

SENATE  
STATE OF MINNESOTA  
NINETY-SECOND SESSION

S.F. No. 554

| (SENATE AUTHORS: EKEN and Marty) |      |                                |                 |
|----------------------------------|------|--------------------------------|-----------------|
| DATE                             | D-PG |                                | OFFICIAL STATUS |
| 02/04/2021                       | 233  | Introduction and first reading |                 |
|                                  |      | Referred to Finance            |                 |
| 02/11/2021                       | 344  | Author added Marty             |                 |

1.1

A bill for an act

1.2

relating to state government; requiring inflation adjustments to budget forecasts;

1.3

amending Minnesota Statutes 2020, section 16A.103, subdivisions 1a, 1b.

1.4

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

1.5

Section 1. Minnesota Statutes 2020, section 16A.103, subdivision 1a, is amended to read:

1.6

Subd. 1a. **Forecast parameters.** The forecast must assume the continuation of current

1.7

laws and reasonable estimates of projected growth in the national and state economies and

1.8

affected populations. Revenue must be estimated for all sources provided for in current law.

1.9

Expenditures must be estimated for all obligations imposed by law and those projected to

1.10

occur as a result of inflation and variables outside the control of the legislature. ~~Expenditure~~

1.11

~~estimates must not include an allowance for inflation.~~

1.12

Sec. 2. Minnesota Statutes 2020, section 16A.103, subdivision 1b, is amended to read:

1.13

Subd. 1b. **Forecast variable.** In determining the rate of inflation, the application of

1.14

inflation, the amount of state bonding as it affects debt service, the calculation of investment

1.15

income, and the other variables to be included in the expenditure part of the forecast, the

1.16

commissioner must consult with the chairs and lead minority members of the senate State

1.17

Government Finance Committee and the house of representatives Ways and Means

1.18

Committee, and legislative fiscal staff. This consultation must occur at least three weeks

1.19

before the forecast is to be released. No later than two weeks prior to the release of the

1.20

forecast, the commissioner must inform the chairs and lead minority members of the senate

1.21

State Government Finance Committee and the house of representatives Ways and Means

- 2.1 Committee, and legislative fiscal staff of any changes in these variables from the previous
- 2.2 forecast.