

A bill for an act

relating to state government; specifying budget development; establishing a Subcommittee on Government Accountability; aligning performance goals and agency resources; requiring a cash flow forecast; requiring certain duties and establishing certain rights for executive employees; amending Minnesota Statutes 2006, sections 3.885, by adding subdivisions; 3.987, subdivision 1; 16A.10, subdivisions 1, 1a, 1c; 16A.11, by adding a subdivision; Minnesota Statutes 2007 Supplement, section 181.932, subdivision 1; Laws 2005, First Special Session chapter 1, article 4, section 121, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 16A; 43A.

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

Section 1. Minnesota Statutes 2006, section 3.885, is amended by adding a subdivision to read:

Subd. 10. **Budget development.** The commission or appropriate committee of the house of representatives or senate may develop budget recommendations to present to the legislature. If the commission or committees proceed with the development of budget recommendations, state agencies must provide requested information. That information includes the base budget, information on how the base budget is determined and how it is allocated, recommendations from agency staff for changes in the base level appropriations to improve agency operations and efficiency or to improve or increase efficiency of programs operated by the agency, and responses to proposals for reductions in agency budgets.

Sec. 2. Minnesota Statutes 2006, section 3.885, is amended by adding a subdivision to read:

Subd. 11. **Subcommittee on Government Accountability.** The commission must form a Subcommittee on Government Accountability under section 3.3056 to review

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recommendations from the commissioner of finance under section 16A.10, subdivision 1c, and to review recommendations from the commissioners of finance and administration on how to improve the use of Minnesota Milestones and other statewide goals and indicators in state planning and budget documents. The subcommittee shall consider testimony from representatives from the following organizations and agencies: (1) nonprofit organizations involved in the preparation of Minnesota Milestones; (2) the University of Minnesota and other higher education institutions; (3) the Department of Finance and other state agencies; and (4) other legislators. The subcommittee shall report to the commission by February 1 of each odd-numbered year with long-range recommendations for the further implementation and uses of Minnesota Milestones and other government accountability improvements.

Sec. 3. Minnesota Statutes 2006, section 3.987, subdivision 1, is amended to read:

Subdivision 1. **Local impact notes.** The commissioner of finance shall coordinate the development of a local impact note for any proposed legislation introduced after June 30, 1997, or any rule proposed after December 31, 1999, upon request of the chair or the ranking minority member of either legislative Tax or Finance Committee or the house Committee on Ways and Means. Upon receipt of a request to prepare a local impact note, the commissioner must notify the authors of the proposed legislation or, for an administrative rule, the head of the relevant executive agency or department, that the request has been made. The local impact note must be made available to the public upon request. If the action is among the exceptions listed in section 3.988, a local impact note need not be requested nor prepared. The commissioner shall make a reasonable and timely estimate of the local fiscal impact on each type of political subdivision that would result from the proposed legislation. The commissioner of finance may require any political subdivision or the commissioner of an administrative agency of the state to supply in a timely manner any information determined to be necessary to determine local fiscal impact. The political subdivision, its representative association, or commissioner shall convey the requested information to the commissioner of finance with a signed statement to the effect that the information is accurate and complete to the best of its ability. The political subdivision, its representative association, or commissioner, when requested, shall update its determination of local fiscal impact based on actual cost or revenue figures, improved estimates, or both. Upon completion of the note, the commissioner must provide a copy to the authors of the proposed legislation, as well as the chair and ranking minority member of all committees to which a bill is referred, or, for an administrative rule, to the head of the relevant executive agency or department.

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Sec. 4. Minnesota Statutes 2006, section 16A.10, subdivision 1, is amended to read:

Subdivision 1. **Budget format.** In each even-numbered calendar year the commissioner shall prepare budget forms and instructions for all agencies, including guidelines for reporting agency performance measures, subject to the approval of the governor. In addition to review required under subdivision 1c, the commissioner shall request and receive advisory recommendations from the chairs of the senate Finance Committee and house of representatives Ways and Means Committee before adopting a format for the biennial budget document. By June 15, the commissioner shall send the proposed budget forms to the appropriations and finance committees. The committees have until July 15 to give the commissioner their advisory recommendations on possible improvements. To facilitate this consultation, the commissioner shall establish a working group consisting of executive branch staff and designees of the chairs of the senate Finance and house of representatives Ways and Means Committees. The commissioner must involve this group in all stages of development of budget forms and instructions. The budget format must show actual expenditures and receipts for the most recent fiscal year, estimated expenditures and receipts for the current fiscal year, and estimates for each fiscal year of the next biennium. Estimated expenditures must be classified by funds and character of expenditures and may be subclassified by programs and activities. Agency revenue estimates must show how the estimates were made and what factors were used. Receipts must be classified by funds, programs, and activities. Expenditure and revenue estimates must be based on the law in existence at the time the estimates are prepared.

Sec. 5. Minnesota Statutes 2006, section 16A.10, subdivision 1a, is amended to read:

Subd. 1a. **Purpose of performance data.** Performance data shall be presented in the budget proposal to:

- (1) provide information so that the legislature can determine the extent to which state programs are successful;
- (2) encourage agencies to develop clear goals and objectives for their programs; ~~and~~
- (3) strengthen accountability to Minnesotans by providing a record of state government's performance in providing effective and efficient services; and
- (4) provide information so that the legislature can determine the extent to which agency resources are being used to achieve performance goals.

Sec. 6. Minnesota Statutes 2006, section 16A.10, subdivision 1c, is amended to read:

Subd. 1c. **Performance measures for change items.** For each change item in the budget proposal requesting new or increased funding, the budget document must present

proposed performance measures that can be used to determine if the new or increased funding is accomplishing its goals. To the extent possible, each budget change item must identify relevant Minnesota Milestones and other statewide goals and indicators related to the proposed initiative. By June 15 of each even-numbered year, the commissioner must report to the Subcommittee on Government Accountability established under section 3.885, subdivision 10, regarding the format and process to be used for the presentation and selection of Minnesota Milestones and other statewide goals and indicators. By July 15 of each even-numbered year, the subcommittee must approve the format and process for use in the preparation of the budget documents.

Sec. 7. **[16A.107] CASH FLOW FORECAST.**

Within 30 days after the November forecast of state revenue and expenditures under section 16A.103, the commissioner shall deliver to the governor and the legislature a forecast of cash flow for the general fund, showing the expected maximum and minimum cash balance in the fund for each month of the forecast period.

Sec. 8. Minnesota Statutes 2006, section 16A.11, is amended by adding a subdivision to read:

Subd. 8. **Deficiency requests.** By January 15 of each year, the commissioner of finance must notify the chair of the senate Finance Committee and the chair of the house Ways and Means Committee of any budget change requests requiring priority attention to eliminate budget shortfalls likely to occur before the end of the legislative session, or for which legislative inaction would result in the suspension of agency or program operations.

Sec. 9. **[43A.015] DUTIES AND RIGHTS OF EXECUTIVE EMPLOYEES.**

(a) Except as provided in paragraph (b), executive branch state employees are expected during their work hours to be nonpartisan resources to all decision makers, and to provide timely, professional assistance to both executive and legislative decision makers and their staff in understanding the current service and finance system and the potential impact of changes on these systems. Workload concerns related to these requests shall be mediated, if necessary, by management staff in a manner that does not advantage any particular set of decision makers, but allows for balanced support and adequate attention to the ongoing responsibilities of the agency. This section does not authorize or require an employee to disclose data that is not public data under chapter 13.

(b) If an executive branch employee's responsibilities include advocating for the appointing authority's policy goals or political goals, these responsibilities must be

included in a position description that is available to the public. A managerial employee must not request an executive branch state employee to advocate policy or political goals during hours of work, except according to the employee's position description.

Sec. 10. Minnesota Statutes 2007 Supplement, section 181.932, subdivision 1, is amended to read:

Subdivision 1. **Prohibited action.** An employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

(a) the employee, or a person acting on behalf of an employee, in good faith, reports a violation or suspected violation of any federal or state law or rule adopted pursuant to law to an employer or to any governmental body or law enforcement official;

(b) the employee is requested by a public body or office to participate in an investigation, hearing, inquiry;

(c) the employee refuses an employer's order to perform an action that the employee has an objective basis in fact to believe violates any state or federal law or rule or regulation adopted pursuant to law, and the employee informs the employer that the order is being refused for that reason;

(d) the employee, in good faith, reports a situation in which the quality of health care services provided by a health care facility, organization, or health care provider violates a standard established by federal or state law or a professionally recognized national clinical or ethical standard and potentially places the public at risk of harm; ~~or~~

(e) a public employee communicates the findings of a scientific or technical study that the employee, in good faith, believes to be truthful and accurate, including reports to a governmental body or law enforcement official; or

(f) an employee in the executive branch of state government communicates information that the employee, in good faith, believes to be truthful and accurate, and that relates to improving services provided by the executive branch, to: (1) a legislator or an employee in the legislative branch; or (2) an elected official in the executive branch.

The disclosures protected pursuant to this section do not authorize the disclosure of data otherwise protected by law.

Sec. 11. Laws 2005, First Special Session chapter 1, article 4, section 121, subdivision 4, as amended by Laws 2007, chapter 29, section 1, subdivision 4, is amended to read:

Subd. 4. **Duties.** The commission shall have the following duties:

(1) to present to the governor and legislature a plan for grants to pay for capital improvements on Minnesota's historic public and private buildings, to be known as sesquicentennial grants;

(2) to seek funding for activities to celebrate the 150th anniversary of statehood, and to form partnerships with private parties to further this mission;

(3) to present an annual report to the governor and legislature outlining progress made towards the celebration of the sesquicentennial; ~~and~~

(4) to encourage all activities celebrating the sesquicentennial to be as energy efficient as practicable; and

(5) to solicit input and suggestions from communities throughout the state during the sesquicentennial celebration regarding the selection and use of Minnesota Milestones goals and indicators.

Sec. 12. **WORKING GROUP FOR MINNESOTA MILESTONES PROCESS AND INDICATORS.**

By June 1, 2008, the commissioner of finance shall convene a working group of state agency staff, legislative staff, and other interested parties to assist in the preparation of recommendations for the Minnesota Milestones report required under Minnesota Statutes, section 16A.10, subdivision 1c. The working group shall consider collaborative opportunities with community organizations and higher education institutions. The working group expires 30 days after the commissioner has submitted recommendations required under Minnesota Statutes, section 16A.10, subdivision 1c.