

HOUSE RESEARCH

Bill Summary

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Overview

This bill creates the Minnesota Innovation and Research Council. The bill transfers to the Council, from the State Auditor, the authority to grant certain waivers of administrative rules and temporary limited exemptions from enforcement of procedural requirements in state law and to grant state agencies waivers from rules dealing with the state personnel, procurement, or accounting systems. The bill also authorizes the council to make grants to local government units and related organizations for specified purposes, and to select policy innovation topics for review and analysis for independent organizations.

Section

Article 1

Strategic Plan

- 1 Strategic plan report.** Requires the Minnesota Innovation and Research Council to report by January 15, 2011, with a strategic plan to improve state and local government delivery of public services.

Article 2

Minnesota Innovation and Research Council

- 1 **Recommendations to council.** Authorizes the legislative auditor to make recommendations to the council.

- 2 **Definitions.** Defines terms in the laws governing the Minnesota Innovation and Research Council.

- 3 **Minnesota Innovation and Research Council.** Creates a 15-member council, consisting of two senators, two house members, three executive agency heads, an administrative law judge, the State Auditor, two higher education representatives, and one member appointed by each of the following: Minnesota Council on Nonprofits, Minnesota Council on Foundations, Minnesota Chamber of Commerce, and AFSCME. Provides that legislators are nonvoting members, and that only the three agency heads, the administrative law judge and the State Auditor may vote on waiver requests.

Specifies duties for the council, including: acting on applications from local government units and nonprofit organizations for waivers from administrative rules and for temporary, limited exemptions from enforcement of procedural requirements in law; making grants to local government units and related organizations proposing to design models or plans for innovative service delivery and management; making grants to local government units for service-sharing grants; making recommendations regarding state mandates on local government.

- 4 **Rule and law waiver requests.** Authorizes a local government unit or a nonprofit organization to request the Minnesota Innovation and Research Council to grant a waiver from administrative rules or a temporary, limited exemption from enforcement of state procedural laws governing delivery of services by the local government unit or nonprofit organization. This authority is very similar to authority in current section 6.80 (repealed at the end of this bill) for the State Auditor to grant these waivers or exemptions, except that authority does not extend to nonprofit organizations. This section specifies the process for the council to review and act on these waiver and exemption requests, and criteria and conditions for waivers and exemptions.

- 5 **Waiver of state rules; policies.** Authorizes a state agency to apply to the council for a waiver from an administrative rule or policy adopted by MMB or the Department of Administration governing the state personnel system, the state procurement system, or the state accounting system. Specifies a process for the council to review and act on these requests, and criteria for granting waivers.

- 6 **Innovation and redesign grants.** Authorizes local government units or not-for-profit organizations to apply to the council for grants to be used to develop models for service redesign, or to meet the start-up costs of providing shared services of functions. Requires applicants to specify a nonstate funding source for 25 percent of the total cost. Specifies criteria for the council to consider in evaluating these grants.

- 7 **Scoring system.** Specifies a point-based scoring system for the council to evaluate grant applications.
- 8 **Repayment of grants.** Provides that the council may require a grant recipient to repay all or part of the cost of a grant if the council determines the project resulted in actual savings for the participating local units of government. Requires the grant agreement to specify how to determine savings and the period for repayment.
- 9 **Policy innovation and research.** Requires the council to select policy innovation topics for review by independent organizations. Requires the council to prepare requests for proposals relating to these topics, and specifies criteria for considering submissions.
- 10 **Receipts; appropriation.** Authorizes the council to charge a fee for use of services provided by council staff, and appropriates fee receipts to the council.
- 11 **Guaranteeing increased value to the taxpayer.** Requires the council to report by January 15 each year on the council's net spending, the amount of savings and increased outcomes to the taxpayer identified by the council and the actual documented savings to state and local governments. Requires entities receiving grants or waivers to document and verify savings. Requires the council to make every effort to obtain \$3 in savings and show increased value to the taxpayers for each net state dollar spent by the council. Requires the council to promote and drive innovative practices, and to make specified recommendations to the legislature.
- 12 **Appropriations.** Appropriates \$50,000 to the council for the fiscal year ending June 30, 2011.
- 13 **Repealer.** Repeals Minnesota Statutes, section 6.80, which gives the State Auditor authority over local government rule and law waiver requests.