportation (air, taxi, rental car, etc.) provided that no air transportation shall be by first class unless authorized by an Appointing Authority; and that reimbursement for travel which includes more than one destination visited for State purposes and non-State purposes be in an amount equal to the cost of the air fare only to those destinations visited for State purposes.

- Meals including tax and a reasonable gratuity. Managers shall be reimbursed for meals under the following conditions:

    1. **Breakfast**. Breakfast reimbursements may be claimed if the manager leaves home before 6:00 a.m. or is away from home overnight.
    2. **Lunch**. Lunch reimbursements may be claimed if the manager is in travel status more than 35 miles away from his/her normal office or is away from home overnight.
    3. **Dinner**. Dinner reimbursements may be claimed if the manager cannot return home until after 7:00 p.m. or is away from home overnight.

4. **Reimbursement Amount**. Except for the metropolitan areas listed below, the maximum reimbursement for meals including tax and gratuity shall be:

Breakfast	$ 7.00
Lunch	9.00
Dinner	15.00

For the following metropolitan areas the maximum reimbursement shall be:

Breakfast	$10.00
Lunch	12.00
Dinner	20.00

The metropolitan areas are:

Atlanta	Detroit	New York City
Baltimore	Hartford	Philadelphia
Boston	Houston	Portland, Oregon
Chicago	Kansas City	St. Louis
Cleveland	Los Angeles	San Diego
Dallas	Miami	San Francisco
Denver	New Orleans	Seattle
		Washington D.C.

See Appendix K for details related to the boundaries of the above-mentioned metropolitan areas. The higher meal reimbursement rates also include any location outside the 48 contiguous United States.

Managers who are in travel status for two or more consecutive meals shall be reimbursed for the actual costs of the meals including tax and a reasonable gratuity, up to the combined maximum amount for the reimbursable meals.

- Hotel and motel accommodations provided that managers exercise good judgment in incurring lodging costs and that charges are reasonable and consistent with the facilities available.

- All work-related long distance telephone calls provided that the manager does not have a State telephone credit card or is unable to bill the call to the office telephone number.

- Actual, personal telephone call charges. The maximum reimbursement for each trip shall be the result of multiplying the number of nights away from home by $3.00.

- Reasonable costs of dry cleaning and laundry services, not to exceed $16.00 each week after the first week a manager is in continued travel status.

- Reasonable costs and gratuities for baggage handling.
- Parking fees and toll charges.

Receipts. The Appointing Authority may require receipts for any reimbursement requested by a manager under the provisions of this or any other chapter in this Plan.