

November 6, 2017

TO: Senator Gazelka

FROM: Cal R. Ludeman
Secretary of the Senate

RE: Senate Operations Update, Impact of LCC Carry Forward Funds

I am responding to your request for information regarding the effect of a potential transfer of the Legislative Coordinating Commission (LCC) Carry Forward monies to maintain Senate operations.

As you know, since October 1st, the Governor has forced the Senate to spend from its Carry Forward account to sustain operations. Despite cost saving efforts that began in July, such as the hiring freeze you put in place, the Senate Carry Forward account will be exhausted the first week of December 2017. Senate staff payroll is a high priority as the Senate tries to continue to fulfill its financial obligations, including the MSB lease payment.

If new funding is unavailable, it will be necessary to fully suspend all Senate operations at the close of business on December 1, 2017. This includes placing all Senate employees on furlough and not meeting certain contractual obligations, including the MSB lease payment for December. This also would impact Senators as they would not receive a salary after December, nor would any reimbursable expenses be paid after December 1, 2017.

Access to the Legislative Coordinating Commission's Carry Forward monies would allow the Senate to remain operational until January 12, 2018. While this funding would not sustain Senate operations to the start of the 2018 Legislative Session, it would extend salaries for staff and Senators through mid-January. It would also allow staff to communicate and work with members and constituents to prepare for the upcoming 2018 Legislative Session. Lastly, the use of the LCC Carry Forward funds would enable the Senate to make the MSB lease payments through January 31, 2018, as well as a very limited number of other contractual obligations.

As of January 12, 2018, however, the Minnesota Senate will have depleted all possible funds to operate and would be forced to shut down. At that time, all Senate staff would be placed on furlough status in the manner I have previously described to you.

The furlough would function much like an unpaid leave of absence. This would mean that accruals for vacation, sick leave, and length of service would continue, and Senators and Senate

employees would continue to receive employer-paid health insurance through February 28, 2018. Employees would not, however, receive a paycheck or any retirement matching contributions during the furlough. If the Senate receives the LCC Carry Forward monies, it is my intention to ensure that furlough notices would be provided to employees by December 10, 2017.

Senators will receive a salary for the month of January, but beginning in February salaries will not be paid to Senators. In addition, all housing, per diem, mileage, communications, or any other reimbursable expenses incurred after January 12, 2018 will not be paid.

This information is specific to the Senate as it relates to its financial standing. The House of Representatives may have different timelines based on their financial situation.

The Secretary's Office will continue to refine numbers and information and communicate those to you directly.