

HOUSE RESEARCH

Bill Summary

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Section

- 1 Budget reserve percentage.** Requires the commissioner of finance to:
 - (a) Periodically review the formula developed to estimate the percentage of the general fund expenditures recommended as a budget reserve.
 - (b) Annually review the formula used to model the base of general fund taxes and the mix of taxes that provide general fund revenue, and to update variables and coefficients if they have changed enough to result in a change in the percentage of the general fund expenditures recommended as a budget reserve.
 - (c) Review the methodology underlying this formula every ten years, and revise it if it is outdated.
 - (d) Report annually to chairs of the House Ways and Means and Senate Finance Committees on the percentage of general fund expenditures recommended as a budget reserve, including specified topics.
- 2 Milestones report required.** Authorizes the commissioner of administration to establish statewide performance measures to provide information on the state's long-term trends, with an annual report on the trends.
- 3 Cash flow study.** Requires the commissioner of finance to report to the chairs of the Senate Finance and House Ways and Means Committees by January 15, 2010, on the cash flow condition of the general fund for the fiscal year 2010-2011 biennium and the following biennium, including an assessment of options for improving long-term cash flow. Provides that this report should also identify major provisions of law that result in state expenditures or revenues being recognized in budget documents earlier or later than the year in which the obligation to pay expenses or pay taxes was incurred.

