

LEGISLATIVE ADVISORY COMMISSION 2012-13

20-Day Order
(Dollars in Thousands)

The following requests have been reviewed under the provision in Minnesota Statute 3.3005, subdivision 6 and having received no negative recommendations by members of the Legislative Advisory Commission (LAC) are hereby approved.

	FY 2013
Agriculture Department	
EPA PPG--Performance Partnership Grant	71
State Trade Export Promotion Program	40
Research, Development, Monitoring, Public Education, Training, Demonstrations, & Studies Toxic	20
Farm to School Grant Program	38
Innovative Food Defense Program	90
Gypsy Moth "Slow the Spread" Trapping & Treatment Program	289
Corrections Department	
Second Chance Act--Reentry Adult Demonstration (High Risk Revocation Reduction)	137
Smart Probation: Reducing Prison Populations, Saving Money, & Creating Safer Communities	197
Education Department	
Charter School Facilities Incentive Grant	834
Employment and Economic Development Department	
Trade Adjustment Assistance (TAA)	3,500
Analyst Resource Center (ARC) Consortium Grant	1,200
Health Department	
Pilot Project for the Electronic Exchange of Birth Records Using Health Level 7 Standards & Integrating the Healthcase Enterprise with the Minnesota Office of Vital Records	246
Building Capacity to Implement EPA Voluntary Guidelines for K-12 State, Tribal, & Territorial School Environmental Health Programs	56
Maternal, Infant, & Early Childhood Home Visitation Program	10,000
Regional Indoor Environments: Reducing Public Exposure to Indoor Pollutants	36
Viral Hepatitis Early Identification & Linkage to Care	104
Integrated Food Safety Centers of Excellence	167
Immunization Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure & Performance	925
State Public Health Approaches to Ensuring Quitline Capacity	296
Protecting Great Lakes Fish Consumers: Clinic Intervention/Great Lakes Restoration Initiative	225
Human Services Department	
Elder Abuse Prevention Program	267
Minnesota Strategic Prevention State Incentive Grant Project	339
Ryan White Part B Supplemental Grant	41
Adult Medicaid Quality Grants Measuring & Improving the Quality of Care in Medicaid	996
Child Welfare-Education System Collaboration to Increase Education Stability	250
Initiatives to Improve Access to Needs-Driven, Evidence-Based/Evidence-Informed Mental & Behavioral Health Services in Child Welfare	640
Services to Older Refugees	100
Refugees School Impact	500
Transitional Living Program & Maternity Group Home	200
Strong Start for Mothers & Babies	808
Indian Affairs Council	
Native American Graves Protection and Repatriation Act (NAGPRA) Grant	66
Labor & Industry	
Study to Research Undercounts of Workplace Injuries	85
Minnesota Management & Budget	
Early Retiree Reinsurance Program #1	392
Early Retiree Reinsurance Program #2	3,580
Natural Resources Department	
Invasive Species Task Force	26
Continuation & Expansion of Surveillance & Monitoring Activities Related to White-Nose Syndrome in Bats.	35
Pollution Control Agency	

<i>St. Louis River AOC Remediation to Restoration Support Projects</i>	311
Public Safety Department	
<i>2012 DNA Backlog Reduction Grant</i>	404
<i>Identifying the Missing in Minnesota: A Comprehensive Approach</i>	224
<i>Paul Coverdale Forensic Science Improvement Grant</i>	77
Transportation Department	
<i>Integrated Mobile Observation Project (IMO-2)</i>	300
<i>Moving Ahead for Progress in the 21st Century</i>	40,000
<i>K-Line Rail Improvement, Wadena, MN, Rail Line & Improvement Program</i>	300
<i>Veterans Transportation and Community Living Initiative #2</i>	586
<i>Construct Mankato Bus Garage/Maintenance Facility--Phase II</i>	1,570
<i>Safety Belt Performance Grant</i>	100
<i>Southern Rail Corridor, MN Feasibility and Alternative Analysis Study</i>	450
<i>Consolidated Planning Grant</i>	1,307
<i>FTA Section 5311</i>	12,453
<i>FTA Section 5316 JARC</i>	716
<i>FTA Section 5317 - New Freedom</i>	414
<i>Veterans Transportation and Community Living #1</i>	438
<i>Moving Ahead for Progress in the 21st Century #2</i>	1,000
Grand Total	\$ 87,446


LEGISLATIVE ADVISORY COMMISSION 2012-13

20-Day Order

(Dollars in Thousands)

The following requests have been reviewed under the provision in Minnesota Statute 3.3005, subdivision 6 and having received no negative recommendations by members of the Legislative Advisory Commission (LAC) are hereby approved.

	FY 2012	FY 2013
20 day Oct 11		
Administration Department		
High-Resolution NHDPlus - Enhanced Modeling and Analysis	126	0
Improving the Flow of Updates to the National Hydrology Dataset through State Collaboration	69	0
Minnesota Local Government Boundaries - An Initiative to Support the National Map and NSDI	11	0
Minnesota Structures Enhancement Project	25	0
Agriculture Department		
Bed Bug Outreach and Prevention in MN	53	0
Cooperative Pesticide Record Keeping Program	15	16
Cottonwood River Native Vegetation Water Quality	40	37
Creating Export Opportunities for Small Businesses in Minnesota	41	4
Grazing Land Technical Assistance	24	0
Organic Farm Business Management Phase 3	32	0
Suppression of increase and spread of a new emerald ash borer infestation in a high value urban landscape	150	0
Technology transfer of denitrifying bioreactor operation and conservation drainage placement	40	39
Board of Water and Soil Resources		
Wetland Program Coordination with NRCS	256	200
Commerce Department		
Rate Review Grant	980	1,345
Corrections Department		
Second Chance Act Adult and Juvenile Offender Reentry Demonstration Project	212	71
Education Department		
Charter School Facilities Incentive Grant 447	700	129
Employment and Economic Development Department		
Career One-Stop	2,000	0
MTO STEP Grant: Creating Export Opportunities for Small Businesses in Minnesota	439	15
Trade Adjustment Assistance (TAA)	12,711	0
Health Department		
ARRA Primary Care Office	65	130
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	1,051	210
Indian Affairs Council		
Native American Graves Protection and Repatriation Act (NAGPRA) Grant	20	0
Natural Resources Department		
Continuation, Expansion of WNS Surveillance, Monitoring	36	0
FAW Service Dept. of Interior, North American Wetlands Conservation Fund	160	0
Great Lakes Restoration Initiative (GLRI) Radio Tower Bay Restoration Project	665	0
Implementation of Minnesota's Lake Superior Coastal Program	441	0
Port Security Grant Program	185	0
Recovery Activities for Listed and Candidate Species	77	0
US Dept of Interior Migratory Bird Conservation Grant, investigation of disease outbreak potential for Lesser Scaup on newly-infested lakes and rivers in Minnesota.	40	15
Pollution Control Agency		
Calibrating Concerns about Polycyclic Aromatic Hydrocarbons (PAHs) in Urban Air Using Monitoring	158	188
Multistate Reduction of PAHs from Coal Tar-based Sealants	55	121

Sustainable Materials Management (Leveraging Government Purchasing to Reduce Greenhouse Gas Emissions and Other Environmental Impacts)	30	9
Public Safety Department		
Computerized Criminal History Replacement Project	300	98
FFY2011 Emergency Management Assistance Compact (EMAC) Capabilities Development Grant	25	25
Forensic DNA Backlog Reduction Program	425	333
FY2011 Driver's License Security Grant	601	228
High Priority Grant - Motor Carrier Safety Assistance Program	20	7
MSP Data Driven Approaches to Crime & Traffic Safety Project	100	0
MSP Special Response Team Equipment	100	0
Paul Coverdale Forensic Science Improvement Base Grant	197	20
Port Security Grant - Rescue Platform	75	25
Solving Cold Cases with DNA	233	233
Statewide Automated Victim Information and Notification (SAVIN) Grant	306	153
Grand Total	23,285	3,649
<div> <div> <div>11/2/11</div> <div>Date</div> </div> <div>  <div>Jim Schowalter</div> <div>Executive Secretary</div> </div> </div>		

LEGISLATIVE ADVISORY COMMISSION 2012-13**10-Day Review Order No. 2**

The following request has been reviewed under the process specified in M.S. 3.3005, Subd. 4 and 5 (review of urgent federal funds). A request for further review was made by members of the Legislative Advisory Commission (LAC) and a hearing was held on October 23, 2012. A recommendation was not made by the LAC at the time of the hearing and has not been communicated to Minnesota Management & Budget (MMB) as of today's date. Based on M.S. 3.3005 Subd. 5, MMB has interpreted this as a negative recommendation by the members of the LAC. Given the urgency of this request and the authority of the Commissioner to approve funds under M.S. 3.3005, the following request has been approved.

Agency/ Federal Grant Title**FY 2013****Minnesota Management & Budget/Department of Commerce**

Cooperative Agreement to Support Establishment of State-Operated
Health Insurance Exchanges, Affordable Care Act

\$42,525,892

Total Request Amount

\$42,525,892

10/26/12

Date



Margaret Kelly
Executive Secretary

LEGISLATIVE ADVISORY COMMISSION 2012-13**10-Day Review Order No. 2**

The following requests, having been reviewed under the process specified in M.S. 3.3005, Subd. 4 and 5 (concerning federal funds) and having received no recommendation for further review by members of the Legislative Advisory Commission, are hereby approved.

FY 2012**Agency/ Federal Grant Title****Department of Health**

Community Transformation Grant (CTG)	\$3,603,724
Enhancement of the Minnesota Cancer Surveillance System for Early Case Capture of Pediatric and Young Adult Cancers	\$200,229
Managing Unregulated Drinking Water Systems in Minnesota	\$59,000
Minnesota HUD Program to Reduce Environmental Triggers of Asthma (HUD-RETA)	\$380,000
Prevention & Public Health Fund Coordinated Chronic Disease and Health Promotion Program	\$515,742


Department of Human Services

AoA Dementia Services	\$233,400
AoA Integrated Systems	\$872,300
Strategic Prevention Enhancement Grant	\$164,388

Total Request Amount **\$6,028,783**

11/21/11

Date



Jim Schowalter
Executive Secretary

LEGISLATIVE ADVISORY COMMISSION 2012-13

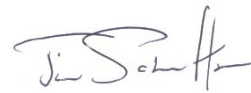
10-Day Review Order No. 1

The following requests, having been reviewed under the process specified in M.S. 3.3005, Subd. 4 and 5 (concerning federal funds) and having received no recommendation for further review by members of the Legislative Advisory Commission, are hereby approved.

<u>Agency/ Federal Grant Title</u>	<u>FY 2012</u>
<u>Minnesota Housing Finance Agency</u>	
Emergency Homeowners' Loan Program (EHLA)	\$900,000
<u>Department of Transportation</u>	
Mississippi River Trail Bicycle Route – Non-Trunk Highway Phase	\$250,000
Truck Parking Availability Study/SmartPark4Trucks	\$1,530,705
Total Request Amount	\$2,680,705

8/16/11

Date



Jim Schowalter
Executive Secretary

**Legislative Advisory Commission Action
Order**

**For Transfer of Funds
From
State General Fund Contingent Account – FY 2012-13**

Pursuant to Minnesota Statutes 3.30, Subdivision 1(b), there is hereby transferred from the General Fund Contingent Account as appropriated by the Laws of 2011, Special Session 1, Chapter 10, Article 1, Section 34, a total of \$100,000 to the Campaign Finance Board to pay for attorney's fees related to the litigation of MCCL et al. v. Wiener et al. The funding should be transferred to the Campaign Finance Board's MCCL settlement account (G9J1LGL).

June 27, 2013

Date

Mark Dayton


Mark Dayton, Governor



Office Memorandum

Date: September 22, 2011

To: Governor Mark Dayton

From: Jim Schowalter, Commissioner 

Subject: Request for Authorization to Use Contingent Account to Pay for Special Master Expenses

Attached for your signature is the 2012-13 Legislative Advisory Commission (LAC) Order authorizing a transfer from the General Fund Contingent Account; in Laws of 2011, Special Session 1, Chapter 10, Article 1, Section 34.

Transfers from the General Fund Contingent Account exceeding \$10,000 require LAC review under Minnesota Statute 3:30. This review process is advisory only. The request was sent to all appropriate LAC members on September 6, 2011 for their review and recommendation, using the round-robin review process. One member gave an affirmative recommendation and the others did not respond, indicating a negative recommendation.

I recommend that you authorize this transfer to fulfill the directive of the Court Order that Minnesota Management and Budget will pay fees and expenses incurred by the Special Master, the Honorable Kathleen Blatz.

The LAC order authorizes the following:

- A transfer of \$59,294.50 from the General Fund Contingent Account to the Statewide Miscellaneous Expense Account at Minnesota Management and Budget.

Please return the signed order to Alisha Cowell, of my staff, for distribution.

Attachments

Legislative Advisory Commission Action
Order

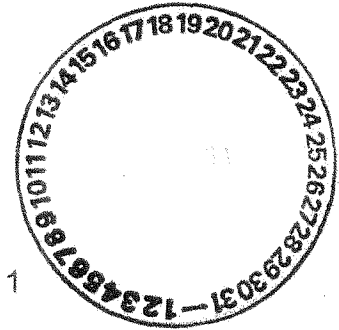
For Transfer of Funds
From
State General Fund Contingent Account – FY 2012-13

Pursuant to Minnesota Statutes 3.30, Subdivision 1(b), there is hereby transferred from the General Fund Contingent Account as appropriated by the Laws of 2011, Special Session 1, Chapter 10, Article 1, Section 34, a total of \$59,294.50 to Minnesota Management and Budget to pay for the expenses incurred by the Special Master, the Honorable Kathleen Blatz, to fulfill her duties relating to hearings for temporary funding of core executive branch functions during the state government shutdown. The funding should be transferred to the Statewide Miscellaneous Shutdown Expenses account (G100020).

September 27, 2011
Date

Mark Dayton
Mark Dayton, Governor

KATHLEEN BLATZ
425 U.S. TRUST BUILDING
MINNEAPOLIS, MINNESOTA 55402-2462
PH: (612) 904-2306 FAX: (612) 204-0912



August 17, 2011

Commissioner Jim Schowalter
Minnesota Management and Budget
400 Centennial Office Building
658 Cedar Street
Saint Paul, MN 55155

Dear Commissioner Schowalter:

On June 29, 2011, Judge Kathleen R. Gearin, Chief Judge of the Second Judicial District, appointed me to be the Special Master to hear and make recommendations to the Court regarding issues arising during the government shut-down. In the Court's Order, Judge Gearin directed that my fees and expenses were to be paid by "the State of Minnesota, the Commissioner of the Department of Management and Budget."

Pursuant to this direction, enclosed is a bill for the work I performed subsequent to my appointment. I was fortunate to enlist the aid of two law clerks who were, and still are, the law clerks of Judge Denise Reilly, Fourth Judicial District Court. Accordingly, no additional fees were generated for their superb assistance.

If you have questions or need additional information, please contact me.

Yours truly,

Kathleen Blatz

KB/cev
Enclosure
cc: Judge Kathleen Gearin

KATHLEEN BLATZ
425 U.S. TRUST BUILDING
MINNEAPOLIS, MINNESOTA 55402-2462
PH: (612) 904-2306 FAX: (612) 204-0912

August 17, 2011

Commissioner Jim Schowalter
Minnesota Management & Budget
400 Centennial Office Building
658 Cedar Street
Saint Paul, MN 55155

For professional services rendered in June and July, 2011 with regard to Special Master proceedings.

Date	Time	Legal Services
6/29/11	7.00	Phone conferences with Attorney General, Alan Gilbert, and Mr. Lillhaug from Office of Governor; meeting with Judge Gearin; review of 2001, 2005 and 2006 Orders re Special Master proceedings and related submissions
6/30/11	8.50	Establish procedures and logistics at Judicial Center; review of pending petitions and submissions
7/1/11	11.00	Hearings; review submissions
7/2/11	6.00	Meeting with law clerk; drafting recommendations
7/3/11	4.75	Editing of recommendations; conferences with law clerk; review petitions
7/4/11	6.50	Conferences with law clerk; drafting and editing of recommendations; review petitions
7/5/11	13.25	Hearings; preparation of recommendations
7/6/11	4.75	Preparation of recommendations

7/7/11	10.00	Hearings; review of submissions; preparation of recommendations
7/8/11	9.50	Hearings; preparation of recommendations
7/10/11	3.00	Review of petitions; preparation of recommendations
7/11/11	11.00	Preparation of recommendations; review of submissions
7/12/11	11.00	Hearings; review of submissions; preparation of recommendations
7/13/11	10.50	Hearings; review of submissions; preparation of recommendations
7/14/11	8.25	Hearing; review submissions, preparation of recommendations
7/15/11	7.50	Hearings; review submissions, preparation of recommendations
7/18/11	7.00	Preparation of recommendations
7/19/11	6.75	Hearings; preparation of recommendations
7/20/11	1.25	Finalize recommendation

Total hours: 147.5 Hours

Fee: \$350 per hour

TOTAL: \$51,625.00



INVOICE
CLIENT COPY

CAREY COURT REPORTING

23956 St. Francis Blvd. • P.O. Box 474 • St. Francis, MN 55070
(763) 753-6687 • Cell (763) 438-3912
Fax (763) 753-9407 • BarbaraJeanCarey@msn.com

JULY 13, 2011

INVOICE 071311-BJC-01/REVISED

COMMISSIONER JAMES SCHOWALTER
MN DEPARTMENT OF MANAGEMENT & BUDGET
400 CENTENNIAL OFFICE BUILDING
658 CEDAR STREET
ST. PAUL, MN 55155

RE: TEMPORARY FUNDING OF CORE FUNCTIONS OF THE
EXECUTIVE BRANCH

FOR TRANSCRIPTS PROVIDED FROM THE HEARINGS HELD BEFORE
SPECIAL MASTER BLATZ IN THE ABOVE-REFERENCED MATTER:

REPORTER APPEARANCE:	33.5 HOURS @ \$70/HR	\$2,345.00
7/1/11 HEARING VOL. I:	447 PAGES @ \$3.50/PP	1,564.50
7/5/11 HEARING VOL. II:	333 PAGES @ 3.50/PP	1,165.00
7/7/11 HEARING VOL. III:	181 PAGES @ 3.50/PP	633.50
7/8/11 HEARING VOL. IV:	166 PAGES @ 3.50/PP	581.00
FOUR E-TRANSCRIPT CONVERSIONS @ \$30 EACH		120.00

TOTAL: **\$6,408.50**

PLEASE MAKE CHECK PAYABLE TO: BARBARA J. CAREY, RPR
CAREY COURT REPORTING INC.
TAX IDENTIFICATION NUMBER: 30-0009779
AT: PO BOX 474

TERMS 30 DAYS - YOUR BUSINESS IS APPRECIATED! ☺



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Fax (763) 753-9407 • BarbaraJeanCarey@msn.com

JULY 18, 2011

COMMISSIONER JAMES SCHOWALTER
MN DEPARTMENT OF MANAGEMENT & BUDGET
400 CENTENNIAL OFFICE BUILDING
658 CEDAR STREET
ST. PAUL, MN 55155



RE: TEMPORARY FUNDING OF CORE FUNCTIONS OF THE
EXECUTIVE BRANCH

FOR THE APPEARANCE OF THE COURT REPORTER DURING THE
HEARINGS HELD IN THE ABOVE-REFERENCED MATTER.

REPORTER APPEARANCE: (Sandra Burch)

7/12/11 HEARING 8 hrs

7/13/11 HEARING 3 hrs

7/14/11 HEARING 2 hrs

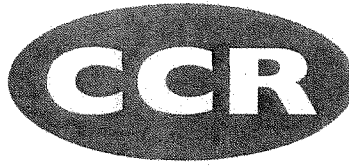
7/15/11 HEARING 2 hrs

15 TOTAL HOURS @ \$70/HR

TOTAL DUE: \$1,050.00

PLEASE MAKE CHECK PAYABLE TO: BARBARA J. CAREY, RPR
CAREY COURT REPORTING INC.
TAX IDENTIFICATION NUMBER: 30-0009779
AT: PO BOX 474
ST. FRANCIS, MN 55070

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(763) 753-6687 • Cell (763) 438-3912

Fax (763) 753-9407 • BarbaraJeanCarey@msn.com

JULY 19, 2011



COMMISSIONER JAMES SCHOWALTER
MN DEPARTMENT OF MANAGEMENT & BUDGET
400 CENTENNIAL OFFICE BUILDING
658 CEDAR STREET
ST. PAUL, MN 55155

RE: TEMPORARY FUNDING OF CORE FUNCTIONS OF THE
EXECUTIVE BRANCH

FOR THE APPEARANCE OF THE COURT REPORTER DURING THE
HEARINGS HELD IN THE ABOVE-REFERENCED MATTER.

REPORTER APPEARANCE: (Hartman Erickson)

7/19/11 HEARING 3 hrs

3 TOTAL HOURS @ \$70/HR

TOTAL DUE: \$210.00

PLEASE MAKE CHECK PAYABLE TO: BARBARA J. CAREY, RPR
CAREY COURT REPORTING INC.
TAX IDENTIFICATION NUMBER: 30-0009779
AT: PO BOX 474
ST. FRANCIS, MN 55070

TERMS 30 DAYS - YOUR BUSINESS IS APPRECIATED! ☺

3.30 LEGISLATIVE ADVISORY COMMISSION.

Subdivision 1. **Appropriation; transfers.** A general contingent appropriation for each year of the biennium is authorized in the amount the legislature deems sufficient. Additional special contingent appropriations as the legislature deems necessary are authorized. Transfers from the appropriations to the appropriations of the various departments and agencies may be made by the commissioner of management and budget subject to the following provisions:

(a) Transfers may be authorized by the commissioner of management and budget not exceeding \$5,000 for the same purpose for any quarterly period.

(b) Transfers exceeding \$5,000 but not exceeding \$10,000 may be authorized by the commissioner of management and budget with the approval of the governor.

(c) Transfers exceeding \$10,000 may be authorized by the governor but no transfer exceeding \$10,000 may be made until the governor has consulted the Legislative Advisory Commission and it has made its recommendation on the transfer. Its recommendation is advisory only. Failure or refusal of the commission to make a recommendation is a negative recommendation.

The commissioner of management and budget shall return to the appropriate contingent account any funds transferred under this subdivision that the commissioner determines are not needed.

Subd. 2. **Members; duties.** The majority leader of the senate or a designee, the chair of the senate Committee on Finance, and the chair of the senate Division of Finance responsible for overseeing the items being considered by the commission, the speaker of the house or a designee, the chair of the house of representatives Committee on Ways and Means, and the chair of the appropriate finance committee, or division of the house of representatives committee responsible for overseeing the items being considered by the commissioner, constitute the Legislative Advisory Commission. The division chair of the Finance Committee in the senate and the division chair of the appropriate finance committee or division in the house of representatives shall rotate according to the items being considered by the commission. If any of the members elect not to serve on the commission, the house of which they are members, if in session, shall select some other member for the vacancy. If the legislature is not in session, vacancies in the house of representatives membership of the commission shall be filled by the last speaker of the house or, if the speaker is not available, by the last chair of the house of representatives Rules Committee, and by the last senate Committee on Committees or other appointing authority designated by the senate rules in case of a senate vacancy. The commissioner of management and budget shall be secretary of the commission and keep a permanent record and minutes of its proceedings, which are public records. The commissioner of management and budget shall transmit, under section 3.195, a report to the next legislature of all actions of the commission. Members shall receive traveling and subsistence expenses incurred attending meetings of the commission. The commission shall meet from time to time upon the call of the governor or upon the call of the secretary at the request of two or more of its members. A recommendation of the commission must be made at a meeting of the commission unless a written recommendation is signed by all the members entitled to vote on the item.

Subd. 2a. [Repealed, 1976 c 231 s 34]

Subd. 3. **Limitations.** This section does not prevent the appropriation of separate contingent funds to the governor and the attorney general or limit their use as authorized by other law.

Subd. 4. [Repealed by amendment, 1988 c 469 art 1 s 1]


History: 1943 c 594 s 1; 1971 c 713 s 1,2; Ex1971 c 48 s 3; 1973 c 492 s 4 subd 2, s 14; 1975 c 271 s 6; 1976 c 149 s 1; 1976 c 231 s 1; 1986 c 444; 1987 c 404 s 60; 1988 c 469 art 1 s 1; 1989 c 139 s 1,2; 1993 c 4 s 2; 1993 c 369 s 35; 2009 c 101 art 2 s 109



Legislative Advisory Commission Request

400 Centennial Building
658 Cedar Street
Saint Paul, Minnesota 55155

NOTE: See instructions on reverse side before filling out this form.

Department, Agency, Program/Activity Minnesota Management and Budget						Date September 6, 2011		
Title of Request Payment of Special Master Expenses per Court Order					Amount Requested \$59,294.50			
FY	Fund	FinDeptID	AppropID	APPR – Name	Legal Reference (Must be completed)			
2012	1000	G9R13002	G9R0007	General Purposes Contingent	Laws 2011, SS 1	Chapter 10	Section 34	Subd
FY	Fund	FinDeptID	AppropID	APPR – Name	Legal Reference (Must be completed)			
2012	1000			To be determined	Laws 2011, SS 1	Chapter 10	Section 34	Subd
Type of Request (check one) <input checked="" type="checkbox"/> Emergency Request <input type="checkbox"/> Other LAC Action								
Brief Summary of Request: Summary must be complete on this page with supporting information attached if necessary. The Court Order written by Judge Kathleen R. Gearin, Chief Judget of the Second Judicial District, appointed Retired Chief Justice of the Minnesota Supreme Court, Kathleen Blatz, to be the Special Master presiding over hearings and making recommendations to the Court regarding issues arising during the state government shutdown. The Court Order directs that all fees and expenses incurred in this regard are to be paid by "the State of Minnesota, the Commissioner of the Department of Management and Budget." The fees and expenses include professional services for Special Master Blatz, and appearance of court reporters and transcripts of the hearings for temporary funding of core executive branch functions. Nature of the Urgency: Invoices received request timely payment. See attached Court Order and details of expenses. Alternatives Considered:								
Department Head Signature 					Date 9/6/11			

FI-00078-08 (9/06)

Summary of Special Master Expenses

<u>Dates</u>	<u>Legal Services</u>	<u>Hours</u>	<u>Rate per Hour</u>	<u>Cost</u>
6/29/11 – 7/20/11	Special Master's, Judge Kathleen Blatz, Court Order expenses	147.5	\$350.00	\$ 51,625.00
7/1/11 – 7/8/11	Reporter appearance for transcripts from hearing before Special Master Blatz	33.5	\$ 70.00	\$ 2,345.00
7/12/11 – 7/15/11	Court reporter	15	\$ 70.00	\$ 1,050.00
7/19/2011	Court reporter	3	\$ 70.00	\$ 210.00
TOTAL				\$ 55,230.00
		<u>Pages</u>	<u>Price per page</u>	<u>Cost</u>
7/1/11 – 7/8/11	Transcripts	1,127	\$ 3.50	\$ 3,944.50
7/1/11 – 7/8/11	E-transcript conversions	4	\$ 30.00	\$ 120.00
TOTAL				\$ 4,064.50

FY 2012 GRAND TOTAL

\$ 59,294.50



Legislative Advisory Commission Meeting Notes

State Office Building, Room 10

October 6, 2011

10:00 a.m. – 11:30

1. Introduction

Members present:

Senator Kurt Zellers	Representative Amy Koch
Senator Claire Robling	Representative Mary Liz Holberg
Senator Mike Parry	

Presenters: MMB Commissioner Jim Schowalter
MMB Assistant Commissioner, State Budget Director Margaret Kelley
MMB Assistant Commissioner, State Treasury Kristin Hanson
State Economist, Tom Stinson

2. Cash Flow Projections

- General fund cash balance is \$200 million above forecast because of additional revenues that came in FY 2011. At this time, the source and permanency are unknown.
- Unlikely line of credit would need to be accessed in FY 2012 and unlikely cash management administrative tools would be utilized before accessing the line of credit, such as: delaying payments to the University of Minnesota, sales and corporate tax refunds, and Human Services provider payments.

3. Contingent Authority to Borrow

Minnesota Statutes, Section 16A.671

4. Economic Update

- FY 2011 revenues \$355 million above February forecast. Wages were a slightly stronger than had previously forecasted and growth in capital gains.
- However, economic outlook has fallen more pessimistic than February forecast.

5. Discussion and Recommendation

Representative Holberg read the following statement:

“The Legislative Advisory Commission, pursuant to Minnesota Statutes, Section 16A.671, Subdivision 2, recommends that the Commissioner of Minnesota Management and Budget retain a line of credit for cash flow purposes until June 30, 2012.”
All members agreed with the motion for this statement to be commission’s recommendation.

STATE CASH FLOW UPDATE



Legislative Advisory Commission – October 6, 2011



WHY IS CASH FLOW A CONTINUING ISSUE?

- Significant General Fund cash flow shortfalls have occurred in recent years
 - Disproportionate amount of spending in beginning of fiscal year, disproportionate amount of revenue collected late in fiscal year
 - Result of many different decisions over last two decades on taxation, spending
 - Inter-fund borrowing is used to smooth out GF cash shortfalls
- Recent budget solutions have worsened imbalances
 - Use of reserves and other one-time balances for budget balancing
 - Administrative actions, more active cash flow monitoring have become necessary

2

TOOLS USED TO MANAGE CASH FLOW UNDER CURRENT MMB AUTHORITY

- Inter-fund borrowing
 - Borrowing from available balances in statutory general fund
 - Funds paid back by end of fiscal year, with interest
 - Borrowing from state trust funds (e.g., pensions) or constitutionally dedicated funds (e.g., Trunk Highway Fund) not permitted
- Administrative actions
 - Delaying certain payments, higher education systems, tax refunds, healthcare providers
- Short-term external borrowing
 - Issuing “certificates of indebtedness” in financial markets or securing a line of credit through a bank to meet cash flow needs within the biennium

3

CASH FLOW SUMMARY

- Line of credit was extended in June for potential FY 2012 cash needs
- Cash balance at June 30, 2011 was \$792 million above prior year, \$233 million above forecast
- School aid shift, and local aid and human services cuts reduced cash FY 2012 outflows
- Positive monthly balances expected thru FY 2012, but will dip below \$400 million for short periods
- Likelihood of accessing line of credit has been reduced for FY 2012

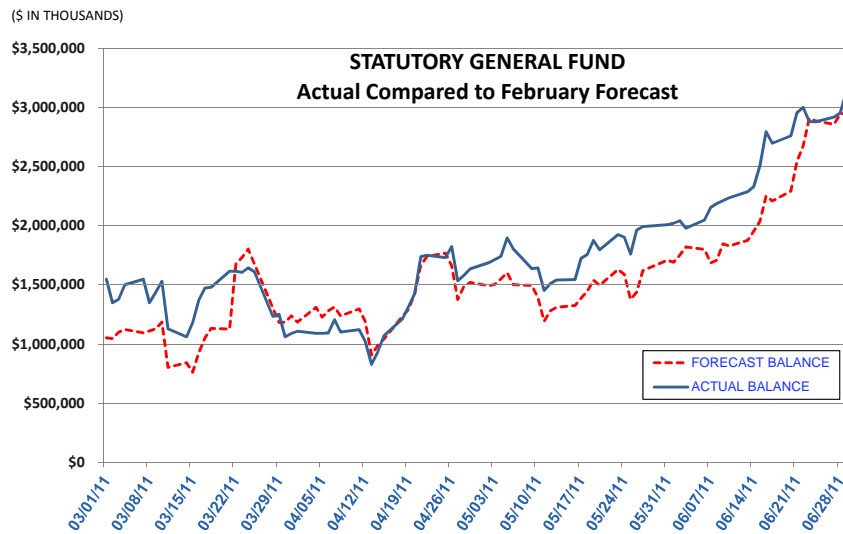
4

FY 2011 YEAR-END CASH POSITION IMPROVED COMPARED TO FY 2010

ENDING CASH BALANCES At June 30 Year-end (dollars in millions)			
Fiscal Year Ending June 30	2010	\$ 2011	Change
Total Invested Treasurer's Cash	\$ 5,431	\$ 5,989	\$ 558
Statutory General Fund	\$ 2,428	\$ 3,220	\$ 792
General Fund	\$ 670	\$ 1,614	\$ 944
Health Impact Fund	2	-	(2)
Special Revenue Fund	364	349	(15)
Health Care Access Fund	288	29	(259)
MNSCU General Fund	525	612	87
All Other Funds	581	616	35

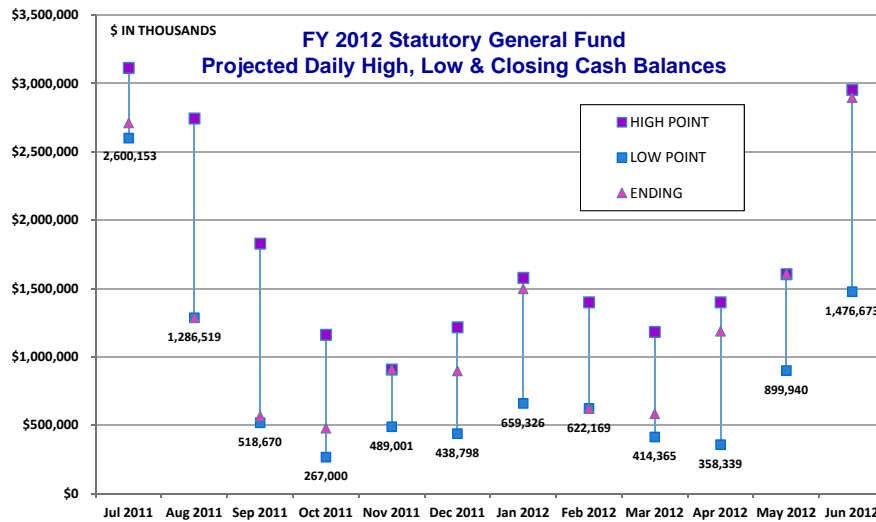
5

FY 2011 ENDED WITH A CASH BALANCE SLIGHTLY HIGHER THAN PROJECTED

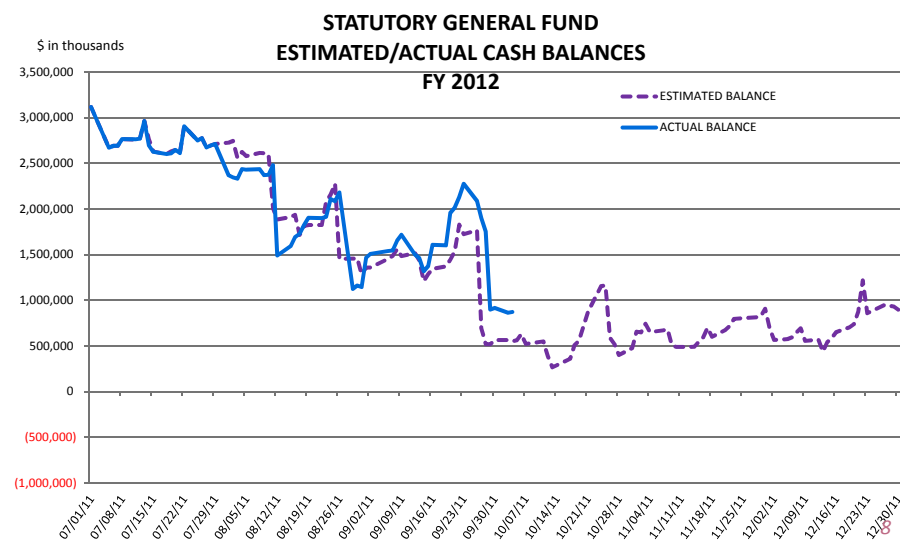


6

FY 2012 MONTHLY CASH LOW POINTS EXPECTED TO REMAIN POSITIVE



YEAR-TO-DATE DAILY CASH BALANCES REMAIN CLOSE TO FORECAST



CASH BALANCES ON OCTOBER 4, 2011 (7 AM)

(DOLLARS IN MILLIONS)

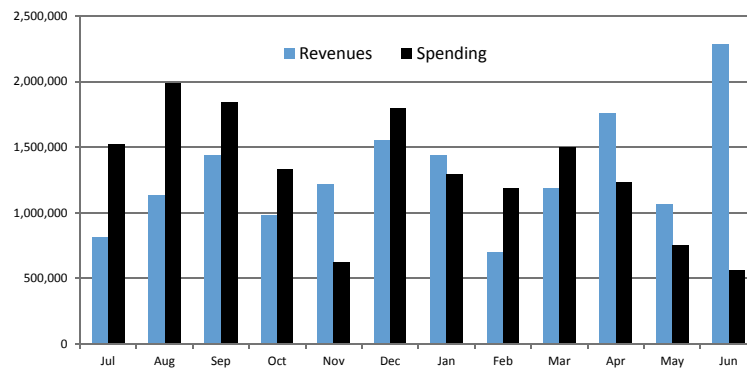
Total Invested Treasurers Cash	\$3,781	Inter-Fund Borrowing
Statutory General Fund	881	
General Fund	21	1,080
Health Impact Fund	1	--
Special Rev. Fund	84	(530)
Health Care Access	5	--
MNSCU	208	(550)
All Other Funds	562	-0-

9

REVENUES AND SPENDING BY MONTH DRIVE DAILY CASH POSITIONS

- Significant disparities in timing of revenues and expenditures result in cash shortfalls during the year

FY2011 General Fund Revenues/Spending By Month

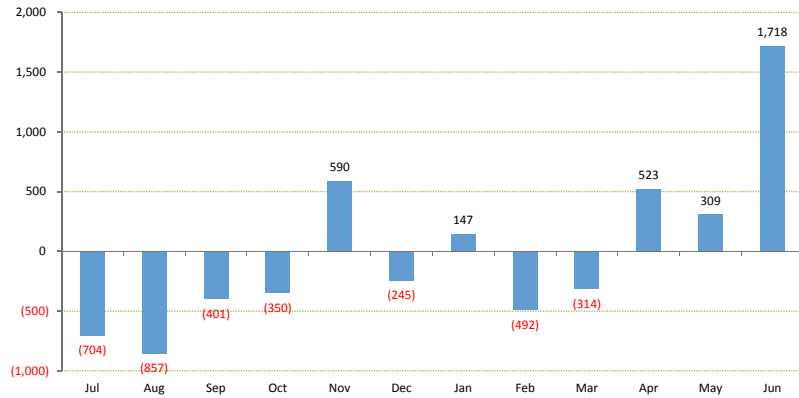


10

MONTHLY NET CASH IN/OUT HIGHLIGHTS DISPARITY DURING THE YEAR

- During July-October and March-April periods monthly spending significantly exceeds receipts

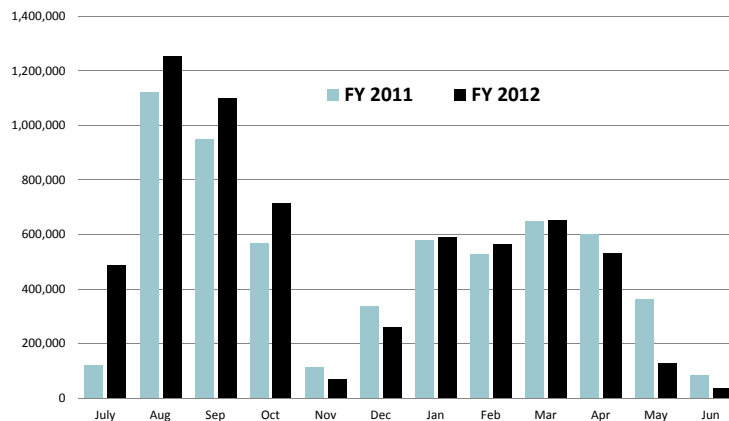
FY 2011 - General Fund Monthly Net Cash In/Out



11

K-12 PAYMENTS ARE A SIGNIFICANT DRIVER OF NEGATIVE CASH BALANCES EARLY IN THE YEAR

K-12 Payments to School Districts by Month



12

CURRENT CASH FLOW OUTLOOK

- Year-to-date balances remain close to end-of-session estimates
- Use of past cash management administrative options not currently anticipated
 - Delaying sales & corporate tax refunds
 - Delaying payments to University of Minnesota
 - Human Services provider payment delays
- Monitoring daily balances for significant variances
- Revised cash flow projections will be prepared based on November forecast
- Line of credit access likely not necessary for October low-points; March-April next significant decision point

13

LINE OF CREDIT

- An arrangement between a financial institution (U.S. Bank) and a customer (the State) that establishes a maximum loan balance that the bank will permit the borrower to maintain. The State can, with notice, draw on the line of credit at any time as long as we do not exceed the maximum set in the agreement
- Line of credit can also be paid off at any time with notice to US Bank.

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LINE OF CREDIT

- Extended for FY2012 (as allowed in the prior LOC agreement) in the same dollar amount (\$600 million) and similar terms
- In order to access the line of credit
 - Present to LAC
 - Show a cash flow deficit
 - Within 24 hours
- Cost
 - FY2011 - \$1,807,192 (line was only in place for 9.25 months)
 - FY2012 - \$2,068,500
 - More if the line of credit is accessed

15

FY 2012 Forecast

STATUTORY GENERAL FUND
MONTHLY CASH FLOW ANALYSIS
2011 End of Session
Fiscal Year Ending June 30, 2012
(Dollars in Thousands)

	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	TOTAL
BEGINNING CASH BALANCE	\$ 3,219,844	\$ 2,710,951	\$ 1,286,518	\$ 564,793	\$ 476,760	\$ 908,180	\$ 896,460	\$ 1,496,556	\$ 622,168	\$ 582,789	\$ 1,186,714	\$ 1,605,518	
REVENUE													
Individual Income Tax	\$ 513,060	\$ 542,767	\$ 767,563	\$ 535,674	\$ 507,039	\$ 710,594	\$ 1,018,761	\$ 229,665	\$ 465,563	\$ 1,095,833	\$ 574,696	\$ 829,499	\$ 7,790,714
Corporate & Bank Excise	46,403	29,344	169,935	55,347	16,001	162,150	6,578	20,747	206,331	31,524	25,766	97,128	867,256
Sales and Use Tax	287,914	418,328	401,591	423,779	384,921	375,995	463,800	351,377	317,921	390,320	371,733	536,383	4,724,061
Property Tax	18,739	0	0	169,813	169,813	7,719	7,857	0	0	0	208,201	208,201	790,342
Tobacco Tax and Settlement	2,376	29,319	12,841	23,451	16,789	14,269	18,533	15,328	41,869	21,594	15,250	13,421	225,041
Insurance Tax	1,067	5,622	72,289	5,119	1,846	79,209	1,936	12,669	91,592	873	1,670	75,060	348,952
Other Excise Taxes	163,582	108,418	69,985	137,488	77,911	70,752	146,982	86,827	74,816	129,558	103,613	104,287	1,274,219
Investment Earnings	949	1,155	1,032	1,457	988	982	1,034	1,146	202	502	592	593	10,633
Inter-Governmental Grants	7,103	12,162	14,282	11,549	12,686	11,592	10,266	10,969	7,977	10,899	11,685	10,870	132,041
Other Sources	596,113	393,740	438,561	264,477	282,731	452,982	543,646	307,771	390,944	270,553	341,198	489,408	4,772,124
TOTAL REVENUE	\$ 1,637,306	\$ 1,540,855	\$ 1,948,079	\$ 1,628,154	\$ 1,470,726	\$ 1,886,245	\$ 2,219,393	\$ 1,036,498	\$ 1,597,216	\$ 1,951,657	\$ 1,654,404	\$ 2,364,852	\$ 20,935,384
TOTAL SOURCES	\$ 4,857,150	\$ 4,251,806	\$ 3,234,596	\$ 2,192,947	\$ 1,947,486	\$ 2,794,424	\$ 3,115,853	\$ 2,533,054	\$ 2,219,384	\$ 2,534,445	\$ 2,841,118	\$ 3,970,369	
EXPENDITURES													
State Compensation	\$ 318,140	\$ 241,980	\$ 253,300	\$ 251,791	\$ 249,752	\$ 359,054	\$ 244,003	\$ 255,125	\$ 245,939	\$ 254,331	\$ 255,526	\$ 359,099	\$ 3,288,040
Agency Operations	110,575	143,894	104,496	100,166	94,328	106,945	96,150	90,793	87,535	93,677	104,048	103,420	1,236,026
Aid to School Districts	486,749	1,252,019	1,099,457	713,561	68,994	262,110	589,042	566,231	650,625	531,589	130,379	35,065	6,385,823
Aid to Cities	219,001	7,788	7,779	86,227	7,129	246,982	8,511	2,996	5,410	4,682	4,292	4,803	605,599
Aid to Counties	176,962	27,020	24,092	62,440	29,298	142,185	16,244	22,071	27,398	21,789	21,163	6,439	577,102
Aid to Higher Education Institutions:	3,017	71,024	270,992	54,111	50,673	64,513	84,570	212,554	6,040	47,374	71,124	87,107	1,023,098
Aid to Non-Gov't Organizations	4,245	19,355	23,071	13,041	15,591	11,464	18,832	17,453	8,058	14,831	13,106	10,979	170,025
Aid to Other Governments	4,587	<3,947>	11,048	16,071	12,828	13,408	7,659	16,711	3,491	10,496	8,017	12,430	112,797
Payments to Individuals	587,222	1,081,924	683,640	356,024	443,983	428,904	487,156	668,953	422,058	297,464	451,704	274,019	6,183,051
Other	235,701	124,232	191,930	62,755	66,730	62,193	67,131	58,000	180,040	71,498	176,242	180,977	1,477,429
Debt Service	0	0	0	0	0	200,206	0	0	0	0	0	0	200,206
TOTAL USES	\$ 2,146,199	\$ 2,965,289	\$ 2,669,803	\$ 1,716,187	\$ 1,039,307	\$ 1,897,964	\$ 1,619,297	\$ 1,910,886	\$ 1,636,595	\$ 1,347,732	\$ 1,235,600	\$ 1,074,339	\$ 21,259,197
ENDING CASH BALANCE	\$ 2,710,951	\$ 1,286,518	\$ 564,793	\$ 476,760	\$ 908,180	\$ 896,460	\$ 1,496,556	\$ 622,168	\$ 582,789	\$ 1,186,714	\$ 1,605,518	\$ 2,896,030	
MINIMUM STATUTORY CASH BALANCE FOR THE MONTH	\$ 2,600,153	\$ 1,286,519	\$ 518,670	\$ 267,000	\$ 489,001	\$ 438,798	\$ 659,326	\$ 622,169	\$ 414,365	\$ 358,339	\$ 899,940	\$ 1,476,673	

FY 2012 - General Fund Only
(without Inter-fund Borrowing)

GENERAL FUND

2011 End of Session

Fiscal Year Ending June 30, 2012

	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	TOTAL
	ACTUAL	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	
BEGINNING CASH BALANCE	\$ 1,613,870	\$ 1,074,841	\$ (459,640)	\$ (1,015,279)	\$ (1,166,359)	\$ (719,490)	\$ (703,858)	\$ (451,575)	\$ (1,186,388)	\$ (1,182,280)	\$ (598,995)	\$ (94,921)	
REVENUE													
Individual Income Tax	\$ 513,060	\$ 542,767	\$ 767,563	\$ 535,674	\$ 507,039	\$ 710,594	\$ 1,018,761	\$ 229,665	\$ 465,563	\$ 1,095,833	\$ 574,696	\$ 829,499	\$ 7,790,714
Corporate & Bank Excise	46,403	29,344	169,935	55,347	16,001	162,150	6,578	20,747	206,331	31,524	25,766	97,128	867,256
Sales and Use Tax	284,622	411,492	395,752	415,608	378,254	369,353	456,964	344,948	315,089	388,243	369,769	531,414	4,661,509
Property Tax	18,739	0	0	169,813	169,813	7,719	7,857	0	0	0	208,201	208,201	790,342
Tobacco Products Tax	2,376	29,319	12,841	23,451	16,789	14,269	18,533	15,328	11,069	21,594	15,250	13,421	194,241
Insurance Tax	1,067	5,622	59,606	1,406	1,846	62,881	798	12,290	73,568	867	1,670	65,013	286,635
Other Excise Taxes	75,815	56,347	54,288	52,739	53,275	52,134	56,697	50,480	48,386	50,187	68,028	80,016	698,392
Investment Earnings	617	167	167	167	167	167	167	167	167	167	167	167	2,455
Inter-Governmental Grants	9	0	0	0	0	0	0	0	0	0	0	0	9
Other Sources	284,099	18,795	19,679	32,455	37,599	180,024	35,761	31,187	32,145	24,674	15,186	27,330	738,934
TOTAL REVENUE	\$ 1,226,808	\$ 1,093,853	\$ 1,479,832	\$ 1,286,660	\$ 1,180,784	\$ 1,559,291	\$ 1,602,117	\$ 704,810	\$ 1,152,320	\$ 1,613,089	\$ 1,278,732	\$ 1,852,190	\$ 16,030,487
Transfers In	31,961	10,609	8,563	1,158	1,669	6,372	3,722	5,939	103,122	22,384	30,714	230,982	457,195
TOTAL SOURCES	\$ 1,258,769	\$ 1,104,462	\$ 1,488,395	\$ 1,287,818	\$ 1,182,453	\$ 1,565,663	\$ 1,605,839	\$ 710,749	\$ 1,255,442	\$ 1,635,473	\$ 1,309,446	\$ 2,083,171	\$ 16,487,681
EXPENDITURES													
State Compensation	\$ 121,271	\$ 95,295	\$ 94,320	\$ 92,550	\$ 91,371	\$ 127,562	\$ 93,288	\$ 90,727	\$ 90,801	\$ 91,978	\$ 92,255	\$ 136,335	\$ 1,217,752
Agency Operations	54,753	63,007	37,767	38,115	31,683	33,856	35,482	33,208	33,463	37,525	35,676	32,934	467,470
Aid to School Districts	486,647	1,251,557	1,099,331	713,519	68,759	261,414	588,772	565,538	650,413	531,155	129,679	34,837	6,381,620
Aid to Cities	218,083	1,644	5,701	80,955	4,445	243,729	6,948	664	2,218	1,524	588	1,004	567,502
Aid to Counties	172,477	20,649	16,823	56,907	18,759	136,987	11,642	17,930	21,751	12,639	16,921	2,660	506,146
Aid to Higher Education Institutions	2,738	68,209	68,853	50,746	42,515	60,680	80,167	48,088	5,609	42,159	49,413	79,604	598,781
Aid to Non-Gov't Organizations	2,553	14,686	10,935	9,246	10,586	8,090	11,398	9,483	5,186	9,280	7,653	7,023	106,119
Aid to Other Governments	3,862	9,169	7,941	12,985	9,310	10,718	5,873	13,735	1,040	5,616	6,185	7,614	94,049
Payments to Individuals (DHS)	515,262	801,220	443,944	297,234	398,465	401,781	451,636	606,267	370,320	260,196	405,412	245,943	5,197,679
Aid to Individuals	356	241,031	211,274	29,081	12,083	8,723	6,284	10,173	13,257	13,297	13,479	6,680	565,719
Other	810	2,466	1,699	2,113	2,160	839	16,618	4,302	3,025	1,371	2,664	1,401	39,469
TOTAL EXPENDITURES	\$ 1,578,813	\$ 2,568,933	\$ 1,998,587	\$ 1,383,451	\$ 690,136	\$ 1,294,378	\$ 1,308,109	\$ 1,400,116	\$ 1,197,083	\$ 1,006,742	\$ 759,925	\$ 556,034	\$ 15,742,306
Transfers Out	218,984	70,011	45,447	55,447	45,447	55,447	45,447	45,447	54,250	45,447	45,447	55,504	782,327
Debt Service Transfer	0	0	0	0	0	200,206	0	0	0	0	0	0	200,206
TOTAL USES	\$ 1,797,797	\$ 2,638,944	\$ 2,044,034	\$ 1,438,898	\$ 735,584	\$ 1,550,031	\$ 1,353,556	\$ 1,445,563	\$ 1,251,333	\$ 1,052,189	\$ 805,372	\$ 611,538	\$ 16,724,839
Sources less Uses													
High point	1,572,181	1,115,223	106,528	<433,538>	<719,490>	<380,431>	<327,864>	<562,118>	<612,788>	<382,173>	<94,921>	1,376,712	1,376,712
Low Point	997,218	<459,640>	<1,065,143>	<1,305,672>	<1,154,427>	<1,173,986>	<998,899>	<1,186,388>	<1,369,681>	<1,356,500>	<775,440>	<150,251>	<150,251>
Ending Cash Balance	1,074,841	<459,640>	<1,015,279>	<1,166,359>	<719,490>	<703,858>	<451,575>	<1,186,388>	<1,182,280>	<598,995>	<94,921>	1,376,712	472,643

Cash Balance	1,471,633
Fund Balance	1,376,712
	472,643