

1.1 A bill for an act  
1.2 relating to state government finance; providing an appropriation for emergencies;  
1.3 requiring reports and recommendations to bring the state budget into compliance  
1.4 with generally accepted governmental accounting principles; requiring disclosure  
1.5 of the impact of inflation on state expenditures; requiring a report of cash  
1.6 flow for the general fund; providing deadline for modifying budget after  
1.7 February forecast; providing continuing appropriations for the operation of state  
1.8 government under certain conditions; appropriating money; amending Minnesota  
1.9 Statutes 2006, sections 9.061, subdivision 5; 16A.055, subdivision 1; 16A.103,  
1.10 subdivisions 1a, 1b, 1e; 16A.11, subdivisions 1, 2; proposing coding for new law  
1.11 in Minnesota Statutes, chapter 16A.

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

1.13 Section 1. Minnesota Statutes 2006, section 9.061, subdivision 5, is amended to read:

1.14 Subd. 5. **Spending power.** ~~Where~~ When the governor has declared under section  
1.15 12.31 that an emergency exists, the Executive Council, after consulting with the  
1.16 Legislative Advisory Commission under section 3.30, may expend money as necessary  
1.17 therefor within the limit of appropriations made to the council for this purpose, but not  
1.18 to exceed \$3,000,000 in any fiscal year, and that amount is annually appropriated from  
1.19 the general fund for this purpose.

1.20 Sec. 2. Minnesota Statutes 2006, section 16A.055, subdivision 1, is amended to read:

1.21 Subdivision 1. **List.** (a) The commissioner shall:

1.22 (1) receive and record all money paid into the state treasury and safely keep it until  
1.23 lawfully paid out;

1.24 (2) manage the state's financial affairs;

1.25 (3) keep the state's general account books according to generally accepted  
1.26 government accounting principles;

- 2.1 (4) keep expenditure and revenue accounts according to generally accepted  
2.2 government accounting principles;
- 2.3 (5) develop, provide instructions for, prescribe, and manage a state uniform  
2.4 accounting system;
- 2.5 (6) provide to the state the expertise to ensure that all state funds are accounted for  
2.6 under generally accepted government accounting principles; and
- 2.7 (7) coordinate the development of, and maintain standards for, internal auditing in  
2.8 state agencies and, in cooperation with the commissioner of administration, report to the  
2.9 legislature and the governor by January 31 of odd-numbered years, on progress made.
- 2.10 (b) The commissioner shall report to the legislature by January 15 each year any  
2.11 laws that require the state's general fund budget not to be reported according to generally  
2.12 accepted government accounting principles.

2.13 Sec. 3. Minnesota Statutes 2006, section 16A.103, subdivision 1a, is amended to read:

2.14 Subd. 1a. **Forecast parameters.** The forecast must assume the continuation of  
2.15 current laws and reasonable estimates of projected growth in the national and state  
2.16 economies and affected populations. Revenue must be estimated for all sources provided  
2.17 for in current law. Expenditures must be estimated for all obligations imposed by law and  
2.18 those projected to occur as a result of inflation and variables outside the control of the  
2.19 legislature. ~~Expenditure estimates must not include an allowance for inflation.~~

2.20 **EFFECTIVE DATE.** This section is effective beginning with the forecast in  
2.21 February 2007.

2.22 Sec. 4. Minnesota Statutes 2006, section 16A.103, subdivision 1b, is amended to read:

2.23 Subd. 1b. **Forecast variable.** In determining the rate of inflation, the application  
2.24 of inflation, the amount of state bonding as it affects debt service, the calculation of  
2.25 investment income, and the other variables to be included in the expenditure part of the  
2.26 forecast, the commissioner must consult with the chairs and lead minority members of the  
2.27 senate ~~State Government~~ Finance Committee and the house Ways and Means Committee,  
2.28 and legislative fiscal staff. This consultation must occur at least three weeks before the  
2.29 forecast is to be released. No later than two weeks prior to the release of the forecast,  
2.30 the commissioner must inform the chairs and lead minority members of the senate  
2.31 ~~State Government~~ Finance Committee and the house Ways and Means Committee, and  
2.32 legislative fiscal staff of any changes in these variables from the previous forecast.

3.1 **EFFECTIVE DATE.** This section is effective beginning with the forecast in  
3.2 February 2007.

3.3 Sec. 5. Minnesota Statutes 2006, section 16A.103, subdivision 1e, is amended to read:

3.4 Subd. 1e. **Economic information.** The commissioner must review economic  
3.5 information including economic forecasts with legislative fiscal staff no later than two  
3.6 weeks before the forecast is released. The commissioner must invite the chairs and lead  
3.7 minority members of the senate ~~State Government~~ Finance Committee and the house  
3.8 Ways and Means Committee, and legislative fiscal staff to attend any meetings held with  
3.9 outside economic advisors. The commissioner must provide legislative fiscal staff with  
3.10 monthly economic forecast information received from outside sources.

3.11 Sec. 6. **[16A.107] CASH FLOW FORECAST.**

3.12 Within two weeks after the November forecast of state revenue and expenditures  
3.13 under section 16A.103, the commissioner shall deliver to the governor and the legislature  
3.14 a forecast of cash flow for the general fund, showing the expected maximum and minimum  
3.15 cash balance in the fund for each month of the forecast period.

3.16 Sec. 7. Minnesota Statutes 2006, section 16A.11, subdivision 1, is amended to read:

3.17 Subdivision 1. **When.** The governor shall submit a three-part budget to the  
3.18 legislature. Parts one and two, the budget message and detailed operating budget, must  
3.19 be submitted by the fourth Tuesday in January in each odd-numbered year. However,  
3.20 in a year following the election of a governor who had not been governor the previous  
3.21 year, parts one and two must be submitted by the third Tuesday in February. Part three,  
3.22 the detailed recommendations as to capital expenditure, must be submitted as follows:  
3.23 agency capital budget requests by July 15 of each odd-numbered year, and governor's  
3.24 recommendations by January 15 of each even-numbered year. Detailed recommendations  
3.25 as to information technology expenditure must be submitted as part of the detailed  
3.26 operating budget. Information technology recommendations must include projects to be  
3.27 funded during the next biennium and planning estimates for an additional two bienniums.  
3.28 Information technology recommendations must specify purposes of the funding such as  
3.29 infrastructure, hardware, software, or training. Any modifications to the operating budget  
3.30 made necessary by the forecast in February of an odd-numbered year must be submitted  
3.31 within two weeks after the forecast.

3.32 **EFFECTIVE DATE.** This section is effective beginning with the forecast in  
3.33 February 2007.

4.1 Sec. 8. Minnesota Statutes 2006, section 16A.11, subdivision 2, is amended to read:

4.2 Subd. 2. **Part one: message.** Part one of the budget, the governor's message,  
4.3 shall include the governor's recommendations on the financial policy of the state for the  
4.4 coming biennium, describing the important features of the budget plan, embracing a  
4.5 general budget summary setting forth the aggregate figures of the budget so as to show  
4.6 the balanced relation between the total proposed expenditures and the total anticipated  
4.7 income, with the basis and factors on which the estimates are made, the amount to be  
4.8 borrowed, and other means of financing the budget for the coming biennium, compared  
4.9 with the corresponding figures for at least the last two completed fiscal years and the  
4.10 current year. The budget plan must include recommendations on how to bring the budget  
4.11 into compliance with generally accepted governmental accounting principles. The  
4.12 budget plan shall be supported by explanatory schedules or statements, classifying its  
4.13 expenditures by agencies and funds, and the income by agencies, sources, funds, and the  
4.14 proposed amount of new borrowing, as well as proposed new tax or revenue sources. The  
4.15 budget plan shall be submitted for all special and dedicated funds, as well as the general  
4.16 fund, and shall include the estimated amounts of federal aids, for whatever purpose  
4.17 provided, together with estimated expenditures from them.

4.18 Sec. 9. **[16A.117] CONTINUING APPROPRIATIONS.**

4.19 If a major appropriation bill to fund a given state agency for the next biennium is not  
4.20 enacted before July 1 of an odd-numbered year, amounts sufficient to continue operation  
4.21 of that agency and the programs administered by that agency through the fiscal year  
4.22 ending June 30 of the next even-numbered year at the base level for that next fiscal year,  
4.23 as determined according to section 16A.11, subdivision 3, and previous appropriation  
4.24 acts, are appropriated to the agency from the appropriate funds and accounts in the state  
4.25 treasury. The base level for an appropriation that was designated as onetime or was  
4.26 onetime in nature is zero.