

1.24 **ARTICLE 1**

1.25 **STATE GOVERNMENT APPROPRIATIONS**

2.1 **ARTICLE 1**

2.2 **STATE GOVERNMENT APPROPRIATIONS**

1.26 Section 1. STATE GOVERNMENT APPROPRIATIONS.

1.27 The sums shown in the columns marked "Appropriations" are appropriated to the  
1.28 agencies and for the purposes specified in this article. The appropriations are from the  
1.29 general fund, or another named fund, and are available for the fiscal years indicated  
1.30 for each purpose. The figures "2012" and "2013" used in this article mean that the  
1.31 appropriations listed under them are available for the fiscal year ending June 30, 2012, or  
2.1 June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal  
2.2 year 2013. "The biennium" is fiscal years 2012 and 2013.

2.3 APPROPRIATIONS

2.4 Available for the Year

2.5 Ending June 30

2.6 2012 2013

2.7 Sec. 2. LEGISLATURE

2.8 Subdivision 1. Total Appropriation \$ 61,732,000 \$ 61,732,000

2.3 Section 1. STATE GOVERNMENT APPROPRIATIONS.

2.4 The sums shown in the columns marked "Appropriations" are appropriated to the  
2.5 agencies and for the purposes specified in this article. The appropriations are from the  
2.6 general fund, or another named fund, and are available for the fiscal years indicated  
2.7 for each purpose. The figures "2012" and "2013" used in this article mean that the  
2.8 appropriations listed under them are available for the fiscal year ending June 30, 2012, or  
2.9 June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal  
2.10 year 2013. "The biennium" is fiscal years 2012 and 2013.

2.11 APPROPRIATIONS

2.12 Available for the Year

2.13 Ending June 30

2.14 2012 2013

2.15 Sec. 2. LEGISLATURE

2.16 Subdivision 1. Total Appropriation \$ 61,651,000 \$ 61,651,000

Senate Language S1047-2

House Language UES1047-2

2.9	<u>Appropriations by Fund</u>		
2.10	<u>2012</u>	<u>2013</u>	
2.11	<u>General</u>	<u>61,554,000</u>	<u>61,554,000</u>
2.12	<u>Health Care Access</u>	<u>178,000</u>	<u>178,000</u>
2.13	<u>The amounts that may be spent for each</u>		
2.14	<u>purpose are specified in the following</u>		
2.15	<u>subdivisions.</u>		
2.16	<u>Subd. 2. Senate</u>	<u>20,733,000</u>	<u>20,733,000</u>
2.17	<u>Subd. 3. House of Representatives</u>	<u>27,874,000</u>	<u>27,874,000</u>
2.18	<u>Subd. 4. Legislative Coordinating Commission</u>	<u>13,125,000</u>	<u>13,125,000</u>
2.19	<u>Appropriations by Fund</u>		
2.20	<u>General</u>	<u>12,947,000</u>	<u>12,947,000</u>
2.21	<u>Health Care Access</u>	<u>178,000</u>	<u>178,000</u>

2.17	<u>Appropriations by Fund</u>		
2.18	<u>2012</u>	<u>2013</u>	
2.19	<u>General</u>	<u>61,523,000</u>	<u>61,523,000</u>
2.20	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>
2.21	<u>The amounts that may be spent for each</u>		
2.22	<u>purpose are specified in the following</u>		
2.23	<u>subdivisions.</u>		
2.24	<u>Subd. 2. Senate</u>	<u>20,068,000</u>	<u>20,068,000</u>
2.25	<u>Subd. 3. House of Representatives</u>	<u>27,874,000</u>	<u>27,874,000</u>
2.26	<u>During the biennium ending June 30, 2013,</u>		
2.27	<u>any revenues received by the house of</u>		
2.28	<u>representatives from voluntary donations</u>		
2.29	<u>to support broadcast or print media are</u>		
2.30	<u>appropriated to the house of representatives.</u>		
2.31	<u>Subd. 4. Legislative Coordinating Commission</u>	<u>13,709,000</u>	<u>13,709,000</u>
2.32	<u>Appropriations by Fund</u>		
2.33	<u>General</u>	<u>13,581,000</u>	<u>13,581,000</u>
2.34	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>





4.2	<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>	
4.3	<u>Of this appropriation, \$65,000 in the first</u>			
4.4	<u>year and \$65,000 in the second year is</u>			
4.5	<u>for transfer to the commissioner of public</u>			
4.6	<u>safety for a grant to the Minnesota County</u>			
4.7	<u>Attorneys Association for prosecutor and law</u>			
4.8	<u>enforcement training.</u>			
4.9	Sec. 6. <b><u>SECRETARY OF STATE</u></b>	\$	<b><u>4,810,000</u></b>	\$ <b><u>4,810,000</u></b>
4.10	<u>Any funds available in the account</u>			
4.11	<u>established in Minnesota Statutes, section</u>			
4.12	<u>5.30, pursuant to the Help America Vote Act,</u>			
4.13	<u>are appropriated for the purposes and uses</u>			
4.14	<u>authorized by federal law.</u>			
4.15	Sec. 7. <b><u>CAMPAIGN FINANCE AND PUBLIC</u></b>			
4.16	<b><u>DISCLOSURE BOARD</u></b>	\$	<b><u>689,000</u></b>	\$ <b><u>689,000</u></b>
4.17	Sec. 8. <b><u>INVESTMENT BOARD</u></b>	\$	<b><u>139,000</u></b>	\$ <b><u>139,000</u></b>
4.18	Sec. 9. <b><u>ADMINISTRATIVE HEARINGS</u></b>	\$	<b><u>7,634,000</u></b>	\$ <b><u>7,504,000</u></b>
4.19	<u>Appropriations by Fund</u>			
4.20		<u>2012</u>	<u>2013</u>	
4.21	<u>General</u>	<u>384,000</u>	<u>254,000</u>	
4.22	<u>Workers'</u>			
4.23	<u>Compensation</u>	<u>7,250,000</u>	<u>7,250,000</u>	

4.16	<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>	
4.17	<u>Of this appropriation, \$65,000 in the first</u>			
4.18	<u>year and \$65,000 in the second year are</u>			
4.19	<u>from the general fund for transfer to the</u>			
4.20	<u>commissioner of public safety for a grant to</u>			
4.21	<u>the Minnesota County Attorneys Association</u>			
4.22	<u>for prosecutor and law enforcement training.</u>			
4.23	Sec. 6. <b><u>SECRETARY OF STATE</u></b>	\$	<b><u>5,193,000</u></b>	\$ <b><u>5,193,000</u></b>
4.24	Sec. 7. <b><u>CAMPAIGN FINANCE AND PUBLIC</u></b>			
4.25	<b><u>DISCLOSURE BOARD</u></b>	\$	<b><u>653,000</u></b>	\$ <b><u>653,000</u></b>
4.26	Sec. 8. <b><u>INVESTMENT BOARD</u></b>	\$	<b><u>132,000</u></b>	\$ <b><u>132,000</u></b>
4.27	Sec. 9. <b><u>ADMINISTRATIVE HEARINGS</u></b>	\$	<b><u>7,614,000</u></b>	\$ <b><u>7,484,000</u></b>
4.28	<u>Appropriations by Fund</u>			
4.29		<u>2012</u>	<u>2013</u>	
4.30	<u>General</u>	<u>364,000</u>	<u>234,000</u>	
4.31	<u>Workers'</u>			
4.32	<u>Compensation</u>	<u>7,250,000</u>	<u>7,250,000</u>	

4.24 \$130,000 in the first year is for the cost  
 4.25 of considering complaints filed under  
 4.26 Minnesota Statutes, section 211B.32. Until  
 4.27 June 30, 2013, the chief administrative  
 4.28 law judge may not make any assessment  
 4.29 against a county or counties under Minnesota  
 4.30 Statutes, section 211B.37. Any amount of  
 4.31 this appropriation that remains unspent at  
 4.32 the end of the biennium must be canceled  
 4.33 to the general account of the state elections  
 5.1 campaign fund. The base for fiscal year 2014  
 5.2 is \$130,000, to be available for the biennium,  
 5.3 under the same terms.

5.4 Sec. 10. **OFFICE OF ENTERPRISE**  
 5.5 **TECHNOLOGY** \$ 4,635,000 \$ 4,635,000

5.6 During the biennium ending June 30, 2013,  
 5.7 the office must not charge fees to a public  
 5.8 noncommercial educational television  
 5.9 broadcast station for access to the state  
 5.10 information infrastructure.

5.11 Sec. 11. **ADMINISTRATION**

5.12 Subdivision 1. **Total Appropriation** \$ 17,245,000 \$ 17,245,000

5.13 The amounts that may be spent for each  
 5.14 purpose are specified in the following  
 5.15 subdivisions.

5.16 Subd. 2. **Government and Citizen Services** 14,310,000 14,310,000

5.17 \$74,000 the first year and \$74,000 the second  
 5.18 year are for the Council on Developmental  
 5.19 Disabilities.

5.20 \$8,158,000 the first year and \$8,158,000  
 5.21 the second year are for office space costs of  
 5.22 the legislature and veterans organizations,  
 5.23 ceremonial space, and statutorily free space.

5.1 \$130,000 in the first year is for the cost  
 5.2 of considering complaints filed under  
 5.3 Minnesota Statutes, section 211B.32. Until  
 5.4 June 30, 2013, the chief administrative  
 5.5 law judge may not make any assessment  
 5.6 against a county or counties under Minnesota  
 5.7 Statutes, section 211B.37. Any amount of  
 5.8 this appropriation that remains unspent at  
 5.9 the end of the biennium must be canceled  
 5.10 to the general account of the state elections  
 5.11 campaign fund. The base for fiscal year 2014  
 5.12 is \$130,000, to be available for the biennium,  
 5.13 under the same terms.

5.14 Sec. 10. **OFFICE OF ENTERPRISE**  
 5.15 **TECHNOLOGY** \$ 4,636,000 \$ 4,636,000

5.16 During the biennium ending June 30, 2013,  
 5.17 the office must not charge fees to a public  
 5.18 noncommercial educational television  
 5.19 broadcast station for access to the state  
 5.20 information infrastructure.

5.21 Sec. 11. **ADMINISTRATION**

5.22 Subdivision 1. **Total Appropriation** \$ 18,023,000 \$ 18,023,000

5.23 The amounts that may be spent for each  
 5.24 purpose are specified in the following  
 5.25 subdivisions.

5.26 Subd. 2. **Government and Citizen Services** 14,736,000 14,736,000

5.24 The remaining balances in the: (1)  
 5.25 resource recovery account; (2) office supply  
 5.26 connections account; and (3) reduce savings  
 5.27 monitoring system account are transferred to  
 5.28 the general fund.

5.29 Subd. 3. Administrative Management Support 1,460,000 1,460,000

5.30 Subd. 4. Public Broadcasting 1,475,000 1,475,000

6.1 (a) The appropriations under this section are  
 6.2 to the commissioner of administration for the  
 6.3 purposes specified.

6.4 (b) \$890,000 the first year and \$890,000  
 6.5 the second year are for matching grants for  
 6.6 public television.

6.7 (c) \$152,000 the first year and \$152,000  
 6.8 the second year are for public television  
 6.9 equipment grants. Equipment or matching  
 6.10 grant allocations shall be made after  
 6.11 considering the recommendations of the  
 6.12 Minnesota Public Television Association.

6.13 (d) \$264,000 the first year and \$264,000 the  
 6.14 second year are for community service grants  
 6.15 to public educational radio stations.

6.16 (e) \$92,000 the first year and \$92,000 the  
 6.17 second year are for equipment grants to  
 6.18 public educational radio stations.

5.27 Subd. 3. Administrative Management Support 1,502,000 1,502,000

5.28 Subd. 4. Public Broadcasting 1,785,000 1,785,000

5.29 (a) The appropriations under this section are  
 5.30 to the commissioner of administration for the  
 5.31 purposes specified.

6.1 (b) \$1,002,000 the first year and \$1,002,000  
 6.2 the second year are for matching grants for  
 6.3 public television.

6.4 (c) \$190,000 the first year and \$190,000  
 6.5 the second year are for public television  
 6.6 equipment grants. Equipment or matching  
 6.7 grant allocations shall be made after  
 6.8 considering the recommendations of the  
 6.9 Minnesota Public Television Association.

6.10 (d) \$16,000 the first year and \$16,000 the  
 6.11 second year are for grants to the Twin Cities  
 6.12 regional cable channel.

6.13 (e) \$278,000 the first year and \$278,000 the  
 6.14 second year are for community service grants  
 6.15 to public educational radio stations.

6.16 (f) \$97,000 the first year and \$97,000 the  
 6.17 second year are for equipment grants to  
 6.18 public educational radio stations.

6.19 (f) The grants in paragraphs (d) and (e)  
 6.20 must be allocated after considering the  
 6.21 recommendations of the Association of  
 6.22 Minnesota Public Educational Radio Stations  
 6.23 under Minnesota Statutes, section 129D.14.

6.24 (g) \$77,000 the first year and \$77,000 the  
 6.25 second year are for grants to Minnesota  
 6.26 Public Radio, Inc., for upgrades to  
 6.27 Minnesota's Emergency Alert and AMBER  
 6.28 Alert Systems.

6.29 (h) Any unencumbered balance remaining  
 6.30 the first year for grants to public television  
 6.31 and radio stations does not cancel and is  
 6.32 available for the second year.

7.1	Sec. 12. <u>CAPITOL AREA</u>			
7.2	<u>ARCHITECTURAL AND PLANNING</u>			
7.3	<u>BOARD</u>	\$	<u>325,000</u>	\$ <u>325,000</u>

	Sec. 13. <u>MINNESOTA</u>			
7.4	<u>MANAGEMENT AND</u>			
7.5	<u>BUDGET</u>	\$	<u>17,073,000</u>	\$ <u>16,823,000</u>

7.6 \$600,000 the first year and \$600,000 the  
 7.7 second year are for zero-based budgeting  
 7.8 activities.

7.9 \$250,000 the first year is for actuarial studies  
 7.10 required for the early retirement incentives  
 7.11 authorized under Minnesota Statutes, section  
 7.12 43A.347. This is a onetime appropriation.

7.13 Sec. 14. REVENUE

6.19 (g) The grants in paragraphs (e) and (f)  
 6.20 must be allocated after considering the  
 6.21 recommendations of the Association of  
 6.22 Minnesota Public Educational Radio Stations  
 6.23 under Minnesota Statutes, section 129D.14.

6.24 (h) \$202,000 the first year and \$202,000  
 6.25 the second year are for equipment grants to  
 6.26 Minnesota Public Radio, Inc.

6.27 (i) Any unencumbered balance remaining the  
 6.28 first year for grants to public television or  
 6.29 radio stations does not cancel and is available  
 6.30 for the second year.

6.31	Sec. 12. <u>CAPITOL AREA</u>			
6.32	<u>ARCHITECTURAL AND PLANNING</u>			
6.33	<u>BOARD</u>	\$	<u>308,000</u>	\$ <u>308,000</u>

7.1	Sec. 13. <u>MINNESOTA MANAGEMENT AND</u>			
7.2	<u>BUDGET</u>	\$	<u>16,727,000</u>	\$ <u>16,727,000</u>

7.3 Sec. 14. REVENUE

7.14 Subdivision 1. Total Appropriation                    \$    124,716,000    \$    124,766,000

7.4 Subdivision 1. Total Appropriation                    \$            128,231,000    \$            140,046,000

7.15                    Appropriations by Fund

7.5                    Appropriations by Fund

7.16                    2012                    2013

7.6                    2012                    2013

7.17 General                    120,481,000    120,531,000

7.7 General                    123,996,000    135,811,000

7.18 Health Care Access                    1,749,000            1,749,000

7.8 Health Care Access                    1,749,000            1,749,000

7.19 Highway User Tax  
7.20 Distribution                    2,183,000            2,183,000

7.9 Highway User Tax  
7.10 Distribution                    2,183,000            2,183,000

7.21 Environmental                    303,000            303,000

7.11 Environmental                    303,000            303,000

7.22 The amounts that may be spent for each  
7.23 purpose are specified in subdivisions 2 and 3.

7.12 The amounts that may be spent for each  
7.13 purpose are specified in subdivisions 2 and 3.

7.24 The commissioner must implement  
7.25 any reduction in funding by reducing  
7.26 administrative support functions before any  
7.27 reduction to compliance and enforcement  
7.28 programs.

7.14 To the greatest extent possible, the  
7.15 commissioner must avoid making budget  
7.16 reductions to compliance activities.

7.29 Subd. 2. Tax System Management                    98,742,000            98,742,000

7.17 Subd. 2. Tax System Management                    104,991,000            116,806,000

7.30	<u>Appropriations by Fund</u>		
7.31	<u>General</u>	<u>94,507,000</u>	<u>94,557,000</u>
7.32	<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>
7.33	<u>Highway User Tax</u>		
7.34	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
7.35	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>
8.1	<u>Subd. 3. Debt Collection Management</u>	<u>25,974,000</u>	<u>25,974,000</u>
8.2	<u>Sec. 15. GAMBLING CONTROL</u>	<u>\$ 2,740,000</u>	<u>\$ 2,740,000</u>
8.3	<u>These appropriations are from the lawful</u>		
8.4	<u>gambling regulation account in the special</u>		
8.5	<u>revenue fund.</u>		
8.6	<u>Sec. 16. RACING COMMISSION</u>	<u>\$ 899,000</u>	<u>\$ 899,000</u>
8.7	<u>These appropriations are from the racing</u>		
8.8	<u>and card playing regulation accounts in the</u>		
8.9	<u>special revenue fund.</u>		
8.10	<u>Sec. 17. AMATEUR SPORTS COMMISSION</u>	<u>\$ 248,000</u>	<u>\$ 248,000</u>
8.11	<u>Sec. 18. EXPLORE MINNESOTA TOURISM</u>	<u>\$ 7,909,000</u>	<u>\$ 7,809,000</u>
8.12	<u>(a) Of this amount, \$10,000 each year is for a</u>		
8.13	<u>grant to the Upper Minnesota Film Office.</u>		

7.18	<u>Appropriations by Fund</u>		
7.19	<u>General</u>	<u>100,756,000</u>	<u>112,571,000</u>
7.20	<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>
7.21	<u>Highway User Tax</u>		
7.22	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
7.23	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>
7.24	<u>Subd. 3. Debt Collection Management</u>	<u>23,240,000</u>	<u>23,240,000</u>
7.25	<u>Sec. 15. GAMBLING CONTROL</u>	<u>\$ 2,740,000</u>	<u>\$ 2,740,000</u>
7.26	<u>These appropriations are from the lawful</u>		
7.27	<u>gambling regulation account in the special</u>		
7.28	<u>revenue fund.</u>		
7.29	<u>Sec. 16. RACING COMMISSION</u>	<u>\$ 899,000</u>	<u>\$ 899,000</u>
7.30	<u>These appropriations are from the racing</u>		
7.31	<u>and card playing regulation accounts in the</u>		
7.32	<u>special revenue fund.</u>		
7.33	<u>Sec. 17. AMATEUR SPORTS COMMISSION</u>	<u>\$ 235,000</u>	<u>\$ 235,000</u>
8.8	<u>Sec. 22. EXPLORE MINNESOTA TOURISM</u>	<u>\$ 8,269,000</u>	<u>\$ 8,269,000</u>
8.9	<u>(a) Of this amount, \$12,000 each year is for a</u>		
8.10	<u>grant to the Upper Minnesota Film Office.</u>		

8.14 (b)(1) To develop maximum private sector  
 8.15 involvement in tourism, \$500,000 the first  
 8.16 year and \$500,000 the second year must  
 8.17 be matched by Explore Minnesota Tourism  
 8.18 from nonstate sources. Each \$1 of state  
 8.19 incentive must be matched with \$3 of private  
 8.20 sector funding. Cash match is defined as  
 8.21 revenue to the state or documented cash  
 8.22 expenditures directly expended to support  
 8.23 Explore Minnesota Tourism programs. Up  
 8.24 to one-half of the private sector contribution  
 8.25 may be in-kind or soft match. The incentive  
 8.26 in the first year shall be based on fiscal  
 8.27 year 2011 private sector contributions. The  
 8.28 incentive in the second year will be based on  
 8.29 fiscal year 2012 private sector contributions.  
 8.30 This incentive is ongoing.

9.1 (2) Funding for the marketing grants is  
 9.2 available either year of the biennium.  
 9.3 Unexpended grant funds from the first year  
 9.4 are available in the second year.

9.5 (3) Unexpended money from the general  
 9.6 fund appropriations made under this section  
 9.7 does not cancel but must be placed in a  
 9.8 special marketing account for use by Explore  
 9.9 Minnesota Tourism for additional marketing  
 9.10 activities.

9.11 (c) \$276,000 the first year and \$276,000 the  
 9.12 second year are for the Minnesota Film and  
 9.13 TV Board. The appropriation in each year  
 9.14 is available only upon receipt by the board  
 9.15 of \$1 in matching contributions of money or  
 9.16 in-kind contributions from nonstate sources  
 9.17 for every \$3 provided by this appropriation.  
 9.18 except that each year up to \$50,000 is  
 9.19 available on July 1 even if the required  
 9.20 matching contribution has not been received  
 9.21 by that date.

8.11 (b)(1) To develop maximum private sector  
 8.12 involvement in tourism, \$500,000 the first  
 8.13 year and \$500,000 the second year must  
 8.14 be matched by Explore Minnesota Tourism  
 8.15 from nonstate sources. Each \$1 of state  
 8.16 incentive must be matched with \$3 of private  
 8.17 sector funding. Cash match is defined as  
 8.18 revenue to the state or documented cash  
 8.19 expenditures directly expended to support  
 8.20 Explore Minnesota Tourism programs. Up  
 8.21 to one-half of the private sector contribution  
 8.22 may be in-kind or soft match. The incentive  
 8.23 in the first year shall be based on fiscal  
 8.24 year 2011 private sector contributions. The  
 8.25 incentive in the second year will be based on  
 8.26 fiscal year 2012 private sector contributions.  
 8.27 This incentive is ongoing.

8.28 (2) Funding for the marketing grants is  
 8.29 available either year of the biennium.  
 8.30 Unexpended grant funds from the first year  
 8.31 are available in the second year.

8.32 (3) Unexpended money from the general  
 8.33 fund appropriations made under this section  
 9.1 does not cancel but must be placed in a  
 9.2 special marketing account for use by Explore  
 9.3 Minnesota Tourism for additional marketing  
 9.4 activities.

9.5 (c) \$325,000 the first year and \$325,000 the  
 9.6 second year are for the Minnesota Film and  
 9.7 TV Board. The appropriation in each year  
 9.8 is available only upon receipt by the board  
 9.9 of \$1 in matching contributions of money or  
 9.10 in-kind contributions from nonstate sources  
 9.11 for every \$3 provided by this appropriation.  
 9.12 except that each year up to \$50,000 is  
 9.13 available on July 1 even if the required  
 9.14 matching contribution has not been received  
 9.15 by that date.

9.22 (d) \$100,000 the first year is for a grant to the  
 9.23 Minnesota Film and TV Board for the film  
 9.24 jobs production program under Minnesota  
 9.25 Statutes, section 116U.26. This appropriation  
 9.26 is available until expended.

9.27 Sec. 19. **MINNESOTA HISTORICAL**  
 9.28 **SOCIETY**

9.29 Subdivision 1. **Total Appropriation**                   \$     20,141,000 \$     20,037,000

9.30 The amounts that may be spent for each  
 9.31 purpose are specified in the following  
 9.32 subdivisions.

9.33 Subd. 2. **Education and Outreach**                   11,336,000           11,336,000

10.1 Notwithstanding Minnesota Statutes, section  
 10.2 138.668, the Minnesota Historical Society  
 10.3 may not charge a fee for its general tours at  
 10.4 the Capitol, but may charge fees for special  
 10.5 programs other than general tours.

10.6 Subd. 3. **Preservation and Access**                   8,479,000           8,479,000

10.7 Subd. 4. **Fiscal Agent**

10.8 (a) Minnesota International Center                   39,000               39,000

10.9 (b) Minnesota Air National Guard Museum           14,000               -0-

10.10 (c) Minnesota Military Museum                   90,000               -0-

10.11 (d) Farmamerica                                       115,000              115,000

9.16 (d) A portion of the appropriation in this  
 9.17 section may be used for the film production  
 9.18 jobs program under Minnesota Statutes,  
 9.19 section 116U.26.

9.20 Sec. 23. **MINNESOTA HISTORICAL**  
 9.21 **SOCIETY**

9.22 Subdivision 1. **Total Appropriation**                   \$           19,764,000 \$           19,662,000

9.23 The amounts that may be spent for each  
 9.24 purpose are specified in the following  
 9.25 subdivisions.

9.26 Subd. 2. **Education and Outreach**   11,109,000           11,109,000

9.27 Notwithstanding Minnesota Statutes, section  
 9.28 138.668, the Minnesota Historical Society  
 9.29 may not charge a fee for its general tours at  
 9.30 the Capitol, but may charge fees for special  
 9.31 programs other than general tours.

9.32 Subd. 3. **Preservation and Access**   8,337,000           8,337,000

9.33 Subd. 4. **Fiscal Agent**

10.1 (a) Minnesota International Center   38,000               38,000

10.2 (b) Minnesota Air National Guard Museum           14,000               -0-

10.3 (c) Minnesota Military Museum   88,000               -0-

10.4 (d) Farmamerica   112,000              112,000

10.12 (e) Hockey Hall of Fame 68,000      68,000

10.13 (f) Balances Forward

10.14 Any unencumbered balance remaining in  
 10.15 this subdivision the first year does not cancel  
 10.16 but is available for the second year of the  
 10.17 biennium.

10.18 Subd. 5. Fund Transfer

10.19 The Minnesota Historical Society may  
 10.20 reallocate funds appropriated in and between  
 10.21 subdivisions 2 and 3 for any program  
 10.22 purposes and the appropriations are available  
 10.23 in either year of the biennium.

10.24 Sec. 20. BOARD OF THE ARTS

10.25 Subdivision 1. Total Appropriation      \$      6,672,000 \$      6,672,000

10.26 The amounts that may be spent for each  
 10.27 purpose are specified in the following  
 10.28 subdivisions.

10.29 Subd. 2. Operations and Services 504,000      504,000

10.30 Subd. 3. Grants Program 4,266,000      4,266,000

10.31 Subd. 4. Regional Arts Councils 1,902,000      1,902,000

10.5 (e) \$66,000 the first year and \$66,000 the  
 10.6 second year are for a grant to the city of  
 10.7 Eveleth to be used for the support of the  
 10.8 Hockey Hall of Fame Museum provided  
 10.9 that it continues to operate in the city. This  
 10.10 grant is in addition to and must not be  
 10.11 used to supplant funding under Minnesota  
 10.12 Statutes, section 298.28, subdivision 9c. This  
 10.13 appropriation is added to the society's budget  
 10.14 base.

10.15 (f) Balances Forward

10.16 Any unencumbered balance remaining in  
 10.17 this subdivision the first year does not cancel  
 10.18 but is available for the second year of the  
 10.19 biennium.

10.20 Subd. 5. Fund Transfer

10.21 The Minnesota Historical Society may  
 10.22 reallocate funds appropriated in and between  
 10.23 subdivisions 2 and 3 for any program  
 10.24 purposes and the appropriations are available  
 10.25 in either year of the biennium.

10.26 Sec. 24. BOARD OF THE ARTS

10.27 Subdivision 1. Total Appropriation      \$      6,672,000 \$      6,672,000

10.28 The amounts that may be spent for each  
 10.29 purpose are specified in the following  
 10.30 subdivisions.

10.31 Subd. 2. Operations and Services 504,000      504,000

10.32 Subd. 3. Grants Program 4,266,000      4,266,000

11.1 Subd. 4. Regional Arts Councils 1,902,000      1,902,000

11.1	Sec. 21. <b><u>MINNESOTA HUMANITIES</u></b>			
11.2	<b><u>CENTER</u></b>	\$	<b><u>928,000</u></b>	\$ <b><u>928,000</u></b>
11.3	<u>\$246,000 the first year and \$246,000 the</u>			
11.4	<u>second year are for a grant to the Council</u>			
11.5	<u>on Black Minnesotans established under</u>			
11.6	<u>Minnesota Statutes, section 3.9225, for the</u>			
11.7	<u>duties of the council.</u>			
11.8	<u>\$214,000 the first year and \$214,000 the</u>			
11.9	<u>second year are for a grant to the Council on</u>			
11.10	<u>Asian-Pacific Minnesotans established under</u>			
11.11	<u>Minnesota Statutes, section 3.9226, for the</u>			
11.12	<u>duties of the council.</u>			
11.13	<u>\$231,000 the first year and \$231,000 the</u>			
11.14	<u>second year are for a grant to the Council</u>			
11.15	<u>on the Affairs of Chicano/Latino People</u>			
11.16	<u>established under Minnesota Statutes, section</u>			
11.17	<u>3.9223, for the duties of the council.</u>			
11.18	<u>By January 15 of each year, each council</u>			
11.19	<u>receiving a grant under this section shall</u>			
11.20	<u>submit a report to the chairs and ranking</u>			
11.21	<u>minority members of the legislative</u>			
11.22	<u>committees with jurisdiction over the</u>			
11.23	<u>council. The report must describe the results</u>			
11.24	<u>obtained with the use of the grant, including</u>			
11.25	<u>a description and evaluation of how the</u>			
11.26	<u>council accomplished its statutory duties in</u>			
11.27	<u>the preceding year.</u>			
11.28	Sec. 22. <b><u>Minnesota Indian Affairs Council</u></b>	\$	<b><u>422,000</u></b>	\$ <b><u>422,000</u></b>
11.29	<u>Of this appropriation \$167,000 each year is</u>			
11.30	<u>for a cultural resources specialist to assist the</u>			
11.31	<u>council with the duties assigned to it relating</u>			
11.32	<u>to Indian burial grounds under Minnesota</u>			
11.33	<u>Statutes, section 307.08.</u>			
12.1	Sec. 23. <b><u>PUBLIC FACILITIES AUTHORITY</u></b>	\$	<b><u>82,000</u></b>	\$ <b><u>82,000</u></b>

11.2	Sec. 25. <b><u>MINNESOTA HUMANITIES</u></b>			
11.3	<b><u>CENTER</u></b>	\$	<b><u>225,000</u></b>	\$ <b><u>225,000</u></b>
8.1	Sec. 18. <b><u>COUNCIL ON BLACK</u></b>			
8.2	<b><u>MINNESOTANS</u></b>	\$	<b><u>261,000</u></b>	\$ <b><u>261,000</u></b>
8.5	Sec. 20. <b><u>COUNCIL ON ASIAN-PACIFIC</u></b>			
8.6	<b><u>MINNESOTANS</u></b>	\$	<b><u>227,000</u></b>	\$ <b><u>227,000</u></b>
8.3	Sec. 19. <b><u>COUNCIL ON CHICANO/LATINO</u></b>			
8.4	<b><u>AFFAIRS</u></b>	\$	<b><u>246,000</u></b>	\$ <b><u>246,000</u></b>
8.7	Sec. 21. <b><u>INDIAN AFFAIRS COUNCIL</u></b>	\$	<b><u>413,000</u></b>	\$ <b><u>413,000</u></b>



12.24 Subd. 3. **Constitutional Officers** 472,000 481,000

12.25 Under Minnesota Statutes, section 352C.001.

12.26 If an appropriation in this section for either  
 12.27 year is insufficient, the appropriation for the  
 12.28 other year is available for it.

12.29 Sec. 27. **MERF DIVISION ACCOUNT** \$ 22,750,000 \$ 22,750,000

12.30 These amounts are estimated to be needed  
 12.31 under Minnesota Statutes, section 353.505.

13.1 Sec. 28. **TEACHERS RETIREMENT**  
 13.2 **ASSOCIATION** \$ 15,454,000 \$ 15,454,000

13.3 The amounts estimated to be needed are as  
 13.4 follows:

13.5 (a) **Special direct state aid.** \$12,954,000 the  
 13.6 first year and \$12,954,000 the second year  
 13.7 are for special direct state aid authorized  
 13.8 under Minnesota Statutes, section 354A.12,  
 13.9 subdivisions 3a and 3c.

13.10 (b) **Special direct state matching aid.**  
 13.11 \$2,500,000 the first year and \$2,500,000  
 13.12 the second year are for special direct state  
 13.13 matching aid authorized under Minnesota  
 13.14 Statutes, section 354A.12, subdivision 3b.

13.15 Sec. 29. **ST. PAUL TEACHERS**  
 13.16 **RETIREMENT FUND** \$ 2,827,000 \$ 2,827,000

13.17 The amounts estimated to be needed for  
 13.18 special direct state aid to first class city  
 13.19 teachers retirement funds authorized under  
 13.20 Minnesota Statutes, section 354A.12,  
 13.21 subdivisions 3a and 3c.

11.26 Subd. 2. **Constitutional Officers** 472,000 481,000

11.27 Under Minnesota Statutes, section 352C.001.  
 11.28 if an appropriation in this section for either  
 11.29 year is insufficient, the appropriation for the  
 11.30 other year is available for it.

11.31 Sec. 29. **MERF DIVISION ACCOUNT** \$ 22,750,000 \$ 22,750,000

12.1 These amounts are estimated to be needed  
 12.2 under Minnesota Statutes, section 353.505.

12.3 Sec. 30. **TEACHERS RETIREMENT**  
 12.4 **ASSOCIATION** \$ 15,454,000 \$ 15,454,000

12.5 The amounts estimated to be needed are as  
 12.6 follows:

12.7 (a) **Special direct state aid.** \$12,954,000 the  
 12.8 first year and \$12,954,000 the second year  
 12.9 are for special direct state aid authorized  
 12.10 under Minnesota Statutes, section 354A.12,  
 12.11 subdivisions 3a and 3c.

12.12 (b) **Special direct state matching aid.**  
 12.13 \$2,500,000 the first year and \$2,500,000  
 12.14 the second year are for special direct state  
 12.15 matching aid authorized under Minnesota  
 12.16 Statutes, section 354A.12, subdivision 3b.

12.17 Sec. 31. **ST. PAUL TEACHERS**  
 12.18 **RETIREMENT FUND** \$ 2,827,000 \$ 2,827,000

12.19 The amounts estimated to be needed for  
 12.20 special direct state aid to first class city  
 12.21 teachers retirement funds authorized under  
 12.22 Minnesota Statutes, section 354A.12,  
 12.23 subdivisions 3a and 3c.



14.10 (a) The appropriations in this section  
 14.11 may only be spent with the approval of  
 14.12 the governor after consultation with the  
 14.13 Legislative Advisory Commission pursuant  
 14.14 to Minnesota Statutes, section 3.30.

14.15 (b) If an appropriation in this section for  
 14.16 either year is insufficient, the appropriation  
 14.17 for the other year is available for it.

14.18 (c) If a contingent account appropriation  
 14.19 is made in one fiscal year, it should be  
 14.20 considered a biennial appropriation.

14.21 Sec. 33. **PROBLEM GAMBLING APPROPRIATION.**

14.22 \$225,000 in fiscal year 2012 and \$225,000 in fiscal year 2013 are appropriated from  
 14.23 the lottery prize fund to the Gambling Control Board for a grant to the state affiliate  
 14.24 recognized by the National Council on Problem Gambling. The affiliate must provide  
 14.25 services to increase public awareness of problem gambling, education and training for  
 14.26 individuals and organizations providing effective treatment services to problem gamblers  
 14.27 and their families, and research relating to problem gambling. These services must be  
 14.28 complimentary to and not duplicative of the services provided through the problem  
 14.29 gambling program administered by the commissioner of human services.

14.30 Sec. 34. **SAVINGS; APPROPRIATION REDUCTION.**

13.12 (a) The appropriations in this section  
 13.13 may only be spent with the approval of  
 13.14 the governor after consultation with the  
 13.15 Legislative Advisory Commission pursuant  
 13.16 to Minnesota Statutes, section 3.30.

13.17 (b) If an appropriation in this section for  
 13.18 either year is insufficient, the appropriation  
 13.19 for the other year is available for it.

13.20 (c) If a contingent account appropriation  
 13.21 is made in one fiscal year, it should be  
 13.22 considered a biennial appropriation.

13.23 Sec. 35. **PROBLEM GAMBLING APPROPRIATION.**

13.24 \$225,000 in fiscal year 2012 and \$225,000 in fiscal year 2013 are appropriated from  
 13.25 the lottery prize fund to the Gambling Control Board for a grant to the state affiliate  
 13.26 recognized by the National Council on Problem Gambling. The affiliate must provide  
 13.27 services to increase public awareness of problem gambling, education and training for  
 13.28 individuals and organizations providing effective treatment services to problem gamblers  
 13.29 and their families, and research relating to problem gambling. These services must be  
 13.30 complimentary to and not duplicative of the services provided through the problem  
 13.31 gambling program administered by the commissioner of human services. Of this  
 13.32 appropriation, \$50,000 in fiscal year 2012 and \$50,000 in fiscal year 2013 are contingent  
 13.33 on the contribution of nonstate matching funds. Matching funds may be either cash or  
 13.34 qualifying in-kind contributions. The commissioner of management and budget may  
 13.35 disburse the state portion of the matching funds in increments of \$25,000 upon receipt  
 14.1 of a commitment for an equal amount of matching nonstate funds. These are onetime  
 14.2 appropriations.

14.3 Sec. 36. **APPROPRIATION; REIMBURSEMENT OF RECOUNT COSTS.**

14.4 \$322,000 is appropriated from the general fund to the secretary of state in fiscal year  
 14.5 2011 for the reimbursement of costs of recounts during the 2010 general election, to be  
 14.6 paid to counties consistent with the cost survey of the counties previously conducted  
 14.7 by the secretary of state and for reimbursement to the secretary of state costs in those  
 14.8 recounts already paid by the secretary of state to the counties. This appropriation remains  
 14.9 available until December 31, 2011.

14.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

14.11 Sec. 37. **SAVINGS; APPROPRIATION REDUCTIONS.**

14.31 Subdivision 1. **Executive and judicial branch agencies.** The commissioner of  
 14.32 management and budget must reduce general fund appropriations to executive and  
 14.33 judicial branch agencies for agency operations for the biennium ending June 30, 2013,  
 14.34 by \$302,100,000. To the greatest extent possible, these reductions must come from  
 15.1 savings provided by the reforms, efficiencies, and cost-savings measures contained in  
 15.2 this act, including:

15.3 (1) reduction in the number of full-time equivalent employees;

15.4 (2) salary and benefit changes;

15.5 (3) elimination of deputy and assistant commissioner positions;

15.6 (4) operational efficiencies and cost savings obtained under contracts with vendors;  
 15.7 and

15.8 (5) verification of dependent eligibility for state employee group insurance coverage.

15.9 If operational efficiencies and cost savings obtained under contracts with vendors  
 15.10 yield savings in dedicated funds other than those established in the state constitution or  
 15.11 protected by federal law, the commissioner of management and budget may transfer  
 15.12 the amount of savings to the general fund. Reductions made in 2013 must be reflected  
 15.13 as reductions in agency base budgets for fiscal years 2014 and 2015. The commissioner  
 15.14 of management and budget must report to the chairs and ranking minority members of  
 15.15 the senate Finance Committee and the house of representatives Ways and Means and  
 15.16 Finance Committees regarding the amount of reductions in spending by each agency  
 15.17 under this section.

15.18 Subd. 2. **Legislature.** The commissioner of management and budget must reduce  
 15.19 general fund appropriations to the legislature for the biennium ending June 30, 2013, by  
 15.20 \$6,709,000. To the greatest extent possible, these reductions must come from savings  
 15.21 provided by the salary and benefit changes contained in this act.

15.22 The commissioner must provide notice of proposed reductions under this subdivision  
 15.23 to the Legislative Advisory Commission 30 days before the reductions take effect.

14.12 (a) The commissioner of management and budget must reduce general fund  
 14.13 appropriations to executive agencies for agency operations for the biennium ending  
 14.14 June 30, 2013, by \$94,875,000. The Minnesota State Colleges and Universities is not  
 14.15 an executive agency for purposes of this section. To the greatest extent possible, these  
 14.16 savings must come from the reforms, efficiencies, and cost-savings measures contained in  
 14.17 this act, including:

14.18 (1) reduction in the number of full-time equivalent employees;

14.19 (2) salary freeze;

14.20 (3) elimination of deputy and assistant commissioner positions;

14.21 (4) consolidation of responsibilities for executive branch information technology  
 14.22 systems;

14.23 (5) efficiencies and cost savings in contracting; and

14.24 (6) verification of dependent eligibility for state group insurance coverage.

14.25 (b) The commissioner of management and budget must determine savings to funds  
 14.26 other than the general funds resulting from the reforms, efficiencies, and cost-savings  
 14.27 measures in this act. To the extent permitted by law, the commissioner must reduce  
 14.28 appropriations from those other funds by the amount of those savings, and transfer the  
 14.29 amount of the reductions to the general fund.

14.30 Sec. 38. **ENTERPRISE REAL PROPERTY CONTRIBUTIONS.**

14.31 On or before June 1, 2011, the commissioner of administration shall determine  
 14.32 the amount to be contributed by each executive agency to maintain the enterprise real  
 14.33 property technology system for the fiscal years 2012 and 2013. On or before June 15,  
 15.1 2011, each executive agency shall enter into an agreement with the commissioner of  
 15.2 administration setting forth the manner in which the executive agency shall make its  
 15.3 contribution to the enterprise real property system, either from uncommitted fiscal year  
 15.4 2011 funds or by contributing from fiscal year 2012 and fiscal year 2013 funds to the real  
 15.5 property enterprise system and services account to fund the total amount of \$399,000 for  
 15.6 the biennium. Funds contributed under this section must be credited to the enterprise real  
 15.7 property technology system and services account.

15.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

15.24 **ARTICLE 2**

15.25 **MILITARY AFFAIRS AND VETERANS AFFAIRS**

15.26 Section 1. **APPROPRIATIONS.**

15.27 The sums shown in the columns marked "Appropriations" are appropriated to the  
 15.28 agencies and for the purposes specified in this article. The appropriations are from the  
 15.29 general fund and are available for the fiscal years indicated for each purpose. The figures  
 15.30 "2012" and "2013" used in this article mean that the appropriations listed under them are  
 15.31 available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The  
 15.32 first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is  
 15.33 fiscal years 2012 and 2013.

16.1	<b><u>APPROPRIATIONS</u></b>	
16.2	<b><u>Available for the Year</u></b>	
16.3	<b><u>Ending June 30</u></b>	
16.4	<b><u>2012</u></b>	<b><u>2013</u></b>

16.5 Sec. 2. **MILITARY AFFAIRS**

15.9 **ARTICLE 2**

15.10 **MILITARY AFFAIRS AND VETERANS AFFAIRS**

15.11 Section 1. **APPROPRIATIONS.**

15.12 The sums shown in the columns marked "Appropriations" are appropriated to the  
 15.13 agencies and for the purposes specified in this article. The appropriations are from the  
 15.14 general fund and are available for the fiscal years indicated for each purpose. The figures  
 15.15 "2012" and "2013" used in this article mean that the appropriations listed under them are  
 15.16 available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The  
 15.17 first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is  
 15.18 fiscal years 2012 and 2013.

15.19	<b><u>APPROPRIATIONS</u></b>		
15.20	<b><u>Available for the Year</u></b>		
15.21	<b><u>Ending June 30</u></b>		
15.22	<b><u>2012</u></b>	<b><u>2013</u></b>	

15.23 Sec. 2. **MILITARY AFFAIRS**

16.6 Subdivision 1. Total Appropriation \$ 20,871,000 \$ 20,871,000

16.7 The amounts that may be spent for each  
16.8 purpose are specified in the following  
16.9 subdivisions.

16.10 Subd. 2. Maintenance of Training Facilities 6,660,000 6,660,000

16.11 Subd. 3. General Support 2,363,000 2,363,000

16.12 Subd. 4. Enlistment Incentives 11,848,000 11,848,000

16.13 \$1,500,000 each year is for the National  
16.14 Guard's tuition reimbursement program. This  
16.15 is a onetime appropriation.

16.16 If appropriations for either year of the  
16.17 biennium are insufficient, the appropriation  
16.18 from the other year is available. The  
16.19 appropriations for enlistment incentives are  
16.20 available until expended.

16.21 Sec. 3. VETERANS AFFAIRS

16.22 Subdivision 1. Total Appropriation \$ 57,795,000 \$ 58,595,000

16.23 Appropriations by Fund

16.24 2012 2013

16.25 General 57,695,000 58,595,000

16.26 Special Revenue 100,000 -0-

15.24 Subdivision 1. Total Appropriation \$ 22,371,000 \$ 19,371,000

15.25 The amounts that may be spent for each  
15.26 purpose are specified in the following  
15.27 subdivisions.

15.28 Subd. 2. Maintenance of Training Facilities 6,660,000 6,660,000

15.29 Subd. 3. General Support 2,363,000 2,363,000

15.30 Subd. 4. Enlistment Incentives 13,348,000 10,348,000

15.31 \$3,000,000 the first year is for additional  
15.32 costs of enlistment incentives.

16.1 If appropriations for either year of the  
16.2 biennium are insufficient, the appropriation  
16.3 from the other year is available. The  
16.4 appropriations for enlistment incentives are  
16.5 available until expended.

16.6 Sec. 3. VETERANS AFFAIRS

16.7 Subdivision 1. Total Appropriation \$ 57,795,000 \$ 58,595,000

16.8 Appropriations by Fund

16.9 2012 2013

16.10 General 57,695,000 58,595,000

16.11 Special Revenue 100,000 -0-

16.27 The amounts that may be spent for each  
 16.28 purpose are specified in the following  
 16.29 subdivisions.

16.30 Subd. 2. Veterans Services 13,879,000 13,779,000

16.31 Appropriations by Fund

16.32 2012 2013

17.1 General 13,779,000 13,779,000

17.2 Special Revenue 100,000 -0-

17.3 \$100,000 in the first year is from the  
 17.4 "Support Our Troops" account established  
 17.5 under Minnesota Statutes, section 190.19,  
 17.6 subdivision 2a, for a grant to the Minnesota  
 17.7 Assistance Council for Veterans. This is a  
 17.8 onetime appropriation.

17.9 \$945,000 each year is for the higher  
 17.10 education veterans assistance program under  
 17.11 Minnesota Statutes, section 197.585. This is  
 17.12 a onetime appropriation.

16.12 The amounts that may be spent for each  
 16.13 purpose are specified in the following  
 16.14 subdivisions.

16.15 Subd. 2. Veterans Services 13,879,000 13,779,000

16.16 \$100,000 in the first year is from the  
 16.17 "Support Our Troops" account established  
 16.18 under Minnesota Statutes, section 190.19,  
 16.19 subdivision 2a, for a grant to the Minnesota  
 16.20 Assistance Council for Veterans. This is a  
 16.21 onetime appropriation.

16.22 \$100,000 each year is for the costs of  
 16.23 administering the Minnesota GI Bill program  
 16.24 under Minnesota Statutes, section 197.791.

17.13 The amount appropriated from the general  
 17.14 fund under Minnesota Statutes, section  
 17.15 197.791, subdivision 6, to pay benefit  
 17.16 amounts under Minnesota Statutes, section  
 17.17 197.791, subdivision 5, must not exceed  
 17.18 \$794,000 the first year and \$864,000 the  
 17.19 second year. If the appropriation under  
 17.20 Minnesota Statutes, section 197.791,  
 17.21 subdivision 6, is insufficient for either year  
 17.22 of the biennium, the appropriation from the  
 17.23 other year is available for it.

17.24 \$353,000 each year is for grants to the  
 17.25 following congressionally chartered veterans  
 17.26 service organizations, as designated by the  
 17.27 commissioner: Disabled American Veterans,  
 17.28 Military Order of the Purple Heart, the  
 17.29 American Legion, Veterans of Foreign Wars,  
 17.30 Vietnam Veterans of America, AMVETS,  
 17.31 and Paralyzed Veterans of America. This  
 17.32 funding must be allocated in direct proportion  
 17.33 to the funding currently being provided by  
 17.34 the commissioner to these organizations.

17.35 Subd. 3. **Veterans Homes** 43,916,000 44,816,000

18.1 **Veterans Homes Special Revenue Account.**  
 18.2 The general fund appropriations made to  
 18.3 the department may be transferred to a  
 18.4 veterans homes special revenue account in  
 18.5 the special revenue fund in the same manner  
 18.6 as other receipts are deposited according  
 18.7 to Minnesota Statutes, section 198.34, and  
 18.8 are appropriated to the department for the  
 18.9 operation of veterans homes facilities and  
 18.10 programs.

16.25 \$353,000 each year is for grants to the  
 16.26 following congressionally chartered veterans  
 16.27 service organizations, as designated by the  
 16.28 commissioner: Disabled American Veterans,  
 16.29 Military Order of the Purple Heart, the  
 16.30 American Legion, Veterans of Foreign Wars,  
 16.31 Vietnam Veterans of America, AMVETS,  
 16.32 and Paralyzed Veterans of America. This  
 16.33 funding must be allocated in direct proportion  
 17.1 to the funding currently being provided by  
 17.2 the commissioner to these organizations.

17.3 Subd. 3. **Veterans Homes** 43,916,000 44,816,000

17.4 **Veterans Homes Special Revenue Account.**  
 17.5 The general fund appropriations made to  
 17.6 the department may be transferred to a  
 17.7 veterans homes special revenue account in  
 17.8 the special revenue fund in the same manner  
 17.9 as other receipts are deposited according  
 17.10 to Minnesota Statutes, section 198.34, and  
 17.11 are appropriated to the department for the  
 17.12 operation of veterans homes facilities and  
 17.13 programs.

17.14 **Fergus Falls Veterans Home.** Of the  
 17.15 general fund appropriation, \$738,000 in  
 17.16 fiscal year 2013 is for operation of a new  
 17.17 21-bed specialty care/Alzheimer's unit at the  
 17.18 Minnesota Veterans Home in Fergus Falls.  
 17.19 Base funding for this program is \$842,000 in  
 17.20 fiscal years 2014 and 2015.

17.21 **Minneapolis Veterans Home.** Of the  
 17.22 general fund appropriation, \$162,000 in  
 17.23 fiscal year 2013 is for operation of a new  
 17.24 adult day care program at the Minnesota  
 17.25 Veterans Home in Minneapolis. Base  
 17.26 funding for this program is \$232,000 in fiscal  
 17.27 years 2014 and 2015.

17.28 **Veterans Homes Service Redesign.**  
 17.29 \$551,000 in fiscal year 2012 and \$801,000 in  
 17.30 fiscal year 2013, generated from additional  
 17.31 nongeneral fund revenue and cost savings  
 17.32 from operating efficiencies, are to be used to  
 17.33 support the operational needs of the five state  
 17.34 veterans homes.

18.11 Sec. 4. Laws 2010, chapter 215, article 6, section 4, is amended to read:

18.12 Sec. 4. **VETERANS HOMES**

18.13 Of the appropriation in Laws 2009, chapter  
 18.14 94, article 3, section 2, subdivision 3, or from  
 18.15 funds carried forward from fiscal year 2009:

18.16 (1) ~~\$1,000,000~~ \$800,000 in fiscal year 2011  
 18.17 is for operational expenses related to the  
 18.18 21-bed addition at the Fergus Falls Veterans  
 18.19 Home and \$200,000 is for start-up costs at  
 18.20 the Minneapolis adult day care center, and  
 18.21 any money unspent at the end of fiscal year  
 18.22 2011 for either of these purposes carries  
 18.23 forward and is available in fiscal year 2012;  
 18.24 and

18.1 Sec. 4. Laws 2010, chapter 215, article 6, section 4, is amended to read:

18.2 Sec. 4. **VETERANS HOMES**

18.3 Of the appropriation in Laws 2009, chapter  
 18.4 94, article 3, section 2, subdivision 3, or from  
 18.5 funds carried forward from fiscal year 2009:

18.6 (1) ~~\$1,000,000~~ \$800,000 in fiscal year 2011  
 18.7 is for operational expenses related to the  
 18.8 21-bed addition at the Fergus Falls Veterans  
 18.9 Home; and

18.25 (2) \$113,000 in fiscal year 2011 is for start-up  
 18.26 expenses related to the opening of an adult  
 18.27 ~~daycare~~ day care facility at the Minneapolis  
 18.28 Veterans Home.

18.29 EFFECTIVE DATE. This section is effective the day following final enactment.

18.30 Sec. 5. REPEALER.

18.31 Minnesota Statutes 2010, section 197.585, subdivision 5, is repealed.

18.32 EFFECTIVE DATE. This section is effective the day following final enactment.

19.1 **ARTICLE 3**  
 19.2 **STATE GOVERNMENT**

18.10 (2) ~~\$413,000~~ \$313,000 in fiscal year 2011 is  
 18.11 for start-up expenses related to the opening of  
 18.12 an adult daycare facility at the Minneapolis  
 18.13 Veterans Home.

18.14 An appropriation in this section that is  
 18.15 unspent at the end of fiscal year 2011 carries  
 18.16 forward and is available in fiscal year 2012.

18.17 EFFECTIVE DATE. This section is effective the day following final enactment.

18.18 Sec. 5. REPEALER.

18.19 Minnesota Statutes 2010, section 197.585, subdivision 5, is repealed.

18.20 EFFECTIVE DATE. This section is effective the day following final enactment.

18.21 **ARTICLE 3**  
 18.22 **STATE GOVERNMENT OPERATIONS**

18.23 Section 1. Minnesota Statutes 2010, section 3.85, subdivision 3, is amended to read:

18.24 Subd. 3. **Membership.** The commission consists of ~~five~~ seven members of the  
 18.25 senate appointed by the Subcommittee on Committees of the Committee on Rules and  
 18.26 Administration and ~~five~~ seven members of the house of representatives appointed by  
 18.27 the speaker. No more than five members from each chamber may be from the majority  
 18.28 caucus in that chamber. Members shall be appointed at the commencement of each regular  
 18.29 session of the legislature for a two-year term beginning January 16 of the first year of the  
 18.30 regular session. Members continue to serve until their successors are appointed. Vacancies  
 18.31 that occur while the legislature is in session shall be filled like regular appointments. If the  
 19.1 legislature is not in session, senate vacancies shall be filled by the last Subcommittee on  
 19.2 Committees of the senate Committee on Rules and Administration or other appointing  
 19.3 authority designated by the senate rules, and house of representatives vacancies shall be  
 19.4 filled by the last speaker of the house, or if the speaker is not available, by the last chair of  
 19.5 the house of representatives Rules Committee.

19.6 EFFECTIVE DATE. This section is effective the day following final enactment.

19.7 Within ten days of the effective date of this section, the appointing authorities must

19.8 appoint additional members to the commission, as required by this section.

19.3 Section 1. **[3D.01] SHORT TITLE.**

19.4 This chapter may be cited as the "Minnesota Sunset Act."

19.5 Sec. 2. **[3D.02] DEFINITIONS.**

19.6 Subdivision 1. **Scope.** The definitions in this section apply to this chapter.

19.7 Subd. 2. **Advisory committee.** "Advisory committee" means a committee, council, commission, or other entity created under state law whose primary function is to advise a state agency.

19.10 Subd. 3. **Commission.** "Commission" means the Sunset Advisory Commission.

19.11 Subd. 4. **State agency.** "State agency" means an agency expressly made subject to this chapter.

19.13 Sec. 3. **[3D.03] SUNSET ADVISORY COMMISSION.**

19.14 Subdivision 1. **Membership.** The Sunset Advisory Commission consists of 12 members appointed as follows:

19.16 (1) five senators and one public member, appointed according to the rules of the senate, with no more than three senators from the majority caucus; and

19.18 (2) five members of the house of representatives and one public member, appointed by the speaker of the house, with no more than three of the house of representatives members from the majority caucus.

19.21 Subd. 2. **Public member restrictions.** An individual is not eligible for appointment as a public member if the individual or the individual's spouse is:

19.23 (1) regulated by a state agency that the commission will review during the term for which the individual would serve;

19.25 (2) employed by, participates in the management of, or directly or indirectly has more than a ten percent interest in a business entity or other organization regulated by a state agency the commission will review during the term for which the individual would serve; or

19.29 (3) required to register as a lobbyist under chapter 10A because of the person's activities for compensation on behalf of a profession or entity related to the operation of an agency under review.

19.9 Sec. 2. **[3D.01] SHORT TITLE.**

19.10 This chapter may be cited as the "Minnesota Sunset Act."

19.11 Sec. 3. **[3D.02] DEFINITIONS.**

19.12 Subdivision 1. **Scope.** The definitions in this section apply to this chapter.

19.13 Subd. 2. **Advisory committee.** "Advisory committee" means a committee, council, commission, or other entity created under state law whose primary function is to advise a state agency.

19.16 Subd. 3. **Commission.** "Commission" means the Sunset Advisory Commission.

19.17 Subd. 4. **State agency.** "State agency" means an agency expressly made subject to this chapter.

19.19 Sec. 4. **[3D.03] SUNSET ADVISORY COMMISSION.**

19.20 Subdivision 1. **Membership.** (a) The Sunset Advisory Commission consists of 12 members appointed as follows:

19.22 (1) five senators and one public member, appointed according to the rules of the senate, with no more than three senators from the majority caucus; and

19.24 (2) five members of the house of representatives and one public member, appointed by the speaker of the house, with no more than three of the house members from the majority caucus.

19.27 (b) The first members of the Sunset Advisory Commission must be appointed before September 1, 2011, for terms ending the first Monday in January 2013.

19.29 Subd. 2. **Public member restrictions.** An individual is not eligible for appointment as a public member if the individual or the individual's spouse is:

19.31 (1) regulated by a state agency that the commission will review during the term for which the individual would serve;

20.1 (2) employed by, participates in the management of, or directly or indirectly has more than a ten percent interest in a business entity or other organization regulated by a state agency the commission will review during the term for which the individual would serve; or

20.5 (3) required to register as a lobbyist under chapter 10A because of the person's activities for compensation on behalf of a profession or entity related to the operation of an agency under review.

19.32 Subd. 3. **Removal.** (a) It is a ground for removal of a public member from the  
 19.33 commission if the member does not have the qualifications required by subdivision 2  
 20.1 for appointment to the commission at the time of appointment or does not maintain the  
 20.2 qualifications while serving on the commission. The validity of the commission's action is  
 20.3 not affected by the fact that it was taken when a ground for removal of a public member  
 20.4 from the commission existed.

20.5 (b) Except as provided in paragraph (a), a public member may be removed only as  
 20.6 provided in section 15.0575, subdivision 4.

20.7 Subd. 4. **Terms.** Legislative members serve at the pleasure of the appointing  
 20.8 authority. Public members serve two-year terms expiring the first Monday in January of  
 20.9 each odd-numbered year.

20.10 Subd. 5. **Limits.** Members are subject to the following restrictions:

20.11 (1) after an individual serves four years on the commission, the individual is not  
 20.12 eligible for appointment to another term or part of a term;

20.13 (2) a legislative member who serves a full term may not be appointed to an  
 20.14 immediately succeeding term; and

20.15 (3) a public member may not serve consecutive terms, and, for purposes of this  
 20.16 prohibition, a member is considered to have served a term only if the member has served  
 20.17 more than one-half of the term.

20.18 Subd. 6. **Appointments.** Appointments must be made before the first Monday in  
 20.19 January of each odd-numbered year.

20.20 Subd. 7. **Legislative members.** If a legislative member ceases to be a member  
 20.21 of the legislative body from which the member was appointed, the member vacates  
 20.22 membership on the commission.

20.23 Subd. 8. **Vacancies.** If a vacancy occurs, the appointing authority shall appoint a  
 20.24 person to serve for the remainder of the unexpired term in the same manner as the original  
 20.25 appointment.

20.26 Subd. 9. **Officers.** The commission shall have a chair and vice-chair as presiding  
 20.27 officers.

20.28 Subd. 10. **Quorum; voting.** Seven members of the commission constitute a  
 20.29 quorum. A final action or recommendation may not be made unless approved by a  
 20.30 recorded vote of at least seven members. All other actions by the commission shall be  
 20.31 decided by a majority of the members present and voting.

20.32 Subd. 11. **Compensation.** Each public member shall be reimbursed for expenses  
 20.33 as provided in section 15.0575. Compensation for legislators is as determined by the  
 20.34 members' legislative chamber.

20.8 Subd. 3. **Removal.** (a) It is a ground for removal of a public member from the  
 20.9 commission if the member does not have the qualifications required by subdivision 2  
 20.10 for appointment to the commission at the time of appointment or does not maintain the  
 20.11 qualifications while serving on the commission. The validity of the commission's action is  
 20.12 not affected by the fact that it was taken when a ground for removal of a public member  
 20.13 from the commission existed.

20.14 (b) Except as provided in paragraph (a), a public member may be removed only as  
 20.15 provided in section 15.0575, subdivision 4.

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 20.23 immediately succeeding term; and

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 20.25 prohibition, a member is considered to have served a term only if the member has served  
 20.26 more than one-half of the term.

20.27 Subd. 6. **Appointments.** Appointments must be made before the second Monday of  
 20.28 January of each odd-numbered year.

20.29 Subd. 7. **Legislative members.** If a legislative member ceases to be a member  
 20.30 of the legislative body from which the member was appointed, the member vacates  
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20.32 Subd. 8. **Vacancies.** If a vacancy occurs, the appointing authority shall appoint a  
 20.33 person to serve for the remainder of the unexpired term in the same manner as the original  
 20.34 appointment.

20.35 Subd. 9. **Officers.** The commission shall have a chair and vice-chair as presiding  
 20.36 officers.

21.1 Subd. 10. **Quorum; voting.** Seven members of the commission constitute a  
 21.2 quorum. A final action or recommendation may not be made unless approved by a  
 21.3 recorded vote of at least seven members. All other actions by the commission shall be  
 21.4 decided by a majority of the members present and voting.

21.5 Subd. 11. **Compensation.** Each public member shall be reimbursed for expenses  
 21.6 as provided in section 15.0575. Compensation for legislators is as determined by the  
 21.7 members' legislative chamber.

20.35 Sec. 4. **[3D.04] STAFF.**

21.1 The Legislative Coordinating Commission shall provide staff and administrative  
 21.2 services for the commission.

21.3 Sec. 5. **[3D.05] RULES.**

21.4 The commission may adopt rules necessary to carry out this chapter.

21.5 Sec. 6. **[3D.06] AGENCY REPORT TO COMMISSION.**

21.6 Before September 1 of the odd-numbered year before the year in which a state  
 21.7 agency is sunset, the agency commissioner shall report to the commission:

21.8 (1) information regarding the application to the agency of the criteria in section  
 21.9 3D.10;

21.10 (2) a priority-based budget for the agency;

21.11 (3) an inventory of all boards, commissions, committees, and other entities related  
 21.12 to the agency; and

21.13 (4) any other information that the agency commissioner considers appropriate or that  
 21.14 is requested by the commission.

21.15 Sec. 7. **[3D.07] COMMISSION DUTIES.**

21.16 Before January 1 of the year in which a state agency subject to this chapter and its  
 21.17 advisory committees are sunset, the commission shall:

21.18 (1) review and take action necessary to verify the reports submitted by the agency;  
 21.19 and

21.20 (2) conduct a review of the agency based on the criteria provided in section 3D.10  
 21.21 and prepare a written report.

21.22 Sec. 8. **[3D.08] PUBLIC HEARINGS.**

21.23 Before February 1 of the year a state agency subject to this chapter and its advisory  
 21.24 committees are sunset, the commission shall conduct public hearings concerning but not  
 21.25 limited to the application to the agency of the criteria provided in section 3D.10.

21.26 Sec. 9. **[3D.09] COMMISSION REPORT.**

21.27 By February 1 of each even-numbered year, the commission shall present to the  
 21.28 legislature and the governor a report on the agencies and advisory committees reviewed.  
 21.29 In the report the commission shall include:

21.30 (1) its findings regarding the criteria prescribed by section 3D.10;

21.31 (2) its recommendations based on the matters prescribed by section 3D.11; and

21.8 Sec. 5. **[3D.04] STAFF.**

21.9 The Legislative Coordinating Commission shall provide staff and administrative  
 21.10 services for the commission.

21.11 Sec. 6. **[3D.05] RULES.**

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 21.20 to the agency; and

21.21 (4) any other information that the agency commissioner considers appropriate or that  
 21.22 is requested by the commission.

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 21.25 advisory committees are sunset, the commission shall:

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 21.27 and

21.28 (2) conduct a review of the agency based on the criteria provided in section 3D.10  
 21.29 and prepare a written report.

21.30 Sec. 9. **[3D.08] PUBLIC HEARINGS.**

22.1 Before February 1 of the year a state agency subject to this chapter and its advisory  
 22.2 committees are sunset, the commission shall conduct public hearings concerning but not  
 22.3 limited to the application to the agency of the criteria provided in section 3D.10.

22.4 Sec. 10. **[3D.09] COMMISSION REPORT.**

22.5 By February 1 of each even-numbered year, the commission shall present to the  
 22.6 legislature and the governor a report on the agencies and advisory committees reviewed.  
 22.7 In the report the commission shall include:

22.8 (1) its findings regarding the criteria prescribed by section 3D.10;

22.9 (2) its recommendations based on the matters prescribed by section 3D.11; and

22.1 (3) other information the commission considers necessary for a complete review  
 22.2 of the agency.

22.3 Sec. 10. **[3D.10] CRITERIA FOR REVIEW.**

22.4 The commission and its staff shall consider the following criteria in determining  
 22.5 whether a public need exists for the continuation of a state agency or its advisory  
 22.6 committees or for the performance of the functions of the agency or its advisory  
 22.7 committees:

22.8 (1) the efficiency and effectiveness with which the agency or the advisory committee  
 22.9 operates;

22.10 (2) an identification of the mission, goals, and objectives intended for the agency or  
 22.11 advisory committee and of the problem or need that the agency or advisory committee  
 22.12 was intended to address and the extent to which the mission, goals, and objectives have  
 22.13 been achieved and the problem or need has been addressed;

22.14 (3) an identification of any activities of the agency in addition to those granted by  
 22.15 statute and of the authority for those activities and the extent to which those activities  
 22.16 are needed;

22.17 (4) an assessment of authority of the agency relating to fees, inspections,  
 22.18 enforcement, and penalties;

22.19 (5) whether less restrictive or alternative methods of performing any function that  
 22.20 the agency performs could adequately protect or provide service to the public;

22.21 (6) the extent to which the jurisdiction of the agency and the programs administered  
 22.22 by the agency overlap or duplicate those of other agencies, the extent to which the agency  
 22.23 coordinates with those agencies, and the extent to which the programs administered by the  
 22.24 agency can be consolidated with the programs of other state agencies;

22.25 (7) the promptness and effectiveness with which the agency addresses complaints  
 22.26 concerning entities or other persons affected by the agency, including an assessment of the  
 22.27 agency's administrative hearings process;

22.28 (8) an assessment of the agency's rulemaking process and the extent to which the  
 22.29 agency has encouraged participation by the public in making its rules and decisions and  
 22.30 the extent to which the public participation has resulted in rules that benefit the public;

22.31 (9) the extent to which the agency has complied with federal and state laws and  
 22.32 applicable rules regarding equality of employment opportunity and the rights and privacy  
 22.33 of individuals, and state law and applicable rules of any state agency regarding purchasing  
 22.34 guidelines and programs for historically underutilized businesses;

23.1 (10) the extent to which the agency issues and enforces rules relating to potential  
 23.2 conflicts of interest of its employees;

22.10 (3) other information the commission considers necessary for a complete review  
 22.11 of the agency.

22.12 Sec. 11. **[3D.10] CRITERIA FOR REVIEW.**

22.13 The commission and its staff shall consider the following criteria in determining  
 22.14 whether a public need exists for the continuation of a state agency or its advisory  
 22.15 committees or for the performance of the functions of the agency or its advisory  
 22.16 committees:

22.17 (1) the efficiency and effectiveness with which the agency or the advisory committee  
 22.18 operates;

22.19 (2) an identification of the mission, goals, and objectives intended for the agency or  
 22.20 advisory committee and of the problem or need that the agency or advisory committee  
 22.21 was intended to address and the extent to which the mission, goals, and objectives have  
 22.22 been achieved and the problem or need has been addressed;

22.23 (3) an identification of any activities of the agency in addition to those granted by  
 22.24 statute and of the authority for those activities and the extent to which those activities  
 22.25 are needed;

22.26 (4) an assessment of authority of the agency relating to fees, inspections,  
 22.27 enforcement, and penalties;

22.28 (5) whether less restrictive or alternative methods of performing any function that  
 22.29 the agency performs could adequately protect or provide service to the public;

22.30 (6) the extent to which the jurisdiction of the agency and the programs administered  
 22.31 by the agency overlap or duplicate those of other agencies, the extent to which the agency  
 22.32 coordinates with those agencies, and the extent to which the programs administered by the  
 22.33 agency can be consolidated with the programs of other state agencies;

23.1 (7) the promptness and effectiveness with which the agency addresses complaints  
 23.2 concerning entities or other persons affected by the agency, including an assessment of the  
 23.3 agency's administrative hearings process;

23.4 (8) an assessment of the agency's rulemaking process and the extent to which the  
 23.5 agency has encouraged participation by the public in making its rules and decisions and  
 23.6 the extent to which the public participation has resulted in rules that benefit the public;

23.7 (9) the extent to which the agency has complied with federal and state laws and  
 23.8 applicable rules regarding equality of employment opportunity and the rights and privacy  
 23.9 of individuals, and state law and applicable rules of any state agency regarding purchasing  
 23.10 guidelines and programs for historically underutilized businesses;

23.11 (10) the extent to which the agency issues and enforces rules relating to potential  
 23.12 conflicts of interest of its employees;

- 23.3 (11) the extent to which the agency complies with chapter 13 and follows records  
 23.4 management practices that enable the agency to respond efficiently to requests for public  
 23.5 information; and
- 23.6 (12) the effect of federal intervention or loss of federal funds if the agency is  
 23.7 abolished.
- 23.8 Sec. 11. **[3D.11] RECOMMENDATIONS.**
- 23.9 (a) In its report on a state agency, the commission shall:
- 23.10 (1) make recommendations on the abolition, continuation, or reorganization of each  
 23.11 affected state agency and its advisory committees and on the need for the performance of  
 23.12 the functions of the agency and its advisory committees;
- 23.13 (2) make recommendations on the consolidation, transfer, or reorganization of  
 23.14 programs within state agencies not under review when the programs duplicate functions  
 23.15 performed in agencies under review; and
- 23.16 (3) make recommendations to improve the operations of the agency, its policy body,  
 23.17 and its advisory committees, including management recommendations that do not require  
 23.18 a change in the agency's enabling statute.
- 23.19 (b) The commission shall include the estimated fiscal impact of its recommendations  
 23.20 and may recommend appropriation levels for certain programs to improve the operations  
 23.21 of the state agency.
- 23.22 (c) The commission shall have drafts of legislation prepared to carry out the  
 23.23 commission's recommendations under this section, including legislation necessary  
 23.24 to continue the existence of agencies that would otherwise sunset if the commission  
 23.25 recommends continuation of an agency.
- 23.26 (d) After the legislature acts on the report under section 3D.09, the commission shall  
 23.27 present to the legislative auditor the commission's recommendations that do not require  
 23.28 a statutory change to be put into effect. Subject to the legislative audit commission's  
 23.29 approval, the legislative auditor may examine the recommendations and include as part  
 23.30 of the next audit of the agency a report on whether the agency has implemented the  
 23.31 recommendations and, if so, in what manner.
- 23.32 Sec. 12. **[3D.12] MONITORING OF RECOMMENDATIONS.**
- 23.33 During each legislative session, the staff of the commission shall monitor legislation  
 23.34 affecting agencies that have undergone sunset review and shall periodically report  
 24.1 to the members of the commission on proposed changes that would modify prior  
 24.2 recommendations of the commission.
- 24.3 Sec. 13. **[3D.13] REVIEW OF ADVISORY COMMITTEES.**

- 23.13 (11) the extent to which the agency complies with chapter 13 and follows records  
 23.14 management practices that enable the agency to respond efficiently to requests for public  
 23.15 information; and
- 23.16 (12) the effect of federal intervention or loss of federal funds if the agency is  
 23.17 abolished.
- 23.18 Sec. 12. **[3D.11] RECOMMENDATIONS.**
- 23.19 (a) In its report on a state agency, the commission shall:
- 23.20 (1) make recommendations on the abolition, continuation, or reorganization of each  
 23.21 affected state agency and its advisory committees and on the need for the performance of  
 23.22 the functions of the agency and its advisory committees;
- 23.23 (2) make recommendations on the consolidation, transfer, or reorganization of  
 23.24 programs within state agencies not under review when the programs duplicate functions  
 23.25 performed in agencies under review; and
- 23.26 (3) make recommendations to improve the operations of the agency, its policy body,  
 23.27 and its advisory committees, including management recommendations that do not require  
 23.28 a change in the agency's enabling statute.
- 23.29 (b) The commission shall include the estimated fiscal impact of its recommendations  
 23.30 and may recommend appropriation levels for certain programs to improve the operations  
 23.31 of the state agency.
- 23.32 (c) The commission shall have drafts of legislation prepared to carry out the  
 23.33 commission's recommendations under this section, including legislation necessary  
 23.34 to continue the existence of agencies that would otherwise sunset if the commission  
 23.35 recommends continuation of an agency.
- 24.1 (d) After the legislature acts on the report under section 3D.09, the commission shall  
 24.2 present to the legislative auditor the commission's recommendations that do not require  
 24.3 a statutory change to be put into effect. Subject to the legislative audit commission's  
 24.4 approval, the legislative auditor may examine the recommendations and include as part  
 24.5 of the next audit of the agency a report on whether the agency has implemented the  
 24.6 recommendations and, if so, in what manner.
- 24.7 Sec. 13. **[3D.12] MONITORING OF RECOMMENDATIONS.**
- 24.8 During each legislative session, the staff of the commission shall monitor legislation  
 24.9 affecting agencies that have undergone sunset review and shall periodically report  
 24.10 to the members of the commission on proposed changes that would modify prior  
 24.11 recommendations of the commission.
- 24.12 Sec. 14. **[3D.13] REVIEW OF ADVISORY COMMITTEES.**

24.4 An advisory committee, the primary function of which is to advise a particular state  
 24.5 agency, is subject to sunset on the date set for sunset of the agency unless the advisory  
 24.6 committee is expressly continued by law.

24.7 Sec. 14. **[3D.14] CONTINUATION BY LAW.**

24.8 During the regular session immediately before the sunset of a state agency or an  
 24.9 advisory committee that is subject to this chapter, the legislature may enact legislation  
 24.10 to continue the agency or advisory committee for a period not to exceed 12 years. This  
 24.11 chapter does not prohibit the legislature from:

24.12 (1) terminating a state agency or advisory committee subject to this chapter at a date  
 24.13 earlier than that provided in this chapter; or

24.14 (2) considering any other legislation relative to a state agency or advisory committee  
 24.15 subject to this chapter.

24.16 Sec. 15. **[3D.15] PROCEDURE AFTER TERMINATION.**

24.17 Subdivision 1. **Termination.** Unless otherwise provided by law:

24.18 (1) if after sunset review a state agency is abolished, the agency may continue in  
 24.19 existence until June 30 of the following year to conclude its business;

24.20 (2) abolishment does not reduce or otherwise limit the powers and authority of the  
 24.21 state agency during the concluding year;

24.22 (3) a state agency is terminated and shall cease all activities at the expiration of  
 24.23 the one-year period; and

24.24 (4) all rules that have been adopted by the state agency expire at the expiration of  
 24.25 the one-year period.

24.26 Subd. 2. **Funds of abolished agency or advisory committee.** (a) Any unobligated  
 24.27 and unexpended appropriations of an abolished agency or advisory committee lapse on  
 24.28 June 30 of the year after abolishment.

24.29 (b) Except as provided by subdivision 4 or as otherwise provided by law, all money  
 24.30 in a dedicated fund of an abolished state agency or advisory committee on June 30 of the  
 24.31 year after abolishment is transferred to the general fund. The part of the law dedicating  
 24.32 the money to a specific fund of an abolished agency becomes void on June 30 of the year  
 24.33 after abolishment.

25.1 Subd. 3. **Property and records of abolished agency or advisory committee.**  
 25.2 Unless the governor designates an appropriate state agency as prescribed by subdivision 4,  
 25.3 property and records in the custody of an abolished state agency or advisory committee  
 25.4 on June 30 of the year after abolishment must be transferred to the commissioner of  
 25.5 administration. If the governor designates an appropriate state agency, the property and  
 25.6 records must be transferred to the designated state agency.

24.13 An advisory committee, the primary function of which is to advise a particular state  
 24.14 agency, is subject to sunset on the date set for sunset of the agency unless the advisory  
 24.15 committee is expressly continued by law.

24.16 Sec. 15. **[3D.14] CONTINUATION BY LAW.**

24.17 During the regular session immediately before the sunset of a state agency or an  
 24.18 advisory committee that is subject to this chapter, the legislature may enact legislation  
 24.19 to continue the agency or advisory committee for a period not to exceed 12 years. This  
 24.20 chapter does not prohibit the legislature from:

24.21 (1) terminating a state agency or advisory committee subject to this chapter at a date  
 24.22 earlier than that provided in this chapter; or

24.23 (2) considering any other legislation relative to a state agency or advisory committee  
 24.24 subject to this chapter.

24.25 Sec. 16. **[3D.15] PROCEDURE AFTER TERMINATION.**

24.26 Subdivision 1. **Termination.** Unless otherwise provided by law:

24.27 (1) if after sunset review a state agency is abolished, the agency may continue in  
 24.28 existence until June 30 of the following year to conclude its business;

24.29 (2) abolishment does not reduce or otherwise limit the powers and authority of the  
 24.30 state agency during the concluding year;

24.31 (3) a state agency is terminated and shall cease all activities at the expiration of  
 24.32 the one-year period; and

25.1 (4) all rules that have been adopted by the state agency expire at the expiration of  
 25.2 the one-year period.

25.3 Subd. 2. **Funds of abolished agency or advisory committee.** (a) Any unobligated  
 25.4 and unexpended appropriations of an abolished agency or advisory committee lapse on  
 25.5 June 30 of the year after abolishment.

25.6 (b) Except as provided by subdivision 4 or as otherwise provided by law, all money  
 25.7 in a dedicated fund of an abolished state agency or advisory committee on June 30 of the  
 25.8 year after abolishment is transferred to the general fund. The part of the law dedicating  
 25.9 the money to a specific fund of an abolished agency becomes void on June 30 of the year  
 25.10 after abolishment.

25.11 Subd. 3. **Property and records of abolished agency or advisory committee.**  
 25.12 Unless the governor designates an appropriate state agency as prescribed by subdivision 4,  
 25.13 property and records in the custody of an abolished state agency or advisory committee  
 25.14 on June 30 of the year after abolishment must be transferred to the commissioner of  
 25.15 administration. If the governor designates an appropriate state agency, the property and  
 25.16 records must be transferred to the designated state agency.

25.7 Subd. 4. **Continuing obligations.** (a) The legislature recognizes the state's  
 25.8 continuing obligation to pay bonded indebtedness and all other obligations, including  
 25.9 lease, contract, and other written obligations, incurred by a state agency or advisory  
 25.10 committee abolished under this chapter, and this chapter does not impair or impede the  
 25.11 payment of bonded indebtedness and all other obligations, including lease, contract, and  
 25.12 other written obligations, in accordance with their terms. If an abolished state agency or  
 25.13 advisory committee has outstanding bonded indebtedness or other outstanding obligations,  
 25.14 including lease, contract, and other written obligations, the bonds and all other obligations,  
 25.15 including lease, contract, and other written obligations, remain valid and enforceable in  
 25.16 accordance with their terms and subject to all applicable terms and conditions of the laws  
 25.17 and proceedings authorizing the bonds and all other obligations, including lease, contract,  
 25.18 and other written obligations.

25.19 (b) The governor shall designate an appropriate state agency that shall continue to  
 25.20 carry out all covenants contained in the bonds and in all other obligations, including lease,  
 25.21 contract, and other written obligations, and the proceedings authorizing them, including  
 25.22 the issuance of bonds, and the performance of all other obligations, including lease,  
 25.23 contract, and other written obligations, to complete the construction of projects or the  
 25.24 performance of other obligations, including lease, contract, and other written obligations.

25.25 (c) The designated state agency shall provide payment from the sources of payment  
 25.26 of the bonds in accordance with the terms of the bonds and shall provide payment from  
 25.27 the sources of payment of all other obligations, including lease, contract, and other written  
 25.28 obligations, in accordance with their terms, whether from taxes, revenues, or otherwise,  
 25.29 until the bonds and interest on the bonds are paid in full and all other obligations,  
 25.30 including lease, contract, and other written obligations, are performed and paid in full.  
 25.31 If the proceedings so provide, all funds established by laws or proceedings authorizing  
 25.32 the bonds or authorizing other obligations, including lease, contract, and other written  
 25.33 obligations, must remain with the comptroller or the previously designated trustees. If the  
 25.34 proceedings do not provide that the funds remain with the comptroller or the previously  
 25.35 designated trustees, the funds must be transferred to the designated state agency.

26.1 Sec. 16. **[3D.16] ASSISTANCE OF AND ACCESS TO STATE AGENCIES.**

26.2 The commission may request the assistance of state agencies and officers. When  
 26.3 assistance is requested, a state agency or officer shall assist the commission. In carrying  
 26.4 out its functions under this chapter, the commission or its designated staff member may  
 26.5 inspect the records, documents, and files of any state agency.

26.6 Sec. 17. **[3D.17] RELOCATION OF EMPLOYEES.**

26.7 If an employee is displaced because a state agency or its advisory committee is  
 26.8 abolished or reorganized, the state agency shall make a reasonable effort to relocate the  
 26.9 displaced employee.

26.10 Sec. 18. **[3D.18] SAVING PROVISION.**

25.17 Subd. 4. **Continuing obligations.** (a) The legislature recognizes the state's  
 25.18 continuing obligation to pay bonded indebtedness and all other obligations, including  
 25.19 lease, contract, and other written obligations, incurred by a state agency or advisory  
 25.20 committee abolished under this chapter, and this chapter does not impair or impede the  
 25.21 payment of bonded indebtedness and all other obligations, including lease, contract, and  
 25.22 other written obligations, in accordance with their terms. If an abolished state agency or  
 25.23 advisory committee has outstanding bonded indebtedness or other outstanding obligations,  
 25.24 including lease, contract, and other written obligations, the bonds and all other obligations,  
 25.25 including lease, contract, and other written obligations, remain valid and enforceable in  
 25.26 accordance with their terms and subject to all applicable terms and conditions of the laws  
 25.27 and proceedings authorizing the bonds and all other obligations, including lease, contract,  
 25.28 and other written obligations.

25.29 (b) The governor shall designate an appropriate state agency that shall continue to  
 25.30 carry out all covenants contained in the bonds and in all other obligations, including lease,  
 25.31 contract, and other written obligations, and the proceedings authorizing them, including  
 25.32 the issuance of bonds, and the performance of all other obligations, including lease,  
 25.33 contract, and other written obligations, to complete the construction of projects or the  
 25.34 performance of other obligations, including lease, contract, and other written obligations.

25.35 (c) The designated state agency shall provide payment from the sources of payment  
 25.36 of the bonds in accordance with the terms of the bonds and shall provide payment from  
 26.1 the sources of payment of all other obligations, including lease, contract, and other written  
 26.2 obligations, in accordance with their terms, whether from taxes, revenues, or otherwise,  
 26.3 until the bonds and interest on the bonds are paid in full and all other obligations,  
 26.4 including lease, contract, and other written obligations, are performed and paid in full.  
 26.5 If the proceedings so provide, all funds established by laws or proceedings authorizing  
 26.6 the bonds or authorizing other obligations, including lease, contract, and other written  
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26.16 If an employee is displaced because a state agency or its advisory committee is  
 26.17 abolished or reorganized, the state agency shall make a reasonable effort to relocate the  
 26.18 displaced employee.

26.19 Sec. 19. **[3D.18] SAVING PROVISION.**

26.11 Except as otherwise expressly provided, abolition of a state agency does not affect  
 26.12 rights and duties that matured, penalties that were incurred, civil or criminal liabilities that  
 26.13 arose, or proceedings begun before the effective date of the abolition.

26.14 Sec. 19. **[3D.19] REVIEW OF PROPOSED LEGISLATION CREATING AN**  
 26.15 **AGENCY.**

26.16 Each bill filed in a house of the legislature that would create a new state agency or  
 26.17 a new advisory committee to a state agency shall be reviewed by the commission. The  
 26.18 commission shall review the bill to determine if:

26.19 (1) the proposed functions of the agency or committee could be administered by one  
 26.20 or more existing state agencies or advisory committees;

26.21 (2) the form of regulation, if any, proposed by the bill is the least restrictive form of  
 26.22 regulation that will adequately protect the public;

26.23 (3) the bill provides for adequate public input regarding any regulatory function  
 26.24 proposed by the bill; and

26.25 (4) the bill provides for adequate protection against conflicts of interest within  
 26.26 the agency or committee.

26.27 Sec. 20. **[3D.20] GIFTS AND GRANTS.**

26.28 The commission may accept gifts, grants, and donations from any organization  
 26.29 described in section 501(c)(3) of the Internal Revenue Code for the purpose of funding  
 26.30 any activity under this chapter. All gifts, grants, and donations must be accepted in an  
 26.31 open meeting by a majority of the voting members of the commission and reported in the  
 27.1 public record of the commission with the name of the donor and purpose of the gift, grant,  
 27.2 or donation. Money received under this section is appropriated to the commission.

27.3 Sec. 21. **[3D.21] EXPIRATION.**

27.4 Subdivision 1. **Group 1.** The following agencies are sunset and expire on June  
 27.5 30, 2012: Department of Health, Department of Human Rights, Department of Human  
 27.6 Services, all health-related licensing boards listed in section 214.01, Council on Affairs  
 27.7 of Chicano/Latino People, Council on Black Minnesotans, Council on Asian-Pacific  
 27.8 Minnesotans, Indian Affairs Council, Council on Disabilities, and all advisory groups  
 27.9 associated with these agencies.

27.10 Subd. 2. **Group 2.** The following agencies are sunset and expire on June 30, 2014:  
 27.11 Department of Education, Board of Teaching, Minnesota Office of Higher Education, and  
 27.12 all advisory groups associated with these agencies.

26.20 Except as otherwise expressly provided, abolition of a state agency does not affect  
 26.21 rights and duties that matured, penalties that were incurred, civil or criminal liabilities that  
 26.22 arose, or proceedings that were begun before the effective date of the abolition.

26.23 Sec. 20. **[3D.19] REVIEW OF PROPOSED LEGISLATION CREATING AN**  
 26.24 **AGENCY.**

26.25 Each bill filed in a house of the legislature that would create a new state agency or  
 26.26 a new advisory committee to a state agency shall be reviewed by the commission. The  
 26.27 commission shall review the bill to determine if:

26.28 (1) the proposed functions of the agency or committee could be administered by one  
 26.29 or more existing state agencies or advisory committees;

26.30 (2) the form of regulation, if any, proposed by the bill is the least restrictive form of  
 26.31 regulation that will adequately protect the public;

27.1 (3) the bill provides for adequate public input regarding any regulatory function  
 27.2 proposed by the bill; and

27.3 (4) the bill provides for adequate protection against conflicts of interest within  
 27.4 the agency or committee.

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 27.8 any activity under this chapter. All gifts, grants, and donations must be accepted in an  
 27.9 open meeting by a majority of the voting members of the commission and reported in the  
 27.10 public record of the commission with the name of the donor and purpose of the gift, grant,  
 27.11 or donation. Money received under this section is appropriated to the commission.

27.12 Sec. 22. **[3D.21] EXPIRATION.**

27.13 Subdivision 1. **Group 1.** The following agencies are sunset and expire on June  
 27.14 30, 2012: Department of Health, Department of Human Rights, Department of Human  
 27.15 Services, all health-related licensing boards listed in section 214.01, Council on Affairs  
 27.16 of Chicano/Latino People, Council on Black Minnesotans, Council on Asian-Pacific  
 27.17 Minnesotans, Indian Affairs Council, Council on Disabilities, and all advisory groups  
 27.18 associated with these agencies.

27.19 Subd. 2. **Group 2.** The following agencies are sunset and expire on June 30, 2014:  
 27.20 Department of Education, Board of Teaching, Minnesota Office of Higher Education, and  
 27.21 all advisory groups associated with these agencies.

- 27.13 Subd. 3. **Group 3.** The following agencies are sunset and expire on June 30, 2016:
- 27.14 Department of Commerce, Department of Employment and Economic Development,
- 27.15 Department of Labor and Industry, all non-health-related licensing boards listed in
- 27.16 section 214.01 except as otherwise provided in this section, Explore Minnesota Tourism,
- 27.17 Public Utilities Commission, Iron Range Resources and Rehabilitation Board, Bureau of
- 27.18 Mediation Services, Combative Sports Commission, Amateur Sports Commission, and all
- 27.19 advisory groups associated with these agencies.
- 27.20 Subd. 4. **Group 4.** The following agencies are sunset and expire on June 30, 2018:
- 27.21 Department of Corrections, Department of Public Safety, Department of Transportation,
- 27.22 Peace Officer Standards and Training Board, Corrections Ombudsman, and all advisory
- 27.23 groups associated with these agencies.
- 27.24 Subd. 5. **Group 5.** The following agencies are sunset and expire on June 30, 2020:
- 27.25 Department of Agriculture, Department of Natural Resources, Pollution Control Agency,
- 27.26 Board of Animal Health, Board of Water and Soil Resources, and all advisory groups
- 27.27 associated with these agencies.
- 27.28 Subd. 6. **Group 6.** The following agencies are sunset and expire on June 30, 2022:
- 27.29 Department of Administration, Department of Management and Budget, Department of
- 27.30 Military Affairs, Department of Revenue, Department of Veterans Affairs, Arts Board,
- 27.31 Minnesota Zoo, Office of Administrative Hearings, Campaign Finance and Public
- 27.32 Disclosure Board, Capitol Area Architectural and Planning Board, Office of Enterprise
- 27.33 Technology, Minnesota Racing Commission, and all advisory groups associated with
- 27.34 these agencies.
- 28.1 Subd. 7. **Continuation.** Following sunset review of an agency, the legislature may
- 28.2 act within the same legislative session in which the sunset report was received on Sunset
- 28.3 Advisory Commission recommendations to continue or reorganize the agency.
- 28.4 Subd. 8. **Other groups.** The commission may review, under the criteria in
- 28.5 section 3D.10, and propose to the legislature an expiration date for any agency, board,
- 28.6 commission, or program not listed in this section.

- 27.22 Subd. 3. **Group 3.** The following agencies are sunset and expire on June 30, 2016:
- 27.23 Department of Commerce, Department of Employment and Economic Development,
- 27.24 Department of Labor and Industry, all non-health-related licensing boards listed in
- 27.25 section 214.01 except as otherwise provided in this section, Explore Minnesota Tourism,
- 27.26 Public Utilities Commission, Iron Range Resources and Rehabilitation Board, Bureau of
- 27.27 Mediation Services, Combative Sports Commission, Amateur Sports Commission, and all
- 27.28 advisory groups associated with these agencies.
- 27.29 Subd. 4. **Group 4.** The following agencies are sunset and expire on June 30, 2018:
- 27.30 Department of Corrections, Department of Public Safety, Department of Transportation,
- 27.31 Peace Officer Standards and Training Board, Corrections Ombudsman, and all advisory
- 27.32 groups associated with these agencies.
- 27.33 Subd. 5. **Group 5.** The following agencies are sunset and expire on June 30, 2020:
- 27.34 Department of Agriculture, Department of Natural Resources, Pollution Control Agency,
- 28.1 Board of Animal Health, Board of Water and Soil Resources, and all advisory groups
- 28.2 associated with these agencies.
- 28.3 Subd. 6. **Group 6.** The following agencies are sunset and expire on June 30, 2022:
- 28.4 Department of Administration, Department of Management and Budget, Department of
- 28.5 Military Affairs, Department of Revenue, Department of Veterans Affairs, Arts Board,
- 28.6 Minnesota Zoo, Office of Administrative Hearings, Campaign Finance and Public
- 28.7 Disclosure Board, Capitol Area Architectural and Planning Board, Office of Enterprise
- 28.8 Technology, Minnesota Racing Commission, and all advisory groups associated with
- 28.9 these agencies.
- 28.10 Subd. 7. **Continuation.** Following sunset review of an agency, the legislature may
- 28.11 act within the same legislative session in which the sunset report was received on Sunset
- 28.12 Advisory Commission recommendations to continue or reorganize the agency.
- 28.13 Subd. 8. **Other groups.** The commission may review, under the criteria in
- 28.14 section 3D.10, and propose to the legislature an expiration date for any agency, board,
- 28.15 commission, or program not listed in this section.

28.16 Sec. 23. Minnesota Statutes 2010, section 6.48, is amended to read:

28.17 **6.48 EXAMINATION OF COUNTIES; COST, FEES.**

28.18 (a) All the powers and duties conferred and imposed upon the state auditor shall  
28.19 be exercised and performed by the state auditor in respect to the offices, institutions,  
28.20 public property, and improvements of several counties of the state. At least once in each  
28.21 year, if funds and personnel permit, the state auditor may visit, without previous notice,  
28.22 each county and make a thorough examination of all accounts and records relating to the  
28.23 receipt and disbursement of the public funds and the custody of the public funds and  
28.24 other property. If the audit is performed by a private certified public accountant, the state  
28.25 auditor may require additional information from the private certified public accountant as  
28.26 the state auditor deems in the public interest. The state auditor may accept the audit or  
28.27 make additional examinations as the state auditor deems to be in the public interest. The  
28.28 state auditor shall prescribe and install systems of accounts and financial reports that shall  
28.29 be uniform, so far as practicable, for the same class of offices. A copy of the report of  
28.30 such examination shall be filed and be subject to public inspection in the office of the state  
28.31 auditor and another copy in the office of the auditor of the county thus examined. The state  
28.32 auditor may accept the records and audit, or any part thereof, of the Department of Human  
28.33 Services in lieu of examination of the county social welfare funds, if such audit has been  
28.34 made within any period covered by the state auditor's audit of the other records of the  
28.35 county. If any such examination shall disclose malfeasance, misfeasance, or nonfeasance  
29.1 in any office of such county, such report shall be filed with the county attorney of the  
29.2 county, and the county attorney shall institute such civil and criminal proceedings as the  
29.3 law and the protection of the public interests shall require.

29.4 (b) The county receiving any examination shall pay to the state general fund,  
29.5 notwithstanding the provisions of section 16A.125, the total cost and expenses of such  
29.6 examinations, including the salaries paid to the examiners while actually engaged in  
29.7 making such examination. The state auditor on deeming it advisable may bill counties,  
29.8 having a population of 200,000 or over, monthly for services rendered and the officials  
29.9 responsible for approving and paying claims shall cause said bill to be promptly paid. The  
29.10 general fund shall be credited with all collections made for any such examinations.

29.11 (c) Notwithstanding paragraph (a), a county may provide for an audit to be  
29.12 performed by a certified public accountant firm meeting the requirements of section  
29.13 326A.05. A county must notify the state auditor before January 1 of a year in which the  
29.14 county intends to have an audit performed by a certified public accounting firm. A county  
29.15 currently using a certified public accounting firm must notify the state auditor before  
29.16 January 1 of a year in which the county intends for the state auditor to audit the county.  
29.17 The audit performed under this paragraph must meet the standards and be in the form  
29.18 required by the state auditor. The state auditor may require additional information from  
29.19 the certified public accountant firm as the state auditor deems in the public interest, but the  
29.20 state auditor must accept the audit unless the state auditor determines that it does not meet  
29.21 recognized industry auditing standards or is not in the form required by the state auditor.

28.7 Sec. 22. Minnesota Statutes 2010, section 15.057, is amended to read:

28.8 **15.057 PUBLICITY REPRESENTATIVES AND LEGISLATIVE LIAISONS.**

28.9 Subdivision 1. **Publicity representatives.** No state department, bureau, or division,  
 28.10 whether the same operates on funds appropriated or receipts or fees of any nature  
 28.11 whatsoever, except the Department of Transportation, the Department of Employment  
 28.12 and Economic Development, the Game and Fish Division, State Agricultural Society, and  
 28.13 Explore Minnesota Tourism shall use any of such funds for the payment of the salary or  
 28.14 expenses of a publicity representative. The head of any such department, bureau, or  
 28.15 division shall be personally liable for funds used contrary to this provision. ~~This section~~  
 28.16 subdivision shall not be construed, however, as preventing any such department, bureau,  
 28.17 or division from sending out any bulletins or other publicity required by any state law or  
 28.18 necessary for the satisfactory conduct of the business for which such department, bureau,  
 28.19 or division was created.

28.20 Subd. 2. **Legislative liaisons.** No state agency may use any money appropriated to  
 28.21 it for the salary or expenses of an individual serving as a liaison for the legislative affairs  
 28.22 of the agency. This subdivision does not prevent any employee of a state agency from  
 28.23 providing information requested by legislators and providing testimony at legislative  
 28.24 hearings.

28.25 Sec. 23. Minnesota Statutes 2010, section 15.06, subdivision 8, is amended to read:

28.26 Subd. 8. **Number of deputy commissioners.** Unless specifically authorized by  
 28.27 statute, other than section 43A.08, subdivision 2 Except for the Department of Veterans  
 28.28 Affairs, no department or agency specified in subdivision 1 shall have more than one  
 28.29 deputy commissioner. No department or agency specified in subdivision 1 may employ an  
 28.30 assistant commissioner.

29.22 Sec. 24. Minnesota Statutes 2010, section 15.06, subdivision 8, is amended to read:

29.23 Subd. 8. **Number of deputy commissioners; no assistant commissioners.** Unless  
 29.24 specifically authorized by statute, other than section 43A.08, subdivision 2 Except for  
 29.25 the Department of Veterans Affairs, no department or agency specified in subdivision 1  
 29.26 shall have more than one deputy commissioner. No department or agency specified in  
 29.27 subdivision 1 may employ an assistant commissioner.

29.28 Sec. 25. **[15.062] COST-EFFECTIVE PROVISION OF SERVICES.**

29.29 (a) The head or governing board of each state department or agency, including the  
 29.30 Minnesota state colleges and universities, must carry out the agency's powers and duties  
 29.31 in the most cost-effective manner possible. The agency head or governing board must  
 29.32 determine if the most cost-effective manner of carrying out each of the agency's powers  
 29.33 and duties is to hire state employees or to contract with outside sources.

30.1 (b) If an agency decides to seek an outside vendor to perform work currently done  
 30.2 by state employees, the agency must permit groups of state employees to compete for the  
 30.3 business by submitting responses to the agency's solicitation documents. Notwithstanding  
 30.4 section 16A.127 or any other law to the contrary, no statewide or agency indirect costs  
 30.5 may be assessed to a group of agency employees with respect to work performed under  
 30.6 a contract awarded to a group of employees under this section. This section supersedes  
 30.7 any provision of law preventing a state agency from entering into a contract with a state  
 30.8 employee.

30.9 Sec. 26. **[15.76] SAVI PROGRAM.**

30.10 Subdivision 1. **Program established.** The state agency value initiative (SAVI)  
30.11 program is established to encourage state agencies to identify cost-effective and efficiency  
30.12 measures in agency programs and operations that result in cost savings for the state. All  
30.13 state agencies, including Minnesota State Colleges and Universities, may participate in  
30.14 this program.

30.15 Subd. 2. **Retained savings.** (a) In order to encourage innovation and creative  
30.16 cost savings by state employees, upon approval of the commissioner of management  
30.17 and budget, 50 percent of any appropriations for agency operations that remain unspent  
30.18 at the end of a biennium because of unanticipated innovation, efficiencies, or creative  
30.19 cost-savings may be carried forward and retained by the agency to fund specific agency  
30.20 proposals or projects. Agencies choosing to spend retained savings funds must ensure that  
30.21 project expenditures do not create future obligations beyond the amounts available from  
30.22 the retained savings. The retained savings must be used only to fund projects that directly  
30.23 support the agency's mission. This section does not restrict authority granted by other law  
30.24 to carry forward money for a different period or for different purposes.

30.25 (b) This section supersedes any contrary provision of section 16A.28.

30.26 Subd. 3. **Special peer review panel; review process.** (a) Each participating agency  
30.27 must organize a peer review panel that will determine which proposal or project receives  
30.28 funding from the SAVI program. The peer review panel must be comprised of department  
30.29 employees who are credited with cost-savings initiatives and department managers. The  
30.30 ratio between managers and department employees must be balanced.

30.31 (b) An agency may spend money for a project recommended for funding by the  
30.32 peer review panel after:

30.33 (1) the agency has posted notice of spending for the proposed project on the agency  
30.34 Web site for at least 30 days; and

31.1 (2) the commissioner of management and budget has approved spending money  
31.2 from the SAVI account for the project.

31.3 (c) Before approving a project, the commissioner of management and budget  
31.4 must submit the request to the Legislative Advisory Commission for its review and  
31.5 recommendation. Upon receiving a request from the commissioner, the Legislative  
31.6 Advisory Commission shall post notice of the request on a legislative Web site for at least  
31.7 30 days. Failure of the commission to make a recommendation within this 30-day period  
31.8 is considered a negative recommendation. A recommendation of the commission must be  
31.9 made at a meeting of the commission unless a written recommendation is signed by all  
31.10 the members entitled to vote on the item.

28.31 Sec. 24. Minnesota Statutes 2010, section 16A.10, subdivision 1a, is amended to read:

28.32 Subd. 1a. **Purpose of performance data.** Performance data shall be presented in  
28.33 the budget proposal to:

29.1 (1) provide information so that the legislature can determine the extent to which  
29.2 state programs and activities are successful;

29.3 (2) encourage agencies to develop clear and measurable goals and objectives for  
29.4 their programs and activities; and

29.5 (3) strengthen accountability to Minnesotans by providing a record of state  
29.6 government's performance in providing effective and efficient services.

29.7 Sec. 25. Minnesota Statutes 2010, section 16A.10, subdivision 1b, is amended to read:

29.8 Subd. 1b. **Performance data format.** (a) As part of the budget proposal, agencies  
29.9 shall:

29.10 (1) describe the goals and objectives of each agency program and activity; and

29.11 (2) present performance data that measures the performance of programs and  
29.12 activities in meeting ~~program~~ goals and objectives.

29.13 (b) Measures reported must be outcome-based and objective, and may include  
29.14 indicators of outputs, efficiency, ~~outcomes~~, and other measures relevant to understanding  
29.15 each program and activity.

31.11 Subd. 4. **SAVI-dedicated account.** Each agency that participates in the SAVI  
31.12 program shall have a SAVI-dedicated account in the special revenue fund, or other  
31.13 appropriate fund as determined by the commissioner of management and budget, into  
31.14 which the agency's savings are deposited. The agency will manage and review projects  
31.15 that are funded from this account. Money in the account is appropriated to the participating  
31.16 agency for purposes authorized by this section.

31.17 Subd. 5. **Expiration.** This section expires June 30, 2018.

31.18 **EFFECTIVE DATE.** This section is effective June 30, 2013, and first applies to  
31.19 funds to be carried forward from the biennium ending June 30, 2013, to the biennium  
31.20 beginning July 1, 2013.

31.21 Sec. 27. **[15B.055] PUBLIC ACCESS TO PARKING SPACES.**

31.22 To provide the public with greater access to legislative proceedings, all parking  
31.23 spaces on Aurora Avenue in front of the Capitol building must be reserved for the public.  
31.24 Revenue derived from public parking in these spaces must be deposited in the general fund.

31.25 Sec. 28. Minnesota Statutes 2010, section 16A.10, subdivision 1a, is amended to read:

31.26 Subd. 1a. **Purpose of performance data.** Performance data shall be presented in  
31.27 the budget proposal to:

31.28 (1) provide information so that the legislature can determine the extent to which  
31.29 state programs and activities are successful;

31.30 (2) encourage agencies to develop clear and measurable goals and objectives for  
31.31 their programs and activities; and

31.32 (3) strengthen accountability to Minnesotans by providing a record of state  
31.33 government's performance in providing effective and efficient services.

32.1 Sec. 29. Minnesota Statutes 2010, section 16A.10, subdivision 1b, is amended to read:

32.2 Subd. 1b. **Performance data format.** (a) As part of the budget proposal, agencies  
32.3 shall:

32.4 (1) describe the goals and objectives of each agency program and activity; and

32.5 (2) present performance data that measures the performance of programs and  
32.6 activities in meeting ~~program~~ goals and objectives.

32.7 (b) Measures reported must be outcome-based and objective, and may include  
32.8 indicators of outputs, efficiency, ~~outcomes~~, and other measures relevant to understanding  
32.9 each program and activity.

29.16 (c) Agencies shall present as much historical information as needed to understand  
 29.17 major trends and shall set targets for future performance issues ~~where feasible and~~  
 29.18 ~~appropriate~~. The information shall appropriately highlight agency performance issues that  
 29.19 would assist legislative review and decision making.

29.20 (d) For purposes of this subdivision, subdivision 1a, and section 16A.106, the terms  
 29.21 "program" and "activity" are used in the same manner as the terms are used in state  
 29.22 budgeting. However, the commissioner may authorize an agency to define these terms in a  
 29.23 different manner if that allows for a more effective presentation of performance data.

29.24 Sec. 26. Minnesota Statutes 2010, section 16A.10, subdivision 1c, is amended to read:

29.25 Subd. 1c. **Performance measures for change items.** For each change item in the  
 29.26 budget proposal requesting new or increased funding, the budget document must present  
 29.27 proposed performance measures that can be used to determine if the new or increased  
 29.28 funding is accomplishing its goals. To the extent possible, each budget change item  
 29.29 must identify relevant Minnesota Milestones and other statewide goals and indicators  
 29.30 related to the proposed initiative. ~~The commissioner must report to the Subcommittee on~~  
 29.31 ~~Government Accountability established under section 3.885, subdivision 10, regarding the~~  
 29.32 ~~format to be used for the presentation and selection of Minnesota Milestones and other~~  
 29.33 ~~statewide goals and indicators.~~

30.1 Sec. 27. Minnesota Statutes 2010, section 16A.103, subdivision 1a, is amended to read:

30.2 Subd. 1a. **Forecast parameters.** The forecast must assume the continuation of  
 30.3 current laws and reasonable estimates of projected growth in the national and state  
 30.4 economies and affected populations. Revenue must be estimated for all sources provided  
 30.5 for in current law. Expenditures must be estimated for all obligations imposed by law and  
 30.6 those projected to occur as a result of variables outside the control of the legislature.  
 30.7 Expenditures for the current biennium must be based on actual appropriations or, for  
 30.8 forecasted programs, the amount needed to fund the formula in law. The base for  
 30.9 expenditures projections for the next biennium is the amount appropriated in the second  
 30.10 year of the current biennium, or, for forecasted programs, the amount needed to fund the  
 30.11 formula in law. Expenditure estimates must not include an allowance for inflation.

30.12 Sec. 28. **[16A.106] ZERO-BASED BUDGETING PRINCIPLES.**

32.10 (c) Agencies shall present as much historical information as needed to understand  
 32.11 major trends and shall set targets for future performance issues ~~where feasible and~~  
 32.12 ~~appropriate~~. The information shall appropriately highlight agency performance issues that  
 32.13 would assist legislative review and decision making.

32.14 (d) For purposes of this subdivision, subdivision 1a, and section 16A.106, the terms  
 32.15 "program" and "activity" are used in the same manner as the terms are used in state  
 32.16 budgeting. However, the commissioner may authorize an agency to define these terms in a  
 32.17 different manner if that allows for a more effective presentation of performance data.

32.18 Sec. 30. Minnesota Statutes 2010, section 16A.10, subdivision 1c, is amended to read:

32.19 Subd. 1c. **Performance measures for change items.** For each change item in the  
 32.20 budget proposal requesting new or increased funding, the budget document must present  
 32.21 proposed performance measures that can be used to determine if the new or increased  
 32.22 funding is accomplishing its goals. To the extent possible, each budget change item  
 32.23 must identify relevant Minnesota Milestones and other statewide goals and indicators  
 32.24 related to the proposed initiative. ~~The commissioner must report to the Subcommittee on~~  
 32.25 ~~Government Accountability established under section 3.885, subdivision 10, regarding the~~  
 32.26 ~~format to be used for the presentation and selection of Minnesota Milestones and other~~  
 32.27 ~~statewide goals and indicators.~~

32.28 Sec. 31. Minnesota Statutes 2010, section 16A.103, subdivision 1a, is amended to read:

32.29 Subd. 1a. **Forecast parameters.** The forecast must assume the continuation of  
 32.30 current laws and reasonable estimates of projected growth in the national and state  
 32.31 economies and affected populations. Revenue must be estimated for all sources provided  
 32.32 for in current law. Expenditures must be estimated for all obligations imposed by law and  
 32.33 those projected to occur as a result of variables outside the control of the legislature.  
 32.34 Expenditures for the current biennium must be based on actual appropriations or, for  
 33.1 forecasted programs, the amount needed to fund the formula in law. The base for  
 33.2 expenditures projections for the next biennium is the amount appropriated in the second  
 33.3 year of the current biennium, except as provided by other law, or, for forecasted programs,  
 33.4 the amount needed to fund the formula in law. Expenditure estimates must not include an  
 33.5 allowance for inflation.

33.6 Sec. 32. **[16A.106] ZERO-BASED BUDGETING PRINCIPLES.**

30.13 Subdivision 1. **Determination.** Each biennium, the proposed budget for  
 30.14 approximately one-half of the expenditure programs, as selected according to subdivision  
 30.15 2, must be prepared using the principles of zero-based budgeting specified in subdivision  
 30.16 4. Programs that are not designated for one biennium must be designated for the next  
 30.17 biennium. Budgets for the legislative and judicial branches and for the Minnesota State  
 30.18 Colleges and Universities must be prepared using principles of zero-based budgeting  
 30.19 for the biennium beginning July 1, 2013, and for bienniums beginning every four years  
 30.20 after that. The budget for the University of Minnesota must be prepared using principles  
 30.21 of zero-based budgeting for the biennium beginning July 1, 2015, and for bienniums  
 30.22 beginning every four years after that.

30.23 Subd. 2. **Governor's determination.** The governor must designate the expenditure  
 30.24 programs for a biennium that will be prepared using zero-based budgeting principles. In  
 30.25 making the designation the governor, in consultation with the chairs and lead minority  
 30.26 members of the senate Finance Committee and the house of representatives Ways and  
 30.27 Means Committee, must attempt to balance the number of expenditure budgets that will  
 30.28 be prepared using zero-based budgeting principles and the number that will not for each  
 30.29 legislative finance committee. All of the programs within an agency must be assigned  
 30.30 to use zero-based budgeting principles in the same year.

30.31 Subd. 3. **Exceptions.** Expenditures for debt service under section 16A.641,  
 30.32 subdivision 10, are exempt from the zero-based budgeting principles under this section.

30.33 Subd. 4. **Zero-based budgeting principles.** (a) For each program and activity  
 30.34 subject to zero-based budgeting principles for a biennium, the detailed budget presented  
 30.35 to the legislature must include:

31.1 (1) a description of each budget activity for which the agency or entity receives  
 31.2 an appropriation in the current biennium or for which the agency or entity requests an  
 31.3 appropriation in the next biennium;

31.4 (2) for each budget activity, three alternative funding levels or alternative ways of  
 31.5 performing the budget activity, a summary of the priorities that would be accomplished  
 31.6 within each level, and the additional increments of value that would be added by the  
 31.7 higher funding levels; and

31.8 (3) for each budget activity, performance data as specified in section 16A.10,  
 31.9 subdivision 1b, the predicted effect of the three alternative funding levels on future  
 31.10 performance, and also one or more measures of cost efficiency and effectiveness of  
 31.11 program delivery, which must include comparisons to other states or entities with similar  
 31.12 programs.

33.32 (d) Expenditures for debt service under section 16A.642, subdivision 10, are not  
 33.33 subject to zero-based budgeting principles.

33.7 (a) The detailed budget presented to the legislature must include:

33.8 (1) a description of each budget activity for which the agency or entity receives  
 33.9 an appropriation in the current biennium or for which the agency or entity requests an  
 33.10 appropriation in the next biennium;

33.11 (2) for each budget activity, three alternative funding levels or alternative ways of  
 33.12 performing the budget activity, at least one of which is less than the previous biennium's  
 33.13 actual expenditures for that budget activity, a summary of the priorities that would be  
 33.14 accomplished within each level compared to a zero budget, and the additional increments  
 33.15 of value that would be added by the higher funding levels compared to what would be  
 33.16 accomplished if there were no funding for the activity; and

33.17 (3) for each budget activity, performance data as specified in section 16A.10,  
 33.18 subdivision 1b, the predicted effect of the three alternative funding levels on future  
 33.19 performance, and also one or more measures of cost efficiency and effectiveness of  
 33.20 program delivery, which must include comparisons to other states or entities with similar  
 33.21 programs.

31.13 (b) The commissioner's budget preparation guidelines and instructions must contain  
 31.14 requirements, deadlines, and technical assistance to facilitate implementation of this  
 31.15 section. After consultation with the legislative commission on planning and fiscal policy,  
 31.16 the commissioner's instructions may establish parameters for the three alternative funding  
 31.17 levels required in paragraph (a), clause (3).

31.18 Subd. 5. **Prioritization.** In presenting budget recommendations to the legislature for  
 31.19 those programs using zero-based budgeting principles, the governor's recommendations  
 31.20 must prioritize the budget activities within an agency or program area. To the extent  
 31.21 activities in more than one agency or program area are meeting the same goals, the  
 31.22 recommendations must prioritize budget activities across agencies or programs with  
 31.23 the same goals, and this prioritization must include agencies or programs not subject to  
 31.24 zero-based budgeting principles that biennium.

31.25 **EFFECTIVE DATE.** This section is effective for budgets proposed for the  
 31.26 biennium beginning July 1, 2013.

31.27 Sec. 29. Minnesota Statutes 2010, section 16A.11, subdivision 3, is amended to read:

31.28 Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget  
 31.29 estimates both of expenditures and revenues, must contain any statements on the financial  
 31.30 plan which the governor believes desirable or which may be required by the legislature.  
 31.31 The detailed estimates shall include the governor's budget arranged in tabular form.

31.32 (b) For programs designated for the zero-based budgeting principles under section  
 31.33 16A.106, the budget must be prepared according to the requirements of that section.

33.22 (b) The commissioner's budget preparation guidelines and instructions must contain  
 33.23 requirements, deadlines, and technical assistance to facilitate implementation of this  
 33.24 section. After consultation with the legislative commission on planning and fiscal policy,  
 33.25 the commissioner's instructions may establish parameters for the three alternative funding  
 33.26 levels required in clause (3).

33.27 (c) The governor's recommendations must prioritize the budget activities within an  
 33.28 agency or program area. To the extent activities in more than one agency or program area  
 33.29 are meeting the same goals, the recommendations must prioritize budget activities across  
 33.30 agencies or programs with the same goals, and this prioritization must include agencies or  
 33.31 programs not subject to zero-based budgeting principles that biennium.

33.34 **EFFECTIVE DATE.** (a) The zero-based budgeting principles in this section first  
 33.35 apply to the following budget proposals for the biennium beginning July 1, 2013:

34.1 (1) legislative branch;

34.2 (2) judicial branch;

34.3 (3) Minnesota State Colleges and Universities system; and

34.4 (4) approximately half of expenditure programs in the executive branch, designated  
 34.5 by the governor, in consultation with the chairs and lead minority members of the senate  
 34.6 Finance Committee and the house of representatives Ways and Means Committee.

34.7 (b) The zero-based budgeting principles in this section apply to all budget proposals  
 34.8 for the biennium beginning July 1, 2015, and after.

34.9 Sec. 33. Minnesota Statutes 2010, section 16A.11, subdivision 3, is amended to read:

34.10 Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget  
 34.11 estimates both of expenditures and revenues, must contain any statements on the financial  
 34.12 plan which the governor believes desirable or which may be required by the legislature.  
 34.13 The detailed estimates shall include the governor's budget arranged in tabular form.

34.14 (b) For programs designated for the zero-based budgeting principles under section  
 34.15 16A.106, the budget must be prepared according to the requirements of that section.

31.34 (c) For programs not designated for zero-based budgeting principles under section 31.35 16A.106, tables listing expenditures for the next biennium must show the appropriation 32.1 base for each year as defined in section 16A.103, subdivision 1c. ~~The appropriation base 32.2 is the amount appropriated for the second year of the current biennium.~~ The tables must 32.3 separately show any adjustments to the base required by current law or policies of the 32.4 commissioner of management and budget. For forecasted programs, the tables must also 32.5 show the amount of the forecast adjustments, based on the most recent forecast prepared 32.6 by the commissioner of management and budget under section 16A.103. For all programs, 32.7 the tables must show the amount of appropriation changes recommended by the governor, 32.8 after adjustments to the base and forecast adjustments, and the total recommendation of 32.9 the governor for that year.

32.10 ~~(e)~~ (d) The detailed estimates must include a separate line listing the total cost of 32.11 professional and technical service contracts for the prior biennium and the projected costs 32.12 of those contracts for the current and upcoming biennium. They must also include a 32.13 summary of the personnel employed by the agency, reflected as full-time equivalent 32.14 positions.

32.15 ~~(d)~~ (e) The detailed estimates for internal service funds must include the number of 32.16 full-time equivalents by program; detail on any loans from the general fund, including 32.17 dollar amounts by program; proposed investments in technology or equipment of \$100,000 32.18 or more; an explanation of any operating losses or increases in retained earnings; and a 32.19 history of the rates that have been charged, with an explanation of any rate changes and 32.20 the impact of the rate changes on affected agencies.

34.16 (c) For programs not designated for zero-based budgeting principles under section 34.17 16A.106, tables listing expenditures for the next biennium must show the appropriation 34.18 base for each year as defined in section 16A.103, subdivision 1c. ~~The appropriation base 34.19 is the amount appropriated for the second year of the current biennium.~~ The tables must 34.20 separately show any adjustments to the base required by current law or policies of the 34.21 commissioner of management and budget. For forecasted programs, the tables must also 34.22 show the amount of the forecast adjustments, based on the most recent forecast prepared 34.23 by the commissioner of management and budget under section 16A.103. For all programs, 34.24 the tables must show the amount of appropriation changes recommended by the governor, 34.25 after adjustments to the base and forecast adjustments, and the total recommendation of 34.26 the governor for that year.

34.27 ~~(e)~~ (d) The detailed estimates must include a separate line listing the total cost of 34.28 professional and technical service contracts for the prior biennium and the projected costs 34.29 of those contracts for the current and upcoming biennium. They must also include a 34.30 summary of the personnel employed by the agency, reflected as full-time equivalent 34.31 positions.

34.32 ~~(d)~~ (e) The detailed estimates for internal service funds must include the number of 34.33 full-time equivalents by program; detail on any loans from the general fund, including 34.34 dollar amounts by program; proposed investments in technology or equipment of \$100,000 34.35 or more; an explanation of any operating losses or increases in retained earnings; and a 35.1 history of the rates that have been charged, with an explanation of any rate changes and 35.2 the impact of the rate changes on affected agencies.

35.3 Sec. 34. Minnesota Statutes 2010, section 16A.28, subdivision 3, is amended to read:

35.4 Subd. 3. **Lapse.** Any portion of any appropriation not carried forward and remaining 35.5 unexpended and unencumbered at the close of a fiscal year lapses to the fund from which 35.6 it was originally appropriated. Except as provided in section 15.76, any appropriation 35.7 amounts not carried forward and remaining unexpended and unencumbered at the close of 35.8 a biennium lapse to the fund from which the appropriation was made.

35.9 **EFFECTIVE DATE.** This section is effective June 30, 2013.

35.10 Sec. 35. **[16A.90] EMPLOYEE GAINSHARING SYSTEM.**

35.11 The commissioner shall establish a program to provide onetime bonus compensation 35.12 to state employees for efforts made to reduce the costs of operating state government or for 35.13 ways of providing better or more efficient state services. The commissioner may make a 35.14 onetime award to an employee or group of employees whose suggestion or involvement in 35.15 a project is determined by the commissioner to have resulted in documented cost-savings 35.16 to the state. The maximum award is ten percent of the documented savings in the 35.17 first fiscal year in which the savings are realized. The award must be paid from the 35.18 appropriation to which the savings accrued.

35.19 Sec. 36. **[16A.93] MINNESOTA PAY FOR PERFORMANCE ACT.**

35.20 Sections 16A.93 to 16A.96 may be cited as the "Minnesota Pay for Performance  
35.21 Act of 2011."

35.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

35.23 Sec. 37. **[16A.94] PROGRAM.**

35.24 Subdivision 1. **Pilot program established.** The commissioner shall implement a  
35.25 pilot program to demonstrate the feasibility and desirability of using state appropriation  
35.26 bonds to pay for certain services based on performance and outcomes for the people served.

35.27 Subd. 2. **Oversight committee.** (a) The commissioner shall appoint an oversight  
35.28 committee to:

35.29 (1) identify criteria to select one or more services to be included in the pilot program;

35.30 (2) identify the conditions of performance and desired outcomes for the people  
35.31 served by each service selected;

36.1 (3) identify criteria to evaluate whether a service has met the performance  
36.2 conditions; and

36.3 (4) provide any other advice or assistance requested by the commissioner.

36.4 (b) The oversight committee must include the commissioners of the Departments  
36.5 of Human Services, Employment and Economic Development, and Administration, or  
36.6 their designees; a representative of a nonprofit organization that has participated in a  
36.7 pay-for-performance program; and any other person or organization that the commissioner  
36.8 determines would be of assistance in developing and implementing the pilot program.

36.9 Subd. 3. **Contracts.** The commissioner and the commissioner of the agency with  
36.10 a service to be provided through the pilot program shall enter into a contract with the  
36.11 selected provider. The contract must specify the service to be provided, the time frame in  
36.12 which it is to be provided, the outcome required for payment, and any other terms deemed  
36.13 necessary or convenient for implementation of the pilot program. The commissioner  
36.14 shall pay a provider that has met the terms and conditions of a contract with money  
36.15 appropriated to the commissioner from the special appropriation bond proceeds account  
36.16 established in section 16A.96. At a minimum, before the commissioner pays a provider,  
36.17 the commissioner must determine that the state's return on investment is positive.

36.18 Subd. 4. **Return on investment calculation.** The commissioner, in consultation  
36.19 with the oversight committee, must establish the method and data required for calculating  
36.20 the state's return on investment. The data at a minimum must include:

- 36.21 (1) state income taxes and any other revenues collected in the year after the service  
36.22 was provided that would not have been collected without the service; and
- 36.23 (2) costs avoided by the state by providing the service.
- 36.24 A positive return on investment for the state will cover the state's costs in financing  
36.25 and administering the pilot program through documented increased state tax revenue  
36.26 or cost avoidance.
- 36.27 Subd. 5. **Report to governor and legislature.** The commissioner must report to the  
36.28 governor and legislative committees with jurisdiction over capital investment, finance, and  
36.29 ways and means, and the services included in the pilot program, by January 15 of each  
36.30 year following a year in which the pilot program is operating. The report must describe  
36.31 and discuss the criteria for selection and evaluation of services to be provided through  
36.32 the program, the net benefits to the state of the program, the state's return on investment,  
36.33 the cost of the services provided by other means in the most recent past, the time frame  
36.34 for payment for the services, and the timing and costs for sale and issuance of the bonds  
36.35 authorized in section 16A.96.
- 36.36 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 37.1 Sec. 38. **[16A.96] MINNESOTA PAY FOR PERFORMANCE PROGRAM;**  
37.2 **APPROPRIATION BONDS.**
- 37.3 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this  
37.4 section.
- 37.5 (b) "Appropriation bond" means a bond, note, or other similar instrument of the state  
37.6 payable during a biennium from one or more of the following sources:
- 37.7 (1) money appropriated by law in any biennium for debt service due with respect  
37.8 to obligations described in subdivision 2, paragraph (b);
- 37.9 (2) proceeds of the sale of obligations described in subdivision 2, paragraph (b);
- 37.10 (3) payments received for that purpose under agreements and ancillary arrangements  
37.11 described in subdivision 2, paragraph (d); and
- 37.12 (4) investment earnings on amounts in clauses (1) to (3).
- 37.13 (c) "Debt service" means the amount payable in any biennium of principal, premium,  
37.14 if any, and interest on appropriation bonds.

37.15 Subd. 2. **Authority.** (a) Subject to the limitations of this subdivision, the  
37.16 commissioner of management and budget may sell and issue appropriation bonds of the  
37.17 state under this section for the purposes of the Minnesota pay for performance program  
37.18 established in sections 16A.93 to 16A.96. Proceeds of the bonds must be credited to  
37.19 a special appropriation bond proceeds account in the state treasury. Net income from  
37.20 investment of the proceeds, as estimated by the commissioner, must be credited to the  
37.21 special appropriation bond proceeds account.

37.22 (b) Appropriation bonds may be sold and issued in amounts that, in the opinion of  
37.23 the commissioner, are necessary to provide sufficient funds for achieving the purposes  
37.24 authorized as provided under paragraph (a), and pay debt service, pay costs of issuance,  
37.25 make deposits to reserve funds, pay the costs of credit enhancement, or make payments  
37.26 under other agreements entered into under paragraph (d); provided, however, that bonds  
37.27 issued and unpaid shall not exceed \$20,000,000 in principal amount, excluding refunding  
37.28 bonds sold and issued under subdivision 4. During the biennium ending June 30, 2013,  
37.29 the commissioner may sell and issue bonds only in an amount that the commissioner  
37.30 determines will result in principal and interest payments less than the amount of savings to  
37.31 be generated through pay-for-performance contracts under section 16A.94. For programs  
37.32 achieving savings under a pay-for-performance contract, the commissioner must reduce  
37.33 general fund appropriations by at least the amount of principal and interest payments on  
37.34 bonds issued under this section.

38.1 (c) Appropriation bonds may be issued in one or more series on the terms and  
38.2 conditions the commissioner determines to be in the best interests of the state, but the term  
38.3 on any series of bonds may not exceed 20 years.

38.4 (d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any  
38.5 time thereafter, so long as the appropriation bonds are outstanding, the commissioner  
38.6 may enter into agreements and ancillary arrangements relating to the appropriation  
38.7 bonds, including but not limited to trust indentures, liquidity facilities, remarketing or  
38.8 dealer agreements, letter of credit agreements, insurance policies, guaranty agreements,  
38.9 reimbursement agreements, indexing agreements, or interest exchange agreements. Any  
38.10 payments made or received according to the agreement or ancillary arrangement shall be  
38.11 made from or deposited as provided in the agreement or ancillary arrangement. The  
38.12 determination of the commissioner included in an interest exchange agreement that the  
38.13 agreement relates to an appropriation bond shall be conclusive.

38.14 Subd. 3. **Form; procedure.** (a) Appropriation bonds may be issued in the form  
38.15 of bonds, notes, or other similar instruments, and in the manner provided in section  
38.16 16A.672. In the event that any provision of section 16A.672 conflicts with this section,  
38.17 this section shall control.

38.18 (b) Every appropriation bond shall include a conspicuous statement of the limitation  
38.19 established in subdivision 6.

38.20 (c) Appropriation bonds may be sold at either public or private sale upon such terms  
38.21 as the commissioner shall determine are not inconsistent with this section and may be sold  
38.22 at any price or percentage of par value. Any bid received may be rejected.

38.23 (d) Appropriation bonds may bear interest at a fixed or variable rate.

38.24 Subd. 4. **Refunding bonds.** The commissioner from time to time may issue  
38.25 appropriation bonds for the purpose of refunding any appropriation bonds then  
38.26 outstanding, including the payment of any redemption premiums on the bonds, any  
38.27 interest accrued or to accrue to the redemption date, and costs related to the issuance  
38.28 and sale of the refunding bonds. The proceeds of any refunding bonds may, in the  
38.29 discretion of the commissioner, be applied to the purchase or payment at maturity of the  
38.30 appropriation bonds to be refunded, to the redemption of the outstanding bonds on any  
38.31 redemption date, or to pay interest on the refunding bonds and may, pending application,  
38.32 be placed in escrow to be applied to the purchase, payment, retirement, or redemption.  
38.33 Any escrowed proceeds, pending such use, may be invested and reinvested in obligations  
38.34 that are authorized investments under section 11A.24. The income earned or realized on  
38.35 the investment may also be applied to the payment of the bonds to be refunded or interest  
38.36 or premiums on the refunded bonds, or to pay interest on the refunding bonds. After  
39.1 the terms of the escrow have been fully satisfied, any balance of the proceeds and any  
39.2 investment income may be returned to the general fund or, if applicable, the appropriation  
39.3 bond proceeds account for use in any lawful manner. All refunding bonds issued under  
39.4 this subdivision must be prepared, executed, delivered, and secured by appropriations in  
39.5 the same manner as the bonds to be refunded.

39.6 Subd. 5. **Appropriation bonds as legal investments.** Any of the following entities  
39.7 may legally invest any sinking funds, money, or other funds belonging to them or under  
39.8 their control in any appropriation bonds issued under this section:

39.9 (1) the state, the investment board, public officers, municipal corporations, political  
39.10 subdivisions, and public bodies;

39.11 (2) banks and bankers, savings and loan associations, credit unions, trust companies,  
39.12 savings banks and institutions, investment companies, insurance companies, insurance  
39.13 associations, and other persons carrying on a banking or insurance business; and

39.14 (3) personal representatives, guardians, trustees, and other fiduciaries.

39.15 Subd. 6. **No full faith and credit; state not required to make appropriations.**  
 39.16 The appropriation bonds are not public debt of the state, and the full faith, credit, and  
 39.17 taxing powers of the state are not pledged to the payment of the appropriation bonds or to  
 39.18 any payment that the state agrees to make under this section. Appropriation bonds shall  
 39.19 not be obligations paid directly, in whole or in part, from a tax of statewide application  
 39.20 on any class of property, income, transaction, or privilege. Appropriation bonds shall be  
 39.21 payable in each fiscal year only from amounts that the legislature may appropriate for debt  
 39.22 service for any fiscal year, provided that nothing in this section shall be construed to  
 39.23 require the state to appropriate funds sufficient to make debt service payments with respect  
 39.24 to the bonds in any fiscal year.

39.25 Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds and  
 39.26 interest credited to the special appropriation bond proceeds account are appropriated to the  
 39.27 commissioner for payment of contract obligations under the pay for performance program,  
 39.28 as permitted by state and federal law, and nonsalary expenses incurred in conjunction  
 39.29 with the sale of the appropriation bonds.

39.30 Subd. 8. **Appropriation for debt service.** The amount needed to pay principal and  
 39.31 interest on appropriation bonds issued under this section is appropriated each year to the  
 39.32 commissioner from the general fund subject to the repeal, unallotment under section  
 39.33 16A.152, or cancellation otherwise pursuant to subdivision 6.

39.34 **EFFECTIVE DATE.** This section is effective the day following final enactment.

32.21 Sec. 30. Minnesota Statutes 2010, section 16B.03, is amended to read:  
 32.22 **16B.03 APPOINTMENTS.**

32.23 The commissioner is authorized to appoint staff, including ~~two~~ one deputy  
 32.24 ~~commissioners~~ commissioner, in accordance with chapter 43A.

40.1 Sec. 39. Minnesota Statutes 2010, section 16B.03, is amended to read:  
 40.2 **16B.03 APPOINTMENTS.**

40.3 The commissioner is authorized to appoint staff, including ~~two~~ one deputy  
 40.4 ~~commissioners~~ commissioner, in accordance with chapter 43A.

40.5 Sec. 40. **[16C.075] E-VERIFY.**

40.6 A contract for services valued in excess of \$50,000 must require certification from  
 40.7 the vendor and any subcontractors that, as of the date services on behalf of the state of  
 40.8 Minnesota will be performed, the vendor and all subcontractors have implemented or are  
 40.9 in the process of implementing the federal E-Verify program for all newly hired employees  
 40.10 in the United States who will perform work on behalf of the state of Minnesota.

40.11 **EFFECTIVE DATE.** This section is effective July 1, 2011, and applies to contracts  
 40.12 entered into on or after that date.

40.13 Sec. 41. Minnesota Statutes 2010, section 16C.08, subdivision 2, is amended to read:

40.14 Subd. 2. **Duties of contracting agency.** (a) Before an agency may seek approval of  
40.15 a professional or technical services contract valued in excess of \$5,000, it must provide  
40.16 the following:

40.17 (1) a description of how the proposed contract or amendment is necessary and  
40.18 reasonable to advance the statutory mission of the agency;

40.19 (2) a description of the agency's plan to notify firms or individuals who may be  
40.20 available to perform the services called for in the solicitation;

40.21 (3) a description of the performance measures or other tools, including accessibility  
40.22 measures if applicable, that will be used to monitor and evaluate contract performance; and

40.23 (4) an explanation detailing, if applicable, why this procurement is being pursued  
40.24 unilaterally by the agency and not as an enterprise procurement.

40.25 (b) In addition to paragraph (a), the agency must certify that:

40.26 ~~(1) no current state employee is able and available to perform the services called~~  
40.27 ~~for by the contract;~~

40.28 ~~(2) (1) the normal competitive bidding mechanisms will not provide for adequate~~  
40.29 ~~performance of the services;~~

40.30 ~~(3) (2) reasonable efforts will be made to publicize the availability of the contract~~  
40.31 ~~to the public;~~

40.32 ~~(4) (3) the agency will develop and implement a written plan providing for the~~  
40.33 ~~assignment of specific agency personnel to manage the contract, including a monitoring~~  
41.1 ~~and liaison function, the periodic review of interim reports or other indications of past~~  
41.2 ~~performance, and the ultimate utilization of the final product of the services;~~

41.3 ~~(5) (4) the agency will not allow the contractor to begin work before the contract is~~  
41.4 ~~fully executed unless an exception under section 16C.05, subdivision 2a, has been granted~~  
41.5 ~~by the commissioner and funds are fully encumbered;~~

41.6 ~~(6) (5) the contract will not establish an employment relationship between the state~~  
41.7 ~~or the agency and any persons performing under the contract; and~~

41.8 ~~(7) (6) in the event the results of the contract work will be carried out or continued~~  
41.9 ~~by state employees upon completion of the contract, the contractor is required to include~~  
41.10 ~~state employees in development and training, to the extent necessary to ensure that after~~  
41.11 ~~completion of the contract, state employees can perform any ongoing work related to the~~  
41.12 ~~same function; and~~

41.13 ~~(8) the agency will not contract out its previously eliminated jobs for four years~~  
41.14 ~~without first considering the same former employees who are on the seniority unit layoff~~  
41.15 ~~list who meet the minimum qualifications determined by the agency.~~

41.16 (c) A contract establishes an employment relationship for purposes of paragraph (b),  
41.17 clause ~~(6)~~(5), if, under federal laws governing the distinction between an employee and  
41.18 an independent contractor, a person would be considered an employee.

41.19 Sec. 42. Minnesota Statutes 2010, section 16C.09, is amended to read:

41.20 **16C.09 PROCEDURE FOR SERVICE CONTRACTS.**

41.21 (a) Before entering into or approving a service contract, the commissioner must

41.22 determine, at least, that:

41.23 ~~(1) no current state employee is able and available to perform the services called~~

41.24 ~~for by the contract;~~

41.25 ~~(2)~~ (1) the work to be performed under the contract is necessary to the agency's

41.26 achievement of its statutory responsibilities and there is statutory authority to enter into

41.27 the contract;

41.28 ~~(3)~~ (2) the contract will not establish an employment relationship between the state

41.29 or the agency and any persons performing under the contract;

41.30 ~~(4)~~ (3) the contractor and agents are not employees of the state, except as authorized

41.31 in section 15.062;

41.32 ~~(5)~~ (4) the contracting agency has specified a satisfactory method of evaluating and

41.33 using the results of the work to be performed; and

41.34 ~~(6)~~ (5) the combined contract and amendments will not exceed five years without

41.35 specific, written approval by the commissioner according to established policy, procedures,

42.1 and standards, or unless otherwise provided for by law. The term of the original contract

42.2 must not exceed two years, unless the commissioner determines that a longer duration is

42.3 in the best interest of the state.

42.4 (b) ~~For purposes of paragraph (a), clause (1), employees are available if qualified~~

42.5 ~~and:~~

42.6 ~~(1) are already doing the work in question; or~~

42.7 ~~(2) are on layoff status in classes that can do the work in question.~~

42.8 ~~An employee is not available if the employee is doing other work, is retired, or has decided~~

42.9 ~~not to do the work in question.~~

42.10 ~~(e)~~ (b) This section does not apply to an agency's use of inmates pursuant to sections

42.11 241.20 to 241.23 or to an agency's use of persons required by a court to provide:

42.12 (1) community service; or

42.13 (2) conservation or maintenance services on lands under the jurisdiction and control

42.14 of the state.

32.25 Sec. 31. **[16D.20] FEDERAL OFFSET PROGRAM.**

32.26 (a) The commissioner may enter into an agreement with the United States Secretary  
 32.27 of the Treasury to participate in an offset program authorized under United States Code,  
 32.28 title 31, section 3716, for the collection of debts owed to state agencies. The agreement  
 32.29 may provide for the United States to submit debts owed to federal agencies for offset  
 32.30 against state payments, similar to the procedures for offsetting debts owed to state  
 32.31 agencies from federal payments.

32.32 (b) The commissioner shall reduce any state payment by the amount of any federal  
 32.33 debt submitted in accordance with the agreement authorized by this section, and pay such  
 33.1 amount to the appropriate federal official in accordance with the procedures specified  
 33.2 in such agreement.

33.3 (c) The commissioner may, by rule, establish a reasonable administrative fee to be  
 33.4 charged to the debtor for the contingency fee-based procession of state payment offsets for  
 33.5 the recovery of federal nontax debts or the contingency fee-based processing of federal  
 33.6 payment offsets for the recovery of state tax and nontax debt. The fee is a separate debt  
 33.7 and may be withheld from any refund, reimbursement, or other money held for the debtor.

42.15 Sec. 43. **[16D.20] FEDERAL OFFSET PROGRAM.**

42.16 (a) The commissioner may enter into an agreement with the United States Secretary  
 42.17 of the Treasury to participate in an offset program authorized under United States Code,  
 42.18 title 31, section 3716, for the collection of debts owed to state agencies. The agreement  
 42.19 may provide for the United States to submit debts owed to federal agencies for offset  
 42.20 against state payments, similar to the procedures for offsetting debts owed to state  
 42.21 agencies from federal payments.

42.22 (b) The commissioner shall reduce any state payment by the amount of any federal  
 42.23 debt submitted in accordance with the agreement authorized by this section, and pay such  
 42.24 amount to the appropriate federal official in accordance with the procedures specified  
 42.25 in such agreement.

42.26 (c) The commissioner may, by rule, establish a reasonable administrative fee to be  
 42.27 charged to the debtor for the contingency fee-based processing of state payment offsets for  
 42.28 the recovery of federal nontax debts or the contingency fee-based processing of federal  
 42.29 payment offsets for the recovery of state tax and nontax debt. The fee is a separate debt  
 42.30 and may be withheld from any refund, reimbursement, or other money held for the debtor.

42.31 (d) An agreement under this section must not allow for offset of payments if the  
 42.32 debt that would be subject to the offset is being contested or if the time for appealing the  
 42.33 determination of the debt has not yet expired.

43.1 **EFFECTIVE DATE.** This section is effective the day following final enactment. As  
 43.2 soon as possible after that date, the commissioner must discuss an agreement authorized  
 43.3 under this section with appropriate federal officials, and if an agreement is entered into,  
 43.4 the commissioner must begin to implement it to collect debts owed to the state as soon as  
 43.5 possible.

43.6 Sec. 44. Minnesota Statutes 2010, section 37.06, is amended to read:

43.7 **37.06 SECRETARY; LEGISLATIVE AUDITOR; DUTIES; REPORT.**

43.8 The secretary shall keep a complete record of the proceedings of the annual meetings  
 43.9 of the State Agricultural Society and all meetings of the board of managers and any  
 43.10 committee of the board, keep all accounts of the society other than those kept by the  
 43.11 treasurer of the society, and perform other duties as directed by the board of managers. On  
 43.12 or before December 31 each year, the secretary shall report to the governor for the fiscal  
 43.13 year ending October 31 all the proceedings of the society during the current year and its  
 43.14 financial condition as appears from its books. This report must contain a full, detailed  
 43.15 statement of all receipts and expenditures during the year.

33.8 Sec. 32. Minnesota Statutes 2010, section 43A.08, subdivision 1, is amended to read:

33.9 Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees

33.10 who are:

33.11 (1) chosen by election or appointed to fill an elective office;

33.12 (2) heads of agencies required by law to be appointed by the governor or other

33.13 elective officers, and the executive or administrative heads of departments, bureaus,

33.14 divisions, and institutions specifically established by law in the unclassified service;

33.15 (3) deputy and assistant agency heads and one confidential secretary in the agencies

33.16 listed in ~~subdivision 1a and in the Office of Strategic and Long-Range Planning section~~

33.17 15.06, subdivision 1;

33.18 (4) the confidential secretary to each of the elective officers of this state and, for the

33.19 secretary of state and state auditor, an additional deputy, clerk, or employee;

33.20 (5) intermittent help employed by the commissioner of public safety to assist in

33.21 the issuance of vehicle licenses;

33.22 (6) employees in the offices of the governor and of the lieutenant governor and one

33.23 confidential employee for the governor in the Office of the Adjutant General;

33.24 (7) employees of the Washington, D.C., office of the state of Minnesota;

33.25 (8) employees of the legislature and of legislative committees or commissions;

33.26 provided that employees of the Legislative Audit Commission, except for the legislative

33.27 auditor, the deputy legislative auditors, and their confidential secretaries, shall be

33.28 employees in the classified service;

43.16 The books and accounts of the society for the fiscal year must be examined and

43.17 audited annually by an independent auditor, either a private auditor or the legislative

43.18 auditor. If the audit is conducted by the legislative auditor, the cost of the examination

43.19 must be paid by the society to the state and credited to the general fund.

43.20 A summary of this examination, certified by the ~~legislative~~ auditor, must be

43.21 appended to the secretary's report, along with the ~~legislative~~ auditor's recommendations

43.22 and the proceedings of the first annual meeting of the society held following the secretary's

43.23 report, including addresses made at the meeting as directed by the board of managers. The

43.24 summary, recommendations, and proceedings must be printed in the same manner as the

43.25 reports of state officers. Copies of the report must be printed annually and distributed as

43.26 follows: to each society or association entitled to membership in the society, to each

43.27 newspaper in the state, and the remaining copies as directed by the board of managers.

43.28 Sec. 45. Minnesota Statutes 2010, section 43A.08, subdivision 1, is amended to read:

43.29 Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees

43.30 who are:

43.31 (1) chosen by election or appointed to fill an elective office;

43.32 (2) heads of agencies required by law to be appointed by the governor or other

43.33 elective officers, and the executive or administrative heads of departments, bureaus,

43.34 divisions, and institutions specifically established by law in the unclassified service;

44.1 (3) deputy and assistant agency heads and one confidential secretary in the agencies

44.2 listed in ~~subdivision 1a and in the Office of Strategic and Long-Range Planning section~~

44.3 15.06, subdivision 1;

44.4 (4) the confidential secretary to each of the elective officers of this state and, for the

44.5 secretary of state and state auditor, an additional deputy, clerk, or employee;

44.6 (5) intermittent help employed by the commissioner of public safety to assist in

44.7 the issuance of vehicle licenses;

44.8 (6) employees in the offices of the governor and of the lieutenant governor and one

44.9 confidential employee for the governor in the Office of the Adjutant General;

44.10 (7) employees of the Washington, D.C., office of the state of Minnesota;

44.11 (8) employees of the legislature and of legislative committees or commissions;

44.12 provided that employees of the Legislative Audit Commission, except for the legislative

44.13 auditor, the deputy legislative auditors, and their confidential secretaries, shall be

44.14 employees in the classified service;

33.29 (9) presidents, vice-presidents, deans, other managers and professionals in  
 33.30 academic and academic support programs, administrative or service faculty, teachers,  
 33.31 research assistants, and student employees eligible under terms of the federal Economic  
 33.32 Opportunity Act work study program in the Perpich Center for Arts Education and the  
 33.33 Minnesota State Colleges and Universities, but not the custodial, clerical, or maintenance  
 33.34 employees, or any professional or managerial employee performing duties in connection  
 33.35 with the business administration of these institutions;

34.1 (10) officers and enlisted persons in the National Guard;

34.2 (11) attorneys, legal assistants, and three confidential employees appointed by the  
 34.3 attorney general or employed with the attorney general's authorization;

34.4 (12) judges and all employees of the judicial branch, referees, receivers, jurors, and  
 34.5 notaries public, except referees and adjusters employed by the Department of Labor  
 34.6 and Industry;

34.7 (13) members of the State Patrol; provided that selection and appointment of State  
 34.8 Patrol troopers must be made in accordance with applicable laws governing the classified  
 34.9 service;

34.10 (14) examination monitors and intermittent training instructors employed by the  
 34.11 Departments of Management and Budget and Commerce and by professional examining  
 34.12 boards and intermittent staff employed by the technical colleges for the administration of  
 34.13 practical skills tests and for the staging of instructional demonstrations;

34.14 (15) student workers;

34.15 (16) executive directors or executive secretaries appointed by and reporting to any  
 34.16 policy-making board or commission established by statute;

34.17 (17) employees unclassified pursuant to other statutory authority;

34.18 (18) intermittent help employed by the commissioner of agriculture to perform  
 34.19 duties relating to pesticides, fertilizer, and seed regulation;

34.20 (19) the administrators and the deputy administrators at the State Academies for the  
 34.21 Deaf and the Blind; and

34.22 (20) chief executive officers in the Department of Human Services.

34.23 Sec. 33. **[43A.175] SALARY FREEZE.**

44.15 (9) presidents, vice-presidents, deans, other managers and professionals in  
 44.16 academic and academic support programs, administrative or service faculty, teachers,  
 44.17 research assistants, and student employees eligible under terms of the federal Economic  
 44.18 Opportunity Act work study program in the Perpich Center for Arts Education and the  
 44.19 Minnesota State Colleges and Universities, but not the custodial, clerical, or maintenance  
 44.20 employees, or any professional or managerial employee performing duties in connection  
 44.21 with the business administration of these institutions;

44.22 (10) officers and enlisted persons in the National Guard;

44.23 (11) attorneys, legal assistants, and three confidential employees appointed by the  
 44.24 attorney general or employed with the attorney general's authorization;

44.25 (12) judges and all employees of the judicial branch, referees, receivers, jurors, and  
 44.26 notaries public, except referees and adjusters employed by the Department of Labor  
 44.27 and Industry;

44.28 (13) members of the State Patrol; provided that selection and appointment of State  
 44.29 Patrol troopers must be made in accordance with applicable laws governing the classified  
 44.30 service;

44.31 (14) examination monitors and intermittent training instructors employed by the  
 44.32 Departments of Management and Budget and Commerce and by professional examining  
 44.33 boards and intermittent staff employed by the technical colleges for the administration of  
 44.34 practical skills tests and for the staging of instructional demonstrations;

44.35 (15) student workers;

45.1 (16) executive directors or executive secretaries appointed by and reporting to any  
 45.2 policy-making board or commission established by statute;

45.3 (17) employees unclassified pursuant to other statutory authority;

45.4 (18) intermittent help employed by the commissioner of agriculture to perform  
 45.5 duties relating to pesticides, fertilizer, and seed regulation;

45.6 (19) the administrators and the deputy administrators at the State Academies for the  
 45.7 Deaf and the Blind; and

45.8 (20) chief executive officers in the Department of Human Services.

50.11 Sec. 56. **SALARY FREEZE.**

34.24 (a) Effective July 1, 2011, and until June 30, 2013, a state employee may not receive  
 34.25 a salary or wage increase. This section prohibits any increases, including but not limited  
 34.26 to: across-the-board increases; cost-of-living adjustments; increases based on longevity;  
 34.27 step increases; increases in the form of lump-sum payments; increases in employer  
 34.28 contributions to deferred compensation plans; or any other pay grade adjustments of  
 34.29 any kind. For purposes of this section, "salary or wage" does not include employer  
 34.30 contributions toward the cost of medical or dental insurance premiums, provided that  
 34.31 employee contributions to the costs of medical or dental insurance premiums are not  
 34.32 decreased. This section does not prohibit an increase in the rate of salary and wages for an  
 34.33 employee who is promoted or transferred to a position with greater responsibilities and  
 34.34 with a higher salary or wage rate.

35.1 (b) A state appointing authority may not enter into a collective bargaining agreement  
 35.2 or implement a compensation plan that increases salary or wages in a manner prohibited  
 35.3 by this section. Neither a state appointing authority nor an exclusive representative of state  
 35.4 employees may request interest arbitration in relation to an increase in salary or wages that  
 35.5 is prohibited by this section, and an arbitrator may not issue an award that would increase  
 35.6 salary or wages in a manner prohibited by this section.

35.7 **EFFECTIVE DATE.** Paragraph (b) is effective the day following final enactment.

35.8 Paragraph (a) is effective June 30, 2011.

50.12 (a) Effective July 1, 2011, a state employee may not receive a salary or wage increase  
 50.13 before July 1, 2013. This section prohibits any increases, including but not limited to:  
 50.14 across-the-board increases; cost-of-living adjustments; increases based on longevity;  
 50.15 step increases; increases in the form of lump-sum payments; increases in employer  
 50.16 contributions to deferred compensation plans; or any other pay grade adjustments of any  
 50.17 kind. This section does not prohibit an increase in the rate of salary and wages for an  
 50.18 employee who is promoted or transferred to a position with greater responsibilities and  
 50.19 with a higher salary or wage rate. For purposes of this section, "state employee" means an  
 50.20 "employee" as defined in Minnesota Statutes, section 43A.02, subdivision 21, but does not  
 50.21 include faculty or administrators in the Minnesota State Colleges and Universities.

50.22 (b) A state appointing authority may not enter into a collective bargaining agreement  
 50.23 or implement a compensation plan that increases salary or wages in a manner prohibited  
 50.24 by this section. Neither a state appointing authority nor an exclusive representative of state  
 50.25 employees may request interest arbitration in relation to an increase in salary or wages that  
 50.26 is prohibited by this section, and an arbitrator may not issue an award that would increase  
 50.27 salary or wages in a manner prohibited by this section.

50.28 **EFFECTIVE DATE.** Paragraph (b) is effective the day following final enactment.

50.29 Paragraph (a) is effective June 30, 2011.

45.9 Sec. 46. Minnesota Statutes 2010, section 43A.20, is amended to read:

45.10 **43A.20 PERFORMANCE APPRAISAL AND PAY.**

45.11 (a) The commissioner shall design and maintain a performance appraisal system  
 45.12 under which each employee in the civil service in the executive branch shall be evaluated  
 45.13 and counseled on work performance at least once a year. The performance appraisal  
 45.14 system must include three components:

45.15 (1) evaluation of the individual employee's performance relative to goals for that  
 45.16 individual, which must constitute a majority of the overall determination of an employee's  
 45.17 performance;

45.18 (2) evaluation of the performance of the individual employee's program, defined by  
 45.19 the agency head, toward meeting targeted outcomes for the program; and

45.20 (3) evaluation of the performance of the entire agency toward meeting targeted  
 45.21 outcomes for the agency.

45.22 (b) Individual pay increases for all employees ~~not represented by an exclusive~~  
 45.23 ~~representative certified pursuant to chapter 179A~~ shall be based on the ~~evaluation~~  
 45.24 ~~evaluations required by paragraph (a) and other factors consistent with paragraph (a)~~  
 45.25 ~~that the commissioner negotiates in collective bargaining agreements or includes in the~~  
 45.26 ~~plans developed pursuant to section 43A.18. Collective bargaining agreements entered~~  
 45.27 ~~into pursuant to chapter 179A may, and are encouraged to, provide for pay increases~~  
 45.28 ~~based on employee work performance. An employee in the executive branch may not~~  
 45.29 ~~receive an increase in salary or wages based on cost of living or progression to another~~  
 45.30 ~~step or lane unless the employee's supervisor certifies that the employee's performance~~  
 45.31 ~~has been satisfactory.~~

45.32 (c) This section does not apply to faculty and administrators in the Minnesota State  
 45.33 Colleges and University system.

45.34 (d) This section supersedes any conflicting provision of other law.

46.1 **EFFECTIVE DATE.** This section is effective July 1, 2011. For employees covered  
 46.2 by a collective bargaining agreement, this section applies to collective bargaining  
 46.3 agreements entered into on or after that date.

35.9 Sec. 34. Minnesota Statutes 2010, section 43A.23, subdivision 1, is amended to read:

35.10 Subdivision 1. **General.** (a) The commissioner is authorized to request proposals  
 35.11 or to negotiate and to enter into contracts with parties which in the judgment of the  
 35.12 commissioner are best qualified to provide service to the benefit plans. Contracts entered  
 35.13 into are not subject to the requirements of sections 16C.16 to 16C.19. The commissioner  
 35.14 may negotiate premium rates and coverage. The commissioner shall consider the cost of  
 35.15 the plans, conversion options relating to the contracts, service capabilities, character,  
 35.16 financial position, and reputation of the carriers, and any other factors which the  
 35.17 commissioner deems appropriate. Each benefit contract must be for a uniform term of at  
 35.18 least one year, but may be made automatically renewable from term to term in the absence  
 35.19 of notice of termination by either party. A carrier licensed under chapter 62A is exempt  
 35.20 from the taxes imposed by chapter 2971 on premiums paid to it by the state.

35.21 (b) All self-insured hospital and medical service products must comply with coverage  
 35.22 mandates, data reporting, and consumer protection requirements applicable to the licensed  
 35.23 carrier administering the product, had the product been insured, including chapters 62J,  
 35.24 62M, and 62Q. Any self-insured products that limit coverage to a network of providers  
 35.25 or provide different levels of coverage between network and nonnetwork providers shall  
 35.26 comply with section 62D.123 and geographic access standards for health maintenance  
 35.27 organizations adopted by the commissioner of health in rule under chapter 62D.

35.28 (c) Notwithstanding paragraph (b), a self-insured hospital and medical product  
35.29 offered under sections 43A.22 to 43A.30 is not required to extend dependent coverage to  
35.30 an eligible employee's unmarried child under the age of 25 to the full extent required under  
35.31 chapters 62A and 62L. Dependent coverage must, at a minimum, extend to an eligible  
35.32 employee's unmarried child who is under the age of 19 or an unmarried child under the  
35.33 age of 25 who is a full-time student. A person who is at least 19 years of age but who is  
35.34 under the age of 25 and who is not a full-time student must be permitted to be enrolled as  
35.35 a dependent of an eligible employee until age 25 if the person:

36.1 (1) was a full-time student immediately prior to being ordered into active military  
36.2 service, as defined in section 190.05, subdivision 5b or 5c;

36.3 (2) has been separated or discharged from active military service; and

36.4 (3) would be eligible to enroll as a dependent of an eligible employee, except that  
36.5 the person is not a full-time student.

36.6 The definition of "full-time student" for purposes of this paragraph includes any student  
36.7 who by reason of illness, injury, or physical or mental disability as documented by  
36.8 a physician is unable to carry what the educational institution considers a full-time  
36.9 course load so long as the student's course load is at least 60 percent of what otherwise  
36.10 is considered by the institution to be a full-time course load. Any notice regarding  
36.11 termination of coverage due to attainment of the limiting age must include information  
36.12 about this definition of "full-time student."

36.13 (d) Beginning January 1, ~~2010~~ 2012, the health insurance benefit plans offered ~~in the~~  
36.14 ~~commissioner's plan under section 43A.18, subdivision 2, and the managerial plan under~~  
36.15 ~~section 43A.18, subdivision 3,~~ to state employees, including legislators and legislative  
36.16 staff, ~~must include an option for a~~ be a health savings account-eligible high-deductible  
36.17 health plan that is compatible with the definition of a high-deductible health plan in section  
36.18 223 of the United States Internal Revenue Code. The following provisions apply:

36.19 (1) the employer shall deposit \$1,500 to an individual health savings account  
36.20 and \$2,500 to a family health savings account and the deposit is dependent upon the  
36.21 availability of a biennial appropriation for this purpose;

36.22 (2) the high-deductible health plan shall have a deductible of \$2,500 for individual  
36.23 and \$5,000 for family coverage, with 20 percent enrollee cost-sharing thereafter until  
36.24 maximum out-of-pocket amounts of \$3,500 for an individual or \$6,500 for a family are  
36.25 reached; and

36.26 (3) \$140 of the monthly premium amount for individual coverage shall be paid by  
36.27 the employer, and \$411 of the monthly premium amount for family coverage shall be  
36.28 paid by the employer. The deposits and payments under this paragraph are subject to the  
36.29 availability of an appropriation for this purpose.

36.30 Sec. 35. **[43A.347] REDUCTION IN STATE WORK FORCE; EARLY**  
 36.31 **RETIREMENT PROGRAM.**

36.32 Subdivision 1. **Required reduction.** (a) The number of full-time equivalent  
 36.33 employees employed in the executive branch, and the costs directly associated with  
 36.34 employing those persons, must be reduced by at least 15 percent by June 30, 2015, and  
 37.1 thereafter, compared to the number of full-time equivalent positions and the costs directly  
 37.2 associated with those positions on July 1, 2011.

37.3 (b) An appointing authority may use any or all of the following to achieve this  
 37.4 requirement: attrition, a hard hiring freeze, early retirement incentives authorized in this  
 37.5 section, restructuring of benefit or pension programs as authorized by other law, furloughs,  
 37.6 and layoffs. The early retirement program in this section is enacted as a tool to assist in  
 37.7 complying with the required 15 percent reduction.

37.8 (c) For purposes of this section:

37.9 (1) "costs directly associated" with employing people means the cost of salaries and  
 37.10 benefits, including the costs of employer contributions to public pension plans; and

37.11 (2) "executive branch" does not include the Minnesota State Colleges and  
 37.12 Universities, peace officers licensed under chapter 626, the Department of Military  
 37.13 Affairs, the Department of Veterans Affairs, employees of the Department of Corrections  
 37.14 who spend at least 75 percent of their time in direct contact with inmates or patients,  
 37.15 and the State Patrol.

37.16 Subd. 2. **Analysis.** Before authorizing an early retirement incentive under  
 37.17 subdivision 3 or 4, the commissioner must perform analysis, including actuarial analysis,  
 37.18 as necessary to determine the maximum number of employees to whom incentives will be  
 37.19 offered, and the percentage of resulting savings estimated to be needed to pay pension  
 37.20 funds to cover costs to the funds of the incentives in this section. The commissioner must  
 37.21 use this analysis in determining how to best implement this section. The commissioner  
 37.22 may contract with the director of the Minnesota State Retirement System for assistance in  
 37.23 preparing the analysis required by this subdivision.

37.24 Subd. 3. **Pension early retirement incentive.** (a) The commissioner of management  
 37.25 and budget may authorize an executive branch appointing authority to offer an early  
 37.26 retirement incentive under this subdivision to an employee who upon retirement would be  
 37.27 immediately eligible to receive an annuity from the public pension plan under which the  
 37.28 employee is covered immediately before separation from state service. The commissioner  
 37.29 may establish time periods during which the incentive may be offered and during which  
 37.30 the incentive must be accepted, may establish limits on the number of employees to whom  
 37.31 an appointing authority, or all appointing authorities collectively, may offer the incentive,  
 37.32 and may establish other conditions for the incentive.

46.4 Sec. 47. **[43A.347] REDUCTION IN STATE WORK FORCE; EARLY**  
 46.5 **RETIREMENT PROGRAM.**

46.6 Subdivision 1. **Required reduction.** (a) The number of full-time equivalent  
 46.7 employees employed in the executive branch, and the costs directly associated with  
 46.8 employing those persons, must be reduced by at least 12 percent by June 30, 2013, and 15  
 46.9 percent by June 30, 2015, and thereafter, compared to the number of full-time equivalent  
 46.10 positions and the costs directly associated with those positions on January 1, 2011.

46.11 (b) An appointing authority may use any or all of the following to achieve this  
 46.12 requirement: attrition, a hard hiring freeze, early retirement incentives authorized in this  
 46.13 section, restructuring of benefit or pension programs as authorized by other law, furloughs,  
 46.14 and layoffs. The early retirement program in this section is enacted as a tool to assist in  
 46.15 complying with the required 15 percent reduction.

46.16 (c) For purposes of this section:

46.17 (1) "costs directly associated" with employing people means the cost of salaries and  
 46.18 benefits, including the costs of employer contributions to public pension plans; and

46.19 (2) "executive branch" does not include the Minnesota State Colleges and  
 46.20 Universities.

46.21 Subd. 2. **Analysis.** Before authorizing an early retirement under subdivision 3 or  
 46.22 4, the commissioner must perform analysis, including actuarial analysis, as necessary to  
 46.23 determine the maximum number of employees to whom incentives will be offered, and the  
 46.24 percentage of resulting savings estimated to be needed to pay pension funds to cover costs  
 46.25 to the funds of the incentive in this section. The commissioner must use this analysis in  
 46.26 determining how to best implement this section.

46.27 Subd. 3. **Pension early retirement incentive.** (a) The commissioner of management  
 46.28 and budget may authorize an executive branch appointing authority to offer an early  
 46.29 retirement incentive under this subdivision to an employee who upon retirement would be  
 46.30 immediately eligible to receive an annuity from the public pension plan under which the  
 46.31 employee is covered immediately before separation from state service. The commissioner  
 46.32 may establish time periods during which the incentive may be offered and during which  
 46.33 the incentive must be accepted, may establish limits on the number of employees to whom  
 46.34 an appointing authority, or all appointing authorities collectively, may offer the incentive,  
 46.35 and may establish other conditions for the incentive.

37.33 (b) For an employee offered an incentive under this subdivision, for each full  
 37.34 year of service credit that the employee has in a plan administered by the Minnesota  
 37.35 State Retirement System, the Public Employees Retirement Association, or the Teachers  
 37.36 Retirement Association, the employee must be granted an additional month of service  
 38.1 credit in the plan under which the employee is covered immediately before separation  
 38.2 from state service under this subdivision.

38.3 (c) Upon request of an appointing authority considering offering an incentive under  
 38.4 this subdivision, the executive director of the public pension plan in which an employee  
 38.5 would be granted additional service credit under this subdivision must prepare an estimate  
 38.6 of the present value of the additional service credit that would be granted to an employee  
 38.7 under this subdivision. For each employee accepting an incentive under this subdivision,  
 38.8 the appointing authority offering the incentive must pay the applicable public pension  
 38.9 plan, from the first dollars of savings achieved through offering the incentive, the present  
 38.10 value of the additional service credit granted to the employee, taking into account the date  
 38.11 payment will be received from the appointing authority. The appointing authority must  
 38.12 make this payment to the pension plan within one year of the date the employee accepting  
 38.13 the incentive leaves state service.

38.14 Subd. 4. **Insurance early retirement incentive.** The commissioner of management  
 38.15 and budget may authorize an executive appointing authority to offer the incentive  
 38.16 originally offered under Laws 2010, chapter 337, to employees who retire from state  
 38.17 service during periods that the commissioner specifies before June 30, 2015. The terms and  
 38.18 conditions specified in Laws 2010, chapter 337, apply to an incentive offered under this  
 38.19 subdivision, except for the dates specified in that law for accepting the incentive and for  
 38.20 retiring, and except that the prohibition on reemployment or contracting is for the period  
 38.21 specified in this section, instead of the shorter period specified in Laws 2010, chapter 337.

38.22 Subd. 5. **Best practices.** In implementing this section, the commissioner of  
 38.23 management and budget and affected agencies shall utilize best practices as identified by  
 38.24 other states that have implemented early retirement programs.

38.25 Subd. 6. **Hiring freeze.** To promote streamlined government and reduced costs,  
 38.26 no state appointing authority may fill by outside hire a position vacated through state  
 38.27 employee participation in an early retirement incentive under this section.

38.28 Subd. 7. **Reemployment prohibition.** An employee who receives an early  
 38.29 retirement incentive under this section may not be reemployed with the state or enter into  
 38.30 a contract with the state as a consultant for five years after termination.

38.31 Subd. 8. **Savings.** Savings resulting from implementation of this section, after  
 38.32 any payments made under subdivisions 3 and 4, must cancel back to the fund in which  
 38.33 the savings occurred.

38.34 Subd. 9. **Not applicable to elected officials.** A state elected official is not a state  
 38.35 employee for purposes of this section.

47.1 (b) For an employee offered an incentive under this subdivision, for each full  
 47.2 year of service credit that the employee has in a plan administered by the Minnesota  
 47.3 State Retirement System, the Public Employees Retirement Association, or the Teachers  
 47.4 Retirement Association, the employee must be granted an additional month of service  
 47.5 credit in the plan under which the employee is covered immediately before separation  
 47.6 from state service under this subdivision.

47.7 (c) Upon request of an appointing authority considering offering an incentive under  
 47.8 this subdivision, the executive director of the public pension plan in which an employee  
 47.9 would be granted additional service credit under this subdivision must prepare an estimate  
 47.10 of the present value of the additional service credit that would be granted to an employee  
 47.11 under this subdivision. For each employee accepting an incentive under this subdivision,  
 47.12 the appointing authority offering the incentive must pay the applicable public pension  
 47.13 plan, from the first dollars of savings achieved through offering the incentive, the present  
 47.14 value of the additional service credit granted to the employee, taking into account the date  
 47.15 payment will be received from the appointing authority. The appointing authority must  
 47.16 make this payment to the pension plan within one year of the date the employee accepting  
 47.17 the incentive leaves state service.

47.18 Subd. 4. **Insurance early retirement incentive.** The commissioner of management  
 47.19 and budget may authorize an executive appointing authority to offer the incentive  
 47.20 originally offered under Laws 2010, chapter 337, to employees who retire from state  
 47.21 service during periods that the commissioner specifies before June 30, 2015. The terms and  
 47.22 conditions specified in Laws 2010, chapter 337, apply to an incentive offered under this  
 47.23 subdivision, except for the dates specified in that law for accepting the incentive and for  
 47.24 retiring, and except that the prohibition on reemployment or contracting is for the period  
 47.25 specified in this section, instead of the shorter period specified in Laws 2010, chapter 337.

47.26 Subd. 5. **Best practices.** In implementing this section, the commissioner of  
 47.27 management and budget and affected agencies shall utilize best practices as identified by  
 47.28 other states that have implemented early retirement programs.

47.29 Subd. 6. **Hiring freeze.** To promote streamlined government and reduced costs,  
 47.30 no state appointing authority may fill by outside hire a position vacated through state  
 47.31 employee participation in an early retirement incentive under this section.

47.32 Subd. 7. **Reemployment prohibition.** An employee who receives an early  
 47.33 retirement incentive under this section may not be reemployed with the state or enter into  
 47.34 a contract with the state as a consultant for five years after termination.

48.1 Subd. 8. **Savings.** Savings resulting from implementation of this section, after  
 48.2 any payments made under subdivisions 3 and 4, must cancel back to the fund in which  
 48.3 the savings occurred.

48.4 Subd. 9. **Not applicable to elected officials.** A state elected official is not a state  
 48.5 employee for purposes of this section.

39.1 Subd. 10. **Application of Public Employment Labor Relations Act.** Unilateral  
 39.2 implementation of this section, including, but not limited to, the provision of an early  
 39.3 retirement incentive by the appointing authority, is not an unfair labor practice under  
 39.4 chapter 179A.

39.5 Sec. 36. Minnesota Statutes 2010, section 45.013, is amended to read:  
 39.6 **45.013 POWER TO APPOINT STAFF.**

39.7 The commissioner of commerce may appoint ~~four one deputy commissioners, four~~  
 39.8 ~~assistant commissioners, and an assistant to the commissioner. Those positions, as well as~~  
 39.9 ~~that of and a confidential secretary, are in the unclassified service.~~ The commissioner may  
 39.10 appoint other employees necessary to carry out the duties and responsibilities entrusted to  
 39.11 the commissioner.

39.12 Sec. 37. Minnesota Statutes 2010, section 84.01, subdivision 3, is amended to read:

39.13 Subd. 3. **Employees; delegation.** ~~Subject to the provisions of Laws 1969, chapter~~  
 39.14 ~~1129, and to other applicable laws~~ The commissioner shall organize the department and  
 39.15 employ ~~up to three assistant commissioners, each of whom shall serve at the pleasure of~~  
 39.16 ~~the commissioner in the unclassified service, one of whom shall have responsibility for~~  
 39.17 ~~coordinating and directing the planning of every division within the agency, and such other~~  
 39.18 officers, employees, and agents as the commissioner may deem necessary to discharge the  
 39.19 functions of the department, define the duties of such officers, employees, and agents and  
 39.20 to delegate to them any of the commissioner's powers, duties, and responsibilities subject  
 39.21 to the control of, and under the conditions prescribed by, the commissioner. Appointments  
 39.22 to exercise delegated power shall be by written order filed with the secretary of state.

39.23 Sec. 38. Minnesota Statutes 2010, section 116.03, subdivision 1, is amended to read:

39.24 Subdivision 1. **Office.** (a) The office of commissioner of the Pollution Control  
 39.25 Agency is created and is under the supervision and control of the commissioner, who is  
 39.26 appointed by the governor under the provisions of section 15.06.

39.27 (b) The commissioner may appoint a deputy commissioner ~~and assistant~~  
 39.28 ~~commissioners~~ who shall be in the unclassified service.

39.29 (c) The commissioner shall make all decisions on behalf of the agency that are not  
 39.30 required to be made by the agency under section 116.02.

39.31 Sec. 39. Minnesota Statutes 2010, section 116J.01, subdivision 5, is amended to read:

40.1 Subd. 5. **Departmental organization.** (a) The commissioner shall organize the  
 40.2 department as provided in section 15.06.

40.3 (b) The commissioner may establish divisions and offices within the department.

40.4 ~~The commissioner may employ four deputy commissioners in the unclassified service.~~

40.5 (c) The commissioner shall:

48.6 Sec. 48. Minnesota Statutes 2010, section 45.013, is amended to read:  
 48.7 **45.013 POWER TO APPOINT STAFF.**

48.8 The commissioner of commerce may appoint ~~four one deputy commissioners, four~~  
 48.9 ~~assistant commissioners, and an assistant to the commissioner. Those positions, as well as~~  
 48.10 ~~that of and a confidential secretary, are in the unclassified service.~~ The commissioner may  
 48.11 appoint other employees necessary to carry out the duties and responsibilities entrusted to  
 48.12 the commissioner.

48.13 Sec. 49. Minnesota Statutes 2010, section 84.01, subdivision 3, is amended to read:

48.14 Subd. 3. **Employees; delegation.** ~~Subject to the provisions of Laws 1969, chapter~~  
 48.15 ~~1129, and to other applicable laws~~ The commissioner shall organize the department and  
 48.16 employ ~~up to three assistant commissioners, each of whom shall serve at the pleasure of~~  
 48.17 ~~the commissioner in the unclassified service, one of whom shall have responsibility for~~  
 48.18 ~~coordinating and directing the planning of every division within the agency, and such other~~  
 48.19 officers, employees, and agents as the commissioner may deem necessary to discharge the  
 48.20 functions of the department, define the duties of such officers, employees, and agents and  
 48.21 to delegate to them any of the commissioner's powers, duties, and responsibilities subject  
 48.22 to the control of, and under the conditions prescribed by, the commissioner. Appointments  
 48.23 to exercise delegated power shall be by written order filed with the secretary of state.

48.24 Sec. 50. Minnesota Statutes 2010, section 116.03, subdivision 1, is amended to read:

48.25 Subdivision 1. **Office.** (a) The office of commissioner of the Pollution Control  
 48.26 Agency is created and is under the supervision and control of the commissioner, who is  
 48.27 appointed by the governor under the provisions of section 15.06.

48.28 (b) The commissioner may appoint a deputy commissioner ~~and assistant~~  
 48.29 ~~commissioners~~ who shall be in the unclassified service.

48.30 (c) The commissioner shall make all decisions on behalf of the agency that are not  
 48.31 required to be made by the agency under section 116.02.

48.32 Sec. 51. Minnesota Statutes 2010, section 116J.01, subdivision 5, is amended to read:

49.1 Subd. 5. **Departmental organization.** (a) The commissioner shall organize the  
 49.2 department as provided in section 15.06.

49.3 (b) The commissioner may establish divisions and offices within the department.

49.4 ~~The commissioner may employ four deputy commissioners in the unclassified service.~~

49.5 (c) The commissioner shall:

40.6 (1) employ assistants and other officers, employees, and agents that the commissioner  
40.7 considers necessary to discharge the functions of the commissioner's office;

40.8 (2) define the duties of the officers, employees, and agents, and delegate to them any  
40.9 of the commissioner's powers, duties, and responsibilities, subject to the commissioner's  
40.10 control and under conditions prescribed by the commissioner.

40.11 (d) The commissioner shall ensure that there are at least three employment and  
40.12 economic development officers in state offices in nonmetropolitan areas of the state who  
40.13 will work with local units of government on developing local employment and economic  
40.14 development.

40.15 Sec. 40. Minnesota Statutes 2010, section 116J.035, subdivision 4, is amended to read:

40.16 Subd. 4. **Delegation of powers.** The commissioner may delegate, in written orders  
40.17 filed with the secretary of state, any powers or duties subject to the commissioner's  
40.18 control to officers and employees in the department. Regardless of any other law, the  
40.19 commissioner may delegate the execution of specific contracts or specific types of  
40.20 contracts to the commissioner's ~~deputies, an assistant commissioner, deputy~~ or a program  
40.21 director if the delegation has been approved by the commissioner of administration and  
40.22 filed with the secretary of state.

40.23 Sec. 41. Minnesota Statutes 2010, section 174.02, subdivision 2, is amended to read:

40.24 Subd. 2. **Unclassified positions.** The commissioner may ~~establish four positions~~  
40.25 ~~in the unclassified service at the~~ appoint a deputy and assistant commissioner, assistant  
40.26 ~~to commissioner or and a personal secretary levels. No more than two of these positions~~  
40.27 ~~shall be at the deputy commissioner level in the unclassified service.~~

40.28 Sec. 42. Minnesota Statutes 2010, section 241.01, subdivision 2, is amended to read:

40.29 Subd. 2. **Deputies Deputy.** The commissioner of corrections may appoint and  
40.30 employ ~~no more than two a deputy commissioners commissioner.~~ The commissioner may  
40.31 also appoint a personal secretary, who shall serve at the commissioner's pleasure in the  
40.32 unclassified civil service.

41.1 Sec. 43. Minnesota Statutes 2010, section 270C.41, is amended to read:  
41.2 **270C.41 AGREEMENT WITH INTERNAL REVENUE SERVICE FEDERAL**  
41.3 **GOVERNMENT.**

49.6 (1) employ assistants and other officers, employees, and agents that the commissioner  
49.7 considers necessary to discharge the functions of the commissioner's office;

49.8 (2) define the duties of the officers, employees, and agents, and delegate to them any  
49.9 of the commissioner's powers, duties, and responsibilities, subject to the commissioner's  
49.10 control and under conditions prescribed by the commissioner.

49.11 (d) The commissioner shall ensure that there are at least three employment and  
49.12 economic development officers in state offices in nonmetropolitan areas of the state who  
49.13 will work with local units of government on developing local employment and economic  
49.14 development.

49.15 Sec. 52. Minnesota Statutes 2010, section 116J.035, subdivision 4, is amended to read:

49.16 Subd. 4. **Delegation of powers.** The commissioner may delegate, in written orders  
49.17 filed with the secretary of state, any powers or duties subject to the commissioner's  
49.18 control to officers and employees in the department. Regardless of any other law, the  
49.19 commissioner may delegate the execution of specific contracts or specific types of  
49.20 contracts to the commissioner's ~~deputies, an assistant commissioner, deputy~~ or a program  
49.21 director if the delegation has been approved by the commissioner of administration and  
49.22 filed with the secretary of state.

49.23 Sec. 53. Minnesota Statutes 2010, section 174.02, subdivision 2, is amended to read:

49.24 Subd. 2. **Unclassified positions.** The commissioner may ~~establish four positions~~  
49.25 ~~in the unclassified service at the~~ appoint a deputy and assistant commissioner, assistant  
49.26 ~~to commissioner or and a personal secretary levels. No more than two of these positions~~  
49.27 ~~shall be at the deputy commissioner level in the unclassified service.~~

49.28 Sec. 54. Minnesota Statutes 2010, section 241.01, subdivision 2, is amended to read:

49.29 Subd. 2. **Deputies Deputy.** The commissioner of corrections may appoint and  
49.30 employ ~~no more than two a deputy commissioners commissioner.~~ The commissioner may  
49.31 also appoint a personal secretary, who shall serve at the commissioner's pleasure in the  
49.32 unclassified civil service.

41.4 Subdivision 1. **Agreement with Internal Revenue Service.** Pursuant to section  
 41.5 270B.12, the commissioner may enter into an agreement with the Internal Revenue  
 41.6 Service to identify taxpayers who have refunds due from the department and liabilities  
 41.7 owing to the Internal Revenue Service. In accordance with the procedures established in  
 41.8 the agreement, the Internal Revenue Service may levy against the refunds to be paid by  
 41.9 the department. For each refund levied upon, the commissioner shall first deduct from  
 41.10 the refund a fee of \$20, and then remit the refund or the amount of the levy, whichever  
 41.11 is less, to the Internal Revenue Service. The proceeds of fees shall be deposited into the  
 41.12 Department of Revenue recapture revolving fund under section 270A.07, subdivision 1.

41.13 Subd. 2. **Reciprocal offset agreements.** The commissioner is authorized to enter  
 41.14 into agreements with the federal Department of the Treasury that provide for offsetting  
 41.15 state payments against federal nontax obligations. The commissioner may charge a fee  
 41.16 of \$20 per transaction for the offsets and may collect this offset fee from the debtor by  
 41.17 deducting it from the state payment. The agreement may provide for offsetting federal  
 41.18 payments as authorized by federal law against state tax and nontax obligations, and  
 41.19 collecting the offset cost from the debtor. The agreement shall provide that the federal  
 41.20 Department of the Treasury may deduct a fee from each administrative offset and state  
 41.21 payment offset. Setoffs to collect state and other entity obligations under chapters 16D,  
 41.22 270A, 270C, and any other provision of Minnesota Statutes occur before a state payment  
 41.23 offset. For purposes of this paragraph, "administrative offset" is any offset of federal  
 41.24 payments to collect state debts, and "state payment offset" is any offset of state payments  
 41.25 to collect federal nontax debts.

41.26 Sec. 44. **STATE EMPLOYEE GROUP INSURANCE PLAN DEPENDENT**  
 41.27 **ELIGIBILITY VERIFICATION AUDIT SERVICES.**

41.28 Subdivision 1. **Request for proposals.** By July 1, 2011, the commissioner of  
 41.29 management and budget shall issue a request for proposals for a contract to provide  
 41.30 dependent eligibility verification audit services for state-paid hospital, medical, and dental  
 41.31 benefits provided to state employees and their dependents. The request for proposals  
 41.32 must require that the vendor will:

41.33 (1) conduct a document-model dependent eligibility verification audit of all plans  
 41.34 offered under Minnesota Statutes, sections 43A.22 to 43A.31;

42.1 (2) identify ineligible dependents covered by the plans and report those findings to  
 42.2 the commissioner and third-party administrators of the state's employee health plans, as  
 42.3 directed by the commissioner; and

42.4 (3) implement a process for ongoing eligibility verification following the conclusion  
 42.5 of the dependent eligibility verification audit required by this section.

42.6 Subd. 2. **Additional vendor criteria.** The request for proposals required by  
 42.7 subdivision 1 must require the vendor to provide the following minimum capabilities and  
 42.8 experience in performing the services described in subdivision 1:

53.1 Sec. 60. **STATE EMPLOYEE GROUP INSURANCE PLAN DEPENDENT**  
 53.2 **ELIGIBILITY VERIFICATION AUDIT SERVICES.**

53.3 Subdivision 1. **Request for proposals.** By September 1, 2011, the commissioner  
 53.4 of management and budget shall issue a request for proposals for a contract to provide  
 53.5 dependent eligibility verification audit services for state-paid hospital, medical, and dental  
 53.6 benefits provided to participants in the state employee group insurance program and their  
 53.7 dependents. The request for proposals must require that the vendor will:

53.8 (1) conduct a document-model dependent eligibility verification audit of all plans  
 53.9 offered under Minnesota Statutes, sections 43A.22 to 43A.31;

53.10 (2) identify ineligible dependents covered by the plans and report those findings to  
 53.11 the commissioner and third-party administrators of the state's employee health plans, as  
 53.12 directed by the commissioner; and

53.13 (3) implement a process for ongoing eligibility verification following the conclusion  
 53.14 of the dependent eligibility verification audit required by this section.

53.15 Subd. 2. **Additional vendor criteria.** The request for proposals required by  
 53.16 subdivision 1 must require the vendor to provide the following minimum capabilities and  
 53.17 experience in performing the services described in subdivision 1:

42.9 (1) a rules-based platform employing auto-adjudication for making objective  
 42.10 eligibility determinations;

42.11 (2) assigned eligibility advocates to assist employees through the verification  
 42.12 process;

42.13 (3) a formal claims and appeals process; and

42.14 (4) experience in the performance of dependent eligibility verification audits for  
 42.15 other states.

42.16 Subd. 3. **Contract required.** By September 1, 2011, the commissioner must enter  
 42.17 into a contract for the services specified in subdivision 1. The contract must incorporate  
 42.18 a performance-based vendor financing option that compensates the vendor based on the  
 42.19 amount of savings generated by the work performed under the contract.

42.20 Subd. 4. **Managerial policy.** The commissioner's duties and responsibilities under  
 42.21 this section are matters of inherent managerial policy under Minnesota Statutes, section  
 42.22 179A.07, subdivision 1. The commissioner is under no obligation to meet and negotiate  
 42.23 concerning duties and responsibilities assigned to the commissioner under this section.

42.24 Sec. 45. **STATE BUILDING EFFICIENCY.**

42.25 Subdivision 1. **Request for proposals.** By July 1, 2011, the commissioner  
 42.26 of administration shall issue a request for proposals for a contract to provide  
 42.27 recommendations for efficiencies in state building management to the commissioner. The  
 42.28 request for proposals shall require the vendor to provide a system that will overlay existing  
 42.29 building controls and instrumentation that influence energy consumption, including space,  
 42.30 equipment and system performance, facility operations, and facility maintenance. The  
 42.31 request for proposals shall require the vendor to provide a system that provides concurrent  
 42.32 building monitoring, energy consumption optimization, space utilization, and equipment  
 42.33 performance information.

42.34 Subd. 2. **Open platform system with data analytics.** The request for proposals  
 42.35 must require the vendor to provide: (1) an open platform system with the capability to  
 43.1 integrate and coordinate a variety of control systems, including their data, and the ability  
 43.2 to manage all state buildings and their control systems; and (2) a system that uses data  
 43.3 analytics to integrate corrective action notification and work order management.

43.4 Subd. 3. **Proof of concept phase.** The request for proposals shall require the  
 43.5 selected vendor, at no cost to the state, to begin work on the contract by implementing  
 43.6 its proposed system on one to three instrumented state buildings to demonstrate the  
 43.7 savings provided by the system. The system provided by the vendor must be capable of  
 43.8 application to all state-owned buildings.

53.18 (1) a rules-based platform employing auto-adjudication for making objective  
 53.19 eligibility determinations;

53.20 (2) assigned eligibility advocates to assist employees through the verification  
 53.21 process;

53.22 (3) a formal claims and appeals process; and

53.23 (4) experience in the performance of dependent eligibility verification audits for  
 53.24 other states.

53.25 Subd. 3. **Contract required.** By January 1, 2012, the commissioner must enter  
 53.26 into a contract for the services specified in subdivision 1. The contract must incorporate  
 53.27 a performance-based vendor financing option that compensates the vendor based on the  
 53.28 amount of savings generated by the work performed under the contract.

43.9 **Subd. 4. Full implementation and payment.** The request for proposal must require  
43.10 the state to implement the system provided by the vendor in all buildings owned by the  
43.11 state if the work done under the requirements of subdivision 3 provides material savings to  
43.12 the state. After the full implementation of the system provided by the vendor, the vendor  
43.13 shall be paid by the state from the savings attributable to the work done by the vendor,  
43.14 according to the terms and performance measures negotiated in the contract.

43.15 **Subd. 5. Selection of vendor.** The commissioner of administration shall select a  
43.16 vendor from the responses to the request for proposal by September 1, 2011.

43.17 **Subd. 6. Progress report.** The commissioner shall provide a report describing the  
43.18 progress made under this section to the governor and the chairs and ranking minority  
43.19 members of the legislative committees with jurisdiction over the commissioner of  
43.20 administration by January 15, 2012. The report shall provide a dynamic scoring analysis  
43.21 of the work described in the report.

43.22 **Sec. 46. FLEET MANAGEMENT IMPROVEMENTS.**

43.23 **Subdivision 1. Request for proposals.** By July 1, 2011, the commissioner of  
43.24 administration shall issue a request for proposals to improve the procurement, allocation,  
43.25 control, energy efficiency, maintenance, and in-service life of state vehicles. The request  
43.26 for proposal shall require the vendor to provide a system for:

43.27 (1) a life-cycle solution for vehicle management, covering all stages from  
43.28 procurement through disposal of state vehicles; and

43.29 (2) the integration of data analytics to provide vehicle tracking, usage, and proactive  
43.30 maintenance management.

43.31 **Subd. 2. Proof of concept phase.** The request for proposals must specify that the  
43.32 vendor, at no cost to the state, must implement its system in one vehicle maintenance  
43.33 facility on a sample group of vehicles to demonstrate the cost-savings potential of the  
43.34 recommendations.

44.1 **Subd. 3. Full implementation and payment.** The request for proposal must require  
44.2 the state to implement the recommendations provided by the vendor if the work done  
44.3 under the requirements of subdivision 2 provides material savings to the state. After the  
44.4 full implementation of the system provided by the vendor, the vendor shall be paid by  
44.5 the state from the savings attributable to the work done by the vendor, according to the  
44.6 terms and performance measures negotiated in the contract.

44.7 **Subd. 4. Selection of vendor.** The commissioner of administration shall select a  
44.8 vendor from the responses to the request for proposal by September 1, 2011.

44.9 Subd. 5. **Progress report.** The commissioner shall provide a report describing the  
 44.10 progress made under this section to the governor and the chairs and ranking minority  
 44.11 members of the legislative committees with jurisdiction over the commissioner of  
 44.12 administration by January 15, 2012. The report shall provide a dynamic scoring analysis  
 44.13 of the work described in the report.

44.14 Sec. 47. **TAX FRAUD PREVENTION AND DETECTION.**

44.15 Subdivision 1. **Request for proposals.** By July 1, 2011, the commissioner of  
 44.16 revenue shall issue a request for proposals to prevent and detect tax fraud and increase  
 44.17 delinquent tax revenue collection. The request for proposals shall require the vendor to  
 44.18 provide data analytics capabilities, including, but not limited to, predictive modeling  
 44.19 techniques and other forms of advanced analytics that will integrate into the current tax  
 44.20 processing system to detect compliance issues before tax return processing is completed,  
 44.21 and optimization algorithms that will assist the commissioner in maximizing revenues  
 44.22 collected with current levels of compliance staff.

44.23 Subd. 2. **Proof of concept phase.** The selected vendor, at no cost to the state, shall  
 44.24 implement its recommendations on a subset of data provided by the commissioner to  
 44.25 demonstrate the cost-savings potential of the recommendations.

44.26 Subd. 3. **Data.** Data provided to the vendor by the commissioner for the proof of  
 44.27 concept phase must not include not public data, as defined in section 13.02, subdivision 8a.

44.28 Subd. 4. **Full implementation phase.** The request for proposal must require the  
 44.29 state to implement the recommendations provided by the vendor if the work done under  
 44.30 the requirements of subdivision 2 provides material savings to the state. After the full  
 44.31 implementation of the system provided by the vendor, the vendor shall be paid by the state  
 44.32 from the savings attributable to the work done by the vendor, according to the terms and  
 44.33 performance measures negotiated in the contract.

44.34 Subd. 5. **Selection of vendor.** The commissioner of administration shall select a  
 44.35 vendor from the responses to the request for proposal by September 1, 2011.

45.1 Subd. 6. **Progress report.** The commissioner shall provide a report describing the  
 45.2 progress made under this section to the governor and the chairs and ranking minority  
 45.3 members of the legislative committees with jurisdiction over the commissioner of revenue  
 45.4 and data practices by January 15, 2012. The report shall provide a dynamic scoring  
 45.5 analysis of the work described in the report and address data access and privacy issues  
 45.6 involved in implementation of the system.

51.7 Sec. 58. **DEPARTMENT OF REVENUE; REQUEST FOR PROPOSALS.**

51.8 (a) The commissioner of revenue shall issue a request for proposals for a contract to  
 51.9 implement a system of tax analytics and business intelligence tools to enhance the state's  
 51.10 tax collection process and revenues by improving the means of identifying candidates  
 51.11 for audit and collection activities and prioritizing those activities to provide the highest  
 51.12 returns on auditors' and collection agents' time. The request for proposals must require  
 51.13 that the system recommended and implemented by the contractor:

51.14 (1) leverage the Department of Revenue's existing data and other available data  
 51.15 sources to build models that more effectively and efficiently identify accounts for audit  
 51.16 review and collections;

51.17 (2) leverage advanced analytical techniques and technology such as pattern  
 51.18 detection, predictive modeling, clustering, outlier detection and link analysis to identify  
 51.19 suspect accounts for audit review and collections;

51.20 (3) leverage a variety of approaches and analytical techniques to rank accounts and  
 51.21 improve the success rate and the return on investment of department employees engaged  
 51.22 in audit activities;

51.23 (4) leverage technology to make the audit process more sustainable and stable, even  
 51.24 with turnover of department auditing staff;

51.25 (5) provide optimization capabilities to more effectively prioritize collections and  
 51.26 increase the efficiency of employees engaged in collections activities; and

51.27 (6) incorporate mechanisms to decrease wrongful auditing and reduce interference  
 51.28 with Minnesota taxpayers who are fully complying with the laws.

51.29 (b) Based on reasonable responses to the request for proposals, the commissioner  
 51.30 shall enter into a contract for the services specified in paragraph (a) by October 1, 2011.

51.31 (c) Incorporating the system of tax analytics and business intelligence tools under  
 51.32 the contract in this section, the commissioner of revenue shall identify and collect tax  
 51.33 liabilities from individuals and businesses that currently do not pay all taxes owed.  
 51.34 The commissioner may enter into additional contracts and retain up to five percent  
 51.35 administrative costs as necessary to implement this section. A contract may incorporate a  
 52.1 vendor financing option. This financing option may not make the vendor's compensation  
 52.2 contingent on the amount collected as a result of an audit or an assessment determined  
 52.3 by the vendor.

52.4 (d) \$11,504,000 for the fiscal year ending June 30, 2012, and \$23,269,000 for  
52.5 the fiscal year ending June 30, 2013, are appropriated from the general fund to the  
52.6 commissioner of revenue for purposes of this section. This initiative is expected to result  
52.7 in new general fund revenues of \$133,000,000 for the biennium ending June 30, 2013.

52.8 (e) The commissioner of revenue must report to the chairs of the house of  
52.9 representatives Ways and Means and senate Finance Committees by March 1, 2012, and  
52.10 January 15, 2013, on collection of additional revenue under this section.

52.11 (f)(1) If the commissioner of revenue determines that the initiative under this section  
52.12 will result in new general fund revenues of less than \$133,000,000 for the biennium  
52.13 ending June 30, 2013, the commissioner must notify the commissioner of management  
52.14 and budget of the amount of new general fund revenues anticipated under this section.

52.15 (2) Upon receiving a notice from the commissioner of revenue under clause (1), the  
52.16 commissioner of management and budget must reduce general fund appropriations to  
52.17 executive agencies for agency operations for the biennium ending June 30, 2013, by an  
52.18 amount equal to the difference between \$133,000,000 and the amount of new general fund  
52.19 revenues anticipated by the commissioner of revenue under the notice in clause (1).

52.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

52.21 Sec. 59. **REVENUE FROM FEDERAL OFFSET PROGRAM.**

52.22 (a) It is expected that implementation of authority under Minnesota Statutes, section  
52.23 16D.20, will result in increased revenues to the general fund of at least \$36,600,000  
52.24 during the biennium ending June 30, 2013. If the commissioner of revenue determines  
52.25 that implementation of Minnesota Statutes, section 16D.20, will result in new general  
52.26 fund revenues of less than \$36,600,000 for the biennium ending June 30, 2013, the  
52.27 commissioner must notify the commissioner of management and budget of the amount of  
52.28 new general fund revenues anticipated under Minnesota Statutes, section 16D.20.

52.29 (b) Upon receiving a notice from the commissioner of revenue under paragraph (a),  
52.30 the commissioner of management and budget must reduce general fund appropriations to  
52.31 executive agencies for agency operations for the biennium ending June 30, 2013, by an  
52.32 amount equal to the difference between \$36,600,000 and the amount of new general fund  
52.33 revenues anticipated by the commissioner of revenue under the notice in paragraph (a).

45.7 Sec. 48. **STRATEGIC SOURCING REQUEST FOR PROPOSALS.**

53.29 Sec. 61. **STRATEGIC SOURCING REQUEST FOR PROPOSALS.**

45.8 Subdivision 1. **Request for proposals.** By July 1, 2011, the commissioner  
 45.9 of administration shall issue a request for proposals for a contract to provide  
 45.10 recommendations for efficiencies in strategic sourcing to the commissioner. For the  
 45.11 purposes of this section, "strategic sourcing" has the meaning given in Minnesota Statutes,  
 45.12 section 16C.02, subdivision 20. The request for proposals shall require the vendor to  
 45.13 provide recommendations for improvements to methods used by the commissioner  
 45.14 to analyze and reduce spending on goods and services, including, but not limited to,  
 45.15 spend analysis, product standardization, contract consolidation, negotiations, multiple  
 45.16 jurisdiction purchasing alliances, reverse and forward auctions, life-cycle costing, and  
 45.17 other techniques.

45.18 Subd. 2. **Proof of concept phase.** The request for proposal shall require the selected  
 45.19 vendor, at no cost to the state, to begin work on the contract by assisting the commissioner  
 45.20 in implementing its proposed solution on selected state procurement processes to  
 45.21 demonstrate the savings provided by the recommendations. The system provided by the  
 45.22 vendor must be capable of application to the state procurement system.

45.23 Subd. 3. **Full implementation and payment.** The request for proposal must require  
 45.24 the state to implement the recommendations provided by the vendor in the entire state  
 45.25 procurement system if the work done under the requirements of subdivision 2 provides  
 45.26 material savings to the state. After the full implementation of the system provided by the  
 45.27 vendor, the vendor shall be paid by the state from the savings attributable to the work done  
 45.28 by the vendor, according to the terms and performance measures negotiated in the contract.

45.29 Subd. 4. **Selection of vendor.** The commissioner of administration shall select a  
 45.30 vendor from the responses to the request for proposal by September 1, 2011.

45.31 Subd. 5. **Progress report.** The commissioner shall provide a report describing the  
 45.32 progress made under this section to the governor and the chairs and ranking minority  
 45.33 members of the legislative committees with jurisdiction over the commissioner of  
 45.34 administration by January 15, 2012.

46.1 Sec. 49. **ESTIMATED REVENUE.**

46.2 The initiatives in sections 31, 47, and 48 are expected to result in new general fund  
 46.3 revenues of \$169,900,000 for the biennium ending June 30, 2013.

53.30 Subdivision 1. **Request for proposals.** By July 1, 2011, the commissioner  
 53.31 of administration shall issue a request for proposals for a contract to provide  
 53.32 recommendations for efficiencies in strategic sourcing to the commissioner. For the  
 53.33 purposes of this section, "strategic sourcing" has the meaning given in Minnesota Statutes,  
 53.34 section 16C.02, subdivision 20. The request for proposals shall require the vendor to  
 53.35 provide recommendations for improvements to methods used by the commissioner  
 54.1 to analyze and reduce spending on goods and services, including, but not limited to,  
 54.2 spend analysis, product standardization, contract consolidation, negotiations, multiple  
 54.3 jurisdiction purchasing alliances, reverse and forward auctions, life-cycle costing, and  
 54.4 other techniques.

54.5 Subd. 2. **Proof of concept phase.** The request for proposal shall require the selected  
 54.6 vendor, at no cost to the state, to begin work on the contract by assisting the commissioner  
 54.7 in implementing its proposed solution on selected state procurement processes to  
 54.8 demonstrate the savings provided by the recommendations. The system provided by the  
 54.9 vendor must be capable of application to the state procurement system.

54.10 Subd. 3. **Full implementation and payment.** The request for proposal must require  
 54.11 the state to implement the recommendations provided by the vendor in the entire state  
 54.12 procurement system if the work done under the requirements of subdivision 2 provides  
 54.13 material savings to the state. After the full implementation of the system provided by the  
 54.14 vendor, the vendor shall be paid by the state from the savings attributable to the work done  
 54.15 by the vendor, according to the terms and performance measures negotiated in the contract.

54.16 Subd. 4. **Selection of vendor.** The commissioner of administration shall select a  
 54.17 vendor from the responses to the request for proposal by September 1, 2011.

54.18 Subd. 5. **Progress report.** The commissioner shall provide a report describing the  
 54.19 progress made under this section to the governor and the chairs and ranking minority  
 54.20 members of the legislative committees with jurisdiction over the commissioner of  
 54.21 administration by January 15, 2012.

50.1 Sec. 55. Laws 2010, chapter 361, article 3, section 8, is amended to read:

50.2 Sec. 8. **USE OF CARRYFORWARD.**

50.3 The restrictions in Minnesota Statutes, section 16A.281, on the use of money carried  
50.4 forward from one biennium to another shall not apply to money the legislative auditor  
50.5 carried forward from the ~~previous biennium for use in fiscal years 2010 and 2011~~ ending  
50.6 June 30, 2009, or the biennium ending June 30, 2011. The legislative auditor may use the  
50.7 carry forward money for costs related to the conduct of audits related to funds authorized  
50.8 in the Minnesota Constitution, Article XI, section 15, and audits related to the institutions,  
50.9 offices, and functions of Minnesota State Colleges and Universities.

50.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

50.30 Sec. 57. **STATE JOB CLASSIFICATIONS.**

50.31 The commissioner of management and budget shall report to the legislature by  
50.32 January 15, 2012, on a process to redesign and consolidate the job classification plan for  
50.33 executive branch employees, with a goal of assigning all classified positions to no more  
51.1 than 50 job families. The process must lead to development of a new job classification  
51.2 plan designed to enhance the ability of state agencies to flexibly manage their workforces  
51.3 to meet changing needs and demands of the agency, and to enhance the ability of state  
51.4 employees to transfer to other positions for which they are qualified. In developing this  
51.5 process, the commissioner must meet and confer with the exclusive representatives of each  
51.6 affected bargaining unit. The report to the legislature must identify implementation issues.

54.22 Sec. 62. **HELP AMERICA VOTE ACT.**

54.23 (a) If the secretary of state determines that this state is otherwise eligible to receive  
54.24 an additional requirements payment of federal money under the Help America Vote Act,  
54.25 Public Law 107-252, the secretary must certify to the commissioner of management and  
54.26 budget the amount, if any, needed to meet the matching requirement of section 253(b)(5)  
54.27 of the Help America Vote Act. In the certification, the secretary shall specify the portion  
54.28 of the match that should be taken from an unencumbered general fund appropriation to  
54.29 the Office of the Secretary of State not designated for a different purpose. Upon receipt  
54.30 of that certification, or as soon as an unencumbered general fund appropriation becomes  
54.31 available, whichever occurs later, the commissioner must transfer the specified amount  
54.32 to the Help America Vote Act account. Funds under the Help America Vote Act may be  
54.33 spent only following legislative approval.

54.34 (b) This section expires on June 30, 2013.

54.35 **EFFECTIVE DATE.** This section is effective the day following final enactment.

55.1 Sec. 63. **STATE EMPLOYEE EFFICIENT USE OF HEALTH CARE**

55.2 **INCENTIVE PROGRAM.**

55.3 The commissioner of management and budget shall develop and implement a  
 55.4 program that creates an incentive for efficient use by state employees of State Employee  
 55.5 Group Insurance Program (SEGIP). The program may reward employees covered by  
 55.6 SEGIP as a group if per capita employee health care costs paid by SEGIP for a calendar  
 55.7 year prove to be less than estimated by the commissioner prior to the beginning of the  
 55.8 calendar year. The reward may consist of payments of one-half of the cost-savings into  
 55.9 the employees' health reimbursement accounts, to be made no later than March 1 of the  
 55.10 following calendar year.

55.11 Sec. 64. **REPEALER.**

55.12 Minnesota Statutes 2010, sections 16C.085; 43A.047; and 179A.23, are repealed.

#### 55.13 **ARTICLE 4**

#### 55.14 **CONSOLIDATION OF INFORMATION TECHNOLOGY SERVICES**

55.15 Section 1. Minnesota Statutes 2010, section 16B.99, is amended to read:

55.16 **16B.99 GEOSPATIAL INFORMATION OFFICE.**

55.17 Subdivision 1. **Creation.** The Minnesota Geospatial Information Office is created

55.18 under the supervision of the ~~commissioner of administration~~ chief geospatial information

55.19 officer, who is appointed by the chief information officer.

55.20 Subd. 2. **Responsibilities; authority.** The office has authority to provide

55.21 coordination, guidance, and leadership, and to plan the implementation of Minnesota's

55.22 geospatial information technology. The office must identify, coordinate, and guide

55.23 strategic investments in geospatial information technology systems, data, and services to

55.24 ensure effective implementation and use of Geospatial Information Systems (GIS) by state

55.25 agencies to maximize benefits for state government as an enterprise.

55.26 Subd. 3. **Duties.** The office must:

55.27 (1) coordinate and guide the efficient and effective use of available federal,

55.28 state, local, and public-private resources to develop statewide geospatial information

55.29 technology, data, and services;

55.30 (2) provide leadership and outreach, and ensure cooperation and coordination for all

55.31 Geospatial Information Systems (GIS) functions in state and local government, including

55.32 coordination between state agencies, intergovernment coordination between state and local

56.1 units of government, and extragovernment coordination, which includes coordination with

56.2 academic and other private and nonprofit sector GIS stakeholders;

56.3 (3) review state agency and intergovernment geospatial technology, data, and

56.4 services development efforts involving state or intergovernment funding, including federal

56.5 funding;

56.6 (4) provide information to the legislature regarding projects reviewed, and  
56.7 recommend projects for inclusion in the governor's budget under section 16A.11;

56.8 (5) coordinate management of geospatial technology, data, and services between  
56.9 state and local governments;

56.10 (6) provide coordination, leadership, and consultation to integrate government  
56.11 technology services with GIS infrastructure and GIS programs;

56.12 (7) work to avoid or eliminate unnecessary duplication of existing GIS technology  
56.13 services and systems, including services provided by other public and private organizations  
56.14 while building on existing governmental infrastructures;

56.15 (8) promote and coordinate consolidated geospatial technology, data, and services  
56.16 and shared geospatial Web services for state and local governments; and

56.17 (9) promote and coordinate geospatial technology training, technical guidance, and  
56.18 project support for state and local governments.

56.19 Subd. 4. **Duties of chief geospatial information officer.** (a) In consultation with the  
56.20 state geospatial advisory council, the commissioner of administration, the commissioner  
56.21 of management and budget, and the Minnesota chief geospatial information officer, the  
56.22 chief geospatial information officer must identify when it is cost-effective for agencies to  
56.23 develop and use shared information and geospatial technology systems, data, and services.  
56.24 The chief geospatial information officer may require agencies to use shared information  
56.25 and geospatial technology systems, data, and services.

56.26 (b) The chief geospatial information officer, in consultation with the state  
56.27 geospatial advisory council, must establish reimbursement rates in cooperation with the  
56.28 commissioner of management and budget to bill agencies and other governmental entities  
56.29 sufficient to cover the actual development, operation, maintenance, and administrative  
56.30 costs of the shared systems. The methodology for billing may include the use of  
56.31 interagency agreements, or other means as allowed by law.

56.32 Subd. 5. **Fees.** (a) The chief geospatial information officer must set fees under  
56.33 section 16A.1285 that reflect the actual cost of providing information products and  
56.34 services to clients. Fees collected must be deposited in the state treasury and credited to  
56.35 the Minnesota Geospatial Information Office revolving account. Money in the account  
56.36 is appropriated to the chief geospatial information officer for providing Geospatial  
57.1 Information Systems (GIS) consulting services, software, data, Web services, and map  
57.2 products on a cost-recovery basis, including the cost of services, supplies, material, labor,  
57.3 and equipment as well as the portion of the general support costs and statewide indirect  
57.4 costs of the office that is attributable to the delivery of these products and services. Money  
57.5 in the account must not be used for the general operation of the Minnesota Geospatial  
57.6 Information Office.

57.7 (b) The chief ~~geospatial~~ information officer may require a state agency to make an  
57.8 advance payment to the revolving account sufficient to cover the agency's estimated  
57.9 obligation for a period of 60 days or more. If the revolving account is abolished or  
57.10 liquidated, the total net profit from the operation of the account must be distributed to the  
57.11 various funds from which purchases were made. For a given period of time, the amount of  
57.12 total net profit to be distributed to each fund must reflect the same ratio of total purchases  
57.13 attributable to each fund divided by the total purchases from all funds.

57.14 Subd. 6. **Accountability.** The chief geospatial information officer is appointed by  
57.15 the ~~commissioner of administration and must work closely with the~~ Minnesota chief  
57.16 information officer who shall advise on technology projects, standards, and services.

57.17 Subd. 7. **Discretionary powers.** The office may:

57.18 (1) enter into contracts for goods or services with public or private organizations  
57.19 and charge fees for services it provides;

57.20 (2) apply for, receive, and expend money from public agencies;

57.21 (3) apply for, accept, and disburse grants and other aids from the federal government  
57.22 and other public or private sources;

57.23 (4) enter into contracts with agencies of the federal government, local government  
57.24 units, the University of Minnesota and other educational institutions, and private persons  
57.25 and other nongovernment organizations as necessary to perform its statutory duties;

57.26 (5) appoint committees and task forces to assist the office in carrying out its duties;

57.27 (6) sponsor and conduct conferences and studies, collect and disseminate  
57.28 information, and issue reports relating to geospatial information and technology issues;

57.29 (7) participate in the activities and conferences related to geospatial information  
57.30 and communications technology issues;

57.31 (8) review the Geospatial Information Systems (GIS) technology infrastructure  
57.32 of regions of the state and cooperate with and make recommendations to the governor,  
57.33 legislature, state agencies, local governments, local technology development agencies,  
57.34 the federal government, private businesses, and individuals for the realization of GIS  
57.35 information and technology infrastructure development potential;

58.1 (9) sponsor, support, and facilitate innovative and collaborative geospatial systems  
58.2 technology, data, and services projects; and

58.3 (10) review and recommend alternative sourcing strategies for state geospatial  
58.4 information systems technology, data, and services.

58.5 Subd. 8. **Geospatial advisory councils created.** The chief ~~geospatial~~ information  
58.6 officer must establish a governance structure that includes advisory councils to provide  
58.7 recommendations for improving the operations and management of geospatial technology  
58.8 within state government and also on issues of importance to users of geospatial technology  
58.9 throughout the state.

58.10 (a) A statewide geospatial advisory council must advise the Minnesota Geospatial  
58.11 Information Office regarding the improvement of services statewide through the  
58.12 coordinated, affordable, reliable, and effective use of geospatial technology. The  
58.13 ~~commissioner of administration~~ chief information officer must appoint the members of the  
58.14 council. The members must represent a cross-section of organizations including counties,  
58.15 cities, universities, business, nonprofit organizations, federal agencies, and state agencies.  
58.16 No more than 20 percent of the members may be employees of a state agency. In addition,  
58.17 the chief geospatial information officer must be a nonvoting member.

58.18 (b) A state government geospatial advisory council must advise the Minnesota  
58.19 Geospatial Information Office on issues concerning improving state government services  
58.20 through the coordinated, affordable, reliable, and effective use of geospatial technology.  
58.21 The ~~commissioner of administration~~ chief information officer must appoint the members  
58.22 of the council. The members must represent up to 15 state government agencies and  
58.23 constitutional offices, including the Office of Enterprise Technology and the Minnesota  
58.24 Geospatial Information Office. The council must be chaired by the chief geographic  
58.25 information officer. A representative of the statewide geospatial advisory council must  
58.26 serve as a nonvoting member.

58.27 (c) Members of both the statewide geospatial advisory council and the state  
58.28 government advisory council must be recommended by a process that ensures that each  
58.29 member is designated to represent a clearly identified agency or interested party category  
58.30 and that complies with the state's open appointment process. Members shall serve a  
58.31 term of two years.

58.32 (d) The Minnesota Geospatial Information Office must provide administrative  
58.33 support for both geospatial advisory councils.

58.34 (e) This subdivision expires June 30, 2011.

58.35 ~~Subd. 9. **Report to legislature.** By January 15, 2010, the chief geospatial~~  
58.36 ~~information officer must provide a report to the chairs and ranking minority members of~~  
59.1 ~~the legislative committees with jurisdiction over the policy and budget for the office. The~~  
59.2 ~~report must address all statutes that refer to the Minnesota Geospatial Information Office~~  
59.3 ~~or land management information system and provide any necessary draft legislation to~~  
59.4 ~~implement any recommendations.~~

59.5 Sec. 2. **[16E.0151] RESPONSIBILITY FOR INFORMATION TECHNOLOGY**  
59.6 **SERVICES AND EQUIPMENT.**

59.7 (a) The chief information officer is responsible for providing or entering into  
59.8 managed services contracts for the provision of the following information technology  
59.9 systems and services to state agencies:

59.10 (1) state data centers;

59.11 (2) mainframes including system software;

59.12 (3) servers including system software;

59.13 (4) desktops including system software;

59.14 (5) laptop computers including system software;

59.15 (6) a data network including system software;

59.16 (7) database, electronic mail, office systems, reporting, and other standard software  
59.17 tools;

59.18 (8) business application software and related technical support services;

59.19 (9) help desk for the components listed in clauses (1) to (8);

59.20 (10) maintenance, problem resolution, and break-fix for the components listed in  
59.21 clauses (1) to (8); and

59.22 (11) regular upgrades and replacement for the components listed in clauses (1) to (8).

59.23 (b) All state agency employees whose work primarily involves functions specified in  
59.24 paragraph (a) are employees of the Office of Enterprise Technology. The chief information  
59.25 officer may assign employees of the office to perform work exclusively for another  
59.26 executive agency.

59.27 (c) The chief information officer may allow a state agency to obtain services  
59.28 specified in paragraph (a) through a contract with an outside vendor when the value of an  
59.29 outside vendor contract can be demonstrated. The chief information officer must require  
59.30 that agency contracts with outside vendors ensure that systems and services are compatible  
59.31 with standards established by the Office of Enterprise Technology.

59.32 (d) In exercising authority under this section, the chief information officer  
59.33 must cooperate with the commissioner of administration on contracts for acquisition  
59.34 of information technology systems and services. The authority granted to the chief  
59.35 information officer does not limit the procurement, contract management, and contract  
60.1 review authority of the commissioner of administration under chapter 16C, including  
60.2 authority of the commissioner to enter into and manage cooperative purchasing  
60.3 agreements with other states.

60.4 (e) The State Lottery and Statewide Radio Board are not state agencies for purposes  
60.5 of this section.

60.6 Sec. 3. [16E.036] ADVISORY COMMITTEE.

60.7 (a) The Technology Advisory Committee is created to advise the chief information  
60.8 officer. The committee consists of six members appointed by the governor who are  
60.9 individuals actively involved in business planning for state executive branch agencies,  
60.10 one county member designated by the Association of Minnesota Counties, one member  
60.11 appointed by the governor as a representative of a union that represents state information  
60.12 technology employees, and one member appointed by the governor to represent private  
60.13 businesses.

60.14 (b) Membership terms, removal of members, and filling of vacancies are as provided  
60.15 in section 15.059. Members do not receive compensation or reimbursement for expenses.

60.16 (c) The committee shall select a chair from its members. The chief information  
60.17 officer shall provide administrative support to the committee.

60.18 (d) The committee shall advise the chief information officer on:

60.19 (1) development and implementation of the state information technology strategic  
60.20 plan;

60.21 (2) critical information technology initiatives for the state;

60.22 (3) standards for state information architecture;

60.23 (4) identification of business and technical needs of state agencies;

60.24 (5) strategic information technology portfolio management, project prioritization,  
60.25 and investment decisions;

60.26 (6) the office's performance measures and fees for service agreements with executive  
60.27 branch agencies;

60.28 (7) management of the state enterprise technology revolving fund; and

60.29 (8) the efficient and effective operation of the office.

60.30 Sec. 4. Minnesota Statutes 2010, section 16E.14, is amended by adding a subdivision  
60.31 to read:

60.32 Subd. 6. **Technology improvement account.** The technology improvement account  
60.33 is established as an account in the enterprise technology fund. Money in the account is  
60.34 appropriated to the chief information officer for the purpose of funding a project that will  
61.1 result in improvements in state information and telecommunications technology. The  
61.2 chief information officer may spend money from the account on behalf of a state agency  
61.3 or group of agencies or may transfer money in the account to a state agency or group of  
61.4 agencies only according to an agreement under which: (1) the chief information officer  
61.5 has determined that savings generated by the project to be funded from the account will  
61.6 exceed the cost of the project; and (2) the agency or agencies sponsoring the project have  
61.7 developed a plan for recouping the project costs to the fund.

61.8 Sec. 5. **TRANSFERS.**

61.9 (a) Powers, duties, responsibilities, assets, personnel, and unexpended appropriations  
61.10 relating to functions assigned to the chief information officer in Minnesota Statutes,  
61.11 section 16E.0151, are transferred to the Office of Enterprise Technology from all other  
61.12 state agencies, as defined in Minnesota Statutes, section 16E.03, subdivision 1, paragraph  
61.13 (e), effective July 1, 2011. By January 15, 2012, the chief information officer shall submit  
61.14 to the legislature any statutory changes needed to complete implementation of the transfer  
61.15 in this section.

61.16 (b) Prior to the transfer mandated by paragraph (a), the chief information officer must  
61.17 enter into a service-level agreement with each state agency governing the provision of  
61.18 information technology systems and services in Minnesota Statutes, section 16E.0151. The  
61.19 agreements must specify the services to be provided and the charges for these services. As  
61.20 specified in Minnesota Statutes, section 16E.0151, an agency may choose to obtain these  
61.21 services from an outside vendor, rather than from the Office of Enterprise Technology.

61.22 (c) Powers, duties, responsibilities, assets, personnel, and unexpended appropriations  
61.23 relating to geospatial information systems are transferred from the commissioner of  
61.24 administration to the Office of Enterprise Technology.

61.25 (d) Minnesota Statutes, section 15.039, applies to transfers in this section. Executive  
61.26 branch officials may use authority under Minnesota Statutes, section 16B.37, as necessary  
61.27 to implement this section.

61.28 Sec. 6. **STUDY.**

61.29 The chief information officer in the Office of Enterprise Technology shall report  
61.30 to the chairs and ranking minority members of the house of representatives and senate  
61.31 committees with jurisdiction over state government finance by January 15, 2012, on  
61.32 the feasibility and desirability of the office entering into service-level agreements with  
61.33 the State Lottery and the Statewide Radio Board regarding provision of information  
61.34 technology systems and services to those entities.

62.1 Sec. 7. **REVISOR'S INSTRUCTION.**

62.2 The revisor of statutes shall recodify Minnesota Statutes, section 16B.99, into  
62.3 Minnesota Statutes, chapter 16E.