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AT A GLANCE

- **\$50.3B** – Bank, credit union and finance company assets regulated by Commerce Department
- **\$5.3B** – Securities assets under management regulated by Commerce Department
- **350,000** – Individuals and entities licensed by the department
- **\$384M** – Recommended savings for Minnesota rate payers in 2013 due to recommendations made to keep energy rates low
- **147,621** – Low-income households served by the Low-Income Heating Energy Assistance Program during federal FY13
- **1,905** – Low-income households served by the Weatherization program during federal FY13
- **1,038,000** – MWh of electricity saved through Conservation Improvement Plans in 2012
- **10,000+** - Investigation matters annually
- **\$32,820,387** – Returned to 13,051 claimants by the Unclaimed Property Program in FY14
- **\$10.8M** - Petrofund claims approved during FY13-14
- **892** – Total Petrofund claims paid in FY13-14
- **604,326** – Total Minnesota Relay service calls in FY14

- Promoting strong, competitive and fair marketplaces to ensure **sustainable options to safely move people, goods, services & information**;
- Effectively responding to the needs of consumers, licensees and applicants to ensure delivery of **efficient and accountable government services**.

PURPOSE

The Department of Commerce regulates over 20 different industries and licenses approximately 350,000 individuals and entities to do business in Minnesota. The agency's mission is to protect the public interest, advocate for Minnesota consumers, ensure a strong, competitive and fair marketplace, strengthen the state's economic future and serve as a trusted public resource for consumers and businesses.

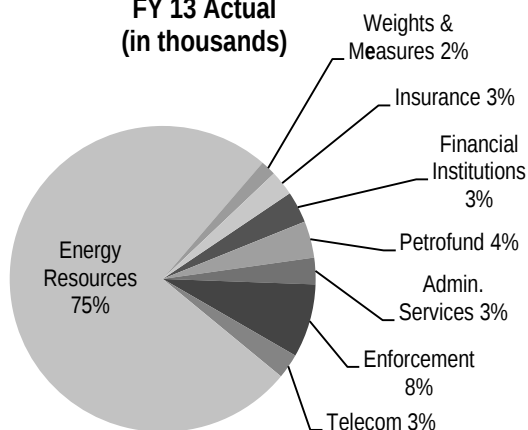
The Commerce Department supports the following statewide outcomes by:

- Licensing and regulating individuals and entities to **ensure a thriving economy that encourages business growth and employment opportunities**;
- Reviewing health insurance products and filings to ensure that **all Minnesotans have optimal health**;
- Pursuing civil and criminal enforcement activities to **protect Minnesotans from fraudulent activities and ensure strong and stable families and communities**; Advocating on behalf of the public interest in energy-related matters to ensure **a clean, healthy environment with sustainable uses of natural resources**;

BUDGET

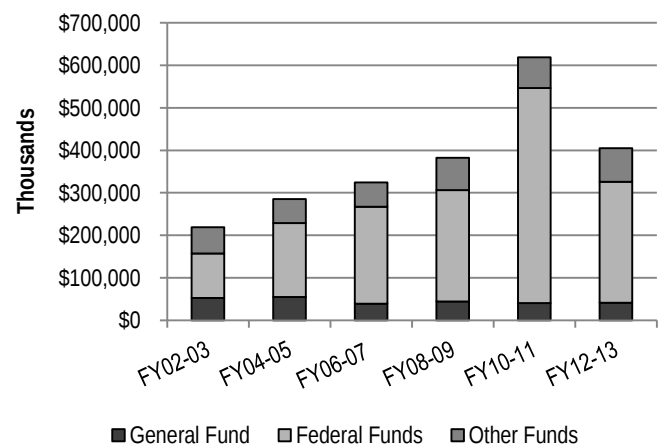
Spending by Program

FY 13 Actual
(in thousands)



Source: SWIFT

Historical Spending



Source: Consolidated Fund Statement

The Commerce Department's budget is comprised of General Fund appropriations, federal funding sources and Special Revenue funds. The largest component of the Commerce Department's budget is federal funding received for administering the Low-Income

Heating Energy Assistance and Weatherization Programs. Financial Institutions, Insurance, Telecommunications and Energy Resources assess and recover costs from regulated entities for the General Fund. The Petrofund and Weights & Measures are funded exclusively from Special Fund accounts. General Fund appropriations for the Commerce Department have remained relatively consistent over the last decade; the agency's spending levels reflect the impact of federal stimulus funding that passed through the Commerce Department during the economic downturn.

STRATEGIES

The Commerce Department employs numerous strategies to achieve success throughout its various divisions and business units. Strategies include:

Financial Institutions

- Licensing, examining and regulating state-chartered banks and credit unions to ensure that they remain safe and financially solvent, as well as non-depository institutions

Insurance

- Regulating insurance companies operating in Minnesota to ensure they remain safe and financially solvent
- Reviewing insurance product filings to ensure that insurance products sold to Minnesotans meet state and federal requirements

Administrative Services

- Serving as the primary contact and assistance point for Minnesota consumers within the agency
- Licensing individuals and entities to do business in Minnesota
- Providing unclaimed property services to Minnesotans
- Integrating information management services and technical support for the agency
- Managing day-to-day operations, financial and human resources operations for the agency

Enforcement

- Enforcing compliance and responsible business conduct across the agency's entire regulatory portfolio
- Registering securities sold in Minnesota as well as individuals and entities who provide investment services to Minnesotans
- Investigating civil and criminal insurance fraud

Energy Resources

- Advocating on behalf of consumers and ratepayers in electric and gas utility rate proceedings
- Promoting energy-efficient building, conservation, alternative transportation fuels and modern energy technologies
- Overseeing conservation improvement programs operated by public, municipal and cooperative utilities
- Administering low-income heating and weatherization assistance programs

Telecommunications

- Advocating on behalf of consumers and ratepayers in proceedings relating to telecommunications and utilities
- Promoting competition among telecommunications companies in Minnesota

Weights & Measures

- Ensuring accuracy in all commercial transactions based on weight or measure and consistent quality of petroleum products in Minnesota
- Providing precision mass, temperature, density and volume measurement services to businesses

Petrofund

- Reimburses petroleum storage tank owners and operators for the cost of investigating and cleaning up petroleum tank releases
- Contracting to remove abandoned underground petroleum storage tanks across Minnesota

The primary legal authority for the Commerce Department is located in Minn. Stat. §45; the agency's authority, however, extends to numerous additional chapters including: 46, 47, 48, 48A, 49, 50, 51A, 52, 53, 53A, 53B, 53C, 54, 55, 56, 58, 58A, 59A, 59B, 59C, 60A, 60B, 60C, 60D, 60E, 60F, 60G, 60H, 60J, 60K, 60L, 61A, 61B, 62A, 62B, 62C, 62D, 62E, 62F, 62H, 62I, 62J, 62L, 62M, 62Q, 62R, 62S, 62U, 64B, 65A, 65B, 66A, 67A, 69, 70A, 71A, 72A, 72B, 72C, 79, 79A, 80A, 80B, 80C, 81A, 82, 82B, 82C, 83, 115C, 116J, 123B, 169, 174, 176, 214, 216A, 216B, 216C, 216E, 216F, 222, 237, 239, 272, 299F, 301, 318, 325D, 325E, 325F, 325N, 332, 332A, 332B, 334, 345, 359, 386, 462A, 465, 471, 475, 507, 510, 514, 550 and 609B.

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	19,059	22,080	43,589	26,074	23,825	23,816	24,738	24,009
2000 - Restricted Misc Special Rev	27,077	33,719	28,952	47,414	44,323	43,590	48,715	48,282
2001 - Other Misc Special Rev	69	303	235	400	400	400	400	400
2350 - Petroleum Tank Release Cleanup	8,967	7,810	4,769	9,453	10,398	10,398	10,498	10,498
2830 - Workers Compensation	513	642	659	755	751	751	763	775
3000 - Federal	147,602	136,919	127,877	138,647	149,514	160,800	149,514	160,800
6000 - Miscellaneous Agency	82	157	77	345	345	100	345	100
Total	203,369	201,631	206,158	223,088	229,557	239,855	234,974	244,864
Biennial Change				24,247		40,165		50,591
Biennial % Change				6		9		12
Governor's Change from Base								10,426
Governor's % Change from Base								2

Expenditures by Program

Program: Financial Institutions	5,831	6,744	4,401	5,318	4,860	4,860	4,860	4,860
Program: Petroleum Tank Cleanup Fund	8,967	7,810	4,769	9,453	10,398	10,398	10,498	10,498
Program: Administrative Services - Commerce	4,959	5,654	8,270	8,623	8,485	7,977	9,092	8,864
Program: Enforcement	11,236	15,631	9,851	12,918	12,147	11,761	14,164	13,981
Program: Telecommunications	4,940	5,322	5,056	6,045	5,446	5,438	5,446	5,438
Program: Energy Resources	158,555	151,918	161,672	167,366	175,582	187,402	177,482	188,402
Program: Weights & Measures	2,817	3,253	3,425	3,480	3,620	3,600	3,620	3,600
Program: Insurance	6,064	5,298	8,714	9,886	9,020	8,420	9,813	9,222
Total	203,369	201,631	206,158	223,088	229,557	239,855	234,974	244,864

Expenditures by Category

Compensation	25,089	27,479	29,344	34,182	30,378	29,679	32,863	32,719
Operating Expenses	29,037	28,060	24,440	34,543	34,409	31,829	37,291	33,748
Other Financial Transactions	1,497	1,416	1,099	890	973	1,026	1,023	1,076
Grants, Aids and Subsidies	147,704	144,390	151,174	153,370	163,798	177,322	163,798	177,322
Capital Outlay-Real Property	42	285	101	104				
Total	203,369	201,631	206,158	223,088	229,557	239,855	234,974	244,864
Total Agency Expenditures	203,369	201,631	206,158	223,088	229,557	239,855	234,974	244,864
Internal Billing Expenditures	1,452	1,077	991	980	965	976	965	976
Expenditures Less Internal Billing	201,917	200,553	205,167	222,108	228,592	238,879	234,009	243,888

(Dollars in Thousands)

<i>Full-Time Equivalents</i>	322.6	332.3	338.0	336.9	331.3	322.3	353.7	348.7
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(Dollars in Thousands)

1000 - General

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	500	3,152		2,146				
Direct Appropriation	21,711	21,703	45,913	23,995	23,892	23,883	24,701	23,952
Net Transfers	1,175	2,184	2,418	2,279	2,279	2,279	2,383	2,403
Cancellations	1,220	4,959	2,596	2,345	2,345	2,345	2,345	2,345
Expenditures	19,059	22,080	43,589	26,074	23,825	23,816	24,738	24,009
Balance Forward Out	3,107		2,146					
<i>Biennial Change in Expenditures</i>				28,524		(22,022)		(20,916)
<i>Biennial % Change in Expenditures</i>				69		(32)		(30)
<i>Gov's Exp Change from Base</i>								1,106
<i>Gov's Exp % Change from Base</i>								2
FTEs	198.6	209.8	210.7	210.3	203.2	202.2	198.7	199.7

2000 - Restricted Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	33,051	31,556	29,539	42,408	37,948	34,486	37,948	34,486
Receipts	28,452	29,129	42,516	44,082	41,927	41,828	46,319	46,520
Internal Billing Receipts	1,625	1,693	992	980	980	980	980	980
Net Transfers	(3,982)	(1,906)	(695)	(1,125)	(1,065)	(1,065)	(1,065)	(1,065)
Expenditures	27,077	33,719	28,952	47,414	44,323	43,590	48,715	48,282
Balance Forward Out	30,445	25,060	42,408	37,948	34,486	31,658	34,486	31,658
<i>Biennial Change in Expenditures</i>				15,570		11,547		20,631
<i>Biennial % Change in Expenditures</i>				26		15		27
<i>Gov's Exp Change from Base</i>								9,084
<i>Gov's Exp % Change from Base</i>								10
FTEs	78.4	78.9	82.0	82.8	87.4	82.4	114.4	111.4

2001 - Other Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In			100	100	100	100	100	100
Receipts	69	303	235	400	400	400	400	400
Net Transfers	0	100						
Expenditures	69	303	235	400	400	400	400	400
Balance Forward Out		100	100	100	100	100	100	100
<i>Biennial Change in Expenditures</i>				263		165		165

(Dollars in Thousands)

2001 - Other Misc Special Rev

Biennial % Change in Expenditures				71		26		26
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7

2350 - Petroleum Tank Release Cleanup

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		390		323				
Direct Appropriation	1,052	1,052	1,052	1,052	1,052	1,052	1,052	1,052
Open Appropriation	14,859	12,453	9,522	14,078	15,346	15,346	16,046	16,046
Net Transfers	(6,555)	(5,365)	(5,481)	(5,141)	(6,000)	(6,000)	(6,600)	(6,600)
Cancellations		720						
Expenditures	8,967	7,810	4,769	9,453	10,398	10,398	10,498	10,498
Balance Forward Out	389		323					
Biennial Change in Expenditures				(2,555)		6,574		6,774
Biennial % Change in Expenditures				(15)		46		48
Gov's Exp Change from Base								200
Gov's Exp % Change from Base								1
FTEs	6.4	7.0	6.9	6.9	7.3	7.3	7.3	7.3

2403 - Gift

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	89	90	90	90	90	90	90	90
Receipts	0	0	0					
Balance Forward Out	90	90	90	90	90	90	90	90

2830 - Workers Compensation

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		238		92	88	88	88	88
Direct Appropriation	751	751	751	751	751	751	763	775
Cancellations		346						
Expenditures	513	642	659	755	751	751	763	775
Balance Forward Out	238		92	88	88	88	88	88
Biennial Change in Expenditures				258		88		124

(Dollars in Thousands)

2830 - Workers Compensation

Biennial % Change in Expenditures			22		6	9
Gov's Exp Change from Base						36
Gov's Exp % Change from Base						2
FTEs	3.2	4.5	4.8	4.6	4.2	4.2

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	184	6	3	11				
Receipts	147,415	136,914	127,885	138,636	149,515	160,800	149,515	160,800
Expenditures	147,602	136,919	127,877	138,647	149,514	160,800	149,514	160,800
Balance Forward Out			11					
Biennial Change in Expenditures				(17,997)		43,790		43,790
Biennial % Change in Expenditures				(6)		16		16
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	35.3	31.4	32.8	31.7	28.5	25.5	28.5	25.5

3002 - Oil Overcharge

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	232	232	232	232	232	232	232	232
Balance Forward Out	232	232	232	232	232	232	232	232

6000 - Miscellaneous Agency

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	72	47	35	14				
Receipts	57	144	56	331	345	100	345	100
Expenditures	82	157	77	345	345	100	345	100
Balance Forward Out	47	35	14					
Biennial Change in Expenditures				184		23		23
Biennial % Change in Expenditures				77		5		5
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Department of Commerce

FY16-17 Biennial Budget Change Item

Change Item: Vulnerable and Older Adult Financial Abuse Protection Act

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Special Revenue Fund				
Expenditures	\$250	\$450	\$650	\$800
Revenues	\$250	\$450	\$650	\$800
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	2	4	5	5

Recommendation:

The Governor recommends the Vulnerable and Older Adult Financial Abuse Protection Act. This proposal aims to help combat financial abuse aimed at the senior and vulnerable adult populations. It is intended to provide Commerce Department-regulated entities the tools to help identify, report and take action against suspected cases of financial abuse.

The recommendation directs funds received from a \$1 fee paid by each insurer admitted to transact business in Minnesota for each individual life insurance policy and each individual annuity product it issues to a resident of Minnesota to a newly-established Senior Trust Fund to provide for five FTE to conduct financial literacy education and training for seniors and take effective regulatory action against bad actors.

Rationale/Background:

Older adults are routinely targeted victims of financial abuse. A recent survey shows that one out of every five citizens over the age of 65 has been victimized by a financial swindle, and con artists scam senior citizens out of \$2.5 billion every year. Due to isolation, cognitive decline, physical limitations, health problems and/or recent loss of a loved one or friends, older adults are extremely vulnerable. With significant assets, equity in their homes and steady incomes from retirement funds, older adults are prime targets for scam artists, including scammers operating on the internet, engaged in telemarketing or home repair.

Financial institutions can help stop financial abuse of older adults when they identify incidents and report them to the appropriate authorities. Prompt reporting of suspected financial exploitation can trigger appropriate intervention, alert law enforcement, prevent financial losses, and result in other remedial activity.

The proposal pursues civil and criminal enforcement activities to protect Minnesotans and ensure strong and stable families and communities. This will also help the Department respond to the needs of consumers to ensure delivery of efficient and accountable government services.

Proposal:

- Creates a new "Senior Trust Fund". The fund shall be used to provide for five FTE; one FTE for the Enforcement division to carry out the new investigative authority provided in the legislation, one FTE to serve as a Senior Ombudsman, and three FTE to provide outreach, education and training.
 - The Senior Trust Fund also provides for the administrative costs associated with the outreach, education and training initiatives.
 - This will make it possible for the Department to pursue enforcement activities that protect Minnesotans and ensure strong and stable families and communities. The additional staff, outreach, education, and training measures will also help the Department respond to the needs of consumers to ensure delivery of efficient and accountable government services.
- Requires each insurer admitted to transact business in Minnesota to pay a \$1 fee for each individual life insurance policy and each individual annuity product that it issues to a resident of Minnesota. This fee shall be directed into the Senior Trust Fund.
 - In Minnesota, around 220,000 new individual life insurance policies are sold each year.
 - The fee would apply to all new and renewal (on those sold after the effective date) policies. It also assumes the fee would apply to all individual life policies, including small face amount (pre-need and final expense) policies.

- o The number of new life insurance policyholders and individual annuity product holders expected in year 1 of enactment is 250,000. \$450,000 is expected to be generated in year 2 due to new life insurance policies purchased plus renewals from year 1. Year 3 is expected to generate \$650,000 and year 4 should generate \$800,000.
- Requires Commerce Department-regulated entities and their employees to report suspected financial exploitation of a vulnerable or older adult. Regulated entities that fail to report will face a penalty of as much as \$5000 to be deposited into the Senior Trust Fund.
- Amends MINN. STAT. §325F.71 to create an additional penalty of \$10,000 on crimes of consumer fraud committed against “vulnerable” or “older adults”. This penalty is in addition to any existing civil penalty determined and shall be deposited into the Senior Trust Fund.
- Requires regulated entities to provide training to employees on recognizing the signs of financial exploitation of vulnerable and older adults. The training will be based on curriculum standards developed by the Commerce Department.
- A vulnerable or older adult who has been injured by financial exploitation or fraud may bring a civil action against the bad actor for three times the amount of actual damages sustained or \$1,500, whichever is greater, and costs and disbursements including, at a minimum, reasonable attorney fees.
- Amends criminal penalties under MINN. STAT. §609.2335 for crimes of financial exploitation of vulnerable or older adults.
- Gives Commerce Department-regulated entities and their employees the right to refuse transactions requiring disbursement of funds if the entity believes that financial exploitation of a vulnerable or older is being attempted.
- Allows the Commerce Department to enter into agreements with federally-recognized tribes to investigate reports of financial exploitation of vulnerable or older adults on property over which a federally recognized tribe has exclusive jurisdiction.
- Provides immunity from liability for a person participating in good faith in making a report, testifying about alleged financial abuse/exploitation, or withholding funds under this legislation.
- Creates an additional penalty - If an initial report or investigation by the Commerce Department indicates that the alleged financial exploitation/abuse may be criminal and the accused individual holds any professional license, certification or registration through the State of Minnesota, that license, certification or registration shall be suspended until a formal outcome is decided. If found guilty, the license, certification or registration shall be forfeited.

The Commerce Department will collaborate with law enforcement, County attorneys, the U.S. Attorney and federally recognized tribes to take civil and/or criminal actions against individuals or entities violating these provisions. The Department will also coordinate with outside organizations such as AARP and the Better Business Bureau to provide public education and outreach to facilitate financial literacy and capability among vulnerable and older adults.

Effective Date	Policy Provision
July 1, 2015	Fee paid by each insurer admitted to transact business in Minnesota for each individual life insurance policy and each individual annuity product it issues to a resident of Minnesota for policies sold on or after this date Funding of two FTE in the Communications division to provide outreach, education and training
August 1, 2015	New prohibited practices and newly created penalties, except mandated reporting
July 1, 2016	Funding of one FTE in the Enforcement division to carry out the new investigative authority Funding of one FTE to serve as Senior Ombudsman
August 1, 2016	New reporting requirement effective
July 1, 2017	Funding for one additional FTE in Communications to develop and manage a training curriculum for regulated entities to provide to their employees
August 1, 2017	Regulated entities must begin providing training to employees based on the Department's curriculum

Results:

The Commerce Department currently keeps qualitative data on the amount of investigations our Enforcement Division conducts. We will continue to collect this data and expect to see an increase in cases due to increased enforcement efforts with additional personnel.

The Department will keep monitoring this result to help determine the quality of our outreach and education efforts. Our outreach efforts will increase from the 90 events the Department participated in the last two years. With this we hope to reach even more Minnesotans with the long-term goal of seeing a decrease in cases due to these proactive measures.

Statutory Change(s):

Minn. Stat. §45, Minn. Stat. §325F.71, Minn. Stat. §609.2335

Department of Commerce

FY16-17 Biennial Budget Change Item

Change Item: Health Insurance Rate Review Staffing

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	\$642	\$642	\$642	\$642
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	\$642	\$642	\$642	\$642
FTEs	6.0	6.0	6.0	6.0

Recommendation:

The Governor recommends ongoing funding for Insurance Division staff that performs health insurance rate review. This work and staff are currently supported by federal sources that expire at the end of FFY15.

Rationale/Background:

The Commerce Department is the health insurance regulator in Minnesota. The Commerce Department reviews and approves all health insurance product filings made by insurers in the state (including filings made by Health Maintenance Organizations (HMOs) under an interagency agreement with the Department of Health). Minnesota has been designated by the federal government as having an effective rate review program. This means that all proposed rate changes are scrutinized by actuarial staff to ensure that proposed rates are justified, adequate and meet the requirements of Minnesota law. This analysis helps to moderate premium increases, resulting in lower costs for individuals, families and businesses that purchase insurance.

Rate and filing review is performed by a six-member team that includes expert actuarial, policy and form review staff. This is a statutorily-required and business critical function at the Commerce Department that provides essential consumer protections for Minnesotans. Currently, these positions are funded by a federal rate review grant that expires at the end of FFY15. Commerce's base budget shows the expiration of the grant and the elimination of these positions.

Prior to the implementation of the Affordable Care Act (ACA), insurers made rate filings throughout the year. With the move to a single open enrollment period, insurers make all their filings together and on the same schedule, concentrating the workload for department staff. In addition, ACA and state law changes now require the department to examine filings with increased scrutiny and to review for new information. For example, Commerce Department staff now review insurers' proposed drug formularies for conformity with state and federal law, a function not required prior to the ACA.

This proposal supports the department's work to ensure that all Minnesotans have optimal health and a thriving economy that encourages business growth and employment opportunities.

Proposal:

The Governor recommends ongoing funding for the Commerce Department's existing health insurance rate review team. This change item will ensure that the Commerce Department can continue to perform essential functions as the insurance regulator in Minnesota. Absent state funding, the Commerce Department's ability to provide consumer protections and ensure that insurance products sold in Minnesota meet the requirements of state law will be critically compromised.

This proposal is effective July 1, 2015.

IT Related Proposals:

This change item does not have an IT component.

Results:

The Commerce Department measures the success of the rate review process through the successful completion of filing reviews within the statutorily-required timeline. In addition, the Commerce Department measures success relative to other states through the federal

government's continued designation of the state having an effective rate review process. Finally, the Commerce Department measures success based on the ability of Minnesotans to access high quality health insurance at an affordable cost. To that end, the state has the lowest health insurance rates in the country for two years in a row and a historic number of insured Minnesotans in 2014.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	Minnesota's ranking for lowest cost health insurance amongst the states	1	1	2013 & 2014
Results	Insured Rate in Minnesota	91.8%	95.1%	2013 & 2014

Statutory Change(s):

This proposal does not require a statutory change.

Department of Commerce

FY16-17 Biennial Budget Change Item

Change Item: Health Care Enforcement Funding

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	\$279	\$279	\$279	\$279
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	\$279	\$279	\$279	\$279
FTEs	2.5	2.5	2.5	2.5

Recommendation:

The Governor recommends ongoing funding for enforcement staff engaged on consumer cases related to health insurance complaints currently supported by expiring MNsure funding sources.

Rationale/Background:

The Department of Commerce is the insurance regulator in Minnesota. The Commerce Department receives and investigates consumer complaints regarding health insurance claims and coverage. Following the implementation of the Affordable Care Act (ACA), the department has seen a significant caseload in health insurance-related complaints from consumers. This includes complaints regarding insurance claims, coverage effective dates and program eligibility determinations.

Currently, 2.5 FTE at Commerce are assigned to health insurance-related cases. These cases are complex and frequently require significant time to resolve working with both the consumer and insurance companies. These positions are currently funded by MNsure funds set to expire at the end of FY15. The Commerce Department base budget shows the expiration of these positions.

This proposal supports the department's work to ensure that all Minnesotans have optimal health and ensuring a thriving economy that encourages business growth and employment opportunities.

Proposal:

The Governor recommends a continuation of ongoing work performed by the Commerce Department as the health insurance regulator in Minnesota. Elimination of these positions will severely curtail the Commerce Department's ability to represent the public interest, effectively regulate the insurance marketplace and successfully resolve consumer complaints.

This proposal is effective July 1, 2015.

IT Related Proposals:

This change item does not have an IT component.

Results:

The Commerce Department tracks performance through the successful resolution of complaints for the consumer.

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	Health insurance-related consumer complaints	Not tracked	105	September 2013 - Present
Results	Number of health insurance-related complaints remaining open	Not Tracked	5	September 2013-present

Statutory Change(s):

This change item does not require a statutory change.

Department of Commerce

FY16-17 Biennial Budget Change Item

Change Item: Self-Funding for the Guaranteed Energy Savings Program

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Special Revenue Fund				
Expenditures	\$500	\$600	\$600	\$600
Revenues	\$500	\$600	\$600	\$600
Net Fiscal Impact = (Expenditures – Revenues)	\$0	\$0	\$0	\$0
FTEs	2	2	2	2

Recommendation:

The Governor recommends supporting the operations of the Guaranteed Energy Savings Program (GESP) by providing the Commissioner of Commerce with the authority to fix a fee on GESP projects. The Guaranteed Energy Savings Program provides technical and financial assistance to state agencies, local government units, school districts, and institutions of higher learning.

Rationale/Background:

Governor Dayton signed [Executive Order 11-12](#) in April 2011 titled, "Providing for Job Creation through Energy Efficiency and Renewable Energy Programs for Minnesota's Public Buildings." EO 11-12 established the Office of Guaranteed Energy Savings Program, within the Department of Commerce, Division of Energy Resources. The Office provides technical, contractual and financial assistance to state agencies, local government units, school districts, and institutions of higher learning that elect to implement energy efficiency and renewable energy improvements through guaranteed energy savings contracts.

The intent of this program is to maximize job creation and operational cost savings through investment in public facilities with the goal of reducing aggregate energy consumption by 20 percent throughout all state agencies.

Executive Order 11-12 (EO 11-12) required the Commissioner of Commerce to develop a proposal to provide on-going funding for GESP services to state agencies, local governments, and school districts. The Division of Energy Resources has so far supported GESP financially through expiring federal grants, but is not capable of sustaining that support long term. In addition, EO 11-12 required the Department to provide a means for ongoing funding for the program.

The Office will:

- Promote awareness and implementation of energy efficient and renewable energy measures in public facilities by state and local governments, school districts, and institutions of higher learning that result in millions of dollars in annual energy savings while creating jobs, reducing energy consumption, improving facility infrastructure and reducing carbon emissions.
- Administer Master Contract for Energy Savings Performance Contracting Services for use by public entities.
- Pre-qualify Energy Service Companies (ESCO) for participation in GESP.
- Provide technical, contractual and financial assistance to public entities seeking to leverage the State's GESP Master Contract to implement energy efficiency and renewable energy projects.
- Assist public entities with:
 - o Evaluating their facilities for potential energy efficiency and renewable energy investment opportunities.
 - o Analyzing the available financing options.
 - o Soliciting and awarding site-specific Request for Proposals from pre-qualified ESCOs to perform energy savings performance contracting services.
 - o Evaluating the technical and financial feasibility of ESCO proposals.
 - o Project management oversight of ESPC project's construction process.
 - o Providing technical assistance to ensure the ESPC Measurement and Verification (M&V) Plan is properly performed throughout the performance period of the contract.

This proposal supports the Department's work advocating on behalf of the public interest in energy-related matters to ensure a clean, healthy environment with sustainable uses of natural resources.

Proposal:

The Governor recommends supporting the operations of the Guaranteed Energy Savings Program by allowing the Commissioner of Commerce the authority to fix a fee on the GESP projects that staff assists through the process. This work is currently being done through a Federal grant which is due to expire.

This proposal is effective July 1, 2015.

IT Related Proposals:

There is not an information technology component to this change item.

Results:

- **Quantity:** How much did we do?
 - o Move 28 projects currently in various stages of development forward
 - o Build off of \$2,445,750 savings from completed GESP projects
- **Quality:** How well did we do it?
 - o Assist public entities with evaluating facilities for potential energy efficiency and renewable energy investment opportunities and analyzing available financing options
 - o Provide technical assistance to ensure the ESPC Measurement and Verification (M&V) Plan is properly performed throughout the performance period of the contract
- **Result:** Is anyone better off?
 - o Maximize job creation and operational cost savings through investment in public facilities with the goal of reducing aggregate energy consumption by 20 percent throughout all state agencies
 - o Promote awareness and implementation of energy efficient and renewable energy measures in public facilities by state and local governments, school districts, and institutions of higher learning resulting in millions of dollars in annual energy savings while creating jobs, reducing energy consumption, improving facility infrastructure and reducing carbon emissions
- **How will you collect the performance data, and how will you communicate it?**
 - o State agencies enter performance data in the B3 Energy Benchmarking website
 - o Local units of government, school districts and higher education intuitions can collect and track energy usage data to track the decline in energy usage and the corresponding financial savings

Statutory Change(s):

This proposal will require a statutory change in Minn. Stat. §16C.

Department of Commerce

FY16-17 Biennial Budget Change Item

Change Item: Operating Adjustment

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	\$378	\$763	\$763	\$763
Revenues	0	0	0	0
Workers' Compensation Fund				
Expenditures	\$12	\$24	\$24	\$24
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	11	23	23	23
FTEs	3	6	6	6

Recommendation:

The Governor recommends additional funding for compensation related costs associated with the delivery of agency services. This amount represents an annual increase of 1.8% for General Fund and Workers' Compensation Fund compensation costs.

Rationale/Background:

Each year, compensation costs rise due to labor contract settlements, and changes in employer-paid contributions for insurance, FICA, Medicare, retirement, and other factors. Absorbing this increase in compensation costs within existing agency base appropriations results in reduced staffing and/or reduced non-compensation spending.

Proposal:

The Governor recommends increasing agencies' general fund budgets for employee wage and benefit costs by 1.8% per year for FY 2016-17. Agencies were instructed to include a 1.8% increase to total compensation each year in their base budgets, based upon the compound annual compensation spending rate increase per FTE over the last ten years for executive branch employees. This recommendation is intended to allow agencies to maintain their current level of agency operations.

For non-General Fund direct appropriated funds, the Governor's budget recommendations also include an adjustment of 1.8% per year, where the amount can be supported by the source of revenue.

Results:

This proposal is intended to allow agencies to continue to provide current levels of service and information to the public.

Statutory Change(s):

N.A.

Department of Commerce

FY16-17 Biennial Budget Change Item

Change Item: State's Defense of the Next Generation Energy Act

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	\$1,000	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	\$1,000	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$1 million in FY 2016 for costs associated with the State's defense of Minnesota's Next Generation Energy Act against a lawsuit filed by the State of North Dakota (Minn. Stat. §216H).

Rationale/Background:

The Department of Commerce and the Public Utilities Commission are named defendants in a lawsuit brought by the State of North Dakota related to certain provisions of Minnesota's Next Generation Energy Act (Minn. Stat. §216H). This proposal supports the Department's work advocating on behalf of the public interest in energy-related matters to ensure a clean, healthy environment with sustainable uses of natural resources.

Proposal:

The funding will be used for the State's defense of Minnesota's Next Generation Energy Act (NGEA). It is important that Minnesota defend the NGEA to protect the state's ability to regulate greenhouse gases attributable to our own energy use. A negative decision would undermine the state law and ability to achieve our greenhouse gas reduction goals, and may set a precedent in other similar cases around the country.

These are unbudgeted costs for the state; the Commerce Department is heading the State's defense of the NGEA. The Department will partner with the Public Utilities Commission and the Attorney General's Office.

IT Related Proposals:

There is not an information technology component to this change item.

Results:

Success for this change item will be evaluated based on the success of the state's defense of the NGEA.

Statutory Change(s):

This proposal does not require a statutory change.

Department of Commerce

FY16-17 Biennial Budget Change Item

Change Item: Renew Energy Planning and Systems Assessment

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Special Revenue Fund				
Expenditures	\$400	\$400	\$400	\$400
Revenues	\$400	\$400	\$400	\$400
Net Fiscal Impact = (Expenditures – Revenues)	\$0	\$0	\$0	\$0
FTEs	1.95	1.95	1.95	1.95

Recommendation:

The Governor recommends removing the sunset for the Energy Planning and Systems assessment. This is a self-funding proposal.

Rationale/Background:

The Department assesses electric utilities to represent the interest of Minnesota residents, businesses and governments before bodies and agencies outside the state that make, interpret or implement regional, national and international energy policy and that regulate and implement regional or national energy planning or infrastructure development. This assessment expires June 30, 2015, however, the work is ongoing and expected to grow due to reduced capacity on the electric grid, the need to increase natural gas capacity and other matters related to reliable energy service.

This proposal supports the Department's work advocating on behalf of the public interest in energy-related matters to ensure a clean, healthy environment with sustainable uses of natural resources.

Proposal:

The Governor recommends the continuation of the work at the same level currently in place: \$400,000 in annual funding for 1.95 FTE for ongoing regional and federal work on electricity and natural gas issues with:

- the Midcontinent Independent System Operator (MISO),
- the Midwest Reliability Organization (MRO, a transmission reliability organization),
- Federal Energy Regulatory Commission (FERC),
- the Midwest Renewable Energy Tracking System, and
- other regional and federal agencies as required (e.g. the Environmental Protection Agency)

This work includes:

- advocating on behalf of Minnesota interests (reliability, cost, use of various energy resources) in MISO's stakeholder meetings,
- ensuring adequate generation and other resources to serve Minnesota customers in integrated resource plans,
- using computer modeling for needed analyses in integrated resource plans,
- intervening with FERC on MISO petitions, and
- intervening in ongoing consumer complaints about high rates of return on equity on transmission resources

Without this assessment the Department would be unable to complete the technical analysis needed to ensure the reliability of the state's electric system.

This proposal is effective July 1, 2015.

IT Related Proposals:

There is not an information technology component to this change item.

Results:

This proposal will allow the Department to continue to complete technical analysis and advocate on behalf of Minnesotans to ensure a reliable electric system.

Statutory Change(s):

This proposal requires a statutory change to Minn. Stat. 216B.62, subd. 3b.

Department of Commerce

FY16-17 Biennial Budget Change Item

Change Item: Decoupling Energy Regulation and Planning from the General Fund

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	(\$2,100)	(\$2,100)	(\$2,100)	(\$2,100)
Revenues	(\$2,100)	(\$2,100)	(\$2,100)	(\$2,100)
Special Revenue Fund				
Expenditures	\$2,100	\$2,100	\$2,100	\$2,100
Revenues	\$2,100	\$2,100	\$2,100	\$2,100
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends moving the Energy Regulation and Planning unit (ERP) from the General Fund to a Special Revenue Fund. Regulated entities will be assessed based on the ERP unit's workload and funds will be retained in a Special Revenue Fund.

Rationale/Background:

ERP's workload is increasing substantially to include numerous complex rate cases, certificates of need for transmission lines and crude oil pipelines, new solar standards and rates, resource planning, prudence review of excessive costs of upgrades to an existing nuclear power plant, along with ongoing work.

When unexpected costs arise, the Department must still pay our high quality staff, whose work helps ensure that Minnesotans have reliable, reasonably priced energy with minimal impacts on the environment. In the current budget structure, Commerce cannot exceed its appropriated budget which limits the ability to handle unexpected workload. The assessment approach utilized under a special revenue fund model would encourage utilities to provide better filings, since they would see in a more real-time manner how much time we need to spend to rehabilitate their filings.

This proposal supports the Department's work advocating on behalf of the public interest in energy-related matters to ensure a clean, healthy environment with sustainable uses of natural resources. In FY 2013, the Department advocated for over \$200 million reduction in annual utility rates.

Proposal:

Billing for all 21 analysts in the ERP group would move to an assessment charged on an applicant's up-front fees for dockets filed and for ongoing work. This recommendation is modeled on the funding structure for the Routing and Siting (RS) unit at Commerce. This unit has also experienced significant growth in workload recently, but has been better able to absorb increased costs because it can assess for its full costs.

This recommendation is a change to an existing program. The intended results are better service and increased budget flexibility. This proposal is important for the following reasons:

- to allow ERP to continue to protect the public interest in utility cases; to allow ERP to add staff/hire consultants when workload is excessive;
- to allow ERP to meet statutorily required deadlines for utility cases; to allow ERP to add staff/hire consultants when special expertise is needed;
- to allow ERP to complete special studies if needed, and
- to allow ERP to train staff adequately as required for ongoing CPA certification and to address significant changes in the energy industry at the national, regional and state levels.

The Department's Administrative Services unit will see some change in how the assessment is completed, invoices are issued and the funds received. This is effective July 1, 2015.

IT Related Proposals:

There is not an information technology component to this change item.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	The number of average assignments for ERP staff per year	468	568	2004-2006 and 2007-2013
Quantity	Advocacy for public interest in PUC energy dockets	332	345	2012 and 2014

Statutory Change(s):

This recommendation will require a statutory change to Minn. Stat. §216B.62.

Department of Commerce

FY16-17 Biennial Budget Change Item

Change Item: Commerce Fraud Bureau Assessment Modification

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Special Revenue Fund				
Expenditures	\$1,000	\$1,000	\$1,000	\$1,000
Revenues	\$1,000	\$1,000	\$1,000	\$1,000
Net Fiscal Impact = (Expenditures – Revenues)	\$0	\$0	\$0	\$0
FTEs	0	0	0	0

Recommendation:

The Governor recommends a \$2 million biennial increase in funding for the Commerce Fraud Bureau by increasing the assessment amounts insurance companies currently pay to fund the bureau.

Rationale/Background:

The Commerce Fraud Bureau is comprised of licensed peace officers who undertake criminal investigations related to insurance fraud in Minnesota. Fraud Bureau staff review notices and reports of insurance fraud submitted by insurers, their employees, insurance producers or the public as well as complaints of suspected insurance fraud generated by other law enforcement agencies, and local, state and federal government units. The Commerce Fraud Bureau administers the Auto Theft Prevention program which partners with local law enforcement to reduce the incidence of auto theft across Minnesota. The Commerce Fraud Bureau also works with Insurance Company Special Investigative Units and law enforcement partners to educate consumers on how to avoid insurance fraud.

Originally established in 2004, the Commerce Fraud Bureau is funded through an assessment formula outlined in MINN. STAT. §45.0135 Subd. 7. The formula charges insurers authorized to sell insurance in Minnesota that have Minnesota earned premium the previous calendar year a fixed amount based on their total assets and total written premium for the preceding fiscal year. This assessment formula has not been updated since its original inception.

As the Commerce Fraud Bureau workload has increased, assessment funding has not kept pace. Between 2007 and 2013, the number of cases referred to the agency increased 91%. This year, the Commerce Fraud Bureau is on pace to exceed its 2013 referral total:

Year	2007	2008	2009	2010	2011	2012	2013	2014 (as of 10/1/14)
Case referrals	909	924	1150	1324	1358	1424	1735	1405

This proposal supports the Department's work to ensure a thriving economy that encourages business growth and employment opportunities as well as promoting strong, competitive and fair marketplaces to ensure sustainable options to safely move people, goods, services and information.

Proposal:

The Governor recommends a modification to the existing assessment formula in statute to provide a \$2 million biennial increase in funding for the Commerce Fraud Bureau. No new companies or industries would be added to the assessment.

This change item is a modification to an existing program. The intended results are to provide the Commerce Fraud Bureau with additional resources needed to continue to carry out its mission to investigate insurance fraud crimes in Minnesota. Without additional funding for the Commerce Fraud Bureau, the agency will not be able to carry out its mission to protect consumers and ensure a fair and equitable marketplace through effective regulation and criminal investigation of insurance fraud in the state.

This proposal will be effective July 1, 2015.

IT Related Proposals:

This change item does not have an IT component.

Results:

The Commerce Department measures Commerce Fraud Bureau performance based on successful prosecution of insurance fraud cases investigated by Fraud Bureau staff. The department also measures success by tracking the total workload for the Fraud Bureau, as indicated by the total number of cases referred to the agency. This total workload metric drives performance and the need for additional funding resources.

In addition, the Commerce Department measures the success of the Auto Theft Prevention grant program by tracking the number of reported auto thefts in Minnesota. Grant applicants also establish performance metrics in their applications that the Department uses to evaluate the performance of individual grantees. The department also tracks the number of applicants for auto theft prevention grants as well as the total dollar amount requested by applicants to judge program demand

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Case Referrals to Insurance Fraud Bureau	907	1735	2007 & 2013
Quality	Reported Auto Thefts in Minnesota	8,878	7,873	2010 & 2013

Statutory Change(s):

This proposal will require a statutory change to MINN. STAT. §45.0135 subd. 7 to increase the assessment amounts currently charged to insurance companies.

Department of Commerce

FY16-17 Biennial Budget Change Item

Change Item: Children's Product Rulemaking

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	\$125	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	\$125	0	0	0
FTEs	1	0	0	0

Recommendation:

The Governor recommends \$125,000 in one time funding for rulemaking to implement the ban on formaldehyde in certain children's products (Minn. Stat. §325F.176-325F.178) passed in 2013.

Rationale/Background:

The Minnesota Department of Commerce is responsible for protecting consumers and ensuring a safe and reliable marketplace. This proposal also supports the Department's work ensuring all Minnesotans have optimal health. Commerce has received numerous requests for clarification on what articles and items the 2013 formaldehyde law affects. The Department has no record to point to in terms of past decisions and needs to promulgate rules to provide clarity to the marketplace.

Proposal:

The Governor recommends \$125,000 in one time funding for rulemaking to implement the ban on formaldehyde in certain children's products (Minn. Stat. §325F.176-325F.178) passed in 2013. The funding will be used to hire temporary staff in order to organize and administer the rulemaking process. This proposal is a change to an existing program. Establishing rules will provide guidance for industry to ensure there is no formaldehyde included in certain children's products.

This proposal would go into effect on July 1, 2015. The Department anticipates final rules completed within 12-18 months.

IT Related Proposals:

There is not an information technology component to this change item.

Results:

- **Quality:** How well did we do it?
 - o Organize and administer rulemaking process
 - o Establish rules alleviating the uncertainty in the marketplace

Formaldehyde is not included in certain children's products Statutory Change(s):

This proposal does not require a statutory change.

Department of Commerce

FY16-17 Biennial Budget Change Item

Change Item: International Insurance Specialist

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Special Revenue Fund				
Expenditures	\$142	\$142	\$142	\$142
Revenues	\$142	\$142	\$142	\$142
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	1	1	1	1

Recommendation:

The Governor recommends \$142,000 per year for an International Insurance Issues Specialist. This FTE will represent Minnesota in national and international insurance regulatory bodies and the National Association of Insurance Commissioners (NAIC). This position will perform complex insurance examinations and analysis of financial records, participate in supervisory colleges for foreign domestic insurers and coordinate Minnesota's positions at the NAIC.

Rationale/Background:

This new staff position is critical to the success of Minnesota's participation in the national and international insurance regulatory bodies, which are making long-term decisions that will affect Minnesota for many years in the future. This year, the Department has participated in supervisory colleges for German, Australian and U.S.-domiciled insurers.

This proposal supports the Department's work regulating insurance entities and ensuring a thriving economy that encourages business growth and employment opportunities.

Proposal:

The International Insurance Issues Specialist will perform complex insurance holding company group examinations and analysis of financial and business records, including but not limited to financial statements, insurance holding company filings, United States Securities Exchange Commission filings, and Certified Public Accountant reports.

This FTE will be instrumental in organizing and participating in Supervisory Colleges for foreign domestic insurers. This position will allow for the establishment of Minnesota as a premier regulator in this area in which we may be able to expand if more foreign controlled entities purchase more Minnesota domestic insurers. The International Insurance Issues Specialist will improve the Department's ability to serve the needs of Minnesota's foreign domestic insurers and ensure a strong, competitive and fair marketplace.

This proposal is effective July 1, 2015.

IT Related Proposals:

There is not an information technology component to this change item.

Results:

- **Quality:** How well did we do it?
 - Perform complex insurance examinations and analysis of financial records
 - Participate in supervisory colleges for foreign domestic insurers
- **Result: Is anyone better off?**
 - Establish Minnesota as a regional and national leader in the emerging area of international insurance regulation

Statutory Change(s):

This proposal does not require a statutory change.

Department of Commerce

FY16-17 Biennial Budget Change Item

Change Item: Petrofund Tank Removal Eligibility Expansion

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Petrofund				
Expenditures	\$100	\$100	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	\$100	\$100	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$100,000 per year for the reimbursement of tank removal costs when the tank removal has been ordered by the Minnesota Pollution Control Agency (MPCA) as part of an approved corrective action for cleaning up petroleum contamination.

Rationale/Background:

Minn. Stat. §115C.09, subd. 1(b) currently provides that the costs for the physical removal of a petroleum storage tank are ineligible for reimbursement under any circumstances. This proposal allows for reimbursement of tank removal costs when the tank removal has been ordered by the Minnesota Pollution Control Agency (MPCA) as part of an approved corrective action for cleaning up petroleum contamination. Tank removal costs would still be ineligible for reimbursement in cases where a tank owner removes tanks of their own accord.

This initiative was requested and approved by the Petrofund Board, which oversees and administers the program. The Board feels this statute change is needed to provide more fair treatment to petroleum storage tank owners. It allows them to request partial reimbursement for work they are ordered to perform by the MPCA as part of completing contamination cleanup work. This proposal supports the Department's work advocating on behalf of the public interest in energy-related matters to ensure a clean, health environment.

Proposal:

This change in legislation would not result in the need for any additional staffing or administrative resources. The passage of this proposed legislation would result in the inclusion of tank removal costs in a handful of reimbursement applications each year

The implementation of this legislation would be measured in successful reimbursement of all applications that include reasonable costs for tank removal services that were ordered by the MPCA as necessary for corrective action.

Proposed new expenditures are estimated to be reimbursement of costs for up to five tank removal projects annually at up to \$20,000 per tank removal project. All existing and proposed expenditures would be fully covered by the Petrofund fee. There would be no effect on the General Fund.

Commerce partners for this proposal include the Petrofund Board and the MPCA. This proposal is effective July 1, 2015.

IT Related Proposals:

There is not an information technology component to this change item.

Results:

The implementation of this legislation would be measured in successful reimbursement of all applications that include reasonable costs for tank removal services that were ordered by the MPCA as necessary for corrective action.

<i>Type of Measure</i>	<i>Performance Measures</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Removal of abandoned underground petroleum storage tanks.	42 tanks 28 sites	46 tanks 31 sites	2012 and 2014
Quantity	Recovery of corrective action costs from uncooperative or incapable responsible persons for work performed by the MPCA.	\$28,938.52	\$104,152.34	2012 and 2014

Statutory Change(s):

This will require a statutory change in Minn. Stat. 115C.

Change Item Title: Toxic Free Kids Act Enhancements (Safer Consumer Products)

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	\$543	\$826	0	0
Revenues	0	0	0	0
Misc Special Revenue Fund				
Expenditures	0	0	\$576	\$562
Revenues	0	0	\$908	\$230
Net Fiscal Impact = (Expenditures – Revenues)	\$543	\$826	\$(332)	\$332
FTEs	3.3	4.0	4.0	4.0

Recommendation:

The Governor recommends a new appropriation of \$543,000 in FY 2016 and \$826,000 in FY 2017 from the General Fund to the Environmental Assistance and Cross Media Program. The appropriation is one-time, and will be replaced by authority to spend receipts deposited to a new account in the Miscellaneous Special Revenue Fund in the next biennium.

The new funding is a joint initiative with the Minnesota Pollution Control Agency (MPCA), the Minnesota Department of Health (MDH) and the Minnesota Department of Commerce (Commerce). The initiative will increase available information, enhance consumer awareness, and give product manufacturers incentives to reduce problem chemicals in consumer products. The initiative will also fund assistance and compliance efforts to reduce the certain chemicals in products. This proposal will amend the Minnesota Toxic Free Kids Act (TFKA) to add reporting, fee payment, and other requirements for manufacturers or distributors of children's products that contain Priority Chemicals.

Rationale/Background:

Contaminants of concern are increasingly found in Minnesota's environment. Minnesotans have been found to carry toxic metals, endocrine active chemicals, and others in their bodies. Our exposure to these chemicals could play a role in increasing health problems, including infections, cancer, obesity, reproductive problems, and behavioral and learning disorders. In particular, chemicals with potential developmental, reproductive, or carcinogenic effects are being found in products marketed to children. Consumers are concerned about everyday exposures to potentially harmful chemicals in products. Information about product content to assist the public in avoiding these potentially harmful chemicals is not easily available. Minnesota businesses that develop safer product chemistries and market safer products should be promoted in Minnesota to address the above issues and support Minnesota jobs and our economy.

The TFKA was introduced out of concern for toxic substances in consumer products, particularly those used by children. The law passed in 2009 required MDH to identify Chemicals of High Concern to Children (CHCs) and identify a subset as Priority Chemicals. It also required MDH and MPCA to provide the Legislature with recommendations for how to reduce and phase out the use of Priority Chemicals in children's products and promote the use of safer alternatives.

That 2010 legislative report, *Options to Reduce and Phase-out Priority Chemicals in Children's Products and Promote Green Chemistry*, included five chemicals policy recommendations, including requiring manufacturers that produce or sell children's products in Minnesota that contain one or more PCs be subject to the reporting requirement, and directing state agencies to develop materials to educate Minnesotans about PCs, the concepts of risk and exposure, and ways Minnesotans can limit their exposure to PCs.

Proposal:

This proposal will amend the TFKA to require manufacturers and distributors of children's products that contain PCs to disclose this information us. The reporting requirement would be phased in over six years, starting with the manufacturers and distributors of children's products with the greatest sales revenue in Minnesota. We will make the reported information available to the public. The level of detail required to be reported will increase after the first reporting cycle, to further discourage the use of PCs and enhance the amount of information available to consumers.

The proposal will also require that MDH and Commerce develop and implement an education effort regarding PCs in children's products. Amendments to the TFKA will give MPCA expanded authority to enforce the TFKA, and work with Commerce to coordinate

their approach to compliance, assistance, and enforcement. Lastly, the three agencies will submit a joint report to the Legislature every three years summarizing the agencies' implementation of the TFKA, including recommendations for additional legislative policy addressing toxics in children's products.

To fund the agencies' efforts, and provide further incentive for discontinuing the use of PCs, the proposal would require manufacturers and distributors of children's products that contain PCs to pay a fee of \$1,000 for each product category/PC combination reported to MPCA. The fee would ramp-up in successive reporting cycles. Any revenues collected in excess of those needed for the agencies' reporting, education, and compliance efforts would be made available as grants to accelerate the development of safer chemical alternatives to PCs and their incorporation into children's products as PC replacements.

The overall highlights of this proposal include:

- Increased information and empowerment for consumers interested in avoiding toxic chemicals in children's products.
- Reduced presence of PCs in children's products and reduced chance of exposure and potential health effects.
- Incentives to reduce the amount of PCs to which Minnesotans, our environment, and critical organisms are exposed.
- Places the responsibility and much of the cost of informing consumers and reducing chemical hazards in products with the companies that make and profit from them.
- Provides Minnesotans with information which is not available under any other state or federal statute, demonstrating Minnesota's leadership on product chemical safety issues.

FY2016:

Of the requested appropriation to MPCA of \$543,000, \$104,000 will be transferred to MDH and \$104,000 to Commerce for the cost of 1.0 FTE in each agency to accomplish the responsibilities for planning and communicating with manufacturers and the public on various aspects of the TFKA. MPCA will use the remaining funds for 1.3 FTE to work with the requirements of the TFKA and outreach efforts, and 1.5 FTE in MN.IT Services for the planning and development of the mechanism for manufacturers to report on product chemicals.

FY 2017:

Of the requested appropriation to MPCA of \$826,000, \$104,000 will be transferred to MDH and \$124,000 to Commerce for the cost of 1.0 FTE in each agency to continue the efforts started in the previous year. The additional funds transferred to Commerce are for costs related to educational outreach to multiple audiences, from manufacturers to consumers, on the provisions of the TFKA. MPCA will use the remaining funds for 2.0 FTE to work with the requirements of the TFKA, outreach efforts, compliance and enforcement, and 2.0 FTE in MN.IT Services for the development and implementation of the mechanism for manufacturers to report on product chemicals, and for this information to become available to the public.

IT Related Proposals:

New information technology resources (either new hires or contractors) equivalent to 1.5 FTE in FY 2016 and 2 FTE in FY 2017 would be required in the first two years to develop reporting, fee payment, and data management information technology systems. After that, the equivalent of 0.15 FTE of resources would be required for maintenance.

Results:

- Consumers have the information needed to make informed choices about the products they purchase for themselves and their families.
- Consumer demand drives improvement in products being produced and sold in Minnesota.
- Funding is available to leverage/catalyze the development of safer chemistries and new products, processes or approaches that reduce the use of or Minnesotans' exposure to problem chemicals.
- Businesses understand and comply with existing Minnesota statutes and rules.
- Improved business climate for the development and production of safer products.

Potential measures:

- Trends in the number of children's products reported as containing PCs.
- Consumer survey regarding awareness of PCs and safer alternatives (before and after health education efforts).
- Number of safer alternatives (chemicals or products) developed by Minnesota companies.
- Product tests completed and data published.

- Rates of compliance with existing chemical bans.
- Priority chemicals replacement availability and tech-transfer to Minnesota companies.

The information will be collected via an on-line reporting system, grant reports, and agency data collection efforts. Measures will be reported via on-line program website that is linked among the three agencies, and also via a joint legislative report completed by the three agencies every three years.

Statutory Change(s):

116.9401-116.9406

Fiscal Impact Detail by Agency

Minnesota Pollution Control Agency	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	\$335	\$598	0	0
Transfers Out	\$208	\$228	0	0
Misc Special Revenue				
Expenditures	0	0	\$348	\$334
Transfers out	0	0	\$228	\$228
Revenues	0	0	\$908	\$230
Net Fiscal Impact	\$543	\$826	\$(332)	\$332
FTEs	1.3	2.0	2.0	2.0

Commerce	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	\$104	\$124	0	0
Transfers In	\$104	\$124	0	0
Misc Special Revenue				
Expenditures	0	0	\$124	\$124
Transfers In			\$124	\$124
Net Fiscal Impact	\$0	\$0	\$0	\$0
FTEs	1.0	1.0	1.0	1.0

Minnesota Department of Health	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	\$104	\$104	0	0
Transfers In	\$104	\$104	0	0
Misc Special Revenue				
Expenditures	0	0	\$104	\$104
Transfers In			\$104	\$104
Net Fiscal Impact	\$0	\$0	\$0	\$0
FTEs	1.0	1.0	1.0	1.0

Department of Commerce

FY16-17 Biennial Budget Change Item

Change Item: Securities Unit Funding Structure

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	\$485	\$485	\$485	\$485
Revenues	\$485	\$485	\$485	\$485
Other Funds				
Expenditures				
Revenues				
Net Fiscal Impact = (Expenditures – Revenues)	\$0	\$0	\$0	\$0
FTEs	2	2	2	2

Recommendation:

The Governor recommends a new registration fee of \$50 for Investment Advisor Representatives (IARs) to support ongoing operations. The revenue would be deposited in the general fund as non-dedicated revenue and the expenditures represent a general fund appropriation.

This request represents a 48.5% increase over the \$1,000,000 general fund base appropriation.

Rationale/Background:

The Commerce Department is the securities regulator in Minnesota. The Securities unit safeguards consumers and investors through oversight over securities products, investments, franchises and subdivided land. The unit regulates and registers businesses to ensure compliance, responsible conduct and practices throughout the state and advocates for, and provides assistance to, investors and consumers through complaint resolution, public education and investor outreach.

In 2013, the legislature enacted broad updates to state Securities law as well as required the registration of IARs for the first time (Minnesota became the 49th state to register IARs). Since the registration became effective, the Securities unit has registered over 9,700 IARs in the state. The Securities unit continues to register broker dealers, agents, investment advisors, franchises and timeshares.

This proposal supports the Department's work to ensure a thriving economy that encourages business growth and employment opportunities as well as promoting strong, competitive and fair marketplaces.

Proposal:

The proposal includes a new registration fee of \$50 for IARs, and adds an appropriation to the Department for additional enforcement work.

The Securities unit's regulatory program includes registration, examination and enforcement as well as investor education and outreach. This proposal will allow the unit to expand investor education efforts already contemplated in existing law under MINN. STAT. §80A.78 while providing capacity to meet the demands of the current regulatory workload.

This proposal is effective July 1, 2015. Fee changes will be effective for new or renewed registrations on or after that date.

IT Related Proposals:

This change item does not have an IT component.

Results:

The Commerce Department measures success for the Securities unit by tracking the processing of registration applications and renewals within statutory timelines. The best current indicator of the unit's workload in this area is the registration requirement for IARs which was implemented in 2013. The unit successfully collaborated with federal partners to establish the electronic registration portal, communicated registration requirements to IARs and ultimately registered over 9,700 individual IARs.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Investment Advisor Representative Registrations	N/A	9,700	2013
Quantity	Securities assets under management regulated by the Commerce Department	\$5.3 Billion	\$5.3 Billion	2012 & 2014

Statutory Change(s):

This proposal will not require a statutory change.

Program: Financial Institutions Division

mn.gov/commerce/banking-and-finance

AT A GLANCE

- The Financial Institutions Division regulates financial institutions in Minnesota
- Minnesota has 265 state-chartered banks
- Minnesota has 80 state-chartered credit unions
- Minnesota has 357 licensed non-depository institutions
- The division works with other state-based and federal regulators to ensure the safety and solvency of Minnesota financial institutions

PURPOSE & CONTEXT

The Financial Institutions Division licenses and regulates state-chartered institutions and other entities that provide financial products and services including banks, trust companies, credit unions, certificate investment companies, thrift companies, consumer credit companies, debt management companies, debt settlement companies, mortgage companies, currency exchanges, payday lenders and money transmitters. The Division serves all Minnesota consumers and businesses that rely on regulated business for financial products and services.

The Division performs on-site examinations that focus on various financial factors including loan portfolios and overall asset quality. The Division's mission is to ensure a competitive market for a broad range of financial services, mitigating and resolving institution failures with minimal financial losses to citizens.

SERVICES PROVIDED

The Financial Institutions Division employs the following strategies to achieve success:

- Licensing and conducting on-site examination at all state-chartered banks, trust companies, credit unions and certificate investment companies on a 12- to 18-month cycle
- Licensing and examining consumer credit companies with a focus on consumer compliance issues
- Licensing currency exchanges, payday lenders, money transmitters and debt management service providers
- Participating in the National Mortgage Licensing System (NMLS), which screens and licenses natural persons who engage in mortgage origination. Additionally, Financial Institutions conducts on-site mortgage company examinations
- Conducting examinations jointly and shares findings with the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Bank, and the National Credit Union Administration (NCUA)
- Engaging in outreach activities to promote financial literacy amongst all Minnesotans and collaborates with state-chartered financial institutions to protect seniors and vulnerable adults from fraud

The Financial Institutions Division measures success by:

- Monitoring the financial health of Minnesota's state banks, credit unions, trust companies, mortgage companies, and the nation's only certificate investment company
- Initiating timely corrective actions where appropriate
- Conducting timely examinations of banks, credit unions, finance and mortgage companies
- Acting on various licensing and activities applications for the supervised enterprises in a timely manner and according to statutory requirements
- Maintaining accreditation (peer review quality control) with the Conference of State Bank Supervisors (CSBS);
- Minimizing the impact on Minnesotans in the event of a financial institution failure through timely and adequate intervention procedures
- Assist the Legislature in updating state statute and regulations as needed

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous (2012)</i>	<i>Current (2013)</i>	<i>Dates</i>
Results	Complete financial examinations for state-chartered banks and credit unions within the 12-18 month time frame	100%	100%	2012 and 2013
Quality	Act on company licensing applications and corporate amendment applications on a timely basis	60 days	60 days	2012 and 2013
Quantity	Limit troubled company market disruptions(1)	3	0	2012 and 2013
Quantity	Number of banks on the troubled bank monitoring list(2)	82	58	2012 and 2013
Results	Increase number of licensed programs types utilizing NMLS(3)	1	2	2012 and 2013

Performance Measures Notes:

1. The state experienced 21 bank failures from 2008 through year-to-date 6/30/2014 (14 state chartered). In 2013 the number of financial institution failures declined to 1 (one state-chartered). In 2014, Minnesota has not experienced any closures. Seventeen of the failures were resolved by merger with no financial loss to depositors and minimal inconvenience. A thrift institution failure in 2012 was resolved via payout of insured deposits. No apparent losses were incurred by Minnesota consumers in all cases.
2. As of 8/22/14, the number of banks on the problem bank monitoring list is 44. The year-end watch list for troubled banks in Minnesota was 51 for 2008, 91 for 2009, 111 for 2010 and 104 for 2011. Seventy-one Minnesota banks reported negative net income at year end 2010 and the number dropped to 46 at year end 2011.
3. This performance measure tracks the division's progress towards achievement of a long-term goal to move all non-depository institutions to the same electronic licensing platform.

Statutory Authority: The Department's authority is located in Chapters: 46, 47, 48, 48A, 49, 50, 51A, 52, 53, 53A, 53B, 53C, 54, 55, 56, 58, 332, 332A, 332B, 334.

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	5,831	6,744	4,401	5,318	4,860	4,860	4,860	4,860
Total	5,831	6,744	4,401	5,318	4,860	4,860	4,860	4,860
Biennial Change				(2,856)		1		1
Biennial % Change				(23)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Budget Activity

Budget Activity: Financial Institutions	5,831	6,744	4,401	5,318	4,860	4,860	4,860	4,860
Total	5,831	6,744	4,401	5,318	4,860	4,860	4,860	4,860

Expenditures by Category

Compensation	5,097	5,459	3,658	4,426	3,984	4,008	3,984	4,008
Operating Expenses	709	1,061	720	887	871	847	871	847
Other Financial Transactions	16	208	24	6	5	6	5	6
Capital Outlay-Real Property	8	15						
Total	5,831	6,744	4,401	5,318	4,860	4,860	4,860	4,860
Total Agency Expenditures	5,831	6,744	4,401	5,318	4,860	4,860	4,860	4,860
Expenditures Less Internal Billing	5,831	6,744	4,401	5,318	4,860	4,860	4,860	4,860
Full-Time Equivalents	64.8	66.2	44.3	44.3	47.0	47.0	47.0	47.0

Program: Financial Institutions

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		1,288		459				
Direct Appropriation	7,124	7,124	4,885	4,885	4,885	4,885	4,885	4,885
Net Transfers	(10)	(1,068)	(25)	(25)	(25)	(25)	(25)	(25)
Cancellations		600						
Expenditures	5,831	6,744	4,401	5,318	4,860	4,860	4,860	4,860
Balance Forward Out	1,283		459					
<i>Biennial Change in Expenditures</i>				(2,856)		1		1
<i>Biennial % Change in Expenditures</i>				(23)		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	64.8	66.2	44.3	44.3	47.0	47.0	47.0	47.0

Program: Petroleum Tank Release Cleanup Fund (Petrofund)

<http://mn.gov/commerce/topics/Petrofund/>

AT A GLANCE

- Approximately \$430 million in reimbursements paid out to eligible applicants since 1987.
- Funding provided for corrective actions performed at approximately 13,000 leak sites since 1987.
- Almost 400 abandoned underground petroleum storage tanks removed from approximately 250 properties since 2004.

PURPOSE & CONTEXT

The Petroleum Tank Release Cleanup Fund (Petrofund) contributes toward a cleaner environment and helps to prevent the pollution of Minnesota's soil and water by providing eligible applicants reimbursement for a portion of their costs to investigate and clean up contamination from leaking petroleum storage tanks.

SERVICES PROVIDED

The Petrofund:

- Provides reimbursement to eligible applicants for a portion of their costs to investigate and clean up contamination from leaking petroleum storage tanks in the most cost-effective manner possible;
- Contracts for the removal of abandoned underground petroleum storage tanks;
- Recovers costs from responsible persons for investigation and cleanup work performed by the Minnesota Pollution Control Agency (MPCA) when the responsible persons are unwilling or unable to complete statutorily-required corrective actions;
- Passes through funds to the MPCA for administration of the Petroleum Remediation, Tank Compliance and Assistance, and Emergency Response programs, mainly to pay for state-financed investigation and cleanup projects where no viable responsible person is available; and
- Annually approves the use of funds by the Department of Employment and Economic Development for the administration of the Contamination Cleanup and Investigation Grant Program.

RESULTS

The Petrofund program's goal is to provide timely financial assistance to those who are cleaning up contaminated soil and water from leaking petroleum storage tanks, ultimately helping protect public health and welfare and the environment. The principal measure requires initial applications be reviewed within 60 days of receipt and supplemental applications be reviewed within 120 days of receipt. The Petrofund staff is currently reviewing applications within the 60-day and 120-day deadlines, as noted in the table below.

Another measure of the Petrofund's efforts to protect the health of safety of Minnesotans is the number of abandoned underground petroleum storage tanks that have been removed by the program, thereby eliminating existing and potential sources of contamination that would otherwise go unaddressed. The Petrofund tracks a wide array of tank removal data, including the number of tanks removed, the amount of petroleum product/sludge/contaminated water removed from the tanks, the number of petroleum releases reported to the MPCA, and project cost information. The program removed all eligible tanks identified in the past fiscal year.

To help ensure a level playing field for the state's petroleum storage tank owners, the Petrofund recovers costs from responsible persons for investigation and cleanup work performed by the MPCA when the responsible persons are unwilling or unable to complete statutorily-required corrective actions. The Petrofund's typical recovery amounts to 10 percent of the total corrective action costs, which is the responsible person's share under MINN. STAT. §115C. If necessary, costs are referred to Minnesota Collection Enterprises at the Minnesota Department of Revenue. Petrofund staff reviewed 119 cost recovery cases in the past fiscal year.

Commerce successfully helped the Petrofund pursue and settle claims against oil companies, recovering \$7,525,000.

Type of Measure	Performance Measures	Previous (2012)	Current (2014)	Dates
Quality	Review of reimbursement applications within 60- and 120-day statutory deadlines.	Initial: 24 days Supplemental: 20 days	Initial 17 days Supplemental: 17 days	2012 and 2014
Quantity	Removal of abandoned underground petroleum storage tanks.	42 tanks 28 sites	46 tanks 31 sites	2012 and 2014
Quantity	Recovery of corrective action costs from uncooperative or incapable responsible persons for work performed by the MPCA.	\$28,938.52	\$104,152.34	2012 and 2014

Performance Measure Notes:

1. When a Petrofund applicant incurs costs, they can either submit all costs in one application or request reimbursement in multiple applications. Initial applications must be reviewed within 60 days. All subsequent applications must be reviewed within 120 days.
2. The application review data compares the application queue as of July 2012 (previous) and July 2014 (current). The 'application queue is mainly driven by the number of reimbursement applications received.
3. The abandoned tank removal data compares the number of tanks removed in Fiscal Year 2012 (previous) to the number removed in Fiscal Year 2014 (current). The number of tanks removed is contingent on the number of applications received and the staff resources available to manage the tank removal projects.
4. The cost recovery data compares the amount of money recovered in Fiscal Year 2012 (previous) to the amount recovered in Fiscal Year 2014 (current).

The Petrofund program's legal authority is found in MINN. STAT. §115C.

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
2350 - Petroleum Tank Release Cleanup	8,967	7,810	4,769	9,453	10,398	10,398	10,498	10,498
Total	8,967	7,810	4,769	9,453	10,398	10,398	10,498	10,498
Biennial Change				(2,555)		6,574		6,774
Biennial % Change				(15)		46		48
Governor's Change from Base								200
Governor's % Change from Base								1

Expenditures by Budget Activity

Budget Activity: Petroleum Tank Cleanup Fund	8,967	7,810	4,769	9,453	10,398	10,398	10,498	10,498
Total	8,967	7,810	4,769	9,453	10,398	10,398	10,498	10,498

Expenditures by Category

Compensation	502	564	578	983	660	660	660	660
Operating Expenses	8,465	7,245	4,189	8,463	9,731	9,731	9,831	9,831
Other Financial Transactions		0	3	7	7	7	7	7
Grants, Aids and Subsidies		0						
Capital Outlay-Real Property	0	1						
Total	8,967	7,810	4,769	9,453	10,398	10,398	10,498	10,498
Total Agency Expenditures	8,967	7,810	4,769	9,453	10,398	10,398	10,498	10,498
Internal Billing Expenditures	81	77	69	100	100	100	100	100
Expenditures Less Internal Billing	8,885	7,733	4,700	9,353	10,298	10,298	10,398	10,398
Full-Time Equivalents	6.4	7.0	6.9	6.9	7.3	7.3	7.3	7.3

Program: Petroleum Tank Cleanup
Fund

Program Financing by Fund

(Dollars in Thousands)

2350 - Petroleum Tank Release Cleanup

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		390		323				
Direct Appropriation	1,052	1,052	1,052	1,052	1,052	1,052	1,052	1,052
Open Appropriation	14,859	12,453	9,522	14,078	15,346	15,346	16,046	16,046
Net Transfers	(6,555)	(5,365)	(5,481)	(5,141)	(6,000)	(6,000)	(6,600)	(6,600)
Cancellations		720						
Expenditures	8,967	7,810	4,769	9,453	10,398	10,398	10,498	10,498
Balance Forward Out	389		323					
<i>Biennial Change in Expenditures</i>				(2,555)		6,574		6,774
<i>Biennial % Change in Expenditures</i>				(15)		46		48
<i>Gov's Exp Change from Base</i>								200
<i>Gov's Exp % Change from Base</i>								1
FTEs	6.4	7.0	6.9	6.9	7.3	7.3	7.3	7.3

Program: Administrative Servicesmn.gov/commerce**AT A GLANCE**

- Licensed over 203,000 professionals in 2013, including new bullion coin registrations, providing consumers information regarding individuals and entities who meet the requirements to do business in Minnesota and protections from bad actors
- Consumer Services Center handles nearly 300 calls weekly answering questions and handling complaints related to Commerce's regulated industries
- The Unclaimed Property Unit has incorporated a compliance and audit functions and expanded efforts to reunite consumers with missing money

PURPOSE & CONTEXT

Administrative Services seeks to provide a licensing and complaint resolution process that is citizen-focused and easy to navigate. As part of Administrative Services, the Unclaimed Property Unit strives to ensure holder compliance of Minnesota law on behalf of consumers, while reuniting citizens with their abandon property. Lastly, the division provides consistent support services across all department work units.

Administrative Services has a large customer base inside and outside Commerce. The licensing, consumer protection, unclaimed property, and central management functions interface with a large number of citizens on a daily basis. Many of the Administrative Services functions are focused on programs in other work units within Commerce.

These activities are funded through general fund appropriations and special revenue funds.

- Licensing, Consumer Protection & Education, and Unclaimed Property work together with other areas of the Department for a robust regulatory team that protects citizens while promoting economic growth.
- Many of the functions of Administrative Services are support services for other areas of Commerce. The success of the divisions/units of Commerce is an indicator of the success of the Central Services function of Administrative Services.

SERVICES PROVIDED**Licensing:**

- Coordinates the issuance and renewal of licenses of professionals primarily in insurance, real estate, collection agencies, and bullion coin dealers

Consumer Services Center:

- Responds to consumer complaints to resolve problems with regulated businesses or individuals or to determine whether such businesses or individuals have violated laws
- Engages in outreach activities to promote financial literacy amongst all Minnesotans and collaborates with state-chartered financial institutions to protect seniors and vulnerable adults from fraud

Unclaimed Property:

- Ensures holder compliance of Minnesota's unclaimed property laws on behalf of consumers and serves the owners of abandoned property collected by the state from holders – financial institutions, former employers, retailers, and other businesses
- Conducts outreach to Minnesotans to reconnect state residents with lost property

Central Services:

- This function coordinates support activities to facilitate the operations of the department's main programs. These functions include day-to-day financial management, data processing, budget development and implementation, payroll, human resources, and facilities management

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	Process invoices within 30 days	92.81% (2013)	97.31% (2014)	2013 and 2014
Results	Process time for applications for pre-license and Continuing Education courses	4+ weeks (2012)	3 weeks (2013)	2012 and 2013
Quantity	Licenses administered	186,501 (2012)	203,591 (2013)	Increasing 2012 and 2013
Results	Unclaimed Property claims paid (per biennium)	13,574	33,892	Increasing
Results	Unclaimed Property funds collected (per biennium)	\$118M	\$135M	Increasing

While many of the categories of licensure administered by the division have their own statutory citations, the broad authority to license is granted to the Commerce Department under MINN. STAT. §45. Unclaimed Property authority is found in MINN. STAT. §345.

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	3,770	4,354	6,497	6,728	6,590	6,590	7,197	7,477
2000 - Restricted Misc Special Rev	1,189	1,300	1,773	1,895	1,895	1,387	1,895	1,387
Total	4,959	5,654	8,270	8,623	8,485	7,977	9,092	8,864
Biennial Change				6,280		(432)		1,062
Biennial % Change				59		(3)		6
Governor's Change from Base								1,494
Governor's % Change from Base								9

Expenditures by Budget Activity

Budget Activity: Administrative Services-Commerce	4,959	5,654	8,270	8,623	8,485	7,977	9,092	8,864
Total	4,959	5,654	8,270	8,623	8,485	7,977	9,092	8,864

Expenditures by Category

Compensation	3,565	4,129	6,532	6,818	5,715	5,219	6,301	6,106
Operating Expenses	1,356	1,485	1,697	1,790	2,755	2,743	2,776	2,743
Other Financial Transactions	32	26	41	15	15	15	15	15
Grants, Aids and Subsidies	0							
Capital Outlay-Real Property	7	14	0					
Total	4,959	5,654	8,270	8,623	8,485	7,977	9,092	8,864
Total Agency Expenditures	4,959	5,654	8,270	8,623	8,485	7,977	9,092	8,864
Expenditures Less Internal Billing	4,959	5,654	8,270	8,623	8,485	7,977	9,092	8,864
Full-Time Equivalents	48.3	53.3	79.7	79.8	71.6	65.6	76.6	72.6

Program: Administrative Services -
Commerce

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		480		113				
Direct Appropriation	4,247	4,244	6,615	6,615	6,590	6,590	7,093	7,353
Net Transfers	(5)	(5)	(5)				104	124
Cancellations		365						
Expenditures	3,770	4,354	6,497	6,728	6,590	6,590	7,197	7,477
Balance Forward Out	472		113					
<i>Biennial Change in Expenditures</i>				5,101		(46)		1,448
<i>Biennial % Change in Expenditures</i>				63		0		11
<i>Gov's Exp Change from Base</i>								1,494
<i>Gov's Exp % Change from Base</i>								11
FTEs	34.3	37.3	60.8	60.6	51.0	50.0	56.0	57.0

2000 - Restricted Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	2,198	2,633	3,019	2,237	1,322	407	1,322	407
Receipts	1,625	1,693	992	980	980	980	980	980
Internal Billing Receipts	1,625	1,693	992	980	980	980	980	980
Net Transfers		(7)						
Expenditures	1,189	1,300	1,773	1,895	1,895	1,387	1,895	1,387
Balance Forward Out	2,634	3,019	2,237	1,322	407	0	407	0
<i>Biennial Change in Expenditures</i>				1,178		(386)		(386)
<i>Biennial % Change in Expenditures</i>				47		(11)		(11)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	14.0	16.0	18.9	19.3	20.6	15.6	20.6	15.6

Program: Enforcement Divisionmn.gov/commerce/topics/enforcement**AT A GLANCE**

- The Enforcement Division investigates complaints and engages in proactive investigations to enforce state laws pertaining to industries, products and services regulated by the Commerce Department
- The Enforcement Division staff includes civil investigators and sworn peace officers who conduct criminal investigations
- The Division registers securities agents, broker-dealers, franchises, timeshares, investment advisors and investment advisor representatives to do business in Minnesota
- In calendar year 2013, the Enforcement Division:
 - Took 451 enforcement actions
 - Assessed \$5,965,559 in civil penalties
 - Recovered \$3.5 million through enforcement actions
 - Issued 29 Auto Theft Prevention grants to local law enforcement partners totaling \$3,661,881
 - Received 1,735 reports of suspected insurance fraud (an 88% increase since 2008)

PURPOSE & CONTEXT

The mission of the Commerce Department, Enforcement Division is to protect consumers against unfair, deceptive or fraudulent practices; ensure successful businesses, job creation and economic opportunities; and maintain fair and consistent regulation in the marketplace.

The Enforcement Division is structured into three businesses units: Civil Investigations and Market Conduct, the Commerce Fraud Bureau (which conducts criminal investigations with licensed peace officers), and Securities.

The Enforcement Division engages in consumer protection and assists consumers to resolve issues with regulated entities. Enforcement staff also performs audits and examinations of insurance and securities businesses operating in Minnesota and coordinates with local law enforcement, county prosecutors and the US Attorney's Office to take civil and/or criminal actions against individuals or entities violating Minnesota laws. The Division also provides public education and outreach to facilitate financial literacy and capability amongst all Minnesotans, particularly seniors.

SERVICES PROVIDED**Civil Investigations & Market Conduct**

- Conduct investigations, audits and market conduct examinations to determine whether any law under the department's jurisdiction has been violated, while providing due process during the resolution of any violations
- Safeguard consumer's rights and investments
- Regulate business activity to ensure compliance, responsible business conduct and a fair and consistent regulatory environment for both businesses and consumers

Commerce Fraud Bureau

- Undertake criminal investigations related to insurance fraud and all activities related to it
- Review notices and reports of insurance fraud submitted by authorized insurers, their employees, and agents or producers or notifications or complaints of suspected insurance fraud generated by other law enforcement agencies, state or federal government units or any other person
- In 2013, the Fraud Bureau received 1,735 referrals, an increase from 1,424 in 2012.
- Administers the Auto Theft Prevention Account and grant program which partners with local law enforcement to reduce the incidence of auto theft across Minnesota
- The Auto Theft Prevention grant program has helped to reduce the number of reported auto thefts in Minnesota which declined in 2013 to 7,873 from 8,251 in 2012.

Securities

- Safeguard investors' and consumers' rights with respect to securities products, investments, franchises, and subdivided land

- Regulate and register business activity to ensure compliance, responsible business conduct and practices, and ensuring a fair and consistent regulatory environment
- Advocate for, and provide assistance to, investors and consumers through consumer complaint resolution and public education and outreach
- Work with other state, federal and self-regulatory bodies that share regulatory authority over the securities area

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Investigations Conducted	1,312	1,630	2012 and 2013
Quantity	Market Conduct Examinations	26	26	2012 and 2013
Results	Administrative Actions Taken*	451	424	CY 2012 and FY 2013
Quantity	Investment Advisor Representative Registrations**	0	9,700	2012 and 2013

* Actions for this measure are for Calendar Year 2013 and Fiscal Year 2014.

** Minnesota began registered investment advisor representatives for the first time in 2013. The Enforcement Division also continues to register broker dealers, agents, investment advisors, franchises and timeshares.

MINN. STAT. §45.027 and 60A.03 provide the legal authority for the Enforcement Division's civil investigations and market conduct examinations. MINN. STAT. §45.0135 provides the legal authority for the Commerce Fraud Bureau and 65B.84 provides the legal authority for the Auto Theft Prevention Program. MINN. STAT. §80A provides the legal authority for the Securities unit.

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	5,458	6,721	3,663	5,210	4,606	4,606	5,370	5,370
2000 - Restricted Misc Special Rev	5,542	8,549	5,916	7,161	6,998	6,857	8,248	8,307
2830 - Workers Compensation	154	205	194	202	198	198	201	204
6000 - Miscellaneous Agency	82	157	77	345	345	100	345	100
Total	11,236	15,631	9,851	12,918	12,147	11,761	14,164	13,981
Biennial Change				(4,099)		1,139		5,376
Biennial % Change				(15)		5		24
Governor's Change from Base								4,237
Governor's % Change from Base								18

Expenditures by Budget Activity

Budget Activity: Enforcement	11,236	15,631	9,851	12,918	12,147	11,761	14,164	13,981
Total	11,236	15,631	9,851	12,918	12,147	11,761	14,164	13,981

Expenditures by Category

Compensation	6,281	7,131	4,716	6,243	5,848	5,839	6,546	6,782
Operating Expenses	3,902	4,619	3,034	4,398	3,987	3,610	5,256	4,837
Other Financial Transactions	47	106	33	28	27	27	77	77
Grants, Aids and Subsidies	995	3,723	2,066	2,245	2,285	2,285	2,285	2,285
Capital Outlay-Real Property	11	52	2	4				
Total	11,236	15,631	9,851	12,918	12,147	11,761	14,164	13,981
Total Agency Expenditures	11,236	15,631	9,851	12,918	12,147	11,761	14,164	13,981
Internal Billing Expenditures	234	212	193	128	128	128	128	128
Expenditures Less Internal Billing	11,002	15,419	9,657	12,790	12,019	11,633	14,036	13,853
Full-Time Equivalents	82.4	88.7	54.3	54.3	57.7	57.7	64.2	66.2

Program: Enforcement

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		722		603				
Direct Appropriation	6,164	6,164	4,276	4,622	4,622	4,622	5,386	5,386
Net Transfers	(10)	(21)	(10)	(16)	(16)	(16)	(16)	(16)
Cancellations		144						
Expenditures	5,458	6,721	3,663	5,210	4,606	4,606	5,370	5,370
Balance Forward Out	696		603					
<i>Biennial Change in Expenditures</i>				(3,306)		339		1,867
<i>Biennial % Change in Expenditures</i>				(27)		4		21
<i>Gov's Exp Change from Base</i>								1,528
<i>Gov's Exp % Change from Base</i>								17
FTEs	66.6	72.7	39.0	39.1	42.4	42.4	46.9	46.9

2000 - Restricted Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	5,631	8,509	8,617	9,551	8,382	7,456	8,382	7,456
Receipts	9,123	8,263	8,150	7,294	7,372	7,231	8,622	8,681
Net Transfers	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)
Expenditures	5,542	8,549	5,916	7,161	6,998	6,857	8,248	8,307
Balance Forward Out	7,912	6,923	9,551	8,382	7,456	6,530	7,456	6,530
<i>Biennial Change in Expenditures</i>				(1,014)		778		3,478
<i>Biennial % Change in Expenditures</i>				(7)		6		27
<i>Gov's Exp Change from Base</i>								2,700
<i>Gov's Exp % Change from Base</i>								19
FTEs	15.3	14.5	13.4	13.6	14.2	14.2	16.2	18.2

2830 - Workers Compensation

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		44		4				
Direct Appropriation	198	198	198	198	198	198	201	204
Cancellations		37						
Expenditures	154	205	194	202	198	198	201	204
Balance Forward Out	44		4					
<i>Biennial Change in Expenditures</i>				37		0		9
<i>Biennial % Change in Expenditures</i>				10		0		2

Program: Enforcement

Program Financing by Fund

(Dollars in Thousands)

2830 - Workers Compensation

Gov's Exp Change from Base							9
Gov's Exp % Change from Base							2
FTEs	0.5	1.5	1.9	1.7	1.1	1.1	1.1

6000 - Miscellaneous Agency

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	72	47	35	14				
Receipts	57	144	56	331	345	100	345	100
Expenditures	82	157	77	345	345	100	345	100
Balance Forward Out	47	35	14					
Biennial Change in Expenditures				184		23		23
Biennial % Change in Expenditures				77		5		5
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Telecommunicationsmn.gov/commerce**AT A GLANCE**

- The Telecommunications Unit ensures Minnesota citizens have access to high-quality affordable telecommunications services. The scope of the unit's activities is reflected in the fact that 99.9% of all residents in the state have telecommunications services available, including reliable and vital 911 services. This includes those Minnesotans with hearing, speech and physical disabilities.
- Number of opened cases in 2013: 803
Number of new Telephone Equipment Distribution Program participants in 2013: 935

PURPOSE & CONTEXT

The Telecommunications Unit serves the public as a state regulator of the telecommunications industry. The Unit conducts thorough and detailed review of filings made with the PUC by telecommunications companies in compliance with state statutes, PUC orders and state and federal regulation and makes recommendations for PUC action. It investigates complaints from the public, local governments and telecommunications companies about illegal unfair or anti-competitive practices and takes action to enforce state and federal statutes and regulations. The Unit also administers the

Telecommunications Access Minnesota (TAM) program, which operates the Minnesota Relay, providing free telecommunications service allowing persons with hearing or speech disabilities to place and receive phone calls; and funds the Telephone Equipment Distribution (TED) programs. Most of the functions of the Unit are fully assessed to and paid by the telecommunications providers based on their gross Minnesota jurisdictional revenues. TAM programs are funded by a surcharge on all wired and wireless telephone access lines in Minnesota that are paid into an interest-bearing, dedicated special revenue account.

SERVICES PROVIDED

The Telecommunications Unit implements statewide telecommunications policies and provides a broad range of regulatory and other services:

- Advocate on behalf of the public interest statewide telecommunications policies that promote an orderly development of the telecommunications network in the state
- Enforce Minnesota Statutes and orders and rules of the Minnesota Public Utilities Commission as well as certain orders of the Federal Communications Commission
- Investigate company filings and telecommunications matters for compliance with Minnesota requirements
- Administrative review of licensing requests, service quality, pricing of services, and the competitive practices of incumbent and competitive telecommunications companies that interact with each other in the joint provision of services to citizens

RESULTS

The Telecommunications Unit measures success by the extent to which all Minnesota citizens have access to high-quality affordable telecommunications services, and by the ability of the Unit to carry out its statutory duties to the PUC and the legislature. The impact of the Unit's activities is reflected in the fact that 99.9% of all residents in the state have telecommunications services available, including reliable and vital 911 services. This includes those Minnesotans with hearing, speech and physical disabilities. The Division has implemented and enforced state and federal statutes and rules in a consistent and thorough manner and has done so in a way that is efficient and fair to all parties.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Telecommunications Penetration	99.9%	99.9%	2012 and 2013
Quantity	Number of tariff filings, investigations and contested case hearings on the State and Federal Level *	962	803	2012 and 2013
Quantity	Number of new Telephone Equipment Distribution Program participants	1,055	935	2012 and 2013
Quantity	Number of Minnesota Relay minutes used**	678,918	624,286	2012 and 2013

*Cases vary in length, complexity and the amount of staff time required.

**Minnesota Relay is administered by the Telecommunications Access Minnesota (TAM) program within the Minnesota Department of Commerce, and is funded through a monthly surcharge on each wired and wireless telephone access line in the state.

Telecommunications providers are regulated pursuant to MINN. STAT. §237.

Expenditures By Fund

	Actual		Actual FY14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY13			FY16	FY17	FY16	FY17
1000 - General	864	1,061	882	1,136	1,009	1,009	1,009	1,009
2000 - Restricted Misc Special Rev	4,077	4,261	4,174	4,909	4,437	4,429	4,437	4,429
Total	4,940	5,322	5,056	6,045	5,446	5,438	5,446	5,438
Biennial Change				839		(217)		(217)
Biennial % Change				8		(2)		(2)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Budget Activity

Budget Activity: Telecommunications	4,940	5,322	5,056	6,045	5,446	5,438	5,446	5,438
Total	4,940	5,322	5,056	6,045	5,446	5,438	5,446	5,438

Expenditures by Category

Compensation	802	933	809	1,044	873	871	873	871
Operating Expenses	4,134	4,377	4,243	4,996	4,567	4,561	4,567	4,561
Other Financial Transactions	3	10	4	6	6	6	6	6
Capital Outlay-Real Property	2	1						
Total	4,940	5,322	5,056	6,045	5,446	5,438	5,446	5,438
Total Agency Expenditures	4,940	5,322	5,056	6,045	5,446	5,438	5,446	5,438
Internal Billing Expenditures	12	11	10	14	14	14	14	14
Expenditures Less Internal Billing	4,928	5,311	5,047	6,032	5,432	5,424	5,432	5,424
Full-Time Equivalents	8.6	9.2	7.9	7.8	8.3	8.3	8.3	8.3

Program: Telecommunications

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		148		127				
Direct Appropriation	1,010	1,009	1,009	1,009	1,009	1,009	1,009	1,009
Net Transfers		(4)						
Cancellations		93						
Expenditures	864	1,061	882	1,136	1,009	1,009	1,009	1,009
Balance Forward Out	146		127					
<i>Biennial Change in Expenditures</i>				94		0		0
<i>Biennial % Change in Expenditures</i>				5		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	7.5	8.2	6.9	6.7	7.2	7.2	7.2	7.2

2000 - Restricted Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	3,572	2,482	2,330	1,891	1,980	1,846	1,980	1,846
Receipts	4,872	4,598	4,675	6,238	5,543	5,470	5,543	5,470
Net Transfers	(1,800)	(490)	(940)	(1,240)	(1,240)	(1,240)	(1,240)	(1,240)
Expenditures	4,077	4,261	4,174	4,909	4,437	4,429	4,437	4,429
Balance Forward Out	2,567	2,330	1,891	1,980	1,846	1,647	1,846	1,647
<i>Biennial Change in Expenditures</i>				745		(217)		(217)
<i>Biennial % Change in Expenditures</i>				9		(2)		(2)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1

Program: Division of Energy Resources (DER)mn.gov/commerce**AT A GLANCE**

- Advocated before the Public Utilities Commission (PUC) for over a \$200 million reduction in annual utility rates
- Administered over \$110 million in Low Income Home Energy Assistance (LIHEAP) funds serving over 410,000 individuals.
- Provided energy-related information and outreach to over 500,000 Minnesotans through phone, email, web visits, brochures and the *Energy Home* State Fair exhibit
- Fostered sound routing of 7 high voltage transmission lines (HVTL) and siting of more than 400 megawatts of wind farms, and ensured adherence to permit conditions for construction of more than 500 miles of HVTLs

PURPOSE & CONTEXT

The Division of Energy Resources (DER) provides energy-related services to Minnesotans by advocating on behalf of the public interest in regulated utility matters, administering Minnesota's Low Income Home Energy Assistance Programs (LIHEAP) and Weatherization Assistance Programs (WAP), assisting viable new energy technologies to enter the commercial market, overseeing utilities' Conservation Improvement Programs, providing technical support for Public Utilities Commission siting and permitting of large energy facilities, analyzing the human and environmental impacts of energy development, and distributing information to individual energy users on actions they can take to reduce energy usage.

SERVICES PROVIDED

DER provides the following services to help Minnesota's energy consumers and environment thrive:

- Ensure energy service is reliable and regulated energy services are reasonably priced through continued investigation of utility rate and resource proposals, collaboration with utilities, the Public Utilities Commission, and federal and regional transmission participants while updating means to increase deployment of new energy platforms to assist with energy conservation
- Pursue public-private partnerships with capital markets participants to deploy new clean energy technologies and bring new venture capital opportunities for Minnesota's businesses
- Continue to work with utilities to meet or surpass Conservation Improvement Program (CIP) goals while expanding work to make all public buildings more energy efficient
- Develop additional programs to encourage increased biofuel use, solar installations and support the extension of the wind production tax incentive while ensuring that utilities continue to meet or surpass Renewable Energy Standard (RES) and Solar Energy Standard (SER) targets
- Administer Low Income Home Energy Assistance Programs and the Weatherization Assistance Programs effectively and efficiently
- Monitor fuel supplier end prices to ensure adequate and affordable energy
- Review environmental impacts for large energy facility permits and analyze issues of human and environmental interest pertaining to energy development

RESULTS

DER's work encompasses many facets of energy, but there are performance measures that can be tracked that will reflect the success of the various services provided:

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	Advocacy for public interest in PUC energy filings	332	345	2012 and 2014
Results	Meet or surpass energy savings goals in CIP(Natural Gas/Electric percentages)	Electric Utility Savings: 1.6% Natural Gas Utility Savings: 1.0%	Electric Utility Savings: 1.7% Natural Gas Utility Savings: .9%	2011 and 2012
Results	Meet or surpass Renewable Energy Standard goal of 25% of energy come from renewable sources by 2025**	Xcel Energy: 18% All other electric utilities: 12%	Xcel Energy: 18% All other electric utilities: 12%	2012 and 2013
Results	100% of wind projects in compliance with permit conditions	19%	60%	2012 and 2013
Quantity	Number of households served by low-income heating and weatherization programs	156,157	140,000	federal FY2013 and federal FY2014

* (Energy savings goal is outlined in MINN. STAT. §216B. 241 sub. 1c.)

** (MINN. STAT. §216B.1691 requires Xcel to meet the higher goal; the lower is for all other utilities)

Statutory authority for activities:

- Reasonable energy rates: Minn. Stat. §216B.03
- Reliable energy service: Minn. Stat. §216B.04
- Conservation Improvement Program: Minn. Stat. §216B. 241
- Renewable Energy Standard: Minn. Stat. §216B.1691
- Low Income Weatherization Assistance Program: Minn. Stat. §216C.264
- Minnesota Business First Stop: Minn. Stat. §116J.035, subd. 8
- Large energy facility permitting: Minn. Stat. §216E (Electric Power Facility Permitting), Minn. Stat. §216F (Wind Energy Conversion Systems), Minn. Stat. §216G (Pipelines)

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	3,138	3,200	24,949	4,156	3,399	3,390	2,299	1,290
2000 - Restricted Misc Special Rev	7,840	12,139	9,450	25,862	23,268	23,212	26,268	26,312
3000 - Federal	147,577	136,578	127,272	137,348	148,914	160,800	148,914	160,800
Total	158,555	151,918	161,672	167,366	175,582	187,402	177,482	188,402
Biennial Change				18,565		33,946		36,846
Biennial % Change				6		10		11
Governor's Change from Base								2,900
Governor's % Change from Base								1

Expenditures by Budget Activity

Budget Activity: Energy Resources	158,555	151,918	161,672	167,366	175,582	187,402	177,482	188,402
Total	158,555	151,918	161,672	167,366	175,582	187,402	177,482	188,402

Expenditures by Category

Compensation	6,458	6,544	7,067	7,713	7,128	6,954	7,536	7,362
Operating Expenses	3,989	3,669	4,689	7,875	6,194	4,590	7,686	5,182
Other Financial Transactions	1,390	1,024	808	653	748	821	748	821
Grants, Aids and Subsidies	146,709	140,667	149,109	151,125	161,513	175,037	161,513	175,037
Capital Outlay-Real Property	9	14						
Total	158,555	151,918	161,672	167,366	175,582	187,402	177,482	188,402
Total Agency Expenditures	158,555	151,918	161,672	167,366	175,582	187,402	177,482	188,402
Internal Billing Expenditures	1,054	691	612	607	640	658	640	658
Expenditures Less Internal Billing	157,501	151,227	161,060	166,759	174,942	186,744	176,842	187,744
Full-Time Equivalents	80.3	74.9	78.2	77.1	72.9	70.2	76.9	74.1

Program: Energy Resources

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	500	514		680				
Direct Appropriation	3,166	3,162	25,766	3,502	3,424	3,415	2,324	1,315
Net Transfers	1,040	880	1,483	1,320	1,320	1,320	1,320	1,320
Cancellations	1,060	1,355	1,620	1,345	1,345	1,345	1,345	1,345
Expenditures	3,138	3,200	24,949	4,156	3,399	3,390	2,299	1,290
Balance Forward Out	508		680					
<i>Biennial Change in Expenditures</i>				22,767		(22,316)		(25,516)
<i>Biennial % Change in Expenditures</i>				359		(77)		(88)
<i>Gov's Exp Change from Base</i>								(3,200)
<i>Gov's Exp % Change from Base</i>								(47)
FTEs	25.4	25.4	29.3	29.2	23.7	23.7	3.7	3.7

2000 - Restricted Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	21,332	17,272	15,007	28,072	25,599	24,242	25,599	24,242
Receipts	7,058	7,956	23,512	24,454	22,917	23,032	25,917	26,132
Net Transfers	(3,880)	(847)	(996)	(1,065)	(1,005)	(1,005)	(1,005)	(1,005)
Expenditures	7,840	12,139	9,450	25,862	23,268	23,212	26,268	26,312
Balance Forward Out	16,670	12,242	28,072	25,599	24,242	23,056	24,242	23,056
<i>Biennial Change in Expenditures</i>				15,333		11,168		17,268
<i>Biennial % Change in Expenditures</i>				77		32		49
<i>Gov's Exp Change from Base</i>								6,100
<i>Gov's Exp % Change from Base</i>								13
FTEs	19.8	19.5	20.2	20.4	21.0	21.0	44.9	44.9

2403 - Gift

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	89	90	90	90	90	90	90	90
Receipts	0	0	0					
Balance Forward Out	90	90	90	90	90	90	90	90

3000 - Federal

Program: Energy Resources

Program Financing by Fund

(Dollars in Thousands)

3000 - Federal

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	184	6	3	11				
Receipts	147,390	136,572	127,280	137,337	148,915	160,800	148,915	160,800
Expenditures	147,577	136,578	127,272	137,348	148,914	160,800	148,914	160,800
Balance Forward Out			11					
<i>Biennial Change in Expenditures</i>				(19,535)		45,094		45,094
<i>Biennial % Change in Expenditures</i>				(7)		17		17
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	35.2	30.0	28.6	27.4	28.3	25.5	28.3	25.5

3002 - Oil Overcharge

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	232	232	232	232	232	232	232	232
Balance Forward Out	232	232	232	232	232	232	232	232

Program: Weights & Measures Division

mn.gov/commerce/weights-and-measures

AT A GLANCE

- Weights and Measures affects more than \$32 billion in Minnesota commerce each year
- In FY 2014, the Division's petroleum and scale investigators tested and inspected:
 - 34,130 gas pumps
 - 2,130 light capacity scales
 - 122 vehicle tank meters
 - 1,669 package inspections
 - 275 high volume meters
- In FY 2014, the division's heavy capacity scale investigators tested and inspected:
 - 1,122 vehicle scales
 - 303 grain and fertilizer scales
 - 812 other heavy capacity scales
- In FY 2014 the Petroleum Lab processed:
 - 1,053 distillate tests
 - 5,903 other fuel tests
- In FY 2014, the metrology lab calibrated 12,533 objects

PURPOSE & CONTEXT

The Weights and Measures Division protects Minnesota's markets by promoting and ensuring equity, accuracy, and quality, and by providing precision physical measurement services. Weights and Measures serves businesses and individuals in need of International Organization for Standardization (ISO) accredited calibration services to enable them to provide materials or services to other businesses in the United States, and throughout the world, and to enable them to compete in European Union nations. Weights and Measures serves Minnesota citizens and businesses that buy or sell goods or services based on a measured quantity, like gasoline or food. Weights and Measures ensures the integrity and quality of fuel that Minnesota citizens and businesses use, and enforces biofuel mandates throughout the state.

The Department of Revenue collects \$0.89 petroleum inspection fee for every 1,000 gallons of petroleum products received in Minnesota and transfers it to the Weights & Measures Division to fund program operations. Cost to the taxpayers is reduced by returning fees from scale inspections, package checking, metrology and petroleum lab services to the General Fund.

SERVICES PROVIDED

The Weights & Measures Division provides four distinct services:

- Accuracy in basic physical measurement by maintaining the state standards for mass, length, volume, temperature, and density; and by offering precision calibration services to businesses and individuals
- Enforce Minnesota's weights and measures statutes to ensure the accuracy of gas pumps, meters used at the terminals, refineries and airports, grocery scales, prepackaged commodities, livestock scales, railway track scales, grain and fertilizer scales, precious metals scales, and a broad range of other commercial weighing and measuring devices
- Ensure fuel quality and enforce statutory biofuel mandates through records audits, routine sampling, complaint investigation, and testing for licensed distributors
- Test the competency and performance of registered service technicians and private liquefied petroleum gas inspectors who install and repair commercial weighing and measuring devices in Minnesota

The Weights & Measures Division encourages business growth and employment opportunities by:

- Providing ISO accredited calibration services to Minnesota manufacturers and other businesses which require those services to participate in international trade or to meet precision manufacturing standards
- Promoting an equitable marketplace where both consumers and vendors can be assured of getting a full measure in their commercial transactions
- Ensuring quality fuel to keep Minnesotans' homes and businesses powered and heated and their vehicles on the road while helping the state to meet its petroleum replacement and energy independence goals
- Facilitating the registration and certification of competent service agents to install, and repair weighing and measuring devices throughout the state

- The Division partners with other state agencies including the Pollution Control Agency Tank Enforcement Division, the Department of Revenue Petroleum Division, and the Department of Agriculture (in a consulting role on the Biodiesel Task Force, and the advisory group to the NextGen Energy Board, and also with the food inspection program). In addition, the Division participates in national and international standard setting organizations such as the National Conference on Weights & Measures (NCWM), ASTM International (fuel subcommittees), and the National Conference of Standards Laboratories International (NCSLI).

RESULTS

<i>Type of Measure</i>	<i>Performance Measures</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of devices, audits and package lots checked	45,444	53,770	FY 2013 and FY 2014
Quantity	Percent of devices, audits and package lots approved as found without need for any change	85.3%	83.1%	FY 2013 and FY 2014
Quantity	Percent of devices, audits and package lots rejected and removed from marketplace	0.2%	0.7%	FY 2013 and FY 2014
Quantity	Percent of devices, audits and package lots corrected because of W&M Inspections	14.5%	16.2%	FY 2013 and FY 2014

MINN. STAT. §239 provides the legal authority for the Weights & Measures Division's enforcement activity and funding.

M.R. 7601 regulates the installation of vehicle, hopper, livestock and railroad scales, and outlines privileges, responsibilities, and consequences for registered service agents and private LPG inspectors.

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
2000 - Restricted Misc Special Rev	2,817	3,253	3,425	3,480	3,620	3,600	3,620	3,600
Total	2,817	3,253	3,425	3,480	3,620	3,600	3,620	3,600
Biennial Change				835		315		315
Biennial % Change				14		5		5
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Budget Activity

Budget Activity: Weights & Measures	2,817	3,253	3,425	3,480	3,620	3,600	3,620	3,600
Total	2,817	3,253	3,425	3,480	3,620	3,600	3,620	3,600

Expenditures by Category

Compensation	2,009	2,079	2,171	2,192	2,432	2,432	2,432	2,432
Operating Expenses	795	950	982	1,018	1,028	1,028	1,028	1,028
Other Financial Transactions	8	36	173	170	160	140	160	140
Capital Outlay-Real Property	5	188	99	100				
Total	2,817	3,253	3,425	3,480	3,620	3,600	3,620	3,600
Total Agency Expenditures	2,817	3,253	3,425	3,480	3,620	3,600	3,620	3,600
Internal Billing Expenditures				25	25	25	25	25
Expenditures Less Internal Billing	2,817	3,253	3,425	3,455	3,595	3,575	3,595	3,575
Full-Time Equivalents	28.2	27.7	28.4	28.4	30.5	30.5	30.5	30.5

(Dollars in Thousands)

2000 - Restricted Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	293	635	524	630	640	510	640	510
Receipts			15	10	10	10	10	10
Net Transfers	3,159	3,140	3,516	3,480	3,480	3,480	3,480	3,480
Expenditures	2,817	3,253	3,425	3,480	3,620	3,600	3,620	3,600
Balance Forward Out	634	522	630	640	510	400	510	400
<i>Biennial Change in Expenditures</i>				835		315		315
<i>Biennial % Change in Expenditures</i>				14		5		5
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	28.2	27.7	28.4	28.4	30.5	30.5	30.5	30.5

Program: Insurance Division

mn.gov/commerce/insurance

AT A GLANCE

- The Insurance Division regulates over \$258 Billion in insurance company assets in Minnesota
- The Division performs examination, desk audits, licensing and registration application reviews and verifies that insurance filings made in Minnesota comply with state law
- The Division received NAIC reaccreditation in 2012, allowing other regulatory entities to rely on the Commerce Department's review and examination of domestic insurers to fulfill a baseline level of effective financial regulatory oversight which reduce cost and administrative burden for Minnesota insurers
- In 2013, the Insurance Division:
 - Reviewed over 3,374 policy rate and form filings
 - Issued formal examination reports on 6 domestic insurance companies and continued to safely monitor through analysis 75 insurance risk entities
 - Issued 36 certificates of authorities increasing competition and providing additional capacity in the insurance marketplace

PURPOSE & CONTEXT

The mission of the Department of Commerce's Insurance Division is to ensure that insurance companies licensed to do business in Minnesota are financially sound, offer insurance products that are fair and at reasonable rates, and to inform and respond to the insurance needs of the residents and businesses of Minnesota, all contributing to a strong and vibrant economy.

SERVICES PROVIDED

- The Insurance Division evaluates insurance policies and rates to ensure fairness in rates and compliance with Minnesota statutes and licenses, examines and regulates insurance companies to ensure they are safe and financially solvent now and in the future.
- The Insurance Division serves Minnesota consumers and businesses that rely on insurance companies for financial products and services, the Minnesota insurance industry, other state insurance regulators, the legislature, and other state agencies.

- This activity is partially funded through the general fund and partially through the insurance examination revolving fund. Revenues generated from the activity consist of examination fees, desk analysis fees, registration and filing fees, and transaction fees.

The work of the Insurance Division can be divided into the following broad categories:

- Actuarial -verify the adequacy of insurance company reserves, manage insurance programs within the state, oversee public companies, and ensure compliance with state statutes;
- Financial Analysis - evaluate information and develop a financial profile of both domestic and foreign insurance companies doing business in Minnesota, based on statutorily required financial reports submitted by the companies and authorize requests for reportable transactions by domestic insurers;
- Examinations - on-site examinations of Minnesota domiciled insurers are conducted once every five years, examiners review insurance company books and records at the company headquarters, conduct a risk focused examination, make recommendations, and draft and file examination reports;
- Licensing - reviews insurance company applications for insurers wishing to be admitted to the state and/or wishing to write additional lines of business and approves or denies those applications;
- Insurance Product Form and Rate Filings - reviews insurance form and rate submissions to ensure compliance with Minnesota statutes, ensure fair, non-discriminatory, equitable, and adequate rates; also reviews the financial condition of companies that self-insure.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous(FY2012)</i>	<i>Current (FY2013)</i>	<i>Dates</i>
Quantity	Policy Form and Rate Review	3,536	3,374	FY 2012 and FY2013
Quality	Speed-to-Market Form and Rate Review – Property & Casualty	29 days	25 days	FY 2012 and FY2013
Quality	Speed-to-Market Form and Rate Review – Life & Health	43 days	39 days	FY 2012 and FY2013
Quality	Speed-to-Market Form and Rate Review – Workers Compensation	13 days	13 days	FY 2012 and FY2013
Quantity	Financial Examinations*	13	6	FY 2012 and FY2013
Quantity	Financial Analysis*	77	75	FY 2012 and FY2013

* Resulted in passing accreditation in 2012. Financial examinations are undertaken on a regular schedule.

Statutory Authority: The Department's authority is located in Chapters: 59A, 59B, 59C, 60A, 60B, 60C, 60D, 60E, 60F, 60G, 60H, 60J, 60K, 60L, 61A, 61B, 62A, 62B, 62C, 62D, 62E, 62F, 62H, 62I, 62J, 62L, 62M, 62Q, 62R, 62S, 62U, 64B, 65A, 65B, 66A, 67A, 69, 70A, 71A, 72A, 72B, 72C, 79, 79A.

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	0	0	3,197	3,527	3,362	3,362	4,004	4,004
2000 - Restricted Misc Special Rev	5,611	4,216	4,213	4,107	4,105	4,105	4,247	4,247
2001 - Other Misc Special Rev	69	303	235	400	400	400	400	400
2830 - Workers Compensation	359	438	465	553	553	553	562	571
3000 - Federal	25	342	605	1,299	600	0	600	0
Total	6,064	5,298	8,714	9,886	9,020	8,420	9,813	9,222
Biennial Change				7,238		(1,161)		434
Biennial % Change				64		(6)		2
Governor's Change from Base								1,595
Governor's % Change from Base								9

Expenditures by Budget Activity

Budget Activity: Insurance	6,064	5,298	8,714	9,886	9,020	8,420	9,813	9,222
Total	6,064	5,298	8,714	9,886	9,020	8,420	9,813	9,222

Expenditures by Category

Compensation	375	639	3,813	4,763	3,739	3,696	4,532	4,498
Operating Expenses	5,687	4,654	4,887	5,118	5,276	4,719	5,276	4,719
Other Financial Transactions	3	6	15	5	5	5	5	5
Total	6,064	5,298	8,714	9,886	9,020	8,420	9,813	9,222
Total Agency Expenditures	6,064	5,298	8,714	9,886	9,020	8,420	9,813	9,222
Internal Billing Expenditures	70	87	108	107	59	51	59	51
Expenditures Less Internal Billing	5,994	5,211	8,606	9,779	8,961	8,369	9,754	9,171
Full-Time Equivalents	3.5	5.1	38.3	38.3	36.1	35.8	43.1	42.8

Program: Insurance

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In				165				
Direct Appropriation	0	0	3,362	3,362	3,362	3,362	4,004	4,004
Net Transfers	161	2,402	975	1,000	1,000	1,000	1,000	1,000
Cancellations	161	2,402	975	1,000	1,000	1,000	1,000	1,000
Expenditures	0	0	3,197	3,527	3,362	3,362	4,004	4,004
Balance Forward Out			165					
<i>Biennial Change in Expenditures</i>				6,724		(1)		1,283
<i>Biennial % Change in Expenditures</i>						0		19
<i>Gov's Exp Change from Base</i>								1,284
<i>Gov's Exp % Change from Base</i>								19
FTEs			30.4	30.5	32.0	32.0	38.0	38.0

2000 - Restricted Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	25	25	43	27	25	25	25	25
Receipts	5,774	6,618	5,172	5,105	5,105	5,105	5,247	5,247
Net Transfers	(161)	(2,402)	(975)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Expenditures	5,611	4,216	4,213	4,107	4,105	4,105	4,247	4,247
Balance Forward Out	28	25	27	25	25	25	25	25
<i>Biennial Change in Expenditures</i>				(1,508)		(110)		174
<i>Biennial % Change in Expenditures</i>				(15)		(1)		2
<i>Gov's Exp Change from Base</i>								284
<i>Gov's Exp % Change from Base</i>								3
FTEs							1.0	1.0

2001 - Other Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In			100	100	100	100	100	100
Receipts	69	303	235	400	400	400	400	400
Net Transfers	0	100						
Expenditures	69	303	235	400	400	400	400	400
Balance Forward Out		100	100	100	100	100	100	100
<i>Biennial Change in Expenditures</i>				263		165		165
<i>Biennial % Change in Expenditures</i>				71		26		26

Program: Insurance

Program Financing by Fund

(Dollars in Thousands)

2001 - Other Misc Special Rev

Gov's Exp Change from Base							0
Gov's Exp % Change from Base							0
FTEs	0.7	0.7	0.7	0.7	0.7	0.7	0.7

2830 - Workers Compensation

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		194		88	88	88	88	88
Direct Appropriation	553	553	553	553	553	553	562	571
Cancellations		309						
Expenditures	359	438	465	553	553	553	562	571
Balance Forward Out	194		88	88	88	88	88	88
Biennial Change in Expenditures				221		88		115
Biennial % Change in Expenditures				28		9		11
Gov's Exp Change from Base								27
Gov's Exp % Change from Base								2
FTEs	2.6	3.0	2.9	2.9	3.2	3.2	3.2	3.2

3000 - Federal

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Receipts	25	341	605	1,299	600	0	600	0
Expenditures	25	342	605	1,299	600	0	600	0
Biennial Change in Expenditures				1,537		(1,304)		(1,304)
Biennial % Change in Expenditures				420		(68)		(68)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	0.1	1.4	4.2	4.2	0.3		0.3	

FY16-17 Federal Funds Summary

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	2014 Actuals	2015 Budget	2016 Base	2017 Base	State Match or MOE Required?	FTEs
DOE-81.041	State Energy Program	NO	1,112	1,119	1,059	801	MATCH	8
DOE-81.042	Weatherization Assistance for Low Income Persons	NO	4,604	11,704	9,700	8,000	NO	4
DOE-81.119	State Energy Program Special Projects	NO	313	465	157	0	MATCH	1
HHS-93.568	Low Income Home Energy Assistance Program	NO	123,983	120,001	138,000	152,001	NO	13
	Program Total-Energy		130,012	133,289	148,916	160,802		26
HHS-93.511	Health Ins Rate Review Grant	NO	608	1,299	600	0	NO	0
	Program Total-Insurance		608	1,299	600	0		0
	Federal Fund – Agency Total		130,620	134,588	149,516	160,802		26