

DATE: April 4, 2014

TO: Representative Paul Thissen, Speaker of the House
 Senator Tom Bakk, Senate Majority Leader
 Representative Kurt Daudt, House Minority Leader
 Senate David Hann, Senate Minority Leader

FROM: Jim Schowalter, Commissioner 

SUBJECT: Governor's FY 2014-15 Supplemental Budget Update #2

The purpose of this letter is to officially transmit an update to Governor Dayton's proposed supplemental budget for FY 2014-15, which was originally released on March 10, and updated on March 27. One additional spending item is included in this update.

The February 2014 forecast projects a \$1.233 billion available general fund balance for the end of the current biennium. With this update, the Governor is proposing general fund spending changes that total \$168 million, \$2.647 million higher than previously recommended. As with the original supplemental budget recommendation, the Governor is recommending that any general fund balance remaining at the end of the 2014 legislative session be transferred to the budget reserve. Under the Governor's revised proposal, \$452 million would be transferred to the reserve.

FY 2014-15 General Fund Recommendations
 (\$ in thousands)

	March 27 Budget	April 4 Budget	Change
Beginning Balance	\$1,711,915	\$1,711,915	\$0
Forecast Revenues	39,574,605	39,574,605	0
<i>Recommended Revenue Changes</i>	<i>(613,063)</i>	<i>(613,063)</i>	0
Total Revenues	38,961,542	38,961,542	0
Forecast Expenditures	39,018,976	39,018,976	0
<i>Recommended Spending Changes</i>	<i>164,958</i>	<i>167,605</i>	2,647
Total Expenditures	39,183,934	39,186,581	2,647
Reserves	1,034,384	1,034,384	0
Ending Balance to Reserves	\$ 455,139	\$ 452,492	\$(2,647)

April 4, 2014
Budget Update #2
Page two

Supplemental Budget Additions

This update includes one additional recommendation for individuals in the Medical Assistance for the Employed Persons with Disabilities (MA-EPD) program. This proposal would repeal an increase to premiums and cost sharing for enrollees of the program expected to be implemented in 2014. Costs related to this proposal are \$2.647M in FY 2014-15 and \$5.582M in FY 2016-17.

Individual agency staff, as well as MMB executive budget officers, are prepared to answer any questions you may have on this update to the Governor's supplemental budget.

cc: Senate Richard Cohen, Senate Finance Chair
Representative Lyndon Carlson Sr., House Ways and Means Chair
Bill Marx, House Chief Fiscal Analyst
Eric Nauman, Senate Chief Fiscal Analyst