

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 2749  
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**Subject:** Allocation of general fund surplus

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Background: under current law, if a budget forecast prepared by Minnesota Management and Budget (MMB) predicts a general fund surplus for the current biennium, MMB must allocate the surplus to specific purposes. These purposes include increasing the budget reserve and cash flow accounts to specified levels (\$810,992,000 and \$350,000,000, respectively) and if a K-12 school shift is in place, eliminating the outstanding shift. In 2015, lawmakers added two additional purposes – repaying approximately \$63 million to the Closed Landfill Investment Fund (CLIF) and \$8,100,000 to the Metropolitan Landfill Contingency Action Trust (MLCAT) Account. After the November 2015 forecast, MMB transferred the required amounts from the general fund to CLIF and MLCAT.

If the budget reserve is drawn down in the future, this bill would require MMB to allocate forecasted general fund surplus dollars to the budget reserve until it returns to the February 2016 forecast balance of \$1,596,522,000. The bill also would eliminate the obsolete and expired CLIF and MLCAT transfer requirements.