

Minnesota House of Representatives
FY 2024-25 Budget Proposal
3/28/2023

SPENDING

The proposed FY 2024-25 biennial budget is recommending total spending of \$96,604,000. This represents a \$13,180,749 or 15.8% increase from the FY 2022-23 adopted budget. The budget allows for increases in:

- Member salary, per diem, insurance, and lodging.
- Staff salary and benefits, insurance, and intern stipends,
- Additional staffing for workload and succession planning,
- One-time investments to maintain or improve current House operations, and
- Operational adjustment for non-personnel spending.

This budget proposal does not include funding for several major system investments that will be impacted with the State Office Building renovation project.

RESOURCES

The proposed budget requests an increased appropriation of \$15,742,000 above the current base. Of this amount,

- 14.7% is related to providing increased appropriation for Members' salary, per diem, insurance, and housing allowance increases.
- 74.9% is related staff salary and benefits, insurance, succession planning, and intern stipends.
- 10.4 % is related to one-time investments for end-of-life equipment replacement and system enhancements as well as inflation on software renewals, supplies and equipment.

The increase in resources may be from an increase to the direct general fund appropriations for the House or a transition of part or all the House budget to a statutory appropriation.

Table 1 - House of Representatives Biennial Budget Recommendation Summary
(in 000s)

Category	FY 22-23 Approved Budget	FY 24-25 Recommended Budget	Difference	% Change
Budget Recommendation				
Operating Budget	\$80,363	\$95,486	\$15,123	18.82%
One-time Investments	\$3,060	\$1,073	(\$1,987)	-64.94%
Total	\$83,423	\$96,604	\$13,181	15.80%
Resource Recommendation				
General Fund	\$80,363	\$96,604	\$16,241	20.21%

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Carry Forward	\$3,060	\$0	(\$3,060)	-100.00%
Total	\$83,423	\$96,604	\$13,181	15.80%
FY 24-25 Appropriation Base (FY 23x2)		\$80,862		
FY 24-25 Appropriation Increase Request		\$15,742		

CARRYFORWARD ACCOUNT

This proposed budget would leave an estimated carryforward account balance of \$5.9 million. Carryforward funds are recommended to be maintained at a level that could support the House during a state government shut down. \$5.9M in carryforward will fund two months of spending for the House or the value of payouts to staff in the event of layoffs.

SUMMARY OF BUDGET RECOMMENDATION

Table 2 - Operating Budget Summary – Appropriation Request

Category	Description	Appropriation Recommendation
Members Salary	Funds the Member's salary increases of \$3,500 or 7.25%, based on the Legislative Salary Council report. New salary of \$51,750 would go into effect July 1, 2023. Extends Leadership pay to 2 additional house leadership positions.	\$1,174,000
Member Per diem	Fund a \$20 retroactive increase (\$66 to \$86) in session and interim per diem (30.3%).	\$675,000
Housing Allowance Increase	Funds an increase to the monthly housing allowance for out-state Members from \$1800 a month to \$2200 a month and the term allowance from \$32,400 a term to \$39,600. About half the outstate Members use long-term hotel stays and half are at an apartment. The budget request assumes increased costs to long-term stays and a smaller proportion for apartment lease increases, offset by fewer outstate Members.	\$100,000
Member Health Insurance	Assumes MMB projected increases of 2.14% for CY 23, 5.84% for CY 24 and 5.85% for CY 25.	\$363,000
Staffing Complement/Succession Planning	Increases staffing complement by 6 FTEs for: <ul style="list-style-type: none"> • Deputy IT Director • Deputy Sergeant-at-Arms • HR generalist • HPIS engineer • non-partisan legislative assistant to be shared between three non-partisan departments (SAA, HR and B&A) 	\$1,377,000

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	<ul style="list-style-type: none"> Funds to overlap positions for succession planning in anticipation of retirements or known transitions. <p>Appropriation for increase includes salary estimates, other payroll costs, and equipment/workstation costs.</p>	
Staff Salaries	<p>This proposal aims to address significant turnover experienced by the House (over 33% in 18 months) by creating a pool of funds to:</p> <ul style="list-style-type: none"> rebase salaries to realign ranges with the senate, align certain position with executive branch counterparts, adjust for recent and projected inflation and reinstate merit increases. <p>This proposal also allows for additional vacation conversion options.</p> <p>Appropriation request also includes adjustment for temporary staff salaries, impacts to severance pay and deferred compensation vacation conversion programs as well as associated retirement contributions and payroll tax costs.</p>	\$9,994,000
Intern Stipend	Funds a \$75 per week stipend for session interns under the House Internship program	\$105,000
Staff Health Insurance	Assumes MMB projected increases of 2.14% for CY 23, 5.84% for CY 24 and 5.85% for CY 25.	\$314,000
One-time Investments	See Table 3	\$1,073,000
Other costs	<p>Funds increase costs associated with the following items:</p> <ul style="list-style-type: none"> Voice Over IP upgrade and transition costs IT ticketing system Accessibility software based on recommendations from the Accessibility Workgroup Inflationary increases for non-personnel operating costs to maintain current operations 	\$567,000
Total		\$15,742,000

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Table 3 - One-time Investments Summary

Category	Description	Carryforward Recommendation
End of life equipment replacement	<ul style="list-style-type: none"> • Network storage and backup replacement • Copy machines for CCO, HPIS, HRD (2), HR, and B&A • Envelope printers for each caucus • Photography and large format printer for HPIS • Web security system (health and performance of network and block access to compromised sites) • Monitor replacement cycle • State fair booth 	\$626,000
Enhancement	<ul style="list-style-type: none"> • Active Directory Migration <ul style="list-style-type: none"> ○ Estimated costs to migrate from our current multiple system directory for the File and Print Network to Microsoft Active Directory. Costs include multiple phases of the migration over two years. ○ Due to current size and complexities of our multiple office and caucus architecture, outside assistance would be needed to plan and implement the move. Staff overseeing the current complex system will be retiring soon. • Voting Board Programming 	\$388,000
Other equipment	<ul style="list-style-type: none"> • Headsets for staff • Replace ENG Camera (HPIS) including wireless transmission application and Capitol Complex live-shot backpack 	\$59,000
		\$1,073,000

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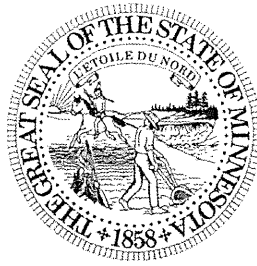
Recommended Budget for Fiscal Years 2024-25

1	Expenditure	FY 2024	FY 2025
2		Budget	Budget
3	Member Salaries w/PD	\$7,948,396	\$8,443,928
4	Perm Staff Salaries	\$22,970,322	\$23,720,874
5	Temp Staff Salaries	\$830,000	\$1,126,000
6	Member Insurance	\$2,494,781	\$2,640,604
7	Member Retirement	\$489,360	\$519,869
8	Perm Staff Insurance	\$3,940,891	\$4,187,164
9	Perm Staff Retirement	\$1,474,715	\$1,522,670
10	Deferred Compensation/Vacation Conversion	\$625,125	\$641,838
11	HCSP	\$140,000	\$140,000
12	Social Security	\$1,859,792	\$1,948,955
13	Medicare	\$442,188	\$463,388
14	Unemployment	\$40,000	\$95,000
15	Workers Comp	\$35,000	\$35,000
16	Admin Fees	\$19,000	\$19,000
17			
18	Total Salaries and Benefits	\$43,309,571	\$45,504,290
19	Interim Per Diem	\$130,909	\$130,909
20	Housing	\$813,120	\$696,960
21	District Travel	\$120,000	\$80,000
22	Session Mileage	\$132,100	\$169,800
23	Registration, fees and tuition	\$32,500	\$27,500
24	Travel	\$204,500	\$138,000
25			
26	Total Travel and Subsistence	\$1,433,129	\$1,243,169
27	Telephones	\$351,909	\$290,311
28	Other communications	\$250,000	\$170,000
29	Session Printing	\$24,000	\$24,000
30	Other Printing	\$3,000	\$75,000
31	Invoiced Staff	\$107,000	\$122,000
32	Professional Services	\$289,358	\$185,698
33	Purchased Services	\$65,300	\$102,000
34	Office Equipment/Software	\$1,044,466	\$175,545
35	Leases/Rentals	\$45,300	\$8,300
36	Maintenance/Repairs/Licenses	\$601,087	\$615,377
37	Office Supplies	\$140,000	\$180,000
38	Other Supplies	\$61,500	\$86,500
39	Miscellaneous	\$47,866	\$48,325
40	Contingency		
41			
42	Total Comm, Purch Serv, Equip, Supplies	\$3,030,786	\$2,083,055
43	TOTAL	\$47,773,486	\$48,830,514
44	Biennial TOTAL		\$96,604,000

Budget and Accounting Office

40 State Office Building
100 Rev Dr Martin Luther King Jr Blvd
St. Paul, Minnesota 55155
651-296-4281

Barbara Juelich, Controller



Minnesota House of Representatives

Melissa Hortman, Speaker

To: Representative Jamie Long, Chair, Committee on Rules and Legislative Administration

From: Barbara Juelich, House Controller *Barbara J. Juelich*

Date: March 28, 2023

Re: House Budget Proposal for FY 2024-25

The attached *Minnesota House of Representatives – Recommended Budget for Fiscal Years 2024-25* is transmitted for consideration and approval by the Committee on Rules and Legislative Administration. This budget has been prepared and is submitted to the Rules Committee in accordance with the Permanent Rules of the House, Article 8.01.

FY 2024-25 Recommended Budget

For the FY 2024-25 biennium, the House budget is recommended to be established at an expenditure level of \$96,604,000. This proposed budget is \$13,180,749 million more than the FY 22-23 adopted budget or about a 15.8% increase. The prior budget included \$3,060,000 in carryforward use. The FY 24-25 budget recommends use of general fund appropriation only; therefore, the proposal would include a \$15,742,00 appropriation adjustment. This proposal leaves an estimated carryforward fund balance of \$5,972,000 available in case of a need to operate during a state government shutdown.

The proposed budget for FY 2024-25 will allow for the following:

- Member salary, per diem, insurance, and lodging,
- staff salary and benefits, insurance, and intern stipends,
- additional staffing for workload and succession planning,
- one-time investments to maintain or improve current House operations, and
- operational adjustment for non-personnel spending.

Carryforward Funds

When the FY 2022-23 budget was adopted, it was estimated that the house would end the biennium with a carryforward fund balance of \$4,472,000. Based on final spending for FY 22 and projected spending in FY 23, I am estimating that the House carryforward funds available in

FY 24 to be \$5,972,000 or \$1,500,000 higher than originally estimated. This is mainly due to the suspension of all furniture replacement projects in lieu of the building remodel.

I have included the *2024-25 Budget Proposal Summary* document for the committee. This document provides additional detail on the appropriation request.

I will be available to answer questions that you or committee members may have on the proposed budget.