

**FILED**

September 18, 2017

**OFFICE OF  
APPELLATE COURTS**

STATE OF MINNESOTA  
IN SUPREME COURT  
A17-1142

The Ninetieth Minnesota State Senate  
and the Ninetieth Minnesota State House  
of Representatives,

Respondents,

v.

Mark B. Dayton, in his official capacity as  
Governor of the State of Minnesota, and  
Myron Frans, in his official capacity as  
Commissioner of the Minnesota  
Department of Management and Budget,

Appellants,

**RESPONDENTS' STATEMENT OF  
LEGISLATIVE FINANCES**

In Paragraph 3 of its September 8, 2017 Order, this Court required the parties to submit a joint statement regarding the carryforward funds available to the Minnesota House of Representatives ("House") and the Minnesota State Senate ("Senate"). Specifically, the Court required information regarding: (1) the amount of carryforward funds available to the House and Senate as of July 1, 2017 and September 1, 2017; (2) actual monthly expenses of the House and Senate from July 1, 2017 to September 1, 2017; (3) the anticipated expenses of the House and Senate from September 1, 2017 through January 31, 2018; and (4) the date by which carryforward funds are anticipated to be exhausted. The parties used their best efforts and were able to agree on Paragraphs 1 and 2. The parties were not able to agree on Paragraphs 3 and 4. Consequently, the parties must file separate statements.

1. The amount of carryforward funds available to the House and Senate as of July 1, 2017 and September 1, 2017.

The amounts in the carryforward accounts as of July 1, 2017, reflect unspent amounts from fiscal years prior to the 2017 fiscal year. The fiscal year ends June 30 and the financial books are reconciled and closed in August. As a result of this reconciling process, the September carryforward account balance is higher as of September 1 than July 1, and includes amounts that were unspent from the House and Senate fiscal year 2017 appropriations.

Carryforward funds available	July 1, 2017 Balance	Plus: Unspent Funds from FY17 Appropriation	Less: Expenses Paid During FY18 from Carryforward Account	September 1, 2017 Balance
House	\$8,330,623.75	\$2,789,198.86	(\$438,384.47)	\$10,681,438.14
Senate	\$2,921,676.59	\$3,201,744.29	(\$119,094.94)	\$6,004,325.94

2. Actual expenses of the House and Senate from July 1, 2017 to September 1, 2017.

These include some expenses that were incurred in FY17 but that were paid during FY18.

House	July 1 – 31	August 1 – 31	September 1
Total	\$2,438,571.25	\$2,764,972.72	\$756,843.91

Senate	July 1 - 31	August 1 – 31	September 1
Total	\$2,520,715.41	\$3,228,384.34 <sup>1</sup>	\$423,795.31

<sup>1</sup> While the parties agree that total spending for August was \$3,228,384.34, the Senate believes this number overstates its actual expenses for August. The Senate received the invoice for the July lease payment for the Minnesota Senate Building from the Department of Administration in August. Because the Senate paid both this invoice and

**3. Anticipated expenses from September 1, 2017 until January 31, 2018.**

The House and Senate estimate their monthly expenses from September 1, 2017 until January 31, 2018 will be as follows:

House estimate: \$2,500,000

Senate estimate: \$2,562,000

These amounts are not materially different from those in the existing record. *See Add. 59 at Finding ¶4; ROA 25 ¶15 (Senate's average monthly operating costs are approximately \$2,558,000); ROA 26 ¶16 (House's average monthly operating costs are approximately \$2,700,000).*

**4. Anticipated date carryforward funds will be exhausted.**

Assuming the House and Senate spend as anticipated through October 1, 2017, and only begin using their carryforward funds thereafter, the anticipated date carryforward funds will be exhausted is as follows:

House: After payment of payroll on February 1, 2018

Senate: After payment of payroll on December 1, 2017

These dates assume the House and Senate will continue spending at the level in Paragraph 3 above. The parties disagree on what the effect would be if spending levels are changed when only carryforward funds are used. The Governor believes that spending would be reduced and the exhaustion period extended. The Legislature disagrees. The anticipated future expenses listed in Paragraph 3 do not account for additional costs necessitated by a shutdown (e.g.,

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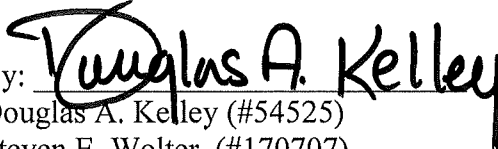
the August lease payment in August, the Senate believes the figure of \$3,228,384.34 supplied by the Governor overstates the Senate's actual August expenses by \$669,342.49. The Senate therefore believes the correct total for the total actual expenses of the Senate in August of 2017 is \$2,616,505.27.

employer portion of health insurance costs, accrued paid-time off for certain employees, and anticipated unemployment insurance costs). When these additional costs are included, the House and Senate carryforward funds will be exhausted much sooner than anticipated.

**Attorneys for Respondents**

**KELLEY, WOLTER & SCOTT, P.A.**

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By:   
Douglas A. Kelley (#54525)  
Steven E. Wolter, (#170707)  
Kevin M. Magnuson (#306599)  
Brett D. Kelley (#397526)  
Centre Village Offices, Suite 2530  
431 South Seventh Street  
Minneapolis, MN 55415  
(612) 371-9090

and

MASLON LLP  
David F. Herr (#44441)  
3300 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55401-4140  
(612) 672-8350