



2.1 (1) describe the programs subject to the agreement;

2.2 (2) specify the procedural laws, rules, or policies that will not apply to the  
2.3 performance-based organization, why waiver or variance from these laws, rules, or  
2.4 policies is necessary to achieve desired outcomes, and a description of alternative means  
2.5 of accomplishing the purposes of those laws, rules, or policies;

2.6 (3) contain procedures for oversight of the performance-based organization,  
2.7 including requirements and procedures for program and financial audits;

2.8 (4) if the performance-based organization involves a nonstate entity, contain  
2.9 provisions governing assumption of liability, and types and amounts of insurance coverage  
2.10 to be obtained;

2.11 (5) specify the duration of the agreement; and

2.12 (6) specify measurable performance-based outcomes for achieving program  
2.13 goals, time periods during which these outcomes will be measured and reported, and  
2.14 consequences for not meeting the performance-based outcomes.

2.15 Subd. 3. **Funding.** A performance-based organization agreement may authorize  
2.16 one or more agencies to transfer appropriations among programs that are subject to the  
2.17 agreement. A transfer must be approved by the commissioner of management and budget.

2.18 Subd. 4. **Duration; legislative approval.** A performance-based organization  
2.19 agreement may be up to three years, and may be renewed. An exemption from a  
2.20 procedural law terminates ten days after adjournment of the regular legislative session  
2.21 held during the calendar year following the year when the exemption is granted, unless  
2.22 otherwise provided by law.

2.23 Subd. 5. **Reporting.** The chief executive of the state agency whose program is  
2.24 subject to a performance-based organization must report to the chairs and ranking minority  
2.25 members of legislative policy and finance committees with jurisdiction over the program:  
2.26 (1) before entering into the performance-based organization, on the proposed content of the  
2.27 performance-based organization, and specifically describing any procedural laws, rules,  
2.28 and policies that will not apply; and (2) quarterly during the term of the performance-based  
2.29 organization, on performance-based outcomes under the performance-based organization.