House Research Act Summary

CHAPTER: 250

SESSION: 1999 Regular Session

TOPIC: State Government Finance Omnibus Appropriations Act

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Overview

This is the omnibus State Government Finance Appropriations Act. See the spreadsheet prepared by fiscal analyst Helen Roberts for information on appropriations.

Article 1 Appropriations

- **1 Summary by fund.** Summarizes appropriations by fund.
- 2 Legislature.

Subd. 1. Total.

Subd. 2. Senate. Provides for production and distribution of a videotape on the legislative process.

Subd. 3. House of Representatives.

Subd. 4. Legislative Coordinating Commission. Specifies appropriations for the revisor of statutes, the legislative reference library, and the legislative auditor. Requires pension commission to study comparability of public sector and private sector pensions.

3 Governor and lieutenant governor. Requires the governor to submit an application for federal permits needed to authorize growing experimental and demonstration plots of industrial hemp. Requires the governor to establish standards and forms for persons wishing to register for growing experimental and demonstration plots of industrial hemp.

Requires the commissioner of finance to report on personnel costs incurred by the office of the governor and lieutenant governor that were supported by appropriations to other agencies.

4 State auditor.

5 **State treasurer.** Specifies appropriation for banking services, electronic transactions, and cost of clearing sales tax rebate checks.

- 6 Attorney general. Specifies an appropriation for the information technology initiative. Requires a report on specified issues relating to funding of the office.
- 7 Secretary of state. Specifies appropriation for computer system upgrade.
- 8 Campaign finance and public disclosure board.
- 9 Investment board.
- **10** Administrative hearings. Requires the chief administrative law judge to report to the legislature by January 15, 2000 on a plan for funding the cost of child support hearings out of appropriations to the judicial branch without increasing those appropriations.
- **11 Office of strategic and long-range planning.** Specifies funding for information technology, a feedlot generic environmental impact statement, a program evaluation function, community-based planning, planning grants, a generic environmental impact statement on urban development, and the southwest Minnesota wind monitoring project.

Requires a report by December 1, 2000 on ways to reduce state government expenditures by five to ten percent.

12 Administration.

Subd. 1. Total.

Subd. 2. Operations Management.

Subd. 3. Office of technology. Requires a report by January 15, 2000 on a long-range plan identifying the mission and goals of the office. The second-year appropriation is not available until the plan has been approved by the legislature in 2000. Specifies funding for North Star II, and one-stop business licensing. Specifies funding for small agency infrastructure. [**The governor vetoed an appropriation to continue the intergovernmental information systems advisory council for one year.**]

Subd. 4 . Intertechnologies. Specifies an appropriation for the year 2000 project office and for state year 2000 costs, for a directory services infrastructure to support electronic delivery of government services and related security infrastructure, and for a state-county collaboration project.

Subd. 5. Facilities management. Provides appropriations for specified rent costs; for demolition of the capitol square building, and predesign of a new building for the departments of commerce, labor and industry, and trade and economic development; and an electronic security system in the capitol complex. [**The governor vetoed an appropriation for bleacher safety grants.**] Requires the commissioner of administration to install a rain check on the landscape irrigation device in the capitol area.

Subd. 6. Management services. Specifies appropriations for information policy training and the state archaeologist.

Subd. 7. Fiscal agent. Specifies appropriations for the state employees' band, the STAR program, the developmental disabilities council, and the children's museum.

Subd. 8. Public broadcasting. Specifies appropriations for public television grants and equipment needs, legislative television, grants to the Twin Cities regional cable channel, and public radio grants and equipment needs. [**The governor vetoed an appropriation for digital broadcast signal.**]

- **13 Capitol area architectural and planning board.** Appropriates money for a Hubert Humphrey memorial, for a national World War II memorial, and for installation of a plaque in the capitol correcting inaccurate historical information on the current Spanish-American war commemorative plaque.
- 14 Finance.

Subd. 1. Total.

Subd. 2. State financial management. Specifies appropriation for Mankato area growth management study.

Subd. 3. Information and management services. Requires the commissioner to report on a long-range plan for the statewide business systems. Requires development of recommendations on presentation of internal service funds in future budget documents.

15 Employee Relations.

Subd. 1. Total.

Subd. 2. Employee insurance. Specifies appropriations for implementation of a long-term care insurance program and for self-insurance of the state employee group insurance program.

Appropriates money for workers' compensation reinsurance association premiums.

Subd. 3. Human resource management. Specifies appropriations for the government training service.

Subd. 4. Technology. Requires a separate budget book for the next biennium containing all of the administration's technology initiatives.

16 Revenue.

Subd. 1. Total.

Subd. 2. Tax management system. Specifies an appropriation for reengineering of the income tax system.

Subd. 3. Accounts receivable management.

Subd. 4. Other provisions. Provides that the building at 600 N. Robert street is named the Harold E. Stassen building.

17 Military Affairs.

Subd. 1. Total.

Subd. 2. Maintenance of training facilities.

Subd. 3. General support. Specifies appropriation to assist in operation and staffing of the Minnesota national guard youth camp at Camp Ripley, contingent on a match.

Subd. 4. Enlistment incentives. Provides that obligations for the reenlistment bonus program shall be paid from amounts available within the program. Provides the amounts are available in either year of the biennium and are available until expended.

Subd. 5. Emergency services. Specifies appropriation for expenses of military forces ordered to active duty.

- 18 Veterans affairs. Specifies appropriations for county veterans services offices, emergency financial and medical needs of veterans, grants for transportation of veterans to veterans administration medical facilities, Persian Gulf bonuses, and a grant to Vinland Center. Permits transfer among programs. Requires a study of feasibility and desirability of having veterans homes and hospitals entering into agreements with health care providers to provide care to veterans close to their places of residence.
- **19** Veterans of foreign wars.
- 20 Military order of the purple heart.
- 21 Disabled American veterans.
- 22 Gambling control.
- 23 Racing commission.
- 24 State Lottery. Appropriates money from the lottery prize fund for a grant to Project Turnabout

in Granite Falls. Requires the lottery to reimburse the general fund \$150,000 each year for lottery-related costs incurred by the department of public safety.

- **25 Amateur sports commission.** Requires the commissioner to prepare a plan for soccer facilities. [The governor vetoed funding for ice arenas and for amateur athletic facilities.]
- 26 Board of the arts.
- 27 Minnesota humanities commission.
- 28 General contingent accounts.
- 29 Tort claims.
- 30 Minnesota state retirement system.
- 31 Minneapolis employees retirement fund.
- 32 Police and fire amortization aid.
- **33** Board of government innovation and cooperation.
- **34 Statewide systems account.** Establishes the statewide systems account in the general fund. Permits the commissioner of finance to bill users of the system for services, up to specified dollar limits. Appropriates money to the commissioner of finance to pay for statewide systems during the upcoming biennium.
- **35** Federal funds. Provides that if a request to spend federal money is included in a governor's budget request, but the purpose changes, the changed purpose must be treated in the same manner as a new request.
- **36** Legislative journals. Requires each house to notify prospective recipients of journals of the cost and the availability of the same information on the Internet.
- **37 Statutes.** Requires the revisor to notify recipients of free copies of statutes of the cost and the availability on the Internet and to ask if their work requires the full number of copies.
- **38 Attorney general.** Requires the attorney general to submit its billing rate for the next biennium to the commissioner of finance by August 1 of each even-numbered year.
- **39 Attorney general.** Requires the attorney general's budget request to include a consolidated listing that shows on one page all appropriations that will be used to support the office and the legislative finance divisions from which these appropriations will be requested.
- **40 Attorney general.** Requires notification of funding committees when the attorney general enters into an agreement for legal services.
- 41 **Procedures.** Requires government entities to prepare written public access procedures and update them each August 1 as necessary. Requires free distribution of the procedures or posting them on the government premises.
- 42 **Contract terms.** Requires government entities to include in contracts with private parties a provision that states that data created, maintained or disseminated by the private party in performing functions under the contract is subject to the government data practices act, and that the private person must comply with the act as if it were a government entity. Provides that remedies available for violation of the act apply to the private person under this subdivision. Adds that the party does not have to give the public access to public data that are available from the government, unless the contract so provides.
- **43 Preparation of model policies.** Requires the commissioner of administration to consult with government entities and prepare model policies on public access and rights of data subjects. Requires the commissioner to assist government entities in protecting the integrity of computer data that is accessible to the public. Allows government entities to adopt or reject the commissioner's model. Requires a government entity to notify the commissioner whether or not

it decides to adopt the model. If it does not adopt the model, the government entity must give the commissioner copies of the policies it adopts.

- 44 **Capitol area.** Strikes specified area near West 7th Street and Kellogg Boulevard from the jurisdiction of the capitol area architectural and planning board. At one time, this area was under consideration as a site for the Labor Interpretive Center.
- **45 Price of government.** Provides that the governor's price of government recommendations must be submitted at the same time as the detailed operating budget.
- **46 Forecasts.** Requires revenue and expenditure forecasts to be delivered to the legislature and the governor on the same day. Provides for presentation to legislative commission on planning and fiscal policy if requested. Requires forecasts to consider amount of state bonding as it affects debts service.
- **47 Fees.** Requires detailed budget proposal for each executive agency to include proposals for any new fees or increases in existing fees.
- 48 **Repayment.** Requires loans to revolving funds to be repaid with interest.
- **49** Legislative approval of fees. Provides that an executive agency may not impose a new fee or increase an existing fee unless the fee is approved by law. Defines "fee" for this purpose and sets forth certain exclusions. Permits agencies to reduce fees without legislative approval and without going through rulemaking. This section is effective July 1, 2001.
- **50 Cash advances.** Provides that the fund to which general fund cash was advanced must pay interest on the advance.
- 51 **Cancellation of warrants.** Amends schedule for cancellation of state warrants to bring schedule more in line with unclaimed property act.
- 52 Master lease. Strikes provisions stating that master lease may be used only for purchases from internal services funds, and containing other restrictions on use of master lease.
- **53** Administration. Authorizes commissioner of administration to appoint two deputy commissioners.
- **54 Technology.** Strikes requirement that the commissioner of administration consult with the director of the office of technology because the office is merged into the department of administration.
- **55 Rent.** Provides that money collected as rent to recover the depreciation costs of a building funded from the state bond proceeds fund must be credited to an account in the special revenue fund which is used for asset preservation projects.
- **56 Capital projects.** Provides that for capital projects involving any agency, plans may not be adopted, nor improvements made, unless a sufficient appropriation for the project is available.
- **57** Shared energy savings program. Provides that shared energy savings program expires January 1, 2001.
- **58 Operation of information systems.** Provides that the commissioner of administration is responsible for arranging for, instead of "operation of" the state information infrastructure.
- **59 IISAC.** Extends intergovernmental information systems advisory council until June 30, 2000.
- **60 Telecommunication.** Provides that the commissioner of administration is responsible for supervising and controlling state telecommunication facilities and services.
- 61 State information infrastructure. Provides that the state shall seek to meets its telecommunications needs in a manner that will help to promote investment and growth of the private sector information infrastructure. States seven policy goals for the commissioner of administration to follow in acquiring telecommunications services. Provides that the state may purchase, own, or lease customer premises equipment. Provides that the commissioner may

purchase, own, or lease any telecommunications network facilities or equipment after first seeking bids or proposals and having determined that the private sector cannot, will not, or is unable to provide these services, facilities, or equipment as bid or proposed in a reasonable or timely fashion consistent with policies in this section. Provides that MnSCU may opt out of participation on the state network in whole or in part. Permits the commissioner to approve community-based aggregation of demand for telecommunications services for state agencies, including MnSCU, and specifies conditions.

- 62 Bleacher safety. Specifies safety standards for bleachers over 30 inches above grade in places of public accommodation. Provides for enforcement, penalties, and inspection.
- 63 Bleachers. Provides that municipalities may not opt out of bleacher safety requirements.
- 64 Bleachers. Similar to previous section.
- 65 **Cost-benefit analysis.** Requires a cost-benefit analysis for contracts of over \$5 million involving goods or services that are expected to have a useful life of more than three years. Provides that a contract shall not be entered into unless the analysis shows a positive benefit to the public, or if the governor approves based on a cost-effectiveness study showing that the project is the most effective way to provide a necessary public good. The section does not apply in response to a natural disaster for which the governor has declared an emergency.
- 66 Contract conditions. Provides that ten-year payback period under energy efficiency contracts is measured from the completion of the project.
- 67 **Debt referrals.** Requires state entities to refer debts to the Minnesota collection enterprise when the debt becomes 121 days past due. Provides certain exclusions.
- **68 Office of technology.** Provides that the office of technology is under supervision of the commissioner of administration, rather than being an independent office.
- **69 Technology.** Provides that the commissioner of administration, rather than the executive director of the office of technology, is the state's chief information officer.
- **70 Business license.** Requires that business license information system must also be designed to allow the public to apply for and obtain business licenses on line.
- 71 **Consultant reporting.** Requires the commissioner of administration to compile information and report on professional and technical service contracts.
- 72 Self-insurance. Permits commissioner of employee relations to self-insure state employee hospital and medical plans.
- **73** Self insurance. Provides that specified coverage mandates, data reporting, and consumer protection requirements applicable to insured products apply to the commissioner's self-insured state employee hospital and medical plans.
- 74 Self-insurance. Requires summaries of benefits under state employee plans to comply with laws and rules applicable to the licensed carrier administering the product.
- 75 **Contingency reserves.** Requires the commissioner of employee relations to maintain a contingency reserve within the employee insurance trust fund.
- **Reports.** Specifies additional topics to be covered in the commissioner of employee relations' biennial report on the state employee insurance program, including a study of local and statewide market trends that may relate to the state's health benefits purchasing strategy.
- 77 **Customer assistance.** Requires the commissioner of employee relations to assist state employees in understanding benefits and coverage, obtaining information, and making use of complaint resolution procedures.
- **78 Long-term care insurance.** After April 1, 2000, authorizes the commissioner of employee relations to administer a long-term care insurance program for public employees and other

specified eligible persons. Creates an advisory committee. Creates a long term care insurance trust fund.

- **79 MSHSL.** Provides that amateur sports commission exhibitions in which high school students participate do not qualify as games, contests, or other extracurricular activities for MSHSL purposes.
- **Records management.** Provides for the director of the historical society to assist the commissioner of administration in the state records management program.
- **Emergency records.** Provides for the director of the historical society to assist the commissioner of administration in protecting records in event of natural or nuclear disaster.
- 82 Military allowances. Increases maximum military expense allowances.
- **Persian gulf bonus.** Extends deadline for applications for Persian Gulf bonus from June 30, 1999 to June 30, 2001.
- **Preference ballot.** Provides for preference balloting for president of the United States or governor at precinct caucuses. This section is in connection with the repeal of the requirement to hold a presidential primary.
- **Results of preference ballots.** Requires the secretary of state to promptly report the results of preference balloting at precinct caucuses.
- **Training rules.** Requires the secretary of state to adopt rules for training program for county auditor and local election officials.
- **Training for local election officials.** Requires county auditors to hold training sessions at least every two years for municipal and school district clerks. Requires this training in order for an election official to run an election.
- **Training for county auditors.** Requires secretary of state to develop training for county auditors and certify those who complete training.
- Meeting with election officials. Provides for county auditors to meet with local election officials to review procedures at least 12 weeks before each general election.
- Ice arena grants. Provides that higher education institutions are not eligible to receive "mighty ducks" ice arena grants. Provides that a grant for new facilities may not exceed \$250,000, and that rehabilitation grants cannot exceed \$100,000. Permits grant money to be used to upgrade facilities to comply with bleacher safety requirements.
- **91** Athletic facility grants. Permits the amateur sports commission to make matching grants to political subdivisions for amateur athletic facilities, for recreational programs for children and adolescents, and to supports special amateur athletics events. Provides for geographic dispersal. Specifies match requirements. Places a \$100,000 limit on grants for new facilities, a \$50,000 limit on renovation grants, and a \$20,000 limit on grants for recreational programs. Provides a \$100,000 limit on grants for special events.
- **Revolving account.** Creates a revolving account for proceeds from sales of heat-applied cigarette tax stamps.
- **Unsafe bleachers.** Forbids a person from manufacturing, selling, distributing, or installing bleachers that do not comply with new requirements.
- Certification practice statement. Permits secretary of state, in the role of licensed certification authority, to adopt and amend a certification practice statement without going through rulemaking.
- Fees. Provides that fees set by the secretary of state under the electronic authentication program need not be set by rule until July 1, 2001. Appropriates fees to the secretary of state.
- 96 License conditions. Requires potential electronic authentication subscriber to appear in person

before the person issuing the license. Authorizes rules for waiver of this requirement.

- Acceptance. States that a recipient who accepts a digital signature accepts the terms and conditions of the licensed certification authority's practice statement.
- **98 Emergency suspension.** In an emergency, permits certificate to be suspended for 96 hours, instead of 48.
- Administrative procedure. Permits secretary of state to suspend or revoke certificate issued to government entity without following the contested case procedures of the Administrative Procedure Act.
- Administrative procedure. Permits secretary of state to suspend or revoke certificate issued to government entity without following the contested case procedures of the Administrative Procedure Act.
- **101 Inspection of manufacturers.** Strikes sunset on a standing appropriation of money the gambling control board receives from inspection of manufacturers.
- Grant. Strikes match requirement in 1993 appropriation for Hubert Humphrey memorial.
- **Task force.** Adds representative of the commissioner of administration to a library and information services task force.
- **State council.** Provides for the commissioner of administration, rather than the director of the office of technology, to serve on the education telecommunications council.
- Telecommunications. Corrects a reference to the state information infrastructure.
- Voluntary leaves. Permits state appointing authorities to allow employees to take voluntary leaves of up to 160 hours during the biennium ending June 30, 2001. Provides for continued vacation and sick leave accrual and credit in retirement plans during this leave period.
- **LCC appropriation.** Provides that 1998 appropriation to the legislative coordinating commission for meetings between Minnesota and Canadian elected officials is available until June 30, 2000.
- Urban development environmental steering committee. Requires the environmental quality board to establish an urban development environmental steering committee to advise the board on the scope and content of the urban generic environmental impact statement. Lists topics to be studied as part of the GEIS.
- State travel office. Requires the commissioner of administration to study the feasibility and potential advantages of establishing a state travel office to manage arrangement for travel by state employees. Requires a report by January 15, 2000.
- **110 Budget principles.** Requires the legislative commission on planning and fiscal policy to establish principles and standards related to budgeting that simplify the process, minimize the number of state funds and special accounts, and are consistent with generally accepted accounting principles. Requires a report by December 1, 1999.
- **111 Loan repayment.** Provides that the loan made by the Minneapolis community development agency to the Minneapolis park and recreation board in 1986 to acquire property for the central riverfront regional park must not be repaid by any funds from the state of Minnesota or funds of political subdivisions of the state, including the Metropolitan council.
- **112 Employee assistance transfer.** Transfers the state employee assistance program from the department of administration to the department of employee relations.
- **Office of Technology transfer.** Transfers the office of technology to the department of administration.
- **Revisor instructions.** Instructs revisor to make changes as a result of transfers in the bill.

115 Repealer. Repeals the following sections:

Minnesota Rules part 8275.0045, subpart 2: relating to identification procedures for subscribers under secretary of state electronic authentication law.

15.90; 15.91; 15.92; performance reporting.

16A.103, subdivision 3: separate reporting of departmental earnings as part of November forecasts.

16E.11; 16E.12; 16E.13: Trade point, Internet, community technology resource activity in office of technology.

Chapter 207A: Presidential Primary.

16A.1285, subdivisions 4 and 5: setting of fees through rulemaking (effective July, 2001).

Laws 1991, chapter 235, article 5, section 3: Sunset of shared energy savings program. 4A.08, 4A.09; 4A.10; community-based planning (effective July 1, 2001).

116 Effective dates.

Article 2 Year 2000

- **1 Peacetime emergency.** Allows the governor to declare a peacetime emergency if a technological failure or malfunction or a terrorist incident endangers life and property and local government resources are inadequate to handle the situation.
- 2 **Political subdivision emergency authority.** Permits political subdivisions to exercise specified emergency authority if there is failure or malfunction of public infrastructure or systems critical to delivery of municipal services due to Y2K problems.

3 Year 2000 activities; immunity.

Subd. 1. Definitions.

Subd. 2. Association. The term covers a trade, professional, government, or similar organization of individuals, enterprises, or government units engaged in similar activity.

Subd. 3. State agency. Means the University of Minnesota, MnSCU, and the entities in the executive, judicial, and legislative branches.

Subd. 4. Year 2000 solution information. Means information addressing the inability of computer systems, software, or electronic devices to recognize certain dates in 1999 and after December 31, 1999.

Subd. 5. Association and related immunity. Prohibits an action against (1) an association for harm resulting from collection or publication of year 2000 solution information, or (2) any person or entity providing such information to the association.

Subd. 6. State agency immunity. Prohibits an action against a state agency for harm from collection or publication of year 2000 solution information.

Subd. 7. Government unit immunity. Prohibits an action against a government unit, including units under a joint powers agreement, for harm due to collection, publication, or dissemination of year 2000 solution information to other government units.

Subd. 8. Exception. No immunity if the defendant knew in fact that the information was materially false.

Subd. 9. No implied cause of action. The section does not imply or create liability for any person or public or private entity by the absence of a grant of immunity.

4 **Declaration of emergency.** Provides that until April 1, 2000, the governor has special powers to

declare emergencies, if actual or potential failure of computers or electronically controlled devices creates an actual or imminent serious threat to health or safety of person or of catastrophic loss to property or the environment. Current law provides that in emergencies, government agencies may take actions without following certain laws, such as laws governing purchase of materials, entering into contracts, and employment of workers. This section provides that compliance with laws could be omitted only to the extent necessary to protect health and safety or prevent catastrophic loss.

A governor's declaration under this section must specify what government units are covered and the time period for which the declaration applies.

Requires units of local government to report to the state year 2000 project office on omitting compliance with procedures and laws under this section.

- 5 Year 2000 problem reports. Requires electric utilities and telephone companies to file status reports on year 2000 problems with the public utilities commission, the department of public service, and the division of emergency services. Reports must be filed on July 1 and October 1, 1999. Specifies contents of the reports.
- **6 Exemption from municipal contracting law.** Provides that until April 1, 2000, the municipal contracting law does not apply when the governing body of a municipality determines there is an urgency due to actual or potential failure or malfunction of critical public infrastructure or systems due to year 2000 problems.

Requires reporting to the state year 2000 office on each instance in which a municipality omits compliance with the uniform municipal contracting law.

- 7 **Local government debt.** Provides that debt incurred for Y2K problem remediation is not subject to debt limits and need not be approved by voters. Authority to incur debt under this section expires December 31, 2000, provided debt need not be repaid until December 31, 2005.
- 8 Health department. Requires the department of health, by July 30, 1999, to survey hospitals, nursing homes and certain water systems concerning year 2000 issues, and to disseminate this information in a prompt and reasonable manner.

Requires these entities to file status reports on year 2000 problems with the health department and the division of emergency services. Specifies contents of the reports.

- **9 Department of human services; Year 2000 activity.** Specifies that if year 2000 computer problems cause a malfunction in the DHS systems that pay health care providers, DHS must pay health care providers manually or by other means within the time periods required by statute.
- **10 Status reports.** Provides that state agencies must consult with reporting entities on the form of status reports.
- 11 Status reports as evidence prohibited. Provides that status reports required by this act may not be used as evidence in an action seeking damages or other relief because of a year 2000 problem.
- 12 Year 2000 loan fund. Appropriates \$20 million to the commissioner of finance to establish a fund to make loans to school districts, counties, joint powers boards, cities and towns for year 2000 costs. Requires that loans may not be made until the state year 2000 office certifies that (1) proposed use of the loan is related only to year 2000 remediation; (2) the unit of government has insufficient resources to address year 2000 problems; and (3) the loan would be used to correct problems that are likely to affect public health and safety or cause catastrophic loss to property or the environment.

Requires local governments to repay the loans by June 30, 2001. Interest is charged at the rate earned on the invested treasurer's cash fund.

Requires reporting to the state year 2000 project office. Provides that the appropriation in this section cancels April 1, 2000.

13 Department of administration review. Requires the commissioner of administration, through staff of the Y2K project office, to review use of emergency authority and emergency funds under this act. If the commissioner determines loan funds were used in a manner not consistent with this act, the political subdivision must pay 12 percent interest on the loan.

Article 3 Conforming Changes: Fees

This article makes conforming changes in statutes that refer to setting fees in rule. These changes are in conjunction with the new requirements in Article 1 of this bill that the legislature approve new fees or fee increases.