

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 943

**DATE:** April 17, 2003

**Version:** First engrossment

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**Subject:** Department of Finance

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### Overview

Article 1 makes a variety of changes in laws relating to Department of Finance functions. Article 2 transfers to the Department of Finance statutory duties formerly assigned to the State Treasurer. This transfer of statutory duties already has been implemented under an executive branch reorganization order.

#### Article 1

##### General

##### Section

- 1** **Leave of absence for athletic competition.** Provides that public employees may, instead of shall, be granted paid leaves of absence for specified athletic competitions.
- 2** **Leave of absence for athletic competition.** Strikes a requirement that the state reimburse a political subdivision for the cost of leaves of absence for athletic competitions.
- 3** **Budget format.** Provides that the state budget format must show actual expenditures and receipts for the most recent fiscal year, instead of the two most recent fiscal years.
- 4** **Budget estimates information.** Strikes requirement that when budget estimates are filed by November 30 of even-numbered years a list of each employee's name, title, and salary must be available to the legislature.
- 5** **Detailed budget.** Strikes requirement that detailed budget estimates must list the number of professional or technical service contracts. Retains language relating to total costs of these

## Section

contracts.

- 6 **Federal proposals.** Provides that a copy of an agency application for recovering statewide and agency indirect cost as part of an application for federal funds must be submitted to the commissioner of finance for review, rather than requiring that the commissioner approve the indirect cost submission before the application is submitted.
- 7 **Departmental earnings report.** Provides that the biennial report on state departmental earnings must be submitted by November 30 in even-numbered years, rather than by the fourth Tuesday in January in odd-numbered years.
- 8 **Cash advances.** Authorizes the commissioner of finance to use cash reserves from any fund (not just the general fund) to meet cash demands of an account in that fund. Retains conditions that are in current law (i.e. these provisions apply only when the cash deficiencies result from delays in the receipt of grants, dedicated income or similar receivables, and when the cash deficiencies would be corrected within the budget period).
- 9 **Direct deposit; payroll deductions.** Permits state employee pay to be directly deposited to more than one financial institution. Strikes authority for amounts to be deducted from a state employee's pay and paid to a company that insures the employee for medical costs of cancer or intensive care. Provides that payroll deduction may be used for only one account with the Minnesota Benefit Association, and for only one state employee union.
- 10 **Spending plan.** Provides that an appropriation to an agency is not available until the agency has met all requirements related to policies and procedures of the Minnesota accounting and procurement system. Requires agency spending plans to certify that: the amount required for each activity is accurate, and consistent with legislative intent, that revenue estimates are reasonable; and that the plan is structurally balanced.
- 11 **Direct deposit.** Allows the commissioner to require direct deposit of pay for all state employees paid by the state payroll system.
- 12 **Warrants and electronic fund transfers.** Provides that the commissioner of finance may require payees to provide bank routing information to enable payments to be made through electronic fund transfer. Strikes current law under which the commissioner can require this only for payees receiving more than 10 payments or \$10,000 per year.
- 13 **Lost or destroyed warrants.** Provides that the commissioner of finance may require certification that an unpaid warrant was lost or destroyed before issuing a duplicate warrant.
- 14 **Report on capital projects.** Changes from February 1 to January 1 of each odd-numbered year the due date for a required report on unexpended appropriations for capital projects. Current law specifies a process under which general fund appropriations and bond authorizations included in this report are canceled on July 1 of the year of the report unless reauthorized.
- 15 **Report on capital projects.** Similar change to previous section.
- 16 **Uncollectible debt.** Strikes language stating that a debt related to a tax liability canceled by the department of revenue cancels the legal obligation of the debtor.
- 17 **Interest on debts.** Provides that an agency need not charge interest on a debt if the commissioner of finance approves the agency's determination that the costs of charging interest exceed the benefit.
- 18 **Interest rate.** Provides that the interest rate on state debt is the rate established by the commissioner of revenue for tax purposes, rather than the rate established by the state court administrator for interest on judgments and awards.
- 19 **Advisory committee.** Strikes the commissioner of finance or a designee from membership on the subcommittee on children's mental health

**Section**

- 20**      **Carryforward.** Provides that funds encumbered by the judicial or executive branch for severance costs, unemployment compensation costs, and health, dental, and life insurance continuation costs resulting from state employee layoffs during fiscal year 2003 may be carried forward and spent until January 1, 2004.
- 21**      **Repealer.** Repeals:
- ▶ 16A.06, subd. 10: requirement for separate technology budget book
  - ▶ 16A.131, subd. 1: state employee payroll deduction to buy federal securities
  - ▶ 16D.03, subd. 3: annual report on management of debts owed the state
  - ▶ 16D.09, subd. 2: duty of commissioner of revenue to notify debtor when debt is written off.
- 22**      **Effective date.** This article is effective July 1, 2003.

**Article 2**

**Transfer of State Treasurer Duties**

Transfers to the commissioner of finance statutory duties previously assigned to the state treasurer. This transfer already has occurred under an executive branch reorganization order. The constitutional office of state treasurer was abolished, effective January 2003, due to a constitutional amendment.

The article contains many technical directions to the Revisor of Statutes relating to the transfer of duties, including a direction to recodify Minnesota Statutes chapter 7 into Minnesota Statutes, chapter 16A (the chapter governing the Department of Finance).