Overview

This is the omnibus State Government Finance Committee bill. See the spreadsheet prepared by fiscal analyst Helen Roberts for information on appropriations.

Article 1
Appropriations

Section
1  Summary by fund. Summarizes appropriations by fund.
2  Legislature.
   Subd. 1. Total.
   Subd. 2. Senate. Cancels $1 million of carry-forward funds to the general fund.
   Subd. 3. House of Representatives. Cancels $2 million of carry-forward funds to the general fund.
      Provides for allocation of parking spaces in the State Office Building ramp between House and Senate staff.
      Provides that during the 1999 interim, the state government budget committees in the House and Senate must study internal service funds and enterprise funds in the department of administration and services provided through those funds.
   Subd. 4. Legislative Coordinating Commission. Specifies appropriations for the revisor of statutes, the legislative reference library, and the legislative auditor.
      Provides that a 1998 appropriation for meetings with members between members of the Minnesota legislature and the Manitoba and Ontario parliament does not cancel.
      Requires Canadian financial participation.
Provides that house and senate administrative services, public information, and television offices are combined, under the jurisdiction of the LCC, effective January, 2000.

Provides that during the interim between the 1999 and 2000 legislative sessions, legislative employees may temporarily work for state agencies, by mutual agreement of the appointing authorities.

Requires the pension commission to report to the legislature comparing public and private sector pensions.

Requires the pension commission to report to the legislature on benefits of changing the membership of the commission to include nonlegislators.

Requires the legislative coordinating commission to implement a plan for scheduling House and Senate floor sessions at the same time and having more joint committee meetings.

3 Governor and Lieutenant Governor. Provides that the governor's office may not include more than three legislative relations staff, and that savings may be used to provide increased security.

Requires the governor to submit an application for federal permits needed to authorize growing experimental and demonstration plots of industrial hemp. Requires the governor to establish standards and forms for persons wishing to register for growing experimental and demonstration plots of industrial hemp.

Requires the commissioner of finance to report on personnel costs incurred by the office of the governor and lieutenant governor that were supported by appropriations to other agencies.

4 State Auditor.

5 State Treasurer.

6 Attorney General. Specifies an appropriation for the information technology initiative.

Requires a report on specified issues relating to funding of the office.

7 Secretary of State. Specifies a one-time appropriation for computer projects. The appropriation may be spent only upon approval of the director of the office of technology.

8 Campaign Finance and Public Disclosure Board.

9 Investment Board.

10 Administrative Hearings.


 Specifies funding for a program evaluation division. Lists duties of the division. Requires a report by February 1, 2001 on ways to reduce state government expenditures by five or ten percent.

 Specifies an appropriation for the feedlot generic environmental impact statement.

 Provides that the metropolitan airports commission may not begin or continue activities relating to implementation of the Minneapolis-St.Paul international airport year 2000 long-term comprehensive plan until: (a) an environmental impact statement is completed evaluating specified alternative assumptions; and (b) adequate funding is guaranteed to implement certain mitigation programs.

 Provides funding for planning grants in Mankato and for regional development groups.

12 Administration.

Subd. 1. Total.
Subd. 2. Operations Management.
Subd. 3. Intertechnologies. Specifies an appropriation for the year 2000 project office and a year 2000 contingency fund.

Subd. 4. Facilities Management. Provides that during the biennium ending June 30, 2001, all increases over the fiscal year 1999 expenditure level for rent charged by the department of administration to state agencies for use of state owned buildings must be used only for repair or maintenance of these buildings.

Subd. 5. Management Services.
Subd. 6. Fiscal Agent. Specifies appropriations for certain office space costs, the state employees' band, the STAR program, the alliance with youth, the developmental disabilities council, augmentive and alternative communications, technology related assistance for individuals with disabilities, and a grant to the fire service certification board.

Subd. 7. Public Broadcasting. Specifies appropriations for public television grants and equipment needs, legislative television, grants to the Twin Cities regional cable channel, conversion to digital broadcast signal, and public radio grants and equipment needs.

Subd. 8. Request for proposal. Requires the commissioner of administration to develop a request for proposals to operate the Rush City correctional facility. The request must be issued by August 1, 1999, and must remain open until September 1, 1999. The commissioner must select a vendor to operate the facility by October 1, 1999.

13 Office of Technology. Provides that the second year appropriation is contingent on the commissioner of administration submitting a plan to the legislature for reorganization of the office.

Specifies an appropriation for small agency infrastructure.

Specifies an appropriation for completion of the one-stop business licensing project.

14 Capitol Area Architectural and Planning Board. Requires the board to install a plaque identifying the department of revenue as an occupant of the 600 North Robert Street building. Requires the board and the Minnesota historical society to remove the existing Spanish-American war plaque from the Capitol rotunda and donate it to the historical society.

15 Finance.
Subd. 1. Total.
Subd. 2. State Financial Management.
Subd. 3. Information and Management Services. Requires the commissioner to work with the commissioners of employee relations and administration to develop requests for proposals to use a private vendor for the state payroll system. Permits governmental entities to submit bids. Requires the request to be issued by October 1, 1999.

Subd. 4. Technology budget book. Requires the department to prepare a separate budget book for the next biennial budget, containing technology initiatives.

16 Employee Relations.
Subd. 1. Total.
Subd. 2. Human Resources Management. Requires the commissioner to develop plans for recruitment and retention of minority employees in state government.

Specifies appropriations for government training service grants.

Subd. 3. Employee Insurance. Provides that the employee assistance program must be funded entirely by assessing agencies.
Revenue.
Subd. 1. Total.
Subd. 2. Tax Management System.
Subd. 3. Accounts Receivable Management.
Subd. 4. Other provisions. Provides that the building at 600 N. Robert Street is named the Harold E. Stassen building.

Military Affairs.
Subd. 1. Total.
Subd. 2. Maintenance of Training Facilities. Specifies that part of the appropriation for this program is one-time.
Subd. 3. General Support. Specifies appropriation to assist in operation and staffing of the Minnesota national guard youth camp at Camp Ripley, contingent on a match.
Subd. 4. Enlistment Incentives. Specifies that part of the appropriation for this program is one-time. Provides that obligations for the reenlistment bonus program shall be paid from amounts available within the program. Provides the amounts are available in either year of the biennium and are available until expended.
Subd. 5. Emergency Services. Specifies appropriation for expenses of military forces ordered to active duty.

Veterans Affairs. Specifies appropriations for county veterans services offices, emergency financial and medical needs of veterans, and a grant to Vinland Center. Permits transfer among programs.

Makes a new appropriation for Persian Gulf bonuses and cancels the remainder of the previous appropriation.

Provides that part of the appropriation for the guardianship activity is one-time.

Specifies an appropriation for a contribution toward a national World War II memorial that may not be spent until the commissioner determines the memorial will be built.

Veterans of Foreign Wars.

Military Order of the Purple Heart.

Disabled American Veterans.

Gambling Control. Requires the commissioner of revenue to provide technical support to the board without charge for collection of gambling taxes.

Racing Commission.

Amateur Sports Commission. Requires the commission to develop a plan for becoming self-sufficient within five years. Requires a report by February 1, 2000.

Board of the Arts.
Subd. 1. Total.
Subd. 2. Operations and Services. Requires the Arts Board to report specified information on the effect of grants made during the current biennium, and to compile and make available historical information on grantees.
Subd. 3. Grants Programs. Specifies an appropriation for arts in education.
Subd. 4. Regional Arts Councils.
Minnesota Humanities Commission. Requires the commission to develop a plan for selection of a Minnesota Poet Laureate.

General Contingent Accounts.

Tort Claims.

Minnesota State Retirement System.

Minneapolis Employees Retirement Fund.

Police and Fire Amortization Aid.

Board of Government Innovation and Cooperation.

Compensation Council. Provides that the recommendations of the 1999 compensation council must not take effect unless approved by another law.

Statewide systems account. Establishes the statewide systems account in the general fund. Permits the commissioner of finance to bill users of the system for services, up to specified dollar limits. Appropriates money to the commissioner of finance to pay for statewide systems during the upcoming biennium.

Article 2
State Government Operations

Leadership pay. Strikes authority to pay legislative leadership positions at 140 percent of compensation of other members.

Federal funds. Provides that if a request to spend federal money is included in a governor's budget request and approved, but the purpose changes, the changed purpose must be treated in the same manner as a new request is treated.

Legislative accounting. Requires the legislative branch to use the state accounting system developed by the commissioner of finance.

Public information. Requires the LCC to provide public information services.

Television. Requires the LCC to provide for television production and transmission of legislative proceedings.

Administrative services. Requires the Legislative Coordinating Commission (LCC) to provide administrative services to the entire legislative branch.

Interpreter services. Requires a state agency to pay for sign language interpreter services provided on behalf of its employees at legislative meetings.

Pension Commission. Increases the size of the pension commission from 12 to 14. Provides that members continue to serve until successors are appointed.

Management analysis. Creates a management analysis function in Minnesota planning (another section of this bill transfers this function to planning from the department of administration).

Attorney general. Requires the attorney general to submit its billing rate for the next biennium to the commissioner of finance by August 1 of each even-numbered year.

Attorney general. Requires the attorney general's budget request to include a consolidated listing that shows on one page all appropriations that will be used to support the office and the legislative finance divisions from which these appropriations will be requested.

Attorney general. Requires notification of funding committees when the attorney general enters into an agreement for legal services.

Procedures. Requires government entities to prepare written public access procedures and update them each August 1 as necessary. Requires free distribution of the procedures or posting them on the government premises.
14 **Contract terms.** Requires government entities to include in contracts with private parties a provision that states current law: that in handling data involved in the contract, the private party is subject to the government data practices act. Adds that the party does not have to give the public access to public data that are available from the government, unless the contract so provides.

15 **Preparation of model policies.** Requires the commissioner of administration to consult with government entities and prepare model policies on public access and rights of data subjects. Requires the commissioner to assist government entities in protecting the integrity of computer data that is accessible to the public. Allows government entities to adopt or reject the commissioner's model. Requires a government entity to notify the commissioner whether or not it decides to adopt the model. If it does not adopt the model, the government entity must give the commissioner copies of the policies it adopts.

16 **Volunteer services.** Strikes reference to the office of citizenship and volunteer services, because the bill repeals the office.

17 **Capitol Area.** Strikes specified area from the jurisdiction of the Capitol Area Architectural and Planning Board. At one time, this area was under consideration as a site for the Labor Interpretive Center.

18 **Price of government.** Provides that the governor's price of government recommendations must be submitted at the same time as the detailed operating budget.

19 **Forecasts.** Requires revenue and expenditure forecasts to be delivered to the legislature and governor on the same day. Requires forecasts to consider amount of state bonding as it affects debt service.

20 **Fees.** Requires detailed budget proposal for each executive agency to include proposals for any new fees or increases in existing fees.

21 **Legislative approval of fees.** Provides that an executive agency may not impose a new fee or increase an existing fee unless the fee is approved by law. Defines "fee" for this purpose and sets forth certain exclusions. Permits agencies to reduce fees without legislative approval and without going through rulemaking. Provides that the total amount raised in a biennium by a fee set by rule may not exceed the total amount raised by that fee during the 2000-2001 biennium.

22 **Cancellation of warrants.** Amends schedule for cancellation of state warrants to bring schedule more in line with unclaimed property act.

23 **Capital grants to local government.**

**Subd. 1. Projects covered.** Provisions of bill apply only to capital improvement projects not covered by another state program of assistance.

**Subd. 2. Budget request.** Provides that political subdivisions seeking either general fund or state general obligation bond proceeds for local capital improvement projects are encouraged to submit their requests to the commissioner of finance by June 1 in the odd-numbered years. Requires requests filed on time to be forwarded to the legislature in the same manner as agency capital budget requests (due July 1st).

**Subd. 3. Evaluation.** Provides that the commissioner of finance will evaluate all requests based on the nine criteria identified in the bill. Further provides that the commissioner must forward all requests, with the commissioner's evaluation and the governor's recommendation, to the legislature.

**Subd. 4. Funding.** Provides that if a project covered by this section is funded, the amount of the funding may be no more than one-half of the total project cost, except when projects are needed as a result of, or to prevent, a disaster, or when projects are located in political subdivisions with very low average net tax capacities. Further provides that this section does not prevent the
governor from recommending or the legislature from funding, projects that do not meet the established criteria when a compelling reason exists.

24 **Capital projects.** Provides that for capital projects involving any agency, plans may not be adopted, nor improvements made, unless a sufficient appropriation for the project is available.

25 **Operation of information systems.** Provides that the commissioner of administration is responsible for administering, instead of "operation of" the state information infrastructure.

26 **Telecommunication.** Provides that the commissioner of administration is responsible for supervising and controlling the leasing of state telecommunication services, rather than supervising and controlling these facilities.

27 **State information infrastructure.**

Provides that the state may provide only those telecommunication services that are not available through the private sector.
States that this section does not preclude the state from purchasing, owning, or leasing customer premises equipment.
Provides that the state shall arrange for, rather than provide, telecommunications transmission services to state agencies and other entities. Except when private sector services are not available, forbids the state from purchasing, owning, or leasing any telecommunications network facilities or equipment, and provides that the state shall lease the related services from the private sector. Defines "state information infrastructure as the network facilities and telecommunications services provided through contracts administered by the commissioner. Provides that the commissioner shall negotiate and administer leases, rather than provide, certain telecommunications services.
Permits the commissioner to assist other entities in identifying, purchasing, or leasing their customer premises equipment.
Requires the commissioner to secure bids or proposals from private sector vendors to service the needs of state agencies and others. Permits other entities to seek services directly from private vendors, without participation of the commissioner.

28 **Management analysis.** Strikes reference to management analysis services in law governing department of administration funding, because the bill transfers the management analysis function to Minnesota Planning.

29 **Parking restrictions.** Prohibits parking on terraces adjacent to the carriage entrance on the south side of the Capitol. Reserves the ten parking spots on Aurora Avenue closest to the main entrance of the Capitol for disabled parking. Requires the remainder of the parking spaces on Aurora Avenue to be reserved for the general public during legislative sessions.

30 **Cost-benefit analysis.** Requires a cost-benefit analysis for contracts of over $5 million involving goods or services that are expected to have a useful life of more than three years. Provides that a contract shall not be entered into unless the analysis shows a positive benefit to the public, or if the governor approves based on a cost-effectiveness study showing that the project is the most effective way to provide a necessary public good. The section does not apply in response to a natural disaster for which the governor has declared an emergency.

31 **Preference.** Provides that a business may not receive a preference under state purchasing laws for more than five years from first certification of eligibility.

32 **Debt referrals.** Requires state entities to refer debts to the Minnesota collection enterprise when the debt becomes 121 days past due. Provides certain exclusions.

33 **Total compensation reporting.** Requires the commissioner of employee relations to report annually on specified information relating to executive branch employees, including salary and
benefit information.

34 **Employee assistance.** Requires the commissioner of employee relations (instead of administration) to run the state employee assistance program.

35 **Board of government innovation.** Strikes reference to the board of government innovation and cooperation, because another section of the bill repeals the board (effective in 2000).

36 **Preferences.** Provides that a business may not receive a preference under MnSCU purchasing laws for more than five years from first certification of eligibility.

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38 **Records management.** Provides for the director of the historical society to assist the commissioner of administration in the state records management program.

39 **Emergency records.** Provides for the director of the historical society to assist the commissioner of administration in protecting records in event of natural or nuclear disaster.

40 **Workers' compensation premium.** Provides an open and standing appropriation to the commissioner of employee relations of amounts necessary to pay premiums to the workers compensation reinsurance association.

41 **Persian gulf bonus.** Extends deadline for applications for Persian Gulf bonus from June 30, 1999 to June 30, 2001.

42 **Preference ballot.** Provides for preference balloting for president of the United States or governor at precinct caucuses. This section is in connection with the repeal of the requirement to hold a presidential primary.

43 **Results of preference ballots.** Requires the secretary of state to promptly report the results of preference balloting at precinct caucuses.

44 **Reference.** Strikes reference to office of citizenship and volunteer services because the bill repeals this office.

45 **Revolving account.** Creates a revolving account for proceeds from sales of heat-applied cigarette tax stamps.

46 **Inspection of manufacturers.** Strikes sunset on a standing appropriation of money the gambling control board receives from inspection of manufacturers.

47 **State auditor.** Provides that certain costs of the state auditor's pension oversight division must be recovered from pension funds.

48 **Preference; Ramsey.** Provides that a business may not receive a preference under Ramsey County purchasing laws for more than five years from first certification of eligibility.

49 **Board of government innovation.** Provides that grant money repaid to the board of government innovation and cooperation must be deposited in the general fund, instead of being appropriated to the board.

50 **Board of government innovation.** Strikes reference to the board of government innovation and cooperation, because another section of the bill repeals the board (effective in 2000).

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52 **Board of government innovation.** Strikes reference to the board of government innovation and cooperation, because another section of the bill repeals the board (effective in 2000).

53 **Municipal contracting.** Provides that a business may not receive a preference under municipal purchasing laws for more than five years from first certification of eligibility.
Planning. Strikes reference to community based planning goals, because the bill repeals community-based planning.

Reference. Corrects reference to state information infrastructure.

Drafting task force. Requires the revisor of statutes, house research and senate counsel and research to study the use of "must" and "shall" in legislative drafting and report by November 1, 1999.

Loan repayment. Provides that the loan made by the Minneapolis community development agency to the Minneapolis park and recreation board in 1986 to acquire property for the central riverfront regional park must not be repaid by any funds from the state of Minnesota or funds of political subdivisions of the state, including the Metropolitan Council.

Management analysis transfer. Transfers the management analysis activity in the department of administration to the office of strategic and long-range planning.

Employee assistance transfer. Transfers the state employee assistance program from the department of administration to the department of employee relations.

Humanities commission transfer. Provides that the Minnesota humanities commission is transferred to the department of children, families, and learning for administrative purposes.

Salary limits. Provides that aggregate amount spent by all executive branch agencies on employee salaries in fiscal year 2000 may not exceed 101 percent of the amount spent in fiscal year 1999. Provides that aggregate amount spent by all executive branch agencies on employee salaries in fiscal year 2001 may not exceed 103 percent of the amount spent in fiscal year 1999. For purposes of this section, executive agency includes MnSCU, but not constitutional offices. Places the same limits on the legislature.

Appropriation reductions. Reduces general fund appropriations to executive agencies by $38.7 million for the biennium. Provides for the governor to allocate these reductions. Reduces general fund appropriations to MnSCU by $35 million for the biennium. Provides for the chancellor to allocate these reductions.

Voluntary leaves. Requires state appointing authorities to encourage employees to take voluntary leaves of up to 160 hours during the biennium ending June 30, 2001. Provides for continued vacation and sick leave accrual and credit in retirement plans during this leave period.

Revisor instruction. Instruction to revisor to change statutory references in connection with transfer of employee assistance function.

Repealer. Repeals the following sections:

- Community based planning: 4A.08; 4A.09; 4A.10; 394.232; 462.3535; 473.1455; 572A.01; 572A.03, subdivision 2.
- Performance reports: 15.90, 15.91, and 15.92
- 16A.103, subdivision 3: separate reporting of departmental earnings as part of November forecasts.
- 16B.36: management analysis activity in department of administration
- 16B.39, subdivision 2: employee assistance in department of administration
- 16B.88: office of volunteer services
- 16E.11: Trade point activity in Office of Technology
- Chapter 207A: Presidential Primary.
- 240A.08: Appropriation of $750,000 to Amateur Sports Commission in connection with Target Center
- Board of Government Innovation: various sections in chapter 465 (effective June 30,
Effective dates.

Article 3
Year 2000

1 Year 2000 activities; immunity.
Subd. 1. Definitions.
Subd. 2. Association. The term covers a trade, professional, government, or similar organization of individuals, enterprises, or government units engaged in similar activity.
Subd. 3. State agency. Means the University of Minnesota, MnSCU, and the entities in the executive, judicial, and legislative branches.
Subd. 4. Year 2000 solution information. Means information addressing the inability of computer systems, software, or electronic devices to recognize certain dates in 1999 and after December 31, 1999.
Subd. 5. Association and related immunity. Prohibits an action against (1) an association for harm resulting from collection or publication of year 2000 solution information, or (2) any person or entity providing such information to the association.
Subd. 6. State agency immunity. Prohibits an action against a state agency for harm from collection or publication of year 2000 solution information.
Subd. 7. Government unit immunity. Prohibits an action against a government unit, including units under a joint powers agreement, for harm due to collection, publication, or dissemination of year 2000 solution information to other government units.
Subd. 8. Exception. No immunity if the defendant knew the information was materially false or provided it with reckless disregard of its accuracy.
Subd. 9. No implied cause of action. The section does not imply or create liability for any person or public or private entity by the absence of a grant of immunity.

2 Trial of Matters on Y2K Processing. Allows a suit on Y2K processing failure to be commenced and discovery conducted, but prohibits dispositive motions and trials until after January 1, 2001 unless the court determines that failure to rule on a dispositive motion would result in hardship.
Requires these cases to be assigned to a special district court panel to be set up beginning July 1, 1999.

3 Declaration of emergency. Provides that until April 1, 2000, the governor has special powers to declare emergencies, if actual or potential failure of computers or electronically controlled devices creates an actual or imminent serious threat to health or safety of person or of catastrophic loss to property or the environment. Current law provides that in emergencies, government agencies may take actions without following certain laws, such as laws governing purchase of materials, entering into contracts, and employment of workers. This section provides that compliance with laws could be omitted only to the extent necessary to protect health and safety or prevent catastrophic loss.
A governor's declaration under this section must specify what government units are covered and the time period for which the declaration applies.
Requires units of local government to report to the state year 2000 project office on omitting compliance with procedures and laws under this section.

4 Year 2000 problem reports. Requires electric utilities and telephone companies to file status
reports on year 2000 problems with the public utilities commission, the department of public service, and the division of emergency services. Reports must be filed on July 1 and October 1, 1999. Specifies contents of the reports.

5 **Exemption from municipal contracting law.** Provides that until April 1, 2000, the municipal contracting law does not apply when the governing body of a municipality determines there is an urgency due to actual or potential failure or malfunction of critical public infrastructure or systems due to year 2000 problems.

Requires reporting to the state year 2000 office on each instance in which a municipality omits compliance with the uniform municipal contracting law.

6 **Health department.** Requires the department of health, by July 30, 1999, to survey hospitals, nursing homes and certain water systems concerning year 2000 issues, and to disseminate this information in a prompt and reasonable manner.

Requires these entities to file status reports on year 2000 problems with the health department and the division of emergency services. Specifies contents of the reports.

7 **Department of human services; Year 2000 activity.** Specifies that if year 2000 computer problems cause a malfunction in the DHS systems that pay health care providers, DHS must pay health care providers manually or by other means within the time periods required by statute.

8 **Status reports.** Provides that state agencies must consult with reporting entities on the form of status reports.

9 **Year 2000 loan fund.** Makes an appropriation of $20 million from the budget reserve account to the commissioner of finance to establish a fund to make loans to school districts, counties, joint powers boards, cities and towns for year 2000 costs. Requires that loans may not be made until the state year 2000 office certifies that (1) proposed use of the loan is related only to year 2000 remediation; (2) the unit of government has insufficient resources to address year 2000 problems; and (3) the loan would be used to correct problems that are likely to affect public health and safety or cause catastrophic loss to property or the environment.

Requires local governments to repay the loans by June 30, 2001. Interest is charged at the rate earned on the invested treasurer's cash fund.

Requires reporting to the state year 2000 project office. Provides that the appropriation in this section cancels April 1, 2000, and must be deposited in the budget reserve account.

10 **Department of administration review.** Requires the commissioner of administration, through staff of the Y2K project office, to review use of emergency authority and emergency funds under this act. If the commissioner determines loan funds were used in a manner not consistent with this act, the political subdivision must pay 12 percent interest on the loan.

**Article 4**

**Conforming Changes: Fees**

This article makes conforming changes in statutes that refer to setting fees in rule. These changes are in conjunction with the new requirements in Article 1 of this bill that the legislature approve new fees or fee increases.