

Table of Contents
2016-17 Biennial Budget – Minnesota Management & Budget Non-Operating

Agency Profile – Minnesota Management & Budget Non-Operating..... 1

<http://www.mn.gov/mmb/>

AT A GLANCE

- Responsible for a wide variety of state activities by maintaining about 125 accounts outside of MMB’s regular statutory operations
- Act as fiscal agent for over \$7.9 million in federal funds
- Collected \$11.5 million in miscellaneous fines, fees, and penalties
- Pensions
- Provided \$55.6 million in direct aid to various local and state pension funds
- Manage an \$11.6 million master lease for vehicles and technology

PURPOSE

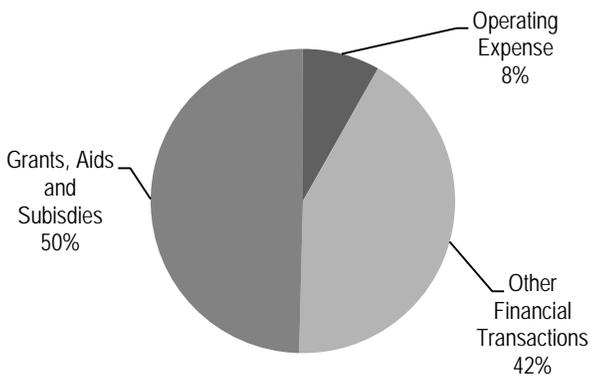
By statute, Minnesota Management & Budget (MMB) manages a number of statewide accounts that are outside of its day-to-day operations. As a group, these accounts are referred to as non-operating activities. These accounts deal with a broad range of subject matters, including debt management, tort claims, contingency accounts, and miscellaneous pension and trust fund items. These responsibilities also include the statutory requirement to receive the state’s share of various monies collected by the counties and judicial districts as fees, fines, assessments and surcharges. Finally, the non-operating accounts also serve as a pass-through for federal funding for payments in lieu of taxes to local units of government where national forests are located.

The mission of MMB Non-Operating is to manage state government’s financial, workforce and information resources to support effective and efficient services for Minnesotans.

MMB Non-Operating directly contributes to the statewide outcome of **efficient and accountable government services**.

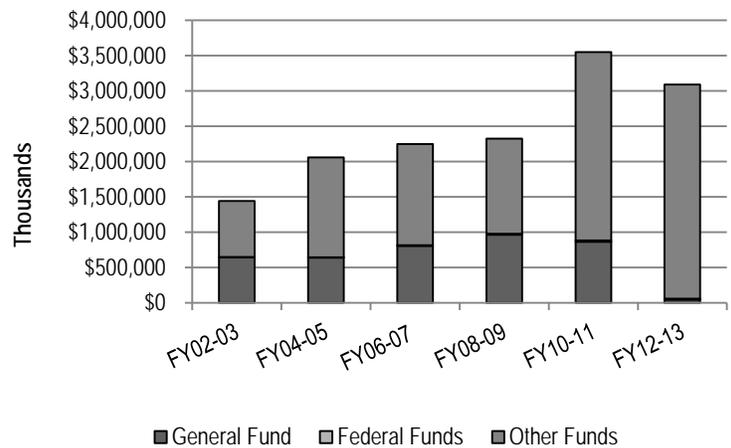
BUDGET

**Spending by Category
FY 13 Actual**



*See footnote below
Source: SWIFT

Historical Spending



Source: Consolidated Fund Statement

* This chart represents the fiscal agent activities under MMB non-operating and does not include the debt service payments administered by this agency. Including debt service payments puts 99.1% of spending in the Grants, Aids and Subsidies category.

STRATEGIES

Tort Claims: This account pays tort claim judgments against a state agency that cannot be paid from that agency’s appropriated accounts. As specified in MS 3.736, Subd. 7, a state agency may seek approval from MMB to use money in the MMB non-operating account for tort claims if MMB determines that there is not enough money in the agency’s appropriations to cover the tort claim payment.

Contingent Accounts: Contingent accounts are appropriations made from several state funds to provide supplemental funding for emergencies and other legally authorized purposes. The release and expenditure of this funding requires the approval of the Governor after consultation with the Legislative Advisory Commission (LAC). The LAC provides legislative review of the use of these funds during interim periods when the legislature is not in session. With the approval of the Governor, supplemental funding for specific purposes is transferred to individual agency budgets; thus, expenditure history appears in the affected agency's budget.

Administrative Accounts: The state administers various trust and funds on behalf of Minnesotans (including the Children's Trust, the Environmental Trust, and the Permanent School Fund). The accounts used to support the administration of these trusts and funds are housed within MMB non-operating.

Cash Flow Accounts: Some agencies or programs, on an ongoing or one-time basis, are given specific legislative authority to use general fund cash to cash flow certain programs or activities during a biennium. These accounts are housed within the MMB non-operating accounts. In FY 2014-15, these accounts included the following:

- Lease-Purchase Cash Flow Account
- Education Aids Cash Flow Account
- Office of Higher Education Cash Flow Account
- MnSure Cash Flow Account
- Mn.IT Cash Flow Account

Federal Funds Accounts: The state receives some pass-through federal funding for payments in lieu of taxes to local units of government where national forests, like the Chippewa National Forest and Superior National Forest, are located. The accounts for these pass-through funds are housed within the MMB non-operating accounts.

Miscellaneous Fines, Fees, and Penalties Accounts: The state charges fees for various activities (including obtaining marriage licenses, using seatbelts, and engaging in adoptions) and assesses fines and penalties when the citizens of Minnesota are out of compliance. These receipts are often dedicated to more than one activity across multiple agencies, therefore MMB is tasked with acting as an intermediary between the collecting entity and the receiving entity. The accounts used for this purpose are housed within the MMB non-operating accounts.

Pension Aid Accounts: The state provides direct aid to the Teachers Retirement Association (TRA) and the Public Employees Retirement Association (PERA) to help offset the additional liability those systems incurred when they merged with the Duluth Teachers Retirement fund (TRA), the Minneapolis Teachers Retirement fund (TRA), and the Minneapolis Employees Retirement fund (PERA). The state also provides direct aid to the St. Paul Teachers Retirement fund to help offset unfunded liabilities.

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