June 13, 2011

Re: Potential Temporary Suspension of State Contract Performance

We are writing because your organization has a relationship with this agency either under a current federally-funded contract with an expiration date after June 30, 2011, or a new federally-funded contract that is to become effective on or after July 1, 2011.

As you may know, the Minnesota State Legislature adjourned May 23, 2011, without appropriating money to fund the operations of state government for the fiscal year that begins July 1, 2011.

This agency operates on a biennial budget. Funds are appropriated by the Minnesota Legislature every two years, with each fiscal year beginning on July 1 and ending on June 30 of the following calendar year. Our current biennial budget is due to end after June 30, 2011. In the absence of legislation specifically appropriating state funds for the continuing operations of the agency for the next biennium, we will have no or very limited authority to expend or release federal funds to pay for goods or services after June 30, 2011. In this event, expenditures will be limited to fund or support only critical life, health, and safety functions of state government.

Because we do not know whether the biennial budget process will conclude in time to avoid a disruption to our operations, we must advise all federally-funded contractors, vendors and grantees that in the absence of legislatively authorized appropriations as of July 1, 2011 all payments of federal funds under existing or new federally-funded contracts will be delayed. Although you may continue all work, activity and performances pursuant to the terms of our federally-funded contractual arrangements during any period of business interruption at the state, payment will be delayed until the agency receives legislatively authorized appropriations allowing it to fund agency operations, including contract payment functions.

In the event that any contract concerns a critical state function, as described above, you will be notified by separate letter, publication, bulletin or other appropriate means.

We will work to keep you informed of progress regarding legislative authorization of appropriations, and we will make every reasonable effort to issue public notices promptly when budgets are approved and contract payments will be resumed. Please monitor state web sites, bulletins and media publications for further information.

Sincerely,

Dr. Brenda Cassellius
Commissioner

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