

1.1 moves to amend H.F. No. 136 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **[16A.111] ZERO-BASED BUDGETING.**

1.4 Subdivision 1. **Zero-based budget.** (a) By November 30 of each scheduled year, each
1.5 state department, institution, and agency of the executive branch must submit to the
1.6 commissioner a proposed detailed operating budget for the biennium beginning July 1 of
1.7 the following year using zero-based budgeting, including a zero-based budget plan. The
1.8 commissioner of management and budget shall provide technical assistance to enable each
1.9 department, institution, or agency to complete its proposed detailed operating budget as
1.10 specified by the commissioner of management and budget.

1.11 (b) The commissioner of management and budget shall adopt policies and procedures
1.12 for each department, institution, and agency to implement the provisions of this section.

1.13 (c) As used in this section, "zero-based budgeting" means a method of determining the
1.14 budget of a department, institution, or agency for which the budget of the department,
1.15 institution, or agency:

1.16 (1) is deemed to have been zero for the biennium immediately preceding the biennium
1.17 covered by the budget; and

1.18 (2) each proposed expenditure for the biennium covered by the budget must be justified
1.19 as if it were a new expenditure.

1.20 Subd. 2. **Zero-based budget plan.** A "zero-based budget plan" includes the following
1.21 information:

1.22 (1) a description of activities that comprise the agency, and a justification for the existence
1.23 of each activity by reference to statute or other legal authority;

2.1 (2) for each activity, a quantitative estimate of any adverse impacts that could reasonably
2.2 be expected should the activity be discontinued, together with a full description of the
2.3 methods by which the adverse impact is estimated;

2.4 (3) a list of quantifiable program outcomes that measure the efficiency and effectiveness
2.5 of each program;

2.6 (4) for each activity, an itemized account of expenditures that would be required to
2.7 maintain the activity at the minimum level of service required by the statutory authority,
2.8 together with a concise statement of the quantity and quality of services required at that
2.9 minimum level;

2.10 (5) for each activity, an itemized account of expenditures required to maintain the quantity
2.11 and quality of services being provided and the number of personnel required to accomplish
2.12 each program; and

2.13 (6) a ranking of all activities that shows the relative contribution of each activity to the
2.14 overall goals and purposes of the agency at current service levels.

2.15 Subd. 3. **Scheduled year.** (a) The scheduled year is 2018 and every year thereafter for
2.16 the following agencies: Department of Health, Department of Human Services, Department
2.17 of Human Rights, Department of Education, Board of Teaching, Minnesota Office of Higher
2.18 Education, Emergency Medical Services Regulatory Board, Minnesota Council on Latino
2.19 Affairs, Council for Minnesotans of African Heritage, Council on Asian-Pacific Minnesotans,
2.20 Minnesota Indian Affairs Council, and all advisory groups associated with these agencies.

2.21 (b) The scheduled year is 2020 and every year thereafter for the following agencies:
2.22 Department of Commerce, Department of Employment and Economic Development,
2.23 Department of Labor and Industry, all nonhealth-related licensing boards listed in section
2.24 214.01 except as otherwise provided in this section, Explore Minnesota Tourism, Public
2.25 Utilities Commission, Iron Range Resources and Rehabilitation Board, Bureau of Mediation
2.26 Services, and all advisory groups associated with these agencies.

2.27 (c) The scheduled year is 2022 and every year thereafter for the following agencies:
2.28 Department of Corrections, Department of Public Safety, Department of Transportation,
2.29 Peace Officer Standards and Training Board, Capitol Area Architectural and Planning Board,
2.30 Amateur Sports Commission, all health-related licensing boards listed in section 214.01,
2.31 Council on Disability, and all advisory groups associated with these agencies.

2.32 (d) The scheduled year is 2024 and every year thereafter for the following agencies:
2.33 Department of Agriculture, Department of Natural Resources, Pollution Control Agency,

3.1 Board of Animal Health, Board of Water and Soil Resources, and all advisory groups
3.2 associated with these agencies.

3.3 (e) The scheduled year is 2026 and every year thereafter for the following agencies:
3.4 Department of Administration, Department of Management and Budget, Department of
3.5 Military Affairs, Department of Revenue, Department of Veterans Affairs, Arts Board,
3.6 Minnesota Zoo, Office of Administrative Hearings, Campaign Finance and Public Disclosure
3.7 Board, Office of Enterprise Technology, Minnesota Racing Commission, and all advisory
3.8 groups associated with these agencies.

3.9 **EFFECTIVE DATE.** This section is effective July 1, 2017."