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AT A GLANCE

- 460 employees
- Overseeing the first comprehensive restoration of Minnesota State Capitol Building
- Negotiated over \$49 million in contract savings for government entities in FY 2013 and FY 2014
- Reduced energy consumption by 21.3 percent in the 22 buildings it operates and maintains since 2008
- Manage more than 280 construction projects and 700 property leases
- Oversee a fleet of more than 1,800 vehicles
- Trained more than 1,200 public officials and stakeholders last year on complying with and navigating open government laws
- Provided direct training and informational resources to more than 6,600 individuals with developmental disabilities or family members in the last year

PURPOSE

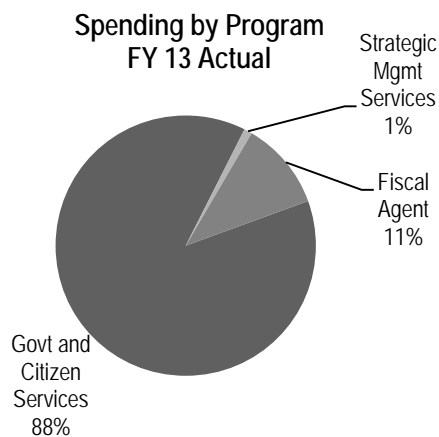
The Department of Administration is a core central service agency for the executive branch serving the Governor, legislature, state agencies, local governments, and the public. Our mission is to *provide the best value in government administrative services*. That mission is achieved by focusing on three strategies: customer satisfaction, continuous improvement, and employee engagement.

We provide a broad range of business and professional services so agencies can achieve their missions and have a lead role in ensuring the efficient organization of state government. We help agencies get the best value in purchasing goods and services. We oversee the construction and leasing of state facilities. We provide property, liability, and workers compensation insurance coverage for state operations. We set policy for state grants administration. And, we make sure the Capitol Complex buildings run efficiently and keep the Capitol grounds beautiful.

In addition to providing vital services to agencies, we provide key services to the public. On an individual level we ensure that citizens understand their rights to access information kept by government. We provide opportunities for those with developmental disabilities and their families to advocate for their rights to education, work, and participation in their communities. And, we provide assistive technology so those with physical disabilities can lead more independent and productive lives. Our community oriented services help to ensure that grants are distributed efficiently and fairly as well as provide essential population data through our demographic services.

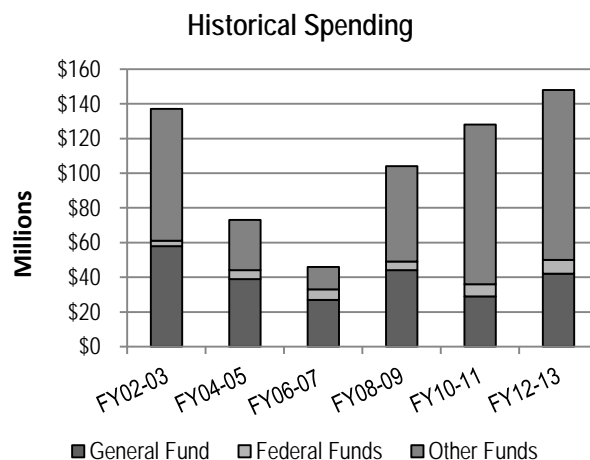
By ensuring that Minnesota's executive agencies receive the best value in government administrative services, Admin contributes to the statewide outcome of: **Efficient and accountable government services**. By providing persons with disabilities assistive technology to help them be productive and involved in their communities, Admin contributes to the statewide outcomes of: **Minnesotans have the education and skills needed to achieve their goals; and Strong and stable families and communities**.

BUDGET



Source: BPAS

These General Fund categories provide administrative services, executive support and grant administration.



Source: Consolidated Fund Statement

Our scope has changed in the last decade as services have transitioned to other agencies, e.g. Information Technology.

STRATEGIES

We utilize multiple strategies and service delivery models to support the statewide outcomes of efficient and accountable government services and ensure the best value in government administrative services. These include:

- Procurement services that use an enterprise approach to achieve the best value by developing contracts for use by multiple government units; standardizing and consolidating purchases; and aggressively negotiating contract terms and pricing.
- Facilities management services, such as maintenance, engineering, and energy retrofits that provide well-maintained facilities necessary for the daily operations of the state's executive, legislative, and judicial branches.
- Construction and space leasing services, such as serving as the State's leasing agent and owner's representative on construction projects, that provide efficient and effective oversight and management of capital construction projects, ensure facility solutions that cost-effectively meet state agencies' space needs, establishing a data system to assist policymakers in prioritizing capital investments, and facilitate effective management and use of state real property assets.
- Government-to-Government Services, such as advising on and providing business services, that provide small agency financial and human resource assistance, continuous improvement (Lean) training, workers compensation, archeological services, and vehicle fleet services.
- Government management services that advise agencies on achieving energy reduction goals, complying with open government requirements, reducing workers' compensation costs, helping small agencies follow state human resources and financial policies and procedures, and reducing the state's reliance on gasoline.
- Citizen services that include assistive technology, demographic services, resources for citizens with developmental disabilities, and the promotion of the public's access by granting permits to stage public rallies or educating citizens on their rights to government data.

The Department of Administration's legal authority comes from M.S. 13 (<https://www.revisor.mn.gov/statutes/?id=13>), 16B (<https://www.revisor.mn.gov/statutes/?id=16B>), 16C (<https://www.revisor.mn.gov/statutes/?id=16C>), 4A.02 (<https://www.revisor.mn.gov/statutes/?id=4a.02>), 176.541 (<https://www.revisor.mn.gov/statutes/?id=176.541>), 138.31-138.42 (<https://www.revisor.mn.gov/statutes/?id=138.31>), and 307.08 (<https://www.revisor.mn.gov/statutes/?id=307.08>).

Expenditures By Fund

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------|----------------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| 1000 - General | 20,218 | 21,268 | 24,971 | 23,596 | 22,564 | 22,215 | 24,730 | 23,541 |
| 2000 - Restricted Misc Special Rev | 3,827 | 4,478 | 3,740 | 4,938 | 4,403 | 4,046 | 4,403 | 4,046 |
| 2001 - Other Misc Special Rev | 32,314 | 38,794 | 37,847 | 39,433 | 40,514 | 41,876 | 40,514 | 41,876 |
| 2301 - Arts & Cultural Heritage Fund | 8,096 | 9,690 | 10,176 | 9,491 | 0 | 0 | 0 | 0 |
| 2403 - Gift | 264 | 460 | 99 | 999 | 2 | 32 | 2 | 32 |
| 3000 - Federal | 6,416 | 2,020 | 1,535 | 1,354 | 1,445 | 1,445 | 1,445 | 1,445 |
| 4500 - Mn Bookstore | 1,062 | 1,160 | 924 | 1,233 | 1,185 | 1,267 | 1,185 | 1,267 |
| 4501 - Coop Purchasing | 12,395 | 13,935 | 15,320 | 16,990 | 18,190 | 19,309 | 18,190 | 19,309 |
| 4502 - Surplus Property | 944 | 866 | 1,151 | 2,371 | 1,298 | 1,316 | 1,298 | 1,316 |
| 5000 - Master Lease | 271 | 9,000 | 7,010 | 11,900 | 11,227 | 11,564 | 11,227 | 11,564 |
| 5100 - Fleet Services | 10,141 | 10,072 | 10,410 | 10,657 | 10,099 | 10,395 | 10,099 | 10,395 |
| 5203 - Central Mail Isf | 8,528 | 8,511 | 9,472 | 9,365 | 9,388 | 9,410 | 9,388 | 9,410 |
| 5300 - Risk Management | 10,484 | 11,189 | 12,061 | 13,995 | 14,062 | 14,110 | 14,062 | 14,110 |
| 5400 - Plant Management | 44,206 | 48,298 | 50,078 | 55,873 | 51,662 | 55,247 | 51,662 | 55,247 |
| Total | 159,166 | 179,740 | 184,793 | 202,194 | 186,038 | 192,231 | 188,204 | 193,557 |
| <i>Biennial Change</i> | | | | 48,082 | | (8,719) | | (5,227) |
| <i>Biennial % Change</i> | | | | 14 | | (2) | | (1) |
| <i>Governor's Change from Base</i> | | | | | | | | 3,492 |
| <i>Governor's % Change from Base</i> | | | | | | | | 1 |

Expenditures by Program

| | | | | | | | | |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Program: Govt And Citizen Services | 139,756 | 158,158 | 158,748 | 178,329 | 171,965 | 178,578 | 171,965 | 178,578 |
| Program: Strategic Mgmt Services | 1,388 | 2,035 | 1,538 | 2,211 | 1,917 | 1,917 | 1,917 | 1,917 |
| Program: Fiscal Agent | 18,022 | 19,548 | 24,507 | 21,655 | 12,157 | 11,737 | 12,157 | 11,737 |
| Total | 159,166 | 179,740 | 184,793 | 202,194 | 186,038 | 192,231 | 186,038 | 192,231 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Compensation | 29,146 | 30,668 | 31,995 | 36,026 | 38,149 | 39,662 | 38,149 | 40,864 |
| Operating Expenses | 91,956 | 99,222 | 105,189 | 109,854 | 104,445 | 105,774 | 104,445 | 105,890 |
| Other Financial Transactions | 23,761 | 26,083 | 24,211 | 26,426 | 25,275 | 25,534 | 25,275 | 25,542 |
| Grants, Aids and Subsidies | 10,192 | 11,530 | 13,081 | 11,888 | 3,166 | 3,190 | 3,166 | 3,190 |
| Capital Outlay-Real Property | 4,111 | 12,237 | 10,318 | 18,001 | 15,003 | 18,071 | 15,003 | 18,071 |
| Total | 159,166 | 179,740 | 184,793 | 202,194 | 186,038 | 192,231 | 186,038 | 193,557 |

(Dollars in Thousands)

| | | | | | | | | |
|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| <i>Full-Time Equivalents</i> | 422.1 | 420.0 | 425.1 | 464.2 | 468.2 | 473.6 | 468.2 | 473.6 |
|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|

(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 | 228 | 1,487 | 0 | 2,167 | 30 | 30 | 30 | 30 |
| Direct Appropriation | 19,263 | 18,806 | 25,412 | 20,387 | 21,767 | 21,347 | 23,933 | 22,673 |
| Open Appropriation | 2,146 | 2,018 | 1,721 | 1,098 | 822 | 863 | 822 | 863 |
| Net Transfers | 4,733 | 4,048 | 4,870 | 4,873 | 4,698 | 4,778 | 4,698 | 4,778 |
| Cancellations | 4,753 | 5,088 | 4,894 | 4,898 | 4,723 | 4,803 | 4,723 | 4,803 |
| Expenditures | 20,218 | 21,268 | 24,971 | 23,596 | 22,564 | 22,215 | 24,730 | 23,541 |
| Balance Forward Out | 1,399 | | 2,167 | 30 | 30 | 0 | 30 | 0 |
| <i>Biennial Change in Expenditures</i> | | | | 7,082 | | (3,789) | | (297) |
| <i>Biennial % Change in Expenditures</i> | | | | 17 | | (8) | | (1) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 3,492 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 8 |
| FTEs | 77.4 | 79.4 | 79.2 | 82.7 | 80.7 | 79.4 | 92.2 | 89.9 |

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 | 2,681 | 2,133 | 1,628 | 1,925 | 1,702 | 1,674 | 1,702 | 1,674 |
| Receipts | 3,835 | 4,401 | 4,476 | 5,451 | 6,380 | 6,241 | 6,380 | 6,241 |
| Net Transfers | (781) | (776) | (440) | (736) | (2,005) | (2,001) | (2,005) | (2,001) |
| Expenditures | 3,827 | 4,478 | 3,740 | 4,938 | 4,403 | 4,046 | 4,403 | 4,046 |
| Balance Forward Out | 1,908 | 1,281 | 1,925 | 1,702 | 1,674 | 1,868 | 1,674 | 1,868 |
| <i>Biennial Change in Expenditures</i> | | | | 373 | | (230) | | (230) |
| <i>Biennial % Change in Expenditures</i> | | | | 4 | | (3) | | (3) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 8.7 | 8.5 | 9.1 | 10.4 | 10.0 | 9.9 | 10.0 | 9.9 |

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 | 24,023 | 25,869 | 29,621 | 27,926 | 25,216 | 22,171 | 25,216 | 22,171 |
| Receipts | 30,043 | 30,314 | 30,914 | 31,211 | 32,164 | 32,704 | 32,164 | 32,704 |
| Net Transfers | 5,297 | 5,339 | 5,238 | 5,513 | 5,305 | 5,428 | 5,305 | 5,428 |
| Expenditures | 32,314 | 38,794 | 37,847 | 39,433 | 40,514 | 41,876 | 40,514 | 41,876 |
| Balance Forward Out | 27,050 | 22,729 | 27,926 | 25,216 | 22,171 | 18,427 | 22,171 | 18,427 |
| <i>Biennial Change in Expenditures</i> | | | | 6,172 | | 5,110 | | 5,110 |

(Dollars in Thousands)

2001 - Other Misc Special Rev

| | | | | | | | |
|--|------|------|------|------|------|------|------|
| <i>Biennial % Change in Expenditures</i> | | | 9 | | 7 | | 7 |
| <i>Gov's Exp Change from Base</i> | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | 0 |
| FTEs | 30.9 | 31.0 | 30.2 | 33.9 | 34.9 | 34.9 | 34.9 |

2301 - Arts & Cultural Heritage Fund

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|--------------|--------------|---------------|--------------|---------------|----------|---------------------------|----------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 124 | 1,352 | 1,144 | 566 | | | | |
| Direct Appropriation | 9,175 | 8,830 | 9,605 | 8,925 | 0 | 0 | 0 | 0 |
| Net Transfers | 0 | 0 | 0 | 0 | | | | |
| Cancellations | | 9 | 7 | | | | | |
| Expenditures | 8,096 | 9,690 | 10,176 | 9,491 | 0 | 0 | 0 | 0 |
| Balance Forward Out | 1,202 | 483 | 566 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 1,881 | | (19,667) | | (19,667) |
| <i>Biennial % Change in Expenditures</i> | | | | 11 | | (100) | | (100) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 0.6 | 1.0 | 1.9 | 2.3 | 0.0 | 0.0 | 0.0 | 0.0 |

2403 - Gift

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|------------|------------|-----------|------------|---------------|-----------|---------------------------|-----------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 377 | 410 | 347 | 1,250 | 447 | 449 | 447 | 449 |
| Receipts | 294 | 397 | 1,002 | 147 | 4 | 36 | 4 | 36 |
| Net Transfers | | | | 50 | | | | |
| Expenditures | 264 | 460 | 99 | 999 | 2 | 32 | 2 | 32 |
| Balance Forward Out | 408 | 347 | 1,250 | 447 | 449 | 452 | 449 | 452 |
| <i>Biennial Change in Expenditures</i> | | | | 374 | | (1,064) | | (1,064) |
| <i>Biennial % Change in Expenditures</i> | | | | 52 | | (97) | | (97) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |

3000 - Federal

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--------------------|--------|-------|--------|----------|---------------|------|---------------------------|------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 10 | 30 | 3 | 2 | | | | |

(Dollars in Thousands)

3000 - Federal

| | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Receipts | 6,408 | 1,993 | 1,534 | 1,352 | 1,445 | 1,445 | 1,445 | 1,445 |
| Expenditures | 6,416 | 2,020 | 1,535 | 1,354 | 1,445 | 1,445 | 1,445 | 1,445 |
| Balance Forward Out | 2 | 3 | 2 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | (5,547) | | 1 | | 1 |
| <i>Biennial % Change in Expenditures</i> | | | | (66) | | 0 | | 0 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 5.2 | 5.7 | 5.5 | 5.6 | 5.6 | 5.6 | 5.6 | 5.6 |

3002 - Oil Overcharge

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|---------------------|--------|-------|--------|----------|---------------|------|---------------------------|------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Balance Forward Out | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |

4500 - Mn Bookstore

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|--------------|--------------|------------|--------------|---------------|--------------|---------------------------|--------------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 544 | 401 | 366 | 381 | 407 | 391 | 407 | 391 |
| Receipts | 902 | 1,095 | 939 | 1,259 | 1,169 | 1,259 | 1,169 | 1,259 |
| Net Transfers | (39) | (1) | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenditures | 1,062 | 1,160 | 924 | 1,233 | 1,185 | 1,267 | 1,185 | 1,267 |
| Balance Forward Out | 344 | 336 | 381 | 407 | 391 | 383 | 391 | 383 |
| <i>Biennial Change in Expenditures</i> | | | | (66) | | 295 | | 295 |
| <i>Biennial % Change in Expenditures</i> | | | | (3) | | 14 | | 14 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 8.4 | 7.6 | 6.7 | 6.9 | 6.9 | 6.9 | 6.9 | 6.9 |

4501 - Coop Purchasing

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 13,466 | 15,760 | 17,376 | 20,152 | 21,133 | 21,972 | 21,133 | 21,972 |
| Receipts | 14,688 | 15,567 | 18,096 | 17,971 | 19,029 | 20,039 | 19,029 | 20,039 |
| Net Transfers | | (17) | | | | | | |
| Expenditures | 12,395 | 13,935 | 15,320 | 16,990 | 18,190 | 19,309 | 18,190 | 19,309 |
| Balance Forward Out | 15,759 | 17,375 | 20,152 | 21,133 | 21,972 | 22,702 | 21,972 | 22,702 |
| <i>Biennial Change in Expenditures</i> | | | | 5,980 | | 5,189 | | 5,189 |

(Dollars in Thousands)

4501 - Coop Purchasing

| | | | | | | | |
|-----------------------------------|------|------|------|------|------|------|-----------|
| Biennial % Change in Expenditures | | | 23 | | 16 | | 16 |
| Gov's Exp Change from Base | | | | | | | 0 |
| Gov's Exp % Change from Base | | | | | | | 0 |
| FTEs | 37.6 | 40.6 | 46.4 | 64.0 | 68.3 | 75.6 | 68.3 75.6 |

4502 - Surplus Property

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|-----------------------------------|------------|------------|--------------|--------------|---------------|--------------|---------------------------|--------------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 947 | 1,287 | 1,624 | 1,847 | 943 | 1,225 | 943 | 1,225 |
| Receipts | 1,275 | 1,198 | 1,374 | 1,467 | 1,580 | 1,580 | 1,580 | 1,580 |
| Net Transfers | | (1) | | | | | | |
| Expenditures | 944 | 866 | 1,151 | 2,371 | 1,298 | 1,316 | 1,298 | 1,316 |
| Balance Forward Out | 1,279 | 1,619 | 1,847 | 943 | 1,225 | 1,489 | 1,225 | 1,489 |
| Biennial Change in Expenditures | | | | 1,712 | | (908) | | (908) |
| Biennial % Change in Expenditures | | | | 95 | | (26) | | (26) |
| Gov's Exp Change from Base | | | | | | | | 0 |
| Gov's Exp % Change from Base | | | | | | | | 0 |
| FTEs | 7.3 | 7.1 | 7.1 | 8.5 | 8.1 | 8.0 | 8.1 | 8.0 |

5000 - Master Lease

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|-----------------------------------|------------|--------------|--------------|---------------|---------------|---------------|---------------------------|---------------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | | 54 | 6 | | | | | |
| Receipts | 288 | 8,973 | 7,004 | 11,900 | 11,227 | 11,564 | 11,227 | 11,564 |
| Expenditures | 271 | 9,000 | 7,010 | 11,900 | 11,227 | 11,564 | 11,227 | 11,564 |
| Balance Forward Out | 18 | 26 | | | | | | |
| Biennial Change in Expenditures | | | | 9,639 | | 3,881 | | 3,881 |
| Biennial % Change in Expenditures | | | | 104 | | 21 | | 21 |
| Gov's Exp Change from Base | | | | | | | | 0 |
| Gov's Exp % Change from Base | | | | | | | | 0 |

5100 - Fleet Services

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--------------------|---------|---------|---------|----------|---------------|---------|---------------------------|---------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 4,412 | 4,697 | 6,138 | 5,612 | 5,693 | 5,072 | 5,693 | 5,072 |
| Receipts | 15,233 | 17,378 | 16,771 | 18,108 | 17,069 | 17,582 | 17,069 | 17,582 |
| Net Transfers | (5,016) | (5,988) | (6,888) | (7,370) | (7,591) | (7,819) | (7,591) | (7,819) |

(Dollars in Thousands)

5100 - Fleet Services

| | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Expenditures | 10,141 | 10,072 | 10,410 | 10,657 | 10,099 | 10,395 | 10,099 | 10,395 |
| Balance Forward Out | 4,488 | 6,015 | 5,612 | 5,693 | 5,072 | 4,440 | 5,072 | 4,440 |
| <i>Biennial Change in Expenditures</i> | | | | 854 | | (573) | | (573) |
| <i>Biennial % Change in Expenditures</i> | | | | 4 | | (3) | | (3) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 9.8 | 10.1 | 8.6 | 8.5 | 8.6 | 8.6 | 8.6 | 8.6 |

5203 - Central Mail Isf

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|---------------|--------------|---------------|-----------------|----------------------|--------------|----------------------------------|--------------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 958 | 1,505 | 1,449 | 1,168 | 1,073 | 955 | 1,073 | 955 |
| Receipts | 8,772 | 8,237 | 9,191 | 9,270 | 9,270 | 9,270 | 9,270 | 9,270 |
| Net Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenditures | 8,528 | 8,511 | 9,472 | 9,365 | 9,388 | 9,410 | 9,388 | 9,410 |
| Balance Forward Out | 1,201 | 1,230 | 1,168 | 1,073 | 955 | 815 | 955 | 815 |
| <i>Biennial Change in Expenditures</i> | | | | 1,797 | | (39) | | (39) |
| <i>Biennial % Change in Expenditures</i> | | | | 11 | | 0 | | 0 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 8.1 | 7.8 | 7.7 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 |

5300 - Risk Management

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|---------------|---------------|---------------|-----------------|----------------------|---------------|----------------------------------|---------------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 19,393 | 21,102 | 22,255 | 22,888 | 20,716 | 18,477 | 20,716 | 18,477 |
| Receipts | 12,186 | 12,272 | 12,694 | 11,823 | 11,823 | 11,828 | 11,823 | 11,828 |
| Expenditures | 10,484 | 11,189 | 12,061 | 13,995 | 14,062 | 14,110 | 14,062 | 14,110 |
| Balance Forward Out | 21,095 | 22,185 | 22,888 | 20,716 | 18,477 | 16,195 | 18,477 | 16,195 |
| <i>Biennial Change in Expenditures</i> | | | | 4,383 | | 2,116 | | 2,116 |
| <i>Biennial % Change in Expenditures</i> | | | | 20 | | 8 | | 8 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 12.1 | 11.4 | 11.6 | 13.2 | 13.5 | 13.4 | 13.5 | 13.4 |

5400 - Plant Management

(Dollars in Thousands)

5400 - Plant Management

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 21,933 | 25,968 | 26,349 | 20,364 | 10,882 | 6,165 | 10,882 | 6,165 |
| Receipts | 61,819 | 61,352 | 59,186 | 61,500 | 61,460 | 63,944 | 61,460 | 63,944 |
| Net Transfers | (14,616) | (14,445) | (15,093) | (15,108) | (14,515) | (14,841) | (14,515) | (14,841) |
| Expenditures | 44,206 | 48,298 | 50,078 | 55,873 | 51,662 | 55,247 | 51,662 | 55,247 |
| Balance Forward Out | 24,930 | 24,577 | 20,364 | 10,882 | 6,165 | 21 | 6,165 | 21 |
| <i>Biennial Change in Expenditures</i> | | | | 13,447 | | 958 | | 958 |
| <i>Biennial % Change in Expenditures</i> | | | | 15 | | 1 | | 1 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 215.9 | 209.7 | 211.0 | 220.0 | 223.5 | 223.1 | 223.5 | 223.1 |

Administration

FY16-17 Biennial Budget Change Item

Change Item: Operating Adjustment

| Fiscal Impact (\$000s) | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|--|---------|---------|---------|---------|
| General Fund | | | | |
| Expenditures | 131 | 265 | 265 | 265 |
| Revenues | 0 | 0 | 0 | 0 |
| Other Funds | | | | |
| Expenditures | 0 | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 | 0 |
| Net Fiscal Impact = (Expenditures – Revenues) | 131 | 265 | 265 | 265 |
| FTEs | 0 | 0 | 0 | 0 |

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 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.

Administration

FY16-17 Biennial Budget Change Item

Change Item: Equity in Public Contracting for Veteran, Minority and Woman Owned Small Businesses

| Fiscal Impact (\$000s) | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|--|---------|---------|---------|---------|
| General Fund | | | | |
| Expenditures | 764 | 469 | 469 | 469 |
| Revenues | 0 | 0 | 0 | 0 |
| Other Funds | | | | |
| Expenditures | 0 | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 | 0 |
| Net Fiscal Impact = (Expenditures – Revenues) | 0 | 0 | 0 | 0 |
| FTEs | 5.0 | 4.0 | 4.0 | 4.0 |

Recommendation:

The governor recommends increased general funding of \$764,000 in FY2016 and \$469,000 thereafter (including \$210,000 in one-time IT costs and \$40,000 in ongoing IT costs) to provide direct support to small businesses aimed at reducing economic disparities. Key elements of the program include:

- State certification of veteran-owned small businesses
- Simplified certification of minority- and female-owned small businesses
- Outreach and technical support to Minnesota's small business community
- Increased procurement opportunities for targeted and veteran-owned small businesses on capital construction projects
- Increased participation by veterans, women, and minorities in publicly funded projects

Rationale/Background:

Minnesota is a committed leader in providing economic opportunities to those who have been historically disenfranchised in public contracting and also for those who have honorably served the nation in the United States armed forces. Minnesota is faced with startling economic disparities, particularly as it relates to its minority citizens. In response, Minnesota has provided procurement-related preferences for historically disadvantaged businesses to promote middle class economic opportunity and help reduce economic disparities.

Veterans Preference

In 2009, the legislature expanded its procurement preferences to include veteran-owned small businesses, allowing the state to accept federal certifications from the US Department of Veterans' Affairs. However, Minnesota businesses have reported unacceptably long waits when applying for federal certification. This proposal provides resources to promulgate rules for and implement the state veteran-owned business program authorized in 2014.

Streamlined Small Business Certification

By aligning state and federal certification criteria and unifying the application process into a single IT solution, the required certification process will be easier for small businesses seeking to take advantage of procurement preferences. As a result, it is anticipated that about 20% of businesses will be automatically awarded state certification because they are federally certified, and all businesses will benefit by eliminating inconsistencies in state and federal criteria. Currently, a Minnesota small business wanting to be positioned to bid on federal, state, and local contracts, may require three separate certifications in order to pursue those opportunities.

Small Business Outreach

Persistent economic disparities suggest that more innovative and improved strategies are needed to maximize opportunities for Minnesota's small businesses. As staff support for the program has declined, efforts have focused primarily on the complicated certification process with limited outreach to help potential vendors better understand the state's procurement needs and process. The Department of Administration ("Admin") currently has less than 1 FTE performing these duties and other critical issues (including mediation of agency disputes with vendors, investigations of vendor performance, and suspensions and debarments).

Increased Workforce Participation by Veterans, Women and Targeted Groups

Some state funded construction projects are not required to encourage minority, women, or veteran participation as employees or contractors. State projects are generally required to meet Targeted Group Business and workforce hiring goals (administered by the Minnesota Department of Human Rights) but such goals are often not applicable to state funds granted to municipalities or nonprofit entities.

Proposal:

This initiative is intended to reduce disparities in state purchasing and contracting, and in the overall economy. Admin has statutory authority for state procurement and oversees more than \$2 billion of state purchasing annually. The proposal will ensure that veterans who have honorably served our country and small businesses owned by those who have historically been disadvantaged get the assistance and opportunities they need to truly and fairly compete for state contracts and job opportunities.

A legally mandated disparity study described in a separate initiative will determine the existing level of inequity in the use of minority- and female-owned small businesses and define the targets for focused outreach and affirmative remedies.

Key components of the proposal are new and others are enhancements of the existing programs:

- Providing resources necessary to promulgate state veterans preference rules and certify veteran-owned businesses ourselves as well as to manage rule changes and implementation related to aligning state and federal criteria for veterans and small targeted group business. Admin's proposal would facilitate more timely certifications in partnership with the Minnesota Department of Veterans Affairs.
- Coordinate and streamline the federal and state certification processes for minority and women-owned business. Rather than using different criteria to certify these businesses, the state would align its certification criteria with the federal (Disadvantaged Business Enterprise) criteria. New technology would be implemented that would allow, for the first time, Minnesota businesses to apply in only one place and submit documentation to one place and be certified for DBE and state purposes.
- Expanded outreach and technical support to the small business community by providing better data, increased monitoring and compliance with subcontracting goals, encourage greater use of workforce goals, an enhanced website directory, and additional data collection and analysis.

Minnesota's procurement preferences for targeted and veteran-owned businesses are only effective to the degree that eligible businesses are identified, certified and supported in their efforts to respond to solicitations. This initiative focuses on tangible efforts that can positively impact racial and gender equity and begins applying executive branch contract principles to state-funded grants for capital projects.

Specifically, this proposal would fund:

- A dedicated outreach and training staff person to encourage and train veteran owned and targeted group businesses to do business with the state and make state processes more accessible.
- Data analysis that will provide the business community with detailed information as to the service needs of the state that will allow Targeted Group Business vendors to better anticipate staffing needs in order to better respond to solicitations. Data will also ensure greater accountability that statutory expectations for the program are achieved.
- Implementation of a streamlined business certification process and web portal that will allow small businesses to more seamlessly apply for both federal Disadvantaged Business Enterprise and state Targeted Group Business certifications.

IT Related Proposals:

Proposed funding includes \$210,000 for implementation of a web portal that will enable businesses to more seamlessly apply for federal and state certifications and \$40,000 annually for the support of this technology.

Results:

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
|------------------------|--|-----------------|----------------|--------------|
| Quantity | The number of certified businesses owned and operated by women, minorities, disabled individuals and veterans. | | Developing | |
| Quantity | The processing time for certification of veteran-owned small businesses | | Developing | |
| Quantity | The share of the state procurement dollars going to targeted and veteran-owned small businesses. | | Developing | |

Statutory Change(s):

Consolidated certification will require an amendment to 16C.19.

Administration

FY16-17 Biennial Budget Change Item

Change Item: SmART Expansion

| Fiscal Impact (\$000s) | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|--|---------|---------|---------|---------|
| General Fund | | | | |
| Expenditures | 392 | 383 | 383 | 383 |
| Revenues | 0 | 0 | 0 | 0 |
| Other Funds | | | | |
| Expenditures | 0 | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 | 0 |
| Net Fiscal Impact = (Expenditures – Revenues) | 392 | 383 | 383 | 383 |
| FTEs | 4 | 4 | 4 | 4 |

Recommendation:

The governor recommends an increase of \$392,000 in FY2016 and \$383,000 in subsequent years for the Small Agency Resource Team (SmART). The increase will enable SmART to expand the number of small agencies, boards, and councils (agencies) able to access the full range of human resources (HR) and financial services.

Rationale/Background:

The SmART program was established in the Laws of 2007 to provide agencies with necessary financial and HR information and services. SmART's management of these administrative functions allows agencies to concentrate on meeting their core missions. SmART currently serves 15 small agencies. With increased funding, SmART will serve more agencies, and those agencies will be better able to manage their HR and financial resources and meet legal and policy requirements.

The Department of Administration ("Admin"), in conjunction with Minnesota Management and Budget, determines which agencies to serve based on service demands and specific, unique agency needs. If expansion funding is provided, Admin will contact unserved agencies to identify current needs and assess which agencies will benefit from SmART services. During the last expansion, SmART did not have the capacity to meet the needs of all agencies interested in services.

SmART supports the state's commitment to efficient and accountable government services.

Proposal:

The proposal provides four (4) new financial and HR positions that will enable SmART to expand services to additional agencies. Additional agencies have requested or inquired about SmART services, but current resources are not sufficient to expand our customer base.

Results:

Current SmART customers are surveyed periodically to measure their satisfaction with services. These surveys will be continued and extended to new customers.

| Type of Measure | Name of Measure | Previous | Current | Dates |
|-----------------|---|----------|---------|-----------|
| Quality | SmART Services – Customer satisfaction rating (Scale of 1-5 with 5 being outstanding) | 4.8 | 4 | 2012/2013 |

Statutory Change(s):

None required.

ⁱ The following agencies are currently served by SmART:

| Small Agency, Board or Council | |
|--|---|
| Board of Arts | Campaign Finance and Public Disclosure Bd |
| Capitol Area Architectural and Planning Bd | Chicano Latino Affairs Council |
| Council on Asian-Pacific Minnesotans | Council on Black Minnesotans |
| Council on Disabilities | Indian Affairs Council |
| Ombudsperson for Families | Ombudsperson for Mental Health and Developmental Disabilities |
| Public Utilities Commission | Racing Commission |
| Secretary of State | Tax Court |
| Workers' Compensation Court of Appeals | |

Administration

FY16-17 Biennial Budget Change Item

Change Item: Required Periodic Disparity Study

| Fiscal Impact (\$000s) | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|--|---------|---------|---------|---------|
| General Fund | | | | |
| Expenditures | 735 | 65 | 0 | 0 |
| Revenues | 0 | 0 | 0 | 0 |
| Other Funds | | | | |
| Expenditures | 0 | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 | 0 |
| Net Fiscal Impact = (Expenditures – Revenues) | 735 | 65 | 0 | 0 |
| FTEs | .5 | .5 | 0 | 0 |

Recommendation:

The governor recommends \$735,000 in FY2016 and \$65,000 in FY2017 to conduct a disparity study in order to lawfully continue providing procurement preferences to small Targeted Group Businesses. This proposal is for one-time funding.

Rationale/Background:

In order for a state to have a preference program for purchasing, the US Supreme Court ruled that there must be demonstrable evidence to justify the establishment of preferences. A complex statistical analysis is required and it must show that minority- and female-owned small businesses have been historically underutilized in relationship to their availability in the market area. With that data, the commissioner of the Department of Administration ("Admin") must designate targeted small businesses for the executive branch as well as the Metropolitan Council, the Metropolitan Airports Commission, and the Metropolitan Mosquito Control District.

Prior to 1998, Minnesota statutes required completion of a disparity study every five years. Conducting a study in such intervals is consistent with industry best practices. Minnesota's most recent disparity study was contracted in August 2008 at a cost of \$557,450 and released in January 2010. Existing results will be seven years old by the time new data is in place. If challenged in court, the state would find it difficult to defend race- and gender-based preferences based on such aging data.

The study is designed to precisely identify race- and gender-based inequities in the state. Once identified, it allows the state to actively implement remedial affirmative action remedies. It will allow the state to pay up to 6% more for goods, services, construction and consultants in order to use previously underutilized minority- and female-owned businesses. It will allow the state to set subcontracting goals for identified businesses.

If analysis of under-utilization warrants, Admin would expect to increase the use of targeted businesses and the share of state dollars flowing to these Minnesota-based small businesses.

Proposal:

The initiative will allow the continuation of Minnesota's affirmative action programs for public procurement. Admin would partner with the state agencies and appropriate metropolitan agencies in the planned disparity study. The study results will determine the data-driven impacts on minority- and female-owned small businesses and the broader state economy. Additionally, the study should prevent turning the curve in the wrong direction toward greater inequities.

No permanent staff will be required. The analysis would be contracted out to an expert third-party. We would however, require one-half of an FTE at a professional-level to manage the contract and coordinate data collection and logistics.

Results:

Although the results of a disparity study cannot be predictable, the data is necessary to continue public procurement affirmative action programs. Results will be measured by achieving the key implementation milestones:

- Issue Request for Proposal (RFP) for disparity study by August 1, 2015
- Award contract for disparity study by December 1, 2015
- Orient participating state and metropolitan agencies to their study roles and responsibilities by January 1, 2016
- Complete hard data collection by August 1, 2016
- Complete anecdotal data collection by October 1, 2016
- Receive draft reports by January 1, 2017
- Receive agencies' input on draft reports by March 1, 2017
- Receive final reports by May 1, 2017
- Issue commissioner's formal determination of eligible targeted businesses and related policy and implementation materials by June 1, 2017

Statutory Change(s):

None required.

Administration

FY16-17 Biennial Budget Change Item

Change Item: Increase Capacity to Further Olmstead Plan

| Fiscal Impact (\$000s) | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|--|---------|---------|---------|---------|
| General Fund | | | | |
| Expenditures | 144 | 144 | 144 | 144 |
| Revenues | 0 | 0 | 0 | 0 |
| Other Funds | | | | |
| Expenditures | 0 | 0 | 0 | 0 |
| Revenues | 0 | 0 | 0 | 0 |
| Net Fiscal Impact = (Expenditures – Revenues) | 144 | 144 | 144 | 144 |
| FTEs | 2 | 2 | 2 | 2 |

Recommendation:

The governor recommends \$144,000 in FY2016 and \$144,000 in subsequent years to the Commissioner of Administration ("Admin") to enhance Admin's ability to provide support for state agencies implementing the Olmstead Plan. The new positions would provide assistance to state agencies in complying with the Olmstead Plan's mandate of creating leadership opportunities in government programs that affect them.

Currently, Admin's disability programs are primarily federally funded, receiving approximately \$1.4 million.

Rationale/Background:

In January, 2013, the Governor established an Olmstead Subcabinet charged with developing and implementing an Olmstead Plan for Minnesota. The Subcabinet's first Olmstead Plan was accepted by United States District Court Judge Donovan Frank and became effective on November 1, 2013. Revisions to the Plan were provisionally accepted by Judge Frank on January 9, 2015. The goal of the Olmstead Plan is to ensure Minnesota will be a place where people with disabilities are living, learning, working, and enjoying life in the most integrated setting. The revised Plan also includes an action item that directs the State to:

"Design and implement opportunities for people with disabilities to be involved in leadership capacities in all government programs that affect them. These opportunities will include both paid and volunteer positions. Provide support, training, and technical assistance to people with disabilities to exercise leadership. This will lead to sustainability of the Olmstead Plan over time."

Through Executive Order #14-14, the Governor has reinforced his commitment to employing people with disabilities by directing state agencies to develop plans for promoting employment opportunities for Minnesotans with disabilities.

Achieving the promise of the Olmstead plan and true integration will require leadership and many people working together. Our success will be demonstrated when the State's workforce reflects the populations we serve and people with disabilities are shaping the services their communities receive. The percentage of state employees who self-identified as having a disability declined from 10% in 1999 to 4% in 2013.

Proposal:

This new initiative will enable the Commissioner to establish two (2) disability-focused leadership development opportunities to enhance the Department's ability to support state agencies, state boards and councils in their efforts to implement the Olmstead Plan. Admin's disability focused leadership development positions will provide the following:

- Conducting research and environmental scans of current literature on topics pertaining to the Olmstead Plan.
- Supporting community engagement activities in coordination with the Olmstead Subcabinet to seek input/feedback directly from people with disabilities and families of children with disabilities.
- Reviewing public input to find actionable items that can improve the Olmstead Plan and presenting recommendations to the Olmstead Subcabinet to further develop presentation skills.
- Assisting in tracking the key Olmstead Plan results to report to the US District Court including—movement from segregated to integrated settings, movement from the waiting list and any changes in Quality of Life survey results.

- Providing training to and raising awareness among managers and supervisors to promote employment opportunities for individuals with disability in state government.

Results

The measures for this initiative will be developed as a part of implementation of the proposal.

Statutory Change(s):

Not applicable.

Administration

FY16-17 Biennial Budget Change Item

Change Item: In Lieu of Rent Authority

| Fiscal Impact (\$000s) | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|--|---------|---------|---------|---------|
| General Fund | | | | |
| Expenditures | 0 | 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) | 0 | 0 | 0 | 0 |
| FTEs | 0 | 0 | 0 | 0 |

Request:

The governor recommends a portion of the In Lieu of Rent appropriation be used for rent loss related to the restoration of the Minnesota State Capitol Building. Changes were made to the Capitol restoration construction schedule to better facilitate re-opening the Capitol for the 2017 session. This proposal allows In Lieu of Rent funds be used for rent loss expenses to align with the Capitol building restoration schedule.

No new funding is associated with this request.

Rationale/Background:

As fiscal agent, Admin oversees funding for In Lieu of Rent which includes the following:

- Rent Waived – space occupied in the Capitol, State Office, and Veterans Service buildings by the House of Representatives, Senate, Revisor of Statutes, Legislative Reference Library, and Congressionally chartered veterans' organization.
- Ceremonial areas – space in the Capitol such as the rotunda, the governor's residence, and ceremonial grounds and monuments/memorials in the Capitol area.
- Services for the Blind – space occupied by blind vending operators in buildings under our custodial control.

Admin also serves as fiscal agent for Capitol Building Rent Loss and Relocation which is used for:

- Relocation – includes physical move costs required for the Capitol Restoration Project.
- Rent Loss – pays expenses that will continue to be incurred in vacant spaces in the Capitol, such as utility services, building maintenance, and limited custodial services.

The State Capitol Building is currently undergoing an historic restoration project. As part of this project, building tenants have been temporarily relocated to other facilities. Rent costs for temporary spaces for the legislature are funded through Rent Waived (described above).

The initial planning for the Capitol Restoration provided for approximately one-third of the Capitol to be vacated in June 2014. As the development of the design and schedule progressed, changes were made to better facilitate construction and re-opening the Capitol for the 2017 session. This resulted in approximately two-thirds of the Capitol being vacated in June 2014, increasing the need for rent loss, and temporarily decreasing the need for In Lieu of Rent.

Proposal:

Add language to 2015 session law that allows the In Lieu of Rent appropriation to be used for rent loss related to the Capitol restoration. This language change will provide needed Rent Loss funding for building expenses during this restoration project.

Results:

The change will allow Admin to manage Capitol Building rent loss during the Capitol restoration.

Statutory Change(s):

2015 session law will include the following language: In Lieu of Rent may be used for rent loss related to the Capitol restoration in the FY2014-15 biennium and FY2016-17 biennium.

Program: Government and Citizen Services

Activity: Developmental Disability Council

<http://mn.gov/mnddc>

AT A GLANCE

- Since 1987, we have graduated more than 900 Minnesotans from our leadership training program
- Our Partners in Policymaking technology application "Telling Your Story" received a 2014 State Government Innovation Award from the Bush Foundation and Humphrey School
- Distributed more than 1.2 million publications through website downloads and print media during the last year
- Provided training to 6,607 individuals in the last year. The training helps people achieve greater independence and community involvement

PURPOSE & CONTEXT

The Governor's Council on Developmental Disabilities seeks increased independence, productivity, self-determination, integration, and inclusion for people with developmental disabilities and their families. We achieve this mission by providing information, education, and training that help develop skills and change attitudes.

Our training helps people with developmental disabilities make informed choices, gain better jobs, have more control over their lives and resources, and be more included as active members in their community.

The primary customers of the Council are individuals with developmental disabilities, family members, providers, and others who work with people with developmental disabilities.

The Department of Administration is the designated state agency to administer the Council's federal funds along with the state general fund match. The Council must be located in a neutral state agency that does not provide services to people with disabilities. The 25 member council is appointed by the governor.

SERVICES PROVIDED

The Governor's Council on Developmental Disabilities provides those with developmental disabilities and their families through the following federally approved strategies:

- Training
- Education and awareness

Specific services provided include: leadership training through our Partners in Policymaking program (leadership training program for people with disabilities and their families); free training materials and online training courses; sponsorship of training conferences; grant funds to assist people in advocating for themselves; outreach to minority communities; and increased employment opportunities for people with developmental disabilities.

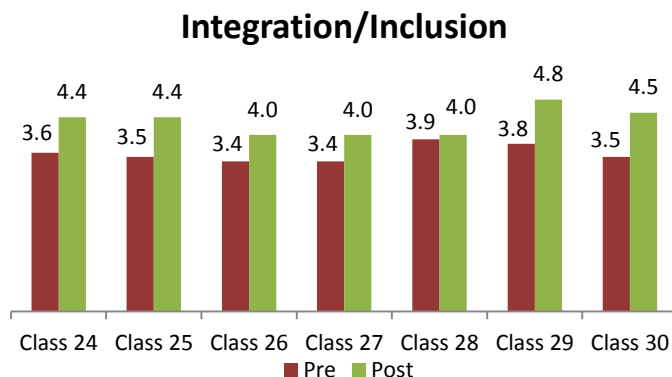
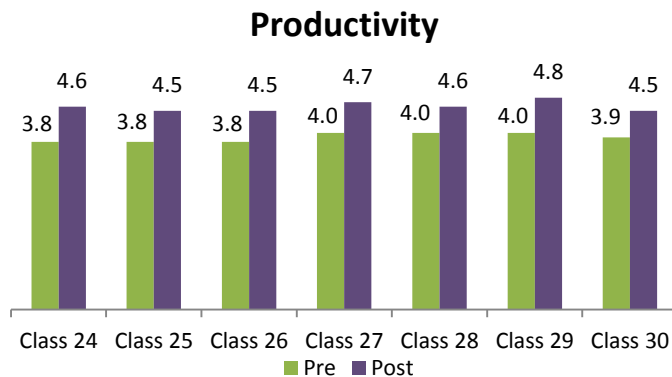
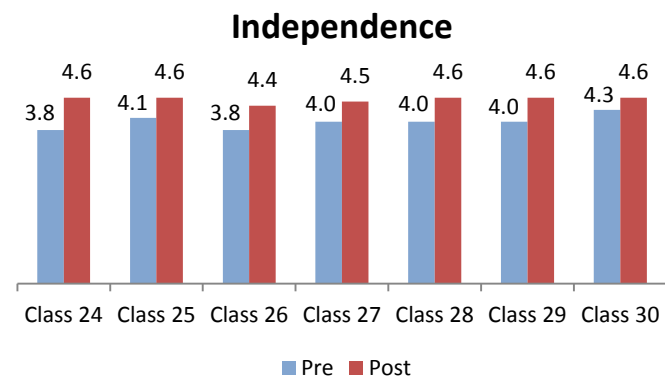
RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
|------------------------|--|-----------------|----------------|--------------|
| Quantity | Print publications/downloads | 94,118 | 1,248,544 | 2004 & 2013 |
| Quantity | Online visits | 109,218 | 307,036 | 2004 & 2013 |
| Results | Partners pre- and post-IPSII* for Class 30 | 3.9** | 4.5** | 2012 & 2013 |

**Composite scores

We provide information, education, and training to build knowledge, develop skills, and change attitudes that will lead to increased independence, productivity, self-determination, integration and inclusion (IPSII) for people with developmental disabilities and their families. To measure success, participants in the Partners in Policymaking course are surveyed prior to and after participation regarding their levels of IPSII.

Graphs: Partners in Policymaking Pre and Post Course IPSII Scores. Self-Reported 1-to-5 scale where 5 is highest.



The legal authority for the Governor's Council on Developmental Disabilities Legal is provided in the Developmental Disabilities Assistance and Bill of Rights Act (P.L. 106-402) (http://www.acl.gov/Programs/AIDD/DDA_BOR_ACT_2000/index.aspx) and M.S.16B.053 (<https://www.revisor.mn.gov/statutes/?id=16B.053>) and M.S.16B.054 (<https://www.revisor.mn.gov/statutes/?id=16B.054>).

(Dollars in Thousands)

Expenditures By Fund

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--------------------------------------|--------------|--------------|--------------|------------|---------------|--------------|---------------------------|--------------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| 1000 - General | 74 | 74 | 74 | 74 | 74 | 74 | 218 | 218 |
| 3000 - Federal | 1,093 | 968 | 1,060 | 876 | 969 | 969 | 969 | 969 |
| Total | 1,167 | 1,042 | 1,134 | 950 | 1,043 | 1,043 | 1,187 | 1,187 |
| <i>Biennial Change</i> | | | | (126) | | 3 | | 291 |
| <i>Biennial % Change</i> | | | | (6) | | 0 | | 14 |
| <i>Governor's Change from Base</i> | | | | | | | | 288 |
| <i>Governor's % Change from Base</i> | | | | | | | | 14 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|
| Compensation | 221 | 226 | 237 | 298 | 287 | 294 | 417 | 424 |
| Operating Expenses | 407 | 348 | 342 | 261 | 101 | 70 | 112 | 82 |
| Other Financial Transactions | 2 | 2 | | | | | 3 | 2 |
| Grants, Aids and Subsidies | 538 | 466 | 555 | 392 | 656 | 680 | 656 | 680 |
| Total | 1,167 | 1,042 | 1,134 | 950 | 1,043 | 1,043 | 1,187 | 1,187 |
| | | | | | | | | |

Full-Time Equivalents

| | | | | | | | |
|------------|------------|------------|------------|------------|------------|------------|------------|
| 2.6 | 2.6 | 2.7 | 2.6 | 2.6 | 2.6 | 4.6 | 4.6 |
|------------|------------|------------|------------|------------|------------|------------|------------|

Budget Activity: Developmental Disability Council

Budget Activity 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 |
| Direct Appropriation | 74 | 74 | 74 | 74 | 74 | 74 | 218 | 218 |
| Expenditures | 74 | 74 | 74 | 74 | 74 | 74 | 218 | 218 |
| <i>Biennial Change in Expenditures</i> | | | | 0 | | 0 | | 288 |
| <i>Biennial % Change in Expenditures</i> | | | | 0 | | 0 | | 194 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 288 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 194 |
| FTEs | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 2.0 | 2.0 |

3000 - Federal

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|--------------|------------|--------------|------------|---------------|------------|---------------------------|------------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 8 | 8 | 1 | | | | | |
| Receipts | 1,085 | 961 | 1,059 | 876 | 969 | 969 | 969 | 969 |
| Expenditures | 1,093 | 968 | 1,060 | 876 | 969 | 969 | 969 | 969 |
| Balance Forward Out | | 1 | | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | (126) | | 2 | | 2 |
| <i>Biennial % Change in Expenditures</i> | | | | (6) | | 0 | | 0 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 |

Program: Government and Citizen Services

Activity: Fleet and Surplus Services

<http://mn.gov/admin/government/vehicles/>; <http://mn.gov/admin/government/surplus-property/>

AT A GLANCE

- Manage a fleet of 1,806 vehicles
- 95.7% of our vehicles are capable of using alternative fuels
- Reduced gasoline usage by 13.6% last year
- Provide assistance to state and local government with the distribution and disposal of surplus property
- Repurposed 17,242 items through the Surplus Property Distribution Center
- Returned \$10.8 million to agencies from surplus property sales
- Sold 5,049 lots of property through the State Auction Program last year

PURPOSE & CONTEXT

Fleet and Surplus Services strives to ensure that state agencies have access to critical logistical services related to transportation and property.

Our Fleet Services unit supplies safe, cost effective transportation solutions for official government business. We ensure a cost effective operation by tailoring services to actual agency usage. We monitor key data points such as mileage and fuel consumption in order to advise agencies on the best vehicle for their needs, how long they should keep the vehicle, and transportation options.

Surplus Services provides assistance to state agencies and local governments to distribute surplus property in an environmentally and financially responsible manner. Additionally, we maximize the public investment in equipment through redistribution to other public entities or sale.

We return approximately 90 percent of sale proceeds to the agencies that dispose of surplus property.

Our primary customers are state agencies, local governments, nonprofit organizations and the public. Fleet Services is organized as an internal service fund and generates its revenue through the leasing program. Surplus Services is an enterprise fund and generates its revenue through the resale of goods.

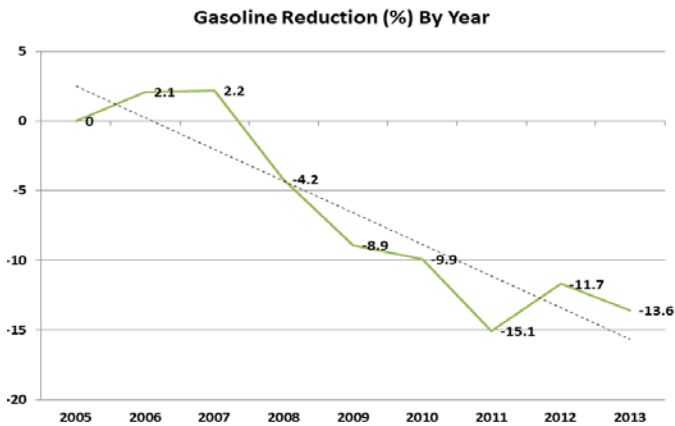
SERVICES PROVIDED

The work of Fleet and Surplus Services can be divided into two primary categories:

- Fleet Services
- Surplus Services

Specific services provided include: full service long-term vehicle rental program; vehicle maintenance service; fuel card program; statewide fleet reporting and information management system; agency assistance with vehicle utilization and lifecycle management; issue policy, guidelines and procedures for the management and disposal of state surplus property; management of a surplus redistribution center for state and federal surplus property; live and online auction program; surplus exchange program; and storage services

RESULTS



Measure (Quantity): Gasoline Reduction by Year. We measure fuel usage with a goal of utilizing alternative fuels and reducing gasoline consumption. In 2013 we reduced gasoline purchases by 13.6% from 2005 baseline



Measure (Quantity): Number of online auction lots sold. MinnBid, our online auction site, is a cost-effective means to dispose of state surplus property. We have increased the number of items sold online by approximately 200% since 2009

| Type of Measure | MEASUREMENT GOAL | FY2014 Baseline | FY2015 Goal | FY2016 Goal | FY2017 Goal |
|-----------------|--|-----------------|----------------------|----------------------|----------------------|
| Quality | Reduction of agency owned vehicles by converting to Admin leased vehicles. Controlling the life cycle of a vehicle is critical to safety, dependability, and cost effectiveness. Admin's leasing program provides a managed life cycle for vehicles to ensure these three objectives are optimally met. State agencies are converting agency owned vehicles to Admin leased vehicles for management and control of life cycles. In FY2013 approximately 100 agency-owned vehicles were converted to lease vehicles. | 893 | Convert 100 vehicles | Convert 100 vehicles | Convert 100 vehicles |
| Quality | Percent of vehicles replaced within their target replacement schedule. Admin's goal is to replace 90% of vehicles within their target replacement schedule. | N/A | N/A | 90% | 90% |
| Quantity | Increase Surplus Services program active donee customer participation. Over 200 government entities and eligible non-profit organizations (donees) utilized the Surplus Services program in FY2013. Our goal is to bring awareness to the surplus property disposal and reuse programs and increase our donee participation. We are tracking the number of active organizations participating in the Surplus Services re-purposing program with a goal of increasing participation by 15% over the next year. | 201 | Increase by 15% | N/A | N/A |

M.S. 16B.24 (<https://www.revisor.mn.gov/statutes/?id=16C.24>) and M.S. 16B.54 (<https://www.revisor.mn.gov/statutes/?id=16B.54>) provides the legal authority for these programs.

(Dollars in Thousands)

Expenditures By Fund

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| 4502 - Surplus Property | 944 | 866 | 1,151 | 2,371 | 1,298 | 1,316 | 1,298 | 1,316 |
| 5000 - Master Lease | 271 | 9,000 | 7,010 | 11,900 | 11,227 | 11,564 | 11,227 | 11,564 |
| 5100 - Fleet Services | 10,141 | 10,072 | 10,410 | 10,657 | 10,099 | 10,395 | 10,099 | 10,395 |
| Total | 11,356 | 19,938 | 18,571 | 24,928 | 22,624 | 23,275 | 22,624 | 23,275 |
| <i>Biennial Change</i> | | | | 12,205 | | 2,400 | | 2,400 |
| <i>Biennial % Change</i> | | | | 39 | | 6 | | 6 |
| <i>Governor's Change from Base</i> | | | | | | | | 0 |
| <i>Governor's % Change from Base</i> | | | | | | | | 0 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Compensation | 1,213 | 1,252 | 1,145 | 1,268 | 1,282 | 1,324 | 1,282 | 1,324 |
| Operating Expenses | 8,429 | 8,791 | 9,064 | 10,104 | 9,759 | 10,020 | 9,759 | 10,020 |
| Other Financial Transactions | 401 | 9 | 105 | 1,370 | | | | |
| Grants, Aids and Subsidies | 0 | 0 | 0 | | | | | |
| Capital Outlay-Real Property | 1,314 | 9,887 | 8,256 | 12,186 | 11,583 | 11,931 | 11,583 | 11,931 |
| Total | 11,356 | 19,938 | 18,571 | 24,928 | 22,624 | 23,275 | 22,624 | 23,275 |

Full-Time Equivalents

| | | | | | | | |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 17.2 | 17.3 | 15.7 | 17.0 | 16.7 | 16.6 | 16.7 | 16.6 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|

Budget Activity: Fleet And Surplus
Services

Budget Activity Financing by Fund

(Dollars in Thousands)

4502 - Surplus Property

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|------------|------------|--------------|--------------|---------------|--------------|---------------------------|--------------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 947 | 1,287 | 1,624 | 1,847 | 943 | 1,225 | 943 | 1,225 |
| Receipts | 1,275 | 1,198 | 1,374 | 1,467 | 1,580 | 1,580 | 1,580 | 1,580 |
| Net Transfers | | (1) | | | | | | |
| Expenditures | 944 | 866 | 1,151 | 2,371 | 1,298 | 1,316 | 1,298 | 1,316 |
| Balance Forward Out | 1,279 | 1,619 | 1,847 | 943 | 1,225 | 1,489 | 1,225 | 1,489 |
| <i>Biennial Change in Expenditures</i> | | | | 1,712 | | (908) | | (908) |
| <i>Biennial % Change in Expenditures</i> | | | | 95 | | (26) | | (26) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 7.3 | 7.1 | 7.1 | 8.5 | 8.1 | 8.0 | 8.1 | 8.0 |

5000 - Master Lease

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|------------|--------------|--------------|---------------|---------------|---------------|---------------------------|---------------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | | 54 | 6 | | | | | |
| Receipts | 288 | 8,973 | 7,004 | 11,900 | 11,227 | 11,564 | 11,227 | 11,564 |
| Expenditures | 271 | 9,000 | 7,010 | 11,900 | 11,227 | 11,564 | 11,227 | 11,564 |
| Balance Forward Out | 18 | 26 | | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 9,639 | | 3,881 | | 3,881 |
| <i>Biennial % Change in Expenditures</i> | | | | 104 | | 21 | | 21 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |

5100 - Fleet Services

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 4,412 | 4,697 | 6,138 | 5,612 | 5,693 | 5,072 | 5,693 | 5,072 |
| Receipts | 15,233 | 17,378 | 16,771 | 18,108 | 17,069 | 17,582 | 17,069 | 17,582 |
| Net Transfers | (5,016) | (5,988) | (6,888) | (7,370) | (7,591) | (7,819) | (7,591) | (7,819) |
| Expenditures | 10,141 | 10,072 | 10,410 | 10,657 | 10,099 | 10,395 | 10,099 | 10,395 |
| Balance Forward Out | 4,488 | 6,015 | 5,612 | 5,693 | 5,072 | 4,440 | 5,072 | 4,440 |
| <i>Biennial Change in Expenditures</i> | | | | 854 | | (573) | | (573) |
| <i>Biennial % Change in Expenditures</i> | | | | 4 | | (3) | | (3) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 9.8 | 10.1 | 8.6 | 8.5 | 8.6 | 8.6 | 8.6 | 8.6 |

5100 - Fleet Services

Program: Government and Citizen Services
Activity: Information Policy Analysis

www.ipad.state.mn.us

AT A GLANCE

- Assists the commissioner in issuing approximately 20 Data Practices Act advisory opinions annually
- Maintains a website including over 900 opinions that give guidance to state and local government and the public
- Sponsors or participates in over 25 continuing education conferences, presentations, and trainings each fiscal year
- Receives over 21,000 website visits each year

PURPOSE & CONTEXT

The Information Policy Analysis Division (IPAD) is a statewide resource on Minnesota's data practices and open meeting laws.

Our goal is to provide the best information to customers in the most efficient manner. Whether customers participate in training or visit IPAD's website, useful information promotes more accountable and transparent government services and helps the public understand laws related to privacy and open government.

We promote compliance with and understanding of these laws by providing technical consultation and training resources to state and local government, members of the public, the media, and the Legislature. This activity is primarily funded through a General Fund appropriation.

SERVICES PROVIDED

Information Policy Analysis Division's work can be divided into three primary categories:

- Technical Consultation
- Training and Resource Development
- Statutory Duties

Specific services provided include: assist government, public, media, and legislative customers with questions about data practices and open meeting laws; develop resource materials (for example: model policies and guides) and present workshops and informational sessions on data practices and open meeting laws; provide staff resources to the Commissioner of Administration to fulfill statutory responsibilities for data practices and open meeting laws, including advisory opinions, temporary classifications of government data, and appeals of challenges to the accuracy and completeness of government data.

All of these functions help promote government accountability and efficiency by providing government entities with resources to ensure compliance with the laws and the public, media, and legislature with an understanding of their rights and implications of the laws.

RESULTS

Our performance measures show consistently high ratings for the usefulness of training and website resources and we remain committed to reaching even more people who need our help. We will continue to collect data and measure the success of training by having attendees rate their knowledge levels before and after the training event. We will work to maintain high numbers of customer contacts both through informal consultations (e.g. phone calls, emails, in-person meetings) and training events.

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
|------------------------|---|-----------------|----------------|--------------|
| Quantity | Total customers assisted and trained a year | 2,983 | 2,895 | 2013 2014 |
| Quality | Customers that will definitely use information from our workshops in their job | 89% | 89% | 2013 2014 |
| Quality | Customers that find the resources on our website helpful | 85% | 84% | 2013 2014 |
| Results | Customers that identified an increase in their knowledge following our training | NA | 88% | 2014 |

Legal authority for the Information Policy Analysis Division is provided in [M.S. 13.073](https://www.revisor.mn.gov/statutes/?id=13.073) (<https://www.revisor.mn.gov/statutes/?id=13.073>).

(Dollars in Thousands)

Expenditures By Fund

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--------------------------------------|------------|------------|------------|------------|---------------|------------|---------------------------|------------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| 1000 - General | 440 | 459 | 459 | 466 | 463 | 463 | 494 | 525 |
| 2000 - Restricted Misc Special Rev | 7 | 23 | 23 | 42 | 30 | 30 | 30 | 30 |
| Total | 447 | 482 | 483 | 508 | 493 | 493 | 524 | 555 |
| <i>Biennial Change</i> | | | | 62 | | (5) | | 88 |
| <i>Biennial % Change</i> | | | | 7 | | 0 | | 9 |
| <i>Governor's Change from Base</i> | | | | | | | | 93 |
| <i>Governor's % Change from Base</i> | | | | | | | | 9 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Compensation | 391 | 417 | 424 | 457 | 446 | 446 | 477 | 508 |
| Operating Expenses | 56 | 61 | 59 | 51 | 47 | 47 | 47 | 47 |
| Other Financial Transactions | | 3 | | | | | | |
| Total | 447 | 482 | 483 | 508 | 493 | 493 | 524 | 555 |

Full-Time Equivalents

| | | | | | | | |
|------------|------------|------------|------------|------------|------------|------------|------------|
| 4.4 | 4.6 | 4.5 | 4.6 | 4.3 | 4.2 | 4.3 | 4.2 |
|------------|------------|------------|------------|------------|------------|------------|------------|

Budget Activity: Information Policy
Analysis

Budget Activity 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 | | 23 | | 3 | | | | |
| Direct Appropriation | 463 | 463 | 463 | 463 | 463 | 463 | 494 | 525 |
| Net Transfers | | (20) | | | | | | |
| Cancellations | | 5 | | | | | | |
| Expenditures | 440 | 459 | 459 | 466 | 463 | 463 | 494 | 525 |
| Balance Forward Out | 23 | | 3 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 26 | | 1 | | 94 |
| <i>Biennial % Change in Expenditures</i> | | | | 3 | | 0 | | 10 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 93 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 10 |
| FTEs | 4.3 | 4.4 | 4.2 | 4.3 | 4.0 | 4.0 | 4.0 | 4.0 |

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 | 6 | 12 | 12 | 0 | 0 | 0 | 0 |
| Receipts | 11 | 27 | 24 | 30 | 30 | 30 | 30 | 30 |
| Expenditures | 7 | 23 | 23 | 42 | 30 | 30 | 30 | 30 |
| Balance Forward Out | 6 | 10 | 12 | 0 | 0 | 0 | 0 | 0 |
| <i>Biennial Change in Expenditures</i> | | | | 35 | | (5) | | (5) |
| <i>Biennial % Change in Expenditures</i> | | | | 118 | | (8) | | (8) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 0.1 | 0.2 | 0.3 | 0.4 | 0.3 | 0.2 | 0.3 | 0.2 |

Program: Government and Citizen Services
Activity: Materials Management

www.mmd.admin.state.mn.us

AT A GLANCE

- Oversaw more than \$2 billion annually in Minnesota state agency purchasing
- Managed about 2,100 contracts offering volume discounts to state agencies, counties, cities, and school districts
- Reviewed about 6,000 professional/technical contract documents annually
- Negotiated over \$49 million in contract savings for government entities in FY 2013 and FY 2014

PURPOSE & CONTEXT

The Materials Management Division strives to achieve the best value for taxpayers through strategic contracting and purchasing of goods and services. We facilitate and oversee state agency purchasing valued at approximately \$2 billion annually.

Our primary customers are state agencies, counties, cities, school districts, public health care facilities, and vendors doing business with the state.

Services to state agencies are funded by an appropriation from the general fund. Services to other government entities and health-related facilities are funded by vendor-paid contract administration fees.

SERVICES PROVIDED

The Materials Management Division utilizes two key strategies to achieve best value in state procurement:

- Statewide leadership
- Commitment to fairness and ethics

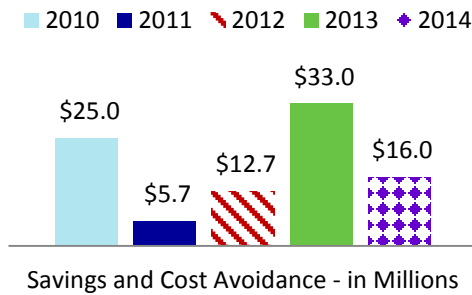
Specific services provided include: purchasing and contracting for goods, services, utilities, and construction; promoting environmentally responsible purchasing; approving professional/technical contracts; working with businesses to ensure fair competition; managing procurement functions through the Statewide Integrated Financial Tools (SWIFT); monitoring compliance with state procurement law and policy; conducting training for state agencies, vendors, and other customers; operating a cooperative purchasing program for more than 1,000 local units of government; and operating the Minnesota Multi-State Contracting Alliance for Pharmacy, a pharmaceutical/medical supplies purchasing program on behalf of 47 states and the cities of Chicago and Los Angeles.

RESULTS

We use a variety of quantity, quality and result metrics to monitor our success.

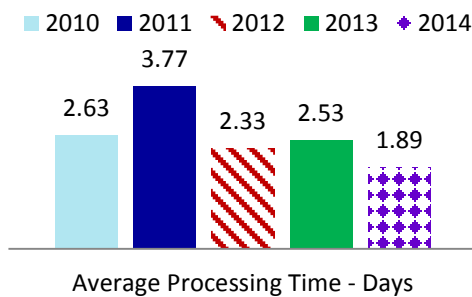
Performance Measure (Result of Program): Dollars saved through our contract negotiations. In FY2013 and FY2014, we tracked savings and cost avoidance of \$49 million, which is almost thirteen times greater than our General Fund appropriation of \$3.8 million for the same period.

Fiscal Impact of Negotiations



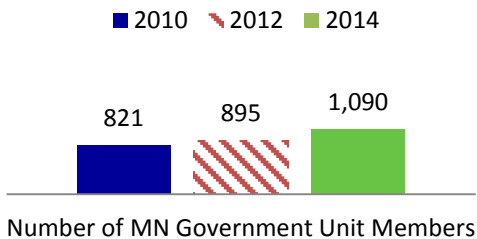
Performance Measure (Quality of Program): Average time it takes to provide a first-rate review. Agencies need prompt turnaround on the contract documents they send us. We measure our work quality by assessing the average time it takes to provide a first-rate review. The average of 1.89 days in FY2014 was our best performance in the past five years.

Professional/Technical Contracts Review Time

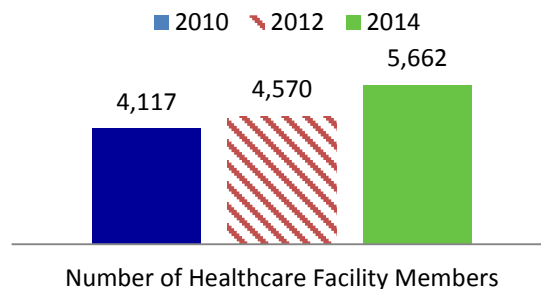


Performance Measure (Quantity of Program): The number of local governments and healthcare facilities that use our contracts. We track this measure because local governments and healthcare facilities can choose among a wide variety of purchasing programs. The quantity measure is trending upwards which suggests that our state contracts offer members the best value.

Cooperative Purchasing Program Participation



Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP) Participation



M.S. 16C (<https://www.revisor.mn.gov/statutes/?id=16c>) provides the legal authority for MMD's procurement services.

(Dollars in Thousands)

Expenditures By Fund

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| 1000 - General | 1,890 | 1,951 | 1,927 | 1,935 | 1,931 | 1,931 | 3,430 | 2,465 |
| 2001 - Other Misc Special Rev | 6 | 9 | 13 | 16 | 15 | 15 | 15 | 15 |
| 4501 - Coop Purchasing | 12,395 | 13,935 | 15,320 | 16,990 | 18,190 | 19,309 | 18,190 | 19,309 |
| Total | 14,291 | 15,895 | 17,260 | 18,941 | 20,136 | 21,255 | 21,635 | 21,789 |
| <i>Biennial Change</i> | | | | 6,015 | | 5,190 | | 7,223 |
| <i>Biennial % Change</i> | | | | 20 | | 14 | | 20 |
| <i>Governor's Change from Base</i> | | | | | | | | 2,033 |
| <i>Governor's % Change from Base</i> | | | | | | | | 5 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Compensation | 4,941 | 5,495 | 5,939 | 7,388 | 8,515 | 9,286 | 9,062 | 9,745 |
| Operating Expenses | 1,448 | 1,716 | 2,556 | 3,005 | 3,401 | 3,404 | 4,317 | 3,479 |
| Other Financial Transactions | 7,902 | 8,684 | 8,765 | 8,548 | 8,220 | 8,565 | 8,256 | 8,565 |
| Capital Outlay-Real Property | 0 | | | | | | | |
| Total | 14,291 | 15,895 | 17,260 | 18,941 | 20,136 | 21,255 | 21,635 | 21,789 |
| | | | | | | | | |

Full-Time Equivalents

| | | | | | | | |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 58.3 | 60.7 | 66.2 | 84.4 | 88.2 | 94.9 | 93.7 | 99.4 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|

Budget Activity: Materials Management

Budget Activity 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 | | 41 | | 4 | | | | |
| Direct Appropriation | 1,931 | 1,931 | 1,931 | 1,931 | 1,931 | 1,931 | 3,430 | 2,465 |
| Net Transfers | | (21) | | | | | | |
| Cancellations | | 0 | | | | | | |
| Expenditures | 1,890 | 1,951 | 1,927 | 1,935 | 1,931 | 1,931 | 3,430 | 2,465 |
| Balance Forward Out | 41 | | 4 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 20 | | 0 | | 2,033 |
| <i>Biennial % Change in Expenditures</i> | | | | 1 | | 0 | | 53 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 2,033 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 53 |
| FTEs | 20.7 | 20.1 | 19.6 | 20.3 | 19.8 | 19.2 | 25.3 | 23.7 |

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 | 5 | 9 | 13 | 16 | 15 | 15 | 15 | 15 |
| Receipts | 9 | 13 | 16 | 15 | 15 | 15 | 15 | 15 |
| Expenditures | 6 | 9 | 13 | 16 | 15 | 15 | 15 | 15 |
| Balance Forward Out | 9 | 13 | 16 | 15 | 15 | 15 | 15 | 15 |
| <i>Biennial Change in Expenditures</i> | | | | 14 | | 1 | | 1 |
| <i>Biennial % Change in Expenditures</i> | | | | 97 | | 2 | | 2 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | | | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |

4500 - Mn Bookstore

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--------------------|--------|-------|--------|----------|---------------|------|---------------------------|------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 39 | 0 | | 0 | 0 | 0 | 0 | 0 |
| Net Transfers | (39) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

4501 - Coop Purchasing

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--------------------|--------|--------|--------|----------|---------------|--------|---------------------------|--------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 13,466 | 15,760 | 17,376 | 20,152 | 21,133 | 21,972 | 21,133 | 21,972 |

Budget Activity: Materials Management

Budget Activity Financing by Fund

(Dollars in Thousands)

4501 - Coop Purchasing

| | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Receipts | 14,688 | 15,567 | 18,096 | 17,971 | 19,029 | 20,039 | 19,029 | 20,039 |
| Net Transfers | | (17) | | | | | | |
| Expenditures | 12,395 | 13,935 | 15,320 | 16,990 | 18,190 | 19,309 | 18,190 | 19,309 |
| Balance Forward Out | 15,759 | 17,375 | 20,152 | 21,133 | 21,972 | 22,702 | 21,972 | 22,702 |
| <i>Biennial Change in Expenditures</i> | | | | 5,980 | | 5,189 | | 5,189 |
| <i>Biennial % Change in Expenditures</i> | | | | 23 | | 16 | | 16 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 37.6 | 40.6 | 46.4 | 64.0 | 68.3 | 75.6 | 68.3 | 75.6 |

5203 - Central Mail Isf

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|---------------|--------|-------|--------|----------|---------------|------|---------------------------|------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Net Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Program: Government and Citizen Services
Activity: Continuous Improvement

<http://mn.gov/CI>

AT A GLANCE

- Trained more than 800 public employees in a range of course offerings from introductory process improvement courses to in-depth analytical training
- Offered new data analysis services to help agencies better determine where continuous improvement work is needed and how to measure results
- Developed enterprise project database to facilitate best practice and data sharing between agencies
- Provided real savings to the state. For example, projects nominated for the 2013 Governor's Continuous Improvement Awards identified one-time financial benefits totaling nearly \$7 million and annual cost savings or cost avoidance of over \$9 million

PURPOSE & CONTEXT

The Office of Continuous Improvement's mission is to improve Minnesota government every day. We do this by leading and supporting government agencies as they build continuous improvement (CI) into their day-to-day business practices. This creates more efficient business processes, increases productivity and improves the quality of services.

Continuous improvement works on core principles and an approach that focuses on ongoing action toward improvement, not immediate perfection. To empower employees and improve organizational performance, we use time-tested continuous improvement tools and methodologies, including Lean, Six Sigma, Total Quality Management, and more.

We help agencies promote continuous improvement through a variety of strategies. We provide training so all employees can identify opportunities for improvement. Our training also helps agencies conduct their own improvement efforts. We facilitate projects to identify and eliminate the activities preventing the most efficient delivery of services. And, we help senior leaders incorporate CI into agency long-term planning to create a culture of improvement that transcends individual improvement activities.

In addition to state agencies, we work with the Minnesota State Colleges and University system, counties, cities, and school districts. This program is funded by the General Fund.

SERVICES PROVIDED

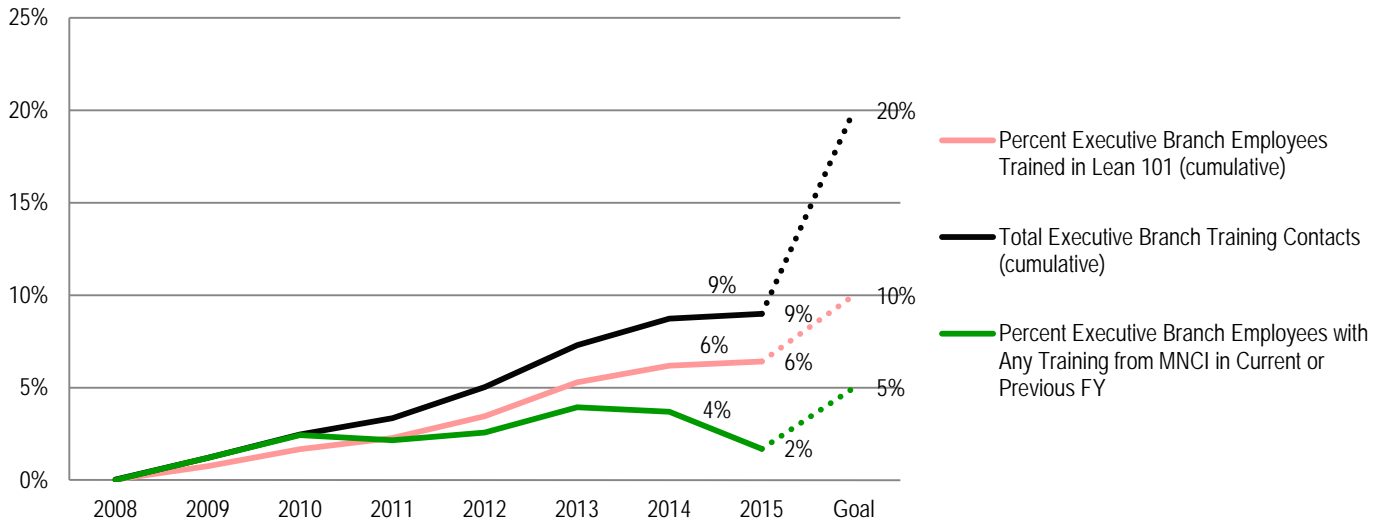
The Office of Continuous Improvement (MNCI) provides services in three primary categories:

- Continuous improvement trainings
- Facilitating specific process improvement projects
- Consulting services

More specifically, our office: trains employees at no cost to state agencies and local units of government; facilitates continuous improvement projects with trained staff members; improves or redesigns business processes; identifies data needs and methods to measure and report successful results; and provides services to help supervisors, managers, and senior leaders understand their roles in creating an environment where leadership is committed to continuous improvement efforts and actively engages employees in these efforts.

RESULTS

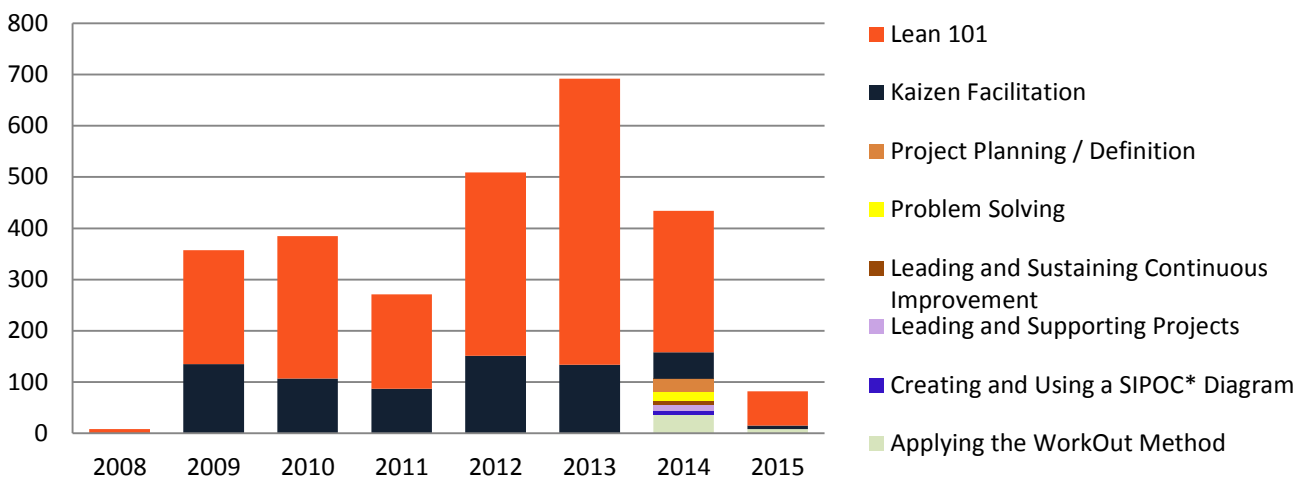
Continuous Improvement Training Progress



Measure (Quantity) – Number of employees trained by the Office of Continuous Improvement. The chart above shows three distinct measures all related to the training activities of the Office of Continuous Improvement

- The cumulative percent of executive branch employees trained in Lean 101 (the blue, middle line) shows the office's progress towards getting a large portion of state employees trained in the basics of Lean, with the intent of building a continuous improvement culture across state government. This is a breadth of reach measure. Our goal is to reach or exceed 10 percent of executive branch employees with Lean 101.
- The cumulative percentage of all executive branch training contacts (the red, top line) counts each attendance in all of our courses: Lean 101 and Kaizen Facilitation 2008-2013, with the addition of six additional courses in 2015 (see next page). The gap between this percentage and the percentage of employees trained in Lean 101 only shows that agency staff are moving on from Lean 101 to more advanced courses. This measure counts employees once for each training they take. This is a depth of reach measure. Our goal is to reach or exceed 20 percent cumulative total training contacts.
- The percent of executive branch employees with any MNCI training in the current or previous fiscal year (the green, bottom line) shows the how recently agency employees have received any CI training. This is a currency measure. Our goal is to have 5 percent of all executive branch employees have some training from MNCI in the current or previous fiscal year.

Executive Branch Trainees by Course and Fiscal Year



*Suppliers, inputs, process, outputs, customers

Measure (Quantity) – Executive Branch Trainees by Course and Fiscal Year. The chart above shows total training contacts by fiscal year. FY 2014 showed a decline in total training contacts, but this was in part due to the development of additional training courses. Almost 25% of trainees took one of the new courses in FY 2014.

M.S. 16B (<https://www.revisor.mn.gov/statutes/?id=16b>) provides the statutory authority for this activity.

Budget Activity: Continuous Improvement
(Lean)

Budget Activity Expenditures Overview
(Dollars in Thousands)

Expenditures By Fund

| | Actual | | Actual FY14 | Estimate FY15 | Forecast Base | | Governor's Recommendation | |
|--------------------------------------|------------|------------|----------------|------------------|---------------|------------|------------------------------|------------|
| | FY12 | FY13 | | | FY16 | FY17 | FY16 | FY17 |
| 1000 - General | 118 | 151 | 303 | 487 | 395 | 395 | 404 | 413 |
| 2001 - Other Misc Special Rev | 0 | 0 | 0 | 75 | 0 | 0 | 0 | 0 |
| Total | 118 | 151 | 303 | 562 | 395 | 395 | 404 | 413 |
| <i>Biennial Change</i> | | | | 596 | | (75) | | (48) |
| <i>Biennial % Change</i> | | | | 221 | | (9) | | (6) |
| <i>Governor's Change from Base</i> | | | | | | | | 27 |
| <i>Governor's % Change from Base</i> | | | | | | | | 3 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Compensation | 108 | 135 | 206 | 424 | 356 | 356 | 365 | 374 |
| Operating Expenses | 10 | 15 | 95 | 136 | 37 | 37 | 37 | 37 |
| Other Financial Transactions | | 1 | 1 | 2 | 2 | 2 | 2 | 2 |
| Total | 118 | 151 | 303 | 562 | 395 | 395 | 404 | 413 |

Full-Time Equivalents

| | | | | | | | |
|------------|------------|------------|------------|------------|------------|------------|------------|
| 1.0 | 1.1 | 2.0 | 4.3 | 2.8 | 2.8 | 2.8 | 2.8 |
|------------|------------|------------|------------|------------|------------|------------|------------|

Budget Activity: Continuous
Improvement (Lean)

Budget Activity 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 | | 17 | | 92 | | | | |
| Direct Appropriation | 135 | 135 | 395 | 395 | 395 | 395 | 404 | 413 |
| Cancellations | | 1 | | | | | | |
| Expenditures | 118 | 151 | 303 | 487 | 395 | 395 | 404 | 413 |
| Balance Forward Out | 17 | | 92 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 521 | | 0 | | 27 |
| <i>Biennial % Change in Expenditures</i> | | | | 193 | | 0 | | 3 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 27 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 3 |
| FTEs | 1.0 | 1.1 | 2.0 | 3.3 | 2.8 | 2.8 | 2.8 | 2.8 |

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 | | | 75 | 75 | | | | |
| Receipts | | | | 0 | 0 | 0 | 0 | 0 |
| Net Transfers | | 75 | | | | | | |
| Expenditures | 0 | 0 | 0 | 75 | 0 | 0 | 0 | 0 |
| Balance Forward Out | | 75 | 75 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 75 | | (75) | | (75) |
| <i>Biennial % Change in Expenditures</i> | | | | | | (100) | | (100) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | | | | 1.0 | | | | |

Program: Government and Citizen Services
Activity: Office of Grants Management

<http://www.mn.gov/admin/government/grants/>

AT A GLANCE

- Administer 13 comprehensive grant policies to improve state grant-making
- Maintain two websites that provide information and assistance to grant-makers and grant-seekers
- Provided consultation and technical assistance for more than 400 inquiries last year
- There were 50,536 page visits to the office's grant-seeking website in the last year

PURPOSE & CONTEXT

The Office of Grants Management (OGM) provides policy leadership and direction to promote consistent grants administration between state agencies, funders, and grantees. This increases access to state grant opportunities and state grants policies and leads to greater program accountability and transparency. Our grant-seeking and grant-making resources contribute to Admin's mission of providing best value in government administrative services.

Our primary customers are state and local government, nonprofit organizations, private foundations, and citizens. This activity is funded through the General Fund.

SERVICES PROVIDED

We provide the following services to promote more efficient and effective management of state grants and to provide access to state-wide grant opportunities:

- Policy development and state grants leadership
- Training, consulting, and development
- Technical assistance

More specifically, we: develop, enhance, and revise state grants management policies to create greater oversight, consistency, and transparency for state grant expenditures; convene governance committee to provide guidance and promote cooperation between state agencies, grantees, and community partners; create and share information and resources about best practices in state grants management through in-person and web-based training, presentations, and consulting; and provide and manage two informational websites that provide a complete listing of state grant opportunities and resources for grant-makers.

RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
|------------------------|---|------------------|--|--------------|
| Quantity | Total number of customers trained each fiscal year | 642 | 507 | 2012 2014 |
| Quality | Rating of state agency capacity to effectively implement state grants management policies and statutes | No previous data | 3 (Scale is 1-5 with 5 the highest) | 2014 |
| Results | Percent of participants in OGM training who report increasing their knowledge, skills, and abilities in grant management or grant seeking practices | 80% | 99% | 2012 2014 |

M.S. 16B.97 (<https://www.revisor.mn.gov/statutes/?id=16b.97>) and M.S.16B.98 (<https://www.revisor.mn.gov/statutes/?id=16B.98>) provide the legal authority for the Office of Grants Management.

(Dollars in Thousands)

Expenditures By Fund

| | Actual | | Actual FY14 | Estimate FY15 | Forecast Base | | Governor's Recommendation | |
|--------------------------------------|------------|------------|----------------|------------------|---------------|------------|------------------------------|------------|
| | FY12 | FY13 | | | FY16 | FY17 | FY16 | FY17 |
| 1000 - General | 108 | 103 | 102 | 148 | 125 | 125 | 127 | 130 |
| 2301 - Arts & Cultural Heritage Fund | 45 | 95 | 128 | 90 | 0 | 0 | 0 | 0 |
| Total | 153 | 198 | 230 | 238 | 125 | 125 | 127 | 130 |
| <i>Biennial Change</i> | | | | 118 | | (219) | | (212) |
| <i>Biennial % Change</i> | | | | 34 | | (47) | | (45) |
| <i>Governor's Change from Base</i> | | | | | | | | 7 |
| <i>Governor's % Change from Base</i> | | | | | | | | 3 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Compensation | 120 | 142 | 156 | 166 | 97 | 97 | 99 | 102 |
| Operating Expenses | 31 | 53 | 74 | 71 | 28 | 28 | 28 | 28 |
| Other Financial Transactions | 2 | 3 | 1 | 1 | 0 | 0 | 0 | 0 |
| Total | 153 | 198 | 230 | 238 | 125 | 125 | 127 | 130 |

Full-Time Equivalents

| | | | | | | | |
|------------|------------|------------|------------|------------|------------|------------|------------|
| 2.0 | 2.1 | 2.5 | 2.5 | 1.0 | 0.9 | 1.0 | 0.9 |
|------------|------------|------------|------------|------------|------------|------------|------------|

Budget Activity: Office Of Grants
Management

Budget Activity 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 | | 17 | | 23 | | | | |
| Direct Appropriation | 125 | 125 | 125 | 125 | 125 | 125 | 127 | 130 |
| Net Transfers | | (21) | | | | | | |
| Cancellations | | 18 | | | | | | |
| Expenditures | 108 | 103 | 102 | 148 | 125 | 125 | 127 | 130 |
| Balance Forward Out | 17 | | 23 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 39 | | 0 | | 7 |
| <i>Biennial % Change in Expenditures</i> | | | | 19 | | 0 | | 3 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 7 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 3 |
| FTEs | 1.4 | 1.0 | 1.0 | 1.2 | 1.0 | 0.9 | 1.0 | 0.9 |

2301 - Arts & Cultural Heritage Fund

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|-----------|-----------|------------|-----------|---------------|----------|---------------------------|----------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | | 48 | 41 | 1 | | | | |
| Direct Appropriation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Transfers | 92 | 88 | 96 | 89 | | | | |
| Cancellations | | | 7 | | | | | |
| Expenditures | 45 | 95 | 128 | 90 | 0 | 0 | 0 | 0 |
| Balance Forward Out | 46 | 40 | 1 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 78 | | (219) | | (219) |
| <i>Biennial % Change in Expenditures</i> | | | | 56 | | (100) | | (100) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 0.6 | 1.0 | 1.5 | 1.3 | 0.0 | 0.0 | 0.0 | 0.0 |

Program: Government and Citizen Services
Activity: State Archaeologist

www.osa.admin.state.mn.us

AT A GLANCE

- Licenses 75 archaeologists per year for public land work
- Inventories 300 archaeological sites per year
- Authenticates 10 to 15 unrecorded burial grounds per year
- Reviews 75 to 100 land development projects per year
- Makes 10 to 15 educational presentations per year

PURPOSE & CONTEXT

The Office of the State Archaeologist strives to preserve archaeological sites and historic burials, and promote archaeological research and education in Minnesota.

We promote proactive approaches to archaeological site preservation through close daily interaction with key development and land management agencies.

We provide agencies with locational information and technical expertise regarding archaeological sites and appropriate treatments. We are partnering with the Department of Transportation to provide access to an online database of archaeological site information for agencies and professionals. We work closely with the Minnesota Indian Affairs Council to assess and reduce impacts to historic burial grounds. Through these services, we contribute to preserving archaeological sites and archaeological information as a critical part of Minnesota's culture and environment.

Our primary customers are state and local governments, landowners, developers, professional archaeologists, students of archaeology, and the general public. The office is funded by the General Fund.

SERVICES PROVIDED

The State Archaeologist provides service in three primary categories:

- Compilation and select dissemination of archaeological information
- Education and awareness
- Research activities

Specific services provided include: maintain accurate and comprehensive archaeological information that is accessible to agencies, landowners, and professional archaeologists; promote archaeological education through website, presentations, and annual Archaeology Week events; review submitted land development plans to limit harm to important archaeological sites; evaluate professional qualifications to license archaeological surveys on public land; maintain and update site databases; provide direction for project development and management of the *Statewide Survey of Historical and Archaeological Sites*; and prioritize and promote archaeological research that fosters efficient and effective cultural resource management processes and addresses major knowledge gaps.

RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
|------------------------|--|-----------------|----------------|--------------|
| Quantity | Locate previously unrecorded archaeological sites. | 414 | 544 | 2011 2013 |
| Results | Assess the survival of previously identified burial mounds in order to ensure future protection. | N/A | 35% | 2013 |

The following Minnesota Statutes guide the work of the State Archaeologist: M.S. 138.31 – 138.42 (<https://www.revisor.mn.gov/statutes/?id=138.31>); M.S. 307.08 (<https://www.revisor.mn.gov/statutes/?id=307.08>); M.S. 129D.17 (<https://www.revisor.mn.gov/statutes/?id=129D.17>); and M.S. 390.25 (<https://www.revisor.mn.gov/statutes/?id=390.25>).

(Dollars in Thousands)

Expenditures By Fund

| | Actual | | Actual FY14 | Estimate FY15 | Forecast Base | | Governor's Recommendation | |
|--------------------------------------|------------|------------|----------------|------------------|---------------|------------|------------------------------|------------|
| | FY12 | FY13 | | | FY16 | FY17 | FY16 | FY17 |
| 1000 - General | 197 | 206 | 206 | 206 | 206 | 206 | 211 | 215 |
| 2000 - Restricted Misc Special Rev | 0 | 0 | 10 | 12 | 0 | 0 | 0 | 0 |
| 2403 - Gift | | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Total | 197 | 208 | 218 | 220 | 208 | 208 | 213 | 217 |
| <i>Biennial Change</i> | | | | 33 | | (22) | | (8) |
| <i>Biennial % Change</i> | | | | 8 | | (5) | | (2) |
| <i>Governor's Change from Base</i> | | | | | | | | 14 |
| <i>Governor's % Change from Base</i> | | | | | | | | 3 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Compensation | 171 | 187 | 192 | 194 | 182 | 182 | 187 | 191 |
| Operating Expenses | 24 | 20 | 26 | 26 | 26 | 26 | 26 | 26 |
| Other Financial Transactions | 2 | 1 | | | | | | |
| Total | 197 | 208 | 218 | 220 | 208 | 208 | 213 | 217 |

Full-Time Equivalents

| | | | | | | | |
|------------|------------|------------|------------|------------|------------|------------|------------|
| 2.0 | 2.0 | 2.0 | 2.0 | 1.7 | 1.6 | 1.7 | 1.6 |
|------------|------------|------------|------------|------------|------------|------------|------------|

Budget Activity: State Archaeologist

Budget Activity 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 | | 9 | | 0 | | | | |
| Direct Appropriation | 206 | 206 | 206 | 206 | 206 | 206 | 211 | 215 |
| Cancellations | | 9 | | | | | | |
| Expenditures | 197 | 206 | 206 | 206 | 206 | 206 | 211 | 215 |
| Balance Forward Out | 9 | | 0 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 9 | | 0 | | 14 |
| <i>Biennial % Change in Expenditures</i> | | | | 2 | | 0 | | 3 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 14 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 3 |
| FTEs | 2.0 | 2.0 | 2.0 | 1.9 | 1.7 | 1.6 | 1.7 | 1.6 |

2000 - Restricted Misc Special Rev

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|----------|----------|-----------|-----------|---------------|----------|---------------------------|----------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Receipts | 0 | 0 | 10 | 12 | 0 | 0 | 0 | 0 |
| Expenditures | 0 | 0 | 10 | 12 | 0 | 0 | 0 | 0 |
| <i>Biennial Change in Expenditures</i> | | | | 22 | | (22) | | (22) |
| <i>Biennial % Change in Expenditures</i> | | | | | | (100) | | (100) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 0 | 0 | 0.0 | 0.1 | 0 | 0 | 0 | 0 |

2403 - Gift

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|--------|----------|----------|----------|---------------|----------|---------------------------|----------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 7 | 7 | 5 | 3 | 1 | | 1 | |
| Receipts | 0 | 0 | 0 | 0 | 1 | 2 | 1 | 2 |
| Expenditures | | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Balance Forward Out | 7 | 5 | 3 | 1 | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 2 | | 0 | | 0 |
| <i>Biennial % Change in Expenditures</i> | | | | 116 | | 8 | | 8 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |

Program: Government and Citizen Services
Activity: Plant Management

<http://mn.gov/admin/government/buildings-grounds>

AT A GLANCE

- Maintain 4.4 million square feet of office, laboratory, ceremonial, meeting, and other space in 22 buildings which includes the 140 acre Capitol Complex
- Maintain 25 monuments and memorials
- Maintain 32 parking facilities (6,000 stalls)
- Issue over 500 special event permits annually
- Achieved \$1.4 million in postage savings for state agencies in FY 2014
- Serve more than 70,000 Minnesota's Bookstore customers annually
- Reduced energy consumption by 21.3 percent since 2008

PURPOSE & CONTEXT

Plant Management provides facility and grounds management services for the Capitol Complex. We strive to provide well-maintained facilities and grounds on the State Capitol Complex and other select locations in the State of Minnesota while keeping lease rates low.

Additionally, our mail processing, publishing and distribution services through Central Mail and Minnesota's Bookstore provide cost-effective solutions critical to state agency functions. Additionally, our publication of the State Register provides the public a convenient way to find critical state information.

Our primary customers are state agencies, the Governor's Office, the Legislature, and visitors to the Capitol Complex. Minnesota's Bookstore serves state and local governments, school districts, and higher education entities.

PMD operates as an internal service fund with income generated from building lease rates. Income also comes from central mail postage rates, parking, and bookstore sales. There is a general fund appropriation for mail services.

SERVICES PROVIDED

The Plant Management Division provides services in three primary categories:

- Facilities
- Parking and alternative transportation
- Grounds

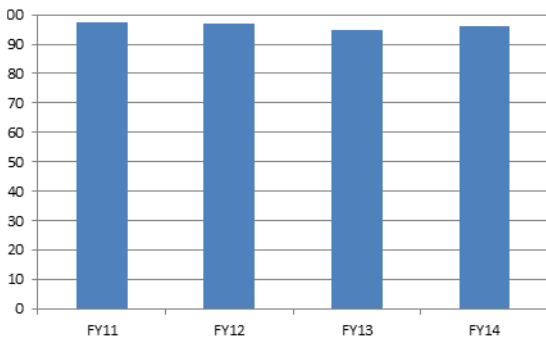
Specific services provided include: provide clean, safe, and environmentally-sound facilities; energy management; Capitol event permitting and coordination; Capitol Complex food service oversight; maintenance of green spaces including monuments and memorials; process federal and inter-office mail for state agencies; maintain and manage parking facilities; and publish the State Register.

RESULTS

We measure performance in multiple ways including: customer satisfaction, service disruptions, work completion rates, and energy consumption.

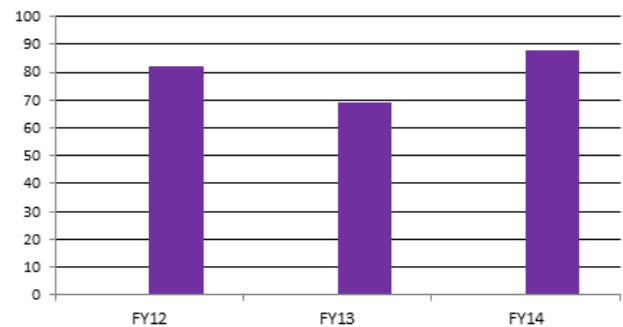
Performance Measures:

Customer Satisfaction



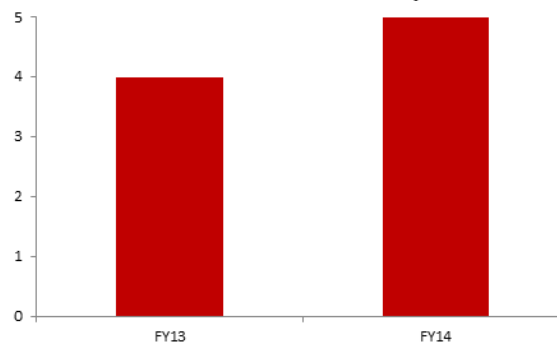
Result: Customer satisfaction data is taken from Building Occupant Annual Survey results. The percentage identifies consistently high tenant satisfaction

On-Time Work Order Completion



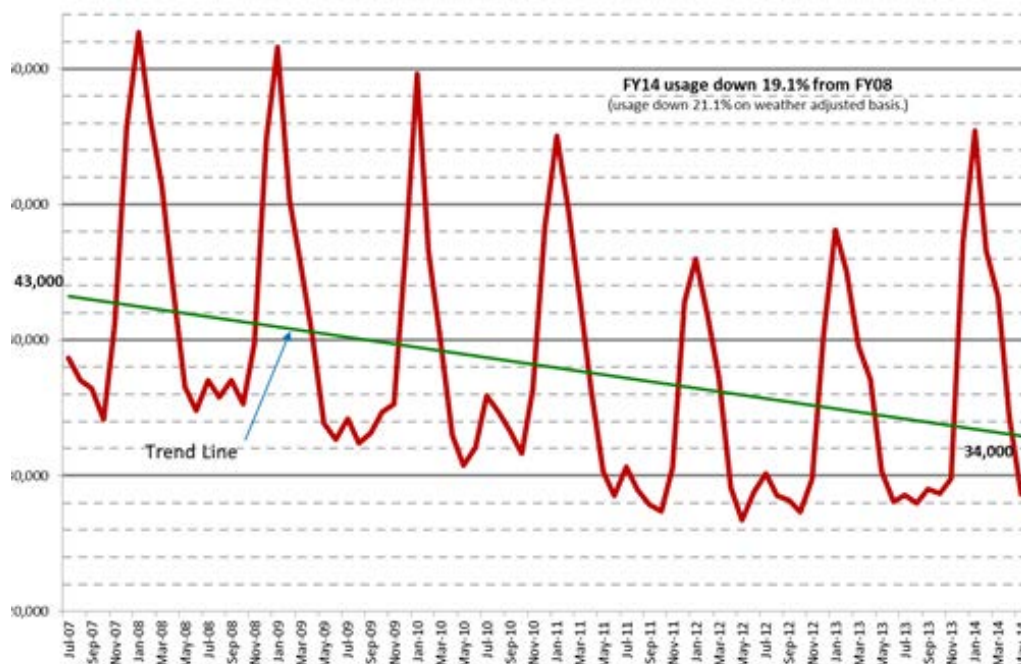
Quantity: Work order completion statistics show improved timeliness of work order completions

PMD Caused Service Disruptions



Quality: Our goal is to have zero service disruptions resulting in customer work disruptions. A total of four disruptions occurred in 2013 and five in 2014. A service disruption is any change or interruption in a building service such as heating, cooling, plumbing or electrical service that degrades an occupant's ability to accomplish their mission.

Capitol Complex Monthly Energy Use (Millions of BTUs)



Quantity: All Capitol Complex energy sources for all facilities in millions of British Thermal Units (MMBTUs). The current energy reduction of 21.2% in the table above has been normalized for weather.

M.S. 16B.24-28 (<https://www.revisor.mn.gov/statutes/?id=16B>) provides the legal authority for Plant Management Division's services.

Expenditures By Fund

| | Actual | | Actual FY14 | Estimate FY15 | Forecast Base | | Governor's Recommendation | |
|--------------------------------------|---------------|---------------|----------------|------------------|---------------|---------------|------------------------------|---------------|
| | FY12 | FY13 | | | FY16 | FY17 | FY16 | FY17 |
| 1000 - General | 431 | 439 | 437 | 439 | 438 | 438 | 438 | 438 |
| 2000 - Restricted Misc Special Rev | 3,820 | 4,372 | 3,703 | 4,470 | 4,115 | 4,016 | 4,115 | 4,016 |
| 2001 - Other Misc Special Rev | 1,375 | 7,426 | 8,739 | 6,358 | 7,157 | 8,456 | 7,157 | 8,456 |
| 4500 - Mn Bookstore | 1,062 | 1,160 | 924 | 1,233 | 1,185 | 1,267 | 1,185 | 1,267 |
| 5203 - Central Mail Isf | 8,528 | 8,511 | 9,472 | 9,365 | 9,388 | 9,410 | 9,388 | 9,410 |
| 5400 - Plant Management | 44,206 | 48,298 | 50,078 | 55,873 | 51,662 | 55,247 | 51,662 | 55,247 |
| Total | 59,423 | 70,206 | 73,353 | 77,738 | 73,944 | 78,833 | 73,944 | 78,833 |
| <i>Biennial Change</i> | | | | 21,461 | | 1,687 | | 1,687 |
| <i>Biennial % Change</i> | | | | 17 | | 1 | | 1 |
| <i>Governor's Change from Base</i> | | | | | | | | 0 |
| <i>Governor's % Change from Base</i> | | | | | | | | 0 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Compensation | 15,036 | 15,310 | 15,895 | 17,041 | 17,789 | 18,291 | 17,789 | 18,291 |
| Operating Expenses | 30,364 | 38,606 | 41,971 | 41,936 | 38,172 | 39,976 | 38,172 | 39,976 |
| Other Financial Transactions | 13,469 | 14,456 | 13,469 | 13,887 | 14,570 | 14,486 | 14,570 | 14,486 |
| Capital Outlay-Real Property | 555 | 1,834 | 2,017 | 4,873 | 3,413 | 6,080 | 3,413 | 6,080 |
| Total | 59,423 | 70,206 | 73,353 | 77,738 | 73,944 | 78,833 | 73,944 | 78,833 |
| | | | | | | | | |

Full-Time Equivalents

| | | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 246.9 | 240.0 | 241.0 | 251.6 | 255.0 | 254.6 | 255.0 | 254.6 |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|

Budget Activity: Plant Management

Budget Activity 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 | | 8 | | 1 | | | | |
| Direct Appropriation | 438 | 438 | 438 | 438 | 438 | 438 | 438 | 438 |
| Net Transfers | 4,753 | 4,716 | 4,894 | 4,898 | 4,723 | 4,803 | 4,723 | 4,803 |
| Cancellations | 4,753 | 4,723 | 4,894 | 4,898 | 4,723 | 4,803 | 4,723 | 4,803 |
| Expenditures | 431 | 439 | 437 | 439 | 438 | 438 | 438 | 438 |
| Balance Forward Out | 7 | | 1 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 6 | | 0 | | 0 |
| <i>Biennial % Change in Expenditures</i> | | | | 1 | | 0 | | 0 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 5.9 | 6.5 | 6.8 | 6.9 | 6.8 | 6.8 | 6.8 | 6.8 |

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 | 2,033 | 1,381 | 915 | 1,174 | 1,246 | 1,476 | 1,246 | 1,476 |
| Receipts | 3,774 | 4,335 | 4,403 | 5,278 | 6,350 | 6,211 | 6,350 | 6,211 |
| Net Transfers | (781) | (776) | (440) | (736) | (2,005) | (2,001) | (2,005) | (2,001) |
| Expenditures | 3,820 | 4,372 | 3,703 | 4,470 | 4,115 | 4,016 | 4,115 | 4,016 |
| Balance Forward Out | 1,206 | 569 | 1,174 | 1,246 | 1,476 | 1,670 | 1,476 | 1,670 |
| <i>Biennial Change in Expenditures</i> | | | | (19) | | (43) | | (43) |
| <i>Biennial % Change in Expenditures</i> | | | | 0 | | (1) | | (1) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 8.6 | 8.3 | 8.8 | 9.7 | 9.7 | 9.7 | 9.7 | 9.7 |

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 | 13,853 | 17,859 | 21,399 | 17,913 | 17,067 | 15,215 | 17,067 | 15,215 |
| Receipts | | | 15 | 0 | 0 | 0 | 0 | 0 |
| Net Transfers | 5,297 | 5,257 | 5,238 | 5,513 | 5,305 | 5,428 | 5,305 | 5,428 |
| Expenditures | 1,375 | 7,426 | 8,739 | 6,358 | 7,157 | 8,456 | 7,157 | 8,456 |
| Balance Forward Out | 17,774 | 15,689 | 17,913 | 17,067 | 15,215 | 12,187 | 15,215 | 12,187 |
| <i>Biennial Change in Expenditures</i> | | | | 6,295 | | 516 | | 516 |
| <i>Biennial % Change in Expenditures</i> | | | | 72 | | 3 | | 3 |

Budget Activity: Plant Management

Budget Activity 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 |

4500 - Mn Bookstore

| | Actual FY12 | FY 13 | Actual FY 14 | Estimate FY15 | Forecast Base FY16 | FY17 | Governor's Recommendation FY16 | FY17 |
|-----------------------------------|----------------|--------------|-----------------|------------------|-----------------------|--------------|--------------------------------------|--------------|
| Balance Forward In | 505 | 401 | 366 | 381 | 407 | 391 | 407 | 391 |
| Receipts | 902 | 1,095 | 939 | 1,259 | 1,169 | 1,259 | 1,169 | 1,259 |
| Net Transfers | | (1) | | | | | | |
| Expenditures | 1,062 | 1,160 | 924 | 1,233 | 1,185 | 1,267 | 1,185 | 1,267 |
| Balance Forward Out | 344 | 336 | 381 | 407 | 391 | 383 | 391 | 383 |
| Biennial Change in Expenditures | | | | (66) | | 295 | | 295 |
| Biennial % Change in Expenditures | | | | (3) | | 14 | | 14 |
| Gov's Exp Change from Base | | | | | | | | 0 |
| Gov's Exp % Change from Base | | | | | | | | 0 |
| FTEs | 8.4 | 7.6 | 6.7 | 6.9 | 6.9 | 6.9 | 6.9 | 6.9 |

5203 - Central Mail Isf

| | Actual FY12 | FY 13 | Actual FY 14 | Estimate FY15 | Forecast Base FY16 | FY17 | Governor's Recommendation FY16 | FY17 |
|-----------------------------------|----------------|--------------|-----------------|------------------|-----------------------|--------------|--------------------------------------|--------------|
| Balance Forward In | 958 | 1,505 | 1,449 | 1,168 | 1,073 | 955 | 1,073 | 955 |
| Receipts | 8,772 | 8,237 | 9,191 | 9,270 | 9,270 | 9,270 | 9,270 | 9,270 |
| Expenditures | 8,528 | 8,511 | 9,472 | 9,365 | 9,388 | 9,410 | 9,388 | 9,410 |
| Balance Forward Out | 1,201 | 1,230 | 1,168 | 1,073 | 955 | 815 | 955 | 815 |
| Biennial Change in Expenditures | | | | 1,797 | | (39) | | (39) |
| Biennial % Change in Expenditures | | | | 11 | | 0 | | 0 |
| Gov's Exp Change from Base | | | | | | | | 0 |
| Gov's Exp % Change from Base | | | | | | | | 0 |
| FTEs | 8.1 | 7.8 | 7.7 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 |

5400 - Plant Management

| | Actual FY12 | FY 13 | Actual FY 14 | Estimate FY15 | Forecast Base FY16 | FY17 | Governor's Recommendation FY16 | FY17 |
|---------------------|----------------|---------------|-----------------|------------------|-----------------------|---------------|--------------------------------------|---------------|
| Balance Forward In | 21,933 | 25,968 | 26,349 | 20,364 | 10,882 | 6,165 | 10,882 | 6,165 |
| Receipts | 61,819 | 61,352 | 59,186 | 61,500 | 61,460 | 63,944 | 61,460 | 63,944 |
| Net Transfers | (14,616) | (14,445) | (15,093) | (15,108) | (14,515) | (14,841) | (14,515) | (14,841) |
| Expenditures | 44,206 | 48,298 | 50,078 | 55,873 | 51,662 | 55,247 | 51,662 | 55,247 |
| Balance Forward Out | 24,930 | 24,577 | 20,364 | 10,882 | 6,165 | 21 | 6,165 | 21 |

Budget Activity: Plant Management

Budget Activity Financing by Fund

(Dollars in Thousands)

5400 - Plant Management

| | | | | | | | | |
|--|-------|-------|-------|--------|-------|-------|-------|-------|
| <i>Biennial Change in Expenditures</i> | | | | 13,447 | | 958 | | 958 |
| <i>Biennial % Change in Expenditures</i> | | | | 15 | | 1 | | 1 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 215.9 | 209.7 | 211.0 | 220.0 | 223.5 | 223.1 | 223.5 | 223.1 |

Program: Government & Citizen Services

Activity: Real Estate & Construction Services

<http://mn.gov/admin/government/real-estate/>

AT A GLANCE

- Manage 885 non-state-owned and state-owned real property leases
- Lease 3.6 million useable square feet of non-state-owned space at an annual cost of \$63.7 million
- Manage over 280 construction projects for state-owned facilities
- Oversee over \$500 million in capital appropriations
- Support utilization of the Enterprise Real Property (ERP) system to help state agencies manage 5,494 state-owned buildings with a total of 29.2 million square feet

PURPOSE & CONTEXT

Real Estate and Construction Services provides real estate and construction project management services to achieve facility solutions that help state agencies deliver efficient and effective services.

In addition to overseeing new construction and remodeling services, we provide leasing services to help agencies meet their needs.

Our effective lease negotiations ensure that agencies receive competitive rates in the market. Additionally, we help agencies get the most from their space through implementation of space standards.

We manage a comprehensive database of all real property under state control. It provides the essential data decision-makers need to make sound facility management decisions.

Our activities are primarily funded through General Fund and capital appropriations.

SERVICES PROVIDED

We provide services in three primary categories:

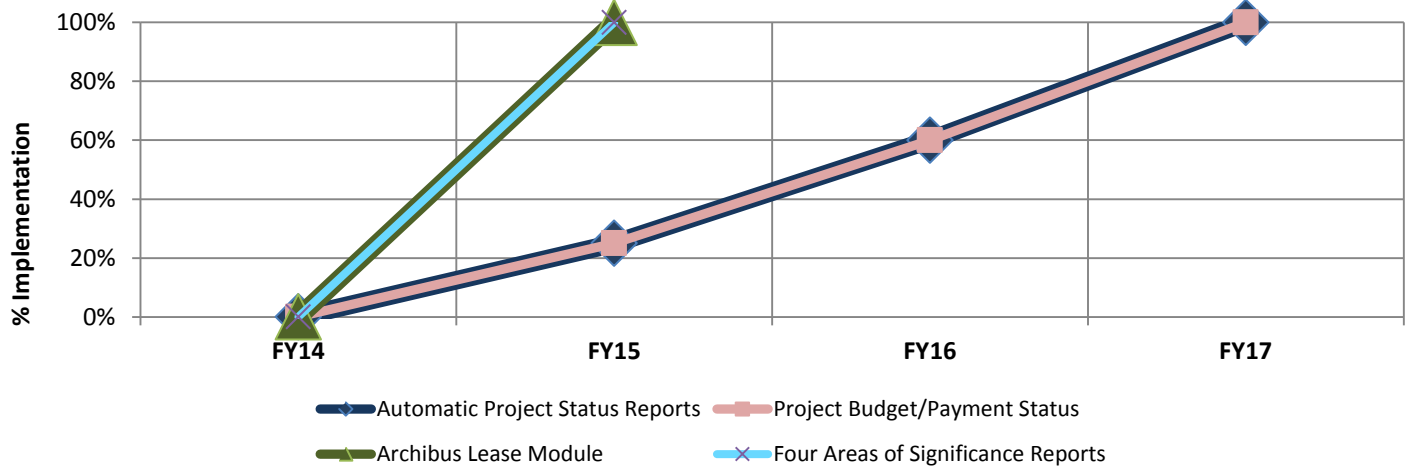
- Construction services
- Enterprise real property administration
- Real Estate services

Specific services provided include: professional project management of new, remodel, and asset preservation building projects; management of statewide capital asset preservation and replacement funds; management of the statewide predesign program; facilitation of the statewide facilities Enterprise Real Property system; negotiation and drafting of lease documents; management of state-owned and non-state-owned real property leases; negotiation and drafting of easements and permits; coordination of transfers of real property between agencies; management and oversight of the Minnesota Sustainable Building Guidelines and Benchmarking Tool (B3); and space utilization services for efficient facility management.

RESULTS

Performance Measure (Result of the Program): System implementation targets. Progress on these implementation goals is critical in order to provide the essential data decision-makers need to make sound facility management decisions and investments

System Implementation Targets



| <i>Implementation Goal</i> | <i>FY2014 Baseline</i> | <i>FY15 Goal</i> | <i>FY16 Goal</i> | <i>FY17 Goal</i> |
|--|------------------------|-------------------------------------|---------------------------------|----------------------------------|
| Implement Enterprise Real Property System (ERP) Lease Module to provide web-based access to lease reports for State Agencies | 0% | 100% of commercial leases in module | N/A | N/A |
| Generate Enterprise reports from the ERP system in the following four areas: Facility Condition, Building Inventory, Land Inventory, and Building Operations | 0% | 100% completion | N/A | N/A |
| Implement automatic delivery of project status reports to agencies via project management system | 0% | Implemented for 25% of projects | Implemented for 60% of projects | Implemented for 100% of projects |
| Complete integration of SWIFT and project management system to track budget status and payments on bonded construction projects | 0% | Implemented for 25% of projects | Implemented for 60% of projects | Implemented for 100% of projects |

M.S.16A.632, M.S.16B.24-16B.26, M.S.16B.281-16B.287, M.S.16B.30, M.S.16B.305, M.S.16B.31, M.S.16B.32, M.S.16B.321-16B.328, M.S.16B.33, M.S.16B.335, M.S.16C (<https://www.revisor.mn.gov/statutes/?id=16B>) and (<https://www.revisor.mn.gov/statutes/?id=16C>) are the statutes that provide the legal authority for Real Estate and Construction Services.

Budget Activity: Real Estate & Construction
Agent

Budget Activity Expenditures Overview

(Dollars in Thousands)

Expenditures By Fund

| | Actual | | Actual FY14 | Estimate FY15 | Forecast Base | | Governor's Recommendation | |
|--------------------------------------|--------------|--------------|----------------|------------------|---------------|--------------|------------------------------|--------------|
| | FY12 | FY13 | | | FY16 | FY17 | FY16 | FY17 |
| 1000 - General | 2,758 | 3,227 | 2,905 | 3,255 | 3,080 | 3,110 | 3,109 | 3,170 |
| 2000 - Restricted Misc Special Rev | | 83 | 0 | 258 | 258 | 0 | 258 | 0 |
| 2001 - Other Misc Special Rev | 668 | 1,034 | 659 | 495 | 495 | 495 | 495 | 495 |
| 2403 - Gift | 253 | 456 | 97 | 997 | 0 | 30 | 0 | 30 |
| 3000 - Federal | 4,871 | 579 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 8,551 | 5,380 | 3,661 | 5,005 | 3,833 | 3,635 | 3,862 | 3,695 |
| <i>Biennial Change</i> | | | | (5,264) | | (1,198) | | (1,109) |
| <i>Biennial % Change</i> | | | | (38) | | (14) | | (13) |
| <i>Governor's Change from Base</i> | | | | | | | | 89 |
| <i>Governor's % Change from Base</i> | | | | | | | | 1 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Compensation | 1,770 | 2,000 | 1,828 | 1,829 | 1,913 | 1,968 | 1,942 | 2,028 |
| Operating Expenses | 4,521 | 2,852 | 1,811 | 2,231 | 1,917 | 1,604 | 1,917 | 1,604 |
| Other Financial Transactions | 17 | 22 | 4 | 3 | 3 | 3 | 3 | 3 |
| Grants, Aids and Subsidies | 0 | 0 | | | | | | |
| Capital Outlay-Real Property | 2,243 | 506 | 19 | 942 | | 60 | | 60 |
| Total | 8,551 | 5,380 | 3,661 | 5,005 | 3,833 | 3,635 | 3,862 | 3,695 |

Full-Time Equivalents

| | | | | | | | |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 22.1 | 23.5 | 19.6 | 19.7 | 19.7 | 19.5 | 19.7 | 19.5 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|

Budget Activity: Real Estate &
Construction Agent

Budget Activity 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 | 109 | 543 | | 205 | 30 | 30 | 30 | 30 |
| Direct Appropriation | 3,120 | 3,080 | 3,080 | 3,080 | 3,080 | 3,080 | 3,109 | 3,140 |
| Net Transfers | | (330) | | | | | | |
| Cancellations | | 65 | | | | | | |
| Expenditures | 2,758 | 3,227 | 2,905 | 3,255 | 3,080 | 3,110 | 3,109 | 3,170 |
| Balance Forward Out | 470 | | 205 | 30 | 30 | 0 | 30 | 0 |
| <i>Biennial Change in Expenditures</i> | | | | 174 | | 30 | | 119 |
| <i>Biennial % Change in Expenditures</i> | | | | 3 | | 0 | | 2 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 89 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 1 |
| FTEs | 21.5 | 22.3 | 19.6 | 19.7 | 19.7 | 19.5 | 19.7 | 19.5 |

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 | 647 | 747 | 702 | 713 | 456 | 198 | 456 | 198 |
| Receipts | 50 | 39 | 12 | 0 | 0 | 0 | 0 | 0 |
| Net Transfers | | 0 | | | | | | |
| Expenditures | | 83 | 0 | 258 | 258 | 0 | 258 | 0 |
| Balance Forward Out | 697 | 702 | 713 | 456 | 198 | 198 | 198 | 198 |
| <i>Biennial Change in Expenditures</i> | | | | 175 | | 0 | | 0 |
| <i>Biennial % Change in Expenditures</i> | | | | 210 | | 0 | | 0 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 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 | 892 | 713 | 167 | | | | | |
| Receipts | 481 | 485 | 491 | 495 | 495 | 495 | 495 | 495 |
| Expenditures | 668 | 1,034 | 659 | 495 | 495 | 495 | 495 | 495 |
| Balance Forward Out | 705 | 164 | | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | (548) | | (164) | | (164) |
| <i>Biennial % Change in Expenditures</i> | | | | (32) | | (14) | | (14) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |

Budget Activity: Real Estate &
Construction Agent

Budget Activity Financing by Fund

(Dollars in Thousands)

2001 - Other Misc Special Rev

| | | | | | | | | |
|------|-----|-----|-----|---|---|---|---|---|
| FTEs | 0.6 | 1.2 | 0.1 | 0 | 0 | 0 | 0 | 0 |
|------|-----|-----|-----|---|---|---|---|---|

2403 - Gift

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|------------|------------|-----------|------------|---------------|-----------|---------------------------|-----------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 352 | 395 | 336 | 1,241 | 440 | 443 | 440 | 443 |
| Receipts | 294 | 397 | 1,002 | 147 | 3 | 34 | 3 | 34 |
| Net Transfers | | | | 50 | | | | |
| Expenditures | 253 | 456 | 97 | 997 | 0 | 30 | 0 | 30 |
| Balance Forward Out | 394 | 336 | 1,241 | 440 | 443 | 446 | 443 | 446 |
| <i>Biennial Change in Expenditures</i> | | | | 386 | | (1,064) | | (1,064) |
| <i>Biennial % Change in Expenditures</i> | | | | 54 | | (97) | | (97) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |

3000 - Federal

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|--------------|------------|----------|----------|---------------|----------|---------------------------|----------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | | 20 | | | | | | |
| Receipts | 4,872 | 559 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenditures | 4,871 | 579 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Biennial Change in Expenditures</i> | | | | (5,450) | | 0 | | 0 |
| <i>Biennial % Change in Expenditures</i> | | | | (100) | | 0 | | 0 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |

Program: Government and Citizen Services
Activity: Risk Management

<http://mn.gov/admin/risk>

AT A GLANCE

- Managed 3,871 liability, property and workers' compensation claims
- Insured \$14.9 billion in state property and 13,552 vehicles for auto liability

PURPOSE & CONTEXT

The Risk Management Division provides property, liability, and workers' compensation insurance services for all three branches of Minnesota state government, the State Fair, and the Minnesota State Colleges and Universities system.

We help our customers maintain financial stability and a safe, productive workforce by delivering quality services at the lowest possible cost. We deliver comprehensive, cost-effective property, liability, and workers compensation services through proactive and innovative risk, loss-control, and claims management practices.

The Workers' Compensation Program operates as a special revenue fund and The Property and Casualty Program operates as an internal service fund

SERVICES PROVIDED

The work of Risk Management helps minimize losses associated with unintended events and ensures the prudent use of state resources. This work is divided into three broad categories:

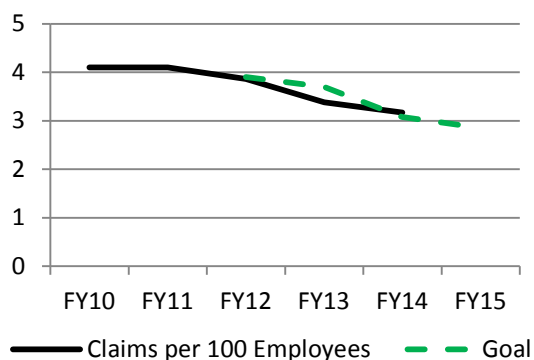
- Underwriting property and casualty insurance
- Risk management and loss control services
- Claims management

More specifically, Risk Management serves as the state's insurance company by offering: coverage for state-owned and operated vehicles; property and general liability insurance; workers' compensation coverage for state government; workplace safety and loss control services; and claim services that help the state minimize financial loss associated with accidents.

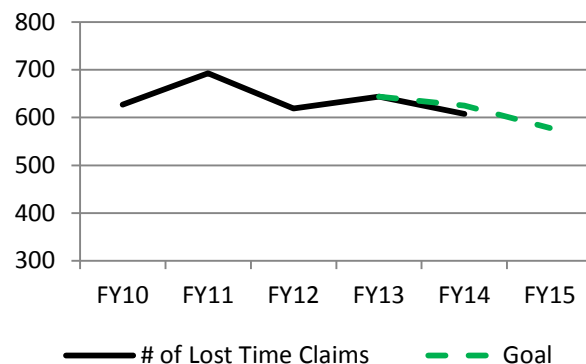
RESULTS

Performance Measure (Result of the Program): The number of workplace injuries is declining

Injury Rate in State Workforce

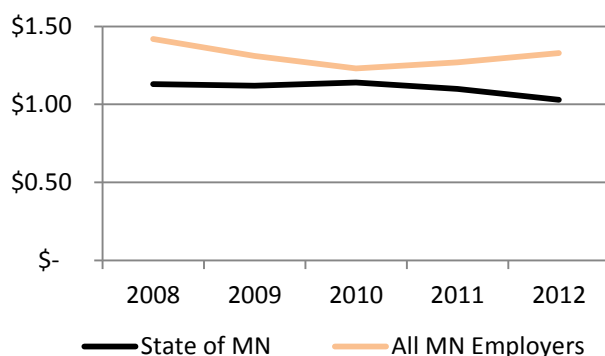


Lost Time Injury Claims



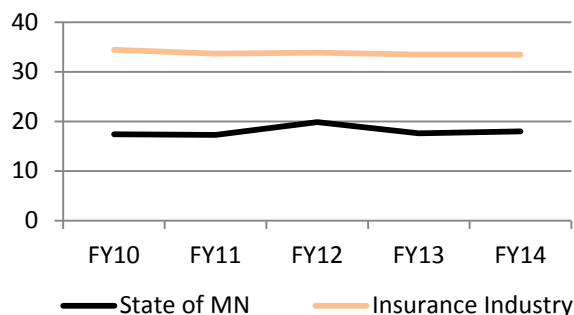
Performance Measure (Quality of the program): To ensure cost effective services, we routinely compare our costs with those of private and public employers. Our workers' compensation cost per every \$100 of payroll is less than that of other Minnesota employers.

Work Comp Cost per \$100 Payroll



Performance Measure (Quality of the Program): We strive to keep our administrative expenses low and measure our costs annually against insurance market averages. Our property and casualty operating expenses are less than the average insurance industry operating costs.

Property & Casualty Operating Expense Ratio



M.S. 16B.85 (<https://www.revisor.mn.gov/statutes/?id=16B.85>) and M.S. 176.541 (<https://www.revisor.mn.gov/statutes/?id=176.541>) provide the legal authority for Administration's Risk Management Division.

(Dollars in Thousands)

Expenditures By Fund

| | Actual | | Actual FY14 | Estimate FY15 | Forecast Base | | Governor's Recommendation | |
|--------------------------------------|---------------|---------------|----------------|------------------|---------------|---------------|------------------------------|---------------|
| | FY12 | FY13 | | | FY16 | FY17 | FY16 | FY17 |
| 1000 - General | 2,146 | 2,018 | 1,721 | 1,098 | 822 | 863 | 822 | 863 |
| 2001 - Other Misc Special Rev | 30,265 | 30,314 | 28,353 | 32,409 | 32,765 | 32,824 | 32,765 | 32,824 |
| 5300 - Risk Management | 10,484 | 11,189 | 12,061 | 13,995 | 14,062 | 14,110 | 14,062 | 14,110 |
| Total | 42,894 | 43,521 | 42,134 | 47,502 | 47,649 | 47,797 | 47,649 | 47,797 |
| <i>Biennial Change</i> | | | | 3,220 | | 5,810 | | 5,810 |
| <i>Biennial % Change</i> | | | | 4 | | 6 | | 6 |
| <i>Governor's Change from Base</i> | | | | | | | | 0 |
| <i>Governor's % Change from Base</i> | | | | | | | | 0 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Compensation | 3,344 | 3,493 | 3,722 | 4,163 | 4,585 | 4,692 | 4,585 | 4,692 |
| Operating Expenses | 37,682 | 37,541 | 37,032 | 41,015 | 40,740 | 40,781 | 40,740 | 40,781 |
| Other Financial Transactions | 1,868 | 2,487 | 1,380 | 2,324 | 2,324 | 2,324 | 2,324 | 2,324 |
| Capital Outlay-Real Property | 0 | | | | | | | |
| Total | 42,894 | 43,521 | 42,134 | 47,502 | 47,649 | 47,797 | 47,649 | 47,797 |

Full-Time Equivalents

| | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 42.4 | 41.1 | 41.4 | 44.9 | 47.2 | 47.1 | 47.2 | 47.1 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|

Budget Activity: Risk Management

Budget Activity 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 |
| Open Appropriation | 2,146 | 2,018 | 1,721 | 1,098 | 822 | 863 | 822 | 863 |
| Expenditures | 2,146 | 2,018 | 1,721 | 1,098 | 822 | 863 | 822 | 863 |
| <i>Biennial Change in Expenditures</i> | | | | (1,346) | | (1,134) | | (1,134) |
| <i>Biennial % Change in Expenditures</i> | | | | (32) | | (40) | | (40) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 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 | 9,273 | 7,288 | 7,966 | 9,916 | 8,134 | 6,941 | 8,134 | 6,941 |
| Receipts | 29,553 | 29,816 | 30,303 | 30,628 | 31,572 | 32,108 | 31,572 | 32,108 |
| Net Transfers | 0 | (3) | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenditures | 30,265 | 30,314 | 28,353 | 32,409 | 32,765 | 32,824 | 32,765 | 32,824 |
| Balance Forward Out | 8,561 | 6,787 | 9,916 | 8,134 | 6,941 | 6,225 | 6,941 | 6,225 |
| <i>Biennial Change in Expenditures</i> | | | | 183 | | 4,827 | | 4,827 |
| <i>Biennial % Change in Expenditures</i> | | | | 0 | | 8 | | 8 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 30.3 | 29.8 | 29.8 | 31.7 | 33.7 | 33.7 | 33.7 | 33.7 |

5300 - Risk Management

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 19,393 | 21,102 | 22,255 | 22,888 | 20,716 | 18,477 | 20,716 | 18,477 |
| Receipts | 12,186 | 12,272 | 12,694 | 11,823 | 11,823 | 11,828 | 11,823 | 11,828 |
| Expenditures | 10,484 | 11,189 | 12,061 | 13,995 | 14,062 | 14,110 | 14,062 | 14,110 |
| Balance Forward Out | 21,095 | 22,185 | 22,888 | 20,716 | 18,477 | 16,195 | 18,477 | 16,195 |
| <i>Biennial Change in Expenditures</i> | | | | 4,383 | | 2,116 | | 2,116 |
| <i>Biennial % Change in Expenditures</i> | | | | 20 | | 8 | | 8 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 12.1 | 11.4 | 11.6 | 13.2 | 13.5 | 13.4 | 13.5 | 13.4 |

Program: Government and Citizen Services
Activity: Small Agency Resource Team

<http://mn.gov/admin/employees/financial-management-reporting/services>

AT A GLANCE

- Serves 15 diverse agencies, boards, and councils
- Financial guidance for budgets totaling \$49 million
- Human resource services for 200 employees

PURPOSE & CONTEXT

The Small Agency Resource Team (SmART) provides comprehensive human resources and financial management services to small agencies, boards, and councils.

SmART staff learn the business needs of their customers and this knowledge, along with their expert technical knowledge, helps customers operate successfully. SmART services eliminates the need for customers to hire staff to handle these administrative functions so they can focus on their core mission.

SmART serves a variety of state agencies ranging from the Council on Asian-Pacific Minnesotans to the Minnesota Racing Commission.

The majority of SmART's funding is from a General Fund appropriation, but we enter into pay agreements with agencies that have the ability to support their financial or human resource activities.

SERVICES PROVIDED

SmART provides customers with the information and services they need:

- State policies, procedures and legal requirements
- Transaction work

Specific services provided include: payroll services; entering personnel transactions; benefits administration; performance management and labor relations; classification and compensation analysis; vacancy filling; budget support; biennial budget entry; fiscal note assistance and processing; budget entries; processing of purchase orders, professional/technical contracts, grant contracts, inter-agency agreements, annual plans and employee business/travel reimbursements; payment processing; deposits; reporting; and training.

RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
|------------------------|--|-----------------|----------------|--------------|
| Quality | Customer rating (Scale of 1-5 with 5 being outstanding) | 4.8 | 4 | 2012 2013 |
| Results | General Fund savings achieved through SmART when compared to costs for each agency, board, or council to perform same duties independently | 49% | 38% | 2012 2014 |

M.S. 16B.371 (<https://www.revisor.mn.gov/statutes/?id=16B.371>) provides the legal authority for this program.

(Dollars in Thousands)

Expenditures By Fund

| | Actual | | Actual FY14 | Estimate FY15 | Forecast Base | | Governor's Recommendation | |
|--------------------------------------|------------|------------|----------------|------------------|---------------|------------|------------------------------|------------|
| | FY12 | FY13 | | | FY16 | FY17 | FY16 | FY17 |
| 1000 - General | 215 | 210 | 332 | 534 | 433 | 433 | 835 | 836 |
| 2001 - Other Misc Special Rev | 0 | 0 | 37 | 78 | 82 | 86 | 82 | 86 |
| Total | 215 | 210 | 370 | 611 | 515 | 519 | 917 | 922 |
| <i>Biennial Change</i> | | | | 556 | | 53 | | 858 |
| <i>Biennial % Change</i> | | | | 131 | | 5 | | 87 |
| <i>Governor's Change from Base</i> | | | | | | | | 805 |
| <i>Governor's % Change from Base</i> | | | | | | | | 78 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Compensation | 193 | 180 | 334 | 442 | 453 | 472 | 803 | 840 |
| Operating Expenses | 22 | 30 | 36 | 166 | 59 | 44 | 88 | 73 |
| Other Financial Transactions | | | | 3 | 3 | 3 | 26 | 9 |
| Total | 215 | 210 | 370 | 611 | 515 | 519 | 917 | 922 |

Full-Time Equivalents

| | | | | | | | |
|------------|------------|------------|------------|------------|------------|------------|------------|
| 3.0 | 2.7 | 4.8 | 6.0 | 5.8 | 5.5 | 9.8 | 9.5 |
|------------|------------|------------|------------|------------|------------|------------|------------|

Budget Activity: Small Agency
Resource Team

Budget Activity 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 | | 0 | | 101 | | | | |
| Direct Appropriation | 215 | 248 | 433 | 433 | 433 | 433 | 835 | 836 |
| Net Transfers | | (33) | | | | | | |
| Cancellations | | 5 | | | | | | |
| Expenditures | 215 | 210 | 332 | 534 | 433 | 433 | 835 | 836 |
| Balance Forward Out | | | 101 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 441 | | 0 | | 805 |
| <i>Biennial % Change in Expenditures</i> | | | | 104 | | 0 | | 93 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 805 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 93 |
| FTEs | 3.0 | 2.7 | 4.6 | 4.9 | 4.7 | 4.4 | 8.7 | 8.4 |

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 | | | | 6 | | | | |
| Receipts | 0 | 0 | 44 | 71 | 82 | 86 | 82 | 86 |
| Expenditures | 0 | 0 | 37 | 78 | 82 | 86 | 82 | 86 |
| Balance Forward Out | | | 6 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 115 | | 53 | | 53 |
| <i>Biennial % Change in Expenditures</i> | | | | | | 46 | | 46 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 0 | 0 | 0.2 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |

Program: Government and Citizen Services
Activity: State Assistive Tech (STAR)

<http://mn.gov/star>

AT A GLANCE

From July 1, 2013 through June 30, 2014:

- 142 Minnesotans received long-term loans of assistive technology (AT) for use at college, work, home or assisted living
- Long-term loans saved Minnesotans with disabilities \$226,581
- 198 pieces of mobility and daily living AT were refurbished and made available to Minnesotans for low/no cost at a savings of \$323,455
- 342 Minnesotans borrowed 381 AT devices for evaluation, training and short-term accommodations
- 283 Minnesotans received an AT device demonstration

PURPOSE & CONTEXT

Our mission is to help Minnesotans of all ages who have disabilities find and get the assistive technology (AT) they need to function more independently at home, school, work, and in their communities.

Assistive technology is any item, piece of equipment, or product that individuals with disabilities use to improve their ability to function. Assistive technology can be used to help people communicate, see, hear, learn, and move; examples of assistive technology include, handheld magnifiers, computer software that reads aloud, wheelchairs, adapted eating utensils and grab bars.

STAR is Minnesota's Assistive Technology Act program and is 100% federally funded.

SERVICES PROVIDED

STAR provides the following services to Minnesotans with disabilities to function more independently at home, school, work, and in their communities:

- Information and assistance
- Device loans
- Device demonstrations
- Public awareness
- Technical assistance
- Training

Specific services provided include: device demonstrations to help Minnesotans learn about an assistive technology device and whether it is right for them; short term assistive technology device loans to Minnesotans so they can test a device, make sure it works for them, and decide if it is the right device for them to buy; short term loans to Minnesotans to use while waiting to receive a new device or to use while their device is being repaired; and long term assistive technology device loans to use while in college, at work, or for essential home and daily living needs.

RESULTS

| Type of Measure | Name of Measure | Previous | Current | Dates |
|-----------------|--|----------|---------|----------------|
| Result | Percentage of device loans that resulted in borrowers determining if AT would meet their <u>educational</u> needs | 67.31% | 88.19% | 2012* 2013* |
| Result | Percentage of device loans that resulted in borrowers determining if AT would meet their <u>employment</u> needs | 96.55% | 100% | 2012* 2013* |
| Result | Percentage of device loans that resulted in borrowers determining if AT would meet their <u>community living needs</u> | 84.44% | 91.22% | 2012* 2013* |

* Denotes federal fiscal years that run October 1 – September 30

The Minnesota STAR Program is 100% federally-funded under the [Assistive Technology Act of 1998, as amended \(PL 108-364\)](http://www.gpo.gov/fdsys/pkg/PLAW-108publ364/html/PLAW-108publ364.htm) (<http://www.gpo.gov/fdsys/pkg/PLAW-108publ364/html/PLAW-108publ364.htm>) and also authorized in M.S. 16B.055 (www.revisor.mn.gov/statutes/?id=16B.055).

(Dollars in Thousands)

Expenditures By Fund

| | Actual | | Actual FY14 | Estimate FY15 | Forecast Base | | Governor's Recommendation | |
|--------------------------------------|------------|------------|----------------|------------------|---------------|------------|------------------------------|------------|
| | FY12 | FY13 | | | FY16 | FY17 | FY16 | FY17 |
| 2001 - Other Misc Special Rev | 0 | 0 | 46 | 2 | 0 | 0 | 0 | 0 |
| 3000 - Federal | 451 | 473 | 475 | 478 | 476 | 476 | 476 | 476 |
| Total | 451 | 473 | 521 | 480 | 476 | 476 | 476 | 476 |
| <i>Biennial Change</i> | | | | 77 | | (49) | | (49) |
| <i>Biennial % Change</i> | | | | 8 | | (5) | | (5) |
| <i>Governor's Change from Base</i> | | | | | | | | 0 |
| <i>Governor's % Change from Base</i> | | | | | | | | 0 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Compensation | 180 | 233 | 245 | 265 | 275 | 283 | 275 | 283 |
| Operating Expenses | 162 | 178 | 189 | 181 | 173 | 174 | 173 | 174 |
| Other Financial Transactions | 68 | 3 | 70 | 34 | 21 | 19 | 21 | 19 |
| Grants, Aids and Subsidies | 41 | 59 | 0 | 0 | | | | |
| Capital Outlay-Real Property | | | 18 | 0 | 7 | 0 | 7 | 0 |
| Total | 451 | 473 | 521 | 480 | 476 | 476 | 476 | 476 |

Full-Time Equivalents

| | | | | | | | |
|------------|------------|------------|------------|------------|------------|------------|------------|
| 2.6 | 3.1 | 3.0 | 3.1 | 3.0 | 3.0 | 3.0 | 3.0 |
|------------|------------|------------|------------|------------|------------|------------|------------|

Budget Activity: State Assistive Tech
(Star)

Budget Activity Financing by Fund

(Dollars in Thousands)

2001 - Other Misc Special Rev

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|--------|-------|-----------|----------|---------------|-------|---------------------------|-------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Receipts | 0 | 0 | 46 | 2 | 0 | 0 | 0 | 0 |
| Expenditures | 0 | 0 | 46 | 2 | 0 | 0 | 0 | 0 |
| <i>Biennial Change in Expenditures</i> | | | | 48 | | (48) | | (48) |
| <i>Biennial % Change in Expenditures</i> | | | | | | (100) | | (100) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 0 | 0 | 0.1 | 0.0 | 0 | 0 | 0 | 0 |

3000 - Federal

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|------------|------------|------------|------------|---------------|------------|---------------------------|------------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 2 | 2 | 2 | 2 | | | | |
| Receipts | 451 | 473 | 475 | 476 | 476 | 476 | 476 | 476 |
| Expenditures | 451 | 473 | 475 | 478 | 476 | 476 | 476 | 476 |
| Balance Forward Out | 2 | 2 | 2 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 29 | | (1) | | (1) |
| <i>Biennial % Change in Expenditures</i> | | | | 3 | | 0 | | 0 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 2.6 | 3.1 | 2.9 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |

Program: Government and Citizen Services
Activity: State Demographer

<http://mn.gov/admin/demography>

AT A GLANCE

- Prepare estimates of people and households for all counties, cities and townships in the state (10,596 website downloads)
- Produce updated data projections about people by age and gender for Minnesota, its Economic Development Regions and all counties — to guide planning in the coming decades (12,912 website downloads)
- Provide data to inform state agencies, local government, businesses, nonprofits, researchers and others on 463 occasions
- Deliver 75 presentations about critical issues, reaching 4,955 listeners

PURPOSE & CONTEXT

The Minnesota State Demographic Center/Office of the State Demographer assists state and local leaders in making informed decisions by providing timely and reliable demographic information. We help leaders locate and understand the best data available so that they can match their policies and programs to the state's changing needs and be wise stewards of their resources.

Our assistance helps legislators anticipate and plan for the future, helps state government and nonprofit leaders understand and serve their clients, aides businesses in understanding their markets and workforce, and helps media raise public awareness to key issues shaping our state.

SERVICES PROVIDED

The work of the State Demographer's Office can be divided into three broad categories:

- Data production
- Data analysis
- Public awareness

Services provided include: act as a liaison to the U.S. Census Bureau; prepare annual estimates of the number of people and households in all counties, cities, and townships in the state to assist with planning and distributing resources; create projections of the population and labor force by age, gender, race, and location to plan for impacts to the state budget, economy, and services in the coming decades; and produce new data for Minnesota's unique needs and populations — such as on our immigrant groups and languages spoken in Minnesota homes, moving patterns of people by education and income, and different age patterns among Minnesota's communities.

RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
|------------------------|--|-----------------|----------------|--------------|
| Quantity | Website hits each year | 407,684 | 454,330 | 2013 2014 |
| Quality | Percentage of users that successfully located data or resources they were seeking on the Demographer's website | NA | 50% | 2012 |
| Results | Number of stakeholders served by individual data requests and presentations each year | 2,806 | 5,418 | 2013 2014 |

The Minnesota State Demographic Center tasks are set forth in M.S. 4A.02 (<https://www.revisor.mn.gov/statutes/?id=4A.02>), which outline that the State Demographer "shall continuously gather and develop demographic data relevant to the state," among other duties.

Expenditures By Fund

| | Actual | | Actual FY14 | Estimate FY15 | Forecast Base | | Governor's Recommendation | |
|--------------------------------------|------------|------------|----------------|------------------|---------------|------------|------------------------------|------------|
| | FY12 | FY13 | | | FY16 | FY17 | FY16 | FY17 |
| 1000 - General | 491 | 454 | 508 | 538 | 523 | 523 | 535 | 547 |
| 2000 - Restricted Misc Special Rev | 0 | 0 | 3 | 107 | 0 | 0 | 0 | 0 |
| Total | 491 | 454 | 511 | 645 | 523 | 523 | 535 | 547 |
| <i>Biennial Change</i> | | | | 211 | | (110) | | (74) |
| <i>Biennial % Change</i> | | | | 22 | | (10) | | (6) |
| <i>Governor's Change from Base</i> | | | | | | | | 36 |
| <i>Governor's % Change from Base</i> | | | | | | | | 3 |

Expenditures by Category

| | | | | | | | | |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Compensation | 408 | 387 | 458 | 521 | 474 | 474 | 486 | 498 |
| Operating Expenses | 79 | 60 | 53 | 124 | 49 | 49 | 49 | 49 |
| Other Financial Transactions | 4 | 7 | | | | | | |
| Total | 491 | 454 | 511 | 645 | 523 | 523 | 535 | 547 |

Full-Time Equivalents

| | | | | | | | |
|------------|------------|------------|------------|------------|------------|------------|------------|
| 4.3 | 4.5 | 5.1 | 4.7 | 4.5 | 4.4 | 4.5 | 4.4 |
|------------|------------|------------|------------|------------|------------|------------|------------|

Budget Activity: State Demographer

Budget Activity 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 | | 34 | | 15 | | | | |
| Direct Appropriation | 523 | 523 | 523 | 523 | 523 | 523 | 535 | 547 |
| Net Transfers | | (42) | | | | | | |
| Cancellations | | 61 | | | | | | |
| Expenditures | 491 | 454 | 508 | 538 | 523 | 523 | 535 | 547 |
| Balance Forward Out | 32 | | 15 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 101 | | 0 | | 36 |
| <i>Biennial % Change in Expenditures</i> | | | | 11 | | 0 | | 3 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 36 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 3 |
| FTEs | 4.3 | 4.5 | 5.0 | 4.4 | 4.5 | 4.4 | 4.5 | 4.4 |

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 | | | 0 | | | | | |
| Receipts | 0 | 0 | 3 | 107 | 0 | 0 | 0 | 0 |
| Expenditures | 0 | 0 | 3 | 107 | 0 | 0 | 0 | 0 |
| <i>Biennial Change in Expenditures</i> | | | | 110 | | (110) | | (110) |
| <i>Biennial % Change in Expenditures</i> | | | | | | (100) | | (100) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | | | 0.1 | 0.3 | 0 | 0 | 0 | 0 |

Program: Strategic Management Serviceswww.mn.gov/admin**AT A GLANCE**

- Administration of the agency's \$170 million budget
- Human resource services for 460 employees
- Strategic direction and oversight of 15 diverse business activities ranging from the State Archaeologist to statewide purchasing
- Oversee and improve agency's internal controls

PURPOSE & CONTEXT

Strategic Management Services seeks to ensure the agency is meeting its mission of providing the best value in government services. This is done by setting and communicating the agency's strategic vision and establishing and monitoring performance standards.

In addition to agency employees, other critical stakeholders include the Governor's Office, state agencies, the Legislature, media, local government, and citizens. This program is funded by the General Fund.

SERVICES PROVIDED

Strategic Management Services provides agency leadership in the following areas:

- Executive Support
- Communications and Legislative Affairs
- Financial Management
- Human Resources
- Internal Audit

Specific services provided include: provide agency leadership and communications; coordinate legislative activities; comply with data practices; plan for business continuation and emergency preparedness; recruit, fill vacancies, and retain staff; train and develop employees; manage employee performance; prepare, monitor, and report on budgets; financial transaction processing including purchasing, payments, deposits, and employee reimbursements; complete fiscal notes; develop policies and procedures and train; promote strong internal controls and accountability; and complete internal audits.

RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
|------------------------|--|-----------------|----------------|--------------|
| Quality | Rating of employee engagement in providing efficient services to other agencies, other government groups, and the community (Scale of 1-5 with 5 being high) | 3.82 | TBD* | 2012 2014 |
| Quantity | Percent of staff receiving performance appraisals | 100% | 100% | 2012 2014 |
| Quality | Percent of payments made in a timely manner | 88% | 97% | 2012 2014 |

*Survey results will be available shortly after publication of this document (in November of 2014) The legal authority for Administrative Management Services comes from M.S. 16B (<https://www.revisor.mn.gov/statutes/?id=16B>).

Expenditures By Fund

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|------------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------------------|--------------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| 1000 - General | 1,388 | 2,025 | 1,538 | 2,162 | 1,917 | 1,917 | 1,950 | 1,984 |
| 2000 - Restricted Misc Special Rev | 0 | 0 | 0 | 49 | 0 | 0 | 0 | 0 |
| 2001 - Other Misc Special Rev | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 1,388 | 2,035 | 1,538 | 2,211 | 1,917 | 1,917 | 1,950 | 1,984 |
| Biennial Change | | | | 326 | | 84 | | 184 |
| Biennial % Change | | | | 10 | | 2 | | 5 |
| Governor's Change from Base | | | | | | | | 100 |
| Governor's % Change from Base | | | | | | | | 3 |

Expenditures by Budget Activity

| | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Budget Activity: Exec Support Leadership/Partnerships | 399 | 842 | 497 | 897 | 739 | 739 | 748 | 757 |
| Budget Activity: Financial Mgmt And Reporting | 669 | 740 | 683 | 833 | 758 | 758 | 774 | 791 |
| Budget Activity: Human Resources-Administration | 320 | 453 | 359 | 481 | 420 | 420 | 428 | 436 |
| Total | 1,388 | 2,035 | 1,538 | 2,211 | 1,917 | 1,917 | 1,950 | 1,984 |

Expenditures by Category

| | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Compensation | 1,050 | 1,211 | 1,176 | 1,471 | 1,495 | 1,497 | 1,528 | 1,564 |
| Operating Expenses | 312 | 790 | 346 | 717 | 399 | 397 | 399 | 397 |
| Other Financial Transactions | 27 | 23 | 9 | 23 | 23 | 23 | 23 | 23 |
| Capital Outlay-Real Property | 0 | 10 | 7 | | | | | |
| Total | 1,388 | 2,035 | 1,538 | 2,211 | 1,917 | 1,917 | 1,950 | 1,984 |
| Total Agency Expenditures | 1,388 | 2,035 | 1,538 | 2,211 | 1,917 | 1,917 | 1,950 | 1,984 |
| Expenditures Less Internal Billing | 1,388 | 2,035 | 1,538 | 2,211 | 1,917 | 1,917 | 1,950 | 1,984 |

Full-Time Equivalents

| | | | | | | | |
|------|------|------|------|------|------|------|------|
| 13.3 | 14.7 | 14.3 | 15.7 | 15.8 | 15.8 | 15.8 | 15.8 |
|------|------|------|------|------|------|------|------|

1000 - General

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|--------------|--------------|--------------|--------------|---------------|--------------|---------------------------|--------------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | | 686 | | 245 | | | | |
| Direct Appropriation | 2,082 | 1,632 | 1,807 | 1,942 | 1,942 | 1,942 | 1,975 | 2,009 |
| Net Transfers | (20) | (201) | (24) | (25) | (25) | (25) | (25) | (25) |
| Cancellations | | 91 | | | | | | |
| Expenditures | 1,388 | 2,025 | 1,538 | 2,162 | 1,917 | 1,917 | 1,950 | 1,984 |
| Balance Forward Out | 674 | | 245 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 287 | | 133 | | 233 |
| <i>Biennial % Change in Expenditures</i> | | | | 8 | | 4 | | 6 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 100 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 3 |
| FTEs | 13.3 | 14.7 | 14.3 | 15.7 | 15.8 | 15.8 | 15.8 | 15.8 |

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 | | | | |
| Receipts | 0 | 0 | 25 | 24 | 0 | 0 | 0 | 0 |
| Expenditures | 0 | 0 | 0 | 49 | 0 | 0 | 0 | 0 |
| Balance Forward Out | | | 25 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 49 | | (49) | | (49) |
| <i>Biennial % Change in Expenditures</i> | | | | | | (100) | | (100) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |

2001 - Other Misc Special Rev

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--|----------|-----------|----------|----------|---------------|----------|---------------------------|----------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Receipts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Transfers | | 10 | | | | | | |
| Expenditures | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Biennial Change in Expenditures</i> | | | | (10) | | 0 | | 0 |
| <i>Biennial % Change in Expenditures</i> | | | | (100) | | 0 | | 0 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |

Program: Fiscal Agent**AT A GLANCE**

- Administered and managed 35 public broadcasting General Fund grant contracts to 21 grantees
- Administered and managed 41 Arts and Cultural Heritage grant contracts to public broadcasting stations, museums, zoos, small theatres, cities, and nonprofits
- Conducted 36 financial reconciliations and monitoring visits with grantees

PURPOSE & CONTEXT

The fiscal agent function ensures that grants and other special funding received through specific appropriations are distributed and managed according to all applicable laws, statutes, policies, and procedures. Administration of these funds allows us to provide value to the recipients and public by ensuring resources are used as intended.

The fiscal agent function serves a variety of entities representing public television and radio, Arts and Cultural Heritage grantees representing museums, zoos, small theatres and local government, and other funds appropriated by the legislature.

Funding for these activities generally comes from General Fund appropriations and the Arts and Cultural Heritage Fund.

SERVICES PROVIDED

The fiscal agent function oversees funding for:

- Public television and noncommercial radio station General Fund grants (M.S. 129D.11-16)
- Arts and Cultural Heritage Fund grants
- Other funding:
 - In lieu of rent**
 - Rent Waived – space occupied in the Capitol, State Office, and Veterans Service buildings by the House of Representatives, Senate, Revisor of Statutes, Legislative Reference Library and Congressionally chartered veterans' organizations.
 - Ceremonial areas – space in the Capitol such as the rotunda, the governor's residence, and ceremonial grounds and monuments/memorials in the Capitol area.
 - Services for the Blind – space occupied by blind vending operators in building under our custodial control.
 - Capitol rent loss and relocation**
 - Relocation – includes physical move costs required for the Capitol restoration project.
 - Rent Loss - pays expenses that will continue to be incurred in vacant spaces in the Capitol, such as utility services, building maintenance, and limited custodial services. Rent appropriated for Rent Waived is used to pay rent in the temporary spaces.
- Other legislatively assigned grants

Specific services provided include: administer grants and ensure state grant policies and procedures are followed; provide consultation and technical assistance to grantees; conduct focus groups with grantees to improve effectiveness; maintain information on the state's Legacy website; oversee funding for spaces that are not paid through lease agreements, such as ceremonial areas, services for the blind, rent waived; and manage capitol building rent loss and relocation expenditures during the restoration.

RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
|------------------------|---|-----------------|----------------|--------------|
| Quantity | Percent of required reports from grantees received in a timely manner | 91.7% | 99% | 2014 |

M.S. [16B](#) provide the legal authority for this program.

Expenditures By Fund

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| 1000 - General | 9,959 | 9,951 | 14,460 | 12,254 | 12,157 | 11,737 | 12,157 | 11,737 |
| 2301 - Arts & Cultural Heritage Fund | 8,051 | 9,595 | 10,047 | 9,401 | 0 | 0 | 0 | 0 |
| 2403 - Gift | 11 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 18,022 | 19,548 | 24,507 | 21,655 | 12,157 | 11,737 | 12,157 | 11,737 |
| Biennial Change | | | | 8,592 | | (22,268) | | (22,268) |
| Biennial % Change | | | | 23 | | (48) | | (48) |
| Governor's Change from Base | | | | | | | | 0 |
| Governor's % Change from Base | | | | | | | | 0 |

Expenditures by Budget Activity

| | | | | | | | | |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Budget Activity: Public Broadcasting | 7,618 | 8,527 | 9,992 | 9,818 | 2,619 | 2,619 | 2,619 | 2,619 |
| Budget Activity: In Lieu Of Rent | 8,158 | 8,158 | 8,003 | 8,313 | 8,158 | 8,158 | 8,158 | 8,158 |
| Budget Activity: Misc | | | | | | | | |
| Grants/Studies/Others | 2,246 | 2,862 | 6,512 | 3,524 | 1,380 | 960 | 1,380 | 960 |
| Total | 18,022 | 19,548 | 24,507 | 21,655 | 12,157 | 11,737 | 12,157 | 11,737 |

Expenditures by Category

| | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Compensation | 0 | | 38 | 99 | | | | |
| Operating Expenses | 8,409 | 8,160 | 11,535 | 9,829 | 9,538 | 9,118 | 9,538 | 9,118 |
| Other Financial Transactions | | 383 | 408 | 231 | 109 | 109 | 109 | 109 |
| Grants, Aids and Subsidies | 9,613 | 11,005 | 12,526 | 11,496 | 2,510 | 2,510 | 2,510 | 2,510 |
| Capital Outlay-Real Property | | | 0 | | | | | |
| Total | 18,022 | 19,548 | 24,507 | 21,655 | 12,157 | 11,737 | 12,157 | 11,737 |
| Total Agency Expenditures | 18,022 | 19,548 | 24,507 | 21,655 | 12,157 | 11,737 | 12,157 | 11,737 |
| Expenditures Less Internal Billing | 18,022 | 19,548 | 24,507 | 21,655 | 12,157 | 11,737 | 12,157 | 11,737 |

Full-Time Equivalents

| | | | | | | | |
|---|---|-----|-----|---|---|---|---|
| 0 | 0 | 0.4 | 1.0 | 0 | 0 | 0 | 0 |
|---|---|-----|-----|---|---|---|---|

1000 - General

| | Actual | | Actual FY 14 | Estimate FY15 | Forecast Base | | Governor's Recommendation | |
|--|--------------|--------------|-----------------|------------------|---------------|---------------|------------------------------|---------------|
| | FY12 | FY 13 | | | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 119 | 111 | 0 | 1,477 | | | | |
| Direct Appropriation | 9,951 | 9,951 | 15,937 | 10,777 | 12,157 | 11,737 | 12,157 | 11,737 |
| Cancellations | | 111 | | | | | | |
| Expenditures | 9,959 | 9,951 | 14,460 | 12,254 | 12,157 | 11,737 | 12,157 | 11,737 |
| Balance Forward Out | 111 | | 1,477 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 6,803 | | (2,819) | | (2,819) |
| <i>Biennial % Change in Expenditures</i> | | | | 34 | | (11) | | (11) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |

2301 - Arts & Cultural Heritage Fund

| | Actual | | Actual FY 14 | Estimate FY15 | Forecast Base | | Governor's Recommendation | |
|--|--------------|--------------|-----------------|------------------|---------------|----------|------------------------------|----------|
| | FY12 | FY 13 | | | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 124 | 1,304 | 1,103 | 565 | | | | |
| Direct Appropriation | 9,175 | 8,830 | 9,605 | 8,925 | 0 | 0 | 0 | 0 |
| Net Transfers | (92) | (88) | (96) | (89) | | | | |
| Cancellations | | 9 | | | | | | |
| Expenditures | 8,051 | 9,595 | 10,047 | 9,401 | 0 | 0 | 0 | 0 |
| Balance Forward Out | 1,156 | 443 | 565 | | | | | |
| <i>Biennial Change in Expenditures</i> | | | | 1,803 | | (19,448) | | (19,448) |
| <i>Biennial % Change in Expenditures</i> | | | | 10 | | (100) | | (100) |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |
| FTEs | 0 | 0 | 0.4 | 1.0 | 0 | 0 | 0 | 0 |

2403 - Gift

| | Actual | | Actual FY 14 | Estimate FY15 | Forecast Base | | Governor's Recommendation | |
|--|-----------|----------|-----------------|------------------|---------------|----------|------------------------------|----------|
| | FY12 | FY 13 | | | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 18 | 8 | 6 | 6 | 6 | 6 | 6 | 6 |
| Receipts | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenditures | 11 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance Forward Out | 8 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| <i>Biennial Change in Expenditures</i> | | | | (13) | | 0 | | 0 |
| <i>Biennial % Change in Expenditures</i> | | | | (100) | | 0 | | 0 |
| <i>Gov's Exp Change from Base</i> | | | | | | | | 0 |
| <i>Gov's Exp % Change from Base</i> | | | | | | | | 0 |

2403 - Gift

3002 - Oil Overcharge

| | Actual | | Actual | Estimate | Forecast Base | | Governor's Recommendation | |
|---------------------|--------|-------|--------|----------|---------------|------|---------------------------|------|
| | FY12 | FY 13 | FY 14 | FY15 | FY16 | FY17 | FY16 | FY17 |
| Balance Forward In | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Balance Forward Out | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 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 |
|------------------------------------|---|-----------|--------------|--------------|--------------|--------------|------------------------------|------------|
| Health & Human Services 93.630 | Federal assistance to State Developmental Disabilities Councils – DD Act Subtitle B; 71% of federal assistance is re-granted to program activities leading to increased independence, productivity, self-determination, integration and inclusion of individuals with developmental disabilities and their families in the community. | No | 1,059 | 876 | 969 | 969 | Yes | 2.6 |
| | Budget Activity Total | | 1,059 | 876 | 969 | 969 | | 2.6 |
| Department of Education 84.224A | The State Grant for Assistive Technology Program supports state efforts to improve assistive technology services to individuals with disabilities of all ages through comprehensive, consumer responsive statewide programs such as device demonstration, device loan and activities to reuse older devices. | No | 475 | 476 | 476 | 476 | No | 3.0 |
| | Budget Activity Total | | 475 | 476 | 476 | 476 | | 3.0 |
| | Program Total | | 1,534 | 1,352 | 1,445 | 1,445 | | 5.6 |
| | Federal Fund – Agency Total | | 1,534 | 1,352 | 1,445 | 1,445 | | 5.6 |

Narrative:

The Governor's Council on Developmental Disabilities (DDC) receives an annual formula grant from the U.S. Department of Health and Human Services, under a federal program, with state participation, to provide assistance to state disabilities councils for the benefit of individuals with developmental disabilities and their families in the state. (Developmental Disabilities Assistance & Bill of Rights Act of 2000, DD Act, P.L. 106-402.) This program requires Maintenance of Effort (MOE) by the states. The federal share of the cost of all program and operating activities cannot be more than 75% of the aggregate cost of such activities. The remaining 25% share of aggregate costs is the non-federal share that is provided by the state and state grantees. The DD Act requires reasonable participation by the state. The DDC currently receives \$74,000 from the state's general fund. Federal funding is expected to remain at its current level through 2017.

The System of Technology to Achieve Results (STAR) program currently receives an annual discretionary formula grant funded under the Assistive Technology Act of 2004, P.L. 108, 364. This federal grant is currently administered by the Rehabilitation Services Administration within the U.S. Department of Education. In July 2014, the president signed the Workforce Investment Opportunity Act (WIOA), which authorized moving the State Grant for Assistive Technology (SGAT) formula grant to the U.S. Department of Health and Human Services and placing administration of the grant with the Administration for Community Living (ACL). Transition planning is in the early phases and program changes are unknown at this time. Federal funding is expected to remain at or below its current level through 2017. STAR does not receive any state funding.

Administration
Fleet and Surplus Services
Fleet Services
Revenues, Expenses and Changes in Net Assets
(Dollars in Thousands)

| | Actual 2014 | Projected 2015 | Projected 2016 | Projected 2017 |
|--|----------------|-------------------|-------------------|-------------------|
| Operating Revenues: | | | | |
| Net Sales | 15,264 | 15,001 | 15,290 | 15,862 |
| Rental and Service Fees | | | | |
| Insurance Premiums | | | | |
| Other Income | | | | |
| Total Operating Revenues | 15,264 | 15,001 | 15,290 | 15,862 |
| Gross Margin | 15,264 | 15,001 | 15,290 | 15,862 |
| Operating Expenses: | | | | |
| Purchased Services | 1,993 | 2,404 | 2,675 | 2,755 |
| Salaries and Fringe Benefits | 645 | 637 | 681 | 705 |
| Claims | | | | |
| Depreciation | 5,859 | 6,205 | 6,577 | 6,972 |
| Amortization | | | | |
| Supplies and Materials | 3,218 | 3,885 | 3,481 | 3,620 |
| Indirect Costs | 273 | 282 | 262 | 270 |
| Other Expenses | 2,306 | 2,286 | 2,292 | 2,293 |
| Total Operating Expenses | 14,294 | 15,699 | 15,968 | 16,615 |
| Operating Income (Loss) | 970 | (698) | (678) | (753) |
| Nonoperating Revenues (Expenses): | | | | |
| Investment Income | 72 | 74 | 77 | 79 |
| Interest and Financing Costs | (193) | (198) | (203) | (208) |
| Other Nonoperating Expenses * | (442) | (135) | | |
| Gain (Loss) on Disposal of Capital Assets | 727 | 940 | 738 | 741 |
| Total Nonoperating Revenues (Expenses) | 164 | 681 | 612 | 612 |
| Income (Loss) Before Transfers and Contributions | 1,134 | (17) | (66) | (141) |
| Capital Contributions | | | | |
| Transfers in | | | | |
| Transfers out | | | | |
| Change in Net Assets | 1,134 | (17) | (66) | (141) |
| Net Assets, Beginning as Reported | 12,287 | 13,421 | 13,404 | 13,338 |
| Net Assets, Ending | 13,421 | 13,404 | 13,338 | 13,197 |
| Rate increase/(decrease) | 0.0% | See Note | 0.0% | 0.0% |
| Full Time Equivalents | 8.6 | 8.5 | 8.6 | 8.6 |

* Includes non-operating revenue. Note: Individual Rates (1%); Categorized Rates - new rate structure

Administration
Fleet and Surplus Services
Fleet Services
Net Assets
(Dollars in Thousands)

| | Actual 2014 | Projected 2015 |
|------------------------------------|----------------|-------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | 4,864 | 4,364 |
| Investments | | |
| Accounts Receivable | 1,551 | 1,442 |
| Accrued Investment/Interest Income | | |
| Inventories | | |
| Deferred Costs | | |
| Total Current Assets | 6,415 | 5,806 |
| Noncurrent Assets: | | |
| Deferred Costs | | |
| Depreciable Capital Assets (Net) | 23,125 | 24,200 |
| Total Noncurrent Assets | 23,125 | 24,200 |
| Total Assets | 29,540 | 30,006 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable | 373 | 527 |
| Interfund Payables | | |
| Unearned Revenue | | |
| Loans Payable | 6,625 | 7,125 |
| Compensated Absences Payable | 6 | 6 |
| Total Current Liabilities | 7,004 | 7,658 |
| Noncurrent Liabilities: | | |
| Loans Payable | 9,047 | 8,876 |
| Compensated Absences Payable | 61 | 61 |
| Other Liabilities | 7 | 7 |
| Total Noncurrent Liabilities | 9,115 | 8,944 |
| Total Liabilities | 16,119 | 16,602 |
| NET ASSETS | | |
| Invested in Capital Assets, | | |
| Net of Related Debt | 7,404 | 8,151 |
| Unrestricted | 6,017 | 5,253 |
| Total Net Assets | 13,421 | 13,404 |

Background:

Fleet Services, an internal service fund, provides long term vehicle leasing services and fleet management.

Detail of any loans from the general fund, including dollar amounts:

None

Proposed investments in technology or equipment of \$100,000 or more:

None

Explanation of changes in net assets (formerly retained earnings increases, operating losses):

There will be a net reduction in net assets based on lower lease rates.

Explain any reasons for rate changes:

To optimize vehicle utilization and ensure that retained earnings are within the allowable working capital guidelines.

Impact of rate changes on affected agencies:

Agencies will realize a reduction in lease rates and a reduced cost for state vehicle travel.

Administration
Fleet and Surplus Services
Surplus Services
Revenues, Expenses and Changes in Net Assets
(Dollars in Thousands)

| | Actual 2014 | Projected 2015 | Projected 2016 | Projected 2017 |
|--|----------------|-------------------|-------------------|-------------------|
| Operating Revenues: | | | | |
| Net Sales | 1,520 | 1,468 | 1,580 | 1,580 |
| Rental and Service Fees | | | | |
| Insurance Premiums | | | | |
| Other Income | | | | |
| Total Operating Revenues | 1,520 | 1,468 | 1,580 | 1,580 |
| Gross Margin | 1,332 | 1,285 | 1,399 | 1,399 |
| Operating Expenses: | | | | |
| Purchased Services | 358 | 447 | 549 | 569 |
| Salaries and Fringe Benefits | 475 | 567 | 601 | 619 |
| Claims | | | | |
| Depreciation | 59 | 49 | 48 | 47 |
| Amortization | | | | |
| Supplies and Materials | 10 | 9 | 10 | 10 |
| Indirect Costs | 32 | 49 | 49 | 49 |
| Other Expenses | | | | |
| Total Operating Expenses | 934 | 1,121 | 1,257 | 1,294 |
| Operating Income (Loss) | 398 | 164 | 142 | 105 |
| Nonoperating Revenues (Expenses): | | | | |
| Investment Income | | | | |
| Interest and Financing Costs | | | | |
| Other Nonoperating Expenses | (600) | (500) | | |
| Gain (Loss) on Disposal of Capital Assets | | | | |
| Total Nonoperating Revenues (Expenses) | (600) | (500) | 0 | 0 |
| Income (Loss) Before Transfers and Contributions | (202) | (336) | 142 | 105 |
| Capital Contributions | | | | |
| Transfers in | | | | |
| Transfers out | | | | |
| Change in Net Assets | (202) | (336) | 142 | 105 |
| Net Assets, Beginning as Reported | 2,120 | 1,918 | 1,582 | 1,724 |
| Net Assets, Ending | 1,918 | 1,582 | 1,724 | 1,829 |
| Rate increase/(decrease) | 0.0% | 0.0% | 0.0% | 0.0% |
| Full Time Equivalents | 7.1 | 8.5 | 8.1 | 8.0 |

Administration
Fleet and Surplus Services
Surplus Services
Net Assets
(Dollars in Thousands)

| | Actual 2014 | Projected 2015 |
|------------------------------------|----------------|-------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | 1,990 | 1,502 |
| Investments | | |
| Accounts Receivable | 193 | 246 |
| Accrued Investment/Interest Income | | |
| Inventories | | |
| Deferred Costs | | |
| Total Current Assets | 2,183 | 1,748 |
| Noncurrent Assets: | | |
| Deferred Costs | | |
| Depreciable Capital Assets (Net) | 520 | 471 |
| Total Noncurrent Assets | 520 | 471 |
| Total Assets | 2,703 | 2,219 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable | 713 | 565 |
| Interfund Payables | | |
| Unearned Revenue | | |
| Loans Payable | | |
| Compensated Absences Payable | 7 | 7 |
| Total Current Liabilities | 720 | 572 |
| Noncurrent Liabilities: | | |
| Loans Payable | | |
| Compensated Absences Payable | 59 | 59 |
| Other Liabilities | 6 | 6 |
| Total Noncurrent Liabilities | 65 | 65 |
| Total Liabilities | 785 | 637 |
| NET ASSETS | | |
| Invested in Capital Assets, | | |
| Net of Related Debt | 520 | 471 |
| Unrestricted | 1,398 | 1,111 |
| Total Net Assets | 1,918 | 1,582 |

Administration
Fleet and Surplus Services
Surplus Services
Brief Narrative

Background:

Surplus Services, an enterprise fund, provides redistribution and disposal services for surplus property.

Detail of any loans from the general fund, including dollar amounts:

None

Proposed investments in technology or equipment of \$100,000 or more:

None

Explanation of changes in net assets (formerly retained earnings increases, operating losses):

The net assets decreased in FY 2014 and 2015 due to rebates to customers. Future years do not reflect a rebate.

Explain any reasons for rate changes:

None

Impact of rate changes on affected agencies:

None

Administration
Materials Management
Coop Purchasing
Revenues, Expenses and Changes in Net Assets
(Dollars in Thousands)

| | Actual 2014 | Projected 2015 | Projected 2016 | Projected 2017 |
|--|----------------|-------------------|-------------------|-------------------|
| Operating Revenues: | | | | |
| Net Sales | 17,454 | 17,871 | 18,870 | 19,939 |
| Rental and Service Fees | | | | |
| Insurance Premiums | | | | |
| Other Income | 244 | 100 | 159 | 100 |
| Total Operating Revenues | 17,698 | 17,971 | 19,029 | 20,039 |
| Gross Margin | 17,698 | 17,971 | 19,029 | 20,039 |
| Operating Expenses: | | | | |
| Purchased Services | 1,904 | 2,527 | 2,915 | 2,918 |
| Salaries and Fringe Benefits | 4,308 | 5,686 | 6,817 | 7,588 |
| Claims | | | | |
| Depreciation | | | | |
| Amortization | | | | |
| Supplies and Materials | 30 | 46 | 55 | 55 |
| Indirect Costs | 94 | 185 | 185 | 185 |
| Other Expenses | | | | |
| Total Operating Expenses | 6,336 | 8,444 | 9,972 | 10,746 |
| Operating Income (Loss) | 11,362 | 9,527 | 9,057 | 9,293 |
| Nonoperating Revenues (Expenses): | | | | |
| Investment Income | | | | |
| Interest and Financing Costs | | | | |
| Other Nonoperating Expenses | (9,867) | (8,546) | (8,218) | (8,563) |
| Gain (Loss) on Disposal of Capital Assets | | | | |
| Total Nonoperating Revenues (Expenses) | (9,867) | (8,546) | (8,218) | (8,563) |
| Income (Loss) Before Transfers and Contributions | 1,495 | 981 | 839 | 730 |
| Capital Contributions | | | | |
| Transfers in | | | | |
| Transfers out | | | | |
| Change in Net Assets | 1,495 | 981 | 839 | 730 |
| Net Assets, Beginning as Reported | 9,306 | 10,801 | 11,782 | 12,621 |
| Net Assets, Ending | 10,801 | 11,782 | 12,621 | 13,351 |
| Rate increase/(decrease) * | See Note | See Note | See Note | See Note |
| Full Time Equivalents | 46.4 | 64.0 | 68.3 | 75.6 |

* Note: Contract fees paid by vendors are determined on a case-by case basis and may increase or decrease as specified contracts are negotiated.

Administration
Materials Management
Coop Purchasing
Net Assets
(Dollars in Thousands)

| | Actual 2014 | Projected 2015 |
|--|----------------|-------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | 26,871 | 17,572 |
| Investments | | |
| Accounts Receivable | 3,458 | 3,643 |
| Accrued Investment/Interest Income | | |
| Inventories | | |
| Deferred Costs | | |
| Total Current Assets | 30,329 | 21,215 |
| Noncurrent Assets: | | |
| Deferred Costs | | |
| Depreciable Capital Assets (Net) | | |
| Total Noncurrent Assets | 0 | 0 |
| Total Assets | 30,329 | 21,215 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable | 19,075 | 8,980 |
| Interfund Payables | | |
| Unearned Revenue | | |
| Loans Payable | 43 | 43 |
| Compensated Absences Payable | | |
| Total Current Liabilities | 19,118 | 9,023 |
| Noncurrent Liabilities: | | |
| Loans Payable | | |
| Compensated Absences Payable | 374 | 374 |
| Other Liabilities | 36 | 36 |
| Total Noncurrent Liabilities | 410 | 410 |
| Total Liabilities | 19,528 | 9,433 |
| NET ASSETS | | |
| Invested in Capital Assets, Net of Related Debt | | |
| Unrestricted | 10,801 | 11,782 |
| Total Net Assets | 10,801 | 11,782 |

Administration
Materials Management
Coop Purchasing
Brief Narrative

Background:

Materials Management Division operates a cooperative purchasing program for Minnesota's local units of government and other authorized entities and the Minnesota Multi-State Contracting Alliance for Pharmacy (MMCAP), a pharmaceutical purchasing program on behalf of 48 states. The cooperative purchasing program is a self-sustaining enterprise fund.

Detail of any loans from the general fund, including dollar amounts:

None

Proposed investments in technology or equipment of \$100,000 or more:

None

Explanation of changes in net assets (formerly retained earnings increases, operating losses):

Projections for revenue and expenses are based on changes in generic pharmaceutical contracts.

Explain any reasons for rate changes:

Contract fees paid by vendors are determined on a case-by-case basis and may either increase or decrease as specific contracts are negotiated.

Impact of rate changes on affected agencies:

None

Administration
Plant Management
Plant Management
Revenues, Expenses and Changes in Net Assets
(Dollars in Thousands)

| | Actual 2014 | Projected 2015 | Projected 2016 | Projected 2017 |
|--|----------------|-------------------|-------------------|-------------------|
| Operating Revenues: | | | | |
| Net Sales | 61,591 | 60,943 | 61,588 | 64,492 |
| Rental and Service Fees | | | | |
| Insurance Premiums | | | | |
| Other Income | | | | |
| Total Operating Revenues | 61,591 | 60,943 | 61,588 | 64,492 |
| Gross Margin | 61,591 | 60,943 | 61,588 | 64,492 |
| Operating Expenses: | | | | |
| Purchased Services | 17,096 | 21,497 | 17,427 | 17,277 |
| Salaries and Fringe Benefits | 14,084 | 14,998 | 15,697 | 16,149 |
| Claims | | | | |
| Depreciation | 492 | 571 | 720 | 866 |
| Amortization | 89 | | | |
| Supplies and Materials | 1,789 | 1,708 | 1,740 | 1,770 |
| Indirect Costs | 805 | 984 | 1,002 | 1,021 |
| Other Expenses | 835 | 2,166 | 1,186 | 1,270 |
| Total Operating Expenses | 35,190 | 41,924 | 37,772 | 38,353 |
| Operating Income (Loss) | 26,401 | 19,019 | 23,816 | 26,139 |
| Nonoperating Revenues (Expenses): | | | | |
| Investment Income | | | | |
| Interest and Financing Costs | | | | |
| Other Nonoperating Expenses | | | | |
| Gain (Loss) on Disposal of Capital Assets | (143) | 3 | 3 | 3 |
| Total Nonoperating Revenues (Expenses) | (143) | 3 | 3 | 3 |
| Income (Loss) Before Transfers and Contributions | 26,258 | 19,022 | 23,819 | 26,142 |
| Capital Contributions | | | | |
| Transfers in | | | | |
| Transfers out | (28,002) | (28,073) | (27,568) | (27,873) |
| Change in Net Assets | (1,744) | (9,051) | (3,749) | (1,731) |
| Net Assets, Beginning as Reported | 29,814 | 28,070 | 19,019 | 15,270 |
| Net Assets, Ending | 28,070 | 19,019 | 15,270 | 13,539 |
| Rate increase/(decrease) | -0.2% | 0.0% | 4.0% | 2.9% |
| Full Time Equivalents | 211.0 | 220.0 | 223.5 | 223.1 |

Administration
Plant Management
Plant Management
Net Assets
(Dollars in Thousands)

| | Actual 2014 | Projected 2015 |
|------------------------------------|----------------|-------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | 24,185 | 8,471 |
| Investments | | |
| Accounts Receivable | 2,864 | 2,864 |
| Accrued Investment/Interest Income | | |
| Inventories | 280 | 280 |
| Deferred Costs | | |
| Total Current Assets | 27,329 | 11,615 |
| Noncurrent Assets: | | |
| Deferred Costs | | |
| Depreciable Capital Assets (Net) | 7,643 | 10,453 |
| Total Noncurrent Assets | 7,643 | 10,453 |
| Total Assets | 34,972 | 22,068 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable | 4,825 | 1,213 |
| Interfund Payables | 157 | |
| Unearned Revenue | | |
| Loans Payable | 84 | 84 |
| Compensated Absences Payable | 206 | 206 |
| Total Current Liabilities | 5,272 | 1,503 |
| Noncurrent Liabilities: | | |
| Loans Payable | 109 | 25 |
| Compensated Absences Payable | 1,280 | 1,280 |
| Other Liabilities | 241 | 241 |
| Total Noncurrent Liabilities | 1,630 | 1,546 |
| Total Liabilities | 6,902 | 3,049 |
| NET ASSETS | | |
| Invested in Capital Assets, | | |
| Net of Related Debt | 7,632 | 10,442 |
| Unrestricted | 20,438 | 8,577 |
| Total Net Assets | 28,070 | 19,019 |

Background:

The PMD internal service fund (ISF) is made up of two activities: leases, and repair and other jobs. The predominant customers are state agencies located in custodial control buildings that pay for space through lease rental rates.

Detail of any loans from the general fund, including dollar amounts:

None

Proposed investments in technology or equipment of \$100,000 or more:

Enterprise Building Integrator (EBI) software upgrade \$400,000 in FY 2015

Explanation of changes in net assets (formerly retained earnings increases, operating losses):

Retained earnings reductions in FY 2014 through FY 2017 are due to planned losses.

Explain any reasons for rate changes:

After more than a decade of cost reduction measures, buildings under PMD's custodial control are in need of major repairs and upgrades. These are being planned over the next several years to preserve the state's assets and achieve tenant comfort and satisfaction. To reduce retained earnings, Repairs and Other Jobs (ROJ) rates decreased 30.5% from FY 2014 to FY 2015.

Impact of rate changes on affected agencies:

Overall Lease rates will increase by 4.0% from FY 2015 to FY 2016 and 2.9% from FY 2016 to FY 2017. Repairs and Other Jobs (ROJ) rates decreased 30.5% from FY 2014 to FY 2015.

Administration
Plant Management
MN Bookstore
Revenues, Expenses and Changes in Net Assets
(Dollars in Thousands)

| | Actual 2014 | Projected 2015 | Projected 2016 | Projected 2017 |
|--|----------------|-------------------|-------------------|-------------------|
| Operating Revenues: | | | | |
| Net Sales | 906 | 1,259 | 1,169 | 1,259 |
| Rental and Service Fees | | | | |
| Insurance Premiums | | | | |
| Other Income | | | | |
| Total Operating Revenues | 906 | 1,259 | 1,169 | 1,259 |
| Gross Margin | 773 | 872 | 847 | 872 |
| Operating Expenses: | | | | |
| Purchased Services | 207 | 190 | 189 | 189 |
| Salaries and Fringe Benefits | 517 | 533 | 550 | 567 |
| Claims | | | | |
| Depreciation | | | | |
| Amortization | 4 | 4 | 4 | 4 |
| Supplies and Materials | 4 | 7 | 5 | 5 |
| Indirect Costs | 24 | 53 | 53 | 53 |
| Other Expenses | 27 | 53 | 30 | 30 |
| Total Operating Expenses | 783 | 840 | 831 | 848 |
| Operating Income (Loss) | (10) | 32 | 16 | 24 |
| Nonoperating Revenues (Expenses): | | | | |
| Investment Income | | | | |
| Interest and Financing Costs | | | | |
| Other Nonoperating Expenses | | | | |
| Gain (Loss) on Disposal of Capital Assets | | | | |
| Total Nonoperating Revenues (Expenses) | 0 | 0 | 0 | 0 |
| Income (Loss) Before Transfers and Contributions | (10) | 32 | 16 | 24 |
| Capital Contributions | | | | |
| Transfers in | | | | |
| Transfers out | | | | |
| Change in Net Assets | (10) | 32 | 16 | 24 |
| Net Assets, Beginning as Reported | 669 | 659 | 691 | 707 |
| Net Assets, Ending | 659 | 691 | 707 | 731 |
| Rate increase/(decrease) | 0.0% | 0.0% | 0.0% | 0.0% |
| Full Time Equivalents | 6.7 | 6.9 | 6.9 | 6.9 |

Administration
Plant Management
MN Bookstore
Net Assets
(Dollars in Thousands)

| | Actual 2014 | Projected 2015 |
|------------------------------------|----------------|-------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | 470 | 515 |
| Investments | | |
| Accounts Receivable | 34 | 49 |
| Accrued Investment/Interest Income | | |
| Inventories | 416 | 417 |
| Deferred Costs | | |
| Total Current Assets | 920 | 981 |
| Noncurrent Assets: | | |
| Deferred Costs | | |
| Depreciable Capital Assets (Net) | 16 | 12 |
| Total Noncurrent Assets | 16 | 12 |
| Total Assets | 936 | 993 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable | 135 | 160 |
| Interfund Payables | | |
| Unearned Revenue | 17 | 17 |
| Loans Payable | | |
| Compensated Absences Payable | 16 | 16 |
| Total Current Liabilities | 168 | 193 |
| Noncurrent Liabilities: | | |
| Loans Payable | | |
| Compensated Absences Payable | 104 | 104 |
| Other Liabilities | 5 | 5 |
| Total Noncurrent Liabilities | 109 | 109 |
| Total Liabilities | 277 | 302 |
| NET ASSETS | | |
| Invested in Capital Assets, | | |
| Net of Related Debt | 16 | 12 |
| Unrestricted | 643 | 679 |
| Total Net Assets | 659 | 691 |

Background:

Minnesota's Bookstore, an enterprise fund, provides publishing and retail services to state agencies, publishes the State Register, and manages the sale of public data from select state agency licensing files.

Detail of any loans from the general fund, including dollar amounts:

None

Proposed investments in technology or equipment of \$100,000 or more:

None

Explanation of changes in net assets (formerly retained earnings increases, operating losses):

Operating losses in FY 2014 and FY 2015 are due to planned losses for the *State Register*.

Explain any reasons for rate changes:

To reduce retained earnings, *State Register* billable page fees are waived for 10 months in FY 2015.

Impact of rate changes on affected agencies:

State Register customers will not be billed for billable pages from September 2014 through June 2015.

Administration
Plant Management
Central Mail ISF
Revenues, Expenses and Changes in Net Assets
(Dollars in Thousands)

| | Actual 2014 | Projected 2015 | Projected 2016 | Projected 2017 |
|--|----------------|-------------------|-------------------|-------------------|
| Operating Revenues: | | | | |
| Net Sales | 9,265 | 9,288 | 9,270 | 9,270 |
| Rental and Service Fees | | | | |
| Insurance Premiums | | | | |
| Other Income | | | | |
| Total Operating Revenues | 9,265 | 9,288 | 9,270 | 9,270 |
| Gross Margin | 9,265 | 9,288 | 9,270 | 9,270 |
| Operating Expenses: | | | | |
| Purchased Services | 8,483 | 8,636 | 8,685 | 8,685 |
| Salaries and Fringe Benefits | 483 | 502 | 518 | 534 |
| Claims | | | | |
| Depreciation | 11 | 9 | 9 | 9 |
| Amortization | | | | |
| Supplies and Materials | 58 | 66 | 66 | 66 |
| Indirect Costs | 5 | 30 | 30 | 30 |
| Other Expenses | 70 | 87 | 89 | 89 |
| Total Operating Expenses | 9,110 | 9,330 | 9,397 | 9,413 |
| Operating Income (Loss) | 155 | (42) | (127) | (143) |
| Nonoperating Revenues (Expenses): | | | | |
| Investment Income | | | | |
| Interest and Financing Costs | | | | |
| Other Nonoperating Expenses | | | | |
| Gain (Loss) on Disposal of Capital Assets | | | | |
| Total Nonoperating Revenues (Expenses) | 0 | 0 | 0 | 0 |
| Income (Loss) Before Transfers and Contributions | 155 | (42) | (127) | (143) |
| Capital Contributions | | | | |
| Transfers in | | | | |
| Transfers out | | | | |
| Change in Net Assets | 155 | (42) | (127) | (143) |
| Net Assets, Beginning as Reported | 1,667 | 1,822 | 1,780 | 1,653 |
| Net Assets, Ending | 1,822 | 1,780 | 1,653 | 1,510 |
| Rate increase/(decrease) | 0.0% | 0.0% | 0.0% | 0.0% |
| Full Time Equivalents | 7.7 | 8.1 | 8.1 | 8.1 |

Administration
Plant Management
Central Mail ISF
Net Assets
(Dollars in Thousands)

| | Actual 2014 | Projected 2015 |
|------------------------------------|----------------|-------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | 111 | 157 |
| Investments | | |
| Accounts Receivable | 1,495 | 1,495 |
| Accrued Investment/Interest Income | | |
| Inventories | 2 | 2 |
| Deferred Costs | 529 | 350 |
| Total Current Assets | 2,137 | 2,004 |
| Noncurrent Assets: | | |
| Deferred Costs | | |
| Depreciable Capital Assets (Net) | 33 | 24 |
| Total Noncurrent Assets | 33 | 24 |
| Total Assets | 2,170 | 2,028 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable | 276 | 176 |
| Interfund Payables | | |
| Unearned Revenue | | |
| Loans Payable | | |
| Compensated Absences Payable | 7 | 7 |
| Total Current Liabilities | 283 | 183 |
| Noncurrent Liabilities: | | |
| Loans Payable | | |
| Compensated Absences Payable | 54 | 54 |
| Other Liabilities | 11 | 11 |
| Total Noncurrent Liabilities | 65 | 65 |
| Total Liabilities | 348 | 248 |
| NET ASSETS | | |
| Invested in Capital Assets, | | |
| Net of Related Debt | 33 | 24 |
| Unrestricted | 1,789 | 1,756 |
| Total Net Assets | 1,822 | 1,780 |

**Administration
Plant Management
Central Mail ISF
Brief Narrative**

Background:

The Central Mail internal service fund (ISF) provides inserting, addressing, folding services and postage automating services to customers which are primarily state agencies located in St. Paul.

Detail of any loans from the general fund, including dollar amounts:

None

Proposed investments in technology or equipment of \$100,000 or more:

None

Explanation of changes in net assets (formerly retained earnings increases, operating losses):

Operating income increased in FY 2014 due in part to revenues being higher than anticipated. Retained earnings reductions in FY 2015 are due to planned losses.

Explain any reasons for rate changes:

No rate changes.

Impact of rate changes on affected agencies:

No impact.

Administration
Risk Management
Risk Management
Revenues, Expenses and Changes in Net Assets
(Dollars in Thousands)

| | Actual 2014 | Projected 2015 | Projected 2016 | Projected 2017 |
|--|----------------|-------------------|-------------------|-------------------|
| Operating Revenues: | | | | |
| Net Sales | 83 | 85 | 85 | 90 |
| Rental and Service Fees | | | | |
| Insurance Premiums | 12,279 | 11,628 | 11,628 | 11,628 |
| Other Income | | | | |
| Total Operating Revenues | 12,362 | 11,713 | 11,713 | 11,718 |
| Gross Margin | 12,362 | 11,713 | 11,713 | 11,718 |
| Operating Expenses: | | | | |
| Purchased Services | 4,786 | 5,029 | 5,027 | 5,027 |
| Salaries and Fringe Benefits | 1,104 | 1,182 | 1,337 | 1,385 |
| Claims | 4,236 | 5,043 | 5,043 | 5,043 |
| Depreciation | 0 | 39 | 39 | 39 |
| Amortization | 0 | 0 | 0 | 0 |
| Supplies and Materials | 5 | 10 | 10 | 10 |
| Indirect Costs | 246 | 313 | 313 | 314 |
| Other Expenses | 6 | 14 | 14 | 14 |
| Total Operating Expenses | 10,383 | 11,630 | 11,783 | 11,832 |
| Operating Income (Loss) | 1,979 | 83 | (71) | (114) |
| Nonoperating Revenues (Expenses): | | | | |
| Investment Income | 110 | 110 | 110 | 110 |
| Interest and Financing Costs | | | | |
| Other Nonoperating Expenses | (1,374) | (2,317) | (2,317) | (2,317) |
| Gain (Loss) on Disposal of Capital Assets | | | | |
| Total Nonoperating Revenues (Expenses) | (1,264) | (2,207) | (2,207) | (2,207) |
| Income (Loss) Before Transfers and Contributions | 715 | (2,124) | (2,278) | (2,321) |
| Capital Contributions | | | | |
| Transfers in | | | | |
| Transfers out | | | | |
| Change in Net Assets | 715 | (2,124) | (2,278) | (2,321) |
| Net Assets, Beginning as Reported | 13,402 | 14,117 | 11,993 | 9,715 |
| Net Assets, Ending | 14,117 | 11,993 | 9,715 | 7,394 |
| Rate increase/(decrease) | 0.1% | See Note | 0.0% | 0.0% |
| Full Time Equivalents | 11.6 | 13.2 | 13.5 | 13.4 |

Note: Property rates decreased 12.5%/17.5%. Other lines remained the same.

Administration
Risk Management
Risk Management
Net Assets
(Dollars in Thousands)

| | Actual 2014 | Projected 2015 |
|------------------------------------|----------------|-------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | 23,351 | 21,715 |
| Investments | | |
| Accounts Receivable | 26 | 25 |
| Accrued Investment/Interest Income | | |
| Inventories | | |
| Deferred Costs | 485 | 25 |
| Total Current Assets | 23,862 | 21,765 |
| Noncurrent Assets: | | |
| Deferred Costs | | |
| Depreciable Capital Assets (Net) | 393 | 354 |
| Total Noncurrent Assets | 393 | 354 |
| Total Assets | 24,255 | 22,119 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable | 9,729 | 9,734 |
| Interfund Payables | 24 | 7 |
| Unearned Revenue | 190 | 190 |
| Loans Payable | 0 | 0 |
| Compensated Absences Payable | 22 | 22 |
| Total Current Liabilities | 9,965 | 9,953 |
| Noncurrent Liabilities: | | |
| Loans Payable | | |
| Compensated Absences Payable | 164 | 164 |
| Other Liabilities | 9 | 9 |
| Total Noncurrent Liabilities | 173 | 173 |
| Total Liabilities | 10,138 | 10,126 |
| NET ASSETS | | |
| Invested in Capital Assets, | | |
| Net of Related Debt | 376 | 354 |
| Unrestricted | 13,741 | 11,639 |
| Total Net Assets | 14,117 | 11,993 |

Background:

The property and casualty program operates as an internal service fund, charging fees based on insurance options requested by customers.

Detail of any loans from the general fund, including dollar amounts:

None

Proposed investments in technology or equipment of \$100,000 or more:

None

Explanation of changes in net assets (formerly retained earnings increases, operating losses):

Changes in net assets for the property and casualty program increased by \$715,792 in FY2014. This increase is due to good loss experience over the past two years. In FY2015, the Advisory Committee approved a dividend payout of \$2,318,483. Changes in net assets are impacted by the loss experience of the customers.

Explain any reasons for rate changes:

Due to consistent improvements in the loss results over the past five years, in FY2015 property rates will be decreased by 12.5% for all deductible levels except a 17.5% decrease will apply to the \$250,000 deductible.

Impact of rate changes on affected agencies:

Most customers that carry property insurance will pay 12.5% less in FY15, while a few customers will see a slightly higher savings. Premiums for the other lines of coverage will remain the same in FY15.