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2016-17 Governor's Budget-Accountancy, Board of

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AT A GLANCE

In FY 2013/2014, the Board:

- Issued 12,893 individual licenses
- Issued 2,021 firm permits
- Issued 1,498 sole proprietor firm permits
- Evaluated 995 applications for individual licensure
- Investigated 614 new complaints
- Revoked 431 certificates for failure to renew

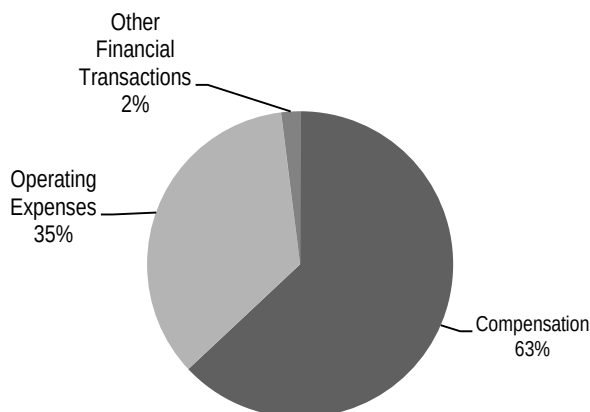
PURPOSE

The mission of the Board of Accountancy (Board) is to regulate the practice of accounting and to enforce the statutes and rules in order to protect the health, safety and welfare of the public. We ensure that individuals meet the education, examination and experience standards for licensure. We continue our mission by taking disciplinary action against those who violate the laws, rules and standards governing the practice of the professions. The Board contributes to the statewide outcomes of:

- Strong and stable families and communities;
- Efficient and accountable government services; and
- A thriving economy that encourages business growth and employment opportunities.

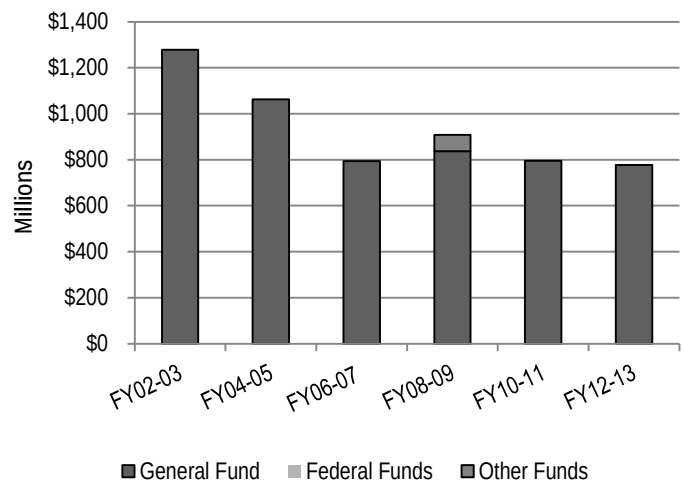
BUDGET

Spending by Category
FY 13 Actual



Source: SWIFT

Historical Spending



Source: Consolidated Fund Statement

The Board has a total biennial budget of approximately \$1,367,000.00. We collect application and licensure fees which are deposited in the State's general fund. The budget is funded through general fund appropriations.

STRATEGIES

To accomplish its mission, the Board uses the following strategies:

1. **Regulatory** – Collaboration with the National Councils on consistent standards for examination, licensure and enforcement. Evaluating applications to ensure that those entering professional practice have completed the required education, examination and experience.
2. **Enforcement** – Investigating complaints and taking action against licensees and unlicensed individuals who violate the Board's statutes and rules. Removing individuals from practice when necessary. Exchanging enforcement data across jurisdictions. Providing public access to license status, discipline history and the complaint process. Ensuring that the Board's statutes and rules are up-to-date and understandable.

3. Outreach and Education – Providing information to Minnesota citizens, legislators, other state agencies, schools, professional societies and the national council about the value of licensure and the requirements of competent practice.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	% Licenses renewed online	82%	87%	FY11 & FY14*
Quality	Average days to licensure (individuals)	23	19	FY 11/12 & FY 13/14
Quality	Average days to licensure (firms)	53	26	FY 11/12 & FY 13/14
Quality	Average days to resolve a complaint	110	106	FY 09/10 & FY13/14

*Annual renewal rather than biennial renewal used for percent of licenses renewed online because licensees were in a three-year renewal cycle with one-third required to renew each year. FY11 was the first year for online renewals.

The Board of Accountancy's legal authority comes from M.S. 214.01 and M.S. 326A.

(<https://www.revisor.mn.gov/statutes/?id=214>) and (<https://www.revisor.mn.gov/statutes/?id=326A>)

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	347	416	477	890	618	618	629	641
Total	347	416	477	890	618	618	629	641
Biennial Change				605		(131)		(97)
Biennial % Change				79		(10)		(7)
Governor's Change from Base								34
Governor's % Change from Base								3

Expenditures by Program

Program: Accountancy	347	416	477	890	618	618	629	641
Total	347	416	477	890	618	618	629	641

Expenditures by Category

Compensation	255	273	340	621	440	440	451	463
Operating Expenses	92	136	129	254	173	173	173	173
Other Financial Transactions		7	7	10	5	5	5	5
Capital Outlay-Real Property	0	0	1	5				
Total	347	416	477	890	618	618	629	641

Full-Time Equivalents

4.0	4.2	5.4	4.5	6.5	6.5	6.5	6.5
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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		133		228				
Direct Appropriation	480	480	705	662	618	618	629	641
Net Transfers		(16)						
Cancellations		181						
Expenditures	347	416	477	890	618	618	629	641
Balance Forward Out	133		228					
<i>Biennial Change in Expenditures</i>				605		(131)		(97)
<i>Biennial % Change in Expenditures</i>				79		(10)		(7)
<i>Gov's Exp Change from Base</i>								34
<i>Gov's Exp % Change from Base</i>								3
FTEs	4.0	4.2	5.4	4.5	6.5	6.5	6.5	6.5

Board of Accountancy

FY16-17 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	11	23	23	23
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	11	23	23	23
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.