

## Legislative Advisory Commission Meeting Notes State Office Building, Room 10 October 6, 2011 10:00 a.m. – 11:30

1. Introduction

Members present: Senator Kurt Zellers Representative Amy Koch

Senator Claire Robling Representative Mary Liz Holberg

Senator Mike Parry

Presenters: MMB Commissioner Jim Schowalter

MMB Assistant Commissioner, State Budget Director Margaret Kelley

MMB Assistant Commissioner, State Treasury Kristin Hanson

State Economist, Tom Stinson

## 2. Cash Flow Projections

- General fund cash balance is \$200 million above forecast because of additional revenues that came in FY 2011. At this time, the source and permanency are unknown.
- Unlikely line of credit would need to be accessed in FY 2012 and unlikely cash
  management administrative tools would be utilized before accessing the line of credit,
  such as: delaying payments to the University of Minnesota, sales and corporate tax
  refunds, and Human Services provider payments.
- Contingent Authority to Borrow Minnesota Statutes, Section 16A.671
- 4. Economic Update
  - FY 2011 revenues \$355 million above February forecast. Wages were a slightly stronger than had previously forecasted and growth in capital gains.
  - However, economic outlook has fallen more pessimistic than February forecast.
- 5. Discussion and Recommendation Representative Holberg read the following statement:

"The Legislative Advisory Commission, pursuant to Minnesota Statutes, Section 16A.671, Subdivision 2, recommends that the Commissioner of Minnesota Management and Budget retain a line of credit for cash flow purposes until June 30, 2012."

All members agreed with the motion for this statement to be commission's recommendation.