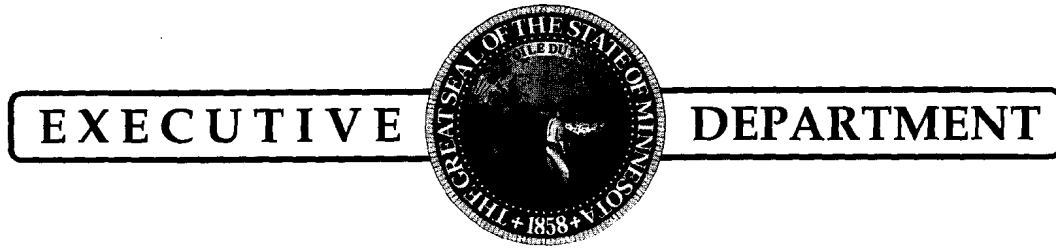


STATE of MINNESOTA



TIM PAWLNTY
GOVERNOR

EMERGENCY EXECUTIVE ORDER 10-07

DIRECTING THE COMMISSIONER OF MINNESOTA MANAGEMENT & BUDGET TO UNDERTAKE EMERGENCY CASH MANAGEMENT PLANNING FOR PRIORITIZATION OF CORE GOVERNMENT SERVICES

I, TIM PAWLNTY, GOVERNOR OF THE STATE OF MINNESOTA, by virtue of the authority vested in me by the Constitution and the applicable statutes, including Minnesota Statutes 2009, Section 4.035, do hereby issue this Executive Order:

WHEREAS, Article XI of the Constitution of the State of Minnesota requires that the State balance its budget for each fiscal biennium; and

WHEREAS, the Minnesota Legislature has not enacted an acceptable and appropriate balanced budget for the current Fiscal Year 2010-2011 biennium; and

WHEREAS appropriations enacted for the Fiscal Year 2010-2011 biennium during the 2009 legislative session were \$2.7 billion in excess of available revenues for the biennium; and

WHEREAS, continued deterioration of the fiscal climate as a result of the historic economic challenges facing the nation have resulted in an additional deficit of \$536 million for the current biennium; and

WHEREAS, the Minnesota Supreme Court issued on May 5, 2010, its opinion in the matter of *Brayton et al. v. Pawlenty et al.*, Appellate Court File No. A10-64, which stated that “[b]ecause the legislative and executive branches never enacted a balanced budget for the 2010-2011 biennium, use of the unallotment power to address the unresolved deficit exceeded the authority granted to the executive branch by the [unallotment] statute” and thus held that the unallotment authority in Minnesota Statutes 2009, Section 16A.152 cannot be used to address the budget deficit created by the appropriations enacted by the Minnesota Legislature during the 2009 legislative session; and

WHEREAS, individuals and organizations seeking the restoration of government funding affected by the 2009 unallotment actions have threatened to seek litigation for a restoration of the unallotted funds in light of the Supreme Court’s ruling in *Brayton v. Pawlenty*; and

WHEREAS, restoration of the previously-reduced allotments would result in payment obligations for the current fiscal biennium greatly in excess of the State of Minnesota's ability to pay for them; and

WHEREAS, the State of Minnesota is facing an imminent and severe cash flow crisis as a result of the potential restoration of previously-reduced allotments; and

WHEREAS, the Minnesota Legislature is scheduled for adjournment on May 17, 2010, but has still not enacted an acceptable and appropriate balanced budget plan for the biennium; and

WHEREAS, the Ramsey County District Court's 2005 order in *In re Funding of Core Functions of the Executive Branch of the State of Minnesota*, District Court File No. C9-05-5928, directed that the State of Minnesota prioritize performance of core functions of government during the 2005 government shutdown when state obligations exceeded appropriated spending authority; and

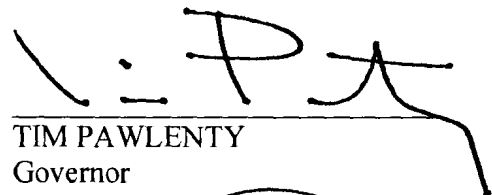
WHEREAS, it is imperative that Minnesota Management & Budget identify and develop comprehensive criteria to guide in the prioritization of payment of State obligations, including those relating to the life, health, and safety of Minnesota citizens, in the event that appropriated and allotted obligations continue to exceed the ability of the State of Minnesota on a cash-flow basis to pay for those obligations.

NOW, THEREFORE, I hereby order that:

1. The Commissioner of Minnesota Management & Budget is directed to undertake emergency cash management planning as necessary to plan for the prioritization of core government services.
2. The Commissioner of Minnesota Management & Budget shall immediately prepare and review its operational plans for the identification of core government functions which would be funded on a funds-available basis should the current fiscal crisis result in appropriated and allotted spending obligations continuing to exceed funding available in the State general fund.

Pursuant to Minnesota Statutes 2009, Section 4.035, Subdivision 2, this Order is effective immediately and shall remain in effect until the conclusion of the emergency.

IN TESTIMONY WHEREOF, I have set my hand this 7th day of May, 2010.


TIM PAWLENTY
Governor

Filed According to Law:



MARK RITCHIE
Secretary of State

