



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. **Duration; legislative approval; reporting.** (a) A performance-based  
2.16 organization agreement may be up to three years, and may be renewed.

2.17 (b) The chief executive of the state agency whose program is subject to a  
2.18 performance-based organization must report to the chairs and ranking minority members  
2.19 of legislative policy and finance committees with jurisdiction over the program on the  
2.20 proposed content of the performance-based organization, and specifically describing  
2.21 any procedural laws, rules, and policies that will not apply. The legislature must  
2.22 approve a performance-based organization before the state agency may enter into a  
2.23 performance-based agreement.