

Minnesota Department of Commerce

Budget Overview 2005 Legislative Session

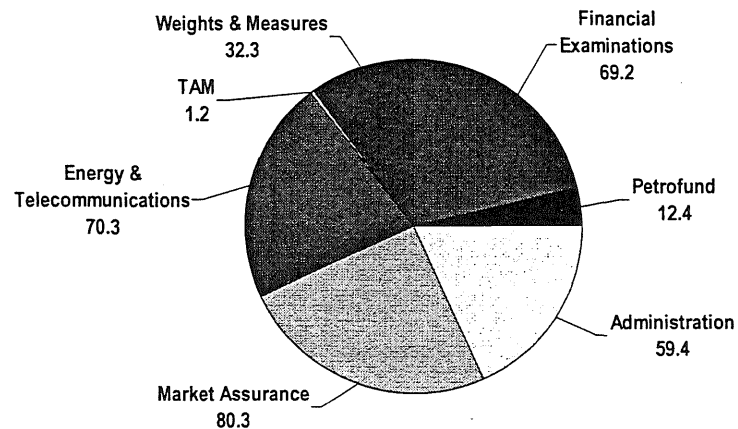


Our Mission

- **Ensure equitable commercial and financial transactions and reliable utility services.**
- We do this by:
 - Investigating and resolving consumer complaints
 - Advocating the public's interest before the Public Utilities Commission
 - Administering various state programs including unclaimed property and the Petrofund
 - Encouraging economic opportunities while working to improve our quality of life

FTE

Division or Operating Unit



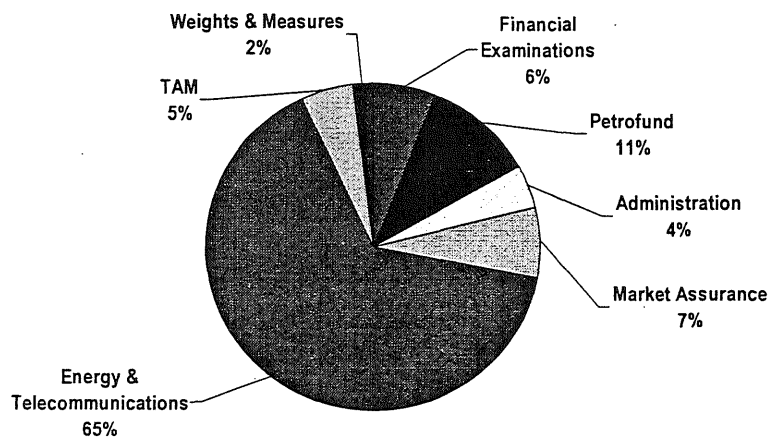
FTE

Commerce Totals

- Projected as of 6/30/2005 **325.1**
- Projected for FY 2006-2007 **328.2**

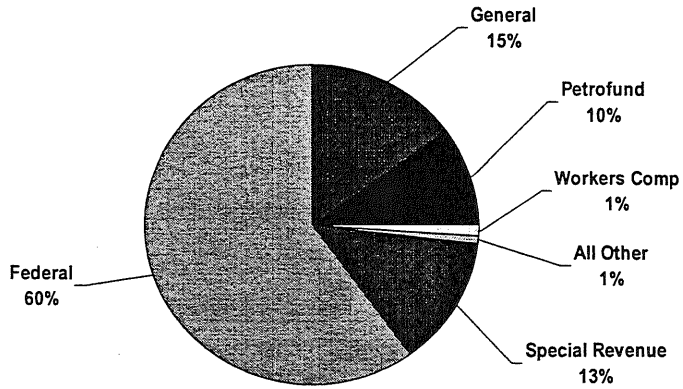
Expenditure by Program

FY 2006-2007



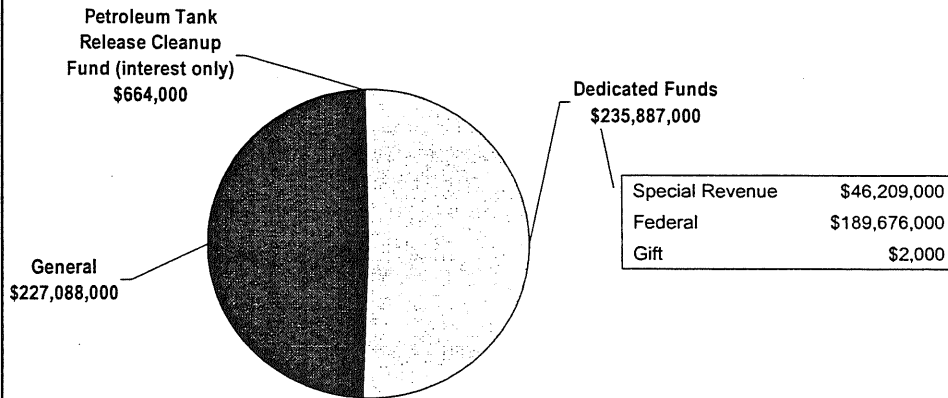
Expenditure by Fund

FY 2006-2007



Agency Revenue

FY 2006-2007

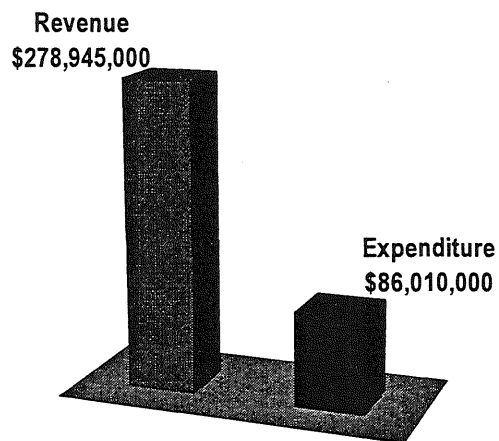


Special Revenue	\$46,209,000
Federal	\$189,676,000
Gift	\$2,000

Total: \$463,639,000

Departmental Earnings vs. Expenditures

FY 2006-2007

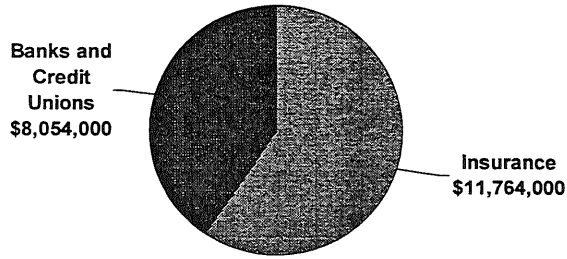


Financial Examinations Division

- **Program Purpose**

To maintain the financial solvency of state banks, credit unions, finance companies and insurance companies, and to assure numerous choices for Minnesota consumers and businesses.

Financial Examinations Division



Expenditures FY 2006-2007 **\$19,818,000**

Financial Examinations Division

Financing by Fund

	<u>FY 2006</u>	<u>FY 2007</u>
General Fund	\$5,994,000	\$5,994,000
Special Revenue	<u>\$3,915,000</u>	<u>\$3,915,000</u>
TOTAL:	\$9,909,000	\$9,909,000

FTE: 69.7 69.7

Petrofund

- **Program Purpose**

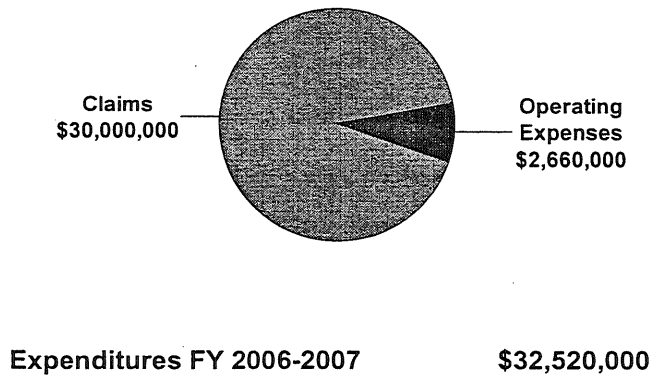
To reimburse petroleum storage tank owners for the cost of clean-up, reduce public health risks associated with leaks, and to remediate petroleum leaks in a cost-effective manner.

- **Scheduled to sunset on June 30, 2007**

- **Reimbursements**

- \$354,000,000 reimbursed since 1987
- \$14,557,000 reimbursed in FY 2004
- 11,881 eligible applicants received reimbursement

Petrofund



Petrofund

Financing by Fund

	<u>FY 2006</u>	<u>FY 2007</u>
Petroleum Tank Cleanup	\$16,260,000	\$16,260,000
TOTAL	\$16,260,000	\$16,260,000
FTE	12.0	12.0

Administration

- Department management
 - Commissioner's office
 - Information systems
 - Human Resources
 - Fiscal management
 - Public information
- Licensing (businesses and individuals)
- Unclaimed property
- Expenditures FY 2006-2007 **\$11,350,000**

Administration

Expenditures by Activity

	<u>FY 2006</u>	<u>FY 2007</u>
Administration	\$4,356,000	\$4,417,000
Licensing and Unclaimed Property	<u>\$1,314,000</u>	<u>\$1,263,000</u>
TOTAL	\$5,670,000	\$5,680,000

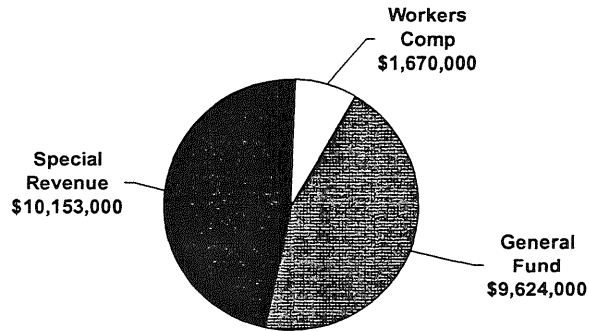
Information Systems	7.6	7.6
Licensing	13.3	13.3
Unclaimed Property	5.0	5.0
All Other	33.8	33.8
Total FTE Administration	59.7	59.7

Market Assurance Division

- **Program Purpose**

Maintain investor and public confidence in insurance, securities, franchising, real estate, residential construction, currency exchange, mortgage origination, consumer finance, cosmetology, and notaries public.

Market Assurance Division



Financing FY 2006-2007 **\$21,447,000**

Market Assurance Division

Expenditures by Activity

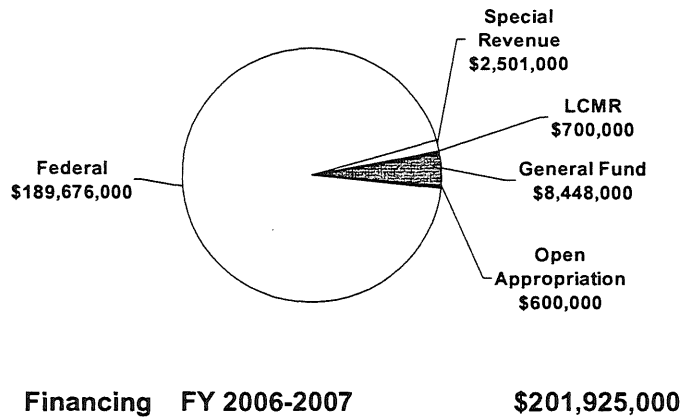
	<u>FY 2006</u>	<u>FY 2007</u>
Investigations	\$4,832,000	\$4,832,000
Registration and Analysis	\$2,095,000	\$2,095,000
Insurance Fraud/Auto Theft Prevention	\$3,938,000	\$3,655,000
TOTAL	\$10,865,000	\$10,582,000
FTE	83.6	82.8

Energy and Telecom Division

- **Program Purpose**

- Ensure that all Minnesotans have access to reliable, reasonably priced, efficient, economically sound and environmentally responsible energy services.
- Ensure continued access to reliable, efficient, affordable, and state of the art telecommunication services for all Minnesotans.

Energy and Telecom Division



Energy and Telecom Division

Expenditures by Activity

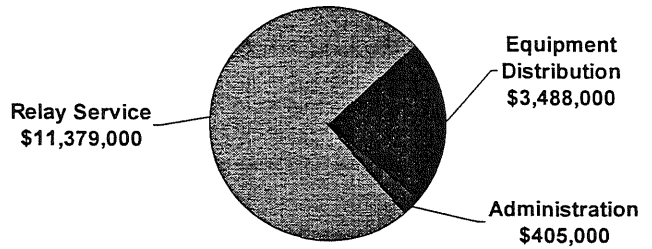
	<u>FY 2006</u>	<u>FY 2007</u>
Energy Planning and Advocacy	\$2,260,000	\$2,335,000
State Energy Office	\$15,189,000	\$14,724,000
LIHEAP	\$81,862,000	\$81,862,000
Reliability Administrator	\$882,000	\$0
Telecommunications	\$1,070,000	\$1,041,000
LCMR	\$400,000	\$300,000
TOTAL	\$101,663,000	\$100,262,000
FTE	70.3	70.0

Telecom Access Minnesota (TAM)

- **Program Purpose**

Provide telecommunications access for people who are deaf, hard of hearing, or speech impaired.

Telecom Access Minnesota (TAM)



Expenditures FY 2006-2007

\$17,472,000

Weights and Measures Division

● Program Purpose

- Provides Minnesota with a basis for physical measurement standardization in mass, volume, length, and density.
- Enforces Minnesota's weights and measures statutes.
- Ensures the quality of gasoline, diesel fuel, heating fuel, and other petroleum products by constantly inspecting and testing fuel samples from all levels in the distribution chain.

Weights and Measures Division

Financing by Fund

	<u>FY 2006</u>	<u>FY 2007</u>
General Fund	\$5,014,000	\$5,014,000
Special Revenue	<u>\$1,236,000</u>	<u>\$1,236,000</u>
TOTAL:	\$6,250,000	\$6,250,000
FTE:	32.8	32.8

Change Items

Expenditures

- **Market Assurance**
 - ◆ Shift of administrative expenses from General Fund to Building Contractor Recovery Fund (200,000)

- **Energy and Telecom**
 - ◆ Reduction in State Energy Office (250,000)
 - ◆ Wind incentive payments (9,076,000)
 - ◆ LCMR energy related items 700,000

Change Items

Revenue

- **Administration**

◆ Sale of unclaimed securities	30,000,000
◆ License fee changes	1,468,000

- **Financial Examinations**

◆ Insurance certificate of authority	36,000
--------------------------------------	--------

**Departmental Earnings
Revenue Versus Expenditure
FY 2006-2007**

	Revenue (\$000s)	Expenditure (\$000s)
Auto Theft Prevention	\$ 6470	\$ 4153
Collections	1,560	742
Cosmetology	0	0
Currency Exchange	224	44
Do Not Call	40	652
Energy Cost Assessment (Includes SRF)	8,263	8,263
Financial Institutions	11,325	9,874
Franchise	654	516
Miscellaneous	316	109
Notary	0	0
Propane	800	800
Real Estate (Includes SRF)	4,659	1,822
Residential Contractor (Includes SRF)	5,744	4,147
Securities	62,840	926
Unclaimed Property (Net of Claims Paid)	112,850	962
TAM Surcharge (Includes SRF)	15,683	17,472
Telephone Cost Assessment	4,448	4,448
Weights and Measures		
-- Inspection Fee	2,768	2,829
-- Petroleum Fee (Collected by Dept of Revenue)	7,607	3,621
Subtotal:	\$ 246,251	\$ 61,380
Insurance Agents	12,666	2,078
Insurance Companies (Includes SRF)	18,728	21,061
<u>WC/SI</u>	<u>1,300</u>	<u>1,491</u>
Insurance Industry Subtotal:	\$ 32,694	\$ 24,630
DEPARTMENT TOTAL:	\$ 278,945	\$ 86,010

Change Items

	<u>FY 2006</u>	<u>FY 2007</u>	<u>Biennium</u>
<u>Department of Commerce</u>			
General Fund Base	23,430	23,430	46,860
Technical Adjustment	(250)	(250)	(500)
Change Item	<u>(225)</u>	<u>(225)</u>	<u>(450)</u>
Proposed Base	22,955	22,955	45,910
<u>Program Changes</u>			
Financial Examinations Base	5,994	5,994	11,988
Change Item	<u>0</u>	<u>0</u>	<u>0</u>
Proposed Base	5,994	5,994	11,988
Administration Base	5,518	5,518	11,036
Change Item	<u>0</u>	<u>0</u>	<u>0</u>
Proposed Base	5,418	5,418	10,836
Market Assurance Base	4,912	4,912	9,824
Change Item	<u>(100)</u>	<u>(100)</u>	<u>(200)</u>
Shift of applicable administrative expenses from General Fund to Contractor Recovery Fund.			
Proposed Base	4,812	4,812	9,624
Energy & Telecom Base	4,349	4,349	8,698
Change Item	<u>(125)</u>	<u>(125)</u>	<u>(250)</u>
Reduction in the State Energy Office.			
Proposed Base	4,224	4,224	8,448
Funding change from the General Fund to the Renewable Development Fund for the open appropriation for the renewable energy incentive payments.	[(4,538)]	[(4,538)]	[(9,076)]
Weights and Measures Base	2,507	2,507	5,014
Change Item	<u>0</u>	<u>0</u>	<u>0</u>
Proposed Base	2,507	2,507	5,014
<u>General Fund Revenue Increase</u>			
Sale of Unclaimed Securities	25,000	5,000	30,000
Reduce the retention period for unclaimed securities.			
License Fee Changes	734	734	1,468
Standardize insurance-related licenses.			
Insurance Certificate of Authority Fee	18	18	36
Establish a certificate of authority to sell insurance in Minnesota.			

Minnesota Department of Labor and Industry



443 Lafayette Road N.

St. Paul, MN 55155

Phone: (651) 284-5005

**Phone: 1-800-DIAL-DLI
(1-800-342-5354)**

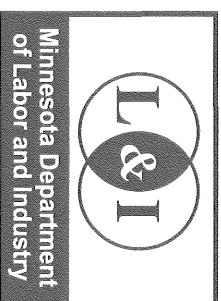
TTY: (651) 297-4198

www.doli.state.mn.us

Minnesota Department of Labor and Industry

The department's mission is to ensure a safe and equitable work environment for Minnesota employees and employers.

Its vision is to be a trusted resource utilized by employees and employers.



Minnesota Department of Labor and Industry

Agency activities are designed to assure that:

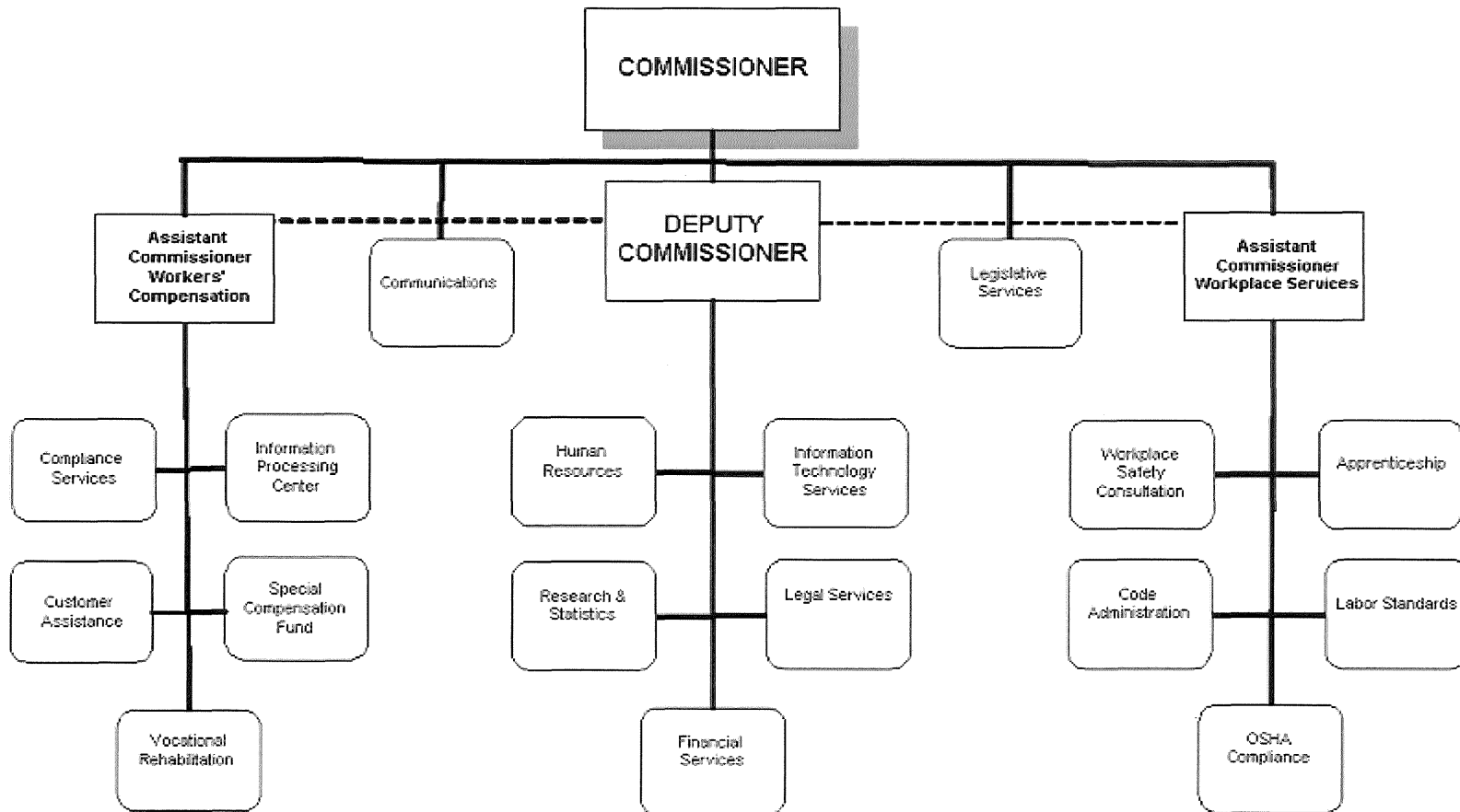
- workplaces are free from injury and illness;
- injured workers are provided treatment and benefits required by law;
- workers have the opportunity to receive critical skills through apprenticeship training;
- boilers and high-pressure-piping systems are properly constructed, installed, and maintained; and
- workers, potential workers, and employers have a clear understanding of their rights and responsibilities in the workplace.

Minnesota Department of Labor and Industry

Core functions: DLI administers laws related to employment, workplace safety, and workers' compensation through the following core functions:

- **provide training and outreach;**
- **conduct inspections, audits, and investigations;**
- **review workers' compensation claims, oversee the provision of benefits and provide vocational rehabilitation services;**
- **reimburse specific benefits paid by insurers and self-insured employers;**
- **provide informal dispute resolution services;**
- **issue penalties for violations of the law;**
- **issue professional licenses and certification; and**
- **register apprenticeship programs.**

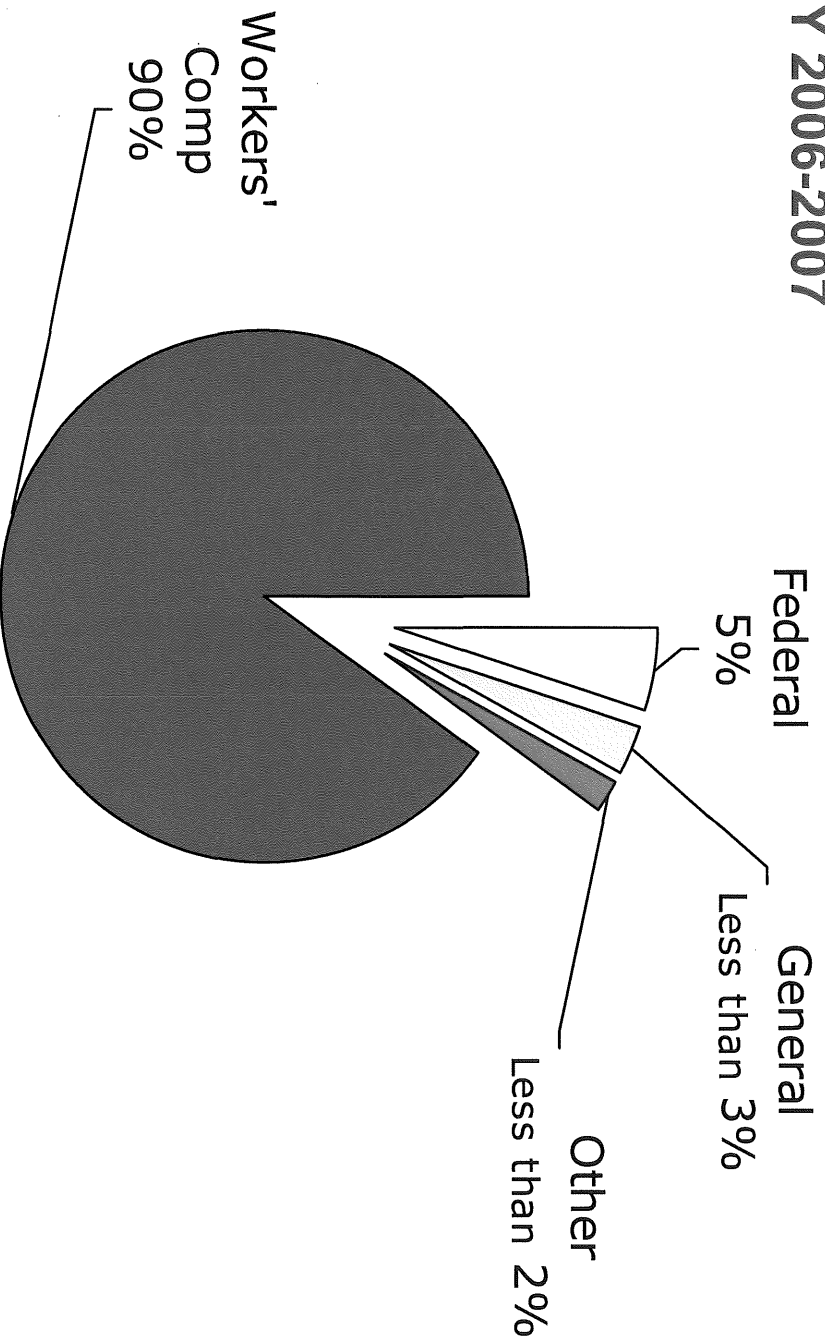
Minnesota Department of Labor and Industry



Minnesota Department of Labor and Industry

Expenditures by fund (\$222,418,000)

FY 2006-2007



Minnesota Department of Labor and Industry

Workers' Compensation Fund

FY 2006-2007

The purpose of the Workers' Compensation Fund is to provide special benefits and services authorized under the workers' compensation law.

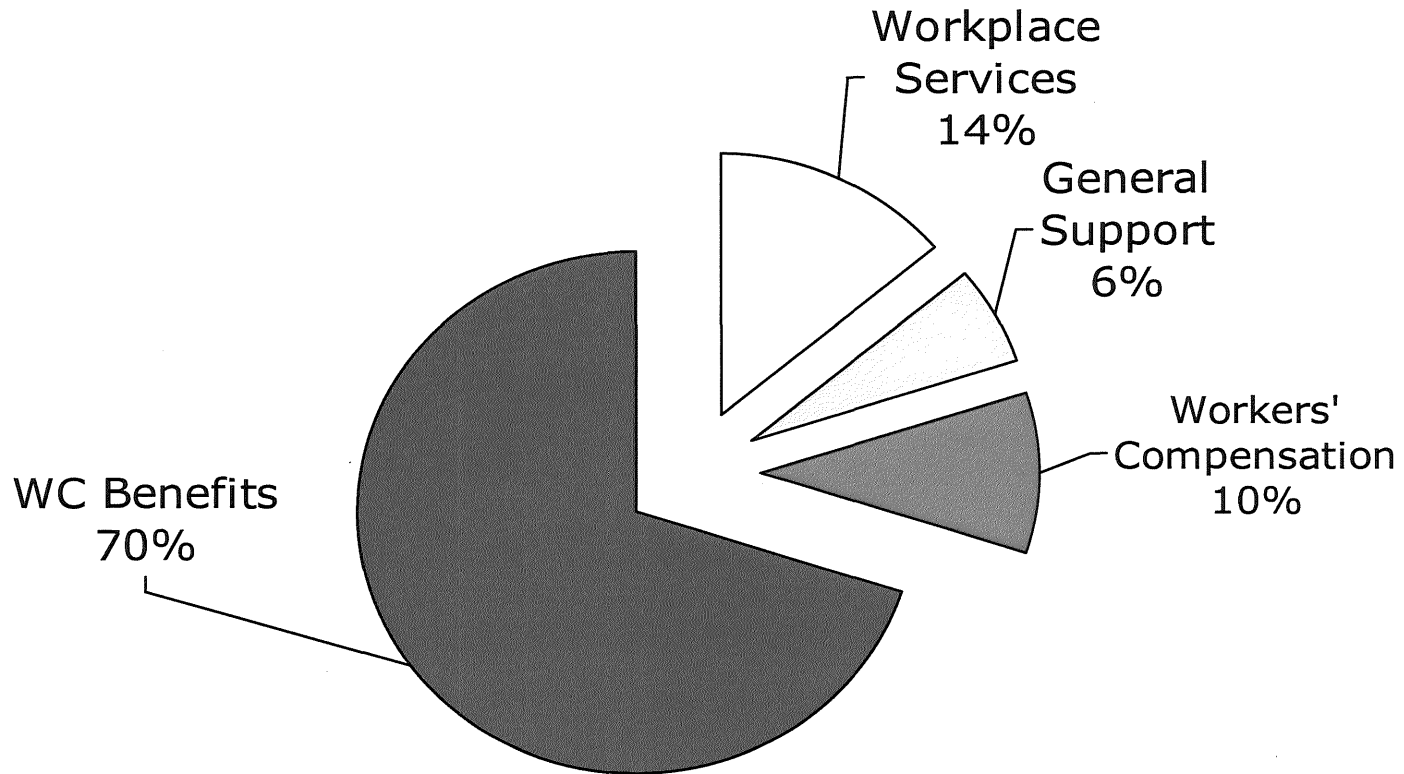
These include:

- supplementary benefits (\$113,000,000)
- second-injury benefits (\$26,800,000)
- workers' compensation benefits paid to employees of uninsured and bankrupt self-insured employers (\$16,518,000)
- costs of administering the workers' compensation and occupational safety and health programs at Labor and Industry (\$45,170,000), and
- costs of workers' compensation activities of the Office of Administrative Hearings (\$14,810,000), Workers' Compensation Court of Appeals (\$3,236,000), and the Department of Commerce (\$1,670,000).

Minnesota Department of Labor and Industry

Expenditures by program (\$222,418,000)

FY 2006-2007



Minnesota Department of Labor and Industry

Workers' Compensation Division

Expenditures by activity FY 2006-07

Special Compensation Fund	161,224,000
Customer Assistance	4,560,000
Compliance Services	3,040,000
Vocational Rehabilitation	3,929,000
Information Processing Center	4,887,000
Workers' Compensation Administration	<u>450,000</u>
	\$178,090,000

Financing by fund

Workers' Compensation	177,930,000
Special Revenue	<u>160,000</u>
	\$178,090,000

Minnesota Department of Labor and Industry

Workplace Services Division

Expenditures by activity FY 2006-07

Apprenticeship	1,576,000
Labor Standards	1,346,000
Code Administration and Inspection Services	4,378,000
OSHA Compliance	15,286,000
Workplace Safety Consultation	7,708,000
Workplace Services Administration	<u>442,000</u>
	\$30,736,000

Financing by fund

Workers' Compensation	13,038,000
Federal	10,374,000
General	5,744,000
Workforce Development	900,000
Special Revenue	650,000
Agency	<u>30,000</u>
	\$30,736,000

Minnesota Department of Labor and Industry

General Support Division

Financing by fund FY 2006-07

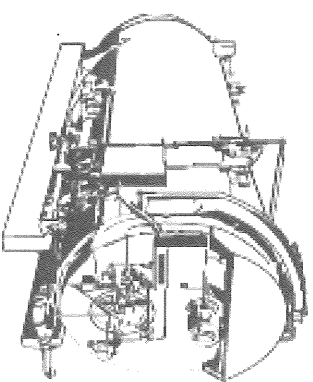
Workers' Compensation	10,920,000
Special Revenue	2,370,000
Federal	<u>302,000</u>
	\$13,592,000

Minnesota Department of Labor and Industry

Budget proposal: Enhance Code enforcement -- boilers and pressure vessels

Estimated revenue: \$1,396,000 Appropriation: \$564,000

- Remove June 30, 2005 sunset provision for \$5 surcharge on boiler licenses and inspections.
- Restore two boiler inspectors and one administrative support position to maintain existing service levels.
- Redirect the activity of one boiler inspector from conducting license examinations to conducting inspections.
- Restore triennial audits of manufacturers and repair shops.
- Implement penalties on boiler owners and insurance companies that do not comply with state law.



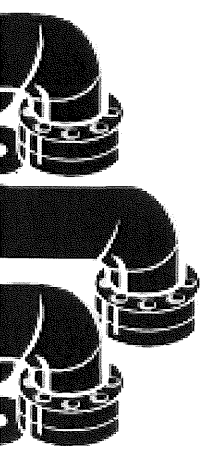
Minnesota Department of Labor and Industry

Budget proposal: Enhance Code enforcement – high-pressure-piping systems

Estimated revenue: \$224,000

Appropriation: \$192,000

- Restore one piping inspector to enhance inspection coverage.
- Increase piping license and permit fees to fund expanded activity.



Minnesota Department of Labor and Industry

St. Paul office
443 Lafayette Road N.
St. Paul, MN 55155-4320
(651) 284-5005
1-800-DIAL-DLI
(1-800-342-5354)
TTY: (651) 297-4198

Mankato office
410 Jackson Street, Suite 520
Mankato, MN 56001
(507) 389-6507

St. Cloud office
3400 First Street N., Suite 405
St. Cloud, MN 56303
(320) 258-2050

Duluth office
5 N. Third Ave. W., #402
Duluth, MN 55802-1611
OSHA office
(218) 733-7830
Workers' Compensation office
(218) 733-7810
1-800-365-4584

Commissioner Scott Brener
(651) 284-5010
Scott.Brener@state.mn.us

Jamie Anderson
Legislative Liaison
(651) 284-5103
Jamie.Anderson@state.mn.us

Beth Hargarten
Assistant Commissioner
Workers' Compensation
(651) 284-5350
Beth.Hargarten@state.mn.us

Roslyn Wade
Assistant Commissioner
Workplace Services
(651) 284-5371
Roslyn.Wade@state.mn.us