


Office Memorandum

Date: December 21, 2016

To: Commissioners and Agency Heads

From: Commissioner Myron Frans 

Phone: 651-201-8011

Subject: State Government Special Revenue (1200) Fund

I am writing to you because your agency receives an appropriation from the State Government Special Revenue Fund (Fund 1200 in SWIFT). We are projecting a deficit in this fund and will need to take steps to resolve the deficit.

Based on the November Forecast Consolidated Fund Statement, Minnesota Management and Budget (MMB) is now projecting that expenditures in this fund will exceed resources in the current fiscal year. Because of this, we are now anticipating a projected deficit of \$2,877,000 in fiscal year 2017 in the 1200 Fund. The projected deficit is expected to grow by approximately \$2 million each year from FY 2018-21. I am required by statute (MS 16A.152) to take action to resolve this deficit.

I am asking for your cooperation to help my staff identify solutions to prevent the projected deficit from occurring. In the coming weeks, your Executive Budget Officer (EBO) from MMB will contact your agency to develop an understanding of current spending obligations and identify possible cancellations and remaining balances that may be available in order to resolve the deficit in the fund.

I have asked my team to work with your agency so that we may develop a solution within the next several weeks. If you have any questions, please contact your EBO.

We intend to publish the November Forecast Consolidated Funds Statement on December 22, 2016. This publication will officially report the anticipated deficit.

Thank you for your cooperation.

cc: Representative Kurt Daudt, Speaker of the House
Representative Joyce Peppin, Majority Leader
Representative Paul Thissen, Minority Leader
Representative Jim Knobloch, Chair, Ways and Means Committee
Representative Lyndon Carlson Sr., DFL Lead, Ways and Means Committee
Representative Matt Dean, Chair, Health and Human Services Finance Committee
Representative Erin Murphy, DFL Lead, Health and Human Services Finance Committee
Senator Thomas Bakk, Majority Leader
Senator Sandra Pappas, President of the Senate
Senator David Hann, Minority Leader
Senator Richard Cohen, Chair, Finance Committee

Senator Tony Laurey, Chair, Health and Human Services Budget Division

Senator Paul Gazelka

Senator Julie Rosen

Senator Michelle Benson

Senator Jim Abeler

Eric Naumann, Lead Fiscal Analyst, Senate

Bill Marx, Chief Fiscal Analyst, House