

A bill for an act

relating to state government; requiring state budget documents to include federal insolvency contingency planning; amending Minnesota Statutes 2010, section 16A.10, by adding a subdivision.

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

Section 1. Minnesota Statutes 2010, section 16A.10, is amended by adding a subdivision to read:

Subd. 1d. **Federal insolvency contingency planning.** Each executive agency that receives federal funds must include as part of its budget presentation an analysis of the implications for the agency if there is federal government insolvency or dramatically reduced federal payments. The analysis must:

(1) identify the risks to the agency related to the federal government's potential inability to meet its financial or service commitments;

(2) estimate the impact of the risks to the agency in terms of potential loss of federal revenue and the resulting impact to state services;

(3) recommend strategies that would help the agency adjust to and minimize the loss of income and service impact;

(4) recommend a plan for continuous monitoring of specific leading indicators of the federal government's inability to meet its obligations that trigger certain actions by the agency; and

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