

HOUSE RESEARCH

Bill Summary

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Subject: State Agency Value Initiative (SAVI)
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Overview

Establishes the State Agency Value Initiative (SAVI), under which 50 percent of an agency's unspent funds at the end of a biennium may be carried forward into the next biennium, to be spent on projects approved by a peer review panel within the agency. (Under current law, operating money not spent at the end of a biennium lapses, and returns to the fund from which the money was appropriated).

Section

1 SAVI program.

Subd. 1. Program established. Establishes the SAVI program to encourage state agencies to identify cost-effective and efficiency measures.

Subd. 2. Retained savings. Provides that upon approval of the Commissioner of Management and Budget, 50 percent of unspent agency funds may be carried forward and retained by the agency to fund specific agency proposals or projects. Project expenditures must not create future obligations beyond the amounts available from the retained savings. Provides that this section supersedes section 16A.28 (the current law which provides that unspent appropriations lapse at the end of a biennium), but this section does not restrict authority granted by other law to carry forward money for a different period or different purposes.

Subd. 3. Special peer review panel. Requires a participating agency to organize a peer review panel that will determine which projects receive funding. The panel must be balanced between department employees credited with cost-savings initiatives and department managers.

Subd. 4. SAVI-dedicated account. Provides that agency savings will be deposited in a SAVI account in the special revenue fund. Appropriates money in the

account to the participating agency for purposes authorized by this section.

Subd. 5. Expiration. Provides that this section expires June 30, 2018.

This section is effective June 30, 2103, and first applies to funds to be carried forward from the biennium ending June 30, 2013 to the biennium starting July 1, 2013.

- 2 Lapse.** Amends the current law governing lapse of appropriations at the end of a biennium, to reference the carry-forward authority under the SAVI program.