

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 1564

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DATE	D-PG	OFFICIAL STATUS
03/01/2021	608	Introduction and first reading Referred to State Government Finance and Policy and Elections
03/11/2021	822	Comm report: To pass and re-referred to Finance
05/15/2021		Comm report: To pass as amended Second reading

1.1 A bill for an act

1.2 relating to state finances; modifying the federal funds request process; adjusting

1.3 the process for reviewing federal funds expenditures; changing the membership

1.4 of the Legislative Advisory Commission; amending Minnesota Statutes 2020,

1.5 sections 3.30, subdivision 2; 3.3005, subdivisions 2, 2a, 4, 5, by adding a

1.6 subdivision.

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

1.8 Section 1. Minnesota Statutes 2020, section 3.30, subdivision 2, is amended to read:

1.9 Subd. 2. **Members; duties.** ~~(a) The majority leader of the senate or a designee, the chair~~

1.10 ~~of the senate Committee on Finance, and the chair of the senate Division of Finance~~

1.11 ~~responsible for overseeing the items being considered by the commission, the speaker of~~

1.12 ~~the house or a designee, the chair of the house of representatives Committee on Ways and~~

1.13 ~~Means, and the chair of the appropriate finance committee, or division of the house of~~

1.14 ~~representatives committee responsible for overseeing the items being considered by the~~

1.15 ~~commissioner, constitute the Legislative Advisory Commission. The division chair of the~~

1.16 ~~Finance Committee in the senate and the division chair of the appropriate finance committee~~

1.17 ~~or division in the house of representatives~~ The Legislative Advisory Commission is composed

1.18 of the majority leader of the senate or a designee, the minority leader of the senate or a

1.19 designee, the president of the senate, the chair of the senate Committee on Finance, the

1.20 ranking minority member of the senate Committee on Finance, the chair of the appropriate

1.21 senate committee with budget jurisdiction over the item under consideration, the ranking

1.22 minority member of the appropriate senate committee with budget jurisdiction over the item

1.23 under consideration, the speaker of the house of representatives or a designee, the minority

1.24 leader of the house of representatives or a designee, the majority leader of the house of

2.1 representatives, the chair of the house of representatives Committee on Ways and Means,
2.2 the ranking minority member of the house of representatives Committee on Ways and
2.3 Means, the chair of the appropriate house of representatives committee with budget
2.4 jurisdiction over the item under consideration, and the ranking minority member of the
2.5 appropriate house of representatives committee with budget jurisdiction over the item under
2.6 consideration. The Legislative Advisory Commission members that serve on the commission
2.7 by being the chair or ranking minority member of the appropriate committee with budget
2.8 jurisdiction over the item under consideration shall rotate according to the items being
2.9 considered by the commission. If any of the members elect not to serve on the commission,
2.10 the house of which they are members, if in session, shall select some other member for the
2.11 vacancy. If the legislature is not in session, vacancies in the house of representatives
2.12 membership of the commission shall be filled by the last speaker of the house or, if the
2.13 speaker is not available, by the last chair of the house of representatives Rules Committee,
2.14 and by the last senate Committee on Committees or other appointing authority designated
2.15 by the senate rules in case of a senate vacancy. ~~The commissioner of management and~~
2.16 ~~budget shall be secretary of the commission and keep a permanent record and minutes of~~
2.17 ~~its proceedings, which are public records. The commissioner of management and budget~~
2.18 ~~shall post to the agency website all actions of the commission. Members shall receive~~
2.19 ~~traveling and subsistence expenses incurred attending meetings of the commission. The~~
2.20 ~~commission shall meet from time to time upon the call of the governor or upon the call of~~
2.21 ~~the secretary at the request of two or more of its members.~~ A recommendation of the
2.22 commission must be made at a meeting of the commission unless a written recommendation
2.23 is signed by all the members entitled to vote on the item.

2.24 (b) Members shall receive traveling and subsistence expenses incurred while attending
2.25 meetings of the commission.

2.26 (c) The chair of the commission alternates between a member of the senate and a member
2.27 of the house of representatives in January of each odd-numbered year.

2.28 (d) The commissioner of management and budget shall serve as secretary of the
2.29 Legislative Advisory Commission. The secretary shall keep a permanent record and minutes
2.30 of the commission's proceedings, which are public records.

2.31 (e) The commissioner of management and budget shall post to the agency website all
2.32 actions of the commission.

2.33 (f) The commission shall meet from time to time upon the call of the governor or upon
2.34 the call of the secretary at the request of two or more of the commission's members.

3.1 Sec. 2. Minnesota Statutes 2020, section 3.3005, is amended by adding a subdivision to
3.2 read:

3.3 Subd. 1a. **Application.** This section applies to the expenditure of all federal money
3.4 whether that federal money is appropriated under section 4.07 or another section, unless
3.5 the federal money is specifically excluded from the requirements of this section.

3.6 Sec. 3. Minnesota Statutes 2020, section 3.3005, subdivision 2, is amended to read:

3.7 Subd. 2. **Governor's request to legislature.** (a) A state agency shall not expend money
3.8 received by it under federal law for any purpose unless a request to spend federal money
3.9 from that source for that purpose in that biennium has been submitted by the governor to
3.10 the legislature as a part of a budget request submitted during or within ten days before the
3.11 start of a regular legislative session, or unless specifically authorized by law or as provided
3.12 by this section. A budget request submitted to the legislature according to this subdivision
3.13 must be submitted at least 20 days before the deadline set by the legislature for legislative
3.14 budget committees to act on finance bills.

3.15 (b) A budget request to spend federal funds submitted to the legislature under this
3.16 subdivision must clearly identify the federal funds submitted for review under this subdivision
3.17 and subject to the review period under subdivision 2a. A state agency is prohibited from
3.18 expending money subject to the requirements of paragraph (a) if the request to spend federal
3.19 money from that source for that purpose in that biennium has not previously been reviewed
3.20 by the commission and is not clearly identified in the governor's federal funds budget request
3.21 for review under this subdivision.

3.22 Sec. 4. Minnesota Statutes 2020, section 3.3005, subdivision 2a, is amended to read:

3.23 Subd. 2a. **Review of federal funds spending request.** (a) Twenty days after a governor's
3.24 budget request that includes a request to spend federal money is submitted to the legislature
3.25 under subdivision 2, a state agency may expend money included in that request unless,
3.26 within the 20-day period, a member of the Legislative Advisory Commission requests further
3.27 review. If a Legislative Advisory Commission member requests further review of a federal
3.28 funds spending request, the agency may not expend the federal funds until the request has
3.29 been satisfied and withdrawn, the expenditure is approved in law, or, if the commission has
3.30 not provided a negative review under paragraph (b), the regular session of the legislature
3.31 is adjourned for the year.

3.32 (b) If a member requests further review under paragraph (a), the member may request
3.33 the chair of the Legislative Advisory Commission to call a public meeting to review the

4.1 proposed expenditure of federal funds on which the member requested more information.
4.2 The chair of the commission must call a public meeting of the commission to review the
4.3 proposed expenditure within ten days. If at the public meeting a majority of the commission
4.4 members provide a negative recommendation on the proposed expenditure that is under
4.5 review, the agency is prohibited from expending the money. The commission may hold a
4.6 separate public meeting and may revoke its negative recommendation. If the negative
4.7 recommendation is revoked by the commission, the agency may expend the federal funds
4.8 after the regular session of the legislature is adjourned for the year.

4.9 Sec. 5. Minnesota Statutes 2020, section 3.3005, subdivision 4, is amended to read:

4.10 Subd. 4. **Interim procedures; urgencies.** (a) If federal money is awarded to the state
4.11 for expenditure after the deadline in subdivision 2 or while the legislature is not in session,
4.12 and the availability of money from that source or for that purpose or in that fiscal year could
4.13 not reasonably have been anticipated and included in the governor's budget request, and an
4.14 urgency requires that all or part of the money be encumbered or expended before the
4.15 legislature reconvenes or prior to the end of the 20-day period specified in subdivision 2,
4.16 it may be allotted to a state agency after the ~~requirements of subdivision 5 are met~~ Legislative
4.17 Advisory Commission has reviewed the request. If the members of the commission make
4.18 a positive recommendation or no recommendation, or if the commission has not reviewed
4.19 the request within ten days after the date the request was submitted, the commissioner may
4.20 approve the request and the federal money may be allotted for expenditure. If the commission
4.21 makes a negative recommendation or a recommendation for further review within ten days
4.22 after the date the request was submitted, the commissioner is prohibited from approving
4.23 the expenditure of the federal money. If a request to expend federal money submitted under
4.24 this subdivision receives a negative recommendation or a recommendation for further review,
4.25 the request may be submitted again under subdivision 2 or 6.

4.26 (b) For the purpose of this subdivision, a recommendation of the commission must be
4.27 made at a meeting of the commission unless a written recommendation is signed by all
4.28 members entitled to vote on the item.

4.29 (c) For the purposes of this subdivision, an urgency exists if:

4.30 (1) the expenditure of the federal funds would prevent imminent harm to life or property;
4.31 or

4.32 (2) failure to encumber or spend the federal funds before the expiration of the earliest
4.33 time provided under this subdivision would result in a loss of the federal funds.

5.1 Sec. 6. Minnesota Statutes 2020, section 3.3005, subdivision 5, is amended to read:

5.2 Subd. 5. **Legislative Advisory Commission review.** Federal money that is awarded
5.3 and becomes available under subdivision 3, 3a, or 3b, ~~or 4~~ may be allotted after the
5.4 commissioner of management and budget has submitted the request to the members of the
5.5 Legislative Advisory Commission for their review and recommendation ~~for further review.~~
5.6 ~~If a recommendation is not made within ten days, no further review by the Legislative~~
5.7 ~~Advisory Commission is required, and the commissioner shall approve or disapprove the~~
5.8 ~~request. If a recommendation by any member is for further review the governor shall submit~~
5.9 ~~the request to the Legislative Advisory Commission for its review and recommendation.~~
5.10 ~~Failure or refusal of the commission to make a recommendation promptly is a negative~~
5.11 ~~recommendation. If a member of the commission makes a negative recommendation or~~
5.12 ~~requests further review on a request within 20 days after the date the request was submitted,~~
5.13 ~~the commissioner is prohibited from approving the expenditure of the federal money. If a~~
5.14 ~~request to expend federal money submitted under this subdivision receives a negative~~
5.15 ~~recommendation or a request for further review, the request may be submitted again under~~
5.16 ~~subdivision 2. If the members of the commission make a positive recommendation or no~~
5.17 ~~recommendation, the commissioner may approve the request and the federal money may~~
5.18 ~~be allotted for expenditure.~~