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2016-17 Governor's Budget, Governor, Office of the

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<http://mn.gov/governor/>

AT A GLANCE

- Serve over 5.4 million Minnesota residents
- Deliver services with a balanced state budget of over \$69 billion every two years
- Respond to more than 100,000 citizen calls and contacts
- Appoint department heads, members of boards and commissions and judges
- Appoint 1,300 citizens to approximately 140 boards and commissions

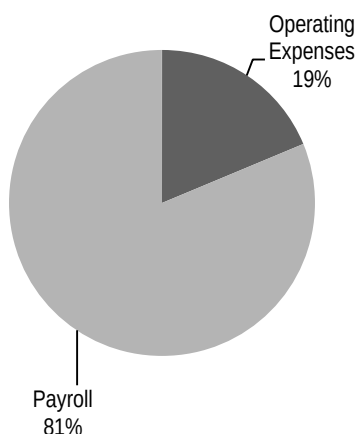
PURPOSE

The Office of the Governor and Lieutenant Governor represents all Minnesotans. The office focuses on advancing the Governor's commitment to building a better Minnesota. Goals include creating jobs and improving Minnesota's economic competitiveness, delivering better government services, and creating a state budget and tax system that are fair, balanced, and contribute to Minnesota's competitiveness. The office supports these statewide outcomes:

- A thriving economy that encourages business growth and employment opportunities
- Minnesotans have the education and skills needed to achieve their goals
- All Minnesotans have optimal health
- Strong and stable families and communities
- People in Minnesota are safeA clean, healthy environment with sustainable uses of natural resources
- Sustainable options to safely move people, goods, services & information
- Efficient and accountable government services

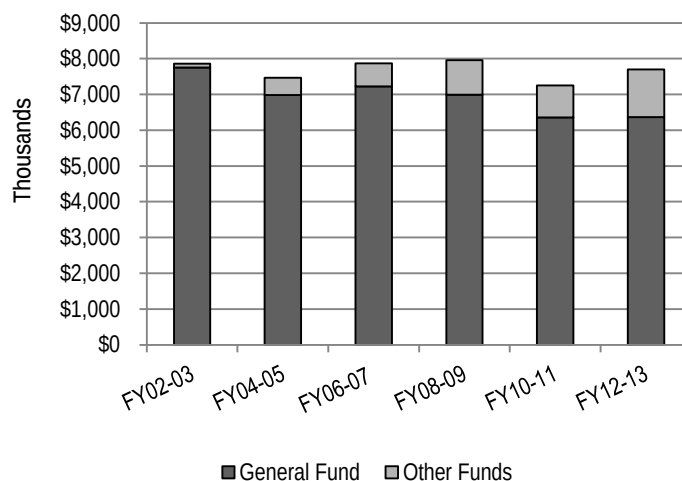
BUDGET

Spending by Category
FY 13 Actual



Source: BPAS

Historical Spending



Source: Consolidated Fund Statement

The office is funded through a general fund appropriation and a special revenue fund supported by agency contributions.

STRATEGIES

The Office is organized to advance the goals and priorities of the Governor and Lt. Governor and to administer the duties of the chief executive. Major duties of the governor include:

- Appoint state department heads, members of state boards and commissions, and judges to the state's ten judicial districts, the Court of Appeals, and the Supreme Court when vacancies occur. The governor appoints 1,300 citizens to approximately 140 state boards and commissions.
- Chair the State Executive Council, the State Board of Investment, the Land Exchange Board, and the Board of Pardons.
- Serve as Commander-in-Chief of the Minnesota National Guard, and oversee emergency responses.

- Issue extradition papers, proclamations, and writs of special elections.
- Inform the legislature of the general condition of the state; review, veto, or sign into law legislation and rules; call special sessions of the legislature when needed; and consult with 201 state legislators during annual legislative sessions.
- Perform all other duties as specified by the laws of the state.

The lieutenant governor's chief duty is to assist the governor in carrying out the functions of the executive branch and is prepared to act in the governor's place in the event of the governor's absence or disability. The lieutenant governor's official duties also include:

- Chairing the Capitol Area Architectural Planning Board (CAAPB).
- Serving as a member of the State Executive Council.

RESULTS

The Dayton Administration is committed to delivering results to the citizens of the state. The Administration uses the Minnesota Dashboard to track progress on improving the quality of life in Minnesota. The Dashboard helps us measure, improve and report on progress toward achieving state-wide outcomes. The Dashboard is available on Minnesota Management & Budget's website at: <http://mn.gov/mmb/>.

In addition, the following measures are monitored within this office.

Type of Measure	Measure	Current 2014 (As of 9/15/2014)	Previous 2013	Previous 2012	Previous 2011
Quantity	State employees trained in Plain Language ¹	3,522 (First year training was offered)	N/A	N/A	N/A
Quantity	Judicial Appointments ²	28	20	30	16
Quantity	Board Appointments ³	295	298	304	331

¹Plain Language is communication an audience can understand the first time they read or hear it. Plain Language provides better state services by reducing confusion, saving time, and improving customer satisfaction. The goal of Plain Language training is to make state government documents and websites easier to understand.

²As required by the Minnesota Constitution, judicial vacancies are appointed by the Governor. This includes the state's ten judicial districts, the Court of Appeals, the Supreme Court, the Executive Branch Courts and the Chief Judge of the Office of Administrative Hearings. By statute, the Minnesota Commission on Judicial Selection assists in this process by soliciting judicial applicants, evaluating candidates, and recommending finalists to the Governor for district court and Workers' Compensation Court of Appeals vacancies.

Since 2011, Governor Dayton has had the goal of improving diversity when making judicial and board appointments – ensuring appointees better-reflect the cultural, racial and gender diversity of the Minnesotans they serve. Governor Dayton has also been mindful of the challenges the Judiciary faces when a judgeship remains vacant, and, after receiving the recommendations from the Commission on Judicial Selection, has strived to make his appointments in a timely manner.

- Governor Dayton has increased the racial diversity of Minnesota judges by 53 percent
- Governor Dayton appointed the first Hispanic appellate court judge in Minnesota history, and has appointed 80 percent of all Hispanic judges in the state (8 of 10 judges)
- Governor Dayton has increased the proportion of women judges in Minnesota by 18 percent
- Governor Dayton has increased the proportion of women judges in Greater Minnesota by 36 percent
- Governor Dayton appointed the first African American woman to the Minnesota Supreme Court

³The Governor serves as an appointing authority for approximately 140 of the state's boards and commissions, resulting in 1,300 appointments, which give Minnesotans the opportunity to become directly involved in the policies and services of state government. The application process is facilitated by the Secretary of State's Office, which forwards the applications to the corresponding appointing authority.

Legal Authority for the Office of the Governor comes from Article V of the Minnesota Constitution and Minnesota Statutes Chapter 4.

Expenditures By Fund

	Actual		Actual FY14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY13			FY16	FY17	FY16	FY17
1000 - General	3,004	3,367	3,203	3,503	3,353	3,353	3,615	3,616
2001 - Other Misc Special Rev	726	600	1,063	1,558	1,187	1,187	1,187	1,187
Total	3,730	3,967	4,266	5,061	4,540	4,540	4,802	4,803
Biennial Change				1,630		(246)		279
Biennial % Change				21		(3)		3
Governor's Change from Base								525
Governor's % Change from Base								6

Expenditures by Program

Program: Governor's Office	3,730	3,967	4,266	5,061	4,540	4,540	4,802	4,803
Total	3,730	3,967	4,266	5,061	4,540	4,540	4,802	4,803

Expenditures by Category

Compensation	2,949	3,220	3,507	4,051	3,680	3,680	3,942	3,943
Operating Expenses	809	741	749	885	840	840	840	840
Other Financial Transactions	2	6	9	45	20	20	20	20
Capital Outlay-Real Property	-30			80				
Total	3,730	3,967	4,266	5,061	4,540	4,540	4,802	4,803

Full-Time Equivalents

37.1	36.9	38.7	39.0	34.9	34.3	39.5	38.9
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(Dollars in Thousands)

1000 - General

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		192		150				
Direct Appropriation	3,195	3,193	3,353	3,353	3,353	3,353	3,615	3,616
Cancellations		18						
Expenditures	3,004	3,367	3,203	3,503	3,353	3,353	3,615	3,616
Balance Forward Out	191		150					
<i>Biennial Change in Expenditures</i>				335		1		526
<i>Biennial % Change in Expenditures</i>				5		0		8
<i>Gov's Exp Change from Base</i>								525
<i>Gov's Exp % Change from Base</i>								8
FTEs	26.9	30.6	29.3	25.8	25.0	24.6	29.6	29.2

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	462	420	541	373	0	0	0	0
Receipts		35	44	157	157	157	157	157
Net Transfers	685	685	851	1,029	1,030	1,030	1,030	1,030
Expenditures	726	600	1,063	1,558	1,187	1,187	1,187	1,187
Balance Forward Out	420	541	373	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				1,295		(247)		(247)
<i>Biennial % Change in Expenditures</i>				98		(9)		(9)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	10.2	6.2	9.5	13.2	9.9	9.7	9.9	9.7

Governor, Office of the**FY16-17 Biennial Budget Change Item****Change Item: Operating Adjustment**

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	262	263	263	263
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	262	263	263	263
FTEs	4.6	4.6	4.6	4.6

Recommendation:

The Governor recommends additional funding for compensation related costs. This amount represents an annual increase of 1.8% for General Fund compensation costs. The Governor's Office is requesting an additional \$379,000 biennial General Fund operating increase to fund expanded legal, emergency preparedness, and constituent work.

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 would result 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 and 2017. 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.

The 1.8% increase for fiscal year 2016 is based on the Governor's Office operating budget from 2015 and that amount is \$48,000. The 1.8% increase for fiscal year 2017 is based on the Governor's Office operating budget from 2016 and that amount is \$97,000.

The additional \$380,000 is split between 2016 and 2017 to support the added capacity required for increased legal, emergency preparedness, and constituent work.

Results:

This proposal is intended to allow the Governor's Office to continue to provide current levels of service and information to the public.

Statutory Change(s):

Not applicable.