

A bill for an act
relating to capital investment; requiring information to determine return on
investment for capital requests.

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

Section 1. **RETURN ON INVESTMENT ANALYSIS.**

The commissioner of Minnesota Management and Budget and the state economist,
with the approval of the governor, in conjunction with the committees of the legislature
responsible for capital investment, shall develop before January 1, 2012, a return on
investment analysis format to be required of all requests for appropriations from the state
bond fund after January 1, 2012. The return on investment analysis format shall require at
least the following elements for each request:

(1) a comprehensive description of the statewide value of the project, including: (i)
both subjective and objective benefits, (ii) measurable outcomes over a ten-year period, and
(iii) the process by which the planned and actual benefits and measurable outcomes will be
reported annually to the state and the public for ten years following the appropriation;

(2) a ten-year total cost of ownership for all costs related to acquisition, construction,
maintenance, and ongoing operations of a project including all related costs for staffing,
administration, promotion, support services, and outside funding sources;

(3) a ten-year total revenue projection including detailed models of usage, per-unit
revenues, and unit volumes by year, including a low, expected, and high projection of
revenue;

(4) the projected ten-year total net financial surplus or loss for the project;

(5) an optional schedule for payback of the bonding cost to the state; and

H.F. No. 369, as introduced - 87th Legislative Session (2011-2012) [11-0643]

2.1 (6) the net jobs impact to the state including: (i) a ten-year schedule of jobs created
2.2 by the project and (ii) a ten-year schedule showing the opportunity cost of jobs not
2.3 otherwise created in the broader economy due to the capital consumed by the bonding
2.4 amount not being available in other areas of the economy.

2.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.