

Budget and Accounting Office

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Barbara Juelich, Controller



Minnesota House of Representatives

Melissa Hortman, Speaker

To: Representative Ryan Winkler, Chair, Committee on Rules and Legislative Administration

From: Barbara Juelich, House Controller *Barbara J. Juelich*

Date: March 26, 2019

Re: House Budget Proposal for FY 2020-21

The attached recommended budget for the House of Representatives for FY 2020-21 is transmitted for consideration and approval by the Committee on Rules and Legislative Administration. This budget has been prepared and is submitted to the Rules Committee in accordance with the Permanent Rules of the House, Article 8.01.

FY 2018-19 Operating Budget

As you are aware, the House of Representatives FY 2018-19 biennial budget has been running an operating deficit due to increased Member salaries and spending down its carry-forward account. Based on spending to date and anticipate costs for the next few months, I estimate we will have a balance of \$7.8 million in the carry-forward account at Fiscal Year 2019.

Assuming a FY 2020-21 budget that only recognizes the increased costs associated with the Member salary increase based on the 2019 Legislative Salary Council and staff and equipment costs associated with redistricting, the carry-forward account would likely be spent down to about \$2.3 million by the end of the next biennium in absence of an increased appropriation.

FY 2020-21 Recommended Budget

For the FY 2020-21 biennium, the House budget is recommended to be established at a total expenditure level of \$79,781,463. The funding proposal recommends a general fund appropriation of \$76,277,000. This amount is \$11,511,000 above the February forecasted general fund base amount for the House and would provide sufficient general fund appropriation to cover the operating budget of the House, allowing carryforward funds to be used for one-time investments.

This funding level will allow the House to fund increased member salary and associated payroll costs, staffing increases for 2:1 Member to Legislative Assistant staffing ratio, redistricting and Information Technology as well as funding to implement a series of salary adjustments based on

the NSCL Compensation Study for the House of Representatives. This level of funding will also allow enhancements to the High-School Page program and opportunities for mini-session.

The proposed FY 2020-21 budget also recommends expending approximately \$3.376 million from the House carry-forward account for one-time investments including office space build out on first and ground floor, one-time conversion costs to Outlook, end-of life equipment replacement, and system and equipment upgrades.

Finally, this budget assumes a HCAF transfer of \$64,000 per year from the Legislative Coordinating Commission. This is at the same level as the 2019 transfer.

I will be available to answer questions that you or the members of the committee may have on this proposed budget.