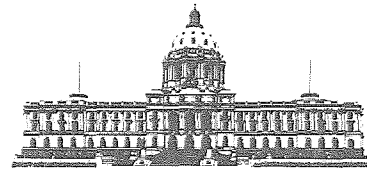


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Senate

State of Minnesota

June 24, 2011

Governor Mark Dayton
130 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St Paul, MN 55155

Governor Dayton,

As state budget negotiations continue, it seems possible that all differences might not be resolved prior to July 1st. Without a budget in place at that time almost all state spending must stop. Most state government operations and services would cease, resulting in a State government shutdown. That would be detrimental to tens of thousands of employees, and many thousands of citizens who utilize core services and functions of government.

The Legislature has a budget proposal and you in turn have your position on the budget. Many differences have been eliminated as the Legislature has offered to meet a number of your spending targets, but a final agreement remains elusive. However, **even without a final budget agreement on July 1st a shutdown is not necessary.**

I propose a third way, an option to prevent an unnecessary government shutdown – to keep state services operational and keep state employees at their jobs.

Accompanying this letter is a draft proposal of a simple, yet effective interim solution. In the event you have not agreed to a final budget solution with the Legislature before July 1st, my proposal would essentially do two things:

- 1) Courts and public safety functions would be funded at 100% of current 2011 budget spending levels.
- 2) Other budget areas would receive 90% of current 2011 budget appropriations allowing government services to remain operational and state employees to remain working without disruption.

This solution would afford stability and allow state employees and services to remain in place, while still maintaining a strong incentive for you and the Legislature to continue negotiating a final state budget agreement.

The Legislature cannot pass bills to prevent a shutdown unless you call a special session. As I describe my proposal to state employees, nearly all agree it makes sense. Invariably they ask if you'll call us back to pass this bill. My exact response is always, "The only reason for Governor Dayton to not call a special session would be to use state services and state employees as political leverage. I choose to believe he won't do that."

Governor, I implore you – for the good of Minnesota – in these waning days of June, please choose to call a special session and prevent a shutdown. It is the right thing to do for our state, and only you have that authority.

I urge you to discuss this option with Legislative leaders as you meet today and tomorrow. They have expressed strong interest in my proposal, as I hope will you. If you are interested and available, I certainly would welcome the opportunity to personally discuss this with you in more detail at any time.

Sincerely,

Sean Nienow



1.1 A bill for an act
1.2 relating to state government; providing certain appropriations continue in effect
1.3 at a 90 percent rate unless eliminated or otherwise modified.

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

1.5 Section 1. **CONTINUING APPROPRIATIONS.**

1.6 Subdivision 1. **Application.** This section applies only to an appropriation enacted
1.7 in a major finance or revenue bill. The house of representatives and the senate must
1.8 adopt rules or resolutions specifying which bills are major finance or revenue bills. If the
1.9 house of representatives and the senate fail to agree on which bills are major finance or
1.10 revenue bills, "major finance or revenue bill" means the primary bill establishing state tax
1.11 policy, and the primary bill making appropriations in each of the following areas: higher
1.12 education; early childhood through high school education; judiciary and public safety;
1.13 agriculture and rural economies; environment and natural resources; health and human
1.14 services; state government finance; economic development; and transportation.

1.15 Subd. 2. **Certain appropriations continue.** (a) Except for judiciary and public
1.16 safety, effective July 1, 2011, an appropriation from the general fund or any other fund
1.17 enacted in a major finance or revenue bill for fiscal year 2011 remains in effect at 90
1.18 percent of the base level for fiscal years 2012 and 2013, unless a law is enacted eliminating
1.19 or amending the appropriation. Effective July 1, 2011, funding for judiciary and public
1.20 safety remains at 100 percent of the fiscal year 2011 appropriation from the general fund
1.21 or any other fund.

1.22 The appropriation base level is determined as provided in Minnesota Statutes,
1.23 section 16A.11, subdivision 3, paragraph (b).

2.1 (b) The amounts needed to implement this section are appropriated from each fund
2.2 covered by this section.

2.3 (c) This section does not apply to an appropriation in a fiscal year if a law is enacted
2.4 appropriating money in that fiscal year for the purpose of the appropriation.

2.5 Subd. 3. Exceptions and adjustments. (a) An appropriation remaining in effect
2.6 under authority of subdivision 2 must be adjusted or discontinued as required by other
2.7 law, by general policies of the commissioner of management and budget, and in the
2.8 following circumstances:

2.9 (b) An appropriation for the fiscal year ending June 30 of the odd-numbered year
2.10 does not remain in effect for the fiscal year starting on July 1 if the legislature specifically
2.11 designated the appropriation as a onetime appropriation, if the commissioner of
2.12 management and budget determines that the legislature clearly intended the appropriation
2.13 to be onetime, or if the program for which the appropriation was made expires on or
2.14 before July 1.

2.15 (c) If an appropriation remains in effect under authority of subdivision 2, but the
2.16 program or activity that is the subject of the appropriation is scheduled to expire during a
2.17 fiscal year, the commissioner of management and budget must prorate the appropriation.

2.18 (d) The commissioner of management and budget may make technical adjustments
2.19 to the amount of an appropriation to the extent the commissioner determines the technical
2.20 adjustments are needed to accurately reflect the amount that constitutes the annual
2.21 base level of the appropriation. The commissioner may make an adjustment under this
2.22 paragraph only if one or more of the following conditions are met:

2.23 (1) the legislature previously appropriated money for a biennium, with the entire
2.24 appropriation being allocated to one year of the biennium, and the commissioner
2.25 determines an adjustment is necessary to accurately reflect the annual amount needed to
2.26 maintain program operations at the same level;

2.27 (2) laws or policies under which revenues and expenditures are accounted for
2.28 have changed to eliminate or consolidate certain funds or accounts, and adjustments in
2.29 appropriations are necessary to implement these changes;

2.30 (3) duties have been transferred between agency programs, or between agencies, and
2.31 adjustments in appropriations are needed to reflect these transfers; or

2.32 (4) a program, or changes to a program, were not fully operational in one fiscal year,
2.33 but will be fully operational in the following year, and an adjustment to the appropriation
2.34 is needed to accurately reflect the annual cost of the new or changed program.

3.1 The commissioner of management and budget must give the chairs of the senate
3.2 Finance Committee and the house of representatives Ways and Means Committee written
3.3 notice of any adjustments made under this subdivision.

3.4 Subd. 4. **Adjustments.** Notwithstanding any other law to the contrary, the
3.5 commissioner may defer or suspend statutory obligations as necessary to implement the
3.6 appropriations made in this act.

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

3.8 Sec. 2. **COURTS MAY NOT DETERMINE ESSENTIAL SERVICES.**

3.9 Notwithstanding Minnesota Statutes, section 480.04, 480A.06, or 484.01, or any
3.10 other law to the contrary, in the event the appropriations to fund any portion of state
3.11 government during the 2012-2013 biennium are not enacted during or after the 87th
3.12 legislative session, except for funding for public safety, a court may not order any
3.13 expenditure of an amount in the treasury to fund any operation of state government.

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