

2.1 **(b)** The commissioner shall request and receive advisory recommendations from
2.2 the chairs of the senate Finance Committee and house of representatives Ways and
2.3 Means Committee before adopting a format for the biennial budget document. By June
2.4 15, the commissioner shall send the proposed budget forms to the appropriations and
2.5 finance committees. The committees have until July 15 to give the commissioner their
2.6 advisory recommendations on possible improvements. To facilitate this consultation, the
2.7 commissioner shall establish a working group consisting of executive branch staff and
2.8 designees of the chairs of the senate Finance and house of representatives Ways and Means
2.9 Committees. The commissioner must involve this group in all stages of development of
2.10 budget forms and instructions. The budget format must show actual expenditures and
2.11 receipts for the most recent fiscal year, estimated expenditures and receipts for the current
2.12 fiscal year, and estimates for each fiscal year of the next biennium. ~~Estimated expenditures~~
2.13 ~~must be classified by funds and character of expenditures and may be subclassified by~~
2.14 ~~programs and activities.~~ Agency revenue estimates must show how the estimates were
2.15 made and what factors were used. ~~Receipts must be classified by funds, programs, and~~
2.16 ~~activities.~~ Expenditure and revenue estimates must be based on the law in existence at the
2.17 time the estimates are prepared.

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

2.20 (1) provide information so that the governor, legislature, and the public can
2.21 determine the extent to which state agencies, programs, and activities are successful;

2.22 (2) encourage agencies to develop clear and measurable goals and objectives for
2.23 their programs and activities; and

2.24 (3) strengthen accountability to Minnesotans by providing a record of state
2.25 government's performance in providing effective and efficient services and achieving
2.26 statewide outcomes.

2.27 Subd. 1b. **Performance data format.** (a) As part of the budget proposal, agencies
2.28 shall:

2.29 (1) describe the goals and objectives of each agency program and activity;

2.30 (2) provide evidence for how each agency program and activity goal and objective
2.31 contributes to achieving one statewide outcome; and

2.32 (3) present performance data that measures the performance of programs and
2.33 activities in meeting program the agency's goals and objectives and contributing to one
2.34 statewide outcome.

2.35 **(b)** Measures reported may include indicators of outputs, efficiency, outcomes,
2.36 effectiveness, and other measures relevant to understanding each program and activity.

3.1 (c) Agencies shall present as much historical information as needed to understand
3.2 major trends and shall set targets for future performance issues where feasible and
3.3 appropriate. The information shall appropriately highlight agency performance issues that
3.4 would assist legislative review and decision making.

3.5 (d) For purposes of this subdivision and subdivisions 1 and 2, the terms "program"
3.6 and "activity" are used in the same manner as the terms are used in state budgeting.
3.7 However, the commissioner may authorize an agency to define these terms in a different
3.8 manner if that allows for a more effective presentation of performance data. The term
3.9 "statewide outcome" means an outcome included in the chart of outcomes developed
3.10 under subdivision 4.

3.11 Subd. 1c. **Performance measures for change items.** For each change item in the
3.12 budget proposal requesting new or increased funding, the budget document must classify
3.13 expenditures by agency, program, activity, and statewide outcome, and present proposed
3.14 performance measures that can be used to determine if the new or increased funding is
3.15 accomplishing its goals. ~~To the extent possible, each budget change item must identify~~
3.16 ~~relevant Minnesota Milestones and other statewide goals and indicators related to the~~
3.17 ~~proposed initiative. The commissioner must report to the Subcommittee on Government~~
3.18 ~~Accountability established under section 3.885, subdivision 10, regarding the format to~~
3.19 ~~be used for the presentation and selection of Minnesota Milestones and other statewide~~
3.20 ~~goals and indicators.~~

3.21 Subd. 2. **By October 15 and November 30.** By October 15 of each even-numbered
3.22 year, an agency must file the following with the commissioner:

3.23 (1) budget estimates for the most recent and current fiscal years;

3.24 (2) its upcoming biennial budget estimates;

3.25 (3) a comprehensive and integrated statement of agency missions and outcome
3.26 and performance measures; ~~and~~

3.27 (4) a concise explanation of any planned changes in the level of services or new
3.28 activities;

3.29 (5) a comprehensive list that links every budget program, activity, and appropriation
3.30 with the one statewide core outcome that it primarily supports; and

3.31 (6) after June 30, 2014, a comprehensive list that links every budget program,
3.32 activity, and appropriation with the one statewide contributing outcome that it primarily
3.33 supports.

3.34 The commissioner shall prepare and file the budget estimates for an agency failing to
3.35 file them. By November 30, the commissioner shall send the final budget format, agency
3.36 budget estimates for the next biennium, and copies of the filed material to the Ways and

4.1 Means and Finance Committees, except that the commissioner shall not be required to
4.2 transmit information that identifies executive branch budget decision items.

4.3 Subd. 3. **Duties to governor-elect.** Immediately after the election of a new
4.4 governor, the commissioner shall report the budget estimates and make available to the
4.5 governor-elect all department information, staff, and facilities relating to the budget.

4.6 Subd. 4. **Chart of outcomes.** (a) There shall be maintained in the Statewide
4.7 Budgeting System a chart of outcomes to be used for classifying all agency programs,
4.8 activities, and appropriations.

4.9 (b) An initial chart of outcomes shall be established by the Statewide Outcomes
4.10 Commission established under section 2.

4.11 (c) The commissioner of management and budget shall be responsible for
4.12 maintaining the chart of outcomes. The chart of outcomes will be reviewed in the same
4.13 manner as other aspects of the budget process as described in subdivision 1.

4.14 Sec. 2. **STATEWIDE OUTCOMES COMMISSION.**

4.15 Subdivision 1. **Membership.** The Statewide Outcomes Commission consists of
4.16 eight members appointed as follows:

4.17 (1) four senators appointed according to the rules of the senate, with no more than
4.18 three senators from the majority caucus;

4.19 (2) four members of the house of representatives, appointed by the speaker of
4.20 the house of representatives, with no more than three of the members of the house of
4.21 representatives from the majority caucus; and

4.22 (3) four members appointed by the governor.

4.23 Subd. 2. **Appointments; first meeting.** The members of the Statewide Outcomes
4.24 Commission must be appointed within 30 days of the effective date of this section. The
4.25 first meeting shall be convened by the most senior senator from the majority caucus within
4.26 45 days of the effective date of this section.

4.27 Subd. 3. **Terms.** Legislative members serve at the pleasure of the appointing
4.28 authority. The governor's appointees serve at the pleasure of the governor.

4.29 Subd. 4. **Vacancies.** If a vacancy occurs, the appointing authority shall appoint a
4.30 person to serve for the remainder of the unexpired term in the same manner as the original
4.31 appointment.

4.32 Subd. 5. **Officers.** The commission shall have a chair and vice-chair as presiding
4.33 officers. The officers shall be elected by the members at the first meeting of the
4.34 commission.

5.1 Subd. 6. **Quorum; voting.** Five members of the commission constitute a quorum.
5.2 Actions or recommendations may not be made unless approved by a recorded vote of at
5.3 least five members.

5.4 Subd. 7. **Staff.** The Department of Management and Budget shall provide staff and
5.5 administrative services for the commission.

5.6 Subd. 8. **Rules.** The commission may adopt rules necessary to carry out this section.

5.7 Subd. 9. **Commission duties.** Before August 1, 2012, the commission shall report
5.8 to the committees in the senate and the house of representatives with primary jurisdiction
5.9 over the Department of Management and Budget. The report shall include the state level
5.10 core outcomes and contributing outcomes, and shall include the initial chart of outcomes.

5.11 Subd. 10. **Expiration.** The commission shall expire on the day following the
5.12 submission of the commission's report under subdivision 9.

5.13 Sec. 3. **EFFECTIVE DATE.**

5.14 Sections 1 and 2 are effective the day following final enactment.