

1.1 A bill for an act

1.2 relating to state government; specifying the development of budget
1.3 recommendations and requiring state agencies to provide information; requiring
1.4 disclosure of status of fiscal note requests; modifying state budget requirements;
1.5 requiring a forecast of cash flow for the general fund; specifying format for
1.6 detailed budget estimates of expenditures; imposing deadline for notice of
1.7 deficiency requests; providing additional whistleblower protection to state
1.8 employees; requiring a budget working group; eliminating obsolete requirements;
1.9 amending Minnesota Statutes 2008, sections 3.885, by adding a subdivision;
1.10 3.98, subdivision 4; 3.987, subdivision 1; 16A.10, subdivisions 1, 2; 16A.11,
1.11 subdivision 3, by adding a subdivision; 181.932, subdivision 1; proposing coding
1.12 for new law in Minnesota Statutes, chapters 16A; 43A; repealing Minnesota
1.13 Statutes 2008, section 16A.152, subdivision 1b.

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

1.15 Section 1. Minnesota Statutes 2008, section 3.885, is amended by adding a subdivision
1.16 to read:

1.17 Subd. 11. **Budget development.** The commission may develop budget
1.18 recommendations to present to the legislature. If the commission proceeds with the
1.19 development of budget recommendations, state agencies must provide information to the
1.20 commission as requested by the commission to develop those recommendations. That
1.21 information includes the base budget, information on how the base budget is determined
1.22 and how it is allocated, recommendations from agency staff for changes in the base level
1.23 appropriations to improve agency operations and efficiency or to improve or increase
1.24 efficiency of programs operated by the agency, and responses to proposals for reductions
1.25 in agency budgets.

1.26 Sec. 2. Minnesota Statutes 2008, section 3.98, subdivision 4, is amended to read:

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2.1 Subd. 4. **Uniform procedure.** The commissioner of finance shall prescribe a
2.2 uniform procedure to govern the departments and agencies of the state in complying
2.3 with the requirements of this section. The uniform procedure must include a system
2.4 for posting the date a fiscal note was requested, the requested completion date, and the
2.5 estimated completion date, as well as the display of those dates on the front page of each
2.6 completed fiscal note.

2.7 Sec. 3. Minnesota Statutes 2008, section 3.987, subdivision 1, is amended to read:

2.8 Subdivision 1. **Local impact notes.** The commissioner of finance shall coordinate
2.9 the development of a local impact note for any proposed legislation introduced after June
2.10 30, 1997, upon request of the chair or the ranking minority member of either legislative
2.11 Tax or Finance Committee, or the house of representatives Committee on Ways and
2.12 Means. Upon receipt of a request to prepare a local impact note, the commissioner must
2.13 notify the authors of the proposed legislation that the request has been made. The local
2.14 impact note must be made available to the public upon request. If the action is among the
2.15 exceptions listed in section 3.988, a local impact note need not be requested nor prepared.
2.16 The commissioner shall make a reasonable and timely estimate of the local fiscal impact
2.17 on each type of political subdivision that would result from the proposed legislation.
2.18 The commissioner of finance may require any political subdivision or the commissioner
2.19 of an administrative agency of the state to supply in a timely manner any information
2.20 determined to be necessary to determine local fiscal impact. The political subdivision,
2.21 its representative association, or commissioner shall convey the requested information to
2.22 the commissioner of finance with a signed statement to the effect that the information is
2.23 accurate and complete to the best of its ability. The political subdivision, its representative
2.24 association, or commissioner, when requested, shall update its determination of local
2.25 fiscal impact based on actual cost or revenue figures, improved estimates, or both.
2.26 Upon completion of the note, the commissioner must provide a copy to the authors
2.27 of the proposed legislation, as well as to the chair and ranking minority member of all
2.28 committees to which a bill is referred.

2.29 Sec. 4. Minnesota Statutes 2008, section 16A.10, subdivision 1, is amended to read:

2.30 Subdivision 1. **Budget format.** In each even-numbered calendar year the
2.31 commissioner shall prepare budget forms and instructions for all agencies, including
2.32 guidelines for reporting agency performance measures, subject to the approval of the
2.33 governor. The commissioner shall request and receive advisory recommendations from
2.34 the chairs of the senate Finance Committee and house of representatives Ways and

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3.1 Means Committee before adopting a format for the biennial budget document. By June
3.2 15, the commissioner shall send the proposed budget forms to the appropriations and
3.3 finance committees. The committees have until July 15 to give the commissioner their
3.4 advisory recommendations on possible improvements. To facilitate this consultation, the
3.5 commissioner shall establish a working group consisting of executive branch staff and
3.6 designees of the chairs of the senate Finance and house of representatives Ways and Means
3.7 Committees. The commissioner must involve this group in all stages of development of
3.8 budget forms and instructions. The budget format must show actual expenditures and
3.9 receipts for the three most recent fiscal year years, estimated expenditures and receipts for
3.10 the current fiscal year, and estimates for each fiscal year of the next biennium. Estimated
3.11 expenditures must be classified by funds and character of expenditures and may be
3.12 subclassified by programs and activities. Agency revenue estimates must show how the
3.13 estimates were made and what factors were used. Receipts must be classified by funds,
3.14 programs, and activities. Expenditure and revenue estimates must be based on the law in
3.15 existence at the time the estimates are prepared.

3.16 Sec. 5. Minnesota Statutes 2008, section 16A.10, subdivision 2, is amended to read:

3.17 Subd. 2. **By October 15 and November 30.** By October 15 of each even-numbered
3.18 year, an agency must file the following with the commissioner:

3.19 (1) ~~budget estimates~~ actual spending for the three most recent and budget estimates
3.20 for the current fiscal years;

3.21 (2) its upcoming biennial budget estimates;

3.22 (3) a comprehensive and integrated statement of agency missions and outcome
3.23 and performance measures; and

3.24 (4) a concise explanation of any planned changes in the level of services or new
3.25 activities.

3.26 The commissioner shall prepare and file the budget estimates for an agency failing
3.27 to file them.

3.28 By November 30, the commissioner shall send the final budget format, agency
3.29 budget estimates for the next biennium, and copies of the filed material to the Ways and
3.30 Means and Finance Committees, except that the commissioner shall not be required to
3.31 transmit information that identifies executive branch budget decision items.

3.32 Sec. 6. **[16A.107] CASH FLOW FORECAST.**

3.33 Within 30 days after the November forecast of state revenue and expenditures under
3.34 section 16A.103, the commissioner shall deliver to the governor and the legislature a

4.1 forecast of cash flow for the general fund, showing the expected maximum and minimum
4.2 cash balance in the fund for each month of the forecast period.

4.3 Sec. 7. Minnesota Statutes 2008, section 16A.11, subdivision 3, is amended to read:

4.4 Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget
4.5 estimates both of expenditures and revenues, must contain any statements on the financial
4.6 plan which the governor believes desirable or which may be required by the legislature.
4.7 The detailed estimates shall include the budget request of each organizational unit within
4.8 an agency arranged in tabular form so it may readily be compared with the governor's
4.9 budget ~~arranged in tabular form~~ for the organizational unit and agency.

4.10 (b) Tables listing expenditures for the next biennium must show the appropriation
4.11 base for each year in column form broken down by appropriation allotments at budget
4.12 activity level relative to proposed appropriation and appropriation allotment levels by
4.13 budget activity. The appropriation base is the amount appropriated for the second year
4.14 of the current biennium. The tables must separately show any adjustments to the base
4.15 required by current law or policies of the commissioner of finance. For forecasted
4.16 programs, the tables must also show the amount of the forecast adjustments, based on the
4.17 most recent forecast prepared by the commissioner of finance under section 16A.103.
4.18 Any appropriation change requested by an agency or an organizational unit within an
4.19 agency must be submitted in writing and include information that supports the requested
4.20 change. For all programs, the tables must show the agency requests, the amount of
4.21 appropriation changes recommended by the governor, after adjustments to the base and
4.22 forecast adjustments, and the total recommendation of the governor for that year.

4.23 (c) The detailed estimates must include a separate line listing the total cost of
4.24 professional and technical service contracts for the prior biennium and the projected costs
4.25 of those contracts for the current and upcoming biennium. They must also include a
4.26 summary of the personnel employed by the agency, reflected as full-time equivalent
4.27 positions.

4.28 (d) The detailed estimates for internal service funds must include the number of
4.29 full-time equivalents by program; detail on any loans from the general fund, including
4.30 dollar amounts by program; proposed investments in technology or equipment of \$100,000
4.31 or more; an explanation of any operating losses or increases in retained earnings; and a
4.32 history of the rates that have been charged, with an explanation of any rate changes and
4.33 the impact of the rate changes on affected agencies.

5.1 (e) The detailed estimates must provide a spending trend analysis by program
5.2 showing at least the three most recent years of actual spending, or as many years of actual
5.3 spending as are available for new programs.

5.4 **EFFECTIVE DATE.** This section is effective January 1, 2011.

5.5 Sec. 8. Minnesota Statutes 2008, section 16A.11, is amended by adding a subdivision
5.6 to read:

5.7 Subd. 8. **Deficiency requests.** By January 15 of each year, the commissioner
5.8 of finance must notify the chair and ranking minority member of the senate Finance
5.9 Committee and the chair and ranking minority member of the house of representatives
5.10 Ways and Means Committee of any state agency requests to eliminate budget shortfalls
5.11 likely to occur before the end of the legislative session.

5.12 Sec. 9. **[43A.015] DUTIES AND RIGHTS OF CLASSIFIED EMPLOYEES.**

5.13 State employees in the classified service are expected during their work hours to be
5.14 nonpartisan resources to all decision makers, and to provide timely, professional assistance
5.15 to both executive and legislative decision makers and their staff in understanding
5.16 the current service and finance system and the potential impact of changes on these
5.17 systems. Workload concerns related to these requests shall be mediated, if necessary, by
5.18 management staff in a manner that does not advantage any particular set of decision
5.19 makers, but allows for balanced support and adequate attention to the ongoing
5.20 responsibilities of the agency. This section does not authorize or require an employee to
5.21 disclose data that is not public data under chapter 13.

5.22 Sec. 10. Minnesota Statutes 2008, section 181.932, subdivision 1, is amended to read:

5.23 Subdivision 1. **Prohibited action.** An employer shall not discharge, discipline,
5.24 threaten, otherwise discriminate against, or penalize an employee regarding the employee's
5.25 compensation, terms, conditions, location, or privileges of employment because:

5.26 (1) the employee, or a person acting on behalf of an employee, in good faith, reports
5.27 a violation or suspected violation of any federal or state law or rule adopted pursuant to
5.28 law to an employer or to any governmental body or law enforcement official;

5.29 (2) the employee is requested by a public body or office to participate in an
5.30 investigation, hearing, inquiry;

5.31 (3) the employee refuses an employer's order to perform an action that the employee
5.32 has an objective basis in fact to believe violates any state or federal law or rule or

6.1 regulation adopted pursuant to law, and the employee informs the employer that the order
6.2 is being refused for that reason;

6.3 (4) the employee, in good faith, reports a situation in which the quality of health care
6.4 services provided by a health care facility, organization, or health care provider violates a
6.5 standard established by federal or state law or a professionally recognized national clinical
6.6 or ethical standard and potentially places the public at risk of harm; ~~or~~

6.7 (5) a public employee communicates the findings of a scientific or technical study
6.8 that the employee, in good faith, believes to be truthful and accurate, including reports to a
6.9 governmental body or law enforcement official; or

6.10 (6) an employee in the classified service of state government communicates
6.11 information that the employee, in good faith, believes to be truthful and accurate, and that
6.12 relates to state services, including the financing of state services to:

6.13 (i) a legislator or the legislative auditor; or

6.14 (ii) a constitutional officer.

6.15 The disclosures protected pursuant to this section do not authorize the disclosure of data
6.16 otherwise protected by law.

6.17 Sec. 11. **BUDGET WORKING GROUP.**

6.18 By July 14, 2009, the commissioner of finance must convene a joint
6.19 executive-legislative working group to evaluate the usefulness and benefits of the budget
6.20 documents prepared in accordance with the requirements of Minnesota Statutes, section
6.21 16A.11. The members of the working group must include executive branch staff and
6.22 designees of the chairs of the senate Finance and house of representatives Ways and
6.23 Means committees, including representatives of both the majority and minority parties.
6.24 The appointing authorities from the legislative branch must complete their designations by
6.25 July 1, 2009.

6.26 The working group must also examine the current availability and usefulness to
6.27 the legislature and the public of state budget information, in both printed and electronic
6.28 form. The working group must make recommendations, including draft legislation, if
6.29 necessary, to improve the ability of the legislature and the public to use the information on
6.30 state revenues and expenditures.

6.31 By December 10, 2009, the commissioner must report the progress of the working
6.32 group to the Legislative Commission on Planning and Fiscal Policy, and other committees
6.33 as appropriate.

6.34 The working group expires when the commissioner submits the report required
6.35 by this section.

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7.1 Sec. 12. **REPEALER.**

7.2 Minnesota Statutes 2008, section 16A.152, subdivision 1b, is repealed.

7.3 Sec. 13. **EFFECTIVE DATE.**

7.4 Sections 1 to 6 and 8 to 12 are effective the day following final enactment.

APPENDIX
Repealed Minnesota Statutes: s0002-1

16A.152 BUDGET RESERVE AND CASH FLOW ACCOUNTS.

Subd. 1b. **Budget reserve increase.** On July 1, 2003, the commissioner of finance shall transfer \$300,000,000 to the budget reserve account in the general fund. On July 1, 2004, the commissioner of finance shall transfer \$296,000,000 to the budget reserve account in the general fund. The amounts necessary for this purpose are appropriated from the general fund.