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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 3113

February 18, 2008

Authored by Hortman and Simon

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections

1.1 A bill for an act
1.2 relating to state finance; modifying state budget requirements; amending
1.3 Minnesota Statutes 2006, sections 13.605, subdivision 1; 16A.10, subdivisions
1.4 1, 2; 16A.11, subdivision 3.

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

1.6 Section 1. Minnesota Statutes 2006, section 13.605, subdivision 1, is amended to read:

1.7 Subdivision 1. **Legislative and budget proposal data.** (a) **Definition.** As used
1.8 in this section, "state administration" means the governor's office, the Department of
1.9 Finance, and any state agency that is under the direct control of the governor.

1.10 (b) **Classifications.** Except for requests from the legislature, legislative and budget
1.11 proposals, including preliminary drafts, that are created, collected, or maintained by the
1.12 state administration are protected nonpublic data. After the budget is presented to the
1.13 legislature by the state administration, supporting data, including agency requests, are
1.14 public data. ~~Supporting data do not include preliminary drafts.~~ The state administration
1.15 may disclose any of the data within the state administration and to the public at any time if
1.16 disclosure would aid the administration in considering and preparing its proposals.

1.17 Sec. 2. Minnesota Statutes 2006, section 16A.10, subdivision 1, is amended to read:

1.18 Subdivision 1. **Budget format.** In each even-numbered calendar year the
1.19 commissioner shall prepare budget forms and instructions for all agencies, including
1.20 guidelines for reporting agency performance measures, subject to the approval of the
1.21 governor. The commissioner shall request and receive advisory recommendations from
1.22 the chairs of the senate Finance Committee and house of representatives Ways and
1.23 Means Committee before adopting a format for the biennial budget document. By June

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

2.16 Sec. 3. Minnesota Statutes 2006, section 16A.10, subdivision 2, is amended to read:

2.17 Subd. 2. **By October 15 and November 30 Filing budget estimates.** ~~By October~~
 2.18 ~~15 of each even-numbered year, an agency must file the following with the commissioner:~~

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

2.20 ~~(2) its upcoming biennial budget estimates;~~

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

2.23 ~~(4) a concise explanation of any planned changes in the level of services or new~~
 2.24 ~~activities;~~

2.25 ~~The commissioner shall prepare and file the budget estimates for an agency failing~~

2.26 ~~to file them. By November 30, Each department, official, or agency shall, no later~~

2.27 ~~than the first day of October preceding the convening of the legislature, file with the~~

2.28 ~~commissioner and the finance committees of the legislature: (1) its estimates in the form~~

2.29 ~~provided, including a full explanation of its requests for any increased appropriations~~

2.30 ~~and for the expansion of services and the addition of new activities; (2) a statement of~~

2.31 ~~the work accomplished during the preceding biennium and the work proposed to be~~

2.32 ~~done for the next biennium; (3) a list of all employees, their titles, and their salaries;~~

2.33 ~~and (4) a comprehensive and integrated statement of agency missions and outcome and~~

2.34 ~~performance measures. The commissioner shall prepare estimates for all departments,~~

2.35 ~~boards, and agencies that fail to file requests. The commissioner shall send the final budget~~

3.1 format, agency budget estimates for the next biennium, and copies of the filed material to
3.2 the Ways and Means and Finance Committees, ~~except that the commissioner shall not be~~
3.3 ~~required to transmit information that identifies executive branch budget decision items.~~

3.4 Sec. 4. Minnesota Statutes 2006, section 16A.11, subdivision 3, is amended to read:

3.5 Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed
3.6 budget estimates both of expenditures and revenues, must contain any statements on the
3.7 financial plan which the governor believes desirable or which may be required by the
3.8 legislature. The detailed estimates shall include the budget request of each department
3.9 in an agency arranged in tabular form so it may readily be compared with the governor's
3.10 budget arranged in tabular form for each department or agency.

3.11 (b) Tables listing expenditures for the next biennium must show the appropriation
3.12 base for each year. The appropriation base is the amount appropriated for the second
3.13 year of the current biennium. The tables must separately show any adjustments to the
3.14 base required by current law or policies of the commissioner of finance. For forecasted
3.15 programs, the tables must also show the amount of the forecast adjustments, based on the
3.16 most recent forecast prepared by the commissioner of finance under section 16A.103.
3.17 Any appropriation change requested by an agency or a department within an agency must
3.18 be submitted in writing and include information that supports the requested change. For
3.19 all programs, the tables must show the amount of appropriation changes recommended
3.20 by the governor, after adjustments to the base and forecast adjustments, and the total
3.21 recommendation of the governor for that year.

3.22 (c) The detailed estimates must include a separate line listing the total cost of
3.23 professional and technical service contracts for the prior biennium and the projected costs
3.24 of those contracts for the current and upcoming biennium. They must also include a
3.25 summary of the personnel employed by the agency, reflected as full-time equivalent
3.26 positions.

3.27 (d) The detailed estimates for internal service funds must include the number of
3.28 full-time equivalents by program; detail on any loans from the general fund, including
3.29 dollar amounts by program; proposed investments in technology or equipment of \$100,000
3.30 or more; an explanation of any operating losses or increases in retained earnings; and a
3.31 history of the rates that have been charged, with an explanation of any rate changes and
3.32 the impact of the rate changes on affected agencies.