



April 22, 2025

Dear Chair Marty and Finance Committee members:

Thank you for the opportunity to comment on SF 3045, the State and Local Government Omnibus. We are grateful to Chair Xiong and the State and Local Government Committee members for their work and attention to our agency in the bill.

Operating Adjustment

We especially appreciate the inclusion of the operating adjustment for MMB at the level included in the Governor's recommendations. This funding is essential as MMB's own operations face rising costs each year due to increases in employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs. Other operating costs, like rent and leases, fuel and utilities, and IT and legal services also grow.

Agency Policy Provisions

We are also grateful for the inclusion of several policy provisions in the bill.

Our proposal to allow greater flexibility in procuring prescription drug and pharmacy benefits for our SEGIP members is important to generate more competition in the procurement process and to allow MMB to respond to the ever-evolving prescription drug benefit landscape.

Our proposal updating state personnel management provisions combines a range of clarifications and modest improvements across Chapter 43A, making technical changes and providing an overhaul of the current supported work program following direction from the 2023 legislature.

Adjustments to the deadlines for the Uncollectible Debt report will allow our staff more time to review data received from partner agencies, and Budget Reserve report will align the timeline with the availability of necessary federal data.

Enhanced Oversight Capacity

We appreciate the partial funding for the enhanced oversight capacity at MMB, which overlaps with the Governor's anti-fraud package, and would look forward to the opportunity to work with the committee on the potential for the inclusion of the entire package. Minnesotans expect robust oversight of their state government and the expenditure of public funds. MMB has identified several investments needed to meet the expectations of our various oversight activities. This proposal recommended by the Governor includes resources for:

- The Internal Control and Accountability Unit, which provides tools, consults with agency partners, and tracks resolution of audit findings
- Statewide Payroll Services to provide additional oversight and compliance reviews of agency payroll practices
- Enterprise Labor Relations to provide additional oversight and compliance work on implementation of collective bargaining agreements
- Our Accounting Services division to engage agency partners in the review and update of statewide financial management policies and procedures

Carryforward Authority

One item not included is the Governor-recommended expanded authority for agencies to uniformly carry forward unexpended non-grant operating appropriations for the second year of a biennium into the next biennium. This would provide an important tool to help manage cost pressures and would align the executive branch with the carry-forward authority already granted to the legislature for the management of its finances.

Sincerely,

A handwritten signature in black ink that reads "Erin M. Campbell". The signature is written in a cursive, flowing style.

Erin Campbell
Commissioner