

**Senate Counsel, Research,
and Fiscal Analysis**

G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.
ST. PAUL, MN 55155-1606
(651) 296-4791
FAX: (651) 296-7747
JO ANNE ZOFF SELLNER
DIRECTOR

Senate
State of Minnesota

**Omnibus Supplemental Appropriations Bill
Article 10 - State Government Budget Division
Recommendations**

Author: Senator Sheila Kisdacen

Prepared by: Thomas S. Bottern, Senate Counsel (651/296-3810) *TSB*

Date: April 10, 2006

Section 1. STATE GOVERNMENT APPROPRIATIONS. specifies that sums shown on the bill are added to appropriations made in Laws 2005, chapter 156, article 1. Provides definitions for terms of appropriation in the bill. Includes a summary by fund.

Sections 2 to 6 provide supplemental appropriations for the Legislature, the Office of Enterprise Technology, the Department of Finance, the Department of Employee Relations, and the Department of Veterans Affairs as reflected in the spread sheet prepared by Kevin Lundeen, Senate Fiscal Analyst.

Section 6, paragraph (c), establishes a program for grants to counties for the purpose of enhancing benefits and services to veterans. The rider language requires that the Commissioner of Veterans Affairs request grant proposals for grants that will provide effective outreach to veterans; reintegrate combat veterans into society; collaborate with other social service agencies, educational institutions, and other relevant community resources; reduce homelessness among veterans; and provide measurable outcomes. This appropriation also permits the Vinland Center and the Minnesota Assistance Council for Veterans to apply for grants from the same source of funding.

Section 6, paragraph (d), provides an appropriation for higher education veterans assistance offices throughout the state as described in section 12 of this bill.

Section 7. LEGISLATIVE TRAINING FORUMS. directs the Legislative Coordinating Commission to oversee two legislative training forums each year that will provide an overview of Minnesota issues and allow invited executive branch officials and legislators to form cooperative

solutions. Allows the LCC to accept donations from foundations, corporations, and individuals for the cost of the forums but prohibits registered lobbyists or principals from making those donations.

Section 8. INFORMATION AND TELECOMMUNICATIONS ACCOUNT. establishes an information and telecommunications technology systems and services account in the special revenue fund and appropriates receipts in the account to the Office of Enterprise Technology (OET) to defray costs of personnel and technology for activities that create government efficiencies. Authorizes the OET to bill state agencies for purchases of information and telecommunications technology systems and services. Credits these charges to the account established in this section.

Section 9. CENTER FOR HEALTH CARE PURCHASING IMPROVEMENT.

Subdivision 1 requires the Commissioner of Employee Relations to establish and administer the Center of Health Care Purchasing Improvement as an administrative unit in the Department of Employee Relations.

Subdivision 2 authorizes the commissioner to appoint a director and up to three additional senior-level staff and other staff as needed. All staff are unclassified. Authorizes the director, with the authorization of the Commissioner of Employee Relations and in consultation or interagency agreement with the appropriate commissioners, to:

- (1) initiate projects for the development of plan designs for state health purchasing;
- (2) require reports or surveys to evaluate the performance of current health care purchasing strategies;
- (3) calculate fiscal impacts of health care purchasing strategies;
- (4) conduct policy audits of state programs to measure conformity to state law or other purchasing initiatives or objectives;
- (5) support the Administrative Uniformity Committee and other groups to advance agreement of health care administrative process streamlining;
- (6) consult with the Health Economics Unit at the Department of Health regarding reports and assessment of the health care marketplace;
- (7) consult with the Departments of Health and Commerce regarding health care regulatory issues and legislative initiatives;
- (8) work with the Department of Human Services staff and Centers for Medicare and Medicaid Services to address federal requirements and conformity issues for health care purchasing;

- (9) assist Minnesota Comprehensive Health Association in health care purchasing strategies;
- (10) convene medical directors of agencies engaged in health care purchasing for advice, collaboration, and exploring synergies;
- (11) contact and participate with other relevant task forces, studies, and efforts; and
- (12) assist in seeking external funding and administer grants.

Subdivision 3 requires the commissioner to annually report to the Legislature and the Governor on the operations, activities, and impacts of the Center. Requires the report to be posted on the Department's Web site and made available to the public.

Section 10. NATIONAL SPORTS CENTER. This section amends previous session laws that have authorized the Minnesota Amateur Sports Commission (MASC) to lease up to 20 percent of land acquired with general fund appropriations to private or public entities for any use by the lessee that provides some benefit to amateur sports. Previous legislation authorized the MASC to lease the land for a term of up to 30 years. This bill amends that provision to authorize two additional renewals of the lease for a term of up to 30 years for each renewal.

Section 11. HIGHER EDUCATION VETERANS ASSISTANCE PROGRAM. provides language to implement the appropriation made in section 6, paragraph (c), of this bill. Authorizes the Commissioner of Veterans Affairs to provide campus veterans assistance officers to serve the needs of students who are veterans at higher education institutions in Minnesota. Creates a steering committee to assist the commissioner in allocating appropriations and long-range planning for veterans in higher education. The committee is composed of: the Adjutant General or the Adjutant General's designee; a representative of MNSCU; a representative of the higher education services office; a representative of the University of Minnesota; a representative of private colleges and universities in Minnesota, appointed by the Governor; a representative of county veterans services offices; and a representative of the Department of Employment and Economic Development appointed the Commissioner of the Department of Employment and Economic Development.

Subdivision 3 requires each campus of the University of Minnesota and within MNSCU to provide space for veterans assistance offices to be administered by the Commissioner of Veterans Affairs.

Subdivision 4 requires the steering committee established in subdivision 2 to provide an annual report to the legislature regarding this program.

Subdivision 5 sunsets the program on June 30, 2009.

Section 13. EFFECTIVE DATE. makes the entire article effective the day following final enactment.

TSB:rdr

Senator Kiscaden introduced—

S.F. No. 2489: Referred to the Committee on Finance.

1.1 A bill for an act
 1.2 relating to state government; requiring state agencies to include the number of
 1.3 full-time equivalent positions for each agency program for the detailed budget;
 1.4 amending Minnesota Statutes 2004, section 16A.11, subdivision 3.

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

1.6 Section 1. Minnesota Statutes 2004, section 16A.11, subdivision 3, is amended to read:

1.7 Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget
 1.8 estimates both of expenditures and revenues, must contain any statements on the financial
 1.9 plan which the governor believes desirable or which may be required by the legislature.
 1.10 The detailed estimates shall include the governor’s budget arranged in tabular form.

1.11 (b) Tables listing expenditures for the next biennium must show the appropriation
 base for each year. The appropriation base is the amount appropriated for the second
 1.13 year of the current biennium. The tables must separately show any adjustments to the
 1.14 base required by current law or policies of the commissioner of finance. For forecasted
 1.15 programs, the tables must also show the amount of the forecast adjustments, based on the
 1.16 most recent forecast prepared by the commissioner of finance under section 16A.103. For
 1.17 all programs, the tables must show the amount of appropriation changes recommended
 1.18 by the governor, after adjustments to the base and forecast adjustments, and the total
 1.19 recommendation of the governor for that year.

1.20 (c) The detailed estimates must include a separate line listing the total cost of
 1.21 professional and technical service contracts for the prior biennium and the projected
 1.22 costs of those contracts for the current and upcoming biennium. They must also include
 a summary of the personnel employed by the agency, reflected as the number of full-time
 1.24 equivalent positions in each agency program for the current biennium and the projected

2.1 number of full-time equivalent positions in each agency program for the upcoming
2.2 biennium.

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

Adopted

1.1 Senator *Metzen* moves to amend the delete-everything amendment
1.2 (SCS2489A-2) to S.F. No. 2489 as follows:

1.3 Page 1, after line 2, insert:

1.4 "Section 1. **[3.3045] LEGISLATIVE OFFICE OF HUMAN RESOURCES.**

1.5 The Legislative Coordinating Commission shall establish under its jurisdiction
1.6 and control an office of human resources to provide human resources services for the
1.7 senate and house of representatives. For the purposes of this section, "human resources
1.8 services" includes, but is not limited to, assistance with recruitment, supervision, training,
1.9 and retention of personnel, and the preparation and coordination of benefit plans. The
1.10 commission may appoint, set salaries for, and delegate authority to the personnel it
1.11 deems necessary to perform the functions of the office. Nothing in this section shall be
1.12 construed to limit the power of each body of the legislature to appoint and remove its
3 own employees under section 3.07.

1.14 **EFFECTIVE DATE.** This section is effective 30 days after the Legislative
1.15 Coordinating Commission submits the plan required in section 44."

1.16 Page 20, after line 6, insert:

1.17 "Sec. 44. **LEGISLATIVE COORDINATING COMMISSION; PLAN FOR**
1.18 **HUMAN RESOURCES OFFICE.**

1.19 By January 15, 2007, the Legislative Coordinating Commission shall submit a
1.20 plan for the human resources office required by Minnesota Statutes, section 3.3045, to
1.21 the chairs of the legislative committees with jurisdiction over legislative employees. At
1.22 a minimum, the plan must specify the number of employees required to perform the
3 functions of the office, their qualifications, the location, and budget required for the office.
1.24 The plan must recommend a source of funding for the office from existing appropriations
1.25 for the legislature."

1.26 Renumber the sections in sequence and correct the internal references

1.27 Amend the title accordingly

Adopted

1.1 Senator *Michel* moves to amend the delete-everything amendment
1.2 (SCS2489A-2) to S.F. No. 2489 as follows:

1.3 Page 1, after line 21, insert:

1.4 "Sec. 2. Minnesota Statutes 2005 Supplement, section 10.60, subdivision 3, is
1.5 amended to read:

1.6 Subd. 3. **Prohibitions.** (a) A Web site or publication must not include pictures
1.7 or other materials that tend to attribute the Web site or publication to an individual or
1.8 group of individuals instead of to a public office, state agency, or political subdivision.
1.9 A publication must not include the words "with the compliments of" or contain letters
1.10 of personal greeting that promote an elected or appointed official of a state agency or
1.11 political subdivision.

1.12 (b) A Web site may not contain a link to a Weblog or site maintained by a candidate,
3 a political committee, a political party or party unit, a principal campaign committee, or a
1.14 state committee. Terms used in this paragraph have the meanings given them in chapter
1.15 10A, except that "candidate" also includes a candidate for an elected office of a political
1.16 subdivision. This paragraph does not apply to a Web site maintained by a public library or
1.17 by a school district if the link is provided only for nonpartisan and educational purposes.

1.18 **EFFECTIVE DATE.** This section is effective July 1, 2006."

1.19 Renumber the sections in sequence and correct the internal references

1.20 Amend the title accordingly

Adopted as amended
Kiscaden
COUNSEL

1.1 Senator moves to amend S.F. No. 2489 as follows:

Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2004, section 3.9225, subdivision 5, is amended to
1.4 read:

1.5 Subd. 5. **Powers.** The council may contract in its own name, but no money shall be
1.6 accepted or received as a loan nor indebtedness incurred except as otherwise provided
1.7 by law. Contracts shall be approved by a majority of the members of the council and
1.8 executed by the chair and the executive director. The council may apply for, receive, and
1.9 expend in its own name grants and gifts of money consistent with the power and duties
1.10 specified in subdivisions 1 to 7.

1.11 The council shall appoint an executive director who is experienced in administrative
1.12 activities and familiar with the problems and needs of Black people. The council may
1.13 delegate to the executive director powers and duties under subdivisions 1 to 7 which do
1.14 not require council approval. The executive director serves in the unclassified service and
1.15 may be removed at any time by the council. The executive director shall recommend
1.16 to the council, and the council may appoint the appropriate staff necessary to carry
1.17 out its duties. Staff members serve in the unclassified service. The commissioner of
1.18 administration shall ~~provide the council with~~ perform necessary administrative services
1.19 for the council, including, but not limited to, payroll, purchasing, budgeting, and computer
1.20 support functions.

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

1.22 Sec. 2. Minnesota Statutes 2004, section 16A.11, subdivision 3, is amended to read:

1.23 Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget
1.24 estimates both of expenditures and revenues, must contain any statements on the financial
1.25 plan which the governor believes desirable or which may be required by the legislature.
1.26 The detailed estimates shall include the governor's budget arranged in tabular form.

1.27 (b) Tables listing expenditures for the next biennium must show the appropriation
1.28 base for each year. The appropriation base is the amount appropriated for the second
1.29 year of the current biennium. The tables must separately show any adjustments to the
1.30 base required by current law or policies of the commissioner of finance. For forecasted
1.31 programs, the tables must also show the amount of the forecast adjustments, based on the
1.32 most recent forecast prepared by the commissioner of finance under section 16A.103. For
1.33 all programs, the tables must show the amount of appropriation changes recommended
1.34 by the governor, after adjustments to the base and forecast adjustments, and the total
1.35 recommendation of the governor for that year.

2.1 (c) The detailed estimates must include a separate line listing the total cost of
2.2 professional and technical service contracts for the prior biennium and the projected
2.3 costs of those contracts for the current and upcoming biennium. They must also include
2.4 ~~a summary of the personnel employed by the agency, reflected as~~ the number of full-time
2.5 equivalent positions in each agency program for the current biennium and the projected
2.6 number of full-time equivalent positions in each agency program for the upcoming
2.7 biennium.

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

2.14 Sec. 3. Minnesota Statutes 2004, section 16A.86, is amended by adding a subdivision
2.15 to read:

2.16 Subd. 5. **Grant administration.** The commissioner may administer capital grants if
2.17 requested by another executive agency. The commissioner will work in collaboration with
2.18 the agency that made the request to ensure that program needs of the grant are addressed.

2.19 Sec. 4. [16A.89] GRANTS MANAGEMENT.

2.20 Subdivision 1. **Grant.** (a) A grant is a written instrument or electronic document
2.21 defining a legal relationship between a sponsor and a recipient when the principal purpose
2.22 of the relationship is to transfer cash or a thing of value to the recipient to support a public
2.23 purpose authorized by law instead of acquiring property or services, by professional or
2.24 technical contract, purchase, lease, or barter, for the direct benefit or use of the sponsor.

2.25 (b) This section does not apply to capital project grants to political subdivisions, as
2.26 defined by section 16A.86.

2.27 Subd. 2. **Ethical practices and conflict of interest.** An employee of the executive
2.28 branch involved directly or indirectly in a grant process, at any level, is subject to the
2.29 code of ethics in section 42A.38.

2.30 Subd. 3. **Conflict of interest policy development.** (a) The commissioner must
2.31 develop a code of ethics and policies regarding conflicts of interest that are designed to
2.32 prevent conflicts of interest for employees involved in the award and administration of
2.33 grants. The policies must apply to employees who are directly or indirectly involved in
2.34 developing requests for proposals, evaluating proposals, awarding grants, drafting and

3.1 entering into grant agreements, amending or revising grants, evaluating performance
3.2 under these grants, and authorizing payments under the grant.

(b) The policies must include:

3.4 (1) a process for making employees aware of policy and laws relating to conflict of
3.5 interest, and training for employees on how to avoid and address potential conflicts;

3.6 (2) a process under which an employee who has a conflict of interest or a potential
3.7 conflict of interest must disclose the matter; and

3.8 (3) a process under which work on the grant may be assigned to another employee if
3.9 possible.

3.10 Subd. 4. **Reporting of violations.** A state employee who discovers evidence
3.11 of a violation of laws or rules governing grants is encouraged to report the violation
3.12 or suspected violation to the employee's supervisor, the commissioner, the director,
3.13 or the legislative auditor. The legislative auditor shall report to the Legislative Audit
3.14 Commission if there are multiple complaints about the same agency. The auditor's report
3.15 to the Legislative Audit Commission under this section must disclose only the number and
3.16 type of violations alleged. An employee making a good-faith report under this section is
3.17 covered by section 181.932.

3.18 Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement is not
3.19 fully executed and the state is not bound by the grant unless:

3.20 (1) the grant has been executed by the head of the agency or a delegate who is
3.21 a party to the grant; and

3.22 (2) the accounting system shows an encumbrance for the amount of the grant.

(b) The combined grant agreement and amendments must not exceed five years
3.24 without specific, written approval by the commissioner according to established policy,
3.25 procedures, and standards, or unless the commissioner determines that a longer duration is
3.26 in the best interest of the state.

3.27 (c) A fully executed copy of every grant agreement, amendments to the grant, and
3.28 other required records relating to the grant must be kept on file at the granting agency for a
3.29 period of time equal to that required for grantees in subdivision 10, paragraph (a).

3.30 (d) The attorney general may periodically review and evaluate a sample of state
3.31 agency grants to ensure compliance with applicable laws.

3.32 Subd. 6. **Grant administration.** A granting agency shall diligently administer
3.33 and monitor any grant it has entered into.

3.34 Subd. 7. **Audit.** (a) A grant agreement made by an executive agency or any unit of
3.35 local government must include, expressed or implied, an audit clause that provides that

4.1 the books, records, documents, and accounting procedures and practices of the grantee or
4.2 other party that are relevant to the grant or transaction are subject to examination by the
4.3 granting agency and either the legislative auditor or the state auditor, as appropriate, for a
4.4 minimum of four years from the grant agreement end date or receipt and approval of all
4.5 final reports, whichever is later.

4.6 (b) If the granting agency is a local unit of government, and the governing body of
4.7 the local unit of government requests that the state auditor examine the books, records,
4.8 documents, and accounting procedures and practices of the grantee or other party
4.9 according to this subdivision, the granting agency shall be liable for the cost of the
4.10 examination. If the granting agency is a local unit of government, and the grantee or other
4.11 party requests that the state auditor examine all books, records, documents, and accounting
4.12 procedures and practices related to the grant, the grantee or other party that requested the
4.13 examination shall be liable for the costs of the examination.

4.14 Subd. 8. **Authority of attorney general.** The attorney general may pursue
4.15 remedies available by law to avoid the obligation of an agency to pay under a grant or to
4.16 recover payments made if activities under the grant are so unsatisfactory, incomplete, or
4.17 inconsistent that payment would involve unjust enrichment. The contrary opinion of the
4.18 granting agency does not affect the power of the attorney general under this subdivision.

4.19 Subd. 9. **Grants with Indian tribes and bands.** Notwithstanding any other law, an
4.20 agency may not require an Indian tribe or band to deny its sovereignty as a requirement or
4.21 condition of a grant with an agency.

4.22 Sec. 5. **[16B.277] FORD BUILDING.**

4.23 The commissioner of administration must maintain and stabilize the Ford Building
4.24 at 117 University Avenue in St. Paul.

4.25 Sec. 6. **[16C.011] APPLICABILITY.**

4.26 Nothing in this chapter shall be construed to apply to grants under section 16A.86.

4.27 Sec. 7. Minnesota Statutes 2004, section 16C.02, is amended by adding a subdivision
4.28 to read:

4.29 Subd. 3a. **Best and final offer.** "Best and final offer" means an optional step in
4.30 the solicitation process in which responders are requested to improve their response by
4.31 methods including, but not limited to, the reduction of cost, clarification or modification of
4.32 the response, or the provision of additional information.

4.33 Sec. 8. Minnesota Statutes 2004, section 16C.02, subdivision 4, is amended to read:

4.34 Subd. 4. **Best value.** "Best value" describes a result intended in the acquisition of all
4.35 goods and services. Price must be one of the evaluation criteria when acquiring goods

5.1 and services. Other evaluation criteria may include, but are not limited to, environmental
5.2 considerations, quality, and vendor performance. In achieving "best value" strategic
5.3 sourcing tools, including, but not limited to, best and final offers, negotiations, contract
5.4 consolidation, product standardization, and mandatory-use enterprise contracts shall be
5.5 used at the commissioner's discretion.

5.6 Sec. 9. Minnesota Statutes 2004, section 16C.02, is amended by adding a subdivision
5.7 to read:

5.8 Subd. 6a. **Enterprise procurement.** "Enterprise procurement" means the process
5.9 undertaken by the commissioner to leverage economies of scale of multiple end users to
5.10 achieve cost savings and other favorable terms in contracts for goods and services.

5.11 Sec. 10. Minnesota Statutes 2004, section 16C.02, subdivision 12, is amended to read:

5.12 Subd. 12. **Request for proposal or RFP.** "Request for proposal" or "RFP" means a
5.13 solicitation in which it is not advantageous to set forth all the actual, detailed requirements
5.14 at the time of solicitation and responses are ~~subject to negotiation~~ negotiated to achieve
5.15 best value for the state.

5.16 Sec. 11. Minnesota Statutes 2004, section 16C.02, subdivision 14, is amended to read:

5.17 Subd. 14. **Response.** "Response" means the offer received from a vendor in
5.18 response to a solicitation. A response includes submissions commonly referred to as
5.19 "offers," "best and final offers," "bids," "quotes," or "proposals."

5.20 Sec. 12. Minnesota Statutes 2004, section 16C.02, is amended by adding a subdivision
5.21 to read:

5.22 Subd. 20. **Strategic sourcing.** "Strategic sourcing" means methods used to analyze
5.23 and reduce spending on goods and services including, but not limited to, spend analysis,
5.24 product standardization, contract consolidation, multiple jurisdiction purchasing alliances,
5.25 reverse auctions, lifecycle costing, and other techniques.

5.26 Sec. 13. Minnesota Statutes 2004, section 16C.03, subdivision 3, is amended to read:

5.27 Subd. 3. **Acquisition authority.** The commissioner shall acquire all goods, services,
5.28 and utilities needed by agencies. The commissioner shall acquire goods, services, and
5.29 utilities by requests for bids, requests for proposals, reverse auctions as provided in
5.30 section 16C.10, subdivision 7, or other methods provided by law, unless a section of law
5.31 requires a particular method of acquisition to be used. The commissioner shall make all
5.32 decisions regarding acquisition activities. The determination of the acquisition method
5.33 and all decisions involved in the acquisition process, unless otherwise provided for by
5.34 law, shall be based on best value which includes an evaluation of price and may include
5.35 other considerations including, but not limited to, environmental considerations, quality,

6.1 and vendor performance. In achieving best value, methods including best and final offers,
6.2 negotiations, contract consolidation, product standardization, mandatory-use contracts,
6.3 total cost of ownership assessments, and other strategic sourcing techniques shall be
6.4 employed at the commissioner's discretion. The commissioner shall engage in enterprise
6.5 procurements to the extent practicable. A best value determination must be based on the
6.6 evaluation criteria detailed in the solicitation document. If criteria other than price are
6.7 used, the solicitation document must state the relative importance of price and other
6.8 factors. Contract awards for all systems integration projects that exceed \$500,000 in cost
6.9 shall be based on the proposal that provides best value to the state's requirements, as
6.10 determined by the evaluation criteria contained in the solicitation document. Evaluation
6.11 criteria for the acquisition of such information technology services shall provide for
6.12 the selection of a contractor on an objective basis not limited to cost alone. Unless it
6.13 is determined by the commissioner that an alternative solicitation method provided by
6.14 law should be used to determine best value, a request for bid must be used to solicit
6.15 formal responses for all building and construction contracts. Any or all responses may
6.16 be rejected. When using the request for bid process, the bid must be awarded to the
6.17 lowest responsive and responsible bidder, taking into consideration conformity with
6.18 the specifications, terms of delivery, the purpose for which the contract or purchase is
6.19 intended, the status and capability of the vendor, and other considerations imposed in the
6.20 request for bids. The commissioner may decide which is the lowest responsible bidder
6.21 for all purchases and may use the principles of life-cycle costing, where appropriate, in
6.22 determining the lowest overall bid. The duties set forth in this subdivision are subject to
6.23 delegation pursuant to this section.

6.24 Sec. 14. Minnesota Statutes 2004, section 16C.03, subdivision 4, is amended to read:

6.25 Subd. 4. **Contracting authority.** The commissioner shall conduct all contracting by,
6.26 for, and between agencies and perform all contract management and review functions for
6.27 contracts, except those functions specifically delegated to be performed by the contracting
6.28 agency, the attorney general, or otherwise provided for by law. The commissioner must
6.29 involve agency staff and agency staff must participate in the development of enterprise
6.30 procurements including the development of product standards, specifications, and other
6.31 requirements.

6.32 Sec. 15. Minnesota Statutes 2004, section 16C.03, subdivision 8, is amended to read:

6.33 Subd. 8. **Policy and procedures.** The commissioner is authorized to issue policies,
6.34 procedures, and standards applicable to all acquisition activities by and for agencies.
6.35 Consistent with the authority specified in this chapter, the commissioner shall develop

7.1 and implement policies, procedures, and standards ensuring the optimal use of strategic
7.2 sourcing techniques.

7.3 Sec. 16. Minnesota Statutes 2004, section 16C.03, subdivision 13, is amended to read:

7.4 Subd. 13. **Central stores.** The commissioner is authorized to provide agencies with
7.5 supplies and equipment and operate all central stores and supply rooms serving more
7.6 than one agency. The commissioner is authorized to require agency use of this service
7.7 if consistent with "best value."

7.8 Sec. 17. Minnesota Statutes 2004, section 16C.03, subdivision 16, is amended to read:

7.9 Subd. 16. **Delegation of duties.** The commissioner may delegate duties imposed by
7.10 this chapter to the head of an agency and to any subordinate of the agency head. Delegated
7.11 duties shall be exercised in the name of the commissioner and under the commissioner's
7.12 direct supervision and control. A delegation of duties may include, but is not limited to,
7.13 allowing individuals within agencies to acquire goods, services, and utilities within dollar
7.14 limitations and for designated types of acquisitions. Delegation of contract management
7.15 and review functions must be filed with the secretary of state and may not, except with
7.16 respect to delegations within the Department of Administration, exceed two years in
7.17 duration. The commissioner may withdraw any delegation at the commissioner's sole
7.18 discretion. The commissioner may require an agency head or subordinate to accept
7.19 delegated responsibility to procure goods or services intended for the exclusive use of the
7.20 agency receiving the delegation.

7.21 Sec. 18. Minnesota Statutes 2004, section 16C.04, subdivision 1, is amended to read:

7.22 Subdivision 1. **Duty.** An employee of the executive branch involved directly or
7.23 indirectly in the acquisition ~~or grants~~ process, at any level, is subject to the code of ethics
7.24 in section 43A.38.

7.25 Sec. 19. Minnesota Statutes 2004, section 16C.04, subdivision 2, is amended to read:

7.26 Subd. 2. **Conflict of interest policy development.** (a) The commissioner must
7.27 develop policies regarding code of ethics and conflict of interest designed to prevent
7.28 conflicts of interest for employees involved in the acquisition of goods, services, and
7.29 utilities ~~or the award and administration of grant contracts~~. The policies must apply to
7.30 employees who are directly or indirectly involved in the acquisition of goods, services,
7.31 and utilities, developing requests for proposals, evaluating bids or proposals, awarding
7.32 the contract, selecting the final vendor, drafting and entering into contracts, evaluating
performance under these contracts, and authorizing payments under the contract.

8.1 (b) The policies must contain a process for making employees aware of policy and
8.2 laws relating to conflict of interest, and for training employees on how to avoid and deal
8.3 with potential conflicts.

8.4 (c) The policies must contain a process under which an employee who has a conflict
8.5 of interest or a potential conflict of interest must disclose the matter, and a process under
8.6 which work on the contract may be assigned to another employee if possible.

8.7 Sec. 20. Minnesota Statutes 2004, section 16C.05, subdivision 1, is amended to read:

8.8 Subdivision 1. **Agency cooperation.** Agencies shall fully cooperate with the
8.9 commissioner in the management and review of state contracts and in the development
8.10 and implementation of strategic sourcing techniques.

8.11 Sec. 21. Minnesota Statutes 2004, section 16C.05, subdivision 2, is amended to read:

8.12 Subd. 2. **Creation and validity of contracts.** (a) A contract is not valid and the state
8.13 is not bound by it and no agency, without the prior written approval of the commissioner
8.14 granted pursuant to subdivision 2a, may authorize work to begin on it unless:

8.15 (1) it has first been executed by the head of the agency or a delegate who is a party
8.16 to the contract;

8.17 (2) it has been approved by the commissioner; and

8.18 (3) the accounting system shows an encumbrance for the amount of the contract
8.19 liability except as allowed by policy approved by the commissioner and the commissioner
8.20 of finance for routine, low-dollar procurements.

8.21 (b) The combined contract and amendments must not exceed five years without
8.22 specific, written approval by the commissioner according to established policy, procedures,
8.23 and standards, or unless otherwise provided for by law. The term of the original contract
8.24 must not exceed two years unless the commissioner determines that a longer duration is
8.25 in the best interest of the state.

8.26 (c) ~~Grants~~, Interagency agreements, purchase orders, work orders, and annual plans
8.27 need not, in the discretion of the commissioner and attorney general, require the signature
8.28 of the commissioner and/or the attorney general. A signature is not required for work
8.29 orders and amendments to work orders related to Department of Transportation contracts.
8.30 Bond purchase agreements by the Minnesota Public Facilities Authority do not require
8.31 the approval of the commissioner.

8.32 (d) Amendments to contracts must entail tasks that are substantially similar to
8.33 those in the original contract or involve tasks that are so closely related to the original
8.34 contract that it would be impracticable for a different contractor to perform the work. The
8.35 commissioner or an agency official to whom the commissioner has delegated contracting

9.1 authority under section 16C.03, subdivision 16, must determine that an amendment would
9.2 serve the interest of the state better than a new contract and would cost no more.

(e) A fully executed copy of every contract, amendments to the contract, and
9.4 performance evaluations relating to the contract must be kept on file at the contracting
9.5 agency for a time equal to that specified for contract vendors and other parties in
9.6 subdivision 5.

(f) The attorney general must periodically review and evaluate a sample of state
9.8 agency contracts to ensure compliance with laws.

9.9 Sec. 22. Minnesota Statutes 2004, section 16C.05, subdivision 5, is amended to read:

9.10 Subd. 5. **Subject to audit.** A contract or any pass-through disbursement of public
9.11 funds to a vendor of goods or services ~~or a grantee~~ made by or under the supervision of
9.12 the commissioner or any county or unit of local government must include, expressed or
9.14 implied, an audit clause that provides that the books, records, documents, and accounting
9.15 procedures and practices of the vendor or other party, that are relevant to the contract
9.16 or transaction, are subject to examination by the contracting agency and either the
9.17 legislative auditor or the state auditor, as appropriate, for a minimum of six years. If the
9.18 contracting agency is a local unit of government, and the governing body of the local unit
9.19 of government requests that the state auditor examine the books, records, documents,
9.20 and accounting procedures and practices of the vendor or other party pursuant to this
9.21 subdivision, the contracting agency shall be liable for the cost of the examination. If the
9.22 contracting agency is a local unit of government, and the ~~grantee~~, vendor, or other party
9.24 requests that the state auditor examine all books, records, documents, and accounting
9.25 procedures and practices related to the contract, the grantee, vendor, or other party that
9.26 requested the examination shall be liable for the cost of the examination. An agency
contract made for purchase, lease, or license of software and data from the state is not
required to contain this audit clause.

9.27 Sec. 23. Minnesota Statutes 2004, section 16C.08, is amended by adding a subdivision
9.28 to read:

9.29 Subd. 1a. **Enterprise procurement process.** Notwithstanding section 15.061 or
9.30 any other law, the commissioner shall, to the fullest extent practicable, conduct enterprise
9.31 procurements that result in the establishment of professional or technical contracts for
9.32 use by multiple state agencies. The commissioner is authorized to mandate use of any
9.33 contract entered into as a result of an enterprise procurement process. Agencies shall fully
+ cooperate in the development and use of contracts entered into under this section.

9.35 Sec. 24. Minnesota Statutes 2004, section 16C.08, subdivision 2, is amended to read:

10.1 Subd. 2. **Duties of contracting agency.** (a) Before an agency may seek approval of
10.2 a professional or technical services contract valued in excess of \$5,000, it must provide
10.3 the following:

10.4 (1) a description of how the proposed contract or amendment is necessary and
10.5 reasonable to advance the statutory mission of the agency;

10.6 (2) a description of the agency's plan to notify firms or individuals who may be
10.7 available to perform the services called for in the solicitation; ~~and~~

10.8 (3) a description of the performance measures or other tools that will be used to
10.9 monitor and evaluate contract performance; and

10.10 (4) an explanation detailing, if applicable, why this procurement is being pursued
10.11 unilaterally by the agency and not as an enterprise procurement.

10.12 (b) In addition to paragraph (a), the agency must certify that:

10.13 (1) no current state employee is able and available to perform the services called
10.14 for by the contract;

10.15 (2) the normal competitive bidding mechanisms will not provide for adequate
10.16 performance of the services;

10.17 (3) reasonable efforts will be made to publicize the availability of the contract to
10.18 the public;

10.19 (4) the agency will develop and implement a written plan providing for the
10.20 assignment of specific agency personnel to manage the contract, including a monitoring
10.21 and liaison function, the periodic review of interim reports or other indications of past
10.22 performance, and the ultimate utilization of the final product of the services;

10.23 (5) the agency will not allow the contractor to begin work before the contract is fully
10.24 executed unless an exception under section 16C.05, subdivision 2a, has been granted by
10.25 the commissioner and funds are fully encumbered;

10.26 (6) the contract will not establish an employment relationship between the state or
10.27 the agency and any persons performing under the contract; and

10.28 (7) in the event the results of the contract work will be carried out or continued by
10.29 state employees upon completion of the contract, the contractor is required to include
10.30 state employees in development and training, to the extent necessary to ensure that after
10.31 completion of the contract, state employees can perform any ongoing work related to
10.32 the same function.

10.33 (c) A contract establishes an employment relationship for purposes of paragraph (b),
10.34 clause (6), if, under federal laws governing the distinction between an employee and an
10.35 independent contractor, a person would be considered an employee.

10.36 Sec. 25. Minnesota Statutes 2005 Supplement, section 16C.09, is amended to read:

11.1 **16C.09 PROCEDURE FOR SERVICE CONTRACTS.**

11.2 (a) Before entering into or approving a service contract valued in excess of \$5,000,
the commissioner must determine, at least, that:

11.4 (1) no current state employee is able and available to perform the services called
11.5 for by the contract;

11.6 (2) the work to be performed under the contract is necessary to the agency's
11.7 achievement of its statutory responsibilities and there is statutory authority to enter into
11.8 the contract;

11.9 (3) the contract will not establish an employment relationship between the state or
11.10 the agency and any persons performing under the contract;

11.11 (4) the contractor and agents are not employees of the state;

11.12 (5) the contracting agency has specified a satisfactory method of evaluating and
3. using the results of the work to be performed; and

11.14 (6) the combined contract and amendments will not exceed five years without
11.15 specific, written approval by the commissioner according to established policy, procedures,
11.16 and standards, or unless otherwise provided for by law. The term of the original contract
11.17 must not exceed two years, unless the commissioner determines that a longer duration is
11.18 in the best interest of the state.

11.19 (b) For purposes of paragraph (a), clause (1), employees are available if qualified
11.20 and:

11.21 (1) are already doing the work in question; or

11.22 (2) are on layoff status in classes that can do the work in question.

11.23 An employee is not available if the employee is doing other work, is retired, or has decided
11.24 not to do the work in question.

11.25 (c) This section does not apply to an agency's use of inmates pursuant to sections
11.26 241.20 to 241.23 or to an agency's use of persons required by a court to provide:

11.27 (1) community service; or

11.28 (2) conservation or maintenance services on lands under the jurisdiction and control
11.29 of the state.

11.30 Sec. 26. Minnesota Statutes 2005 Supplement, section 16C.10, subdivision 7, is
11.31 amended to read:

11.32 Subd. 7. **Reverse auction.** (a) For the purpose of this subdivision, "reverse auction"
11.33 means a purchasing process in which vendors compete to provide goods or ~~computer~~
4 services at the lowest selling price in an open and interactive environment. Reverse
11.35 auctions may not be utilized to procure architectural or engineering design services or to
11.36 establish building and construction contracts under sections 16C.26 to 16C.29.

12.1 (b) The provisions of sections 13.591, subdivision 3, and 16C.06, subdivision 2,
 12.2 do not apply when the commissioner determines that a reverse auction is the appropriate
 12.3 purchasing process.

12.4 Sec. 27. [16E.21] INFORMATION AND TELECOMMUNICATIONS
 12.5 ACCOUNT.

12.6 Subdivision 1. Account established; appropriation. The information and
 12.7 telecommunications technology systems and services account is created in the special
 12.8 revenue fund. Funds deposited in the account are appropriated to the Office of Enterprise
 12.9 Technology for the purposes of defraying the costs of personnel and technology for
 12.10 activities that create government efficiencies in accordance with this chapter.

12.11 Subd. 2. Charges. Upon agreement of the participating agency, a charge may
 12.12 be collected by the Office of Enterprise Technology for purchases of information and
 12.13 telecommunications technology systems and services by state agencies and other
 12.14 governmental entities through state contracts for purposes described in subdivision
 12.15 1. Charges collected under this section must be deposited in the information and
 12.16 telecommunications technology systems and services account.

12.17 Sec. 28. Minnesota Statutes 2004, section 43A.08, subdivision 1a, is amended to read:

12.18 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the
 12.19 following agencies may designate additional unclassified positions according to this
 12.20 subdivision: the Departments of Administration; Agriculture; Commerce; Corrections;
 12.21 Education; Employee Relations; Employment and Economic Development; Finance;
 12.22 Health; Human Rights; Labor and Industry; Natural Resources; Public Safety; Human
 12.23 Services; Revenue; Transportation; and Veterans Affairs; the Housing Finance and
 12.24 Pollution Control Agencies; the State Lottery; the state Board of Investment; the Office of
 12.25 Enterprise Technology; the Office of Administrative Hearings; the Office of Environmental
 12.26 Assistance; the Offices of the Attorney General, Secretary of State, and State Auditor;
 12.27 the Minnesota State Colleges and Universities; the Higher Education Services Office; the
 12.28 Perpich Center for Arts Education; and the Minnesota Zoological Board.

12.29 A position designated by an appointing authority according to this subdivision must
 12.30 meet the following standards and criteria:

12.31 (1) the designation of the position would not be contrary to other law relating
 12.32 specifically to that agency;

12.33 (2) the person occupying the position would report directly to the agency head or
 12.34 deputy agency head and would be designated as part of the agency head's management
 12.35 team;

13.1 (3) the duties of the position would involve significant discretion and substantial
13.2 involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or
13.4 other technical expertise where continuity in the position would be important;

13.5 (5) there would be a need for the person occupying the position to be accountable to,
13.6 loyal to, and compatible with, the governor and the agency head, the employing statutory
13.7 board or commission, or the employing constitutional officer;

13.8 (6) the position would be at the level of division or bureau director or assistant
13.9 to the agency head; and

13.10 (7) the commissioner has approved the designation as being consistent with the
13.11 standards and criteria in this subdivision.

13.12 Sec. 29. Minnesota Statutes 2004, section 43A.17, subdivision 4, is amended to read:

3 Subd. 4. **Exceptions.** (a) The commissioner may without regard to subdivision 1
13.14 establish special salary rates and plans of compensation designed to attract and retain
13.15 exceptionally qualified doctors of medicine and doctors of dental surgery. These rates
13.16 and plans shall be included in the commissioner's plan. In establishing salary rates and
13.17 eligibility for nomination for payment at special rates, the commissioner shall consider the
13.18 standards of eligibility established by national medical specialty boards where appropriate.
13.19 The incumbents assigned to these special ranges shall be excluded from the collective
13.20 bargaining process.

13.21 (b) The commissioner may without regard to subdivision 1, but subject to collective
13.22 bargaining agreements or compensation plans, establish special salary rates designed to
13.23 attract and retain exceptionally qualified employees in the following positions:

13.24 (1) information systems staff;

13.25 (2) actuaries in the Departments of Health, Human Services, and Commerce; and

13.26 (3) epidemiologists in the Department of Health.

13.27 Sec. 30. **[43A.312] CENTER FOR HEALTH CARE PURCHASING**
13.28 **IMPROVEMENT.**

13.29 **Subdivision 1. Establishment; administration.** The commissioner shall establish
13.30 and administer the Center for Health Care Purchasing Improvement as an administrative
13.31 unit within the Department of Employee Relations. The Center for Health Care Purchasing
13.32 Improvement shall support the state in its efforts to be a more prudent and efficient
13.33 purchaser of quality health care services. The center shall aid the state in developing and
13.34 using more common strategies and approaches for health care performance measurement
13.35 and health care purchasing. The common strategies and approaches shall promote greater
13.36 transparency of health care costs and quality, and greater accountability for health

14.1 care results and improvement. The center shall also identify barriers to more efficient,
14.2 effective, quality health care and options for overcoming the barriers.

14.3 Subd. 2. Staffing; duties; scope. (a) The commissioner may appoint a director, and
14.4 up to three additional senior-level staff or codirectors, and other staff as needed who are
14.5 under the direction of the commissioner. The staff of the center are in the unclassified
14.6 service.

14.7 (b) With the authorization of the commissioner of employee relations, and in
14.8 consultation or interagency agreement with the appropriate commissioners of state
14.9 agencies, the director, or codirectors, may:

14.10 (1) initiate projects to develop plan designs for state health care purchasing;

14.11 (2) require reports or surveys to evaluate the performance of current health care
14.12 purchasing strategies;

14.13 (3) calculate fiscal impacts, including net savings and return on investment, of health
14.14 care purchasing strategies and initiatives;

14.15 (4) conduct policy audits of state programs to measure conformity to state statute or
14.16 other purchasing initiatives or objectives;

14.17 (5) support the Administrative Uniformity Committee under section 62J.50 and
14.18 other relevant groups or activities to advance agreement on health care administrative
14.19 process streamlining;

14.20 (6) consult with the Health Economics Unit of the Department of Health regarding
14.21 reports and assessments of the health care marketplace;

14.22 (7) consult with the departments of Health and Commerce regarding health care
14.23 regulatory issues and legislative initiatives;

14.24 (8) work with appropriate Department of Human Services staff and the Centers for
14.25 Medicare and Medicaid Services to address federal requirements and conformity issues
14.26 for health care purchasing;

14.27 (9) assist the Minnesota Comprehensive Health Association in health care
14.28 purchasing strategies;

14.29 (10) convene medical directors of agencies engaged in health care purchasing for
14.30 advice, collaboration, and exploring possible synergies;

14.31 (11) contact and participate with other relevant health care task forces, study
14.32 activities, and similar efforts with regard to health care performance measurement and
14.33 performance-based purchasing; and

14.34 (12) assist in seeking external funding through appropriate grants or other funding
14.35 opportunities and may administer grants and externally funded projects.

15.1 Subd. 3. Report. The commissioner must report annually to the legislature and the
 15.2 governor on the operations, activities, and impacts of the center. The report must be
posted on the Department of Employee Relations Web site and must be available to the
 15.4 public. The report must include a description of the state's efforts to develop and use more
 15.5 common strategies for health care performance measurement and health care purchasing.
 15.6 The report must also include an assessment of the impacts of these efforts, especially in
 15.7 promoting greater transparency of health care costs and quality, and greater accountability
 15.8 for health care results and improvement.

15.9 Sec. 31. Minnesota Statutes 2005 Supplement, section 43A.346, subdivision 1, is
 15.10 amended to read:

15.11 Subdivision 1. **Definition.** For purposes of this section, "state employee" means a
 15.12 person currently occupying a civil service position in the executive or legislative branch of
 33 state government, the Minnesota State Retirement System, or the Office of the Legislative
 15.14 Auditor, or a person employed by the Metropolitan Council.

15.15 **EFFECTIVE DATE.** This section is effective July 1, 2006.

15.16 Sec. 32. Minnesota Statutes 2004, section 181.9413, is amended to read:

15.17 **181.9413 SICK OR INJURED CHILD CARE LEAVE BENEFITS; USE TO**
 15.18 **CARE FOR CERTAIN RELATIVES.**

15.19 (a) An employee may use personal sick leave benefits provided by the employer
 15.20 for absences due to an illness of or injury to the employee's child, spouse, sibling,
 15.21 parent, grandparent, or stepparent, and any dependents who receive regular care from the
 15.22 employee for such reasonable periods as the employee's attendance ~~with the child~~ may be
 2 necessary, on the same terms upon which the employee is able to use sick leave benefits
 15.24 for the employee's own illness or injury. This section applies only to personal sick leave
 15.25 benefits payable to the employee from the employer's general assets.

15.26 (b) For purposes of this section, "personal sick leave benefits" means time accrued
 15.27 and available to an employee to be used as a result of absence from work due to personal
 15.28 illness or injury, but does not include short-term or long-term disability or other salary
 15.29 continuation benefits.

15.30 **EFFECTIVE DATE.** This section is effective August 1, 2006, and applies to sick
 15.31 leave used on or after that date.

32 Sec. 33. **[181.947] LEAVE FOR IMMEDIATE FAMILY MEMBERS OF**
 2 **MILITARY PERSONNEL INJURED OR KILLED IN ACTIVE SERVICE.**
 15.33

16.1 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this
16.2 section.

16.3 (b) "Active service" has the meaning given in section 190.05, subdivisions 5b and 5c.

16.4 (c) "Employee" means a person who performs services for compensation, in
16.5 whatever form, for an employer.

16.6 (d) "Employer" means a person or entity located or doing business in this state
16.7 and having one or more employees, and includes the state and all political or other
16.8 governmental subdivisions of the state.

16.9 (e) "Immediate family member" means a person's grandparent, parent, legal
16.10 guardian, sibling, child, grandchild, spouse, fiance, or fiancée.

16.11 Subd. 2. **Unpaid leave required.** An employer must grant a leave of absence
16.12 without pay to an employee whose immediate family member, as a member of the United
16.13 States armed forces, has been injured or killed while engaged in active service. The
16.14 length of the leave shall be determined by the employee, but may not exceed five working
16.15 days, unless agreed to by the employer. The purpose of the leave is to attend to an
16.16 injured immediate family member or to attend services for and attend to the affairs of an
16.17 immediate family member who has been killed.

16.18 Subd. 3. **Notice.** An employee must give as much notice to the employee's employer
16.19 as practicable of the employee's intent to exercise the leave guaranteed by this section.

16.20 Subd. 4. **Relationship to other leave.** The length of leave provided under this
16.21 section may be reduced by any period of paid leave provided by the employer. Nothing
16.22 in this section prevents an employer from providing leave benefits in addition to those
16.23 provided in this section or otherwise affects an employee's rights with respect to other
16.24 employment benefits.

16.25 Subd. 5. **Posting of law.** The Department of Labor and Industry shall develop,
16.26 with the assistance of interested business and veterans' organizations, an educational
16.27 poster stating employees' rights under this section. The department shall make the poster
16.28 available, upon request, to employers for posting on the employer's premises.

16.29 Subd. 6. **Individual remedies.** In addition to any other remedies provided by law, a
16.30 person injured by a violation of this section may bring a civil action to recover any and all
16.31 damages recoverable at law, together with costs and disbursements, including reasonable
16.32 attorney fees, and may receive injunctive and other equitable relief as determined by a
16.33 court.

17.1 **EFFECTIVE DATE.** This section is effective the day following final enactment
 17.2 and applies to the immediate family members of military personnel injured or killed on or
 17.3 after that date, as well as to the immediate family members of military personnel, who, on
 17.4 the effective date, are recovering from injuries that occurred before that date.

17.5 Sec. 34. **[181.948] LEAVE TO ATTEND MILITARY CEREMONIES.**

17.6 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms
 17.7 have the meaning given to them in this subdivision.

17.8 (b) "Employee" means a person who performs services for compensation, in
 17.9 whatever form, for an employer.

17.10 (c) "Employer" means a person or entity located or doing business in this state
 17.11 and having one or more employees, and includes the state and all political or other
 17.12 governmental subdivisions of the state.

3 (d) "Immediate family member" means a person's grandparent, parent, legal
 17.14 guardian, sibling, child, grandchild, spouse, fiance, or fiancée.

17.15 Subd. 2. **Unpaid leave required.** An employer shall grant a leave of absence
 17.16 without pay to an employee for the actual time necessary for an employee to attend a
 17.17 send-off or homecoming ceremony for an immediate family member who, as a member of
 17.18 the United States armed forces, has been mobilized for active service in support of a war or
 17.19 other national emergency. The leave required by this subdivision shall not exceed one day.

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

17.21 Sec. 35. Minnesota Statutes 2005 Supplement, section 192.502, is amended by adding
 17.22 a subdivision to read:

17.23 Subd. 3. **Unpaid leave to attend military ceremonies.** Employees are entitled
 17.24 to unpaid leave, as provided in section 181.948, to attend the send-off or homecoming
 17.25 ceremony of an immediate family member who, as a member of the United States
 17.26 armed forces, has been mobilized for active service in support of a war or other national
 17.27 emergency.

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

17.29 Sec. 36. Minnesota Statutes 2005 Supplement, section 192.502, is amended by adding
 17.30 a subdivision to read:

17.31 Subd. 4. **Unpaid leave for families of injured or deceased military members.**

17.32 Employees are entitled to unpaid leave, as provided in section 181.947, when an
 17.33 immediate family member, as a member of the United States armed forces, has been
 17.34 injured or killed while engaged in active service.

18.1 **EFFECTIVE DATE.** This section is effective the day following final enactment
18.2 and applies to the immediate family members of military personnel injured or killed on or
18.3 after that date, as well as to the immediate family members of military personnel, who, on
18.4 the effective date, are recovering from injuries that occurred before that date.

18.5 Sec. 37. [197.775] HIGHER EDUCATION FAIRNESS.

18.6 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this
18.7 section.

18.8 (b) "Commissioner" means the commissioner of veterans affairs.

18.9 (c) "State college or university" means a unit of the University of Minnesota or
18.10 Minnesota State Colleges and Universities.

18.11 Subd. 2. **Recognition of courses.** (a) Minnesota State Colleges and Universities
18.12 must recognize courses and award educational credits for courses that were part of a
18.13 veteran's military training or service if the courses meet the standards of the American
18.14 Council on Education or equivalent standards for awarding academic credits.

18.15 (b) The University of Minnesota and private colleges and universities in Minnesota
18.16 are encouraged to recognize courses and award educational credits for courses that were
18.17 part of a veteran's military training or service if the courses meet the standards of the
18.18 American Council on Education or equivalent standards for awarding academic credits.

18.19 Subd. 3. **Tuition status.** A state college or university must treat a veteran as a
18.20 Minnesota resident for purposes of determining the veteran's undergraduate tuition rate,
18.21 and must treat a veteran as a Minnesota resident for purposes of determining the veteran's
18.22 graduate school tuition rate if the veteran was a Minnesota resident on entering military
18.23 service and starts attending the state college or university graduate program within two
18.24 years of completing military service.

18.25 Subd. 4. **Delayed payment of tuition.** A state college or university may not assess
18.26 late fees or other late charges for veterans who are eligible and have applied for federal
18.27 educational assistance but have not yet received it, nor may it prevent these students from
18.28 registering for a subsequent term because of outstanding tuition charges that arise from
18.29 delayed federal payments. The state college or university may request without delay
18.30 the amount of tuition above expected federal educational assistance and may require
18.31 payment of the full amount of tuition owed by the veteran within 30 days of receipt of the
18.32 expected federal educational assistance.

18.33 Sec. 38. Minnesota Statutes 2004, section 270B.14, is amended by adding a
18.34 subdivision to read:

19.1 Subd. 19. Disclosure to Department of Finance. The commissioner may disclose
 19.2 to the commissioner of finance returns or return information necessary in order to prepare
 a revenue forecast under section 16A.103.

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

19.5 **Sec. 39. PLAN FOR COLOCATION OF CERTAIN MINORITY AFFAIRS**
 19.6 **COUNCILS.**

19.7 The division of management analysis in the Department of Administration must
 19.8 review the current organization and administrative functions of the Council on Black
 19.9 Minnesotans, the Chicano Latino Affairs Council, and the Council on Asian-Pacific
 19.10 Minnesotans, and prepare a plan for colocating the councils. The plan must include a
 19.11 detailed proposal for combining administrative support functions for the councils, a
 19.12 proposed location and timetable, and a cost estimate, including a description of potential
 19.13 savings and benefits to the councils. The division must provide a copy of the plan to the
 19.14 commissioner of administration, the executive directors of the councils, and the chairs
 19.15 of the legislative committees with jurisdiction over the councils by November 15, 2006.
 19.16 Beginning 30 days after submission of the report, the commissioner may terminate current
 19.17 lease arrangements for the councils as necessary and relocate the councils to a location
 19.18 recommended in the report.

19.19 **Sec. 40. COUNCIL ON AFFAIRS OF CHICANO/LATINO PEOPLE;**
 19.20 **APPOINTMENT OF CHAIR.**

19.21 Notwithstanding Minnesota Statutes, section 3.9223, subdivision 1, the term of the
 19.22 current chair of the Council on Affairs of Chicano/Latino People ends July 1, 2006. The
 19.23 governor must appoint an additional voting member who shall serve as a new chair for the
 19.24 council by that date for a one-year term and each January 1 thereafter. This section expires
 19.25 on July 1, 2009, or when the Office of the Legislative Auditor issues a financial audit of
 19.26 the council without any unresolved audit findings, if the audit is issued before July 1, 2009.

19.27 **Sec. 41. COUNCIL ON BLACK MINNESOTANS; APPOINTMENT OF CHAIR.**

19.28 Notwithstanding Minnesota Statutes, section 3.9225, subdivision 1, the term of the
 19.29 current chair of the Council on Black Minnesotans ends July 1, 2006. The governor must
 19.30 appoint an additional voting member who shall serve as a new chair for the council by that
 19.31 date for a one-year term and each January 1 thereafter. This section expires on July 1,
 19.32 2009, or when the Office of the Legislative Auditor issues a financial audit of the council
 19.33 without any unresolved audit findings, if the audit is issued before July 1, 2009.

19.34 **Sec. 42. COUNCIL ON ASIAN-PACIFIC MINNESOTANS; APPOINTMENT**
 19.35 **OF CHAIR.**

20.1 Notwithstanding Minnesota Statutes, section 3.9226, subdivision 1, the term of
20.2 the current chair of the Council on Asian-Pacific Minnesotans ends July 1, 2006. The
20.3 governor must appoint an additional voting member who shall serve as a new chair for the
20.4 council by that date for a one-year term and each January 1 thereafter. This section expires
20.5 on July 1, 2009, or when the Office of the Legislative Auditor issues a financial audit of
20.6 the council without any unresolved audit findings, if the audit is issued before July 1, 2009.

20.7 Sec. 43. **REPORT ON STATE PROCUREMENT CHANGES.**

20.8 By January 15, 2008, the commissioner of administration must report to the chairs of
20.9 the legislative committees with jurisdiction over state procurement regarding the impact
20.10 on Minnesota businesses of the changes made to Minnesota Statutes, chapter 16C, during
20.11 the 2006 legislative session and the use of strategic sourcing techniques, including an
20.12 analysis of the size of contracts and type of contract award recipients.

20.13 Sec. 44. **RULEMAKING REQUIRED.**

20.14 (a) This section applies to a state agency, as defined in Minnesota Statutes, section
20.15 14.02:

20.16 (1) that was required to adopt rules by a law enacted during or since the 2003
20.17 legislative session; and

20.18 (2) that did not publish a notice of intent to adopt rules or a notice of hearing within
20.19 the time limit prescribed by Minnesota Statutes, section 14.125.

20.20 (b) Notwithstanding the time limit in Minnesota Statutes, section 14.125, an agency
20.21 subject to this section must adopt the rules it was mandated to adopt. The agency must
20.22 publish a notice of intent to adopt rules or a notice of hearing for rules subject to this
20.23 section before January 1, 2007.

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

20.25 Sec. 45. **REVISOR'S INSTRUCTION.**

20.26 The revisor of statutes shall insert a first grade headnote after Minnesota Statutes,
20.27 section 181.946, that reads "LEAVE FOR FAMILIES OF MOBILIZED MILITARY
20.28 MEMBERS."

20.29 Amend the title accordingly

Adopted

Cohen

1.1 Senator moves to amend S.F. No. (SCS4643ART10-4) as follows:

1.2 Page 8, after line 17, insert:

1.3 "Sec. 11. Laws 2005, chapter 156, article 1, section 11, subdivision 5, is amended to
1.4 read:

1.5 **Subd. 5. Public Broadcasting**

1.6 1,855,000 1,855,000

1.7 \$963,000 the first year and \$963,000 the
1.8 second year are for matching grants for
1.9 public television.

1.10 \$398,000 the first year and \$398,000
1.11 the second year are for public television
1.12 equipment grants.

1.13 Equipment or matching grant allocations
1.14 shall be made after considering the
1.15 recommendations of the Minnesota Public
1.16 Television Association.

1.17 \$17,000 the first year and \$17,000 the second
1.18 year are for grants to the Twin Cities regional
1.19 cable channel.

1.20 \$287,000 the first year and \$287,000 the
1.21 second year are for community service grants
1.22 to public educational radio stations. The
1.23 grants must be allocated after considering
1.24 the recommendations of the Association of
1.25 Minnesota Public Educational Radio Stations
1.26 under Minnesota Statutes, section 129D.14.

1.27 \$190,000 the first year and \$190,000 the
1.28 second year are for equipment grants
1.29 to Minnesota Public Radio, Inc. ~~This~~
1.30 ~~appropriation is contingent on Minnesota~~
1.31 ~~Public Radio, Inc. making public a list~~
1.32 ~~containing the position and salary of each~~
1.33 ~~employee and single individual providing~~
1.34 ~~personal services under a contract who is paid~~
1.35 ~~more than \$100,000 per year by Minnesota~~

2.1 ~~Public Radio, Inc. or a related organization~~
2.2 ~~as defined in Minnesota Statutes, section~~
2.3 ~~317A.011, subdivision 18.~~

2.4 Any unencumbered balance remaining the
2.5 first year for grants to public television or
2.6 radio stations does not cancel and is available
2.7 for the second year.

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

2.9 Renumber the sections in sequence and correct the internal references

2.10 Amend the title accordingly

*Adopted
Metzen*

1.1 Senator moves to amend SC4643ART10-4 S.F. No. as follows:

1.2 Page 4, after line 28, insert:

"

1.3 Sec. 7. AMATEUR SPORTS COMMISSION 90,000

1.5 "

1.6 Correct the section totals and the appropriation summary

1.7 Renumber the sections in sequence and correct the internal references

1.8 Amend the title accordingly

*Adopted
Passed to
Finance*

ARTICLE 10

STATE GOVERNMENT

Section 1. STATE GOVERNMENT APPROPRIATIONS.

The sums shown in the columns marked "APPROPRIATIONS" are added to the appropriations in Laws 2005, chapter 156, article 1, or other law to the agencies and for the purposes specified in this article. The appropriations are from the general fund or another named fund and are available for the fiscal years indicated for each purpose. The figures "2006" and "2007" used in this article mean that the addition to the appropriation listed under them is available for the fiscal year ending June 30, 2006, or June 30, 2007, respectively. "The first year" is fiscal year 2006. "The second year" is fiscal year 2007. "The biennium" is fiscal years 2006 and 2007. Supplementary appropriations and reductions to appropriations for the fiscal year ending June 30, 2006, are effective the day following final enactment.

SUMMARY BY FUND

	<u>2006</u>	<u>2007</u>	<u>TOTAL</u>
<u>General</u>	\$,000	\$,000	\$,000
<u>TOTAL</u>	\$,000	\$,000	\$,000

APPROPRIATIONS

Available for the Year
Ending June 30

	<u>2006</u>	<u>2007</u>
	\$	\$
Sec. 2. <u>LEGISLATURE</u>	-0-	...,000
<u>The appropriations in this section are to the Legislative Coordinating Commission.</u>		
<u>(a) Legislative forums</u>		...,000
<u>For the cost of annual forums to improve legislative effectiveness, as required by new Minnesota Statutes, section 3.051.</u>		
<u>(b) International Legislators' Forum</u>		...,000

2.1 For the International Legislators' Forum,
 2.2 to allow Minnesota legislators to meet with
 2.3 counterparts from South Dakota, North
 2.4 Dakota, and Manitoba, Canada, to discuss
 2.5 issues of mutual concern. This is a onetime
 2.6 appropriation.

2.7 Sec. 3. OFFICE OF ENTERPRISE
 2.8 TECHNOLOGY

-0-

...,000

2.9 For comprehensive planning,
 2.10 implementation, and administration of
 2.11 enterprise information technology security
 2.12 according to Minnesota Statutes, sections
 2.13 16E.01 and 16E.03. \$...,000 is added to the
 2.14 appropriation base for fiscal years 2008
 2.15 and thereafter to provide for continuing
 2.16 administration of enterprise security.

2.17 Sec. 4. FINANCE

-0-

...,000

2.18 \$...,000 in 2007 is for the state's share of the
 2.19 cost of bankruptcy counsel representing joint
 2.20 interests of the state and the city of Duluth
 2.21 in the Northwest Airlines bankruptcy. The
 2.22 commissioner must request the city of Duluth
 2.23 to pay its proportional share of the cost of
 2.24 the bankruptcy counsel. This is a onetime
 2.25 appropriation.

2.26 Sec. 5. EMPLOYEE RELATIONS

...,000

...,000

2.27 \$...,000 is to establish and operate the Center
 2.28 for Health Care Purchasing Improvement.

This is a one time appropriation.

Adopted

2.29 Sec. 6. VETERANS AFFAIRS

...,000

...,000

2.30 (a) Soldiers' assistance fund

...,000

3.1 For deposit in the state soldiers' assistance
 3.2 fund established in Minnesota Statutes,
section 197.03.

3.4 (b) Web site development,000

3.5 To create a centralized Web site to contain
 3.6 information on all state, federal, local, and
 3.7 private agencies and organizations that
 3.8 provide goods or services to veterans or their
 3.9 families.

3.10 (c) Grants to counties,000

For grants to counties under the terms of this
 3.12 paragraph. The commissioner shall issue a
 3.13 request for proposals for grants to enhance
 3.14 the benefits, programs, and services provided
 3.15 to veterans. The request must specify that
 3.16 priority will be given to proposals that meet
 3.17 the programmatic goals established by the
 3.18 commissioner, including proposals that:

3.19 (1) will provide the most effective outreach
 3.20 to veterans;

(2) reintegrate combat veterans into society;

3.22 (3) collaborate with other social service
 3.23 agencies, educational institutions, and other
 3.24 relevant community resources;

3.25 (4) reduce homelessness among veterans;

3.26 and

3.27 (5) provide measurable outcomes.

3.28 The commissioner may provide incentives to
 3.29 encourage regional collaboration for service
 3.30 delivery.

The grants may be for a term of up to two
 3.32 years. The commissioner shall ensure that
 3.33 grants are made throughout all regions of the

4.1 state and shall develop a description of best
 4.2 practices for the use of these grants. A county
 4.3 may not reduce its veterans service office
 4.4 budget by any amount received as a grant
 4.5 under this paragraph. Grants made under this
 4.6 paragraph are in addition to and not subject
 4.7 to the requirements for grants made under
 4.8 Minnesota Statutes, section 197.608. The
 4.9 Vinland Center and the Minnesota Assistance
 4.10 Council for Veterans may apply for grants
 4.11 under this paragraph in fiscal year 2007.
 4.12 This appropriation must be included in the
 4.13 appropriation base through fiscal year 2009.

4.14 (d) Higher education veterans assistance
 4.15 offices

...,000

4.16 For the higher education veterans assistance
 4.17 program in section 12. This appropriation
 4.18 must be included in the appropriation base
 4.19 through fiscal year 2009.

Adopted.

4.20 (e) Outreach and assistance

...,000

...,000

4.21 For an outreach and assistance initiative for
 4.22 underserved veterans.

4.23 (f) Veterans organizations

...,000

4.24 For veterans' services provided by Veterans
 4.25 of Foreign Wars, the Military Order of the
 4.26 Purple Heart, Disabled American Veterans,
 4.27 and the Vietnam Veterans of America. This
 4.28 is a onetime appropriation.

4.29 Sec. 7. [3.051] LEGISLATIVE TRAINING FORUMS.

4.30 Subdivision 1. Purposes. The Legislative Coordinating Commission shall oversee
 4.31 two legislative training forums each year. The commission shall:

5.1 (1) create an annual gathering of legislators to be held within the first two weeks of
 5.2 January each year, and one other legislative training forum each year;

5.3 (2) select speakers, including executive or nonpartisan legislative staff, who
 5.4 will provide an overview of the issues affecting Minnesota, including demographic,
 5.5 environmental, sociological, and economic perspectives on Minnesota, background on key
 5.6 policy issues the legislature is expected to address that year, training to improve legislative
 5.7 skills in running effective meetings, and training on other issues; and

5.8 (3) invite current executive branch officials in order to provide opportunities for
 5.9 legislators and invited executive branch officials to interact and work to form cooperative
 5.10 solutions to Minnesota issues, problems, and challenges.

5.11 Subd. 2. **Partners.** The Legislative Coordinating Commission may select a partner
 5.12 or partners from Minnesota's institutions of higher education and nonprofit communities,
 5.13 and if such a choice is made, must give all interested institutions an opportunity to submit
 5.14 a proposal to conduct the training, schedule activities, and create meeting agendas. The
 5.15 commission may accept donations from foundations, corporations, and individuals to
 5.16 defray costs of the forums, and shall publish those donations on the legislature's Web site.
 5.17 A registered lobbyist or principal may not contribute for this purpose. Donations received
 5.18 are appropriated to the Legislative Coordinating Commission for purposes of this section.

5.19 **Sec. 8. [16E.21] INFORMATION AND TELECOMMUNICATIONS ACCOUNT.**

5.20 Subdivision 1. **Account established; appropriation.** The information and
 5.21 telecommunications technology systems and services account is created in the special
 5.22 revenue fund. Receipts credited to the account are appropriated to the Office of Enterprise
 5.23 Technology for the purpose of defraying the costs of personnel and technology for
 5.24 activities that create government efficiencies in accordance with this chapter.

5.25 Subd. 2. **Charges.** Upon agreement of the participating agency, the Office
 5.26 of Enterprise Technology may collect a charge for purchases of information and
 5.27 telecommunications technology systems and services by state agencies and other
 5.28 governmental entities through state contracts for purposes described in subdivision
 5.29 1. Charges collected under this section must be credited to the information and
 5.30 telecommunications technology systems and services account.

5.31 **Sec. 9. [43A.312] CENTER FOR HEALTH CARE PURCHASING**
 5.32 **IMPROVEMENT.**

5.33 Subdivision 1. **Establishment; administration.** The commissioner shall establish
 5.34 and administer the Center for Health Care Purchasing Improvement as an administrative

6.1 unit within the Department of Employee Relations. The Center for Health Care Purchasing
6.2 Improvement shall support the state in its efforts to be a more prudent and efficient
6.3 purchaser of quality health care services. The center shall aid the state in developing and
6.4 using more common strategies and approaches for health care performance measurement
6.5 and health care purchasing. The common strategies and approaches shall promote greater
6.6 transparency of health care costs and quality, and greater accountability for health
6.7 care results and improvement. The center shall also identify barriers to more efficient,
6.8 effective, quality health care and options for overcoming the barriers.

6.9 Subd. 2. **Staffing; duties; scope.** (a) The commissioner may appoint a director, and
6.10 up to three additional senior-level staff or codirectors, and other staff as needed who are
6.11 under the direction of the commissioner. The staff of the center are in the unclassified
6.12 service.

6.13 (b) With the authorization of the commissioner of employee relations, and in
6.14 consultation or interagency agreement with the appropriate commissioners of state
6.15 agencies, the director, or codirectors, may:

6.16 (1) initiate projects to develop plan designs for state health care purchasing;

6.17 (2) require reports or surveys to evaluate the performance of current health care
6.18 purchasing strategies;

6.19 (3) calculate fiscal impacts, including net savings and return on investment, of health
6.20 care purchasing strategies and initiatives;

6.21 (4) conduct policy audits of state programs to measure conformity to state statute or
6.22 other purchasing initiatives or objectives;

6.23 (5) support the Administrative Uniformity Committee under section 62J.50 and
6.24 other relevant groups or activities to advance agreement on health care administrative
6.25 process streamlining;

6.26 (6) consult with the Health Economics Unit of the Department of Health regarding
6.27 reports and assessments of the health care marketplace;

6.28 (7) consult with the departments of Health and Commerce regarding health care
6.29 regulatory issues and legislative initiatives;

6.30 (8) work with appropriate Department of Human Services staff and the Centers for
6.31 Medicare and Medicaid Services to address federal requirements and conformity issues
6.32 for health care purchasing;

6.33 (9) assist the Minnesota Comprehensive Health Association in health care
6.34 purchasing strategies;

6.35 (10) convene medical directors of agencies engaged in health care purchasing for
6.36 advice, collaboration, and exploring possible synergies;

7.1 (11) contact and participate with other relevant health care task forces, study
 7.2 activities, and similar efforts with regard to health care performance measurement and
 7.3 performance-based purchasing; and

7.4 (12) assist in seeking external funding through appropriate grants or other funding
 7.5 opportunities and may administer grants and externally funded projects.

7.6 Subd. 3. Report. The commissioner must report annually to the legislature and the
 7.7 governor on the operations, activities, and impacts of the center. The report must be
 7.8 posted on the Department of Employee Relations Web site and must be available to the
 7.9 public. The report must include a description of the state’s efforts to develop and use more
 7.10 common strategies for health care performance measurement and health care purchasing.
 7.11 The report must also include an assessment of the impacts of these efforts, especially in
 7.12 promoting greater transparency of health care costs and quality, and greater accountability
 7.13 for health care results and improvement.

7.14 Sec. 10. Laws 1998, chapter 404, section 15, subdivision 2, as amended by Laws
 7.15 2005, chapter 20, article 1, section 40, as amended by Laws 2005, chapter 156, article 2,
 7.16 section 43, is amended to read:

7.17 **Subd. 2. National Sports Center** 4,800,000

7.18 \$1,700,000 is to purchase and develop land
 7.19 adjacent to the National Sports Center in
 7.20 Blaine for use as athletic fields.

7.21 \$3,100,000 is to develop the National
 7.22 Children’s Golf Course. The primary
 7.23 purpose of the National Children’s Golf
 7.24 Course is to serve youth of 18 years and
 7.25 younger. Market rates must be charged for
 7.26 adult golf.

7.27 Notwithstanding Minnesota Statutes, section
 7.28 16B.24, subdivision 5, the Minnesota
 7.29 Amateur Sports Commission may lease
 7.30 up to 20 percent of the area of the land
 7.31 purchased with money from the general
 7.32 fund appropriations in this subdivision for
 7.33 a term of up to 30 years, plus two renewals
 7.34 for a term of up to 30 years each, to one or

8.1 more governmental or private entities for
8.2 any use by the lessee, whether public or
8.3 private, so long as the use provides some
8.4 benefit to amateur sports. The commission
8.5 must submit proposed leases for the land
8.6 described in this subdivision to the chairs of
8.7 the legislative committees with jurisdiction
8.8 over state government policy and finance for
8.9 review at least 30 days before the leases may
8.10 be entered into by the commission. Up to
8.11 \$300,000 of lease payments received by the
8.12 commission each fiscal year is appropriated
8.13 to the commission for the purposes specified
8.14 in Minnesota Statutes, chapter 240A. The
8.15 land purchased from the general fund
8.16 appropriations may be used for any amateur
8.17 sport.

8.18 **Sec. 11. HIGHER EDUCATION VETERANS ASSISTANCE PROGRAM.**

8.19 **Subdivision 1. Assistance provided.** The commissioner of veterans affairs shall
8.20 provide central liaison staff and campus veterans assistance officers to serve the needs
8.21 of students who are veterans at higher education institutions in Minnesota. Methods of
8.22 assistance may include, but are not limited to, work-study positions for veterans, and
8.23 providing information and assistance regarding the availability of state, federal, local,
8.24 and private resources.

8.25 **Subd. 2. Steering committee.** The commissioner of veterans affairs shall chair a
8.26 higher education veterans assistance program steering committee composed of:

8.27 (1) the adjutant general or the adjutant general's designee;

8.28 (2) a representative of Minnesota State Colleges and Universities, designated by
8.29 the chancellor;

8.30 (3) a representative of the University of Minnesota, appointed by the president of
8.31 the university;

8.32 (4) a representative of private colleges and universities in Minnesota, appointed by
8.33 the governor;

8.34 (5) a representative of the Higher Education Services Office, appointed by the
8.35 executive director;

9.1 (6) a representative of county veterans service offices, appointed by the
9.2 commissioner of veterans affairs; and

9.3 (7) a representative of the Department of Employment and Economic Development,
9.4 appointed by the commissioner of that department.

9.5 The steering committee shall advise the commissioner of veterans affairs regarding the
9.6 allocation of appropriations for the purposes of this section and shall develop a long-range
9.7 plan to serve the needs of students at higher education institutions in Minnesota who are
9.8 veterans.

9.9 Subd. 3. **Office space provided.** Each campus of the University of Minnesota and
9.10 each institution within the Minnesota State Colleges and Universities system shall provide
9.11 adequate space for a veterans assistance office to be administered by the commissioner
9.12 of veterans affairs, and each private college and university in Minnesota is encouraged
9.13 to provide adequate space for a veterans assistance office to be administered by the
9.14 commissioner of veterans affairs. The veterans assistance office must provide information
9.15 and assistance to veterans who are students or family members of students at the school
9.16 regarding the availability of state, federal, local, and private resources.

9.17 Subd. 4. **Report.** Beginning January 15, 2007, and each year thereafter, the steering
9.18 committee established in subdivision 2 shall report to the chairs of the legislative
9.19 committees with jurisdiction over veterans affairs policy and finance and higher education
9.20 policy and finance regarding the implementation and effectiveness of the program
9.21 established in this section.

9.22 Subd. 5. **Expiration.** This section expires on June 30, 2009.

9.23 **Sec. 12. EFFECTIVE DATE.**

9.24 This article is effective the day following final enactment.

#1

State Government Budget Divis. Chair's Supplemental Recommendations - Article

(Dollars in thousands)

(Governor's Recommendations SF 3317 & SF 2654)

	Fund	Governor Rec			Senate - Budget Chair Rec			Gov/Sen Difference
		FY 2006	FY 2007	FY 2006-07	FY 2006	FY 2007	FY 2006-07	
General Fund Expenditure Changes - direct								
Legislature:								
LCC: Legislative Training Forum-SF 3404	GEN	0	0	0	0	30	30	(30)
LCC: MN, ND, SD, Manitoba Legislators Forum-SF 3436	GEN	0	0	0	0	7	7	(7)
State Board of Investment: Funding Source Restructuring	GEN	0	(1,950)	(1,950)	0	0	0	(1,950)
Office Of Enterprise Technology: IT Security Enhancement	GEN	0	2,950	2,950	0	1,900	1,900	1,050
Finance: Bankruptcy Counsel for Northwest Airlines proceedings	GEN	0	325	325	0	275	275	50
Employee Relations:								
Center for Health Care Purchasing Improvement-SF 3395	GEN	0	0	0	0	100	100	(100)
Veterans Affairs:								
Veterans Outreach & Assistance Funding Deficit	GEN	0	0	0	250	250	500	(500)
Veterans Service Organizations Funding Deficit	GEN	0	0	0	0	80	80	(80)
State Soldiers Assistance Program Grants	GEN	0	3,000	3,000	0	1,900	1,900	1,100
CVSO Service Enhancement Grants	GEN	0	3,000	3,000	0	200	200	2,800
Veterans Assistance Offices on Campus	GEN	0	2,500	2,500	0	900	900	1,600
One-Stop Website & Internet Support Services	GEN	0	200	200	0	100	100	100
subtotal expenditure Changes:	GEN	0	10,025	10,025	250	5,742	5,992	4,033
General Fund Revenue Changes								
State Board of Investment: Funding Source Restructuring	GEN	0	(1,950)	(1,950)	0	0	0	(1,950)
subtotal revenue changes:	GEN	0	(1,950)	(1,950)	0	0	0	(1,950)
Net General Fund Change:	GEN	0	11,975	11,975	250	5,742	5,992	5,983
Non-General Fund Expenditure Changes - direct								
Employee Relations: PEIP Expansion for School Districts	HCA	60	2,260	2,320	0	0	0	2,320
subtotal non-general fund expenditure Changes:		60	2,260	2,320	0	0	0	2,320
Non-General Fund Expenditure Changes - statutory								
State Board of Investment: Funding Source Restructuring	SR	0	1,950	1,950	0	0	0	1,950
Non-General Fund Revenue Changes								
State Board of Investment: Funding Source Restructuring	SR	0	1,950	1,950	0	0	0	1,950
subtotal non-general fund revenue changes:		0	1,950	1,950	0	0	0	1,950

xx2

Quiz

check one

Which group is likely to come out ahead with NW Airlines' bankruptcy

<p>Passengers <input type="checkbox"/></p>  <p>ED FISCHER</p>	<p>Pilots (unions) <input type="checkbox"/></p> 	<p>NW Airlines <input type="checkbox"/></p> 	<p>Investors <input type="checkbox"/></p> 	<p>Lawyers <input type="checkbox"/></p>  <p>BINGO!</p>
---	--	--	---	--

© 2006 Rochester Post-Bulletin Co. L.L.C.
Ed Fischer Syndicate
fischer@postbulletin.com

#3

**Senate Counsel, Research,
and Fiscal Analysis**

G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.
ST. PAUL, MN 55155-1606
(651) 296-4791
FAX: (651) 296-7747
JO ANNE ZOFF SELLNER
DIRECTOR

Senate

State of Minnesota

**S.F. No. Omnibus State Government Budget Division
Policy Provisions (SCS2489A-2 Amendment)**

Author: Senator Sheila Kiscaden

Prepared by: Thomas S. Bottern, Senate Counsel (651/296-3810)

TJB

Date: April 10, 2006

The delete-everything amendment to S.F. No. 2489 contains provisions that are not contingent upon an appropriation.

Section 1. COUNCIL ON BLACK MINNESOTANS; POWERS. provides further direction and specificity for the Commissioner of Administration to perform administrative services for the council, including, but not limited to, payroll, purchasing, budgeting, and computer support functions.

Section 2. DETAILED BUDGET. provides specific direction to the Department of Finance to list the current and projected number of full-time equivalent positions within each agency program in budget documents supplied to the legislature.

Sections 3, 4, 6, 18, 19, and 22. GRANT ADMINISTRATION. transfer the statutory requirements for grant management from Minnesota Statutes, chapter 16C, which provides authority for the Department of Administration, to chapter 16A, which is administered by the Department of Finance. The responsibilities to develop policies and practices regarding grant administration are recodified within chapter 16A and stricken from portions of chapter 16C. This is an agency proposal.

Section 5. FORD BUILDING. requires the Commissioner of Administration to permanently maintain and stabilize the Ford Building at 117 University Ave. in St. Paul.

Sections 7 to 17 and 20 to 21, 23 to 26. STATE PROCUREMENT CHANGES. These sections are taken from S.F. No. 3587 and are part of Department of Administration proposals from the drive to excellence to change procurement law.

Section 7. BEST AND FINAL OFFER. provides a new definition for “best and final offer” to allow the state to request responders to improve their response.

Section 8. BEST VALUE. allows the commissioner to use strategic sourcing tools to achieve “best value,” including product standardization and mandatory-use enterprise contracts.

Section 9. ENTERPRISE PROCUREMENT. defines “enterprise procurement” as a process used by the Commissioner of Administration to achieve economies of scale when contracting for goods and services.

Section 10. REQUEST FOR PROPOSAL OR RFP. amends the definition for RFP to clarify that responses to an RFP may be further negotiated to achieve the best value for the state.

Section 11. RESPONSE. adds to the definition of “response” to include best and final offers as responses.

Section 12. STRATEGIC SOURCING. defines “strategic sourcing” by listing a variety of methods that may be used to achieve strategic sourcing, including product standardization and contract consolidation.

Section 13. ACQUISITION AUTHORITY. allows the use of contract consolidation, product standardization, and other methods for state acquisition of goods and services. Requires that the commissioner engage in enterprise procurement to the extent practicable. Specifies that if criteria other than price are used, price must remain a significant percentage of the criteria, unless otherwise approved by the commissioner.

Section 14. CONTRACTING AUTHORITY. authorizes the Commissioner of Administration to require staff from other agencies to participate in developing enterprise procurements.

Section 15. POLICY AND PROCEDURES. requires the Commissioner of Administration to develop policies and procedures to ensure optimal use of strategic sourcing techniques.

Section 16. CENTRAL STORES. allows the commissioner of Administration to require any other state agency to use central stores if it is consistent with best value.

Section 17. DELEGATION OF DUTIES. allows the Commissioner of Administration to require another agency to accept delegated responsibility for procurement if the goods and services being acquired are for the exclusive use of that agency.

Section 20. AGENCY COOPERATION. amends existing law that requires agency cooperation to include agency cooperation in the development and implementation of strategic sourcing.

Section 21. CREATION AND VALIDITY OF CONTRACTS. provides an exception from the requirement in existing law that requires a specific encumbrance on the accounting system before the related contract is valid and binding on the state. The exception applies only when the Commissioners of Finance and Administration have approved it as a policy for a routine, low-dollar procurement.

Section 23. ENTERPRISE PROCUREMENT PROCESS. requires the Commissioner of Administration to use enterprise procurement for professional or technical contracts for use by multiple state agencies to the fullest extent practicable. Where the commissioner uses this authority, states that Minnesota Statutes, section 15.061, does not apply. Section 15.061 authorizes agency heads to separately contract for professional and technical services, with the approval of the Commissioner of Administration, and exempts those contracts from the bidding requirements in Chapter 16C.

Section 24. DUTIES OF CONTRACTING AGENCY. adds a new requirement for professional or technical services contracts that requires the agency to explain why the procurement is being done unilaterally by the agency and not as an enterprise procurement.

Section 25. PROCEDURE FOR SERVICE CONTRACTS. creates a threshold of \$5,000 before certain statutory requirements for service contracts apply.

Section 26. REVERSE AUCTION. expands the use of the reverse auction process to include all types of services except engineering design services or building and construction contracts. Current law allows the use of reverse auctions only for the acquisition of goods or computer services.

Section 27. INFORMATION AND TELECOMMUNICATIONS ACCOUNT. establishes an information and telecommunications technology systems and services account in the special revenue fund and appropriates receipts in the account to the Office of Enterprise Technology (OET) to defray costs of personnel and technology for activities that create government efficiencies. Authorizes the OET to bill state agencies for purchases of information and telecommunications technology systems and services. Credits these charges to the account established in this section.

Section 28. ADDITIONAL UNCLASSIFIED POSITIONS. authorizes the Office of Enterprise Technology to designate additional unclassified positions. This authority was omitted in the when the Office of Enterprise Technology was created in the 2005 session.

Section 29. EXCEPTIONS. allows the Commissioner of Employee Relations to establish special salary rates and plans of compensation for doctors of dental surgery that are exempt from general salary limits in state law. Existing law provides the same exemption for payment of doctors of medicine.

Section 30. CENTER FOR HEALTH CARE PURCHASING IMPROVEMENT.

Subdivision 1 requires the Commissioner of Employee Relations to establish and administer the Center of Health Care Purchasing Improvement as an administrative unit in the Department of Employee Relations.

Subdivision 2 authorizes the commissioner to appoint a director and up to three additional senior-level staff and other staff as needed. All staff are unclassified. Authorizes the director, with the authorization of the Commissioner of Employee Relations and in consultation or interagency agreement with the appropriate commissioners, to:

- (1) initiate projects for the development of plan designs for state health purchasing;
- (2) require reports or surveys to evaluate the performance of current health care purchasing strategies;
- (3) calculate fiscal impacts of health care purchasing strategies;
- (4) conduct policy audits of state programs to measure conformity to state law or other purchasing initiatives or objectives;
- (5) support the Administrative Uniformity Committee and other groups to advance agreement of health care administrative process streamlining;
- (6) consult with the Health Economics Unit at the Department of Health regarding reports and assessment of the health care marketplace;
- (7) consult with the Departments of Health and Commerce regarding health care regulatory issues and legislative initiatives;
- (8) work with the Department of Human Services staff and Centers for Medicare and Medicaid Services to address federal requirements and conformity issues for health care purchasing;
- (9) assist Minnesota Comprehensive Health Association in health care purchasing strategies;
- (10) convene medical directors of agencies engaged in health care purchasing for advice, collaboration, and exploring synergies;
- (11) contact and participate with other relevant task forces, studies, and efforts; and
- (12) assist in seeking external funding and administer grants.

Subdivision 3 requires the commissioner to annually report to the Legislature and the Governor on the operations, activities, and impacts of the Center. Requires the report to be posted on the Department's Web site and made available to the public.

Section 31. POSTRETIREMENT EMPLOYMENT; LEGISLATIVE EMPLOYEES. includes legislative employees within laws enacted last year that enable certain limited postretirement employment for the state.

Section 32. SICK LEAVE BENEFITS; USE TO CARE FOR CERTAIN RELATIVES. existing law allows employees to use any personal sick-leave benefits provided by their employer for absences due to illness or injury to the employee's child. This amendment extends the allowance for use of sick leave to illness or injury to a spouse, sibling, parent, grandparent, stepparent, or any dependents who receive regular care from the employee. For purposes of this section, existing law defines "employer" to mean a entity employing 21 or more employees at at least one site.

Section 33 to 36. LEAVE FOR IMMEDIATE FAMILY MEMBERS OF MILITARY PERSONNEL INJURED OR KILLED IN ACTIVE SERVICE. Section 33 requires an employer to grant unpaid leave to an employee whose parent, child, or spouse has been killed or injured while on active service with the United States Armed Services. The leave must be used to attend to the injured soldier or for the time necessary to attend services for a deceased soldier. "Employee" is defined to include independent contractors. "Employer" is defined to include a public or private employer having one or more employees. Section 34 creates an employment leave for a grandparent, parent, legal guardian, grandchild, child, spouse, finance, or financee to attend ceremonies to send off or welcome home a soldier mobilized for a war or a national emergency. The leave need not be granted if it would unduly disrupt an employer's operations. The leave is for the time necessary to attend the ceremony. Sections 35 and 36 provide cross-references to sections 33 and 34 in another section of the statutes pertaining to the Minnesota National Guard.

Section 37. HIGHER EDUCATION FAIRNESS. Subdivision 2 requires Minnesota State Colleges and Universities to award credits to veterans for courses taken as part of military training if the courses meet relevant standards for awarding those credits. Subdivision 3 requires state colleges or universities to treat veterans as Minnesota residents if they were residents when they entered the military and begin attending the institution within two years of completing services. Subdivision 4 prohibits state colleges or universities from assessing late fees or charges for outstanding tuition charges that arise from delayed federal payments.

Section 38. DISCLOSURE TO DEPARTMENT OF FINANCE. allows the Commissioner of Revenue to disclose tax return information to the Commissioner of Finance as necessary to prepare revenue forecasts required under chapter 16A.

Section 39. PLAN FOR COLOCATION OF CERTAIN MINORITY AFFAIRS COUNCILS. requires the division of management analysis in the Department of Administration to prepare a plan for collocating the Council on Black Minnesotans, the Chicano/Latino Affairs Council, and the Council on Asian-Pacific Minnesotans. Authorizes the Commissioner of Administration to terminate current lease arrangements beginning 30 days after the report is submitted and to relocate the councils to a location recommended in the report.

Section 40. COUNCIL ON AFFAIRS OF CHICANO/LATINO PEOPLE; APPOINTMENT OF CHAIR. requires the governor to appoint an additional member to the Council on Affairs of Chicano/Latino People beginning July 1, 2006, who will serve as the chair for the council. This provision expires on July 1, 2009, or when the Office of the Legislative Auditor issues a financial audit of the council without unresolved audit findings, whichever is sooner.

Section 41. COUNCIL ON BLACK MINNESOTANS; APPOINTMENT OF CHAIR. requires the governor to appoint an additional member to the Council on Black Minnesotans beginning July 1, 2006, who will serve as the chair for the council. This provision expires on July 1, 2009, or when the Office of the Legislative Auditor issues a financial audit of the council without unresolved audit findings, whichever is sooner.

Section 42. COUNCIL ON ASIAN-PACIFIC MINNESOTANS. requires the governor to appoint an additional member to the Council on Asian-Pacific Minnesotans beginning July 1, 2006, who will serve as the chair for the council. This provision expires on July 1, 2009, or when the Office of the Legislative Auditor issues a financial audit of the council without unresolved audit findings, whichever is sooner.

Section 43. REPORT ON STATE PROCUREMENT CHANGES. requires the Commissioner of Administration to provide a report to the legislature regarding changes made to state procurement practices in this bill and the use of strategic sourcing techniques.

Section 44. RULEMAKING REQUIRED. for state agencies required to adopt rules by a law enacted during or since the 2003 legislative session, extends the time available to adopt the rules to January 1, 2007, instead of the 18-month time limit provided in Minnesota Statutes, section 14.125.

Section 45. REVISOR INSTRUCTION. instructs the Revisor of Statutes to amend a headnote to conform with the military family leave provisions contained in this bill.

TSB:rdr