



## Office Memorandum

**Date:** September 22, 2011

**To:** Governor Mark Dayton

**From:** Jim Schowalter, Commissioner 

**Subject:** Request for Authorization to Use Contingent Account to Pay for Special Master Expenses

Attached for your signature is the 2012-13 Legislative Advisory Commission (LAC) Order authorizing a transfer from the General Fund Contingent Account; in Laws of 2011, Special Session 1, Chapter 10, Article 1, Section 34.

Transfers from the General Fund Contingent Account exceeding \$10,000 require LAC review under Minnesota Statute 3:30. This review process is advisory only. The request was sent to all appropriate LAC members on September 6, 2011 for their review and recommendation, using the round-robin review process. One member gave an affirmative recommendation and the others did not respond, indicating a negative recommendation.

I recommend that you authorize this transfer to fulfill the directive of the Court Order that Minnesota Management and Budget will pay fees and expenses incurred by the Special Master, the Honorable Kathleen Blatz.

The LAC order authorizes the following:

- A transfer of \$59,294.50 from the General Fund Contingent Account to the Statewide Miscellaneous Expense Account at Minnesota Management and Budget.

Please return the signed order to Alisha Cowell, of my staff, for distribution.

Attachments

Legislative Advisory Commission Action  
Order

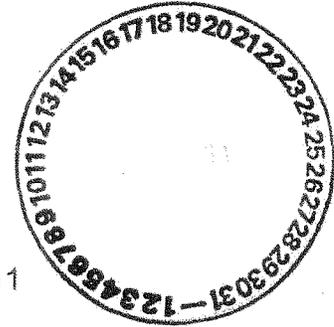
For Transfer of Funds  
From  
State General Fund Contingent Account – FY 2012-13

Pursuant to Minnesota Statutes 3.30, Subdivision 1(b), there is hereby transferred from the General Fund Contingent Account as appropriated by the Laws of 2011, Special Session 1, Chapter 10, Article 1, Section 34, a total of \$59,294.50 to Minnesota Management and Budget to pay for the expenses incurred by the Special Master, the Honorable Kathleen Blatz, to fulfill her duties relating to hearings for temporary funding of core executive branch functions during the state government shutdown. The funding should be transferred to the Statewide Miscellaneous Shutdown Expenses account (G100020).

September 27, 2011  
Date

  
Mark Dayton, Governor

KATHLEEN BLATZ  
425 U.S. TRUST BUILDING  
MINNEAPOLIS, MINNESOTA 55402-2462  
PH: (612) 904-2300 FAX: (612) 204-0912



August 17, 2011

Commissioner Jim Schowalter  
Minnesota Management and Budget  
400 Centennial Office Building  
658 Cedar Street  
Saint Paul, MN 55155

Dear Commissioner Schowalter:

On June 29, 2011, Judge Kathleen R. Gearin, Chief Judge of the Second Judicial District, appointed me to be the Special Master to hear and make recommendations to the Court regarding issues arising during the government shut-down. In the Court's Order, Judge Gearin directed that my fees and expenses were to be paid by "the State of Minnesota, the Commissioner of the Department of Management and Budget."

Pursuant to this direction, enclosed is a bill for the work I performed subsequent to my appointment. I was fortunate to enlist the aid of two law clerks who were, and still are, the law clerks of Judge Denise Reilly, Fourth Judicial District Court. Accordingly, no additional fees were generated for their superb assistance.

If you have questions or need additional information, please contact me.

Yours truly,

A handwritten signature in cursive script that reads "Kathleen Blatz". The signature is written in dark ink and is positioned above the printed name.

Kathleen Blatz

KB/cev  
Enclosure  
cc: Judge Kathleen Gearin

**KATHLEEN BLATZ**  
425 U.S. TRUST BUILDING  
MINNEAPOLIS, MINNESOTA 55402-2462  
PH: (612) 904-2306 FAX: (612) 204-0912

August 17, 2011

Commissioner Jim Schowalter  
Minnesota Management & Budget  
400 Centennial Office Building  
658 Cedar Street  
Saint Paul, MN 55155

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For professional services rendered in June and July, 2011 with regard to Special Master proceedings.

<b>Date</b>	<b>Time</b>	<b>Legal Services</b>
6/29/11	7.00	Phone conferences with Attorney General, Alan Gilbert, and Mr. Lillihaug from Office of Governor; meeting with Judge Gearin; review of 2001, 2005 and 2006 Orders re Special Master proceedings and related submissions
6/30/11	8.50	Establish procedures and logistics at Judicial Center; review of pending petitions and submissions
7/1/11	11.00	Hearings; review submissions
7/2/11	6.00	Meeting with law clerk, drafting recommendations
7/3/11	4.75	Editing of recommendations; conferences with law clerk; review petitions
7/4/11	6.50	Conferences with law clerk; drafting and editing of recommendations; review petitions
7/5/11	13.25	Hearings; preparation of recommendations
7/6/11	4.75	Preparation of recommendations

7/7/11	10.00	Hearings; review of submissions; preparation of recommendations
7/8/11	9.50	Hearings; preparation of recommendations
7/10/11	3.00	Review of petitions; preparation of recommendations
7/11/11	11.00	Preparation of recommendations; review of submissions
7/12/11	11.00	Hearings; review of submissions; preparation of recommendations
7/13/11	10.50	Hearings; review of submissions; preparation of recommendations
7/14/11	8.25	Hearing; review submissions, preparation of recommendations
7/15/11	7.50	Hearings; review submissions, preparation of recommendations
7/18/11	7.00	Preparation of recommendations
7/19/11	6.75	Hearings; preparation of recommendations
7/20/11	1.25	Finalize recommendation

**Total hours: 147.5 Hours**

**Fee: \$350 per hour**

**TOTAL: \$51,625.00**



CAREY COURT REPORTING

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JULY 13, 2011  
INVOICE 071311-BJC-01/REVISED

COMMISSIONER JAMES SCHOWALTER  
MN DEPARTMENT OF MANAGEMENT & BUDGET  
400 CENTENNIAL OFFICE BUILDING  
658 CEDAR STREET  
ST. PAUL, MN 55155

RE: TEMPORARY FUNDING OF CORE FUNCTIONS OF THE  
EXECUTIVE BRANCH

FOR TRANSCRIPTS PROVIDED FROM THE HEARINGS HELD BEFORE  
SPECIAL MASTER BLATZ IN THE ABOVE-REFERENCED MATTER:

REPORTER APPEARANCE:	33.5 HOURS @ \$70/HR	\$2,345.00
7/1/11 HEARING VOL. I:	447 PAGES @ \$3.50/PP	1,564.50
7/5/11 HEARING VOL. II:	333 PAGES @ 3.50/PP	1,165.00
7/7/11 HEARING VOL. III:	181 PAGES @ 3.50/PP	633.50
7/8/11 HEARING VOL. IV:	166 PAGES @ 3.50/PP	581.00
FOUR E-TRANSCRIPT CONVERSIONS @ \$30 EACH		120.00

**TOTAL: \$6,408.50**

PLEASE MAKE CHECK PAYABLE TO: BARBARA J. CAREY, RPR  
CAREY COURT REPORTING INC.  
TAX IDENTIFICATION NUMBER: 30-0009779  
AT: PO BOX 474

TERMS 30 DAYS - YOUR BUSINESS IS APPRECIATED! 😊

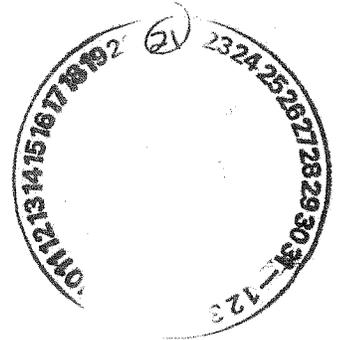


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JULY 18, 2011



COMMISSIONER JAMES SCHOWALTER  
MN DEPARTMENT OF MANAGEMENT & BUDGET  
400 CENTENNIAL OFFICE BUILDING  
658 CEDAR STREET  
ST. PAUL, MN 55155

RE: TEMPORARY FUNDING OF CORE FUNCTIONS OF THE  
EXECUTIVE BRANCH

FOR THE APPEARANCE OF THE COURT REPORTER DURING THE  
HEARINGS HELD IN THE ABOVE-REFERENCED MATTER.

REPORTER APPEARANCE: (Sandra Burch)

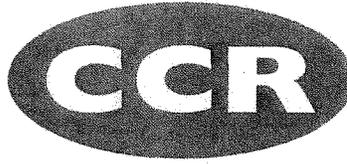
7/12/11 HEARING 8 hrs  
7/13/11 HEARING 3 hrs  
7/14/11 HEARING 2 hrs  
7/15/11 HEARING 2 hrs

15 TOTAL HOURS @ \$70/HR

TOTAL DUE: \$1,050.00

PLEASE MAKE CHECK PAYABLE TO: BARBARA J. CAREY, RPR  
CAREY COURT REPORTING INC.  
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TERMS 30 DAYS - YOUR BUSINESS IS APPRECIATED! ☺



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CAREY COURT REPORTING

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JULY 19, 2011



COMMISSIONER JAMES SCHOWALTER  
MN DEPARTMENT OF MANAGEMENT & BUDGET  
400 CENTENNIAL OFFICE BUILDING  
658 CEDAR STREET  
ST. PAUL, MN 55155

RE: TEMPORARY FUNDING OF CORE FUNCTIONS OF THE  
EXECUTIVE BRANCH

FOR THE APPEARANCE OF THE COURT REPORTER DURING THE  
HEARINGS HELD IN THE ABOVE-REFERENCED MATTER.

REPORTER APPEARANCE: (Hartman Erickson)

7/19/11 HEARING 3 hrs

3 TOTAL HOURS @ \$70/HR

TOTAL DUE: \$210.00

PLEASE MAKE CHECK PAYABLE TO: BARBARA J. CAREY, RPR  
CAREY COURT REPORTING INC.  
TAX IDENTIFICATION NUMBER: 30-0009779  
AT: PO BOX 474  
ST. FRANCIS, MN 55070

TERMS 30 DAYS - YOUR BUSINESS IS APPRECIATED! ☺

### 3.30 LEGISLATIVE ADVISORY COMMISSION.

Subdivision 1. **Appropriation; transfers.** A general contingent appropriation for each year of the biennium is authorized in the amount the legislature deems sufficient. Additional special contingent appropriations as the legislature deems necessary are authorized. Transfers from the appropriations to the appropriations of the various departments and agencies may be made by the commissioner of management and budget subject to the following provisions:

(a) Transfers may be authorized by the commissioner of management and budget not exceeding \$5,000 for the same purpose for any quarterly period.

(b) Transfers exceeding \$5,000 but not exceeding \$10,000 may be authorized by the commissioner of management and budget with the approval of the governor.

(c) Transfers exceeding \$10,000 may be authorized by the governor but no transfer exceeding \$10,000 may be made until the governor has consulted the Legislative Advisory Commission and it has made its recommendation on the transfer. Its recommendation is advisory only. Failure or refusal of the commission to make a recommendation is a negative recommendation.

The commissioner of management and budget shall return to the appropriate contingent account any funds transferred under this subdivision that the commissioner determines are not needed.

Subd. 2. **Members; duties.** The majority leader of the senate or a designee, the chair of the senate Committee on Finance, and the chair of the senate Division of Finance responsible for overseeing the items being considered by the commission, the speaker of the house or a designee, the chair of the house of representatives Committee on Ways and Means, and the chair of the appropriate finance committee, or division of the house of representatives committee responsible for overseeing the items being considered by the commissioner, constitute the Legislative Advisory Commission. The division chair of the Finance Committee in the senate and the division chair of the appropriate finance committee or division in the house of representatives shall rotate according to the items being considered by the commission. If any of the members elect not to serve on the commission, the house of which they are members, if in session, shall select some other member for the vacancy. If the legislature is not in session, vacancies in the house of representatives membership of the commission shall be filled by the last speaker of the house or, if the speaker is not available, by the last chair of the house of representatives Rules Committee, and by the last senate Committee on Committees or other appointing authority designated by the senate rules in case of a senate vacancy. The commissioner of management and budget shall be secretary of the commission and keep a permanent record and minutes of its proceedings, which are public records. The commissioner of management and budget shall transmit, under section 3.195, a report to the next legislature of all actions of the commission. Members shall receive traveling and subsistence expenses incurred attending meetings of the commission. The commission shall meet from time to time upon the call of the governor or upon the call of the secretary at the request of two or more of its members. A recommendation of the commission must be made at a meeting of the commission unless a written recommendation is signed by all the members entitled to vote on the item.

Subd. 2a. [Repealed, 1976 c 231 s 34]

Subd. 3. **Limitations.** This section does not prevent the appropriation of separate contingent funds to the governor and the attorney general or limit their use as authorized by other law.

Subd. 4. [Repealed by amendment, 1988 c 469 art 1 s 1]

**History:** 1943 c 594 s 1; 1971 c 713 s 1,2; Ex1971 c 48 s 3; 1973 c 492 s 4 subd 2, s 14; 1975 c 271 s 6; 1976 c 149 s 1; 1976 c 231 s 1; 1986 c 444; 1987 c 404 s 60; 1988 c 469 art 1 s 1; 1989 c 139 s 1,2; 1993 c 4 s 2; 1993 c 369 s 35; 2009 c 101 art 2 s 109



## Summary of Special Master Expenses

<u>Dates</u>	<u>Legal Services</u>	<u>Hours</u>	<u>Rate per Hour</u>	<u>Cost</u>
6/29/11 – 7/20/11	Special Master's, Judge Kathleen Blatz, Court Order expenses	147.5	\$ 350.00	\$ 51,625.00
7/1/11 - 7/8/11	Reporter appearance for transcripts from hearing before Special Master Blatz	33.5	\$ 70.00	\$ 2,345.00
7/12/11 - 7/15/11	Court reporter	15	\$ 70.00	\$ 1,050.00
7/19/2011	Court reporter	3	\$ 70.00	\$ 210.00
<b>TOTAL</b>				<b>\$ 55,230.00</b>
		<u>Pages</u>	<u>Price per page</u>	<u>Cost</u>
7/1/11 - 7/8/11	Transcripts	1,127	\$ 3.50	\$ 3,944.50
7/1/11 - 7/8/11	E-transcript conversions	4	\$ 30.00	\$ 120.00
<b>TOTAL</b>				<b>\$ 4,064.50</b>

**FY 2012 GRAND TOTAL**

**\$ 59,294.50**