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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2480

03/08/2016 Authored by Schultz, Bly, Rosenthal, Davnie, Freiberg and others  
The bill was read for the first time and referred to the Committee on Higher Education Policy and Finance

1.1 A bill for an act  
1.2 relating to higher education; establishing a new measurement of economic  
1.3 welfare; requiring the inclusion of the economic measure in the state budget  
1.4 forecast; appropriating funds; amending Minnesota Statutes 2014, section  
1.5 16A.103, subdivision 1; proposing coding for new law in Minnesota Statutes,  
1.6 chapter 137.

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

1.8 Section 1. Minnesota Statutes 2014, section 16A.103, subdivision 1, is amended to read:

1.9 Subdivision 1. **State revenue and expenditures.** In February and November each  
1.10 year, the commissioner shall prepare a forecast of state revenue and expenditures. The  
1.11 November forecast must be delivered to the legislature and governor no later than the end  
1.12 of the first week of December. The February forecast must be delivered to the legislature  
1.13 and governor by the end of February. Forecasts must be delivered to the legislature and  
1.14 governor on the same day. If requested by the Legislative Commission on Planning and  
1.15 Fiscal Policy, delivery to the legislature must include a presentation to the commission.  
1.16 Each forecast document must compare the genuine progress indicator value derived under  
1.17 section 137.45 against other measures of state economic growth or well-being included  
1.18 in the forecast.

1.19 Sec. 2. **[137.45] GENUINE PROGRESS INDICATOR.**

1.20 Subdivision 1. **Definition.** For the purposes of this section, "genuine progress  
1.21 indicator" means a measure of economic welfare that includes, but is not limited to, the  
1.22 following components:

- 1.23 (1) personal consumption expenditures, adjusted for income inequality;
- 1.24 (2) a measure of income and wealth distribution;

- 2.1           (3) the value of household labor;  
 2.2           (4) the value of volunteer work;  
 2.3           (5) services of household capital;  
 2.4           (6) services of highways and streets, including but not limited to public transportation;  
 2.5           (7) the cost of crime;  
 2.6           (8) the cost of lost leisure time;  
 2.7           (9) the cost of underemployment;  
 2.8           (10) the cost of consumer durable goods;  
 2.9           (11) the cost of commuting;  
 2.10          (12) the cost of household pollution abatement;  
 2.11          (13) the cost of automobile accidents;  
 2.12          (14) the cost of water, air, and noise pollution;  
 2.13          (15) the loss of wetlands, farmland, and nonrenewable resources;  
 2.14          (16) the costs of ozone depletion and lost forest cover;  
 2.15          (17) net capital investment; and  
 2.16          (18) net foreign lending and borrowing.

2.17          Subd. 2. **Calculation.** The Bureau of Business and Economic Research at the  
 2.18 University of Minnesota, in consultation with other relevant academic departments and  
 2.19 the advisory board established in this section, shall calculate a genuine progress indicator  
 2.20 for the state of Minnesota.

2.21          Subd. 3. **Report required.** (a) By January 15 of each year, the board shall  
 2.22 report to the senate Finance Committee, the house of representatives Ways and Means  
 2.23 Committee, the house of representatives State Government Finance Committee, and the  
 2.24 legislative committees with jurisdiction over economic development and higher education  
 2.25 an estimate of a genuine progress indicator for the previous year. At a minimum, the  
 2.26 report must describe recent changes in the indicator, the components of the indicator that  
 2.27 changed significantly during the previous year, and a comparison of the indicator with  
 2.28 other measures of state economic growth or well-being.

2.29          (b) The board must make available on its Web site the report required in this  
 2.30 subdivision and the data used to calculate its components.

2.31          Subd. 4. **Advisory board.** The Board of Regents shall establish an advisory board  
 2.32 to guide the work of the Bureau of Business and Economic Research on the genuine  
 2.33 progress indicator. The board must include legislators, the state economist, the state  
 2.34 demographer, representatives of relevant executive branch agencies, and representatives  
 2.35 of relevant nonprofit research organizations.

3.1        Sec. 3. **APPROPRIATION; GENUINE PROGRESS INDICATOR.**

3.2        \$..... in fiscal year 2017 is appropriated from the general fund to the Board of  
3.3 Regents of the University of Minnesota for the Bureau of Business and Economic  
3.4 Research to calculate a genuine progress indicator for the state of Minnesota and report  
3.5 the results, as described in Minnesota Statutes, section 137.45.