

(SENATE AUTHORS: DALEY, Thompson, Parry, Chamberlain and Lillie)

DATE	D-PG	OFFICIAL STATUS
01/30/2012	3668	Introduction and first reading Referred to Finance
02/13/2012		Comm report: To pass as amended Second reading

1.1A bill for an act

1.2relating to state government; requiring state budget documents to include federal

1.3insolvency contingency planning; amending Minnesota Statutes 2010, section

1.416A.10, by adding a subdivision.

1.5BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6Section 1. Minnesota Statutes 2010, section 16A.10, is amended by adding a

1.7subdivision to read:

1.8Subd. 1d. **Federal insolvency contingency planning.** Each executive agency that

1.9receives federal funds must include as part of its budget presentation an analysis of the

1.10implications for the agency if there is federal government insolvency or dramatically

1.11reduced federal payments. The analysis must:

1.12(1) identify the risks to the agency related to the federal government's potential

1.13inability to meet its financial or service commitments;

1.14(2) estimate the impact of the risks to the agency in terms of potential loss of federal

1.15revenue and the resulting impact to state services;

1.16(3) recommend strategies that would help the agency adjust to and minimize the

1.17loss of income and service impact;

1.18(4) recommend a plan for continuous monitoring of specific leading indicators

1.19of the federal government's inability to meet its obligations that trigger certain actions

1.20by the agency; and

1.21(5) recommend specific steps to be taken by the agency if the actions are triggered.