

# HOUSE RESEARCH

## Bill Summary

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### Section

#### Article 1

### Overview

- 1 **Appropriations.** Provides that appropriations in this act are in addition to appropriations made in the 2015 state government finance bill.
- 2 **Legislature.** Cancels 80 percent of the money in the Senate carryforward account to the general fund. Appropriates \$318,000 to the Office of the Legislative Auditor for new duties related to fiscal notes, revenue estimates, and local impact notes. Reduces the appropriation to the Legislative Coordinating Commission by \$133,000.
- 3 **State Auditor.** Appropriates \$6.95 million from the general fund to the Office of the State Auditor. This appropriation is related to the repeal of the state auditor enterprise fund later in this bill.
- 4 **MN.IT services.** Appropriates \$500,000 for enhanced cyber security across state government.
- 5 **Administration.** Appropriates \$148,000 for continued implementation of the state's Olmstead plan.

## Section

- 6 **MMB.** Reduces the appropriation to MMB by \$318,000. Provides that to the extent possible, this reduction be implemented through savings achieved in not administering the fiscal notes process.
- 7 **Revenue.** Provides that \$1 million of money previously appropriated must be used for efforts to identify and reject attempted tax refund fraud.
- 8 **Human Rights.** Requires federal funds received by the department to be deposited in the general fund. Provides that if this is not possible under federal agreements, the general fund appropriation to the department is reduced by the amount of federal funds received during the biennium.
- 9 **Veterans Affairs.** Appropriates \$100,000 for a grant to Eagle's Healing Nest, \$300,000 for the state soldiers assistance fund, and \$100,000 for Cottages of Anoka.
- 10 **Military Affairs.** Appropriates \$1.8 million for security improvements at National Guard facilities.
- 11 **Savings; appropriation reduction for executive agencies.** Requires MMB to reduce general fund appropriations to executive agency for the biennium by \$6.52 million. Specifies agencies that may not be included in this reduction. Provides that to the greatest extent possible these reductions must come from savings provided by reductions in salaries of commissioners, deputy commissioners, and assistant commissioners; a hiring freeze; reductions in spending on nonessential travel and on advertising. Requires MMB to report on reductions in spending, by agency. Provides that the reductions in this section are reductions to the base for the next biennium.
- 12 **Hiring freeze.** Imposes a hiring freeze in the executive and legislative branches. The freeze does not apply to students in work-study positions, and to positions necessary to perform essential government services. Specifies the method for determining these exceptions, and requires reporting of exceptions granted.
- 13 **Nonessential travel.** Prohibits state-paid nonessential travel during the biennium for employees of executive agencies. Requires the Governor to report on travel.
- 14 **Limit on expenditures for advertising.** Provides that an executive branch agency's spending on advertising and promotions during fiscal year 2017 cannot exceed 90 percent of the amount the agency spent during fiscal year 2016. This section does not apply to the Minnesota Lottery or Explore Minnesota Tourism, or to advertising related to a declared emergency or disaster.
- 15 **Executive agency managers.** Provides that the salaries for department heads, deputy commissioners, and assistant commissioners are reduced by five percent. Requires MMB to reduce the number of deputy and assistant commissioners by five percent.
- 16 **Transition.** Provides that receipts from examinations conducted by the State Auditor must be credited to the general fund. Amounts in the state auditor enterprise fund are transferred to the general fund.
- 17 **Public subsidy program suspended.** Provides that the public subsidy program for state elections does not apply for the remainder of the biennium. During this period, no transfers will be made from the general fund to the state elections campaign account, no public

## Section

subsidy payments will be made from the account, and any written agreements made by a candidate as a condition of receiving a payment are not effective. Amounts designated on tax returns are not effective and remain in the general fund.

## Article 2

### State Government

- 1** **Fiscal notes and revenue estimates.** Provides that the legislative auditor shall participate in the fiscal note and revenue estimate process in the manner described in section 3.98. Provides that authority of the auditor and duties of entities subject to the auditor's other work also apply to fiscal notes and revenue estimates.
- 2** **Fiscal notes and revenue estimates.** Provides that upon receiving a request for a fiscal note or revenue estimate, the legislative auditor shall request appropriate agencies to provide the legislative auditor with an analysis of the financial and personnel impacts of the bill. Requires agencies to submit the analysis in the time and manner requested by the auditor.  
  
Requires the legislative auditor to review the analysis submitted by agencies and assess the reasonableness of the analysis. Authorizes the auditor to require agencies to resubmit their analysis under new assumptions or calculation parameters defined by the auditor.  
  
Provides that when the auditor accepts the final analysis for all relevant agencies, the auditor shall deliver the completed fiscal note or revenue analysis. Requires that the note or estimate contain the final analysis and assumptions submitted to the auditor by agencies, and a statement by the legislative auditor as to whether the auditor agrees with the final analysis and assumptions. Requires the auditor to state reasons for any disagreements, and authorizes the auditor to offer alternative analysis and assumptions. Provides that if the auditor deems disagreements sufficiently large, the auditor may submit an unofficial unapproved fiscal note to the legislature, for public consideration of both the analysis of the agency and that of the auditor.
- 3** **Local impact notes.** Provides that the legislative auditor, rather than the commissioner of management and budget, shall coordinate the development of local impact notes.
- 4** **Payments to state auditor.** Provides that county payments for state auditor costs will be deposited in the state general fund instead of the state auditor enterprise fund.
- 5** **Billings by state auditor.** Provides that political subdivision payments for state auditor costs will be deposited in the state general fund instead of the state auditor enterprise fund.
- 6** **Reports to the legislature.** In a law governing reporting to the legislature, strikes a reference to the state auditor enterprise fund, and refers instead to expenditures relating to examinations.
- 7** **Centralized tracking list of agency projects.** Requires the commissioner of management and budget to maintain a centralized list of new agency projects estimated to cost more than

## Section

\$100,000 that are paid for from the general fund. Excludes intergovernmental aid programs and programs and activities mandated by law.

- 8 Revenue uncertainty information.** Requires the commissioner of management and budget to report to the legislature within 14 days of a budget forecast on uncertainty in Minnesota's general fund revenue projections.
- 9 Federal funds report.** Requires the commissioner of management and budget to report by January 15 each year on federal funds received by the state. The report must include the total amount of federal funds received in the prior fiscal year and the anticipated total amount in the current fiscal year.
- For each category of federal funding, the report must list: the federal funding source and a brief description of the purpose; the amount received in the prior fiscal year and the amount anticipated in the current year; if there is a maintenance-of-effort requirement; number of full-time equivalent state employees needed to implement the federal funding; and amount of state funds spent or to be spent as a match or otherwise in conjunction with the federal funding.
- 10 Legislative approval required for fees.** Provides that an agency must not propose a fee or fine increase of more than ten percent in a biennium.
- 11 Political activity by certain nonprofits prohibited.** Provides that a nonprofit organization that receives a direct appropriation of state funds or a grant of state funds must agree, as a condition of receiving the appropriation or grant, that it will not engage in political activities.
- 12 Federal penalties relating to purchase or sale of state bonds.** Requires the commissioner of MMB to disclose to the legislative auditor within ten days any situation the commissioner believes potentially could subject the state to payment of a penalty to the federal government in connection with purchase or sale of bonds issued by the state.
- Requires that payment of a penalty to the federal government in connection with purchase or sale of bonds issued by the state must be made from funds appropriated for general MMB operations. If this is not feasible, the commissioner may seek approval for use of contingent account appropriations.
- Requires the commissioner to disclose to the legislative auditor and specified legislative officials within ten days the payment of a penalty to the federal government in connection with the purchase or sale of bonds issued by the state.
- 13 Construction and remodeling.** Requires legislative committee chairs to be notified of change items and cost increases in state construction projects.
- 14 New state buildings.** Provides that any requirement for legislative approval of a state building may be fulfilled only by approval of the entire legislature, and not be one or more committees of the legislature.
- 15 Termination of grant.** Requires that state grant agreements provide for immediate termination of the grant if the recipient is convicted of a criminal offense relating to a state grant agreement.

## Section

- 16**     **No fees for general fund grant administration.** Forbids an agency from charging a recipient of a grant from the general fund a fee and from deducting money from the grant to pay for costs of administering the grant.
- 17**     **Delegation of duties.** Requires that every three years the commissioner of administration audit use of contracting authority delegated to employees in other agencies. Requires the commissioner to develop guidelines for delegated contracting authority, to protect state legal interests, including possible review of contracts by the commissioner.
- 18**     **Limit on number of FTE's.** Provides that the total number of FTE employees in all executive branch agencies may not exceed 35,927. Authorizes the commissioner of management and budget to forbid an executive agency from hiring a new employee or from filling a vacancy as necessary to ensure compliance with this section. Provides that the commissioner may authorize early retirement incentives (in the form of employer contributions for health insurance) as a means of achieving compliance with the complement limit.
- 19**     Amends the process for removing a veteran from government employment under the Veterans Preference Act in the following ways:
- grants a veteran the right to have a challenge to a removal or discharge heard by a board of three persons even if the veteran's employer has a civil service board or commission or merit system authority;
  - establishes a board of three persons as the default body to adjudicate challenges to veteran removals and discharges when the employer does not offer a civil service board or commission or merit system authority; and
  - requires the employer to pay all costs associated with the hearing except that the employer is not required to pay the veteran's attorney fees unless the veteran prevails.
- 20**     **IRRRB.** Strikes provision that allows the IRRRB to use the uniform municipal contracting law instead of contracting laws that govern state agencies. Strikes IRRRB exemptions from IT consolidation law and from contract management authority of the commissioner of administration.
- 21**     **Killed in the line of duty.** Conforms Minnesota's definition of "killed in the line of duty" with the definition found in the federal Hometown Heroes Act for purposes of awarding benefits to the survivors of public safety officers who are killed in the line of duty. The key changes are that the definition (1) expands coverage for accidental deaths while on duty from just peace officers to all public safety officers and (2) expands coverage to officers who die from work-connected heart attacks, strokes, and vascular ruptures.
- 22**     **Change in use; relocation expense; payments by park owner.** In the law governing payments from the manufactured home relocation trust fund, changes the maximum payments to \$7,000 for a single-section and \$12,500 for a multisection manufactured home. Amends the section dealing with payments that can be made if efforts to relocate a home have failed to provide that if the appraised market value cannot be determined, the tax market value, averaged over a period of five years, can be used. Increases maximum

## Section

reimbursements to \$8,000 for a single-section and \$14,500 for a multisection manufactured home. Provides a minimum reimbursement of \$4,000 for a single section and \$8,000 for a multisection home.

- 23 Line of duty death.** Provides that deaths determined by the commissioner of public safety to be in the line of duty (as provided earlier in this bill) will also be considered “line of duty” deaths for purposes of the Public Employees Retirement Association.
- 24 School districts; group health insurance coverage.** Removes the requirement that school districts request a proposal from the public employee insurance program (PEIP). Allows school districts to have health insurance contracts up to five years in length, and service cooperatives to have health insurance contracts up to four years in length. Removes the provision which provides that a school district will not be considered self-insured for purposes of this subdivision solely by participating in a joint powers arrangement. Provides that the exclusive representative of the largest group of employees must not exercise authority under section 43A.316.
- 25 Jointly.** Removes the provision stating that a self-insurance pool operated by one or more service cooperatives is not considered self-insured for purposes of section 471.6161, subdivision 8.
- 26 Fiscal agent.** Corrects a mistaken cross-reference in 2015 law relating to equipment grants to MPR.
- 27 Report.** Requires the State Auditor to report by January 15, 2017, on a strategic plan to ensure that all local governments receive adequate oversight from the Office of the State Auditor.
- 28 Parking ramp financing.** Provides that the debt service and construction costs for the parking garage bounded by Sherburne Avenue, Park Street, University Avenue, and North Capitol Boulevard must be paid for exclusively by fees charged to persons parking in that garage. Prohibits charging fees for public disability parking.
- 29 Report on MNsure costs to counties.** Requires the State Auditor to report to the legislature by January 15, 2017, on costs incurred by Minnesota counties related to eligibility determinations and related enrollment activities for medical assistance and MinnesotaCare enrollees, that are due to implementing the technology system administered by MNsure.
- 30 Legislative Surrogacy Commission.** Creates a Legislative Commission on Surrogacy. Requires the commission to report by December 15, 2016, on specified issues relating to surrogacy.
- 31 Alternative methods of collecting assessment fee.** Requires the commissioner of MMB to report by January 31, 2017, on alternative methods of collective the \$12 assessment fee relating to the manufactured home relocation trust fund. Appropriates money to MMB from the trust fund for purposes of this study.
- 32 Repealer.** Repeals these laws:
- 6.581, subdivision 1: State auditor enterprise fund; and
  - 3.886: Legislative water commission.

