

1.1 ..... moves to amend H.F. No. 577 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 STATE GOVERNMENT APPROPRIATIONS

1.5 Section 1. STATE GOVERNMENT APPROPRIATIONS.

1.6 The sums shown in the columns marked "Appropriations" are appropriated to the  
1.7 agencies and for the purposes specified in this article. The appropriations are from the  
1.8 general fund, or another named fund, and are available for the fiscal years indicated  
1.9 for each purpose. The figures "2012" and "2013" used in this article mean that the  
1.10 appropriations listed under them are available for the fiscal year ending June 30, 2012, or  
1.11 June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal  
1.12 year 2013. "The biennium" is fiscal years 2012 and 2013.

1.13		<b><u>APPROPRIATIONS</u></b>	
1.14		<b><u>Available for the Year</u></b>	
1.15		<b><u>Ending June 30</u></b>	
1.16		<b><u>2012</u></b>	<b><u>2013</u></b>

1.17 Sec. 2. LEGISLATURE

1.18	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>61,651,000</u>	<u>\$</u>	<u>61,651,000</u>
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1.19	<u>Appropriations by Fund</u>		
1.20		<u>2012</u>	<u>2013</u>
1.21	<u>General</u>	<u>61,523,000</u>	<u>61,523,000</u>
1.22	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

1.23 The amounts that may be spent for each  
1.24 purpose are specified in the following  
1.25 subdivisions.

1.26	<u>Subd. 2. Senate</u>	<u>20,068,000</u>	<u>20,068,000</u>
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2.1	<u>Subd. 3. House of Representatives</u>	<u>27,874,000</u>	<u>27,874,000</u>
2.2	<u>Subd. 4. Legislative Coordinating Commission</u>	<u>13,709,000</u>	<u>13,709,000</u>

2.3	<u>Appropriations by Fund</u>		
2.4	<u>General</u>	<u>13,581,000</u>	<u>13,581,000</u>
2.5	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

2.6 \$10,000 each year from the general fund  
 2.7 is for purposes of the legislators' forum,  
 2.8 through which Minnesota legislators meet  
 2.9 with counterparts from South Dakota, North  
 2.10 Dakota, and Manitoba to discuss issues of  
 2.11 mutual concern.

2.12	<u>Sec. 3. GOVERNOR AND LIEUTENANT</u>		
2.13	<u>GOVERNOR</u>	<u>\$ 3,097,000</u>	<u>\$ 3,097,000</u>

2.14 (a) This appropriation is to fund the Office of  
 2.15 the Governor and Lieutenant Governor.

2.16 (b) By September 1 of each year, the  
 2.17 commissioner of management and budget  
 2.18 shall report to the chairs and ranking  
 2.19 minority members of the senate State  
 2.20 Government Budget Division and the  
 2.21 house of representatives State Government  
 2.22 Finance Division any personnel costs  
 2.23 incurred by the Office of the Governor and  
 2.24 Lieutenant Governor that were supported  
 2.25 by appropriations to other agencies during  
 2.26 the previous fiscal year. The Office of the  
 2.27 Governor shall inform the chairs and ranking  
 2.28 minority members of the divisions before  
 2.29 initiating any interagency agreements.

2.30 (c) During the biennium ending June 30,  
 2.31 2013, the Office of the Governor may not  
 2.32 receive payments of more than \$670,000  
 2.33 each fiscal year from other executive  
 2.34 agencies under Minnesota Statutes, section



4.1	Sec. 7. <u>CAMPAIGN FINANCE AND PUBLIC</u>			
4.2	<u>DISCLOSURE BOARD</u>	\$	<u>653,000</u>	\$ <u>653,000</u>
4.3	Sec. 8. <u>INVESTMENT BOARD</u>	\$	<u>132,000</u>	\$ <u>132,000</u>
4.4	Sec. 9. <u>ADMINISTRATIVE HEARINGS</u>	\$	<u>7,614,000</u>	\$ <u>7,484,000</u>
4.5	<u>Appropriations by Fund</u>			
4.6			<u>2012</u>	<u>2013</u>
4.7	<u>General</u>		<u>364,000</u>	<u>234,000</u>
4.8	<u>Workers'</u>			
4.9	<u>Compensation</u>		<u>7,250,000</u>	<u>7,250,000</u>
4.10	<u>\$130,000 in the first year is for the cost</u>			
4.11	<u>of considering complaints filed under</u>			
4.12	<u>Minnesota Statutes, section 211B.32. Until</u>			
4.13	<u>June 30, 2013, the chief administrative</u>			
4.14	<u>law judge may not make any assessment</u>			
4.15	<u>against a county or counties under Minnesota</u>			
4.16	<u>Statutes, section 211B.37. Any amount of</u>			
4.17	<u>this appropriation that remains unspent at</u>			
4.18	<u>the end of the biennium must be canceled</u>			
4.19	<u>to the general account of the state elections</u>			
4.20	<u>campaign fund. The base for fiscal year 2014</u>			
4.21	<u>is \$130,000, to be available for the biennium,</u>			
4.22	<u>under the same terms.</u>			
4.23	Sec. 10. <u>OFFICE OF ENTERPRISE</u>			
4.24	<u>TECHNOLOGY</u>	\$	<u>4,636,000</u>	\$ <u>4,636,000</u>
4.25	<u>During the biennium ending June 30, 2013,</u>			
4.26	<u>the office must not charge fees to a public</u>			
4.27	<u>noncommercial educational television</u>			
4.28	<u>broadcast station for access to the state</u>			
4.29	<u>information infrastructure.</u>			
4.30	Sec. 11. <u>ADMINISTRATION</u>			
4.31	Subdivision 1. <u>Total Appropriation</u>	\$	<u>18,023,000</u>	\$ <u>18,023,000</u>

5.1 The amounts that may be spent for each  
 5.2 purpose are specified in the following  
 5.3 subdivisions.

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

5.5 Subd. 3. **Administrative Management Support** 1,502,000 1,502,000

5.6 Subd. 4. **Public Broadcasting** 1,785,000 1,785,000

5.7 (a) The appropriations under this section are  
 5.8 to the commissioner of administration for the  
 5.9 purposes specified.

5.10 (b) \$1,002,000 the first year and \$1,002,000  
 5.11 the second year are for matching grants for  
 5.12 public television.

5.13 (c) \$190,000 the first year and \$190,000  
 5.14 the second year are for public television  
 5.15 equipment grants. Equipment or matching  
 5.16 grant allocations shall be made after  
 5.17 considering the recommendations of the  
 5.18 Minnesota Public Television Association.

5.19 (d) \$16,000 the first year and \$16,000 the  
 5.20 second year are for grants to the Twin Cities  
 5.21 regional cable channel.

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

5.25 (f) \$97,000 the first year and \$97,000 the  
 5.26 second year are for equipment grants to  
 5.27 public educational radio stations.

5.28 (g) The grants in paragraphs (e) and (f)  
 5.29 must be allocated after considering the  
 5.30 recommendations of the Association of  
 5.31 Minnesota Public Educational Radio Stations  
 5.32 under Minnesota Statutes, section 129D.14.

6.1 (h) \$202,000 the first year and \$202,000  
 6.2 the second year are for equipment grants to  
 6.3 Minnesota Public Radio, Inc.

6.4 (i) Any unencumbered balance remaining the  
 6.5 first year for grants to public television or  
 6.6 radio stations does not cancel and is available  
 6.7 for the second year.

6.8 **Sec. 12. CAPITOL AREA**  
 6.9 **ARCHITECTURAL AND PLANNING**  
 6.10 **BOARD** **\$ 308,000 \$ 308,000**

6.11 **Sec. 13. MINNESOTA MANAGEMENT AND**  
 6.12 **BUDGET** **\$ 16,727,000 \$ 16,727,000**

6.13 **Sec. 14. REVENUE**

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

<u>Appropriations by Fund</u>		
	<u>2012</u>	<u>2013</u>
6.16 <u>General</u>	<u>123,996,000</u>	<u>135,811,000</u>
6.17 <u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>
6.18 <u>Highway User Tax</u>		
6.19 <u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
6.20 <u>Environmental</u>	<u>303,000</u>	<u>303,000</u>

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

6.24 To the greatest extent possible, the  
 6.25 commissioner must avoid making budget  
 6.26 reductions to compliance activities.

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

<u>Appropriations by Fund</u>		
6.28 <u>General</u>	<u>100,756,000</u>	<u>112,571,000</u>
6.29 <u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>
6.30 <u>Highway User Tax</u>		
6.31 <u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
6.32 <u>Environmental</u>	<u>303,000</u>	<u>303,000</u>

6.33 **Subd. 3. Debt Collection Management** **23,240,000 23,240,000**

7.1	Sec. 15. <b><u>GAMBLING CONTROL</u></b>	<b><u>\$</u></b>	<b><u>2,740,000</u></b>	<b><u>\$</u></b>	<b><u>2,740,000</u></b>
7.2	<u>These appropriations are from the lawful</u>				
7.3	<u>gambling regulation account in the special</u>				
7.4	<u>revenue fund.</u>				
7.5	Sec. 16. <b><u>RACING COMMISSION</u></b>	<b><u>\$</u></b>	<b><u>899,000</u></b>	<b><u>\$</u></b>	<b><u>899,000</u></b>
7.6	<u>These appropriations are from the racing</u>				
7.7	<u>and card playing regulation accounts in the</u>				
7.8	<u>special revenue fund.</u>				
7.9	Sec. 17. <b><u>AMATEUR SPORTS COMMISSION</u></b>	<b><u>\$</u></b>	<b><u>235,000</u></b>	<b><u>\$</u></b>	<b><u>235,000</u></b>
7.10	Sec. 18. <b><u>COUNCIL ON BLACK</u></b>				
7.11	<b><u>MINNESOTANS</u></b>	<b><u>\$</u></b>	<b><u>261,000</u></b>	<b><u>\$</u></b>	<b><u>261,000</u></b>
7.12	Sec. 19. <b><u>COUNCIL ON CHICANO/LATINO</u></b>				
7.13	<b><u>AFFAIRS</u></b>	<b><u>\$</u></b>	<b><u>246,000</u></b>	<b><u>\$</u></b>	<b><u>246,000</u></b>
7.14	Sec. 20. <b><u>COUNCIL ON ASIAN-PACIFIC</u></b>				
7.15	<b><u>MINNESOTANS</u></b>	<b><u>\$</u></b>	<b><u>227,000</u></b>	<b><u>\$</u></b>	<b><u>227,000</u></b>
7.16	Sec. 21. <b><u>INDIAN AFFAIRS COUNCIL</u></b>	<b><u>\$</u></b>	<b><u>413,000</u></b>	<b><u>\$</u></b>	<b><u>413,000</u></b>
7.17	Sec. 22. <b><u>EXPLORE MINNESOTA TOURISM</u></b>	<b><u>\$</u></b>	<b><u>8,269,000</u></b>	<b><u>\$</u></b>	<b><u>8,269,000</u></b>
7.18	<u>(a) Of this amount, \$12,000 each year is for a</u>				
7.19	<u>grant to the Upper Minnesota Film Office.</u>				
7.20	<u>(b)(1) To develop maximum private sector</u>				
7.21	<u>involvement in tourism, \$500,000 the first</u>				
7.22	<u>year and \$500,000 the second year must</u>				
7.23	<u>be matched by Explore Minnesota Tourism</u>				
7.24	<u>from nonstate sources. Each \$1 of state</u>				
7.25	<u>incentive must be matched with \$3 of private</u>				
7.26	<u>sector funding. Cash match is defined as</u>				
7.27	<u>revenue to the state or documented cash</u>				
7.28	<u>expenditures directly expended to support</u>				
7.29	<u>Explore Minnesota Tourism programs. Up</u>				
7.30	<u>to one-half of the private sector contribution</u>				



9.1	<u>Notwithstanding Minnesota Statutes, section</u>		
9.2	<u>138.668, the Minnesota Historical Society</u>		
9.3	<u>may not charge a fee for its general tours at</u>		
9.4	<u>the Capitol, but may charge fees for special</u>		
9.5	<u>programs other than general tours.</u>		
9.6	<b><u>Subd. 3. Preservation and Access</u></b>	<u>8,337,000</u>	<u>8,337,000</u>
9.7	<b><u>Subd. 4. Fiscal Agent</u></b>		
9.8	<u>(a) Minnesota International Center</u>	<u>38,000</u>	<u>38,000</u>
9.9	<u>(b) Minnesota Air National Guard Museum</u>	<u>14,000</u>	<u>-0-</u>
9.10	<u>(c) Minnesota Military Museum</u>	<u>88,000</u>	<u>-0-</u>
9.11	<u>(d) Farmamerica</u>	<u>112,000</u>	<u>112,000</u>
9.12	<u>(e) \$66,000 the first year and \$66,000 the</u>		
9.13	<u>second year are for a grant to the city of</u>		
9.14	<u>Eveleth to be used for the support of the</u>		
9.15	<u>Hockey Hall of Fame Museum provided</u>		
9.16	<u>that it continues to operate in the city. This</u>		
9.17	<u>grant is in addition to and must not be</u>		
9.18	<u>used to supplant funding under Minnesota</u>		
9.19	<u>Statutes, section 298.28, subdivision 9c. This</u>		
9.20	<u>appropriation is added to the society's budget</u>		
9.21	<u>base.</u>		
9.22	<b><u>(f) Balances Forward</u></b>		
9.23	<u>Any unencumbered balance remaining in</u>		
9.24	<u>this subdivision the first year does not cancel</u>		
9.25	<u>but is available for the second year of the</u>		
9.26	<u>biennium.</u>		
9.27	<b><u>Subd. 5. Fund Transfer</u></b>		
9.28	<u>The Minnesota Historical Society may</u>		
9.29	<u>reallocate funds appropriated in and between</u>		
9.30	<u>subdivisions 2 and 3 for any program</u>		
9.31	<u>purposes and the appropriations are available</u>		
9.32	<u>in either year of the biennium.</u>		

10.1 Sec. 24. **BOARD OF THE ARTS**

10.2	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>6,672,000</u></b>	<b><u>\$</u></b>	<b><u>6,672,000</u></b>
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10.3 The amounts that may be spent for each  
 10.4 purpose are specified in the following  
 10.5 subdivisions.

10.6	<b><u>Subd. 2. Operations and Services</u></b>		<u>154,000</u>		<u>154,000</u>
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10.7	<b><u>Subd. 3. Grants Program</u></b>		<u>4,265,000</u>		<u>4,265,000</u>
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10.8	<b><u>Subd. 4. Regional Arts Councils</u></b>		<u>2,253,000</u>		<u>2,253,000</u>
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10.9 Sec. 25. **MINNESOTA HUMANITIES**  
 10.10 **CENTER**

		<b><u>\$</u></b>	<b><u>225,000</u></b>	<b><u>\$</u></b>	<b><u>225,000</u></b>
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10.11 Sec. 26. **SCIENCE MUSEUM OF**  
 10.12 **MINNESOTA**

		<b><u>\$</u></b>	<b><u>1,009,000</u></b>	<b><u>\$</u></b>	<b><u>1,009,000</u></b>
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10.13 Sec. 27. **TORT CLAIMS**

		<b><u>\$</u></b>	<b><u>161,000</u></b>	<b><u>\$</u></b>	<b><u>161,000</u></b>
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10.14 These appropriations are to be spent by the  
 10.15 commissioner of management and budget  
 10.16 according to Minnesota Statutes, section  
 10.17 3.736, subdivision 7. If the appropriation for  
 10.18 either year is insufficient, the appropriation  
 10.19 for the other year is available for it.

10.20 Sec. 28. **MINNESOTA STATE RETIREMENT**  
 10.21 **SYSTEM**

10.22	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>472,000</u></b>	<b><u>\$</u></b>	<b><u>481,000</u></b>
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10.23 The amounts that may be spent for each  
 10.24 purpose are specified in the following  
 10.25 subdivisions.

10.26 During the biennium ending June 30, 2013,  
 10.27 payments for retirement allowances for  
 10.28 former legislators and surviving spouses  
 10.29 must be made from the legislators retirement  
 10.30 fund created under Minnesota Statutes,

11.1 section 3A.03, subdivision 3, and not from  
 11.2 the general fund.

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

11.4 Under Minnesota Statutes, section 352C.001,  
 11.5 if an appropriation in this section for either  
 11.6 year is insufficient, the appropriation for the  
 11.7 other year is available for it.

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

11.9 These amounts are estimated to be needed  
 11.10 under Minnesota Statutes, section 353.505.

11.11 **Sec. 30. TEACHERS RETIREMENT**  
 11.12 **ASSOCIATION** \$ 15,454,000 \$ 15,454,000

11.13 The amounts estimated to be needed are as  
 11.14 follows:

11.15 **(a) Special direct state aid.** \$12,954,000 the  
 11.16 first year and \$12,954,000 the second year  
 11.17 are for special direct state aid authorized  
 11.18 under Minnesota Statutes, section 354A.12,  
 11.19 subdivisions 3a and 3c.

11.20 **(b) Special direct state matching aid.**  
 11.21 \$2,500,000 the first year and \$2,500,000  
 11.22 the second year are for special direct state  
 11.23 matching aid authorized under Minnesota  
 11.24 Statutes, section 354A.12, subdivision 3b.

11.25 **Sec. 31. ST. PAUL TEACHERS**  
 11.26 **RETIREMENT FUND** \$ 2,827,000 \$ 2,827,000

11.27 The amounts estimated to be needed for  
 11.28 special direct state aid to first class city  
 11.29 teachers retirement funds authorized under  
 11.30 Minnesota Statutes, section 354A.12,  
 11.31 subdivisions 3a and 3c.

12.1 Sec. 32. **DULUTH TEACHERS**12.2 **RETIREMENT FUND** \$ **346,000** \$ **346,000**

12.3 The amounts estimated to be needed for  
 12.4 special direct state aid to first class city  
 12.5 teachers retirement funds authorized under  
 12.6 Minnesota Statutes, section 354A.12,  
 12.7 subdivisions 3a and 3c.

12.8 Sec. 33. **STATE LOTTERY**

12.9 Notwithstanding Minnesota Statutes, section  
 12.10 349A.10, subdivision 3, the operating budget  
 12.11 must not exceed \$29,000,000 in fiscal year  
 12.12 2012 and \$29,000,000 in fiscal year 2013.

12.13 Sec. 34. **GENERAL CONTINGENT**12.14 **ACCOUNTS** \$ **600,000** \$ **500,000**12.15 Appropriations by Fund

	<u>2012</u>	<u>2013</u>
12.16 <u>General</u>	<u>100,000</u>	<u>-0-</u>
12.17 <u>State Government</u>		
12.18 <u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
12.19 <u>Workers'</u>		
12.20 <u>Compensation</u>	<u>100,000</u>	<u>100,000</u>

12.22 (a) The appropriations in this section  
 12.23 may only be spent with the approval of  
 12.24 the governor after consultation with the  
 12.25 Legislative Advisory Commission pursuant  
 12.26 to Minnesota Statutes, section 3.30.

12.27 (b) If an appropriation in this section for  
 12.28 either year is insufficient, the appropriation  
 12.29 for the other year is available for it.

12.30 (c) If a contingent account appropriation  
 12.31 is made in one fiscal year, it should be  
 12.32 considered a biennial appropriation.

12.33 Sec. 35. **PROBLEM GAMBLING APPROPRIATION.**

13.1 \$225,000 in fiscal year 2012 and \$225,000 in fiscal year 2013 are appropriated from  
 13.2 the lottery prize fund to the Gambling Control Board for a grant to the state affiliate  
 13.3 recognized by the National Council on Problem Gambling. The affiliate must provide  
 13.4 services to increase public awareness of problem gambling, education and training for  
 13.5 individuals and organizations providing effective treatment services to problem gamblers  
 13.6 and their families, and research relating to problem gambling. These services must be  
 13.7 complementary to and not duplicative of the services provided through the problem  
 13.8 gambling program administered by the commissioner of human services. Of this  
 13.9 appropriation, \$50,000 in fiscal year 2012 and \$50,000 in fiscal year 2013 are contingent  
 13.10 on the contribution of nonstate matching funds. Matching funds may be either cash or  
 13.11 qualifying in-kind contributions. The commissioner of management and budget may  
 13.12 disburse the state portion of the matching funds in increments of \$25,000 upon receipt  
 13.13 of a commitment for an equal amount of matching nonstate funds. These are onetime  
 13.14 appropriations.

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

13.16 \$322,000 is appropriated from the general fund to the secretary of state in fiscal year  
 13.17 2011 for the reimbursement of costs of recounts during the 2010 general election, to be  
 13.18 paid to counties consistent with the cost survey of the counties previously conducted  
 13.19 by the secretary of state and for reimbursement to the secretary of state costs in those  
 13.20 recounts already paid by the secretary of state to the counties. This appropriation remains  
 13.21 available until December 31, 2011.

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

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

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

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

13.31 (2) salary freeze;

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

13.33 (4) consolidation of responsibilities for executive branch information technology  
 13.34 systems;

14.1 (5) efficiencies and cost savings in contracting; and  
 14.2 (6) verification of dependent eligibility for state group insurance coverage.  
 14.3 (b) The commissioner of management and budget must determine savings to funds  
 14.4 other than the general funds resulting from the reforms, efficiencies, and cost-savings  
 14.5 measures in this act. To the extent permitted by law, the commissioner must reduce  
 14.6 appropriations from those other funds by the amount of those savings, and transfer the  
 14.7 amount of the reductions to the general fund.

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

14.9 On or before June 1, 2011, the commissioner of administration shall determine  
 14.10 the amount to be contributed by each executive agency to maintain the enterprise real  
 14.11 property technology system for the fiscal years 2012 and 2013. On or before June 15,  
 14.12 2011, each executive agency shall enter into an agreement with the commissioner of  
 14.13 administration setting forth the manner in which the executive agency shall make its  
 14.14 contribution to the enterprise real property system, either from uncommitted fiscal year  
 14.15 2011 funds or by contributing from fiscal year 2012 and fiscal year 2013 funds to the real  
 14.16 property enterprise system and services account to fund the total amount of \$399,000 for  
 14.17 the biennium. Funds contributed under this section must be credited to the enterprise real  
 14.18 property technology system and services account.

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

14.20 **ARTICLE 2**

14.21 **MILITARY AFFAIRS AND VETERANS AFFAIRS**

14.22 Section 1. **APPROPRIATIONS.**

14.23 The sums shown in the columns marked "Appropriations" are appropriated to the  
 14.24 agencies and for the purposes specified in this article. The appropriations are from the  
 14.25 general fund and are available for the fiscal years indicated for each purpose. The figures  
 14.26 "2012" and "2013" used in this article mean that the appropriations listed under them are  
 14.27 available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The  
 14.28 first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is  
 14.29 fiscal years 2012 and 2013.

14.30		<b><u>APPROPRIATIONS</u></b>
14.31		<b><u>Available for the Year</u></b>
14.32		<b><u>Ending June 30</u></b>
14.33		<b><u>2012</u>                      <u>2013</u></b>

15.1 Sec. 2. **MILITARY AFFAIRS**

15.2	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>22,371,000</u></b>	<b><u>\$</u></b>	<b><u>19,371,000</u></b>
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15.3 The amounts that may be spent for each  
 15.4 purpose are specified in the following  
 15.5 subdivisions.

15.6	<b><u>Subd. 2. Maintenance of Training Facilities</u></b>		<b><u>6,660,000</u></b>		<b><u>6,660,000</u></b>
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15.7	<b><u>Subd. 3. General Support</u></b>		<b><u>2,363,000</u></b>		<b><u>2,363,000</u></b>
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15.8	<b><u>Subd. 4. Enlistment Incentives</u></b>		<b><u>13,348,000</u></b>		<b><u>10,348,000</u></b>
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15.9 \$3,000,000 the first year is for additional  
 15.10 costs of enlistment incentives.

15.11 If appropriations for either year of the  
 15.12 biennium are insufficient, the appropriation  
 15.13 from the other year is available. The  
 15.14 appropriations for enlistment incentives are  
 15.15 available until expended.

15.16 Sec. 3. **VETERANS AFFAIRS**

15.17	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>57,695,000</u></b>	<b><u>\$</u></b>	<b><u>58,595,000</u></b>
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15.18 The amounts that may be spent for each  
 15.19 purpose are specified in the following  
 15.20 subdivisions.

15.21	<b><u>Subd. 2. Veterans Services</u></b>		<b><u>13,779,000</u></b>		<b><u>13,779,000</u></b>
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15.22 \$..... each year is for a grant to the  
 15.23 Minnesota Assistance Council for Veterans.  
 15.24 This appropriation is in addition to the  
 15.25 existing agency base appropriation and must  
 15.26 be added to the agency appropriation base  
 15.27 for fiscal years 2014 and later.

15.28 \$100,000 each year is for the costs of  
 15.29 administering the Minnesota GI Bill program  
 15.30 under Minnesota Statutes, section 197.791.

16.1 \$353,000 each year is for grants to the  
 16.2 following congressionally chartered veterans  
 16.3 service organizations, as designated by the  
 16.4 commissioner: Disabled American Veterans,  
 16.5 Military Order of the Purple Heart, the  
 16.6 American Legion, Veterans of Foreign Wars,  
 16.7 Vietnam Veterans of America, AMVETS,  
 16.8 and Paralyzed Veterans of America. This  
 16.9 funding must be allocated in direct proportion  
 16.10 to the funding currently being provided by  
 16.11 the commissioner to these organizations.

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

16.13 **Veterans Homes Special Revenue Account.**

16.14 The general fund appropriations made to  
 16.15 the department may be transferred to a  
 16.16 veterans homes special revenue account in  
 16.17 the special revenue fund in the same manner  
 16.18 as other receipts are deposited according  
 16.19 to Minnesota Statutes, section 198.34, and  
 16.20 are appropriated to the department for the  
 16.21 operation of veterans homes facilities and  
 16.22 programs.

16.23 **Fergus Falls Veterans Home.** Of the  
 16.24 general fund appropriation, \$738,000 in  
 16.25 fiscal year 2013 is for operation of a new  
 16.26 21-bed specialty care/Alzheimer's unit at the  
 16.27 Minnesota Veterans Home in Fergus Falls.  
 16.28 Base funding for this program is \$842,000 in  
 16.29 fiscal years 2014 and 2015.

16.30 **Minneapolis Veterans Home.** Of the  
 16.31 general fund appropriation, \$162,000 in  
 16.32 fiscal year 2013 is for operation of a new  
 16.33 adult day care program at the Minnesota  
 16.34 Veterans Home in Minneapolis. Base

17.1 funding for this program is \$232,000 in fiscal  
 17.2 years 2014 and 2015.

17.3 **Veterans Homes Service Redesign.**  
 17.4 \$551,000 in fiscal year 2012 and \$801,000 in  
 17.5 fiscal year 2013, generated from additional  
 17.6 nongeneral fund revenue and cost savings  
 17.7 from operating efficiencies, are to be used to  
 17.8 support the operational needs of the five state  
 17.9 veterans homes.

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

17.11 Sec. 4. **VETERANS HOMES**

17.12 Of the appropriation in Laws 2009, chapter  
 17.13 94, article 3, section 2, subdivision 3, or from  
 17.14 funds carried forward from fiscal year 2009:

17.15 (1) ~~\$1,000,000~~ \$800,000 in fiscal year 2011  
 17.16 is for operational expenses related to the  
 17.17 21-bed addition at the Fergus Falls Veterans  
 17.18 Home; and

17.19 (2) ~~\$113,000~~ \$313,000 in fiscal year 2011 is  
 17.20 for start-up expenses related to the opening of  
 17.21 an adult daycare facility at the Minneapolis  
 17.22 Veterans Home.

17.23 An appropriation in this section that is  
 17.24 unspent at the end of fiscal year 2011 carries  
 17.25 forward and is available in fiscal year 2012.

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

17.27 Sec. 5. **REPEALER.**

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

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

18.1 **ARTICLE 3**

18.2 **STATE GOVERNMENT OPERATIONS**

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

18.4 Subd. 3. **Membership.** The commission consists of ~~five~~ seven members of the  
 18.5 senate appointed by the Subcommittee on Committees of the Committee on Rules and  
 18.6 Administration and ~~five~~ seven members of the house of representatives appointed by  
 18.7 the speaker. No more than five members from each chamber may be from the majority  
 18.8 caucus in that chamber. Members shall be appointed at the commencement of each regular  
 18.9 session of the legislature for a two-year term beginning January 16 of the first year of the  
 18.10 regular session. Members continue to serve until their successors are appointed. Vacancies  
 18.11 that occur while the legislature is in session shall be filled like regular appointments. If the  
 18.12 legislature is not in session, senate vacancies shall be filled by the last Subcommittee on  
 18.13 Committees of the senate Committee on Rules and Administration or other appointing  
 18.14 authority designated by the senate rules, and house of representatives vacancies shall be  
 18.15 filled by the last speaker of the house, or if the speaker is not available, by the last chair of  
 18.16 the house of representatives Rules Committee.

18.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.  
 18.18 Within ten days of the effective date of this section, the appointing authorities must  
 18.19 appoint additional members to the commission, as required by this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20.22 The Legislative Coordinating Commission shall provide staff and administrative  
 20.23 services for the commission.

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

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

20.26 **Sec. 7. [3D.06] AGENCY REPORT TO COMMISSION.**

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

20.29 (1) information regarding the application to the agency of the criteria in section  
 20.30 3D.10;

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

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

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

21.3 **Sec. 8. [3D.07] COMMISSION DUTIES.**

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

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

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

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

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

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

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

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

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

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

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

21.23 The commission and its staff shall consider the following criteria in determining  
21.24 whether a public need exists for the continuation of a state agency or its advisory  
21.25 committees or for the performance of the functions of the agency or its advisory  
21.26 committees:

21.27 (1) the efficiency and effectiveness with which the agency or the advisory committee  
21.28 operates;

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

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

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

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

22.8 (6) the extent to which the jurisdiction of the agency and the programs administered  
 22.9 by the agency overlap or duplicate those of other agencies, the extent to which the agency  
 22.10 coordinates with those agencies, and the extent to which the programs administered by the  
 22.11 agency can be consolidated with the programs of other state agencies;

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

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

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

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

22.24 (11) the extent to which the agency complies with chapter 13 and follows records  
 22.25 management practices that enable the agency to respond efficiently to requests for public  
 22.26 information; and

22.27 (12) the effect of federal intervention or loss of federal funds if the agency is  
 22.28 abolished.

22.29 **Sec. 12. [3D.11] RECOMMENDATIONS.**

22.30 (a) In its report on a state agency, the commission shall:

22.31 (1) make recommendations on the abolition, continuation, or reorganization of each  
 22.32 affected state agency and its advisory committees and on the need for the performance of  
 22.33 the functions of the agency and its advisory committees;

23.1 (2) make recommendations on the consolidation, transfer, or reorganization of  
 23.2 programs within state agencies not under review when the programs duplicate functions  
 23.3 performed in agencies under review; and

23.4 (3) make recommendations to improve the operations of the agency, its policy body,  
 23.5 and its advisory committees, including management recommendations that do not require  
 23.6 a change in the agency's enabling statute.

23.7 (b) The commission shall include the estimated fiscal impact of its recommendations  
 23.8 and may recommend appropriation levels for certain programs to improve the operations  
 23.9 of the state agency.

23.10 (c) The commission shall have drafts of legislation prepared to carry out the  
 23.11 commission's recommendations under this section, including legislation necessary  
 23.12 to continue the existence of agencies that would otherwise sunset if the commission  
 23.13 recommends continuation of an agency.

23.14 (d) After the legislature acts on the report under section 3D.09, the commission shall  
 23.15 present to the legislative auditor the commission's recommendations that do not require  
 23.16 a statutory change to be put into effect. Subject to the legislative audit commission's  
 23.17 approval, the legislative auditor may examine the recommendations and include as part  
 23.18 of the next audit of the agency a report on whether the agency has implemented the  
 23.19 recommendations and, if so, in what manner.

23.20 Sec. 13. **[3D.12] MONITORING OF RECOMMENDATIONS.**

23.21 During each legislative session, the staff of the commission shall monitor legislation  
 23.22 affecting agencies that have undergone sunset review and shall periodically report  
 23.23 to the members of the commission on proposed changes that would modify prior  
 23.24 recommendations of the commission.

23.25 Sec. 14. **[3D.13] REVIEW OF ADVISORY COMMITTEES.**

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

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

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

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

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

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

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

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

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

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

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

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

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

24.23 Subd. 3. **Property and records of abolished agency or advisory committee.**  
 24.24 Unless the governor designates an appropriate state agency as prescribed by subdivision 4,  
 24.25 property and records in the custody of an abolished state agency or advisory committee  
 24.26 on June 30 of the year after abolishment must be transferred to the commissioner of  
 24.27 administration. If the governor designates an appropriate state agency, the property and  
 24.28 records must be transferred to the designated state agency.

24.29 Subd. 4. **Continuing obligations.** (a) The legislature recognizes the state's  
 24.30 continuing obligation to pay bonded indebtedness and all other obligations, including  
 24.31 lease, contract, and other written obligations, incurred by a state agency or advisory  
 24.32 committee abolished under this chapter, and this chapter does not impair or impede the  
 24.33 payment of bonded indebtedness and all other obligations, including lease, contract, and  
 24.34 other written obligations, in accordance with their terms. If an abolished state agency or  
 24.35 advisory committee has outstanding bonded indebtedness or other outstanding obligations,

25.1 including lease, contract, and other written obligations, the bonds and all other obligations,  
 25.2 including lease, contract, and other written obligations, remain valid and enforceable in  
 25.3 accordance with their terms and subject to all applicable terms and conditions of the laws  
 25.4 and proceedings authorizing the bonds and all other obligations, including lease, contract,  
 25.5 and other written obligations.

25.6 (b) The governor shall designate an appropriate state agency that shall continue to  
 25.7 carry out all covenants contained in the bonds and in all other obligations, including lease,  
 25.8 contract, and other written obligations, and the proceedings authorizing them, including  
 25.9 the issuance of bonds, and the performance of all other obligations, including lease,  
 25.10 contract, and other written obligations, to complete the construction of projects or the  
 25.11 performance of other obligations, including lease, contract, and other written obligations.

25.12 (c) The designated state agency shall provide payment from the sources of payment  
 25.13 of the bonds in accordance with the terms of the bonds and shall provide payment from  
 25.14 the sources of payment of all other obligations, including lease, contract, and other written  
 25.15 obligations, in accordance with their terms, whether from taxes, revenues, or otherwise,  
 25.16 until the bonds and interest on the bonds are paid in full and all other obligations,  
 25.17 including lease, contract, and other written obligations, are performed and paid in full.  
 25.18 If the proceedings so provide, all funds established by laws or proceedings authorizing  
 25.19 the bonds or authorizing other obligations, including lease, contract, and other written  
 25.20 obligations, must remain with the comptroller or the previously designated trustees. If the  
 25.21 proceedings do not provide that the funds remain with the comptroller or the previously  
 25.22 designated trustees, the funds must be transferred to the designated state agency.

25.23 **Sec. 17. [3D.16] ASSISTANCE OF AND ACCESS TO STATE AGENCIES.**

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

25.28 **Sec. 18. [3D.17] RELOCATION OF EMPLOYEES.**

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

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

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

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

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

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

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

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

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

26.17 Sec. 21. **[3D.20] GIFTS AND GRANTS.**

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

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

26.25 Subdivision 1. **Group 1.** The following agencies are sunset and expire on June  
 26.26 30, 2012: Department of Health, Department of Human Rights, Department of Human  
 26.27 Services, all health-related licensing boards listed in section 214.01, Council on Affairs  
 26.28 of Chicano/Latino People, Council on Black Minnesotans, Council on Asian-Pacific  
 26.29 Minnesotans, Indian Affairs Council, Council on Disabilities, and all advisory groups  
 26.30 associated with these agencies.

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

27.1 Subd. 3. **Group 3.** The following agencies are sunset and expire on June 30, 2016:  
 27.2 Department of Commerce, Department of Employment and Economic Development,  
 27.3 Department of Labor and Industry, all non-health-related licensing boards listed in  
 27.4 section 214.01 except as otherwise provided in this section, Explore Minnesota Tourism,  
 27.5 Public Utilities Commission, Iron Range Resources and Rehabilitation Board, Bureau of  
 27.6 Mediation Services, Combative Sports Commission, Amateur Sports Commission, and all  
 27.7 advisory groups associated with these agencies.

27.8 Subd. 4. **Group 4.** The following agencies are sunset and expire on June 30, 2018:  
 27.9 Department of Corrections, Department of Public Safety, Department of Transportation,  
 27.10 Peace Officer Standards and Training Board, Corrections Ombudsman, and all advisory  
 27.11 groups associated with these agencies.

27.12 Subd. 5. **Group 5.** The following agencies are sunset and expire on June 30, 2020:  
 27.13 Department of Agriculture, Department of Natural Resources, Pollution Control Agency,  
 27.14 Board of Animal Health, Board of Water and Soil Resources, and all advisory groups  
 27.15 associated with these agencies.

27.16 Subd. 6. **Group 6.** The following agencies are sunset and expire on June 30, 2022:  
 27.17 Department of Administration, Department of Management and Budget, Department of  
 27.18 Military Affairs, Department of Revenue, Department of Veterans Affairs, Arts Board,  
 27.19 Minnesota Zoo, Office of Administrative Hearings, Campaign Finance and Public  
 27.20 Disclosure Board, Capitol Area Architectural and Planning Board, Office of Enterprise  
 27.21 Technology, Minnesota Racing Commission, and all advisory groups associated with  
 27.22 these agencies.

27.23 Subd. 7. **Continuation.** Following sunset review of an agency, the legislature may  
 27.24 act within the same legislative session in which the sunset report was received on Sunset  
 27.25 Advisory Commission recommendations to continue or reorganize the agency.

27.26 Subd. 8. **Other groups.** The commission may review, under the criteria in  
 27.27 section 3D.10, and propose to the legislature an expiration date for any agency, board,  
 27.28 commission, or program not listed in this section.

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

27.30 **6.48 EXAMINATION OF COUNTIES; COST, FEES.**

27.31 (a) All the powers and duties conferred and imposed upon the state auditor shall  
 27.32 be exercised and performed by the state auditor in respect to the offices, institutions,  
 27.33 public property, and improvements of several counties of the state. At least once in each  
 27.34 year, if funds and personnel permit, the state auditor may visit, without previous notice,  
 27.35 each county and make a thorough examination of all accounts and records relating to the

28.1 receipt and disbursement of the public funds and the custody of the public funds and  
 28.2 other property. If the audit is performed by a private certified public accountant, the state  
 28.3 auditor may require additional information from the private certified public accountant as  
 28.4 the state auditor deems in the public interest. The state auditor may accept the audit or  
 28.5 make additional examinations as the state auditor deems to be in the public interest. The  
 28.6 state auditor shall prescribe and install systems of accounts and financial reports that shall  
 28.7 be uniform, so far as practicable, for the same class of offices. A copy of the report of  
 28.8 such examination shall be filed and be subject to public inspection in the office of the state  
 28.9 auditor and another copy in the office of the auditor of the county thus examined. The state  
 28.10 auditor may accept the records and audit, or any part thereof, of the Department of Human  
 28.11 Services in lieu of examination of the county social welfare funds, if such audit has been  
 28.12 made within any period covered by the state auditor's audit of the other records of the  
 28.13 county. If any such examination shall disclose malfeasance, misfeasance, or nonfeasance  
 28.14 in any office of such county, such report shall be filed with the county attorney of the  
 28.15 county, and the county attorney shall institute such civil and criminal proceedings as the  
 28.16 law and the protection of the public interests shall require.

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

28.24 (c) Notwithstanding paragraph (a), a county may provide for an audit to be  
 28.25 performed by a certified public accountant firm meeting the requirements of section  
 28.26 326A.05. The audit performed under this paragraph must meet the standards and be in the  
 28.27 form required by the state auditor. The state auditor may require additional information  
 28.28 from the certified public accountant firm as the state auditor deems in the public interest,  
 28.29 but the state auditor must accept the audit unless the state auditor determines that it does  
 28.30 not meet recognized industry auditing standards or is not in the form required by the state  
 28.31 auditor. A county audited by a certified public accountant firm cannot be required to pay  
 28.32 to the state general fund any costs for state auditor services.

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

28.34 Subd. 8. **Number of deputy commissioners; no assistant commissioners.** ~~Unless~~  
 28.35 ~~specifically authorized by statute, other than section 43A.08, subdivision 2~~ Except for

29.1 the Department of Veterans Affairs, no department or agency specified in subdivision 1  
29.2 shall have more than one deputy commissioner. No department or agency specified in  
29.3 subdivision 1 may employ an assistant commissioner.

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

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

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

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

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

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

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

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

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

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

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

30.12 (c) Before approving a project, the commissioner of management and budget  
30.13 must submit the request to the Legislative Advisory Commission for its review and  
30.14 recommendation. Upon receiving a request from the commissioner, the Legislative  
30.15 Advisory Commission shall post notice of the request on a legislative Web site for at least  
30.16 30 days. Failure of the commission to make a recommendation within this 30-day period  
30.17 is considered a negative recommendation. A recommendation of the commission must be  
30.18 made at a meeting of the commission unless a written recommendation is signed by all  
30.19 the members entitled to vote on the item.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31.27 Subd. 1c. **Performance measures for change items.** For each change item in the  
31.28 budget proposal requesting new or increased funding, the budget document must present  
31.29 proposed performance measures that can be used to determine if the new or increased  
31.30 funding is accomplishing its goals. To the extent possible, each budget change item  
31.31 must identify relevant Minnesota Milestones and other statewide goals and indicators  
31.32 related to the proposed initiative. ~~The commissioner must report to the Subcommittee on~~  
31.33 ~~Government Accountability established under section 3.885, subdivision 10, regarding the~~

32.1 ~~format to be used for the presentation and selection of Minnesota Milestones and other~~  
 32.2 ~~statewide goals and indicators.~~

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

32.4 Subd. 1a. **Forecast parameters.** The forecast must assume the continuation of  
 32.5 current laws and reasonable estimates of projected growth in the national and state  
 32.6 economies and affected populations. Revenue must be estimated for all sources provided  
 32.7 for in current law. Expenditures must be estimated for all obligations imposed by law and  
 32.8 those projected to occur as a result of variables outside the control of the legislature.  
 32.9 Expenditures for the current biennium must be based on actual appropriations or, for  
 32.10 forecasted programs, the amount needed to fund the formula in law. The base for  
 32.11 expenditures projections for the next biennium is the amount appropriated in the second  
 32.12 year of the current biennium, except as provided by other law, or, for forecasted programs,  
 32.13 the amount needed to fund the formula in law. Expenditure estimates must not include an  
 32.14 allowance for inflation.

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

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

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

32.20 (2) for each budget activity, three alternative funding levels or alternative ways of  
 32.21 performing the budget activity, a summary of the priorities that would be accomplished  
 32.22 within each level, and the additional increments of value that would be added by the  
 32.23 higher funding levels compared to what would be accomplished if there were no funding  
 32.24 for the activity; and

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

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

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

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

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

33.10 (1) legislative branch;

33.11 (2) judicial branch;

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

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

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

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

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

33.23 (b) For programs designated for the zero-based budgeting principles under section  
 33.24 16A.106, the budget must be prepared according to the requirements of that section.

33.25 (c) For programs not designated for zero-based budgeting principles under section  
 33.26 16A.106, tables listing expenditures for the next biennium must show the appropriation  
 33.27 base for each year as defined in section 16A.103, subdivision 1c. ~~The appropriation base~~  
 33.28 is the amount appropriated for the second year of the current biennium. The tables must  
 33.29 separately show any adjustments to the base required by current law or policies of the  
 33.30 commissioner of management and budget. For forecasted programs, the tables must also  
 33.31 show the amount of the forecast adjustments, based on the most recent forecast prepared  
 33.32 by the commissioner of management and budget under section 16A.103. For all programs,  
 33.33 the tables must show the amount of appropriation changes recommended by the governor,  
 33.34 after adjustments to the base and forecast adjustments, and the total recommendation of  
 33.35 the governor for that year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35.30 (1) state income taxes and any other revenues collected in the year after the service  
35.31 was provided that would not have been collected without the service; and

35.32 (2) costs avoided by the state by providing the service.

35.33 A positive return on investment for the state will cover the state's costs in financing  
35.34 and administering the pilot program through documented increased state tax revenue  
35.35 or cost avoidance.

36.1 Subd. 5. **Report to governor and legislature.** The commissioner must report to the  
 36.2 governor and legislative committees with jurisdiction over capital investment, finance, and  
 36.3 ways and means, and the services included in the pilot program, by January 15 of each  
 36.4 year following a year in which the pilot program is operating. The report must describe  
 36.5 and discuss the criteria for selection and evaluation of services to be provided through  
 36.6 the program, the net benefits to the state of the program, the state's return on investment,  
 36.7 the cost of the services provided by other means in the most recent past, the time frame  
 36.8 for payment for the services, and the timing and costs for sale and issuance of the bonds  
 36.9 authorized in section 16A.96.

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

36.11 Sec. 38. **[16A.96] MINNESOTA PAY FOR PERFORMANCE PROGRAM;**  
 36.12 **APPROPRIATION BONDS.**

36.13 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this  
 36.14 section.

36.15 (b) "Appropriation bond" means a bond, note, or other similar instrument of the state  
 36.16 payable during a biennium from one or more of the following sources:

36.17 (1) money appropriated by law in any biennium for debt service due with respect  
 36.18 to obligations described in subdivision 2, paragraph (b);

36.19 (2) proceeds of the sale of obligations described in subdivision 2, paragraph (b);

36.20 (3) payments received for that purpose under agreements and ancillary arrangements  
 36.21 described in subdivision 2, paragraph (d); and

36.22 (4) investment earnings on amounts in clauses (1) to (3).

36.23 (c) "Debt service" means the amount payable in any biennium of principal, premium,  
 36.24 if any, and interest on appropriation bonds.

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

36.32 (b) Appropriation bonds may be sold and issued in amounts that, in the opinion of  
 36.33 the commissioner, are necessary to provide sufficient funds for achieving the purposes  
 36.34 authorized as provided under paragraph (a), and pay debt service, pay costs of issuance,  
 36.35 make deposits to reserve funds, pay the costs of credit enhancement, or make payments

37.1 under other agreements entered into under paragraph (d). The oversight committee  
37.2 appointed under section 16A.94 must establish limits on the amount of bonds issued  
37.3 and unpaid under this section. This limit does not apply to refunding bonds sold and  
37.4 issued under subdivision 4. In establishing this limit, the commissioner and the oversight  
37.5 committee must consult with the chairs and lead minority members of the legislative  
37.6 committees with jurisdiction over capital investment.

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

37.10 (d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any  
37.11 time thereafter, so long as the appropriation bonds are outstanding, the commissioner  
37.12 may enter into agreements and ancillary arrangements relating to the appropriation  
37.13 bonds, including but not limited to trust indentures, liquidity facilities, remarketing or  
37.14 dealer agreements, letter of credit agreements, insurance policies, guaranty agreements,  
37.15 reimbursement agreements, indexing agreements, or interest exchange agreements. Any  
37.16 payments made or received according to the agreement or ancillary arrangement shall be  
37.17 made from or deposited as provided in the agreement or ancillary arrangement. The  
37.18 determination of the commissioner included in an interest exchange agreement that the  
37.19 agreement relates to an appropriation bond shall be conclusive.

37.20 Subd. 3. **Form; procedure.** (a) Appropriation bonds may be issued in the form  
37.21 of bonds, notes, or other similar instruments, and in the manner provided in section  
37.22 16A.672. In the event that any provision of section 16A.672 conflicts with this section,  
37.23 this section shall control.

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

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

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

37.30 Subd. 4. **Refunding bonds.** The commissioner from time to time may issue  
37.31 appropriation bonds for the purpose of refunding any appropriation bonds then  
37.32 outstanding, including the payment of any redemption premiums on the bonds, any  
37.33 interest accrued or to accrue to the redemption date, and costs related to the issuance  
37.34 and sale of the refunding bonds. The proceeds of any refunding bonds may, in the  
37.35 discretion of the commissioner, be applied to the purchase or payment at maturity of the  
37.36 appropriation bonds to be refunded, to the redemption of the outstanding bonds on any

38.1 redemption date, or to pay interest on the refunding bonds and may, pending application,  
38.2 be placed in escrow to be applied to the purchase, payment, retirement, or redemption.  
38.3 Any escrowed proceeds, pending such use, may be invested and reinvested in obligations  
38.4 that are authorized investments under section 11A.24. The income earned or realized on  
38.5 the investment may also be applied to the payment of the bonds to be refunded or interest  
38.6 or premiums on the refunded bonds, or to pay interest on the refunding bonds. After  
38.7 the terms of the escrow have been fully satisfied, any balance of the proceeds and any  
38.8 investment income may be returned to the general fund or, if applicable, the appropriation  
38.9 bond proceeds account for use in any lawful manner. All refunding bonds issued under  
38.10 this subdivision must be prepared, executed, delivered, and secured by appropriations in  
38.11 the same manner as the bonds to be refunded.

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

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

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

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

38.21 Subd. 6. **No full faith and credit; state not required to make appropriations.**  
38.22 The appropriation bonds are not public debt of the state, and the full faith, credit, and  
38.23 taxing powers of the state are not pledged to the payment of the appropriation bonds or to  
38.24 any payment that the state agrees to make under this section. Appropriation bonds shall  
38.25 not be obligations paid directly, in whole or in part, from a tax of statewide application  
38.26 on any class of property, income, transaction, or privilege. Appropriation bonds shall be  
38.27 payable in each fiscal year only from amounts that the legislature may appropriate for debt  
38.28 service for any fiscal year, provided that nothing in this section shall be construed to  
38.29 require the state to appropriate funds sufficient to make debt service payments with respect  
38.30 to the bonds in any fiscal year.

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

39.1 Subd. 8. Appropriation for debt service. The amount needed to pay principal and  
 39.2 interest on appropriation bonds issued under this section is appropriated each year to the  
 39.3 commissioner from the general fund subject to the repeal, unallotment under section  
 39.4 16A.152, or cancellation otherwise pursuant to subdivision 6.

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

39.6 Sec. 39. Minnesota Statutes 2010, section 16B.03, is amended to read:

39.7 **16B.03 APPOINTMENTS.**

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

39.10 Sec. 40. Minnesota Statutes 2010, section 16C.08, subdivision 2, is amended to read:

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

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

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

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

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

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

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

39.25 ~~(2)~~ (1) the normal competitive bidding mechanisms will not provide for adequate  
 39.26 performance of the services;

39.27 ~~(3)~~ (2) reasonable efforts will be made to publicize the availability of the contract  
 39.28 to the public;

39.29 ~~(4)~~ (3) the agency will develop and implement a written plan providing for the  
 39.30 assignment of specific agency personnel to manage the contract, including a monitoring  
 39.31 and liaison function, the periodic review of interim reports or other indications of past  
 39.32 performance, and the ultimate utilization of the final product of the services;

40.1 ~~(5)~~ (4) the agency will not allow the contractor to begin work before the contract is  
 40.2 fully executed unless an exception under section 16C.05, subdivision 2a, has been granted  
 40.3 by the commissioner and funds are fully encumbered;

40.4 ~~(6)~~ (5) the contract will not establish an employment relationship between the state  
 40.5 or the agency and any persons performing under the contract; and

40.6 ~~(7)~~ (6) in the event the results of the contract work will be carried out or continued  
 40.7 by state employees upon completion of the contract, the contractor is required to include  
 40.8 state employees in development and training, to the extent necessary to ensure that after  
 40.9 completion of the contract, state employees can perform any ongoing work related to the  
 40.10 same function; ~~and~~

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

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

40.17 Sec. 41. Minnesota Statutes 2010, section 16C.09, is amended to read:

40.18 **16C.09 PROCEDURE FOR SERVICE CONTRACTS.**

40.19 (a) Before entering into or approving a service contract, the commissioner must  
 40.20 determine, at least, that:

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

40.23 ~~(2)~~ (1) the work to be performed under the contract is necessary to the agency's  
 40.24 achievement of its statutory responsibilities and there is statutory authority to enter into  
 40.25 the contract;

40.26 ~~(3)~~ (2) the contract will not establish an employment relationship between the state  
 40.27 or the agency and any persons performing under the contract;

40.28 ~~(4)~~ (3) the contractor and agents are not employees of the state, except as authorized  
 40.29 in section 15.062;

40.30 ~~(5)~~ (4) the contracting agency has specified a satisfactory method of evaluating and  
 40.31 using the results of the work to be performed; and

40.32 ~~(6)~~ (5) the combined contract and amendments will not exceed five years without  
 40.33 specific, written approval by the commissioner according to established policy, procedures,  
 40.34 and standards, or unless otherwise provided for by law. The term of the original contract

41.1 must not exceed two years, unless the commissioner determines that a longer duration is  
41.2 in the best interest of the state.

41.3 ~~(b) For purposes of paragraph (a), clause (1), employees are available if qualified  
41.4 and:~~

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

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

41.7 ~~An employee is not available if the employee is doing other work, is retired, or has decided  
41.8 not to do the work in question.~~

41.9 ~~(e)~~ (b) This section does not apply to an agency's use of inmates pursuant to sections  
41.10 241.20 to 241.23 or to an agency's use of persons required by a court to provide:

41.11 (1) community service; or

41.12 (2) conservation or maintenance services on lands under the jurisdiction and control  
41.13 of the state.

41.14 Sec. 42. **[16D.20] FEDERAL OFFSET PROGRAM.**

41.15 (a) The commissioner may enter into an agreement with the United States Secretary  
41.16 of the Treasury to participate in an offset program authorized under United States Code,  
41.17 title 31, section 3716, for the collection of debts owed to state agencies. The agreement  
41.18 may provide for the United States to submit debts owed to federal agencies for offset  
41.19 against state payments, similar to the procedures for offsetting debts owed to state  
41.20 agencies from federal payments.

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

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

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

41.33 **EFFECTIVE DATE.** This section is effective the day following final enactment. As  
41.34 soon as possible after that date, the commissioner must discuss an agreement authorized  
41.35 under this section with appropriate federal officials, and if an agreement is entered into,

42.1 the commissioner must begin to implement it to collect debts owed to the state as soon as  
 42.2 possible.

42.3 Sec. 43. Minnesota Statutes 2010, section 37.06, is amended to read:

42.4 **37.06 SECRETARY; LEGISLATIVE AUDITOR; DUTIES; REPORT.**

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

42.13 The books and accounts of the society for the fiscal year must be examined and  
 42.14 audited annually by an independent auditor, either a private auditor or the legislative  
 42.15 auditor. If the audit is conducted by the legislative auditor, the cost of the examination  
 42.16 must be paid by the society to the state and credited to the general fund.

42.17 A summary of this examination, certified by the ~~legislative~~ auditor, must be  
 42.18 appended to the secretary's report, along with the ~~legislative~~ auditor's recommendations  
 42.19 and the proceedings of the first annual meeting of the society held following the secretary's  
 42.20 report, including addresses made at the meeting as directed by the board of managers. The  
 42.21 summary, recommendations, and proceedings must be printed in the same manner as the  
 42.22 reports of state officers. Copies of the report must be printed annually and distributed as  
 42.23 follows: to each society or association entitled to membership in the society, to each  
 42.24 newspaper in the state, and the remaining copies as directed by the board of managers.

42.25 Sec. 44. Minnesota Statutes 2010, section 43A.08, subdivision 1, is amended to read:

42.26 Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees  
 42.27 who are:

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

42.29 (2) heads of agencies required by law to be appointed by the governor or other  
 42.30 elective officers, and the executive or administrative heads of departments, bureaus,  
 42.31 divisions, and institutions specifically established by law in the unclassified service;

42.32 (3) deputy ~~and assistant~~ agency heads and one confidential secretary in the agencies  
 42.33 listed in ~~subdivision 1a and in the Office of Strategic and Long-Range Planning section~~  
 42.34 15.06, subdivision 1;

43.1 (4) the confidential secretary to each of the elective officers of this state and, for the  
43.2 secretary of state and state auditor, an additional deputy, clerk, or employee;

43.3 (5) intermittent help employed by the commissioner of public safety to assist in  
43.4 the issuance of vehicle licenses;

43.5 (6) employees in the offices of the governor and of the lieutenant governor and one  
43.6 confidential employee for the governor in the Office of the Adjutant General;

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

43.8 (8) employees of the legislature and of legislative committees or commissions;  
43.9 provided that employees of the Legislative Audit Commission, except for the legislative  
43.10 auditor, the deputy legislative auditors, and their confidential secretaries, shall be  
43.11 employees in the classified service;

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

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

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

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

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

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

43.32 (15) student workers;

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

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

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

44.3 (19) the administrators and the deputy administrators at the State Academies for the  
44.4 Deaf and the Blind; and

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

44.6 Sec. 45. Minnesota Statutes 2010, section 43A.20, is amended to read:

44.7 **43A.20 PERFORMANCE APPRAISAL AND PAY.**

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

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

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

44.17 (3) evaluation of the performance of the entire agency toward meeting targeted  
44.18 outcomes for the agency.

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

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

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

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

45.1 Sec. 46. [43A.347] REDUCTION IN STATE WORK FORCE; EARLY  
45.2 RETIREMENT PROGRAM.

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

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

45.13 (c) For purposes of this section:

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

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

45.18 Subd. 2. Analysis. Before authorizing an early retirement under subdivision 3 or  
45.19 4, the commissioner must perform analysis, including actuarial analysis, as necessary to  
45.20 determine the maximum number of employees to whom incentives will be offered, and the  
45.21 percentage of resulting savings estimated to be needed to pay pension funds to cover costs  
45.22 to the funds of the incentive in this section. The commissioner must use this analysis in  
45.23 determining how to best implement this section.

45.24 Subd. 3. Pension early retirement incentive. (a) The commissioner of management  
45.25 and budget may authorize an executive branch appointing authority to offer an early  
45.26 retirement incentive under this subdivision to an employee who upon retirement would be  
45.27 immediately eligible to receive an annuity from the public pension plan under which the  
45.28 employee is covered immediately before separation from state service. The commissioner  
45.29 may establish time periods during which the incentive may be offered and during which  
45.30 the incentive must be accepted, may establish limits on the number of employees to whom  
45.31 an appointing authority, or all appointing authorities collectively, may offer the incentive,  
45.32 and may establish other conditions for the incentive.

45.33 (b) For an employee offered an incentive under this subdivision, for each full  
45.34 year of service credit that the employee has in a plan administered by the Minnesota  
45.35 State Retirement System, the Public Employees Retirement Association, or the Teachers  
45.36 Retirement Association, the employee must be granted an additional month of service

46.1 credit in the plan under which the employee is covered immediately before separation  
46.2 from state service under this subdivision.

46.3 (c) Upon request of an appointing authority considering offering an incentive under  
46.4 this subdivision, the executive director of the public pension plan in which an employee  
46.5 would be granted additional service credit under this subdivision must prepare an estimate  
46.6 of the present value of the additional service credit that would be granted to an employee  
46.7 under this subdivision. For each employee accepting an incentive under this subdivision,  
46.8 the appointing authority offering the incentive must pay the applicable public pension  
46.9 plan, from the first dollars of savings achieved through offering the incentive, the present  
46.10 value of the additional service credit granted to the employee, taking into account the date  
46.11 payment will be received from the appointing authority. The appointing authority must  
46.12 make this payment to the pension plan within one year of the date the employee accepting  
46.13 the incentive leaves state service.

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

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

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

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

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

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

47.1 Sec. 47. Minnesota Statutes 2010, section 45.013, is amended to read:

47.2 **45.013 POWER TO APPOINT STAFF.**

47.3 The commissioner of commerce may appoint ~~four~~ one deputy commissioners, ~~four~~  
 47.4 ~~assistant commissioners, and an assistant to the commissioner. Those positions, as well as~~  
 47.5 ~~that of~~ and a confidential secretary, are in the unclassified service. The commissioner may  
 47.6 appoint other employees necessary to carry out the duties and responsibilities entrusted to  
 47.7 the commissioner.

47.8 Sec. 48. Minnesota Statutes 2010, section 84.01, subdivision 3, is amended to read:

47.9 Subd. 3. **Employees; delegation.** ~~Subject to the provisions of Laws 1969, chapter~~  
 47.10 ~~1129, and to other applicable laws~~ The commissioner shall organize the department and  
 47.11 employ ~~up to three~~ assistant commissioners, each of whom shall serve at the pleasure of  
 47.12 ~~the commissioner in the unclassified service, one of whom shall have responsibility for~~  
 47.13 ~~coordinating and directing the planning of every division within the agency, and such other~~  
 47.14 officers, employees, and agents as the commissioner may deem necessary to discharge the  
 47.15 functions of the department, define the duties of such officers, employees, and agents and  
 47.16 to delegate to them any of the commissioner's powers, duties, and responsibilities subject  
 47.17 to the control of, and under the conditions prescribed by, the commissioner. Appointments  
 47.18 to exercise delegated power shall be by written order filed with the secretary of state.

47.19 Sec. 49. Minnesota Statutes 2010, section 116.03, subdivision 1, is amended to read:

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

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

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

47.27 Sec. 50. Minnesota Statutes 2010, section 116J.01, subdivision 5, is amended to read:

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

47.30 (b) The commissioner may establish divisions and offices within the department.  
 47.31 ~~The commissioner may employ four deputy commissioners in the unclassified service.~~

47.32 (c) The commissioner shall:

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

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

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

48.10 Sec. 51. Minnesota Statutes 2010, section 116J.035, subdivision 4, is amended to read:

48.11 Subd. 4. **Delegation of powers.** The commissioner may delegate, in written orders  
48.12 filed with the secretary of state, any powers or duties subject to the commissioner's  
48.13 control to officers and employees in the department. Regardless of any other law, the  
48.14 commissioner may delegate the execution of specific contracts or specific types of  
48.15 contracts to the commissioner's ~~deputies, an assistant commissioner,~~ deputy or a program  
48.16 director if the delegation has been approved by the commissioner of administration and  
48.17 filed with the secretary of state.

48.18 Sec. 52. Minnesota Statutes 2010, section 174.02, subdivision 2, is amended to read:

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

48.23 Sec. 53. Minnesota Statutes 2010, section 241.01, subdivision 2, is amended to read:

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

48.28 Sec. 54. Laws 2010, chapter 361, article 3, section 8, is amended to read:

48.29 Sec. 8. **USE OF CARRYFORWARD.**

48.30 The restrictions in Minnesota Statutes, section 16A.281, on the use of money carried  
48.31 forward from one biennium to another shall not apply to money the legislative auditor  
48.32 carried forward from the ~~previous~~ biennium ~~for use in fiscal years 2010 and 2011~~ ending

49.1 June 30, 2009, or the biennium ending June 30, 2011. The legislative auditor may use the  
 49.2 carry forward money for costs related to the conduct of audits related to funds authorized  
 49.3 in the Minnesota Constitution, Article XI, section 15, and audits related to the institutions,  
 49.4 offices, and functions of Minnesota State Colleges and Universities.

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

49.6 Sec. 55. **SALARY FREEZE.**

49.7 (a) Effective July 1, 2011, a state employee may not receive a salary or wage increase  
 49.8 before July 1, 2013. This section prohibits any increases, including but not limited to:  
 49.9 across-the-board increases; cost-of-living adjustments; increases based on longevity;  
 49.10 step increases; increases in the form of lump-sum payments; increases in employer  
 49.11 contributions to deferred compensation plans; or any other pay grade adjustments of any  
 49.12 kind. This section does not prohibit an increase in the rate of salary and wages for an  
 49.13 employee who is promoted or transferred to a position with greater responsibilities and  
 49.14 with a higher salary or wage rate.

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

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

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

49.23 Sec. 56. **STATE JOB CLASSIFICATIONS.**

49.24 The commissioner of management and budget shall report to the legislature by  
 49.25 January 15, 2012, on a process to redesign and consolidate the job classification plan for  
 49.26 executive branch employees, with a goal of assigning all classified positions to no more  
 49.27 than 50 job families. The process must lead to development of a new job classification  
 49.28 plan designed to enhance the ability of state agencies to flexibly manage their workforces  
 49.29 to meet changing needs and demands of the agency, and to enhance the ability of state  
 49.30 employees to transfer to other positions for which they are qualified. In developing this  
 49.31 process, the commissioner must meet and confer with the exclusive representatives of each  
 49.32 affected bargaining unit. The report to the legislature must identify implementation issues.

50.1        **Sec. 57. DEPARTMENT OF REVENUE; REQUEST FOR PROPOSALS.**

50.2        (a) The commissioner of revenue shall issue a request for proposals for a contract to  
50.3 implement a system of tax analytics and business intelligence tools to enhance the state's  
50.4 tax collection process and revenues by improving the means of identifying candidates  
50.5 for audit and collection activities and prioritizing those activities to provide the highest  
50.6 returns on auditors' and collection agents' time. The request for proposals must require  
50.7 that the system recommended and implemented by the contractor:

50.8        (1) leverage the Department of Revenue's existing data and other available data  
50.9 sources to build models that more effectively and efficiently identify accounts for audit  
50.10 review and collections;

50.11       (2) leverage advanced analytical techniques and technology such as pattern  
50.12 detection, predictive modeling, clustering, outlier detection and link analysis to identify  
50.13 suspect accounts for audit review and collections;

50.14       (3) leverage a variety of approaches and analytical techniques to rank accounts and  
50.15 improve the success rate and the return on investment of department employees engaged  
50.16 in audit activities;

50.17       (4) leverage technology to make the audit process more sustainable and stable, even  
50.18 with turnover of department auditing staff;

50.19       (5) provide optimization capabilities to more effectively prioritize collections and  
50.20 increase the efficiency of employees engaged in collections activities; and

50.21       (6) incorporate mechanisms to decrease wrongful auditing and reduce interference  
50.22 with Minnesota taxpayers who are fully complying with the laws.

50.23       (b) Based on reasonable responses to the request for proposals, the commissioner  
50.24 shall enter into a contract for the services specified in paragraph (a) by October 1, 2011.

50.25       (c) Incorporating the system of tax analytics and business intelligence tools under  
50.26 the contract in this section, the commissioner of revenue shall identify and collect tax  
50.27 liabilities from individuals and businesses that currently do not pay all taxes owed.  
50.28 The commissioner may enter into additional contracts and retain up to five percent  
50.29 administrative costs as necessary to implement this section. A contract may incorporate a  
50.30 vendor financing option. This financing option may not make the vendor's compensation  
50.31 contingent on the amount collected as a result of an audit or an assessment determined  
50.32 by the vendor.

50.33       (d) \$11,504,000 for the fiscal year ending June 30, 2012, and \$23,269,000 for  
50.34 the fiscal year ending June 30, 2013, are appropriated from the general fund to the  
50.35 commissioner of revenue for purposes of this section. This initiative is expected to result  
50.36 in new general fund revenues of \$133,000,000 for the biennium ending June 30, 2013.

51.1 (e) The commissioner of revenue must report to the chairs of the house of  
 51.2 representatives Ways and Means and senate Finance Committees by March 1, 2012, and  
 51.3 January 15, 2013, on collection of additional revenue under this section.

51.4 (f)(1) If the commissioner of revenue determines that the initiative under this section  
 51.5 will result in new general fund revenues of less than \$133,000,000 for the biennium  
 51.6 ending June 30, 2013, the commissioner must notify the commissioner of management  
 51.7 and budget of the amount of new general fund revenues anticipated under this section.

51.8 (2) Upon receiving a notice from the commissioner of revenue under clause (1), the  
 51.9 commissioner of management and budget must reduce general fund appropriations to  
 51.10 executive agencies for agency operations for the biennium ending June 30, 2013, by an  
 51.11 amount equal to the difference between \$133,000,000 and the amount of new general fund  
 51.12 revenues anticipated by the commissioner of revenue under the notice in clause (1).

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

51.14 Sec. 58. **REVENUE FROM FEDERAL OFFSET PROGRAM.**

51.15 (a) It is expected that implementation of authority under Minnesota Statutes, section  
 51.16 16D.20, will result in increased revenues to the general fund of at least \$36,600,000  
 51.17 during the biennium ending June 30, 2013. If the commissioner of revenue determines  
 51.18 that implementation of Minnesota Statutes, section 16D.20, will result in new general  
 51.19 fund revenues of less than \$36,600,000 for the biennium ending June 30, 2013, the  
 51.20 commissioner must notify the commissioner of management and budget of the amount of  
 51.21 new general fund revenues anticipated under Minnesota Statutes, section 16D.20.

51.22 (b) Upon receiving a notice from the commissioner of revenue under paragraph (a),  
 51.23 the commissioner of management and budget must reduce general fund appropriations to  
 51.24 executive agencies for agency operations for the biennium ending June 30, 2013, by an  
 51.25 amount equal to the difference between \$36,600,000 and the amount of new general fund  
 51.26 revenues anticipated by the commissioner of revenue under the notice in paragraph (a).

51.27 Sec. 59. **STATE EMPLOYEE GROUP INSURANCE PLAN DEPENDENT**  
 51.28 **ELIGIBILITY VERIFICATION AUDIT SERVICES.**

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

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

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

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

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

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

52.13 (2) assigned eligibility advocates to assist employees through the verification  
 52.14 process;

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

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

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

52.22 Sec. 60. **REPEALER.**

52.23 Minnesota Statutes 2010, sections 16C.085; 43A.047; and 179A.23, are repealed.

## 52.24 **ARTICLE 4**

### 52.25 **CONSOLIDATION OF INFORMATION TECHNOLOGY SERVICES**

52.26 Section 1. Minnesota Statutes 2010, section 16B.99, is amended to read:

#### 52.27 **16B.99 GEOSPATIAL INFORMATION OFFICE.**

52.28 Subdivision 1. **Creation.** The Minnesota Geospatial Information Office is created  
 52.29 under the supervision of the ~~commissioner of administration~~ chief geospatial information  
 52.30 officer, who is appointed by the chief information officer.

52.31 Subd. 2. **Responsibilities; authority.** The office has authority to provide  
 52.32 coordination, guidance, and leadership, and to plan the implementation of Minnesota's  
 52.33 geospatial information technology. The office must identify, coordinate, and guide

53.1 strategic investments in geospatial information technology systems, data, and services to  
 53.2 ensure effective implementation and use of Geospatial Information Systems (GIS) by state  
 53.3 agencies to maximize benefits for state government as an enterprise.

53.4 Subd. 3. **Duties.** The office must:

53.5 (1) coordinate and guide the efficient and effective use of available federal,  
 53.6 state, local, and public-private resources to develop statewide geospatial information  
 53.7 technology, data, and services;

53.8 (2) provide leadership and outreach, and ensure cooperation and coordination for all  
 53.9 Geospatial Information Systems (GIS) functions in state and local government, including  
 53.10 coordination between state agencies, intergovernment coordination between state and local  
 53.11 units of government, and extragovernment coordination, which includes coordination with  
 53.12 academic and other private and nonprofit sector GIS stakeholders;

53.13 (3) review state agency and intergovernment geospatial technology, data, and  
 53.14 services development efforts involving state or intergovernment funding, including federal  
 53.15 funding;

53.16 (4) provide information to the legislature regarding projects reviewed, and  
 53.17 recommend projects for inclusion in the governor's budget under section 16A.11;

53.18 (5) coordinate management of geospatial technology, data, and services between  
 53.19 state and local governments;

53.20 (6) provide coordination, leadership, and consultation to integrate government  
 53.21 technology services with GIS infrastructure and GIS programs;

53.22 (7) work to avoid or eliminate unnecessary duplication of existing GIS technology  
 53.23 services and systems, including services provided by other public and private organizations  
 53.24 while building on existing governmental infrastructures;

53.25 (8) promote and coordinate consolidated geospatial technology, data, and services  
 53.26 and shared geospatial Web services for state and local governments; and

53.27 (9) promote and coordinate geospatial technology training, technical guidance, and  
 53.28 project support for state and local governments.

53.29 Subd. 4. **Duties of chief ~~geospatial~~ information officer.** (a) In consultation with the  
 53.30 state geospatial advisory council, the commissioner of administration, the commissioner  
 53.31 of management and budget, and the ~~Minnesota~~ chief geospatial information officer, the  
 53.32 chief ~~geospatial~~ information officer must identify when it is cost-effective for agencies to  
 53.33 develop and use shared information and geospatial technology systems, data, and services.  
 53.34 The chief ~~geospatial~~ information officer may require agencies to use shared information  
 53.35 and geospatial technology systems, data, and services.

54.1 (b) The chief ~~geospatial~~ information officer, in consultation with the state  
54.2 geospatial advisory council, must establish reimbursement rates in cooperation with the  
54.3 commissioner of management and budget to bill agencies and other governmental entities  
54.4 sufficient to cover the actual development, operation, maintenance, and administrative  
54.5 costs of the shared systems. The methodology for billing may include the use of  
54.6 interagency agreements, or other means as allowed by law.

54.7 Subd. 5. **Fees.** (a) The chief ~~geospatial~~ information officer must set fees under  
54.8 section 16A.1285 that reflect the actual cost of providing information products and  
54.9 services to clients. Fees collected must be deposited in the state treasury and credited to  
54.10 the Minnesota Geospatial Information Office revolving account. Money in the account  
54.11 is appropriated to the chief ~~geospatial~~ information officer for providing Geospatial  
54.12 Information Systems (GIS) consulting services, software, data, Web services, and map  
54.13 products on a cost-recovery basis, including the cost of services, supplies, material, labor,  
54.14 and equipment as well as the portion of the general support costs and statewide indirect  
54.15 costs of the office that is attributable to the delivery of these products and services. Money  
54.16 in the account must not be used for the general operation of the Minnesota Geospatial  
54.17 Information Office.

54.18 (b) The chief ~~geospatial~~ information officer may require a state agency to make an  
54.19 advance payment to the revolving account sufficient to cover the agency's estimated  
54.20 obligation for a period of 60 days or more. If the revolving account is abolished or  
54.21 liquidated, the total net profit from the operation of the account must be distributed to the  
54.22 various funds from which purchases were made. For a given period of time, the amount of  
54.23 total net profit to be distributed to each fund must reflect the same ratio of total purchases  
54.24 attributable to each fund divided by the total purchases from all funds.

54.25 Subd. 6. **Accountability.** The chief geospatial information officer is appointed by  
54.26 the ~~commissioner of administration and must work closely with the~~ Minnesota chief  
54.27 information officer who shall advise on technology projects, standards, and services.

54.28 Subd. 7. **Discretionary powers.** The office may:

54.29 (1) enter into contracts for goods or services with public or private organizations  
54.30 and charge fees for services it provides;

54.31 (2) apply for, receive, and expend money from public agencies;

54.32 (3) apply for, accept, and disburse grants and other aids from the federal government  
54.33 and other public or private sources;

54.34 (4) enter into contracts with agencies of the federal government, local government  
54.35 units, the University of Minnesota and other educational institutions, and private persons  
54.36 and other nongovernment organizations as necessary to perform its statutory duties;

55.1 (5) appoint committees and task forces to assist the office in carrying out its duties;

55.2 (6) sponsor and conduct conferences and studies, collect and disseminate  
55.3 information, and issue reports relating to geospatial information and technology issues;

55.4 (7) participate in the activities and conferences related to geospatial information  
55.5 and communications technology issues;

55.6 (8) review the Geospatial Information Systems (GIS) technology infrastructure  
55.7 of regions of the state and cooperate with and make recommendations to the governor,  
55.8 legislature, state agencies, local governments, local technology development agencies,  
55.9 the federal government, private businesses, and individuals for the realization of GIS  
55.10 information and technology infrastructure development potential;

55.11 (9) sponsor, support, and facilitate innovative and collaborative geospatial systems  
55.12 technology, data, and services projects; and

55.13 (10) review and recommend alternative sourcing strategies for state geospatial  
55.14 information systems technology, data, and services.

55.15 **Subd. 8. Geospatial advisory councils created.** The chief ~~geospatial~~ information  
55.16 officer must establish a governance structure that includes advisory councils to provide  
55.17 recommendations for improving the operations and management of geospatial technology  
55.18 within state government and also on issues of importance to users of geospatial technology  
55.19 throughout the state.

55.20 (a) A statewide geospatial advisory council must advise the Minnesota Geospatial  
55.21 Information Office regarding the improvement of services statewide through the  
55.22 coordinated, affordable, reliable, and effective use of geospatial technology. The  
55.23 ~~commissioner of administration~~ chief information officer must appoint the members of the  
55.24 council. The members must represent a cross-section of organizations including counties,  
55.25 cities, universities, business, nonprofit organizations, federal agencies, and state agencies.  
55.26 No more than 20 percent of the members may be employees of a state agency. In addition,  
55.27 the chief geospatial information officer must be a nonvoting member.

55.28 (b) A state government geospatial advisory council must advise the Minnesota  
55.29 Geospatial Information Office on issues concerning improving state government services  
55.30 through the coordinated, affordable, reliable, and effective use of geospatial technology.  
55.31 The ~~commissioner of administration~~ chief information officer must appoint the members  
55.32 of the council. The members must represent up to 15 state government agencies and  
55.33 constitutional offices, including the Office of Enterprise Technology and the Minnesota  
55.34 Geospatial Information Office. The council must be chaired by the chief geographic  
55.35 information officer. A representative of the statewide geospatial advisory council must  
55.36 serve as a nonvoting member.

56.1 (c) Members of both the statewide geospatial advisory council and the state  
 56.2 government advisory council must be recommended by a process that ensures that each  
 56.3 member is designated to represent a clearly identified agency or interested party category  
 56.4 and that complies with the state's open appointment process. Members shall serve a  
 56.5 term of two years.

56.6 (d) The Minnesota Geospatial Information Office must provide administrative  
 56.7 support for both geospatial advisory councils.

56.8 (e) This subdivision expires June 30, 2011.

56.9 ~~Subd. 9. **Report to legislature.** By January 15, 2010, the chief geospatial~~  
 56.10 ~~information officer must provide a report to the chairs and ranking minority members of~~  
 56.11 ~~the legislative committees with jurisdiction over the policy and budget for the office. The~~  
 56.12 ~~report must address all statutes that refer to the Minnesota Geospatial Information Office~~  
 56.13 ~~or land management information system and provide any necessary draft legislation to~~  
 56.14 ~~implement any recommendations.~~

56.15 Sec. 2. **[16E.0151] RESPONSIBILITY FOR INFORMATION TECHNOLOGY**  
 56.16 **SERVICES AND EQUIPMENT.**

56.17 (a) The chief information officer is responsible for providing or entering into  
 56.18 managed services contracts for the provision of the following information technology  
 56.19 systems and services to state agencies:

56.20 (1) state data centers;

56.21 (2) mainframes including system software;

56.22 (3) servers including system software;

56.23 (4) desktops including system software;

56.24 (5) laptop computers including system software;

56.25 (6) a data network including system software;

56.26 (7) database, electronic mail, office systems, reporting, and other standard software  
 56.27 tools;

56.28 (8) business application software and related technical support services;

56.29 (9) help desk for the components listed in clauses (1) to (8);

56.30 (10) maintenance, problem resolution, and break-fix for the components listed in  
 56.31 clauses (1) to (8); and

56.32 (11) regular upgrades and replacement for the components listed in clauses (1) to (8).

56.33 (b) All state agency employees whose work primarily involves functions specified in  
 56.34 paragraph (a) are employees of the Office of Enterprise Technology. The chief information

57.1 officer may assign employees of the office to perform work exclusively for another  
57.2 executive agency.

57.3 (c) The chief information officer may allow a state agency to obtain services  
57.4 specified in paragraph (a) through a contract with an outside vendor when the value of an  
57.5 outside vendor contract can be demonstrated. Sections 16C.08, subdivision 2, paragraph  
57.6 (b), clause (1); 16C.09, paragraph (a), clause (1); and 43A.047 do not apply to these  
57.7 contracts with outside vendors. The chief information officer must require that agency  
57.8 contracts with outside vendors ensure that systems and services are compatible with  
57.9 standards established by the Office of Enterprise Technology.

57.10 (d) In exercising authority under this section, the chief information officer  
57.11 must cooperate with the commissioner of administration on contracts for acquisition  
57.12 of information technology systems and services. The authority granted to the chief  
57.13 information officer does not limit the procurement, contract management, and contract  
57.14 review authority of the commissioner of administration under chapter 16C, including  
57.15 authority of the commissioner to enter into and manage cooperative purchasing  
57.16 agreements with other states.

57.17 (e) The State Lottery and Statewide Radio Board are not state agencies for purposes  
57.18 of this section.

57.19 **Sec. 3. [16E.036] ADVISORY COMMITTEE.**

57.20 (a) The Technology Advisory Committee is created to advise the chief information  
57.21 officer. The committee consists of six members appointed by the governor who are  
57.22 individuals actively involved in business planning for state executive branch agencies, and  
57.23 one member appointed by the governor to represent private businesses.

57.24 (b) Membership terms, removal of members, and filling of vacancies are as provided  
57.25 in section 15.059. Members do not receive compensation or reimbursement for expenses.

57.26 (c) The committee shall select a chair from its members. The chief information  
57.27 officer shall provide administrative support to the committee.

57.28 (d) The committee shall advise the chief information officer on:

57.29 (1) development and implementation of the state information technology strategic  
57.30 plan;

57.31 (2) critical information technology initiatives for the state;

57.32 (3) standards for state information architecture;

57.33 (4) identification of business and technical needs of state agencies;

57.34 (5) strategic information technology portfolio management, project prioritization,  
57.35 and investment decisions;

- 58.1 (6) the office's performance measures and fees for service agreements with executive  
58.2 branch agencies;  
58.3 (7) management of the state enterprise technology revolving fund; and  
58.4 (8) the efficient and effective operation of the office.

58.5 Sec. 4. Minnesota Statutes 2010, section 16E.14, is amended by adding a subdivision  
58.6 to read:

58.7 Subd. 6. **Technology improvement account.** The technology improvement account  
58.8 is established as an account in the enterprise technology fund. Money in the account is  
58.9 appropriated to the chief information officer for the purpose of funding a project that will  
58.10 result in improvements in state information and telecommunications technology. The  
58.11 chief information officer may spend money from the account on behalf of a state agency  
58.12 or group of agencies or may transfer money in the account to a state agency or group of  
58.13 agencies only according to an agreement under which: (1) the chief information officer  
58.14 has determined that savings generated by the project to be funded from the account will  
58.15 exceed the cost of the project; and (2) the agency or agencies sponsoring the project have  
58.16 developed a plan for recouping the project costs to the fund.

58.17 Sec. 5. **TRANSFERS.**

58.18 (a) Powers, duties, responsibilities, assets, personnel, and unexpended appropriations  
58.19 relating to functions assigned to the chief information officer in Minnesota Statutes,  
58.20 section 16E.0151, are transferred to the Office of Enterprise Technology from all other  
58.21 state agencies, as defined in Minnesota Statutes, section 16E.03, subdivision 1, paragraph  
58.22 (e), effective July 1, 2011. By January 15, 2012, the chief information officer shall submit  
58.23 to the legislature any statutory changes needed to complete implementation of the transfer  
58.24 in this section.

58.25 (b) Prior to the transfer mandated by paragraph (a), the chief information officer must  
58.26 enter into a service-level agreement with each state agency governing the provision of  
58.27 information technology systems and services in Minnesota Statutes, section 16E.0151. The  
58.28 agreements must specify the services to be provided and the charges for these services. As  
58.29 specified in Minnesota Statutes, section 16E.0151, an agency may choose to obtain these  
58.30 services from an outside vendor, rather than from the Office of Enterprise Technology.

58.31 (c) Powers, duties, responsibilities, assets, personnel, and unexpended appropriations  
58.32 relating to geospatial information systems are transferred from the commissioner of  
58.33 administration to the Office of Enterprise Technology.

59.1 (d) Minnesota Statutes, section 15.039, applies to transfers in this section. Executive  
 59.2 branch officials may use authority under Minnesota Statutes, section 16B.37, as necessary  
 59.3 to implement this section.

59.4 Sec. 6. **STUDY.**

59.5 The chief information officer in the Office of Enterprise Technology shall report  
 59.6 to the chairs and ranking minority members of the house of representatives and senate  
 59.7 committees with jurisdiction over state government finance by January 15, 2012, on  
 59.8 the feasibility and desirability of the office entering into service-level agreements with  
 59.9 the State Lottery and the Statewide Radio Board regarding provision of information  
 59.10 technology systems and services to those entities.

59.11 Sec. 7. **REVISOR'S INSTRUCTION.**

59.12 The revisor of statutes shall recodify Minnesota Statutes, section 16B.99, into  
 59.13 Minnesota Statutes, chapter 16E."

59.14 Delete the title and insert:

59.15 "A bill for an act  
 59.16 relating to state government finance; establishing the Sunset Advisory  
 59.17 Commission; allowing counties to provide an audit performed by a certified  
 59.18 public accountant firm; requiring state agencies to carry out agency duties in most  
 59.19 cost-effective manner whether by employing state workers or contracting with  
 59.20 outside sources; establishing the SAVI program for retained savings; increasing  
 59.21 public parking in front of Capitol building; changing provision of performance  
 59.22 data required in the budget proposal; implementing zero-based budgeting  
 59.23 principals; implementing employee gainsharing system to suggest ways to  
 59.24 reduce cost of government; implementing pay for performance pilot program and  
 59.25 allowing bond sale for programs proposed; implementing federal offset program  
 59.26 for collection of debts owed to state agencies; allowing for independent or private  
 59.27 audit for the State Agriculture Society; removing assistant agency head positions;  
 59.28 changing provisions for performance appraisal and pay; reducing state workforce;  
 59.29 providing early retirement incentives; reducing deputy positions; modifying  
 59.30 use of carryforward by the legislative auditor; continuing the employee salary  
 59.31 freeze; requiring a job classification consolidation and report; requiring a request  
 59.32 for proposals for system to enhance the state's audit and collection activities;  
 59.33 requiring dependent eligibility verification audit services for state hospital,  
 59.34 medical, and dental services; consolidating information technology services;  
 59.35 requiring studies; appropriating money; amending Minnesota Statutes 2010,  
 59.36 sections 3.85, subdivision 3; 6.48; 15.06, subdivision 8; 16A.10, subdivisions  
 59.37 1a, 1b, 1c; 16A.103, subdivision 1a; 16A.11, subdivision 3; 16A.28, subdivision  
 59.38 3; 16B.03; 16B.99; 16C.08, subdivision 2; 16C.09; 16E.14, by adding a  
 59.39 subdivision; 37.06; 43A.08, subdivision 1; 43A.20; 45.013; 84.01, subdivision 3;  
 59.40 116.03, subdivision 1; 116J.01, subdivision 5; 116J.035, subdivision 4; 174.02,  
 59.41 subdivision 2; 241.01, subdivision 2; Laws 2010, chapter 215, article 6, section  
 59.42 4; Laws 2010, chapter 361, article 3, section 8; proposing coding for new law in  
 59.43 Minnesota Statutes, chapters 15; 15B; 16A; 16D; 16E; 43A; proposing coding  
 59.44 for new law as Minnesota Statutes, chapter 3D; repealing Minnesota Statutes  
 59.45 2010, sections 16C.085; 43A.047; 179A.23; 197.585, subdivision 5."