



constituted critical core functions of the Executive branch, and ordered that these functions continue despite the absence of an appropriation.

3. In my capacity as Deputy Commissioner, I have access to records of MMB, which are public data, that concern the funds appropriated to the Senate and House of Representatives through June 30, 2017; the reserves held by the Senate and House from unspent prior years' appropriations; and the budgeted costs of operation for the Senate in Fiscal Years ("FY") 2016-17.
4. Historically, the Senate and House appropriations have been part of the Omnibus State Government Appropriations bill. For at least the last several biennia, the Senate and House have not submitted an itemized breakdown of their general fund appropriation request, but simply provide the lump sum to be appropriated to each of the bodies from the State's general fund. Neither body presented the itemized details underlying their operating budget to the Executive branch in the appropriations process during the 2017 regular or special legislative sessions. As a result, MMB is not generally in possession of the Legislature's budget details and the Legislature has not provided MMB with detail supporting its FY 2018-2019 budget.
5. Attached as Exhibit B is a document entitled, "Minnesota Senate Budget FY 2016-17" that was provided to MMB in connection with the financing of the construction of the new Senate Office Building.
6. Unlike the other branches of government, at the end of the biennium, the Legislature is authorized by Minnesota Statutes § 16A.281 to carry over any unspent general fund appropriations into an account, called a "carry forward" account, that can be used for future spending "to pay expenses associated with sessions, interim activities, public hearings, or other public outreach efforts and related activities".
7. Attached as Exhibit C are reports entitled "Allotments Within Appropriation Report" as of June 21, 2017, which show the amounts currently held in the carry forward account and the amounts

currently unspent from the general fund appropriation for FY 2017. The reports show the amounts in the "Senate Carryforward" account were \$2,931,270 and \$8,330,624 in the "House Carry Forward" account.

- 8. Any amounts from the FY 2017 general fund appropriations that are unspent will be carried over into the respective carry forward accounts. Exhibit C shows that as of June 21, 2017, the House had an unspent amount of \$4,858,908 in its FY 2017 general fund appropriation account, and the Senate had an unspent amount of \$5,063,366 in its FY 2017 general fund appropriation account. The House and Senate may make additional expenditures from their FY 2017 general fund appropriation accounts prior to July 1, 2017. For instance, it is anticipated that the Senate will use \$683,954 of its FY 2017 general fund appropriation to pay the June 2017 lease payment the Senate owes to the Minnesota Department of Administration for the Senate Office Building and parking garage.
- 9. MMB has the statutory duty to "keep the state's general account books according to generally accepted government accounting principles." Minn. Stat. § 16A.055, subd. 1(3). Attached as Exhibit D is a spreadsheet prepared from the data in MMB's accounting system that shows general fund expenditures by month for the Senate and House for FY2017, and the carry forward and FY2017 general fund balances as of June 21, 2017.

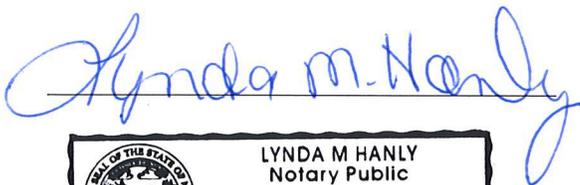
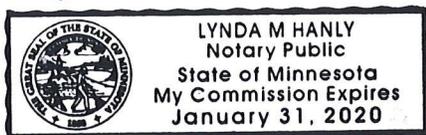
FURTHER YOUR AFFIANT SAITH NOT.




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ERIC HALLSTROM

Subscribed and sworn to before me  
this 22 day of June 2017.

# Hallstrom Exhibit A

## **Recommended Statewide Objectives 2011 Potential Minnesota Government Shutdown**

**Prepared by the Statewide Contingency Response Team  
Commissioner of MMB Jim Schowalter, Chair**

**June 15, 2011**

### **I. Planning Assumptions**

- Agencies should plan to continue only priority one and two critical services;
- Agencies should plan minimal/necessary staffing levels for the priority one and two critical services.
- Agencies should include in their planning; personnel, resources (financial and others) and those support services that are both directly related to, and absolutely necessary to continue priority one and priority two critical services;

### **II. Statewide Priority Service Objectives**

The State's Statewide Contingency Response Team (SCRT) has established five statewide objectives that must be met during a government shutdown. In order, they are:

- A. provision of basic custodial care for residents of state correctional facilities, regional treatment centers, nursing homes, veterans' homes, and residential academies and other state operated services;
- B. maintenance of public safety and immediate public health concerns;
- C. provision of benefit payments to individuals;
- D. preservation of the essential elements of the financial system of the government; and
- E. provision of *necessary* administrative and support services for the above goals.

### **III. Priority Service Definitions and Categories**

In addition, the SCRT has established four statewide priority service definitions to meet the aforementioned objectives. All agencies must assign their services to the following four priority levels:

#### **A. Priority 1 Critical Services (Immediate threat to public health and/or safety)**

Services with critical/core activities that must remain uninterrupted. Generally, these would include agencies and facilities that operate 24-hours a day.



Categories:

- 1.0 Providing for security;
- 1.1 Medical care of inpatients and emergency outpatient care;
- 1.2 Activities essential to ensure continued public health and safety, including safe use of food, drugs, and hazardous materials;
- 1.3 Continuance of transportation safety functions and the protection of transport property;
- 1.4 Protection of lands, buildings, waterways, equipment and other property owned by the government;
- 1.5 Care of prisoners and other persons in the custody of government;
- 1.6 Law enforcement and criminal investigations;
- 1.7 Emergency and disaster response or assistance;
- 1.8 Activities that ensure the production of power and the maintenance of the power distribution system;
- 1.9 A process for maintaining communication with agency personnel and the SCRT
- 2.0 Support/Administrative services to support the Priority 1 Critical Service.

**B. Priority 2 Critical Services**

**(Disorder or a severe, statewide economic impact may develop if not delivered in a few days)**

Services with critical/core activities that have a recovery time of 25 hours to five days that can be disrupted temporarily or might be periodic in nature, but must be re-established within a few days.

Categories:

- 2.0 Activities essential to the preservation of the essential elements of the financial system of the government, including the borrowing and tax collection activities of the government and systems to support these activities;
- 2.1 Contract performance where a suspension or termination could be regarded a material default, and that could result in substantial money damages against the state, and there is no dependency on substantial support from state resources that are not funded ("substantial" means something more than merely cutting a check for payment, but rather entail the need for continued full time activity on the part of three or more full time employees);
- 2.2 Activities having a severe and permanent negative financial impact to business or vulnerable populations or groups of individuals within Minnesota.
- 2.3 Support/Administrative services to support the Priority 2 Critical Service.

**C. Priority 3 Critical Services**  
(Services required by law or rule that can be suspended by law or rule during an emergency)

Activities with a recovery time objective of six days to 30 days that can be disrupted temporarily but must be re-established sometime before the emergency or disruptive event is over (<6 weeks).

**D. Priority 4 Critical Services**  
(Services that could be suspended during an emergency and are not required by law or rule)

Activities with a recovery time objective of 30+ days which can be deferred for the duration of a long-term event (6-8 weeks).

# Hallstrom Exhibit B

MINNESOTA SENATE BUDGET  
FY 2016-17

Line Item	FY 2016 Budget Proposed	FY 2017 Budget Proposed	FY 2016-17 Budget Proposed
<b>1 Salaries</b>			
2 Permanent Salaries	12,198,565	12,679,372	24,877,937
3 Temporary Salaries	300,000	550,000	850,000
4 Senators Payroll	2,123,470	2,123,470	4,246,940
5 <b>Subtotal, Salaries</b>	<b>14,622,035</b>	<b>15,352,842</b>	<b>29,974,877</b>
6			
<b>7 Benefits</b>			
8 DCP Match	528,750	176,250	705,000
9 Child Care/Med-Dent Admin Fee	5,000	5,000	10,000
10 Insurance	3,287,279	3,287,279	6,574,558
11 MSRS Employers Share	913,781	941,194	1,854,975
12 FICA Employers Share	946,864	975,270	1,922,134
13 Medicare Employers Share	221,885	228,541	450,426
14 Unemployment Compensation	20,000	20,000	40,000
15 Workers Compensation	20,000	20,000	40,000
16 <b>Subtotal, Benefits</b>	<b>5,943,559</b>	<b>5,653,534</b>	<b>11,597,093</b>
17			
<b>18 Services/Expenses</b>			
19 Rentals	8,000	8,000	16,000
20 Repairs State of Minn	2,500	2,500	5,000
21 Repairs Outside Vendor	2,500	2,500	5,000
22 Maintenance Agreement	303,850	312,965	616,815
23 Printing	42,000	42,000	84,000
24 Rental-Copiers	9,600	9,600	19,200
25 Micrographics	500	500	1,000
26 Chaplains	1,500	1,500	3,000
27 Audit	25,000	0	25,000
28 Development IMB	25,000	25,000	50,000
29 Software	184,000	190,000	374,000
30 Computer Development	140,000	145,000	285,000
31 Dry Cleaning	500	500	1,000
32 Postage/Meter Stamps	100,000	100,000	200,000
33 Communication	206,000	212,000	418,000
34 Delivery Service	1,000	1,000	2,000
35 Mileage	240,000	240,000	480,000
36 Housing In-State	400,000	400,000	800,000
37 Session Per Diem In-State	575,000	775,000	1,350,000
38 Session Per Diem Out-State	1,500	1,500	3,000
39 Interim Per Diem In-State	100,000	120,000	220,000
40 Interim Per Diem Out-State	15,000	15,000	30,000
41 Travel In-State	75,000	75,000	150,000
42 Travel Out-State	100,000	100,000	200,000
43 Registration Fee In-State	5,000	5,000	10,000
44 Registration Fee Out-State	27,500	27,500	55,000
45 Fees/Notary/Summons/Admissions	2,500	2,500	5,000
46 Membership Fees	2,000	2,000	4,000
47 Tuitions/Training	20,000	20,000	40,000
48 Video/Media	58,000	0	58,000
49 Photographic	8,000	8,000	16,000
50 Office Supplies	75,000	75,000	150,000
51 Publications	15,000	15,000	30,000
52 Water Coolers	15,000	15,000	30,000
53 Furniture/Equipment	5,000	5,000	10,000
54 Construction Projects	0	0	0
55 Misc	14,646	15,264	29,910
56 <b>Subtotal, Services/Expenses</b>	<b>2,806,096</b>	<b>2,969,829</b>	<b>5,775,925</b>
57			
<b>58 TOTAL OPERATING</b>	<b>23,371,690</b>	<b>23,976,205</b>	<b>47,347,895</b>
59			
<b>60 Senate Building</b>			
61 Debt Service	3,502,500	6,085,000	9,587,500
62 Maintenance	1,087,810	2,224,795	3,312,605
63 <b>Total, Senate Building</b>	<b>4,590,310</b>	<b>8,309,795</b>	<b>12,900,105</b>
64			
<b>65 GRAND TOTAL (Operating &amp; Building)</b>	<b>27,962,000</b>	<b>32,286,000</b>	<b>60,248,000</b>
66			
<b>67 Total Appropriation</b>	<b>27,962,000</b>	<b>32,286,000</b>	<b>60,248,000</b>
<b>68 Difference: Approp Minus Total Spending</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Hallstrom Exhibit C



ALLOTMENTS WITHIN APPROPRIATION REPORT

Run DateTime: 6/21/2017 4:09 PM  
Source Report #: KK001  
As of Date: 06/21/2017

Selection Criteria: Budget Period - 2017, Fund - 1000 to 1000, Agency - L12, AppropID - L121000 to L121001  
AGENCY: L12 House of Representatives

Budget Period: 2017 Fund: 1000 General DeptID: L1210000 House of Representatives AppropID: L121000 House Of Representatives

**AppropID Short Descr**      **Approp Type**      **Bud Auth Opt**      **Legal Citation**      **Bud Program**      **Bud Activity**      **Budget Status**  
House                              05                              A                              15 077 01 002                              L1010                              L101010                              Open

<b>Appropriations</b>		<b>Receipts</b>		<b>Roll Forward</b>		<b>Transfers</b>	
Original	32,383,000	Original Estimate	0	Roll Forward In	1,958,226	Anticipated In	0
Current	32,383,000	Current Estimate	0	Roll Forward Out	0	Actual In	0
Cancel	0	Collected	0			Anticipated Out	0
Reduction	0	Variance Est-Col	0			Actual Out	0
Other Classes	0	Dedicated Cap	0				

<b>Allotment-Free</b>	1,958,226	<b>Budgeted</b>		<b>Remaining</b>	
<b>Uncommitted</b>	4,858,908	<b>Budget/Encumbrance Authority</b>	34,341,226		4,858,908
<b>Unexpended</b>	4,858,908	<b>Spending Authority</b>	34,341,226		4,858,908
		<b>Transfer Authority</b>	34,341,226		4,858,908

**ALLOTMENT BALANCES**

<b>Account Group</b>	<b>Budget</b>	<b>Pre-Encumbered</b>	<b>Encumbered/Committed</b>	<b>Expended</b>	<b>Unobligated</b>	<b>Unexpended</b>
<b>Alotment DeptID and Descr</b>						
L1220000-House of Representatives	32,383,000	0	0	29,482,318	2,900,682	2,900,682
	32,383,000	0	0	29,482,318	2,900,682	2,900,682
<b>Totals by Account Group</b>						
Payroll Allotments	0	0	0	0	0	0
Non-Payroll Allotments	32,383,000	0	0	29,482,318	2,900,682	2,900,682



ALLOTMENTS WITHIN APPROPRIATION REPORT

Run DateTime: 6/21/2017 4:09 PM  
Source Report #: KK001  
As of Date: 06/21/2017

Selection Criteria: Budget Period - 2017, Fund - 1000 to 1000, Agency - L12, AppropID - L121000 to L121001  
AGENCY: L12 House of Representatives

Budget Period: 2017 Fund: 1000 General DeptID: L1210000 House of Representatives AppropID: L121001 House Carry Forward

**AppropID Short Descr**      **Approp Type**      **Bud Auth Opt**      **Legal Citation**      **Bud Program**      **Bud Activity**      **Budget Status**  
House Cf                      03                      A                      MS 16A.281                      L1010                      L101010                      Open

<u>Appropriations</u>		<u>Receipts</u>		<u>Roll Forward</u>		<u>Transfers</u>	
Original	0	Original Estimate	0	Roll Forward In	8,330,624	Anticipated In	0
Current	0	Current Estimate	0	Roll Forward Out	0	Actual In	0
Cancel	0	Collected	0			Anticipated Out	0
Reduction	0	Variance Est-Col	0			Actual Out	0
Other Classes	0	Dedicated Cap	0				

<b>Allotment-Free</b>	8,330,624	<b>Budgeted</b>	8,330,624	<b>Remaining</b>	8,330,624
<b>Uncommitted</b>	8,330,624	<b>Budget/Encumbrance Authority</b>	8,330,624		
<b>Unexpended</b>	8,330,624	<b>Spending Authority</b>	8,330,624		
		<b>Transfer Authority</b>	8,330,624		

**ALLOTMENT BALANCES**

<u>Allotment DeptID and Descr</u>	<u>Account Group</u>	<u>Budget</u>	<u>Pre-Encumbered</u>	<u>Encumbered/Committed</u>	<u>Expended</u>	<u>Unobligated</u>	<u>Unexpended</u>
		0	0	0	0	0	0
		0	0	0	0	0	0
<b>Totals by Account Group</b>							
Payroll Allotments	PAYRLL	0	0	0	0	0	0
Non-Payroll Allotments	NONPAY	0	0	0	0	0	0



ALLOTMENTS WITHIN APPROPRIATION REPORT

Run Date/Time: 6/21/2017 4:10 PM  
Source Report #: KK001  
As of Date: 06/21/2017

Selection Criteria: Budget Period - 2017, Fund - 1000 to 1000, Agency - L11, AppropID - L111000 to L111001  
AGENCY: L11 Senate

Budget Period: 2017 Fund: 1000 General DeptID: L1110000 Senate AppropID: L111000 Senate

<u>AppropID Short Descr</u>	<u>Approp Type</u>	<u>Bud Auth Opt</u>	<u>Legal Citation</u>	<u>Bud Program</u>	<u>Bud Activity</u>	<u>Budget Status</u>
Senate	05	A	15 077 01 002 002	L1020	L102020	Open

<u>Appropriations</u>		<u>Receipts</u>		<u>Roll Forward</u>		<u>Transfers</u>	
Original	32,286,000	Original Estimate	0	Roll Forward In	1,578,346	Anticipated In	0
Current	32,286,000	Current Estimate	0	Roll Forward Out	0	Actual In	0
Cancel	0	Collected	0			Anticipated Out	0
Reduction	0	Variance Est-Col	0			Actual Out	0
Other Classes	0	Dedicated Cap	0				

<b>Allotment-Free</b>	1,578,346	<b>Budgeted</b>	33,864,346	<b>Remaining</b>	5,063,366
<b>Uncommitted</b>	5,063,366	<b>Budget/Encumbrance Authority</b>	33,864,346	<b>Spending Authority</b>	5,063,366
<b>Unexpended</b>	5,063,366	<b>Transfer Authority</b>	33,864,346	<b>Transfer Authority</b>	5,063,366

**ALLOTMENT BALANCES**

<u>Allotment DeptID and Descr</u>	<u>Account Group</u>	<u>Budget</u>	<u>Pre-Encumbered</u>	<u>Encumbered/Committed</u>	<u>Expended</u>	<u>Unobligated</u>	<u>Unexpended</u>
L1120000-Senate	NONPAY	32,286,000	0	0	28,800,980	3,485,020	3,485,020
		32,286,000	0	0	28,800,980	3,485,020	3,485,020
<b>Totals by Account Group</b>							
Payroll Allotments	PAYRLL	0	0	0	0	0	0
Non-Payroll Allotments	NONPAY	32,286,000	0	0	28,800,980	3,485,020	3,485,020



ALLOTMENTS WITHIN APPROPRIATION REPORT

Run Date/Time: 6/21/2017 4:10 PM  
Source Report #: KK001  
As of Date: 06/21/2017

Selection Criteria: Budget Period - 2017, Fund - 1000 to 1000, Agency - L11, AppropID - L111000 to L111001  
AGENCY: L11 Senate

Budget Period: 2017 Fund: 1000 General DeptID: L1110000 Senate AppropID: L111001 Senate Carryforward

**AppropID Short Descr**      **Approp Type**      **Bud Auth Opt**      **Legal Citation**      **Bud Program**      **Bud Activity**      **Budget Status**  
Senate Cf                      03                      A                      MS 16A.281                      L1020                      L102020                      Open

<u>Appropriations</u>		<u>Receipts</u>		<u>Roll Forward</u>		<u>Transfers</u>	
Original	0	Original Estimate	0	Roll Forward In	3,711,773	Anticipated In	0
Current	0	Current Estimate	0	Roll Forward Out	0	Actual In	0
Cancel	0	Collected	0			Anticipated Out	0
Reduction	0	Variance Est-Col	0			Actual Out	0
Other Classes	0	Dedicated Cap	0				

<u>Allotment-Free</u>		<u>Budgeted</u>	<u>Remaining</u>
Uncommitted	2,931,270	Budget/Encumbrance Authority	3,711,773
Unexpended	2,931,270	Spending Authority	3,711,773
		Transfer Authority	3,711,773

**ALLOTMENT BALANCES**

<u>Allotment DeptID and Descr</u>	<u>Account Group</u>	<u>Budget</u>	<u>Pre-Encumbered</u>	<u>Encumbered/Committed</u>	<u>Expended</u>	<u>Unobligated</u>	<u>Unexpended</u>
L1120000-Senate	NONPAY	3,711,773	0	0	780,503	2,931,270	2,931,270
		3,711,773	0	0	780,503	2,931,270	2,931,270
<b>Totals by Account Group</b>							
Payroll Allotments	PAYRLL	0	0	0	0	0	0
Non-Payroll Allotments	NONPAY	3,711,773	0	0	780,503	2,931,270	2,931,270

# Hallstrom Exhibit D

General Fund Appropriations  
Expenditures by Month  
FY17

	<u>July</u>	<u>YTD</u>	<u>August</u>	<u>YTD</u>	<u>September</u>	<u>YTD</u>	<u>October</u>	<u>YTD</u>	<u>November</u>	<u>YTD</u>	<u>December</u>	<u>YTD</u>	<u>January</u>	<u>YTD</u>	<u>February</u>	<u>YTD</u>
House	\$1,431,421	\$1,431,421	\$2,248,386	\$3,679,807	\$2,398,507	\$6,078,314	\$2,293,199	\$8,371,513	\$2,475,849	\$10,847,362	\$2,517,606	\$13,364,968	\$2,517,367	\$15,882,335	\$3,003,604	\$18,885,939
Senate	\$2,714,060	\$2,714,060	\$2,172,186	\$4,886,246	\$2,106,019	\$6,992,265	\$2,124,986	\$9,117,251	\$2,412,239	\$11,529,490	\$2,659,769	\$14,189,259	\$2,518,800	\$16,708,059	\$2,509,611	\$19,217,670

General Fund Appropriations  
Expenditures by Month  
FY17

	<u>March</u>	<u>YTD</u>	<u>April</u>	<u>YTD</u>	<u>May</u>	<u>YTD</u>	<u>June</u>	<u>as of 6/21/17</u> <u>YTD</u>	<u>Balance</u>	<u>Monthly</u> <u>Average</u> <u>as of 5/31/17</u>	<u>Carry-Forward</u> <u>Balance</u> <u>as of 6/21/17</u>
House	\$2,979,043	\$21,864,982	\$3,100,404	\$24,965,386	\$2,855,693	\$27,821,079	\$1,661,239	\$29,482,318	\$4,858,908	\$2,529,189	\$8,330,624
Senate	\$2,219,871	\$21,437,541	\$2,606,796	\$24,044,337	\$2,944,143	\$26,988,480	\$1,812,500	\$28,800,980	\$5,063,366	\$2,453,498	\$2,931,270