

CHAPTER 248—S.F.No. 1246

An act relating to public administration; making changes designed to improve efficiency and operation of government; abolishing periodic reports; granting certain duties to the legislative coordinating commission, and providing for the cessation of certain other legislative commissions; repealing certain obsolete rules, and removing references to repealed rules; providing for study of reorganization of certain state agency functions; requiring certain reports from the higher education services office; modifying laws governing operation of the department of employee relations; providing mission statements for state departments and agencies; establishing various pilot projects to improve the efficiency of state and local government human resources and procurement functions; requiring a study of specified issues related to public employment; establishing a process for developing more efficient procedures for state agencies to contract with the University of Minnesota; permitting the board of government innovation and cooperation to waive certain rules of specified state agencies; making changes to improve administration of the medical assistance program; providing deadlines for certain state and local agency actions; establishing a process to ensure state agencies are responsive to customer needs; amending Minnesota Statutes 1994, sections 3.303, subdivision 5; 3.305; 3.85, subdivision 5; 3.855, by adding a subdivision; 13.67; 16A.055, by adding a subdivision; 16B.04, by adding a subdivision; 17.03, by adding a subdivision; 43A.04, subdivision 1, and by adding a subdivision; 43A.08, subdivision 1; 43A.10, subdivision 8; 43A.13, subdivision 6; 43A.15, by adding a subdivision; 43A.19, subdivision 1; 43A.191, subdivisions 1, 2, and 3; 43A.24, subdivision 2; 43A.27, subdivision 3; 43A.316; 43A.317, subdivision 5; 45.012; 62J.45, subdivision 8; 84.027, by adding a subdivision; 116.03, by adding a subdivision; 116J.011; 120.0111; 135A.052, subdivision 1; 144.05; 174.02, by adding a subdivision; 175.001, by adding a subdivision; 190.09; 196.05; 216A.07, by adding a subdivision; 216C.051, subdivision 6; 241.01, by adding a subdivision; 245.03; 256B.056, by adding subdivisions; 256B.0644; 256D.405, by adding a subdivision; 268.0122, by adding a subdivision; 270.02, by adding a subdivision; 299A.01, by adding a subdivision; 356.87; and 363.05, by adding a subdivision; Minnesota Rules, parts 1540.2140; 7001.0140, subpart 2; 7001.0180; 8130.3500, subpart 3; and 8130.6500, subpart 5; proposing coding for new law in Minnesota Statutes, chapters 15; and 465; repealing Minnesota Statutes 1994, sections 3.304, subdivision 2; 3.855, subdivision 1; 3.861; 3.863; 3.864; 3.873, subdivision 9; 3.881; 3.882; 3.885, subdivisions 1a, 3, 6, 7, and 8; 3.9227; 256B.504; and 256D.425, subdivision 3; Minnesota Rules, parts 1540.0010, subparts 12, 18, 21, 22, and 24; 1540.0060; 1540.0070; 1540.0080; 1540.0100; 1540.0110; 1540.0120; 1540.0130; 1540.0140; 1540.0150; 1540.0160; 1540.0170; 1540.0180; 1540.0190; 1540.0200; 1540.0210; 1540.0220; 1540.0230; 1540.0240; 1540.0260; 1540.0320; 1540.0330; 1540.0340; 1540.0350; 1540.0370; 1540.0380; 1540.0390; 1540.0400; 1540.0410; 1540.0420; 1540.0440; 1540.0450; 1540.0460; 1540.0490; 1540.0500; 1540.0510; 1540.0520; 1540.0770; 1540.0780; 1540.0800; 1540.0810; 1540.0830; 1540.0880; 1540.0890; 1540.0900; 1540.0910; 1540.0920; 1540.0930; 1540.0940; 1540.0950; 1540.0960; 1540.0970; 1540.0980; 1540.0990; 1540.1000; 1540.1005; 1540.1010; 1540.1020; 1540.1030; 1540.1040; 1540.1050; 1540.1060; 1540.1070; 1540.1080; 1540.1090; 1540.1100; 1540.1110; 1540.1120; 1540.1130; 1540.1140; 1540.1150; 1540.1160; 1540.1170; 1540.1180; 1540.1190; 1540.1200; 1540.1210; 1540.1220; 1540.1230; 1540.1240; 1540.1250; 1540.1255; 1540.1260; 1540.1280; 1540.1290; 1540.1300; 1540.1310; 1540.1320; 1540.1330; 1540.1340; 1540.1350; 1540.1360; 1540.1380; 1540.1400; 1540.1410; 1540.1420; 1540.1430; 1540.1440; 1540.1450; 1540.1460; 1540.1470; 1540.1490; 1540.1500; 1540.1510; 1540.1520; 1540.1530; 1540.1540; 1540.1550;

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

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ARTICLE 1

REPORTS ABOLISHED

Section 1. REPORTS ABOLISHED.

Subdivision 1. ABOLITION; EXCEPTIONS. Except as provided in subdivision 3, each requirement in law for a periodic report from a state agency to the legislature listed in "Required Periodic Reports to the Legislature" compiled in accordance with Laws 1994, chapter 559, section 4, is abolished effective October 15, 1995, except for the reports required by Minnesota Statutes, sections 1.31, section 5, subdivision 2; 2.91, subdivisions 2 and 4; 3.17; 3.30, subdivision 2; 3.3005, subdivisions 2 and 5; 3.754; 3.85, subdivision 11; 3.855, subdivision 2; 3.873, subdivision 6; 3.885, subdivisions 6 and 7; 3.9227, subdivisions 2 and 3; 3.97, subdivision 12; 3.971; 3.972, subdivision 3; 3.973; 3.974; 3.975; 3C.03, subdivision 4; 3C.12, subdivision 2; 4.071, subdivision 2; 4.47; 4A.06; 5.08, subdivisions 1 and 2; 6.72, subdivision 1; 6.74; 6.75; 8.15, subdivisions 3 and 4; 10.47; 10.48; 10A.02, subdivisions 1, 2, and 8; 10A.07, subdivisions 1 and 2; 11A.04; 11A.041; 11A.07, subdivision 4; 12.221, subdivision 1; 13.32, subdivision 6; 14.18, subdivision 2; 14.46, subdivision 4; 14.47, subdivision 8; 15.0597, subdivision 7; 15.0599, subdivision 5; 15.065; 15.50, subdivision 2, paragraph (k); 15.91, subdivision 2; 15A.081, subdivisions 1, 7, and 7b; 15A.082, subdivision 3; 16A.06, subdivision 2; 16A.095, subdivision 2; 16A.10, subdivisions 1 and 2; 16A.102, subdivisions 1 and 3; 16A.103, subdivisions 1, 2, and 3; 16A.105; 16A.11, subdivision 1; 16A.122, subdivision 4; 16A.124, subdivision 7; 16A.127, subdivision 2; 16A.1285, subdivisions 3 and 4; 16A.285; 16A.50; 16A.501; 16A.641, subdivision 2; 16A.671, subdivision 2; 16A.69, subdivision 2; 16B.103, subdivision 2; 16B.17, subdivisions 4 and 5; 16B.24, subdivision 3; 16B.335, subdivisions 1 and 5; 16B.36, subdivision 2; 16D.03, subdivision 3; 17.10; 18.62, article IX; 18B.045, subdivision 1; 32.73, subdivision 7; 37.07; 41.53, subdivision 3; 41B.18, subdivision 6; 41C.08, subdivision 5; 42.04, subdivision 2; 43A.04, subdivision 7; 43A.05, subdivision 3; 43A.18, subdivision 6; 43A.31, subdivision 2; 43A.39, subdivision 2; 60B.09, subdivisions 1 and 2; 62J.04, subdivisions 1a, 4, and 9; 62J.05, subdivision 1; 62J.07, subdivision 3; 62Q.41; 79.251, subdivision 1; 84.026; 84.03; 84.95, subdivision 3; 84.968, subdivision 2; 85.019, subdivision 2; 85A.02, subdivisions 5a and 5c; 86.72, subdivision 3; 88.81; 89.013; 92.27; 94.165; 94.349, subdivision 5; 97A.055, subdivisions 3 and 4; 97A.065, subdivision 3; 97A.345; 103B.255, subdivision 9; 103F.161, subdivision 2; 103F.751; 103G.2373; 103G.511, subdivision 9; 103I.331, subdivision 5; 115.42; 115A.07, subdivisions 2 and 3; 115A.14, subdivision 4; 115A.15, subdivision 5; 115A.165; 115A.29, subdivision 3; 115A.411, subdivision 1; 115A.551, subdivisions 4 and 5; 115A.557, subdivision 4; 115A.965, subdivision 7; 115A.981, subdivision 3; 115B.20, subdivisions 5 and 6; 115B.412, subdivision 10; 115D.10; 115E.08; 116.10; 116.62, subdivision 7; 116.98, subdivision 3; 116C.04, subdivision 2; 116C.06, subdivision 3; 116C.712, subdivisions 1 and 5; 116C.731, subdivision 4; 116F.06, subdivision 4; 116J.555, subdivision 2; 116J.58, subdivision 1, clauses (15) and (19); 116J.693, subdivision 8; 116J.986, subdivision 2; 116J.990, subdivision 6;

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116M.17, subdivision 4; 116N.04, subdivision 5; 116N.06; 116O.071, subdivision 1; 116O.122, subdivision 2; 116O.15; 116P.05, subdivision 2; 116P.07; 116P.08, subdivisions 3, 4, and 6; 116P.09, subdivision 7; 116R.02, subdivision 3; 121.11, subdivision 7c; 121.14; 121.207, subdivision 3; 124.2131, subdivision 1; 124.431, subdivision 7; 124A.30; 124C.03, subdivision 6; 125.05, subdivision 7; 126B.02, subdivision 2; 128C.02, subdivision 6; 128C.12, subdivision 3; 129D.02, subdivision 5; 135A.06, subdivision 1; 135A.09; 135A.20, article IV, paragraph (A); 136.142, subdivision 1; 136.41, subdivision 8; 136A.07; 136A.1702; 136E.04, subdivision 3; 137.02, subdivision 3a; 137.0245, subdivision 4; 144.07; 144.392; 144.701, subdivision 4; 144.874, subdivision 12; 144.878, subdivision 5; 144A.071, subdivisions 4 and 5; 144A.073, subdivision 3; 144A.31, subdivision 5; 145A.15, subdivision 4; 152.151; 169.435, subdivision 2; 169.685, subdivision 7; 174.02, subdivision 6; 175.171; 176.129, subdivision 12; 176.136, subdivision 3; 192.52; 209.10, subdivision 3; 214.10, subdivision 8; 216C.02, subdivision 1; 236A.01, article III, paragraph (a)(10); 240.18, subdivision 2; 240A.03, subdivision 15; 241.01, subdivision 5; 241.67, subdivision 8; 244.09, subdivisions 6, 11, and 14; 245.494, subdivision 1; 245.98, subdivision 3; 246.12; 252.46, subdivision 3; 256.014, subdivision 3; 256B.0625, subdivision 19b; 256B.0913, subdivision 14; 256B.0915, subdivision 3; 256B.49, subdivision 4; 256B.501, subdivision 3c; 256F.13, subdivision 3; 256I.05, subdivision 7b; 257.0725; 268.36; 268.367; 268.37, subdivision 5; 268.38, subdivision 11; 268.65, subdivision 1; 268.916; 270.06, paragraphs (10) and (12); 270.063; 270.067, subdivisions 2 and 4; 270.0682, subdivision 1; 290.171, article VI, paragraph 4. (a); 290.431; 298.22, subdivision 2; 299A.32, subdivision 3; 299A.35, subdivision 3; 299C.18; 300.63; 352.91, subdivision 4; 353A.05, subdivision 1; 353B.14; 356.20, subdivision 3; 356.215, subdivisions 3 and 6; 356.218, subdivision 1; 356.219, subdivision 4; 356.23, subdivision 2; 356.24, subdivision 2; 356.88; 401.065, subdivision 4; 402.04, subdivision 3; 422A.06, subdivision 8; 423B.15, subdivision 5; 446A.04, subdivision 5; 446A.09; 462A.22, subdivision 9; 465.796, subdivision 2; 473.149, subdivision 6; 473.155, subdivision 4; 473.616, subdivision 4; 473.621, subdivision 1a; 473.661, subdivision 4; 473.845, subdivision 4; 473.846; 473.848, subdivision 4; 480.15; 490.124, subdivision 11; 609.5315, subdivision 6; 611.215, subdivision 2; 611.216, subdivision 1; 626.553, subdivision 2; 626.5531, subdivision 2; 626.843, subdivision 4; 626A.17, subdivision 3; and 638.075. During the 1995 interim, the revisor of statutes shall prepare a bill to remove from Minnesota Statutes any language that creates a requirement for a report that is abolished by this act. As part of the preparation of the bill, the revisor shall request from the chair of each committee of the house of representatives and senate any changes that the chair recommends regarding the proper recipients of reports, the possibility of combining reports, and the frequency of reports.

Subd. 2. Reports required by the following sections are also excepted from the abolition of reports by subdivision 1: Minnesota Statutes, sections 1.21, article V, paragraph B; 3.07; 3.153, subdivisions 1 and 4; 3.30, subdivision 1; 3.304, subdivision 2a; 3.305, subdivision 1; 3.738, subdivision 1; 3.739, subdivision 2; 3.842, subdivision 6; 3.844; 3.846; 3.85, subdivisions 2 and 9; 3.861, subdivi-

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tion 2; 3.887, subdivision 5; 3.922, subdivision 6; 3.9221, subdivision 5; 3.9222, subdivision 4; 3.9223, subdivisions 3 and 7; 3.9225, subdivisions 3 and 7; 3.9226, subdivisions 3 and 7; 3.982; 3C.03, subdivisions 2 and 3; 3C.035, subdivision 1; 3C.04, subdivisions 3, 4, and 5; 4.45, subdivision 2; 4.47; 4A.02; 8.13; 8.32, subdivision 2; 9.061, subdivision 4; 10.44; 10.47; 10A.05; 10A.035; 11A.17, subdivision 11; 14.08; 14.115, subdivision 8; 14.12; 14.15, subdivisions 3 and 4; 14.19; 14.23; 14.26, subdivisions 1 and 3; 14.32, subdivision 2; 15.0597, subdivision 3; 15.06, subdivision 2; 15.063; 15.16, subdivision 5; 15.161; 15.91, subdivision 2; 15.95, subdivision 3; 16A.055, subdivision 1; 16A.27, subdivisions 2 and 4; 16B.21, subdivisions 1 and 2; 16B.24, subdivisions 1 and 6a; 16B.305, subdivision 3; 16B.31, subdivision 6; 16B.36, subdivision 1; 16B.37, subdivisions 1 and 2; 16B.40, subdivisions 2 and 5; 16B.41, subdivision 2; 16B.42, subdivision 3; 16B.45; 16B.75, article VI; 17.03, subdivision 7; 17.114, subdivisions 3, 4, and 15; 17.49, subdivision 3; 18.0228, subdivision 3; 18.023, subdivision 11; 18.024, subdivision 1; 18.62, article IV; 18E.06; 28A.20, subdivision 5; 37.06; 40A.17; 41.53, subdivision 3; 41B.036, paragraph (m); 43A.04, subdivision 9; 43A.05, subdivisions 5 and 6; 43A.06, subdivision 4; 43A.17, subdivision 9; 43A.18, subdivisions 2, 3, 3a, 4, 4a, and 5; 43A.191, subdivision 3; 60A.092, subdivision 3; 62A.62, subdivision 1; 62J.05, subdivision 1; 62L.08, subdivision 10; 62N.35; 62Q.33, subdivision 5; 69.051, subdivision 4; 85.015, subdivisions 12 and 13; 85A.02, subdivision 12; 90.172; 92.37; 93.002, subdivision 4; 94.09, subdivision 5; 103A.43; 103B.101, subdivision 9; 103B.321, subdivision 1; 103B.351; 103F.377; 103F.393; 103F.461; 103G.265, subdivisions 2, 3, and 4; 103G.525; 103G.545, subdivision 2; 103H.175, subdivision 3; 103H.275, subdivision 1; 115A.158, subdivision 3; 115A.193; 115A.5501, subdivision 2; 115A.89; 115A.9651, subdivision 2; 115B.22, subdivision 8; 115B.28, subdivision 1; 115D.15, subdivision 2; 116.03, subdivision 3; 116.10; 116C.34, subdivision 2; 116C.69, subdivision 1; 116C.831, article III, paragraph i, clause 2; 116C.833, subdivision 2; 116C.841; 116C.842, subdivision 1; 116D.10; 116G.15; 116J.581, subdivisions 2 and 3; 116J.85, subdivision 3; 116O.09, subdivision 2; 116O.091, subdivision 4; 116P.06, subdivision 2; 116P.12, subdivision 1; 116Q.02, subdivision 2; 116R.02, subdivision 9; 116S.08; 121.16, subdivision 3; 121.931, subdivisions 3 and 4; 124.14, subdivision 3a; 126.239, subdivision 4; 126A.12; 128B.08; 128C.20, subdivision 2; 129D.155; 135A.046, subdivision 3; 137.022, subdivision 4; 137.31, subdivision 6; 138.667; 138.763, subdivision 2; 138.91, subdivision 1; 138A.06; 144.564, subdivision 3; 144.672, subdivision 2; 144.693, subdivision 2; 144.70, subdivision 1; 145.882, subdivision 8; 169.832, subdivision 13; 175.007, subdivision 2; 176.222; 176A.10; 178.01; 181.9435; 192.501, subdivision 3; 196.06, subdivision 2; 214.07, subdivision 2; 216C.051, subdivision 4; 216C.09; 216C.15, subdivisions 2 and 3; 216C.18, subdivisions 1 and 1a; 216C.315; 216C.33, subdivision 2; 239.101, subdivision 5; 240.02, subdivision 6; 245.494, subdivision 2; 246.022, subdivision 4; 254A.03, subdivision 1; 256.9657, subdivision 8; 256.969, subdivisions 1 and 9, paragraphs (a) and (b); 268.0122, subdivisions 3 and 4; 268.0124; 268.12, subdivisions 2 and 5; 268.15, subdivision 2; 268.363; 268.92, subdivision 10; 268.98, subdivision 2; 270.71; 282.018, subdivision 1; 298.298; 299A.01, subdivision 5; 299C.65; 299F.093, subdivision 1; 299K.08,

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subdivision 4; 349.151, subdivision 4; 349A.14; 349A.15; 352.03, subdivision 6, paragraphs (7) and (14); 352.04, subdivision 3; 352.92, subdivision 2; 352B.02, subdivision 1e; 353.03, subdivision 3a; 354.06, subdivision 2a; 354.42, subdivision 5; 354A.021, subdivision 7; 354A.12, subdivision 2b; 355.50; 356.217; 356A.06, subdivision 5; 403.12, subdivision 12; 462.385, subdivision 1; 462.393, subdivisions 1 and 2; 462A.073, subdivision 5; 462A.201, subdivision 6; 462A.207, subdivision 6; 462C.04, subdivision 4; 462C.071, subdivision 6; 466A.08; 469.055, subdivision 1; 469.154, subdivision 1; 469.169, subdivision 3; 469.173, subdivision 3; 469.207, subdivision 1; 471.999; 473.123, subdivision 4; 473.13, subdivision 1a; 473.143, subdivision 5; 473.1623, subdivision 6; 473.165; 473.173, subdivision 6; 473.245; 473.351, subdivision 2; 473.386, subdivision 2; 473.604, subdivision 1; and 473.704, subdivision 19.

Subd. 3. RETENTION; ADDITIONAL REPORTS. If the speaker of the house of representatives, the minority leader of the senate or the house of representatives, or the chair of a standing committee of the senate or the house, notifies the revisor before October 15, 1995, that a report not referenced in subdivision 1 or 2 should also be retained, that report is not abolished, and the revisor shall not include language relating to that report in the bill required by subdivision 1. The revisor shall also notify the affected agency that its obligation to submit the report is not abolished.

ARTICLE 2

LEGISLATIVE COMMISSIONS

Section 1. Minnesota Statutes 1994, section 3.303, subdivision 5, is amended to read:

Subd. 5. The commission shall represent the legislature and assist state agencies to make arrangements to accommodate and appropriately recognize individuals or groups visiting Minnesota as direct or indirect representatives of foreign governments, other states, or subdivisions or agencies of foreign governments or other states and to provide other services determined by the commission.

Subd. 6. The commission may make grants, employ an executive director and other staff, and obtain office space, equipment, and supplies necessary to perform its duties.

Sec. 2. Minnesota Statutes 1994, section 3.305, is amended to read:

3.305 LEGISLATIVE COORDINATING COMMISSION; BUDGET AUTHORITY BICAMERAL LEGISLATIVE ADMINISTRATION.

Subdivision 1. **REVIEW DEFINITIONS.** (a) "Legislative commission" means a joint commission, committee, or other entity in the legislative branch composed exclusively of members of the senate and the house of representatives.

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(b) "Joint offices" means the revisor of statutes, legislative reference library, the office of legislative auditor, and any other joint legislative service office.

Subd. 1a. APPROVAL OF COMMISSION BUDGETS; ADDITIONAL STAFF; COMPENSATION. ~~The administrative budget request of any statutory a legislative commission the majority of whose members are members of the legislature or joint office shall be submitted to the legislative coordinating commission for review and comment approval before its submission to the finance committee appropriate fiscal committees of the senate and the appropriations committee of the house of representatives. No such commission shall employ additional personnel without first having received the recommendation of the legislative coordinating commission. In reviewing the budgets, the legislative coordinating commission shall evaluate and make recommendations on how to improve the efficiency and effectiveness of bicameral support functions and services and on whether there is a continuing need for the various legislative commissions. The executive director of the legislative coordinating commission shall recommend and the commission shall establish the compensation of all employees of any statutory legislative commission or joint office, except classified employees of the legislative audit commission; the majority of whose members are members of the legislature.~~

Subd. 2. TRANSFERS. The legislative coordinating commission may transfer unobligated balances among general fund appropriations to the legislature.

Subd. 3. EMPLOYEES. All employees of legislative commissions and joint offices are employees of the legislature in the unclassified service of the state, except classified employees in the legislative auditor's office.

Subd. 4. ADMINISTRATIVE STAFF FOR COMMISSIONS. The executive director of the legislative coordinating commission shall provide and manage office space and equipment and hire, supervise, and manage all administrative, clerical, and secretarial staff for all legislative commissions, except the legislative advisory commission and the legislative audit commission.

Subd. 5. GEOGRAPHIC INFORMATION SYSTEMS. The executive director of the legislative coordinating commission shall maintain a geographic information systems office. The office shall maintain the data, facilities, and technical capacity to draw electoral district boundaries. The legislative coordinating commission shall establish procedures to provide members of the house and senate with geographic information and mapping services on request.

Subd. 6. BICAMERAL WORKING GROUPS. The legislative coordinating commission may establish joint commissions, committees, subcommittees, task forces, and similar bicameral working groups to assist and advise the coordinating commission in carrying out its duties. The customary appointing authority in each house shall appoint the members of any such entity. The coordinating commission may delegate to an entity, in writing, specific powers and duties of the coordinating commission. All entities established by the commission under

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this subdivision expire on January 1 of each odd-numbered year, unless renewed by affirmative action of the commission.

Subd. 7. MEMBERSHIP ON LEGISLATIVE COMMISSIONS. The appointment of a member to a legislative commission, except a member serving ex officio, is rendered void by three unexcused absences of the member from the meetings of the commission. If an appointment becomes void, the legislative commission shall notify the appointing authority of this and request another appointment.

Sec. 3. Minnesota Statutes 1994, section 3.85, subdivision 5, is amended to read:

Subd. 5. **STAFF.** The commission may employ professional; ~~clerical~~; and technical assistants as it deems necessary to perform the duties prescribed in this section.

Sec. 4. Minnesota Statutes 1994, section 3.855, is amended by adding a subdivision to read:

Subd. 1a. DEFINITIONS. "Commission" means the legislative coordinating commission or a legislative commission established by the coordinating commission, as provided in section 3.305, subdivision 6, to exercise the powers and discharge the duties of the coordinating commission under this section or other law requiring action by the coordinating commission on matters of public employment or compensation.

Sec. 5. Minnesota Statutes 1994, section 216C.051, subdivision 6, is amended to read:

Subd. 6. **ASSESSMENT; APPROPRIATION.** On request by the cochairs of the legislative task force and ~~the director~~ after approval of the legislative coordinating commission, the commissioner of the department of public service shall assess from electric utilities, in addition to assessments made under section 216B.62, the amount requested for the studies and analysis required in subdivisions 3 and 4 and for operation of the task force not to exceed \$350,000. This authority to assess continues until the commissioner has assessed a total of \$350,000. The amount assessed under this section is appropriated to the director of the legislative coordinating commission for those purposes, and is available until expended.

Sec. 6. **BICAMERAL ADMINISTRATION.**

Subdivision 1. LEGISLATIVE COMMISSIONS; CESSATION. Each legislative commission as defined in section 2, subdivision 1, of this article, except the legislative coordinating commission, the legislative advisory commission, and the legislative audit commission, shall cease operation on July 1, 1996, unless the legislative coordinating commission elects, by affirmative action taken by January 1, 1996, to continue the operation of the commission either alone or

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in combination with another legislative commission. The statutory functions and duties, if any, of a commission that ceases operation under this provision shall be performed as determined necessary by the legislative coordinating commission.

Subd. 2. COORDINATING COMMISSION; RECOMMENDATIONS. By January 1, 1996, the legislative coordinating commission shall make recommendations to the house of representatives and senate on how to provide more efficient and effective legislative support facilities, functions, and services on a bicameral basis. The recommendations must address at least the following subjects: accounting, procurement, contracts, payroll, and other similar business services and systems; computers, telephones, and other office technology; and public access facilities and services, including television and public information.

Subd. 3. EMPLOYEE TRANSFERS; REDUCTIONS. (a) The staff complement of the legislative commission on employee relations is transferred to the legislative coordinating commission.

(b) The staff complement of the legislative commission on planning and fiscal policy is eliminated effective August 1, 1995. Staff required by the commission shall be provided by existing legislative staff offices. Administrative staff required by the commission shall be provided by the house of the chair of the commission.

Sec. 7. REVISOR INSTRUCTION.

In the next and subsequent editions of Minnesota Statutes, the revisor shall substitute the term "legislative coordinating commission" for the term "legislative commission on employee relations" in the following sections: 15A.081, subdivisions 1, 7, and 7b; 43A.04, subdivision 7; 43A.05, subdivisions 3, 5, and 6; 43A.06, subdivision 4; 43A.17, subdivision 9; and 43A.18, subdivisions 2 and 3.

Sec. 8. REPEALER.

Minnesota Statutes 1994, sections 3.304, subdivision 2; 3.855, subdivision 1; 3.861; 3.863; 3.864; 3.873, subdivision 9; 3.881; 3.882; 3.885, subdivisions 1a, 3, 6, 7, and 8; 3.9227; and 256B.504, are repealed.

Sec. 9. EFFECTIVE DATE.

Sections 1 to 8 are effective July 1, 1995.

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ARTICLE 3

REPEALED RULES

Section 1. REPEALER; DEPARTMENT OF AGRICULTURE.

Minnesota Rules, parts 1540.0010, subparts 12, 18, 21, 22, and 24;
1540.0060; 1540.0070; 1540.0080; 1540.0100; 1540.0110; 1540.0120;
1540.0130; 1540.0140; 1540.0150; 1540.0160; 1540.0170; 1540.0180;
1540.0190; 1540.0200; 1540.0210; 1540.0220; 1540.0230; 1540.0240;
1540.0260; 1540.0320; 1540.0330; 1540.0340; 1540.0350; 1540.0370;
1540.0380; 1540.0390; 1540.0400; 1540.0410; 1540.0420; 1540.0440;
1540.0450; 1540.0460; 1540.0490; 1540.0500; 1540.0510; 1540.0520;
1540.0770; 1540.0780; 1540.0800; 1540.0810; 1540.0830; 1540.0880;
1540.0890; 1540.0900; 1540.0910; 1540.0920; 1540.0930; 1540.0940;
1540.0950; 1540.0960; 1540.0970; 1540.0980; 1540.0990; 1540.1000;
1540.1005; 1540.1010; 1540.1020; 1540.1030; 1540.1040; 1540.1050;
1540.1060; 1540.1070; 1540.1080; 1540.1090; 1540.1100; 1540.1110;
1540.1120; 1540.1130; 1540.1140; 1540.1150; 1540.1160; 1540.1170;
1540.1180; 1540.1190; 1540.1200; 1540.1210; 1540.1220; 1540.1230;
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1540.1920; 1540.1930; 1540.1940; 1540.1950; 1540.1960; 1540.1970;
1540.1980; 1540.1990; 1540.2000; 1540.2010; 1540.2015; 1540.2020;
1540.2090; 1540.2100; 1540.2110; 1540.2120; 1540.2180; 1540.2190;
1540.2200; 1540.2210; 1540.2220; 1540.2230; 1540.2240; 1540.2250;
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1540.2590; 1540.2610; 1540.2630; 1540.2640; 1540.2650; 1540.2660;
1540.2720; 1540.2730; 1540.2740; 1540.2760; 1540.2770; 1540.2780;
1540.2790; 1540.2800; 1540.2810; 1540.2820; 1540.2830; 1540.2840;
1540.3420; 1540.3430; 1540.3440; 1540.3450; 1540.3460; 1540.3470;
1540.3560; 1540.3600; 1540.3610; 1540.3620; 1540.3630; 1540.3700;
1540.3780; 1540.3960; 1540.3970; 1540.3980; 1540.3990; 1540.4000;
1540.4010; 1540.4020; 1540.4030; 1540.4040; 1540.4080; 1540.4190;
1540.4200; 1540.4210; 1540.4220; 1540.4320; 1540.4330; and 1540.4340, are
repealed.

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Sec. 2. REPEALER; DEPARTMENT OF COMMERCE.

Minnesota Rules, parts 2642.0120, subpart 1; 2650.0100; 2650.0200; 2650.0300; 2650.0400; 2650.0500; 2650.0600; 2650.1100; 2650.1200; 2650.1300; 2650.1400; 2650.1500; 2650.1600; 2650.1700; 2650.1800; 2650.1900; 2650.2000; 2650.2100; 2650.3100; 2650.3200; 2650.3300; 2650.3400; 2650.3500; 2650.3600; 2650.3700; 2650.3800; 2650.3900; 2650.4000; 2650.4100; 2655.1000; 2660.0070; and 2770.7400, are repealed.

Sec. 3. REPEALER; DEPARTMENT OF HEALTH.

Minnesota Rules, part 4610.2210, is repealed.

Sec. 4. REPEALER; DEPARTMENT OF HUMAN SERVICES.

Minnesota Rules, parts 9540.0100; 9540.0200; 9540.0300; 9540.0400; 9540.0500; 9540.1000; 9540.1100; 9540.1200; 9540.1300; 9540.1400; 9540.1500; 9540.2000; 9540.2100; 9540.2200; 9540.2300; 9540.2400; 9540.2500; 9540.2600; and 9540.2700, are repealed.

Sec. 5. REPEALER; POLLUTION CONTROL AGENCY.

Minnesota Rules, parts 7002.0410; 7002.0420; 7002.0430; 7002.0440; 7002.0450; 7002.0460; 7002.0470; 7002.0480; 7002.0490; 7047.0010; 7047.0020; 7047.0030; 7047.0040; 7047.0050; 7047.0060; 7047.0070; 7100.0300; 7100.0310; 7100.0320; 7100.0330; 7100.0335; 7100.0340; and 7100.0350, are repealed.

Sec. 6. REPEALER; DEPARTMENT OF PUBLIC SAFETY.

Minnesota Rules, parts 7510.6100; 7510.6200; 7510.6300; 7510.6350; 7510.6400; 7510.6500; 7510.6600; 7510.6700; 7510.6800; 7510.6900; and 7510.6910, are repealed.

Sec. 7. REPEALER; DEPARTMENT OF PUBLIC SERVICE.

Minnesota Rules, parts 7600.0100; 7600.0200; 7600.0300; 7600.0400; 7600.0500; 7600.0600; 7600.0700; 7600.0800; 7600.0900; 7600.1000; 7600.1100; 7600.1200; 7600.1300; 7600.1400; 7600.1500; 7600.1600; 7600.1700; 7600.1800; 7600.1900; 7600.2000; 7600.2100; 7600.2200; 7600.2300; 7600.2400; 7600.2500; 7600.2600; 7600.2700; 7600.2800; 7600.2900; 7600.3000; 7600.3100; 7600.3200; 7600.3300; 7600.3400; 7600.3500; 7600.3600; 7600.3700; 7600.3800; 7600.3900; 7600.4000; 7600.4100; 7600.4200; 7600.4300; 7600.4400; 7600.4500; 7600.4600; 7600.4700; 7600.4800; 7600.4900; 7600.5000; 7600.5100; 7600.5200; 7600.5300; 7600.5400; 7600.5500; 7600.5600; 7600.5700; 7600.5800; 7600.5900; 7600.6000; 7600.6100; 7600.6200; 7600.6300; 7600.6400; 7600.6500; 7600.6600; 7600.6700; 7600.6800; 7600.6900; 7600.7000; 7600.7100; 7600.7200; 7600.7210; 7600.7300; 7600.7400; 7600.7500; 7600.7600; 7600.7700; 7600.7750; 7600.7800; 7600.7900; 7600.8100;

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7600.8200; 7600.8300; 7600.8400; 7600.8500; 7600.8600; 7600.8700;
7600.8800; 7600.8900; 7600.9000; 7600.9100; 7600.9200; 7600.9300;
7600.9400; 7600.9500; 7600.9600; 7600.9700; 7600.9800; 7600.9900;
7625.0100; 7625.0110; 7625.0120; 7625.0200; 7625.0210; 7625.0220; and
7625.0230, are repealed.

Sec. 8. **REPEALER; DEPARTMENT OF REVENUE.**

Minnesota Rules, parts 8120.1100, subpart 3; 8121.0500, subpart 2;
8130.9912; 8130.9913; 8130.9916; 8130.9920; 8130.9930; 8130.9956;
8130.9958; 8130.9968; 8130.9972; 8130.9980; and 8130.9992, are repealed.

ARTICLE 4

CONFORMING AMENDMENTS

Section 1. Minnesota Rules, part 1540.2140, is amended to read:

1540.2140 DISPOSITION OF CONDEMNED MEAT OR PRODUCT AT OFFICIAL ESTABLISHMENTS HAVING NO TANKING FACILITIES.

Any carcass or product condemned at an official establishment which has no facilities for tanking shall be denatured with crude carbolic acid, cresylic disinfectant, or other prescribed agent, or be destroyed by incineration under the supervision of a department employee. When such carcass or product is not incinerated it shall be slashed freely with a knife, before the denaturing agent is applied.

Carcasses and products condemned on account of anthrax, ~~and the materials identified in parts 1540.1300 to 1540.1360,~~ which are derived therefrom at establishments which are not equipped with tanking facilities shall be disposed of by complete incineration, or by thorough denaturing with a prescribed denaturant, and then disposed of in accordance with the requirements of the Board of Animal Health, who shall be notified immediately by the inspector in charge.

Sec. 2. Minnesota Rules, part 7001.0140, subpart 2, is amended to read:

Subp. 2. **Agency findings.** The following findings by the agency constitute justification for the agency to refuse to issue a new or modified permit, to refuse permit reissuance, or to revoke a permit without reissuance:

A. that with respect to the facility or activity to be permitted, the proposed permittee or permittees will not comply with all applicable state and federal pollution control statutes and rules administered by the agency, or conditions of the permit;

B. that there exists at the facility to be permitted unresolved noncompliance with applicable state and federal pollution control statutes and rules adminis-

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tered by the agency, or conditions of the permit and that the permittee will not undertake a schedule of compliance to resolve the noncompliance;

C. that the permittee has failed to disclose fully all facts relevant to the facility or activity to be permitted, or that the permittee has submitted false or misleading information to the agency or to the commissioner;

D. that the permitted facility or activity endangers human health or the environment and that the danger cannot be removed by a modification of the conditions of the permit;

E. that all applicable requirements of Minnesota Statutes, chapter 116D and the rules adopted under Minnesota Statutes, chapter 116D have not been fulfilled;

F. that with respect to the facility or activity to be permitted, the proposed permittee has not complied with any requirement under parts 7002.0210 to 7002.0310; ~~7002.0410 to 7002.0490~~; or chapter 7046 to pay fees; or

G. that with respect to the facility or activity to be permitted, the proposed permittee has failed to pay a penalty owed under Minnesota Statutes, section 116.072.

Sec. 3. Minnesota Rules, part 7001.0180, is amended to read:

7001.0180 JUSTIFICATION TO COMMENCE REVOCATION WITHOUT REISSUANCE OF PERMIT.

The following constitute justification for the commissioner to commence proceedings to revoke a permit without reissuance:

A. existence at the permitted facility of unresolved noncompliance with applicable state and federal pollution statutes and rules or a condition of the permit, and refusal of the permittee to undertake a schedule of compliance to resolve the noncompliance;

B. the permittee fails to disclose fully the facts relevant to issuance of the permit or submits false or misleading information to the agency or to the commissioner;

C. the commissioner finds that the permitted facility or activity endangers human health or the environment and that the danger cannot be removed by a modification of the conditions of the permit;

D. the permittee has failed to comply with any requirement under parts 7002.0210 to 7002.0310; ~~7002.0410 to 7002.0490~~; or chapter 7046 to pay fees; or

E. the permittee has failed to pay a penalty owed under Minnesota Statutes, section 116.072.

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Sec. 4. Minnesota Rules, part 8130.3500, subpart 3, is amended to read:

Subp. 3. **Motor carrier direct pay certificate.** A motor carrier direct pay certificate will be issued to qualified electing carriers by the commissioner of revenue and will be effective as of the date shown on the certificate. ~~A facsimile of the authorized motor carrier direct pay certificate is reproduced at part 8130.9958.~~

Sec. 5. Minnesota Rules, part 8130.6500, subpart 5, is amended to read:

Subp. 5. **Sale of aircraft.** When the dealer sells the aircraft, the selling price must be included in gross sales. The fact that the aircraft commercial use permit has not expired or that the dealer has reported and paid use tax on the aircraft has no effect on the taxability of the sale. The dealer must return the aircraft commercial use permit (unless previously returned) when the dealer files the sales and use tax return for the month in which the sale was made. No credit or refund is given for the \$20 fee originally paid.

~~A facsimile of the authorized aircraft commercial use permit is reproduced at part 8130.9992.~~

ARTICLE 5

ENVIRONMENTAL REORGANIZATION

Section 1. FINDINGS.

The legislature finds as follows: the current assignment of environmental and natural resources programs among many state agencies creates confusion and frustration for citizens and decision makers. The environmental and natural resources services provided by these programs can be better delivered by reorganizing related functions so that citizens of Minnesota have easier access to the programs. Reorganization can provide more responsiveness to citizens, will ensure less fragmentation of environmental and natural resources policies, will minimize overlapping responsibilities among agencies, and will ensure better coordination of environmental and natural resources policies.

Sec. 2. REORGANIZATION.

Subdivision 1. GOALS. The legislature finds that it is desirable to develop a plan to reorganize state services relating to the protection of the environment, protection of farmland, and the management of natural resources to achieve the following goals:

(1) sustainable development throughout all regions of the state and all sectors of the economy;

(2) improved delivery of services;

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- (3) a preventative, precautionary approach to environmental degradation;
- (4) citizen participation in relevant decision-making processes; and
- (5) progressively less air, land, and water pollution.

Subd. 2. DEFINITION. "Sustainable development" means management and development of environmental resources to ensure both sustainable human progress and environmental protection by meeting the needs of the present without compromising the ability of future generations to meet their own needs.

Sec. 3. OUTCOMES.

A reorganization plan must show how state agencies can be reorganized to achieve the following outcomes:

- (1) consolidation, where appropriate, of many of the state's diverse environmental and natural resource programs;
- (2) better coordination of programs and activities relating to environmental and natural resource matters;
- (3) improved citizen access to pertinent, understandable information;
- (4) establishment of an expeditious review process for agency actions;
- (5) establishment of a policy planning framework for sustainable development;
- (6) integrated licensing and permitting through a single access point;
- (7) identification and review of specifications and programs that should be eliminated or accomplished by different means;
- (8) decentralization of the service-delivery system for the benefit of citizens of the state as consumers of services;
- (9) management based on appropriate geographical natural resource characteristics;
- (10) development of the polluter-pays principle through a balanced system of regulatory controls and financial incentives; and
- (11) the flexibility to enable state and local governments to coordinate and cooperate as well as identify and address existing and emerging environmental issues of state, national, and international import.

Sec. 4. REORGANIZATION STUDY.

Subdivision 1. GOVERNOR'S DESIGNEES. Within 30 days of the effective date of this section, the governor shall designate a commissioner or group of commissioners to develop a plan to reorganize state services relating to the pro-

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tection of the environment and the management of natural resources. The governor's designee or designees shall consult with legislators designated by the legislative coordinating commission under subdivision 2 in developing the plan.

Subd. 2. LEGISLATIVE DESIGNEES. Within 30 days of the effective date of this section, the legislative coordinating commission shall designate a group of legislators to develop a plan to reorganize state services relating to the protection of the environment and the management of natural resources. The designees must include the chairs of the house and senate committees on environment and natural resources, unless the chairs decline. The legislative designees shall consult with the governor's designee or designees named under subdivision 1 in developing the plan.

Subd. 3. PUBLIC, STATE EMPLOYEE INPUT. The designees of the governor and the legislative coordinating commission may appoint stakeholder advisory councils to facilitate public input and state employee input on state services relating to the protection of the environment and the management of natural resources.

Subd. 4. ACTIVITIES. (a) The designees named under subdivisions 1 and 2 shall serve as partners in studying the delivery of state services and the performance of state functions and shall recommend changes that would achieve the goals and outcomes outlined in sections 2 and 3. These recommendations must be submitted to the legislature by December 15, 1996.

(b) As part of their study, the designees shall examine special purpose districts, including soil and water conservation districts, watershed districts, lake improvement districts, lake conservation districts, and water management organizations, and shall recommend steps to eliminate overlapping jurisdictions, duplicative responsibilities, and duplicative funding mechanisms. These recommendations must be submitted to the legislature by December 15, 1995.

(c) As part of their study, the designees shall examine boards, commissions, councils, and task forces, including the office of environmental assistance and the board of water and soil resources and other organizations and advisory bodies providing or regulating state services relating to the protection of the environment, protection of farmland, and the management of natural resources, and shall recommend steps to increase accountability and eliminate overlapping jurisdictions, duplicative responsibilities and programs, and duplicative funding mechanisms.

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ARTICLE 6
PUBLIC SERVICE

Section 1. REGULATORY AND ADMINISTRATIVE STRUCTURE.

By January 15, 1996, the commissioner of the department of public service and the chair of the public utilities commission shall jointly submit to the legislature a recommendation on the desirability of restructuring the department and the commission, including whether or not to have a unified structure. The recommendation must address the desirability and feasibility of:

(1) an administrative structure that would provide for the greatest possible independence of the public utilities commission in its exercise of quasi-judicial functions;

(2) guidelines that would prevent any employee engaged in the performance of investigative or advocating functions for an agency in a case before the commission from, in that case or a factually related case, participating or advising in the decision of the commission, except as a witness or counsel in public proceedings;

(3) the assignment to the public utilities commission of duties and responsibilities as are quasi-judicial in nature;

(4) the joint provision of, administrative and support services including, at a minimum, personnel, purchasing, budgeting, information systems, and similar services;

(5) a reduction in staffing levels, from the existing staff of both the department and the commission, to achieve savings;

(6) changes in the statutory provisions, and recodification of relevant provisions in Minnesota Statutes, chapter 216E, regarding the department and the commission necessary to carry out the policies of this article, including the identification of obsolete, redundant, or unnecessary functions that are currently required of the department or the commission;

(7) the appropriate number of commissioners on the public utilities commission within a restructured organization; and

(8) the transfer of intervention staff to the attorney general's office.

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ARTICLE 7

TRANSPORTATION REGULATION BOARD

Section 1. STUDY OF BOARD POWERS, DUTIES, AND FUNCTIONS.

Of the amount appropriated for fiscal year 1996 to the transportation regulation board, \$100,000 is for the board, in cooperation with the commissioner of transportation, the center for transportation studies, and the legislative auditor, to conduct a study of the transfer of powers, duties, and functions of the board to an appropriate agency. The study must include (1) which powers of the board should be eliminated, and (2) the relocation to other agencies of those powers of the board that should be retained. In conducting the study, the board shall establish and consult with an advisory committee that includes, but is not limited to, representatives of for-hire and private trucking, including household goods movers; representatives of for-hire and private passenger carriers, including limousines and personal transportation consumers; and members of legislative committees and divisions that are responsible for transportation policy or funding. The board shall submit a report on the study, including recommendations and draft legislation, to the legislature by February 1, 1996.

Sec. 2. VACANCIES.

Vacancies on the transportation regulation board may not be filled after the effective date of this section. Upon request of the board, the chief administrative law judge of the office of administrative hearings shall designate an administrative law judge to serve as a temporary member of the board in regard to a specific matter before the board.

Sec. 3. ABOLITION.

The transportation regulation board is abolished July 1, 1996, provided that a law is enacted transferring the remaining functions of the board.

Sec. 4. EFFECTIVE DATE.

Section 2 is effective the day following final enactment.

ARTICLE 8

LEGISLATIVE OVERSIGHT

Section 1. ECONOMIC-ASSISTANCE AGENCY REVIEW.

(a) The legislative coordinating commission or its designee shall study the desirability and feasibility of merging or otherwise reorganizing the department of trade and economic development, the department of economic security, and other agencies that provide assistance to businesses and promote the economic

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development of the state. In conducting its study, the commission shall consider the principles on efficiency of state agency operations set out in article 11. The commission shall report its findings and recommendations to the committee on governmental operations of the house of representatives and the committee on governmental operations and veterans of the senate by February 1, 1996. The commission is responsible for the planning, coordination, and oversight of any subsequent reorganization of agencies covered by its study and recommendations.

(b) The legislative audit commission is asked to consider directing the legislative auditor to:

(1) undertake a program evaluation of the economic recovery grant program and other programs that provide state financial assistance to businesses; and

(2) recommend criteria for grant eligibility and performance measures for evaluating grant and loan programs.

(c) Notwithstanding Minnesota Statutes, sections 4.035 and 16B.37, no reorganization affecting the department of trade and economic development, the department of economic security, or other agencies that provide assistance to businesses or promote the economic development of the state may be implemented until the legislature has received and considered the report required by paragraph (a) and any report issued in accordance with paragraph (b).

Sec. 2. COOPERATION; STAFF ASSISTANCE.

The committee on ways and means of the house of representatives and the committee on governmental operations and veterans of the senate shall, to the extent feasible, support and supply staff assistance to the legislative coordinating commission for the purpose of implementing section 1.

ARTICLE 9

HIGHER EDUCATION SERVICES OFFICE

Section 1. REPORTING.

During the biennium ending June 30, 1997, the higher education services office shall report at the end of each quarter to the chairs of the house of representatives committee on ways and means and the senate finance committee. Each quarterly report must provide detail on the office's expenditure of funds for agency administration.

Each report must compare the number of employees needed to carry out the office's agency administration functions to the number needed to carry out those functions under the higher education coordinating board in the preceding biennium.

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At the end of each quarter, the commissioner of finance shall estimate the amount of funds appropriated and available to the office for agency administration, and the amount actually spent during the quarter for agency administration. The commissioner shall transfer any excess funds, to be spent for purposes of the work study program.

ARTICLE 10

DEPARTMENT OF EMPLOYEE RELATIONS

Section 1. Minnesota Statutes 1994, section 13.67, is amended to read:

13.67 EMPLOYEE RELATIONS DATA.

The following data collected, created, or maintained by the department of employee relations are classified as nonpublic data pursuant to section 13.02, subdivision 9:

(a) The commissioner's plan prepared by the department, pursuant to section 3.855, which governs the compensation and terms and conditions of employment for employees not covered by collective bargaining agreements until the plan is submitted to the legislative commission on employee relations;

(b) Data pertaining to grievance or interest arbitration that has not been presented to the arbitrator or other party during the arbitration process;

(c) Notes and preliminary drafts of reports prepared during personnel investigations and personnel management reviews of state departments and agencies;

(d) The managerial plan prepared by the department pursuant to section 43A.18 that governs the compensation and terms and conditions of employment for employees in managerial positions, as specified in section 43A.18, subdivision 3, until the plan is submitted to the legislative commission on employee relations; and

(e) Claims experience and all related information received from carriers and claims administrators participating in either the state group insurance plan or the public employees insurance ~~plan~~ program as defined in chapter 43A, and survey information collected from employees and employers participating in these plans and programs, except when the department determines that release of the data will not be detrimental to the plan or program.

Sec. 2. Minnesota Statutes 1994, section 43A.04, subdivision 1, is amended to read:

Subdivision 1. **STATEWIDE LEADERSHIP.** (a) The commissioner is the chief personnel and labor relations manager of the civil service in the executive branch.

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Whenever any power or responsibility is given to the commissioner by any provision of Laws 1981, chapter 210, unless otherwise expressly provided, the power or authority applies to all employees of agencies in the executive branch and to employees in classified positions in the office of the legislative auditor, the Minnesota state retirement system, the public employees retirement association, and the teacher's retirement association. Unless otherwise provided by law, the power or authority does not apply to unclassified employees in the legislative and judicial branches.

(b) The commissioner shall operate an information system from which personnel data, as defined in section 13.43, concerning employees and applicants for positions in the classified service can be retrieved.

The commissioner has access to all public and private personnel data kept by appointing authorities that will aid in the discharge of the commissioner's duties.

(c) The commissioner may consider and investigate any matters concerned with the administration of provisions of Laws 1981, chapter 210, and may order any remedial actions consistent with law.

(d) The commissioner has sole authority to settle state employee workers' compensation claims.

(e) The commissioner may assess or establish and collect premiums from all state entities ~~for~~ to cover the costs of programs under sections 15.46 and 176.603.

Sec. 3. Minnesota Statutes 1994, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. **UNCLASSIFIED POSITIONS.** Unclassified positions are held by employees who are:

(1) chosen by election or appointed to fill an elective office;

(2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

(3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a and in the office of strategic and long-range planning;

(4) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;

(5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

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(6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general;

(7) employees of the Washington, D.C., office of the state of Minnesota;

(8) employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal economic opportunity act work study program in the school and resource center for the arts, state universities and community colleges, and the higher education board, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(10) officers and enlisted persons in the national guard;

(11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

(13) members of the state patrol; provided that selection and appointment of state patrol troopers must be made in accordance with applicable laws governing the classified service;

(14) chaplains employed by the state;

(15) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards and intermittent staff employed by the technical colleges for the administration of practical skills tests and for the staging of instructional demonstrations;

(16) student workers;

(17) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;

(18) employees unclassified pursuant to other statutory authority;

(19) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation; and

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(20) the administrators and the deputy administrators at the state academies for the deaf and the blind.

Sec. 4. Minnesota Statutes 1994, section 43A.10, subdivision 8, is amended to read:

Subd. 8. **ELIGIBILITY FOR QUALIFIED DISABLED EXAMINATIONS.** The commissioner shall establish examination procedures for candidates whose disabilities are of such a severe nature that the candidates are unable to demonstrate their abilities in competitive examination processes. The examination procedures must consist of up to 700 hours on-the-job trial work experience which will be in lieu of a competitive examination and for which the disabled person has the option of being paid or unpaid. Up to three persons with severe disabilities and their job coach may be allowed to demonstrate their job competence as a unit through the on-the-job trial work experience examination procedure. This work experience must be limited to candidates for appointment, promotion, or transfer who have a physical or mental impairment for which there is no reasonable accommodation in the examination process. Implementation of provisions of this subdivision may not be deemed a violation of other provisions of Laws 1981, chapter 210 or 363. The commissioner shall establish alternative examination methods to assess the qualifications of applicants for a competitive open or competitive promotional examination who have a disability that does not prevent performance of the duties of the class but that cannot be accommodated in the regular examination process. Alternative examination methods offered must allow candidates for competitive open and competitive promotional exams to demonstrate possession of the same knowledge, skills, and abilities essential to satisfactory performance in the job class without compromising inferences about other candidates' qualifications.

Sec. 5. Minnesota Statutes 1994, section 43A.13, subdivision 6, is amended to read:

Subd. 6. **QUALIFIED DISABLED.** ~~For a position to be filled by qualified disabled examination; The commissioner shall certify only the one eligible who has successfully completed the examination processes provided in section 43A.10, subdivision 8; for the position refer all qualified disabled candidates with eligibles from the competitive open or competitive promotional list established from the same examination announcement.~~

Sec. 6. Minnesota Statutes 1994, section 43A.15, is amended by adding a subdivision to read:

Subd. 14. **ON-THE-JOB DEMONSTRATION EXAMINATION AND APPOINTMENT.** The commissioner shall establish qualifying procedures for candidates whose disabilities are of such a severe nature that the candidates are unable to demonstrate their abilities in competitive and qualified disabled examination processes. The qualifying procedures must consist of up to 700 hours on-the-job trial work experience which will be in lieu of a competitive examination and for which the disabled person has the option of being paid or unpaid. Up to

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three persons with severe disabilities and their job coach may be allowed to demonstrate their job competence as a unit through the on-the-job trial work experience examination procedure. This work experience must be limited to candidates for appointment, promotion, or transfer for which there is no reasonable accommodation in the examination process.

The commissioner may authorize the probationary appointment of a candidate based on the request of the appointing authority that documents that the candidate has successfully demonstrated qualifications for the position through completion of an on-the-job trial work experience. The implementation of this subdivision may not be deemed a violation of chapter 43A or 363.

Sec. 7. Minnesota Statutes 1994, section 43A.19, subdivision 1, is amended to read:

Subdivision 1. **STATEWIDE AFFIRMATIVE ACTION PROGRAM.** (a) To assure that positions in the executive branch of the civil service are equally accessible to all qualified persons, and to eliminate the underutilization of qualified members of protected groups, the commissioner shall adopt and periodically revise, if necessary, a statewide affirmative action program. The statewide affirmative action program must consist of at least the following:

(1) objectives, goals, and policies;

(2) procedures, standards, and assumptions to be used by agencies in the preparation of agency affirmative action plans, including methods by which goals and timetables are established; ~~and~~

(3) the analysis of separation patterns to determine the impact on protected group members; and

~~(3)~~ (4) requirements for annual objectives and submission of affirmative action progress reports from heads of agencies.

(b) The commissioner shall base affirmative action goals on at least the following factors:

(1) the percentage of members of each protected class in the recruiting area population who have the necessary skills;

(2) the availability for promotion or transfer of members of protected classes in the recruiting area population;

(3) the extent of unemployment of members of protected classes in the recruiting area population;

(4) the existence of training programs in needed skill areas offered by employing agencies and other institutions; and

(5) the expected number of available positions to be filled.

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(c) The commissioner shall designate a state director of diversity and equal employment opportunity who may be delegated the preparation, revision, implementation, and administration of the program. The commissioner of employee relations may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a.

Sec. 8. Minnesota Statutes 1994, section 43A.191, subdivision 1, is amended to read:

Subdivision 1. **AFFIRMATIVE ACTION OFFICERS.** (a) Each agency with an ~~approved complement over~~ 1,000 employees or more shall have at least one full-time affirmative action officer, who shall have primary responsibility for developing and maintaining the agency's affirmative action plan. The officer shall devote full time to affirmative action activities. The affirmative action officer shall report administratively and on policy issues directly to the agency head.

(b) ~~The commissioner~~ agency heads shall assign affirmative action officers or designees for agencies with ~~approved complements of less fewer than~~ 1,000 employees. The designees shall report administratively and on policy issues directly to the agency head.

(c) An agency may not use authority under section 43A.08, subdivision 1a, to place the position of an agency affirmative action officer or designee in the unclassified service.

Sec. 9. Minnesota Statutes 1994, section 43A.191, subdivision 2, is amended to read:

Subd. 2. **AGENCY AFFIRMATIVE ACTION PLANS.** (a) The head of each agency in the executive branch shall prepare and implement an agency affirmative action plan consistent with this section and rules issued under section 43A.04, subdivision 3.

(b) The agency plan must include a plan for the provision of reasonable accommodation in the hiring and promotion of qualified disabled persons. The reasonable accommodation plan must consist of at least the following:

(1) procedures for compliance with section 363.03 and, where appropriate, regulations implementing United States Code, title 29, section 794, as amended through December 31, 1984, which is section 504 of the Rehabilitation Act of 1973, as amended and the Americans with Disabilities Act, United States Code, title 42, sections 101 to 108, 201 to 231, 241 to 246, 401, 402, and 501 to 514;

(2) methods and procedures for providing reasonable accommodation for disabled job applicants, current employees, and employees seeking promotion; and

(3) provisions for funding reasonable accommodations.

(c) The agency plan must be prepared by the agency head with the assis-

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tance of the agency affirmative action officer and the director of diversity and equal employment opportunity. The council on disability shall provide assistance with the agency reasonable accommodation plan.

(d) The agency plan must identify; ~~annually~~; any positions in the agency that can be used for supported employment as defined in section 268A.01, subdivision 13, of persons with severe disabilities. The agency shall report this information to the commissioner. An agency that hires more than one supported worker in the identified positions must receive recognition for each supported worker toward meeting the agency's affirmative action goals and objectives.

(e) An agency affirmative action plan may not be implemented without the commissioner's approval.

Sec. 10. Minnesota Statutes 1994, section 43A.191, subdivision 3, is amended to read:

Subd. 3. AUDITS; SANCTIONS AND INCENTIVES. (a) ~~The director of equal employment opportunity shall annually audit the record of each agency to determine the rate of compliance with annual hiring goals of each goal unit and to evaluate the agency's overall progress toward its affirmative action goals and objectives. The commissioner shall annually audit the record of each agency to determine the rate of compliance with affirmative action requirements.~~

(b) By March 1 of each odd-numbered year, the commissioner shall submit a report on affirmative action progress of each agency and the state as a whole to the governor and to the finance committee of the senate, the appropriations committee of the house of representatives, the governmental operations committees of both houses of the legislature, and the legislative commission on employee relations. The report must include noncompetitive appointments made under section 43A.08, subdivision 2a, or 43A.15, subdivisions 3 to 13, and cover each agency's rate of compliance with annual hiring goals affirmative action requirements. ~~In addition, any agency that has not met its affirmative action hiring goals, that fails to make an affirmative action hire, or fails to justify its nonaffirmative action hire in 25 percent or more of the appointments made in the previous calendar year must be designated in the report as an agency not in compliance with affirmative action requirements.~~

(e) The commissioner shall study methods to improve the performance of agencies not in compliance with affirmative action requirements.

(d) The commissioner shall establish a program to recognize agencies that have made significant and measurable progress toward achieving affirmative action objectives.

(c) An agency that does not meet its hiring goals must justify its nonaffirmative action hires in competitive and noncompetitive appointments according to criteria issued by the department of employee relations. "Missed opportunity" includes failure to justify a nonaffirmative action hire. An agency must have 25

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percent or less missed opportunities in competitive appointments and 25 percent or less missed opportunities in appointments made under sections 43A.08, subdivisions 1, clauses (9), (11), and (16); and 2a; and 43A.15, subdivisions 3, 10, 12, and 13. In addition, an agency shall:

(1) demonstrate a good faith effort to recruit protected group members by following an active recruitment plan;

(2) implement a coordinated retention plan; and

(3) have an established complaint resolution procedure.

(d) The commissioner shall develop reporting standards and procedures for measuring compliance.

(e) An agency is encouraged to develop other innovative ways to promote awareness, acceptance, and appreciation for diversity and affirmative action. These innovations will be considered when evaluating an agency's compliance with this section.

(f) An agency not in compliance with affirmative action requirements of this section must identify methods and programs to improve performance, to reallocate resources internally in order to increase support for affirmative action programs, and to submit program and resource reallocation proposals to the commissioner for approval. An agency must submit these proposals within 120 days of being notified by the commissioner that it is out of compliance with affirmative action requirements. The commissioner shall monitor quarterly the affirmative action programs of an agency found to be out of compliance.

(g) The commissioner shall establish a program to recognize an agency that has made significant and measurable progress in implementing an affirmative action plan.

Sec. 11. Minnesota Statutes 1994, section 43A.24, subdivision 2, is amended to read:

Subd. 2. **OTHER ELIGIBLE PERSONS.** The following persons are eligible for state paid life insurance and hospital, medical, and dental benefits as determined in applicable collective bargaining agreements or by the commissioner or by plans pursuant to section 43A.18, subdivision 6, or by the board of regents for employees of the University of Minnesota not covered by collective bargaining agreements. Coverages made available, including optional coverages, are as contained in the plan established pursuant to section 43A.18, subdivision 2:

(a) a member of the state legislature, provided that changes in benefits resulting in increased costs to the state shall not be effective until expiration of the term of the members of the existing house of representatives. An eligible member of the state legislature may decline to be enrolled for state paid coverages by filing a written waiver with the commissioner. The waiver shall not pro-

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hibit the member from enrolling the member or dependents for optional coverages, without cost to the state, as provided for in section 43A.26. A member of the state legislature who returns from a leave of absence to a position previously occupied in the civil service shall be eligible to receive the life insurance and hospital, medical, and dental benefits to which the position is entitled;

(b) a permanent employee of the legislature or a permanent employee of a permanent study or interim committee or commission or a state employee on leave of absence to work for the legislature, during a regular or special legislative session;

(c) a judge of the appellate courts or an officer or employee of these courts; a judge of the district court, a judge of county court, a judge of county municipal court, or a judge of probate court; a district court referee, judicial officer, court reporter, or law clerk; a district administrator; an employee of the office of the district administrator that is not in the second or fourth judicial district; a court administrator or employee of the court administrator in the eighth judicial district, and a guardian ad litem program administrator in the eighth judicial district;

(d) a salaried employee of the public employees retirement association;

(e) a full-time military or civilian officer or employee in the unclassified service of the department of military affairs whose salary is paid from state funds;

(f) a salaried employee of the Minnesota historical society, whether paid from state funds or otherwise, who is not a member of the governing board;

(g) an employee of the regents of the University of Minnesota;

(h) notwithstanding section 43A.27, subdivision 3, an employee of the state of Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65 years of age on July 1, 1982, who is otherwise eligible for employee and dependent insurance and benefits pursuant to section 43A.18 or other law, who has at least 20 years of service and retires, earlier than required, within 60 days of March 23, 1982; or an employee who is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state service and retires, earlier than required, from employment at Rochester state hospital after July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982, and is covered by the Minnesota state retirement system correctional employee retirement plan or the state patrol retirement fund, who has at least 20 years of state service and retires, earlier than required, within 60 days of March 23, 1982. For purposes of this clause, a person retires when the person terminates active employment in state or University of Minnesota service and applies for a retirement annuity. Eligibility shall cease when the retired employee attains the age of 65, or when the employee chooses not to receive the annuity that the employee has applied for. The retired employee shall be eligible for coverages to which the employee was entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans estab-

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lished pursuant to section 43A.18, for employees in positions equivalent to that from which retired, provided that the retired employee shall not be eligible for state-paid life insurance. Coverages shall be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program;

(i) an employee of an agency of the state of Minnesota identified through the process provided in this paragraph who is eligible to retire prior to age 65. The commissioner and the exclusive representative of state employees shall enter into agreements under section 179A.22 to identify employees whose positions are in programs that are being permanently eliminated or reduced due to federal or state policies or practices. Failure to reach agreement identifying these employees is not subject to impasse procedures provided in chapter 179A. The commissioner must prepare a plan identifying eligible employees not covered by a collective bargaining agreement in accordance with the process outlined in section 43A.18, subdivisions 2 and 3. For purposes of this paragraph, a person retires when the person terminates active employment in state service and applies for a retirement annuity. Eligibility ends as provided in the agreement or plan, but must cease at the end of the month in which the retired employee chooses not to receive an annuity, or the employee is eligible for employer-paid health insurance from a new employer. The retired employees shall be eligible for coverages to which they were entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established under section 43A.18 for employees in positions equivalent to that from which they retired, provided that the retired employees shall not be eligible for state-paid life insurance; ~~and~~

(j) employees of the state public defender's office, and district public defenders and their employees other than in the second and fourth judicial districts, with eligibility determined by the state board of public defense in consultation with the commissioner of employee relations; and

(k) employees of the data institute under section 62J.45, subdivision 8, as paid for by the data institute.

Sec. 12. Minnesota Statutes 1994, section 43A.27, subdivision 3, is amended to read:

Subd. 3. **RETIRED EMPLOYEES.** A retired employee of the state or an organization listed in subdivision 2 or section 43A.24, subdivision 2, who receives, at separation of service:

(1) is immediately eligible to receive an annuity under a state retirement program sponsored by the state or such organization of the state and immediately meets the age and service requirements in section 352.115, subdivision 1; and

(2) has five years of service or meets the service requirement of the collective bargaining agreement or plan, whichever is greater;

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may elect to purchase at personal expense individual and dependent hospital, medical, and dental coverages ~~that are~~. The commissioner shall offer at least one plan which is actuarially equivalent to those made available through collective bargaining agreements or plans established pursuant to section 43A.18 to employees in positions equivalent to that from which retired. A spouse of a deceased retired employee who received an annuity under a state retirement program may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the employee's death. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Until the retired employee reaches age 65, the retired employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance. Coverage for retired employees and their dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

Sec. 13. Minnesota Statutes 1994, section 43A.316, is amended to read:

43A.316 PUBLIC EMPLOYEES INSURANCE ~~PLAN~~ PROGRAM.

Subdivision 1. **INTENT.** The legislature finds that the creation of a state-wide ~~plan~~ program to provide public employees and other eligible persons with life insurance and hospital, medical, and dental benefit coverage through provider organizations would result in a greater utilization of government resources and would advance the health and welfare of the citizens of the state.

Subd. 2. **DEFINITIONS.** For the purpose of this section, the terms defined in this subdivision have the meaning given them.

(a) **COMMISSIONER.** "Commissioner" means the commissioner of employee relations.

(b) **EMPLOYEE.** "Employee" means:

(1) a person who is a public employee within the definition of section 179A.03, subdivision 14, who is insurance eligible and is employed by an eligible employer;

(2) an elected public official of an eligible employer who is insurance eligible; or

(3) a person employed by a labor organization or employee association certified as an exclusive representative of employees of an eligible employer or by another public employer approved by the commissioner, so long as the plan

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meets the requirements of a governmental plan under United States Code, title 29, section 1002(32).

(c) **ELIGIBLE EMPLOYER.** "Eligible employer" means:

(1) a public employer within the definition of section 179A.03, subdivision 15, that is a town, county, city, school district as defined in section 120.02, educational cooperative service unit as defined in section 123.58, intermediate district as defined in section 136C.02, subdivision 7, cooperative center for vocational education as defined in section 123.351, regional management information center as defined in section 121.935, or an education unit organized under the joint powers action, section 471.59; or

(2) an exclusive representative of employees, as defined in paragraph (b); or

(3) another public employer approved by the commissioner.

(d) **EXCLUSIVE REPRESENTATIVE.** "Exclusive representative" means an exclusive representative as defined in section 179A.03, subdivision 8.

(e) **LABOR-MANAGEMENT COMMITTEE.** "Labor-management committee" means the committee established by subdivision 4.

(f) **PLAN PROGRAM.** "Plan Program" means the statewide public employees insurance ~~plan~~ program created by subdivision 3.

Subd. 3. **PUBLIC EMPLOYEE INSURANCE PLAN PROGRAM.** The commissioner shall be the administrator of the public employee insurance ~~plan~~ program and may determine its funding arrangements. The commissioner shall model the ~~plan~~ program after the plan established in section 43A.18, subdivision 2, but may modify that plan, in consultation with the labor-management committee.

Subd. 4. **LABOR-MANAGEMENT COMMITTEE.** The labor-management committee consists of ten members appointed by the commissioner. The labor-management committee must comprise five members who represent employees, including at least one retired employee, and five members who represent eligible employers. Committee members are eligible for expense reimbursement in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. The commissioner shall consult with the labor-management committee in major decisions that affect the ~~plan~~ program. The committee shall study issues relating to the insurance ~~plan~~ program including, but not limited to, flexible benefits, utilization review, quality assessment, and cost efficiency.

Subd. 5. **PUBLIC EMPLOYEE PARTICIPATION.** (a) Participation in the ~~plan~~ program is subject to the conditions in this subdivision.

(b) Each exclusive representative for an eligible employer determines whether the employees it represents will participate in the ~~plan~~ program. The

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exclusive representative shall give the employer notice of intent to participate at least ~~90~~ 30 days before the expiration date of the collective bargaining agreement preceding the collective bargaining agreement that covers the date of entry into the ~~plan program~~. The exclusive representative and the eligible employer shall give notice to the commissioner of the determination to participate in the ~~plan program~~ at least ~~90~~ 30 days before entry into the ~~plan program~~. Entry into the ~~plan program~~ is governed by a schedule established by the commissioner.

(c) Employees not represented by exclusive representatives may become members of the ~~plan program~~ upon a determination of an eligible employer to include these employees in the ~~plan program~~. Either all or none of the employer's unrepresented employees must participate. The eligible employer shall give at least ~~90~~ 30 days' notice to the commissioner before entering the ~~plan program~~. Entry into the ~~plan program~~ is governed by a schedule established by the commissioner.

(d) Participation in the ~~plan program~~ is for a two-year term. Participation is automatically renewed for an additional two-year term unless the exclusive representative, or the employer for unrepresented employees, gives the commissioner notice of withdrawal at least ~~90~~ 30 days before expiration of the participation period. A group that withdraws must wait two years before rejoining. An exclusive representative, or employer for unrepresented employees, may also withdraw if premiums increase 50 percent or more from one insurance year to the next.

(e) The exclusive representative shall give the employer notice of intent to withdraw to the commissioner at least ~~90~~ 30 days before the expiration date of a collective bargaining agreement that includes the date on which the term of participation expires.

(f) Each participating eligible employer shall notify the commissioner of names of individuals who will be participating within two weeks of the commissioner receiving notice of the parties' intent to participate. The employer shall also submit other information as required by the commissioner for administration of the ~~plan program~~.

Subd. 6. **COVERAGE.** (a) By January 1, 1989, the commissioner shall announce the benefits of the ~~plan program~~. The ~~plan program~~ shall include employee hospital, medical, dental, and life insurance for employees and hospital and medical benefits for dependents. Health maintenance organization options and other delivery system options may be provided if they are available, cost-effective, and capable of servicing the number of people covered in the ~~plan program~~. Participation in optional coverages may be provided by collective bargaining agreements. For employees not represented by an exclusive representative, the employer may offer the optional coverages to eligible employees and their dependents provided in the ~~plan program~~.

(b) The commissioner, with the assistance of the labor-management committee, shall periodically assess whether it is financially feasible for the ~~plan pro-~~

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gram to offer or to continue an individual retiree program that has competitive premium rates and benefits. If the commissioner determines it to be feasible to offer an individual retiree program, the commissioner shall announce the applicable benefits, premium rates, and terms of participation. Eligibility to participate in the individual retiree program is governed by subdivision 8, but applies to retirees of eligible employers that do not participate in the ~~plan~~ program and to those retirees' dependents and surviving spouses.

Subd. 6a. **CHIROPRACTIC SERVICES.** All benefits provided by the ~~plan~~ program or a successor ~~plan~~ program relating to expenses incurred for medical treatment or services of a physician must also include chiropractic treatment and services of a chiropractor to the extent that the chiropractic services and treatment are within the scope of chiropractic licensure.

This subdivision is intended to provide equal access to benefits for ~~plan~~ pro-gram members who choose to obtain treatment for illness or injury from a doctor of chiropractic, as long as the treatment falls within the chiropractor's scope of practice. This subdivision is not intended to change or add to the benefits provided for in the ~~plan~~ program.

Subd. 7. **PREMIUMS.** The proportion of premium paid by the employer and employee is subject to collective bargaining or personnel policies. If, at the beginning of the coverage period, no collective bargaining agreement has been finalized, the increased dollar costs, if any, from the previous year is the sole responsibility of the individual participant until a collective bargaining agreement states otherwise. Premiums, including an administration fee, shall be established by the commissioner. Each employer shall pay monthly the amounts due for employee benefits including the amounts under subdivision 8 to the commissioner no later than the dates established by the commissioner. If an employer fails to make the payments as required, the commissioner may cancel ~~plan~~ program benefits and pursue other civil remedies.

Subd. 8. **CONTINUATION OF COVERAGE.** (a) A former employee of an employer participating in the ~~plan~~ program who is receiving a public pension disability benefit or an annuity or has met the age and service requirements necessary to receive an annuity under chapter 353, 353C, 354, 354A, 356, 422A, 423, 423A, or 424, and the former employee's dependents, are eligible to participate in the ~~plan~~ program. This participation is at the person's expense unless a collective bargaining agreement or personnel policy provides otherwise. Premiums for these participants must be established by the commissioner.

The commissioner may provide policy exclusions for preexisting conditions only when there is a break in coverage between a participant's coverage under the employment-based group insurance ~~plan~~ program and the participant's coverage under this section. An employer shall notify an employee of the option to participate under this paragraph no later than the effective date of retirement. The retired employee or the employer of a participating group on behalf of a current or retired employee shall notify the commissioner within 30 days of the

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effective date of retirement of intent to participate in the ~~plan~~ program according to the rules established by the commissioner.

(b) The spouse of a deceased employee or former employee may purchase the benefits provided at premiums established by the commissioner if the spouse was a dependent under the employee's or former employee's coverage under this section at the time of the death. The spouse remains eligible to participate in the ~~plan~~ program as long as the group that included the deceased employee or former employee participates in the ~~plan~~ program. Coverage under this clause must be coordinated with relevant insurance benefits provided through the federally sponsored Medicare program.

(c) The ~~plan~~ program benefits must continue in the event of strike permitted by section 179A.18, if the exclusive representative chooses to have coverage continue and the employee pays the total monthly premiums when due.

(d) A participant who discontinues coverage may not reenroll.

Persons participating under these paragraphs shall make appropriate premium payments in the time and manner established by the commissioner.

Subd. 9. **INSURANCE TRUST FUND.** The insurance trust fund in the state treasury consists of deposits of the premiums received from employers participating in the ~~plan~~ program and transfers before July 1, 1994, from the excess contributions holding account established by section 353.65, subdivision 7. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. Premiums paid by employers to the fund are exempt from the tax imposed by sections 60A.15 and 60A.198. The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid. The state board of investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.

Subd. 10. **EXEMPTION.** The public employee insurance ~~plan~~ program and, where applicable, the employers participating in it are exempt from chapters 60A, 62A, 62C, 62D, 62E, and 62H, section 471.617, subdivisions 2 and 3, and the bidding requirements of section 471.6161.

Sec. 14. Minnesota Statutes 1994, section 43A.317, subdivision 5, is amended to read:

Subd. 5. **EMPLOYER ELIGIBILITY.** (a) **PROCEDURES.** All employers are eligible for coverage through the program subject to the terms of this subdivision. The commissioner shall establish procedures for an employer to apply for coverage through the program.

(b) **TERM.** The initial term of an employer's coverage ~~will~~ may be for up to two years from the effective date of the employer's application. After that, cover-

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age will be automatically renewed for an additional ~~two-year terms term~~ unless the employer gives notice of withdrawal from the program according to procedures established by the commissioner or the commissioner gives notice to the employer of the discontinuance of the program. The commissioner may establish conditions under which an employer may withdraw from the program prior to the expiration of a ~~two-year~~ term, including by reason of a ~~midyear~~ an increase in health coverage premiums of 50 percent or more from one insurance year to the next. An employer that withdraws from the program may not reapply for coverage for a period of ~~two years from its date of withdrawal~~ time equal to its initial term of coverage.

(c) **MINNESOTA WORK FORCE.** An employer is not eligible for coverage through the program if five percent or more of its eligible employees work primarily outside Minnesota, except that an employer may apply to the program on behalf of only those employees who work primarily in Minnesota.

(d) **EMPLOYEE PARTICIPATION; AGGREGATION OF GROUPS.** An employer is not eligible for coverage through the program unless its application includes all eligible employees who work primarily in Minnesota, except employees who waive coverage as permitted by subdivision 6. Private entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer, except as otherwise approved by the commissioner.

(e) **PRIVATE EMPLOYER.** A private employer is not eligible for coverage unless it has two or more eligible employees in the state of Minnesota. If an employer has only two eligible employees and one is the spouse, child, sibling, parent, or grandparent of the other, the employer must be a Minnesota domiciled employer and have paid social security or self-employment tax on behalf of both eligible employees.

(f) **MINIMUM PARTICIPATION.** The commissioner must require as a condition of employer eligibility that at least 75 percent of its eligible employees who have not waived coverage participate in the program. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. For purposes of this section, waiver of coverage includes only waivers due to coverage under another group health benefit plan.

(g) **EMPLOYER CONTRIBUTION.** The commissioner must require as a condition of employer eligibility that the employer contribute at least 50 percent toward the cost of the premium of the employee and may require that the contribution toward the cost of coverage is structured in a way that promotes price competition among the coverage options available through the program.

(h) **ENROLLMENT CAP.** The commissioner may limit employer enrollment in the program if necessary to avoid exceeding the program's reserve capacity.

Sec. 15. Minnesota Statutes 1994, section 62J.45, subdivision 8, is amended to read:

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Subd. 8. **STAFF.** The board may hire an executive director. The executive director is not a state employee but is covered by section 3.736. The executive director and staff may participate in the following plans for employees in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans coverages in section 43A.24, subdivision 2. The attorney general shall provide legal services to the board.

Sec. 16. Minnesota Statutes 1994, section 256B.0644, is amended to read:

256B.0644 PARTICIPATION REQUIRED FOR REIMBURSEMENT UNDER OTHER STATE HEALTH CARE PROGRAMS.

A vendor of medical care, as defined in section 256B.02, subdivision 7, and a health maintenance organization, as defined in chapter 62D, must participate as a provider or contractor in the medical assistance program, general assistance medical care program, and MinnesotaCare as a condition of participating as a provider in health insurance plans and programs or contractor for state employees established under section 43A.18, the public employees insurance ~~plan~~ program under section 43A.316, for health insurance plans offered to local statutory or home rule charter city, county, and school district employees, the workers' compensation system under section 176.135, and insurance plans provided through the Minnesota comprehensive health association under sections 62E.01 to 62E.16. The limitations on insurance plans offered to local government employees shall not be applicable in geographic areas where provider participation is limited by managed care contracts with the department of human services. For providers other than health maintenance organizations, participation in the medical assistance program means that (1) the provider accepts new medical assistance, general assistance medical care, and MinnesotaCare patients or (2) at least 20 percent of the provider's patients are covered by medical assistance, general assistance medical care, and MinnesotaCare as their primary source of coverage. The commissioner shall establish participation requirements for health maintenance organizations. The commissioner shall provide lists of participating medical assistance providers on a quarterly basis to the commissioner of employee relations, the commissioner of labor and industry, and the commissioner of commerce. Each of the commissioners shall develop and implement procedures to exclude as participating providers in the program or programs under their jurisdiction those providers who do not participate in the medical assistance program. The commissioner of employee relations shall implement this section through contracts with participating health and dental carriers.

Sec. 17. Minnesota Statutes 1994, section 356.87, is amended to read:

356.87 HEALTH INSURANCE WITHHOLDING.

Upon authorization of a person entitled to receive a retirement annuity, disability benefit or survivor benefit, the executive director of a public pension fund listed in section 356.20, subdivision 2, shall withhold health insurance pre-

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mium amounts from the retirement annuity, disability benefit or survivor benefit, and pay the premium amounts to the public employees insurance ~~plan program~~. The public employees insurance ~~plan program~~ shall reimburse a public pension fund for the administrative expense of withholding the premium amounts and shall assume liability for the failure of a public pension fund to properly withhold the premium amounts.

ARTICLE 11

EFFICIENT OPERATION OF STATE AGENCIES

Section 1. Minnesota Statutes 1994, section 16A.055, is amended by adding a subdivision to read:

Subd. 6. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;
- (6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and
- (7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 2. Minnesota Statutes 1994, section 16B.04, is amended by adding a subdivision to read:

Subd. 4. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;

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(3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and

(7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 3. Minnesota Statutes 1994, section 17.03, is amended by adding a subdivision to read:

Subd. 11. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

(1) prevent the waste or unnecessary spending of public money;

(2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;

(3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and

(7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 4. Minnesota Statutes 1994, section 43A.04, is amended by adding a subdivision to read:

Subd. 1a. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

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- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;
- (6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and
- (7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 5. Minnesota Statutes 1994, section 45.012, is amended to read:

45.012 COMMISSIONER.

(a) The department of commerce is under the supervision and control of the commissioner of commerce. The commissioner is appointed by the governor in the manner provided by section 15.06.

(b) Data that is received by the commissioner or the commissioner's designee by virtue of membership or participation in an association, group, or organization that is not otherwise subject to chapter 13 is confidential or protected nonpublic data but may be shared with the department employees as the commissioner considers appropriate. The commissioner may release the data to any person, agency, or the public if the commissioner determines that the access will aid the law enforcement process, promote public health or safety, or dispel widespread rumor or unrest.

(c) It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity,

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improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and

(7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 6. Minnesota Statutes 1994, section 84.027, is amended by adding a subdivision to read:

Subd. 14. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

(1) prevent the waste or unnecessary spending of public money;

(2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;

(3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations when appropriate; and

(7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 7. Minnesota Statutes 1994, section 116.03, is amended by adding a subdivision to read:

Subd. 2a. MISSION; EFFICIENCY. It is part of the agency's mission that within the agency's resources the commissioner and the members of the agency shall endeavor to:

(1) prevent the waste or unnecessary spending of public money;

(2) use innovative fiscal and human resource practices to manage the state's resources and operate the agency as efficiently as possible;

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(3) coordinate the agency's activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and

(7) recommend to the legislature, in the performance report of the agency required under section 15.91, appropriate changes in law necessary to carry out the mission of the agency.

Sec. 8. Minnesota Statutes 1994, section 116J.011, is amended to read:

116J.011 **MISSION.**

The mission of the department of trade and economic development is to employ all of the available state government resources to facilitate an economic environment that produces net new job growth in excess of the national average and to increase nonresident and resident tourism revenues. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

(1) prevent the waste or unnecessary spending of public money;

(2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;

(3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and

(7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 9. Minnesota Statutes 1994, section 120.0111, is amended to read:

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120.0111 MISSION STATEMENT.

The mission of public education in Minnesota, a system for lifelong learning, is to ensure individual academic achievement, an informed citizenry, and a highly productive work force. This system focuses on the learner, promotes and values diversity, provides participatory decision-making, ensures accountability, models democratic principles, creates and sustains a climate for change, provides personalized learning environments, encourages learners to reach their maximum potential, and integrates and coordinates human services for learners. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;
- (6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and
- (7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 10. Minnesota Statutes 1994, section 135A.052, subdivision 1, is amended to read:

Subdivision 1. **STATEMENT OF MISSIONS.** The legislature recognizes each public post-secondary system to have a distinctive mission within the overall provision of public higher education in the state and a responsibility to cooperate with the other systems. These missions are as follows:

- (1) the technical college system shall offer vocational training and education to prepare students for skilled occupations that do not require a baccalaureate degree;
- (2) the community college system shall offer lower division instruction in academic programs, occupational programs in which all credits earned will be accepted for transfer to a baccalaureate degree in the same field of study, and remedial studies, for students transferring to baccalaureate institutions and for those seeking associate degrees;

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(3) the state university system shall offer undergraduate and graduate instruction through the master's degree, including specialist certificates, in the liberal arts and sciences and professional education; and

(4) the University of Minnesota shall offer undergraduate, graduate, and professional instruction through the doctoral degree, and shall be the primary state supported academic agency for research and extension services.

It is part of the mission of each system that within the system's resources the system's governing board and chancellor or president shall endeavor to:

- (a) prevent the waste or unnecessary spending of public money;
- (b) use innovative fiscal and human resource practices to manage the state's resources and operate the system as efficiently as possible;
- (c) coordinate the system's activities wherever appropriate with the activities of other systems and governmental agencies;
- (d) use technology where appropriate to increase system productivity, improve customer service, increase public access to information about the system, and increase public participation in the business of the system;
- (e) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A; and
- (f) recommend to the legislature appropriate changes in law necessary to carry out the mission of the system.

Sec. 11. Minnesota Statutes 1994, section 144.05, is amended to read:

144.05 GENERAL DUTIES OF COMMISSIONER; REPORTS.

Subdivision 1. GENERAL DUTIES. The state commissioner of health shall have general authority as the state's official health agency and shall be responsible for the development and maintenance of an organized system of programs and services for protecting, maintaining, and improving the health of the citizens. This authority shall include but not be limited to the following:

- (a) Conduct studies and investigations, collect and analyze health and vital data, and identify and describe health problems;
- (b) Plan, facilitate, coordinate, provide, and support the organization of services for the prevention and control of illness and disease and the limitation of disabilities resulting therefrom;
- (c) Establish and enforce health standards for the protection and the promotion of the public's health such as quality of health services, reporting of disease, regulation of health facilities, environmental health hazards and personnel;
- (d) Affect the quality of public health and general health care services by

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providing consultation and technical training for health professionals and para-professionals;

(e) Promote personal health by conducting general health education programs and disseminating health information;

(f) Coordinate and integrate local, state and federal programs and services affecting the public's health;

(g) Continually assess and evaluate the effectiveness and efficiency of health service systems and public health programming efforts in the state; and

(h) Advise the governor and legislature on matters relating to the public's health.

Subd. 2. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

(1) prevent the waste or unnecessary spending of public money;

(2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;

(3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and

(7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 12. Minnesota Statutes 1994, section 174.02, is amended by adding a subdivision to read:

Subd. 1a. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

(1) prevent the waste or unnecessary spending of public money;

(2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;

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(3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and

(7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 13. Minnesota Statutes 1994, section 175.001, is amended by adding a subdivision to read:

Subd. 6. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

(1) prevent the waste or unnecessary spending of public money;

(2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;

(3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and

(7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 14. Minnesota Statutes 1994, section 190.09, is amended to read:

190.09 POWERS, DUTIES.

Subdivision 1. DUTIES OF THE OFFICE. The adjutant general shall be the chief of staff to the commander-in-chief and the administrative head of the

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military department. The adjutant general shall have an office in the capitol and keep it open during the usual business hours.

The adjutant general shall have custody of all military records, correspondence, and other military documents. The adjutant general shall be the medium of military correspondence with the governor and perform all other duties pertaining to that office prescribed by law. The adjutant general shall make an annual report to the governor, at such time as the governor may require, of all the transactions of the military affairs department, setting forth the number, strength and condition of the national guard, and such other matters as deemed important and shall make and transmit to the federal government the returns required by the laws of the United States. The adjutant general shall, whenever necessary, cause the military code, orders and rules of the state to be printed and distributed to the commissioned officers and the several organizations of the national guard and shall cause to be prepared and issued all necessary books, blanks and notices required to carry into full effect the provisions of the military code. All such books and blanks shall be and remain the property of the state.

The seal now used in the office of the adjutant general shall be the seal of that office and shall be delivered to the successor in that office. All orders issued from the adjutant general's office shall be authenticated with that seal. The adjutant general shall attest all commissions issued to military officers. The adjutant general will superintend the preparation of all returns and reports required by the United States from the state on military matters.

The adjutant general shall designate an assistant adjutant general to serve as deputy adjutant general to perform the duties of the adjutant general during periods when the adjutant general is absent or unable to perform that officer's duties. In the absence of all of the above, the senior officer of the national guard, shall perform the duties prescribed for the adjutant general.

The flags and colors carried by Minnesota troops in the Civil War, Indian Wars, Spanish-American War, Mexican Border Campaign, the first World War, and subsequent wars shall be preserved in the capitol under the especial care of the adjutant general. They shall be suitably encased and marked, and, so far as the adjutant general may deem it consistent with their safety, shall at all times be publicly displayed.

Subd. 2. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the adjutant general shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;

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(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and

(7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 15. Minnesota Statutes 1994, section 196.05, is amended to read:

196.05 DUTIES OF COMMISSIONER.

Subdivision 1. GENERAL DUTIES. The commissioner shall:

(1) act as the agent of a resident of the state having a claim against the United States for benefits arising out of or by reason of service in the armed forces and prosecute the claim without charge;

(2) act as custodian of veterans' bonus records;

(3) administer the laws relating to the providing of bronze flag holders at veterans' graves for memorial purposes;

(4) administer the laws relating to recreational or rest camps for veterans so far as applicable to state agencies;

(5) administer the state soldiers' assistance fund and veterans' relief fund and other funds appropriated for the payment of bonuses or other benefits to veterans or for the rehabilitation of veterans;

(6) cooperate with national, state, county, municipal, and private social agencies in securing to veterans and their dependents the benefits provided by national, state, and county laws, municipal ordinances, or public and private social agencies;

(7) provide necessary assistance where other adequate aid is not available to the dependent family of a veteran while the veteran is hospitalized and after the veteran is released for as long a period as is necessary as determined by the commissioner;

(8) act as the guardian of the estate for a minor or an incompetent person receiving money from the United States government when requested to do so by an agency of the United States of America provided sufficient personnel are available;

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(9) cooperate with United States governmental agencies providing compensation, pensions, insurance, or other benefits provided by federal law, by supplementing the benefits prescribed therein, when conditions in an individual case make it necessary;

(10) assist in implementing state laws, rights, and privileges relating to the reemployment of veterans upon their separation from the armed forces;

(11) contact, at times as the commissioner deems proper, war veterans, as defined in section 197.447, who are confined in a public institution; investigate the treatment accorded those veterans and report annually to the governor the results of the investigations; and the heads of the public institutions shall permit the commissioner, or the commissioner's representative, to visit any veteran; and, if the commissioner, or the commissioner's representative requests any information relative to any veteran and the veteran's affairs, the head of the institution shall furnish it;

(12) assist dependent family members of military personnel who are called from reserve status to extended federal active duty during a time of war or national emergency through the state soldiers' assistance fund provided by section 197.03; and

(13) exercise other powers as may be authorized and necessary to carry out the provisions of this chapter and chapters 197 and 198, consistent with those chapters.

Subd. 2. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

(1) prevent the waste or unnecessary spending of public money;

(2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;

(3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and

(7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 16. Minnesota Statutes 1994, section 216A.07, is amended by adding a subdivision to read:

Subd. 6. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;
- (6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and
- (7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 17. Minnesota Statutes 1994, section 241.01, is amended by adding a subdivision to read:

Subd. 3b. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve service to the public, increase public access to information about government, and increase public participation in the business of government;
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;
- (6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and

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(7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 18. Minnesota Statutes 1994, section 245.03, is amended to read:

**245.03 DEPARTMENT OF HUMAN SERVICES ESTABLISHED;
COMMISSIONER.**

Subdivision 1. ESTABLISHMENT. There is created a department of human services. A commissioner of human services shall be appointed by the governor under the provisions of section 15.06. The commissioner shall be selected on the basis of ability and experience in welfare and without regard to political affiliations. The commissioner shall appoint a deputy commissioner.

Subd. 2. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

(1) prevent the waste or unnecessary spending of public money;

(2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;

(3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and

(7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 19. Minnesota Statutes 1994, section 268.0122, is amended by adding a subdivision to read:

Subd. 6. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

(1) prevent the waste or unnecessary spending of public money;

(2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;

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(3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and

(7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 20. Minnesota Statutes 1994, section 270.02, is amended by adding a subdivision to read:

Subd. 3a. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

(1) prevent the waste or unnecessary spending of public money;

(2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;

(3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and

(7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 21. Minnesota Statutes 1994, section 299A.01, is amended by adding a subdivision to read:

Subd. 1a. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

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- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;
- (6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and
- (7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

Sec. 22. Minnesota Statutes 1994, section 363.05, is amended by adding a subdivision to read:

Subd. 3. MISSION; EFFICIENCY. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;
- (6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and
- (7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission of the department.

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ARTICLE 12

CIVIL SERVICE PILOT PROJECT

Section 1. HOUSING FINANCE AGENCY PILOT PROJECT.

Subdivision 1. WAIVER. In addition to the waiver provisions in Laws 1993, chapter 301, Minnesota Statutes, sections 43A.07, 43A.10, 43A.12 to 43A.15, 43A.17, 43A.18, and 43A.20, are waived to the extent necessary to implement the civil service pilot project in the housing finance agency as authorized by Laws 1993, chapter 301. If a proposed waiver of any section of Minnesota Statutes, chapter 43A, would violate the terms of a collective bargaining agreement reached under Minnesota Statutes, chapter 179A, the waiver may not be granted without the consent of the exclusive representative that is a party to the agreement.

Subd. 2. UNREPRESENTED EMPLOYEES. The salaries of unrepresented employees of the housing finance agency must be administered according to the provisions of a salary plan developed by the commissioner of the housing finance agency and approved by the commissioner of employee relations. The salary plan must be approved under Minnesota Statutes, section 3.855, subdivision 3, before being implemented.

Sec. 2. TERMINATION.

Section 1 and the civil service pilot project in the housing finance agency as authorized by Laws 1993, chapter 301, terminate June 30, 1997, or at any earlier time by a method agreed upon by the commissioners of employee relations and housing finance and the affected exclusive bargaining representative of state employees.

Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective July 1, 1995.

ARTICLE 13

PILOT PROJECTS

Section 1. PURPOSE.

The purpose of this article is to make government work better and cost less. To accomplish this purpose, this article creates incentives for state and local employees to act in a manner that provides the best and most efficient services to the public. This article also removes barriers that currently discourage state and local agencies from taking innovative approaches to improving services and achieving cost savings.

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Sec. 2. HUMAN RESOURCES SYSTEM.

Subdivision 1. POLICY. The legislature reaffirms its commitment to an efficient and effective merit-based human resources system that meets the management needs of the state and that meets the program needs of the people of the state. The purpose of this article is to establish a process to ensure the continuation of merit-based principles, while removing rules and procedures that cause unnecessary inefficiencies in the state human resources system.

Subd. 2. PILOT PROJECT. During the biennium ending June 30, 1997, the governor shall designate an executive agency that will conduct a pilot civil service project. The pilot program must adhere to the policies expressed in subdivision 1 and in Minnesota Statutes, section 43A.01. For the purposes of conducting the pilot project, the commissioner of the designated agency is exempt from the provisions that relate to employment in Minnesota Statutes, chapter 43A, Minnesota Rules, chapter 3900, and administrative procedures and policies of the department of employee relations. If a proposed exemption from the provisions that relate to employment in Minnesota Statutes, chapter 43A, Minnesota Rules, chapter 3900, and administrative procedures and policies of the department of employee relations would violate the terms of a collective bargaining agreement effective under Minnesota Statutes, chapter 179A, the exemption is not effective without the consent of the exclusive representative that is a party to the agreement. Upon request of the commissioner carrying out the pilot project, the commissioner of employee relations shall provide technical assistance in support of the pilot project. This section does not exempt an agency from compliance with Minnesota Statutes, sections 43A.19 and 43A.191, or from rules adopted to implement those sections.

Subd. 3. EVALUATION. The commissioner of employee relations, in consultation with the agency selected in subdivision 2, shall design and implement a system for evaluating the success of the pilot project in subdivision 2. The system specifically must:

(1) evaluate the extent to which the agency has been successful in maintaining a merit-based human resources system in the absence of the traditional civil service rules and procedures;

(2) quantify time and money saved in the hiring process under the pilot project as compared to hiring under the traditional rules and procedures; and

(3) document the extent of complaints or problems arising under the new system.

The agency involved in the pilot project under this section and the department of employee relations must report to the legislature by October 1, 1996, and October 1, 1997, on the progress and results of the project. The report must include at least the elements required in this subdivision, and must also make recommendations for legislative changes needed to ensure the state will have the most efficient and effective merit-based human resources system possible.

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Subd. 4. WORKING GROUP. The governor shall appoint a stakeholder working group to advise the agency selected in subdivision 2 and the commissioner of employee relations on implementation of the pilot project under this section. The group shall include not more than 15 people, and must include:

(1) not more than five representatives of management of the agency selected for the pilot project;

(2) not more than five representatives of exclusive representatives of the agency selected by the pilot project, chosen by the exclusive representatives, provided that the number of representatives under this clause may not be less than the number of management representatives under clause (1);

(3) up to three representatives of customers of the services provided by the agency selected for the pilot project; and

(4) up to two representatives of nonprofit citizens' organizations devoted to the study and improvement of government services.

Subd. 5. PILOT PROJECT. During the biennium ending June 30, 1997, the human resources innovation committee established under Laws 1993, chapter 301, section 1, subdivision 6, shall designate state job classifications to be included in a pilot project. Under this pilot project: (1) resumes of applicants for positions to be filled through a competitive open process will be evaluated through an objective computerized system that will identify which applicants have the required skills; and (2) information on applicants determined to have required skills will be forwarded to the agency seeking to fill a vacancy, without ranking these applicants, and without a limit on the number of applicants that may be forwarded to the hiring agency. Laws or rules that govern examination, ranking of eligibles, and certification of eligibles for competitive open positions do not apply to those job classifications included in the pilot project. Before designating a job classification under this subdivision, the committee must assure that the hiring process for those job classifications complies with the policies in subdivision 1.

Subd. 6. EVALUATION. The commissioner of employee relations, in consultation with the human resources innovation committee, shall design and implement a system for evaluating the success of the pilot project in subdivision 5. By October 1, 1996, and October 1, 1997, the commissioner must report to the legislature on the pilot project. The report must:

(1) list job classifications subject to the pilot project, and the number of positions filled under these job classes;

(2) evaluate the extent to which the project has been successful in maintaining a merit-based system in the absence of traditional civil service laws and rules;

(3) quantify time and money saved in the hiring process under the pilot project, as compared to hiring under the traditional laws and rules;

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(4) document the extent of complaints or problems arising under the new system; and

(5) recommend any changes in laws or rules needed to make permanent the successes of the pilot project.

Subd. 7. EXTENSION. Laws 1993, chapter 301, section 1, subdivision 6, is not repealed until June 30, 1997.

Subd. 8. REPEALER. Minnesota Rules, parts 3900.0100 to 3900.4700 and 3900.6100 to 3900.9100, and all administrative procedures of the department of employee relations that control the manner in which state agencies hire employees, are repealed on June 30, 1999.

Sec. 3. GAINSHARING.

Subdivision 1. FINDINGS. The legislature recognizes state employees as crucial resources in providing effective and efficient government services to the people of Minnesota. The legislature believes that state employees should benefit from successful efforts they make to improve government efficiency and effectiveness. Efforts to improve government efficiency and effectiveness include, but are not limited to, reductions in unnecessary paperwork, repeal of unnecessary state, federal, and local regulations, and reductions in unnecessary staff.

Subd. 2. PILOT PROJECT. During the biennium ending June 30, 1997, the department of employee relations must implement a system of incentives including economic incentives for unrepresented employees for employees in the department. The system must be approved by the commissioner of finance before being implemented. The system must have the following characteristics:

(1) it must provide nonmanagerial unrepresented employees within the agency the possibility of earning economic rewards by suggesting changes in operation of the department's programs;

(2) it must provide nonmanagerial represented employees within the agency the possibility of receiving individual economic rewards, if provided in a collective bargaining agreement, for suggesting changes in the operation of the department's programs;

(3) it must provide groups of nonmanagerial represented employees within the agency the possibility of receiving group rewards in the form of training opportunities, filling of unfilled employee complement, or other resources that benefit overall group performance;

(4) any economic awards must be based on changes in operations suggested by nonmanagerial employees that result in objectively measurable cost savings of at least \$25,000 or significant and objectively measurable efficiencies in services that the agency provides to its customers or clients, without decreasing the quality of these services;

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(5) awards must be a minimum of \$500 up to a maximum of \$2,500 per year to unrepresented nonmanagerial employees who were instrumental in identifying and implementing the efficiency and cost-saving measures;

(6) an "efficiency savings account" must be created within each fund that is used to provide money for department services. Each account consists of money saved directly as a result of initiatives under this section. Any awards under this article must be paid from money in an efficiency savings account. One-half of the money in the account may be used for awards under this section, and the remainder must be returned to the fund from which the money was appropriated;

(7) no award shall be given except upon approval of a team comprised of equal numbers of management and nonmanagement employees selected by the commissioner of employee relations from state employees outside of the department; and

(8) the economic awards granted to unrepresented employees must be one-time awards, and must not add to the base salary of employees.

Subd. 3. REPORTING. The department of employee relations must report to the legislature on October 1, 1996, and October 1, 1997, on the progress and results of the incentive programs under this section. The reports must include:

(1) a description of the measurable cost savings and in-agency services that were used as the basis for rewards; and

(2) a list of the number and amount of awards granted.

Sec. 4. PROCUREMENT.

Subdivision 1. PURPOSE. The primary purpose of the laws governing state contracting is to ensure that state agencies obtain high quality goods and services at the least cost and in the most efficient and effective manner. The purpose of this section is to establish a process to ensure that agencies obtain goods and services in this manner, while removing rules and procedures that cause unnecessary inefficiencies in the purchasing system.

Subd. 2. PILOT PROJECT. Notwithstanding any law to the contrary, the governor shall designate an executive agency that, during the biennium ending June 30, 1997, is exempt from any law, rule, or administrative procedure that requires approval of the commissioner of administration before an agency enters into a contract. The agency selected in this subdivision must establish a process for obtaining goods and services that complies with the policies in subdivision 1. The process must include guidelines to prevent conflicts of interest for agency employees involved in developing bid specifications or proposals, evaluating bids or proposals, entering into contracts, or evaluating the performance of a contractor. The guidelines must attempt to ensure that such an employee:

(1) does not have any financial interest in and does not personally benefit from the contract;

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(2) does not accept from a contractor or bidder any promise, obligation, contract for future reward, or gift, other than an item of nominal value; and

(3) does not appear to have a conflict of interest because of a family or close personal relationship to a contractor or bidder, or because of a past employment or business relationship with a contractor or bidder.

Upon request of the agency, the department of administration shall provide the agency technical assistance in designing such a process.

Subd. 3. EVALUATION. The commissioner of administration, in consultation with the agency selected in subdivision 2, shall design and implement a system for evaluating the success of the pilot project in subdivision 2. The system specifically must:

(1) evaluate the extent to which the agency has been successful in obtaining high quality goods and services at the least cost in the absence of the traditional checks placed on agencies by laws, rules, and procedures administered by the commissioner of administration;

(2) quantify time and money saved in the procurement process under the pilot project as compared to purchasing goods and services under the traditional rules and procedures; and

(3) document the extent of complaints or problems arising under the new system.

The agency involved in the pilot project under this section and the commissioner of administration must report to the legislature by October 1, 1996, and October 1, 1997, on the progress and results of the project. The reports must include at least the elements required in clauses (1) to (3) and must also make recommendations for legislative changes needed to ensure that the state will have the most efficient and effective system possible for purchasing goods and services.

Sec. 5. EFFECTIVE DATE.

This article is effective on the day following final enactment.

ARTICLE 14

PRESERVATION OF COLLECTIVE BARGAINING

Section 1. POLICY.

Nothing in article 13 authorizes the unilateral modification or abrogation of a right under a collective bargaining agreement. The legislature affirmatively encourages state agencies and bargaining units, when negotiating future agree-

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ments, to allow for participation in pilot projects that foster innovation, creativity, and productivity within the state human resource system and within individual agencies, departments, or units thereof.

Sec. 2. STUDY.

The legislative coordinating commission or another legislative commission designated by the legislative coordinating commission shall study issues related to determination of which public employees are supervisory and confidential employees, as discussed in recent appellate court decisions involving employees in McLeod and Scott counties. The commission shall determine what changes are needed in procedures or rules of the bureau of mediation services, or in legislation, to maintain an appropriate balance in the determination of which employees are confidential and supervisory employees under Minnesota Statutes, chapter 179A. The commission shall report conclusions and recommendations to the legislature by February 1, 1996.

Sec. 3. EFFECTIVE DATE.

This article is effective on the day following final enactment.

ARTICLE 15

UNIVERSITY OF MINNESOTA

Section 1. UNIVERSITY OF MINNESOTA CONTRACTING.

Notwithstanding any law to the contrary, the governor shall designate one executive agency that will work with the University of Minnesota to develop more efficient and effective procedures for state agencies to contract with the University of Minnesota. Consideration shall be given to using a single agency and a single set of administrative procedures for all state contracting with the University. As part of its 1998-1999 biennial budget request, the University of Minnesota shall include measures demonstrating the efficiency gained through these procedures and any recommendations for further improvements.

Sec. 2. EFFECTIVE DATE.

Section 1 is effective on the day following final enactment.

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ARTICLE 16

BOARD OF INNOVATION

Section 1. [465.7971] WAIVERS OF STATE RULES; POLICIES.

Subdivision 1. APPLICATION. A state agency may apply to the board for a waiver from: (1) an administrative rule or policy adopted by the department of employee relations that deals with the state personnel system; (2) an administrative rule or policy of the department of administration that deals with the state procurement system; or (3) a policy of the department of finance that deals with the state accounting system. Two or more state agencies may submit a joint application. A waiver application must identify the rule or policy at issue, and must describe the improved outcome sought through the waiver.

Subd. 2. REVIEW PROCESS. (a) The board shall review all applications submitted under this section. The board shall dismiss an application if it finds that the application proposes a waiver that would result in due process violations, violations of federal law or the state or federal constitution, or the loss of services to people who are entitled to them. If a proposed waiver would violate the terms of a collective bargaining agreement effective under chapter 179A, the waiver is not effective without the consent of the exclusive representative that is a party to the agreement. The board may approve a waiver only if the board determines that if the waiver is granted: (1) services can be provided in a more efficient or effective manner; and (2) services related to human resources must be provided in a manner consistent with the policies expressed in article 13, section 2, and in section 43A.01 and services related to procurement must be provided in a manner consistent with the policies expressed in article 13, section 4. In the case of a waiver from a policy of the department of finance, the board may approve the waiver only if it determines that services will be provided in a more efficient or effective manner and that state funds will be adequately accounted for and safeguarded in a manner that complies with generally accepted government accounting principles.

(b) Within 15 days of receipt of the application, the board shall send a copy of the application to: (1) the agency whose rule or policy is involved; and (2) all exclusive representatives who represent employees of the agency requesting the waiver. The agency whose rule or policy is involved may mail a copy of the application to all persons who have registered with the agency under section 14.14, subdivision 1a.

(c) The agency whose rule or policy is involved or an exclusive representative shall notify the board of its agreement with or objection to and grounds for objection to the waiver within 60 days of the date when the application was transmitted to the agency or the exclusive representative. An agency's or exclusive representative's failure to do so is considered agreement to the waiver.

(d) If the agency or the exclusive representative objects to the waiver, the board shall schedule a meeting at which the agency requesting the waiver may

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present its case for the waiver and the objecting party may respond. The board shall decide whether to grant a waiver at its next regularly scheduled meeting following its receipt of an agency's response, or the end of the 60-day response period, whichever occurs first. If consideration of an application is not concluded at the meeting, the matter may be carried over to the next meeting of the board. Interested persons may submit written comments to the board on the waiver request.

(e) If the board grants a request for a waiver, the board and the agency requesting the waiver shall enter into an agreement relating to the outcomes desired as a result of the waiver and the means of measurement to determine whether those outcomes have been achieved with the waiver. The agreement must specify the duration of the waiver, which must be for at least two years and not more than four years. If the board determines that an agency to which a waiver is granted is failing to comply with the terms of the agreement, the board may rescind the agreement.

Subd. 3. BOARD. For purposes of evaluating waiver requests involving rules or policies of the department of administration, the chief administrative law judge shall appoint a third administrative law judge to replace the commissioner of administration on the board.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment.

ARTICLE 17

LOCAL GOVERNMENT

Section 1. Minnesota Statutes 1994, section 256B.056, is amended by adding a subdivision to read:

Subd. 4a. ASSET VERIFICATION. For purposes of verification, the value of a life estate shall be considered not saleable unless the owner of the remainder interest intends to purchase the life estate, or the owner of the life estate and the owner of the remainder sell the entire property.

Sec. 2. Minnesota Statutes 1994, section 256B.056, is amended by adding a subdivision to read:

Subd. 4b. INCOME VERIFICATION. The local agency shall not require a monthly income verification form for a recipient who is a resident of a long-term care facility and who has monthly earned income of \$80 or less.

Sec. 3. Minnesota Statutes 1994, section 256B.056, is amended by adding a subdivision to read:

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Subd. 5a. INDIVIDUALS ON FIXED INCOME. Recipients of medical assistance who receive only fixed unearned income, where such income is unvarying in amount and timing of receipt throughout the year, shall report and verify their income annually.

Sec. 4. Minnesota Statutes 1994, section 256B.056, is amended by adding a subdivision to read:

Subd. 5b. INDIVIDUALS WITH LOW INCOME. Recipients of medical assistance not residing in a long-term care facility who have slightly fluctuating income which is below the medical assistance income limit shall report and verify their income on a semiannual basis.

Sec. 5. Minnesota Statutes 1994, section 256D.405, is amended by adding a subdivision to read:

Subd. 1a. EXEMPTION. Recipients who maintain supplemental security income eligibility are exempt from the reporting requirements of subdivision 1, except that the policies and procedures of transfers of assets are those used by the medical assistance program under section 256B.0595.

Sec. 6. RAMSEY CONSTRUCTION CONTRACTS; PILOT PROJECT FOR ALTERNATIVE PROCUREMENT METHODS.

Ramsey county may conduct a pilot project for construction projects under this section. Notwithstanding any other law, Ramsey county may contract for the acquisition, construction, or improvement of real property or buildings in a manner determined by the county board, with or without advertising for bids. Before proceeding without advertising for bids, the county board shall, by a vote of at least five board members, make a determination that an alternative construction procurement method serves the interest of the public in regard to cost, speed, and quality of construction. Alternative construction procurement methods include, but are not limited to: (1) the solicitation of proposals for construction on a design/build basis and subsequent negotiation of contract terms; or (2) the solicitation of proposals for a construction management agreement which may include a guaranteed maximum price. The provisions of Minnesota Statutes, section 383A.201, apply to this section. Each year, before January 15, Ramsey county shall report on actions taken under this section during the preceding year to state house and senate legislative committees having jurisdiction over local government matters. The authority provided in this section expires December 31, 1997.

Sec. 7. REPEALER.

Minnesota Statutes 1994, section 256D.425, subdivision 3, is repealed.

Sec. 8. EFFECTIVE DATE.

Section 6 is effective on the day following final enactment. Sections 1 to 5 and 7 are effective August 1, 1995. Section 3 ceases to be effective if a federal

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agency determines that implementation of section 3 would cause a loss of federal funding.

ARTICLE 18

DEADLINE FOR AGENCY ACTION

Section 1. [15.99] TIME DEADLINE FOR AGENCY ACTION.

Subdivision 1. DEFINITION. For purposes of this section, "agency" means a department, agency, board, commission, or other group in the executive branch of state government; a statutory or home rule charter city, county, town, or school district; any metropolitan agency or regional entity; and any other political subdivision of the state.

Subd. 2. DEADLINE FOR RESPONSE. Except as otherwise provided in this section and notwithstanding any other law to the contrary, an agency must approve or deny within 60 days a written request relating to zoning, septic systems, or expansion of the metropolitan urban service area for a permit, license, or other governmental approval of an action. Failure of an agency to deny a request within 60 days is approval of the request. If an agency denies the request, it must state in writing the reasons for the denial at the time that it denies the request.

Subd. 3. APPLICATION; EXTENSIONS. (a) The time limit in subdivision 2 begins upon the agency's receipt of a written request containing all information required by law or by a previously adopted rule, ordinance, or policy of the agency. If an agency receives a written request that does not contain all required information, the 60-day limit starts over only if the agency sends notice within ten business days of receipt of the request telling the requester what information is missing.

(b) If an action relating to zoning, septic systems, or expansion of the metropolitan urban service area requires the approval of more than one state agency in the executive branch, the 60-day period in subdivision 2 begins to run for all executive branch agencies on the day a request containing all required information is received by one state agency. The agency receiving the request must forward copies to other state agencies whose approval is required.

(c) An agency response meets the 60-day time limit if the agency can document that the response was sent within 60 days of receipt of the written request.

(d) The time limit in subdivision 2 is extended if a state statute, federal law, or court order requires a process to occur before the agency acts on the request, and the time periods prescribed in the state statute, federal law, or court order make it impossible to act on the request within 60 days. In cases described in this paragraph, the deadline is extended to 60 days after completion of the last

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process required in the applicable statute, law, or order. Final approval of an agency receiving a request is not considered a process for purposes of this paragraph.

(e) The time limit in subdivision 2 is extended if: (1) a request submitted to a state agency requires prior approval of a federal agency; or (2) an application submitted to a city, county, town, school district, metropolitan or regional entity, or other political subdivision requires prior approval of a state or federal agency. In cases described in this paragraph, the deadline for agency action is extended to 60 days after the required prior approval is granted.

(f) An agency may extend the timeline under this subdivision before the end of the initial 60-day period by providing written notice of the extension to the applicant. The notification must state the reasons for the extension and its anticipated length, which may not exceed 60 days unless approved by the applicant.

Sec. 2. EFFECTIVE DATE.

Section 1 is effective July 1, 1995, and applies to any written request submitted after that date.

ARTICLE 19

STATE AGENCY CUSTOMER SERVICE

Section 1. [15.101] CUSTOMER SERVICE.

Subdivision 1. DEFINITIONS. For purposes of this section and section 15.102:

(1) "business license" or "license" has the meaning given it in section 116J.70, subdivision 2, and also includes licenses and other forms of approval listed in section 116J.70, subdivision 2a, clauses (7) and (8), but does not include those listed in subdivision 2a, clauses (1) to (6);

(2) "customer" means an individual; a small business as defined in section 645.445, but also including a nonprofit corporation that otherwise meets the criteria in that section; a family farm, family farm corporation, or family farm partnership as defined in section 500.24, subdivision 2; or a political subdivision as defined in section 3.881, subdivision 2;

(3) "initial agency" means the state agency to which a customer submits an application for a license or inquires about submitting an application; and

(4) "responsible agency" means the initial agency or another state agency that agrees to be designated the responsible agency.

Subd. 2. RESPONSIBILITY FOR CUSTOMER NEEDS. (a) When a cus-

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tomers apply to a state agency for a license to engage in activity, the agency is responsible for providing the customer with information the customer needs from the state to complete the application, including information on any other agency or agencies that must take action before the license may be granted or that must issue a separate license before the customer may proceed with the activity. The employee of the initial agency or responsible agency who accepts the customer's application or inquiry regarding an application shall provide the customer with the employee's name, title, and work telephone number and shall inform the customer that the employee will be available to provide assistance and information as the customer proceeds with the application and awaits the agency's action on it.

(b) If the responsible agency determines that another state agency or agencies must act on an application, the responsible agency shall forward all necessary application forms and other required information to the other agency or agencies and shall coordinate with the other agency or agencies in an effort to assure that all action on the application is completed within the time specified in section 15.102.

(c) At the request of a customer, the responsible agency shall prepare a written work plan, which is not a binding contract, setting out the steps necessary for the customer to complete the application, the time when the responsible agency may be expected to take action on the application, the steps the responsible agency will take to forward an application or required information to any other state agency or agencies that must take action, and the process by which the other agency or agencies may be expected to act. The work plan must include information on the deadline for agency action under section 15.102 and on the result of agency failure to meet the deadline. The work plan must be provided to a customer no later than 20 working days after the customer requested the plan.

Sec. 2. [15.102] TIME LIMITATION.

Subdivision 1. DEADLINE FOR ACTION. Unless a shorter period is provided by law, all state agencies that must act on a customer's application for a license shall take final action on it within 60 days after the customer's submission of a completed application to the responsible agency or within 60 days after the customer has been provided with a work plan under section 15.101, subdivision 2, paragraph (c), whichever is later. If action on the application is not completed within 60 days, the license is deemed to be granted. The time period specified in this subdivision does not begin to run until the customer has completed any required application in complete, correct form and has provided any additional required information or documentation.

Subd. 2. LONGER TIME LIMITS. An agency may provide for a longer time for the conclusion of action on an application, by itself and by another agency or agencies, if:

(1) the agency states in writing to the customer that a longer time is needed to protect against serious and significant harm to the public health, safety, or welfare, states the reason why, and specifies the additional time needed;

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(2) the agency states in writing to the customer that a longer time is needed to comply with state or federal requirements, states the requirements, and specifies the additional time needed; or

(3) an agency that must take action on an application is a multimember board that meets periodically, in which case the agency must complete its action within 60 days after its first meeting after receipt of the application, or within a longer period established under clause (1) or (2).

Subd. 3. EXCLUSIONS. This section does not apply to an application requiring one or more public hearings or an environmental impact statement or environmental assessment worksheet.

Subd. 4. COMPLIANCE. When a license is deemed granted under subdivision 1, this section does not limit the right of an agency to suspend, limit, revoke, or change a license for failure of the customer to comply with applicable laws or rules.

Subd. 5. LIMIT ON REVIEW. A decision of an agency under subdivision 2 that a time longer than 60 days is needed to complete action on an application is not subject to judicial review.

Sec. 3. [15.103] OTHER LAW.

A state agency action that is subject to section 15.99 is governed by section 15.99 if there is a conflict between that section and sections 15.101 and 15.102.

Sec. 4. NO ADDITIONAL RESOURCES.

During the biennium ending June 30, 1997, agencies shall comply with sections 1 and 2 with their existing complements and appropriations.

Presented to the governor May 30, 1995

Signed by the governor June 1, 1995, 11:46 a.m.

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