

A bill for an act
relating to state government; changing membership, duties, and responsibilities
of the Legislative Commission on Planning and Fiscal Policy; appropriating
money; amending Minnesota Statutes 2010, sections 3.885; 3.98.

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

Section 1. Minnesota Statutes 2010, section 3.885, is amended to read:

**3.885 LEGISLATIVE COMMISSION ON PLANNING AND FISCAL
POLICY.**

Subdivision 1. **Membership.** The Legislative Commission on Planning and Fiscal
Policy consists of ~~nine~~ three members of the senate appointed by the Subcommittee on
Committees of the Committee on Rules and Administration ~~and nine~~, three members
of the senate appointed by the senate minority leader, three members of the house
of representatives appointed by the speaker, and three members of the house of
representatives appointed by the house of representatives minority leader. Vacancies on
the commission are filled in the same manner as original appointments. The commission
shall elect a chair and a vice-chair from among its members. The chair alternates between
a member of the senate and a member of the house of representatives in January of each
odd-numbered year.

Subd. 2. **Compensation.** Members of the commission are compensated as provided
by section 3.101.

Subd. 4. **Agencies to cooperate.** All departments, agencies, and education
institutions of the executive and judicial branches must comply with a request of the
commission or its staff for information, data, estimates, analysis, and statistics: (1) on
the funding revenue operations, and other affairs of the department, agency, or education

institution; and (2) to assist the commission in its duties to prepare fiscal notes, review revenue estimates, review local government impact notes, and prepare state revenue and expenditure forecasts. The commissioner of management and budget and the commissioner of revenue shall provide the commission with full and free access to information, data, estimates, and statistics in the possession of the Management and Budget and Revenue Departments on the state budget, revenue, expenditures, and tax expenditures.

Subd. 5. **Duties.** (a) The commission shall:

(1) provide the legislature with research and analysis of current and projected state revenue, state expenditures, and state tax expenditures;

(2) provide the legislature with a report analyzing the governor's proposed levels of revenue and expenditures for biennial budgets submitted under section 16A.11 as well as other supplemental budget submittals to the legislature by the governor;

(3) provide an analysis of the impact of the governor's proposed revenue and expenditure plans for the next biennium;

(4) conduct research on matters of economic and fiscal policy and report to the legislature on the result of the research;

(5) provide economic reports and studies on the state of the state's economy, including trends and forecasts for consideration by the legislature;

(6) conduct budget and tax studies and provide general fiscal and budgetary information;

(7) review and make recommendations on the operation of state programs in order to appraise the implementation of state laws regarding the expenditure of funds and to recommend means of improving their efficiency;

(8) recommend to the legislature changes in the mix of revenue sources for programs, in the percentage of state expenditures devoted to major programs, and in the role of the legislature in overseeing state government expenditures and revenue projections;

(9) make a continuing study and investigation of the building needs of the government of the state of Minnesota, including, but not limited to the following: the current and future requirements of new buildings, the maintenance of existing buildings, rehabilitating and remodeling of old buildings, the planning for administrative offices, and the exploring of methods of financing building and related costs; and

(10) conduct a continuing study of state-local finance, analyzing and making recommendations to the legislature on issues including levels of state support for political subdivisions, basic levels of local need, balances of local revenues and options, relationship of local taxes to individuals' ability to pay, and financial reporting by political

subdivisions. In conducting this study, the commission shall consult with the governor, the staff of executive branch agencies, and the governor's Advisory Commission on State-Local Relations.

(b) In performing its duties under paragraph (a), the commission shall consider, among other things:

(1) the relative dependence on state tax revenues, federal funds, and user fees to support state-funded programs, and whether the existing mix of revenue sources is appropriate, given the purposes of the programs;

(2) the relative percentages of state expenditures that are devoted to major programs such as education, assistance to local government, aid to individuals, state agencies and institutions, and debt service; and

(3) the role of the legislature in overseeing state government expenditures, including legislative appropriation of money from the general fund, legislative appropriation of money from funds other than the general fund, state agency receipt of money into revolving and other dedicated funds and expenditure of money from these funds, and state agency expenditure of federal funds.

(c) The commission's recommendations must consider the long-term needs of the state. The recommendations must not duplicate work done by standing committees of the senate and house of representatives.

(d) The commission shall:

(1) prepare fiscal notes on pending legislation;

(2) review revenue estimates prepared under section 270C.11, subdivision 5, on pending legislation;

(3) review local government impact notes prepared under section 3.987; and

(4) prepare a forecast of state revenues and expenditures.

(e) The commission shall report to the legislature on its activities and recommendations by January 15 of each odd-numbered year.

(f) The commission shall provide the public with printed and electronic copies of reports and information for the legislature. Copies must be provided at the actual cost of furnishing each copy.

Subd. 5a. Staff; contracts for service. The commission must hire an executive director. The executive director may employ other staff. The commissioner may delegate duties to its staff. The house of representatives and the senate may transfer employees to the commission or may assign employees to do work for the commission. The commission may enter into contracts for data or services necessary to perform the commission's duties.

4.1 Subd. 5b. **Advisory group.** The commission may appoint a council of unpaid
4.2 outside experts to assist and advise the council in its work. The commission may seek
4.3 assistance and advice from a group of experts created in the executive branch.

4.4 **Subd. 10. Subcommittee on Government Accountability.** The commission must
4.5 form a Subcommittee on Government Accountability under section 3.3056 to review
4.6 recommendations from the commissioner of management and budget under section
4.7 16A.10, subdivision 1c, and to review recommendations from the commissioners of
4.8 management and budget and administration on how to improve the use of Minnesota
4.9 Milestones and other statewide goals and indicators in state planning and budget
4.10 documents. The subcommittee shall consider testimony from representatives from
4.11 the following organizations and agencies: (1) nonprofit organizations involved in the
4.12 preparation of Minnesota Milestones; (2) the University of Minnesota and other higher
4.13 education institutions; (3) the Department of Management and Budget and other state
4.14 agencies; and (4) other legislators. The subcommittee shall report to the commission by
4.15 February 1 of each odd-numbered year with long-range recommendations for the further
4.16 implementation and uses of Minnesota Milestones and other government accountability
4.17 improvements.

4.18 Sec. 2. Minnesota Statutes 2010, section 3.98, is amended to read:

4.19 **3.98 FISCAL NOTES.**

4.20 Subdivision 1. **Preparation.** ~~The head or chief administrative officer of each~~
4.21 ~~department or agency of the state government, including the Supreme Court, Legislative~~
4.22 Commission on Planning and Fiscal Policy shall prepare a fiscal note at the request of the
4.23 chair of the standing committee to which a bill has been referred, or the chair of the house
4.24 of representatives Ways and Means Committee, or the chair of the senate Committee
4.25 on Finance. The head or chief administrative officer of each department or agency of
4.26 the state government, including the Supreme Court, shall supply drafts of fiscal notes
4.27 or information for fiscal notes upon request of the executive director of the Legislative
4.28 Commission on Planning and Fiscal Policy.

4.29 For purposes of this subdivision, "Supreme Court" includes all agencies, committees,
4.30 and commissions supervised or appointed by the state Supreme Court or the state court
4.31 administrator.

4.32 Subd. 2. **Contents.** (a) The fiscal note, where possible, shall:

4.33 (1) cite the effect in dollar amounts;

4.34 (2) cite the statutory provisions affected;

4.35 (3) estimate the increase or decrease in revenues or expenditures;

(4) include the costs which may be absorbed without additional funds;

(5) include the assumptions used in determining the cost estimates; and

(6) specify any long-range implication.

(b) The fiscal note may comment on technical or mechanical defects in the bill but shall express no opinions concerning the merits of the proposal.

Subd. 3. **Distribution.** A copy of the fiscal note shall be delivered to the chair of the Ways and Means Committee of the house of representatives, the chair of the Finance Committee of the senate, the chair of the standing committee to which the bill has been referred, to the chief author of the bill and to the commissioner of management and budget.

Subd. 4. **Uniform procedure.** ~~The commissioner of management and budget~~ Legislative Commission on Planning and Fiscal Policy shall prescribe a uniform procedure to govern the departments and agencies of the state in complying with the requirements of this section.

Sec. 3. **APPROPRIATION.**

\$1,502,000 for the fiscal year ending June 30, 2012, and \$1,429,000 for the fiscal year ending June 30, 2013, are appropriated from the general fund to the Legislative Coordinating Commission for purposes of the Legislative Commission on Planning and Fiscal Policy. \$1,500,000 for the fiscal year ending June 30, 2012, is appropriated to the Legislative Coordinating Commission for fiscal note information systems. The appropriations from the general fund to the Department of Management and Budget are reduced by \$253,000 for the fiscal year ending June 30, 2012, and \$253,000 for the fiscal year ending June 30, 2013.

Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective July 1, 2011, except that the duty to prepare fiscal notes is effective February 1, 2012, and the duty to prepare forecasts of state revenues and expenditures is effective July 1, 2012.