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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3619

03/24/2016 Authored by Knoblach

The bill was read for the first time and referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to the state budget; modifying the federal funds request process;
1.3 establishing a process for reviewing technology fund transfers; requiring a report;
1.4 amending Minnesota Statutes 2014, sections 3.3005, subdivisions 3, 3b, 4, 5, 6,
1.5 by adding subdivisions; 16E.0466; 16E.21, subdivision 2, by adding subdivisions.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2014, section 3.3005, is amended by adding a
1.8 subdivision to read:

1.9 Subd. 1a. **Application.** This section applies to the expenditure of all federal money
1.10 whether that federal money is appropriated under section 4.07 or another section, unless
1.11 that federal money is specifically excluded from the requirements of this section.

1.12 Sec. 2. Minnesota Statutes 2014, section 3.3005, subdivision 3, is amended to read:

1.13 Subd. 3. **State match.** If a request to spend federal money is included in the
1.14 governor's budget or spending the money is authorized by law but the amount of federal
1.15 money ~~received~~ that has been awarded requires a state match greater than ~~that~~ the amount
1.16 that was included in the budget request or authorized by law, the ~~amount~~ federal funds
1.17 that have been awarded that ~~requires~~ require an additional state match may be allotted for
1.18 expenditure after the requirements of subdivision 5 or 6 are met.

1.19 Sec. 3. Minnesota Statutes 2014, section 3.3005, subdivision 3b, is amended to read:

1.20 Subd. 3b. **Increase in amount.** If a request to spend federal money is included in a
1.21 governor's budget request and approved according to subdivision 2 or 5 and the amount
1.22 of money awarded and available to be expended increases after the request is made and

2.1 authorized, the additional amount may be allotted for expenditure after a revised request is
 2.2 submitted according to subdivision 2, or the requirements of subdivision 5 or 6 are met.

2.3 Sec. 4. Minnesota Statutes 2014, section 3.3005, subdivision 4, is amended to read:

2.4 Subd. 4. **Interim procedures; urgencies.** If federal money ~~becomes available~~
 2.5 is awarded to the state for expenditure after the deadline in subdivision 2 or while the
 2.6 legislature is not in session, and the availability of money from that source or for that
 2.7 purpose or in that fiscal year could not reasonably have been anticipated and included in
 2.8 the governor's budget request, and an urgency requires that all or part of the money be
 2.9 ~~allotted~~ encumbered or expended before the legislature reconvenes or prior to the end of
 2.10 the 20-day period specified in subdivision 2, it may be allotted to a state agency after the
 2.11 ~~requirements of subdivision 5 are met.~~ Legislative Advisory Commission has reviewed
 2.12 the request. If the members of the commission make a positive recommendation or no
 2.13 recommendation, or if the commission has not reviewed the request within ten days after
 2.14 the date the request was submitted, the commissioner may approve the request and the
 2.15 federal money may be allotted for expenditure. If the commission makes a negative
 2.16 recommendation or a recommendation for further review on a request within ten days after
 2.17 the date the request was submitted, the commissioner shall not approve the expenditure of
 2.18 the federal money. If a request to expend federal money submitted under this subdivision
 2.19 receives a negative recommendation or a recommendation for further review, the request
 2.20 may be submitted again under subdivision 2 or 6. For the purposes of this subdivision, a
 2.21 recommendation of the commission must be made at a meeting of the commission unless
 2.22 a written recommendation is signed by all members entitled to vote on the item. For the
 2.23 purposes of this subdivision, an urgency means: (1) the expenditure of the federal funds
 2.24 would prevent imminent harm to life or property; or (2) failure to encumber or spend the
 2.25 federal funds before the expiration of the earliest time provided under this subdivision
 2.26 would clearly result in a loss of the federal funds.

2.27 Sec. 5. Minnesota Statutes 2014, section 3.3005, subdivision 5, is amended to read:

2.28 Subd. 5. **Legislative Advisory Commission review.** Federal money that is awarded
 2.29 and becomes available under subdivision 3, 3a, or 3b, ~~or 4~~ may be allotted after the
 2.30 commissioner of management and budget has submitted the request to the members of
 2.31 the Legislative Advisory Commission for their review and recommendation ~~for further~~
 2.32 ~~review. If a recommendation is not made within ten days, no further review by the~~
 2.33 ~~Legislative Advisory Commission is required, and the commissioner shall approve or~~
 2.34 ~~disapprove the request. If a recommendation by any member is for further review the~~

3.1 ~~governor shall submit the request to the Legislative Advisory Commission for its review~~
 3.2 ~~and recommendation. Failure or refusal of the commission to make a recommendation~~
 3.3 ~~promptly is a negative recommendation. If a member of the commission makes a negative~~
 3.4 ~~recommendation or requests further review on a request within 20 days after the date~~
 3.5 ~~the request was submitted, the commissioner shall not approve the expenditure of that~~
 3.6 ~~federal money. If a request to expend federal money submitted under this subdivision~~
 3.7 ~~receives a negative recommendation or a request for further review, the request may be~~
 3.8 ~~submitted again under subdivision 2. If the members of a commission make a positive~~
 3.9 ~~recommendation or no recommendation, the commissioner may approve the request and~~
 3.10 ~~the federal money may be allotted for expenditure.~~

3.11 Sec. 6. Minnesota Statutes 2014, section 3.3005, subdivision 6, is amended to read:

3.12 Subd. 6. **Interim procedures; nonurgencies.** If federal money is awarded and
 3.13 becomes available to the state for expenditure after the deadline in subdivision 2 or while
 3.14 the legislature is not in session, and subdivision 4 does not apply, a request to expend the
 3.15 that federal money may be submitted by the commissioner of management and budget to
 3.16 members of the Legislative Advisory Commission for their review and recommendation.
 3.17 This request must be submitted by the later of October 1 of any year or 100 days before the
 3.18 start of the next legislative session. If any member of the commission makes a negative
 3.19 recommendation or a recommendation for further review on a request by October 20 of
 3.20 the same year during the 20-day period beginning the day the commissioner submits
 3.21 the request, the commissioner shall not approve expenditure of that federal money. If a
 3.22 request to expend federal money submitted under this subdivision receives a negative
 3.23 recommendation or a recommendation for further review, the commissioner shall not
 3.24 approve the request until the request may be submitted again under subdivision 2. If the
 3.25 members of the commission make a positive recommendation or no recommendation, the
 3.26 commissioner shall may approve or disapprove the request and the federal money may be
 3.27 allotted for expenditure.

3.28 Sec. 7. Minnesota Statutes 2014, section 3.3005, is amended by adding a subdivision
 3.29 to read:

3.30 Subd. 9. **Withdrawal.** The commissioner of management and budget may, with
 3.31 written notice, withdraw any request to spend federal money under this section. The
 3.32 commissioner of an agency requesting to expend federal money under this section may,
 3.33 with written notice, withdraw any request to spend federal money under this section that
 3.34 was submitted by the commissioner's agency.

4.1 Sec. 8. Minnesota Statutes 2014, section 16E.0466, is amended to read:

4.2 **16E.0466 STATE AGENCY TECHNOLOGY PROJECTS.**

4.3 (a) Every state agency with an information or telecommunications project must
4.4 consult with the Office of MN.IT Services to determine the information technology cost
4.5 of the project. Upon agreement between the commissioner of a particular agency and
4.6 the chief information officer, the agency must transfer the information technology cost
4.7 portion of the project to the Office of MN.IT Services. Service level agreements must
4.8 document all project-related transfers under this section. Those agencies specified in
4.9 section 16E.016, paragraph (d), are exempt from the requirements of this section.

4.10 (b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating
4.11 balance appropriated to a state agency may be transferred to the information and
4.12 telecommunications technology systems and services account for the information
4.13 technology cost of a specific project, subject to the review of the Legislative Advisory
4.14 Commission, under section 16E.21, subdivision 3.

4.15 Sec. 9. Minnesota Statutes 2014, section 16E.21, subdivision 2, is amended to read:

4.16 Subd. 2. **Charges.** Upon agreement of the participating agency, the Office of
4.17 MN.IT Services may collect a charge or receive a fund transfer under section 16E.0466
4.18 for purchases of information and telecommunications technology systems and services
4.19 by state agencies and other governmental entities through state contracts for purposes
4.20 described in subdivision 1. Charges collected under this section must be credited to the
4.21 information and telecommunications technology systems and services account.

4.22 Sec. 10. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision
4.23 to read:

4.24 Subd. 3. **Legislative Advisory Commission review.** No funds may be transferred to
4.25 the information and telecommunications technology systems and services account under
4.26 subdivision 2 or section 16E.0466 until the commissioner of management and budget has
4.27 submitted the proposed transfer to the members of the Legislative Advisory Commission
4.28 for review and recommendation. If the commission makes a positive recommendation
4.29 or no recommendation, or if the commission has not reviewed the request within 20
4.30 days after the date the request to transfer funds was submitted, the commissioner of
4.31 management and budget may approve the request to transfer the funds. If the commission
4.32 makes a negative recommendation or a recommendation for further review on a request
4.33 within 20 days after the request to transfer the funds was submitted, the commissioner
4.34 shall not approve the fund transfer. A recommendation of the commission must be made

5.1 at a meeting of the commission unless a written recommendation is signed by all members
5.2 entitled to vote on the item.

5.3 Sec. 11. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision
5.4 to read:

5.5 Subd. 4. **Lapse.** Any portion of any receipt credited to the information and
5.6 telecommunications technology systems and services account from a fund transfer under
5.7 subdivision 2 that remains unexpended and unencumbered at the close of the fiscal year
5.8 four years after the funds were received in the account shall lapse to the fund from which
5.9 the receipt was transferred.

5.10 Sec. 12. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision
5.11 to read:

5.12 Subd. 5. **Report.** The chief information officer shall report by September 15 of
5.13 each odd-numbered year to the chairs and ranking minority members of the legislative
5.14 committees and divisions with jurisdiction over the office regarding the receipts credited
5.15 to the account. The report must include a description of projects funded through the
5.16 information and telecommunications technology systems and services account and each
5.17 project's current status.