

Agency Purpose

The Department of Administration (Admin) for nearly 80 years has provided a diverse portfolio of services, products, and tools that help state government agencies successfully address the needs of the citizens of Minnesota.

Admin's mission is to help its customers succeed; its goals are to:

- ◆ provide customers with valuable services, products, advice, and expertise;
- ◆ be recognized for innovation and efficiency;
- ◆ reduce costs by working across government; and
- ◆ offer a safe environment where people thrive and enjoy their work.

Paramount among its fundamental strategic objectives is developing and fostering an enterprise "vision" for state government as outlined in Minnesota's Drive to Excellence initiative. Recent achievements toward this department objective include the implementation of Small Agency Resource Teams, which provide financial and human resource management services to small agencies; creation of the Enterprise Performance Improvement Office which assists agencies with improving the efficiency and effectiveness of their business processes; and the Office of Grants Management, which coordinates grants policies and procedures across the state government enterprise.

Admin operates on the principles of results-based management, an approach that integrates strategy, people, resources, processes, and measurements to improve decision-making, transparency, and accountability. The approach centers on achieving outcomes, implementing performance measurement, reporting performance, and learning and continuously improving. Details are available at www.admin.state.mn.us.

Core Functions

Admin provides a diverse range of business management, administration and professional services, and a variety of resources primarily to state agencies, but also to local governments, public colleges and universities, K-12 schools, and citizens. The department's core functions are concentrated in buildings and grounds maintenance and repair, purchasing, risk management and workers' compensation, construction project management, space leasing, vehicle leasing, and the acquisition and disposal of surplus property.

Operations

Admin's operations are categorized as either Government and Citizen Services or Admin Management Services.

Government and Citizen Services:

- ◆ The **Minnesota Governor's Council on Developmental Disabilities** seeks to assure that people with developmental disabilities receive necessary services and support for achieving increased independence, productivity, integration, and inclusion into the community.
- ◆ **Enterprise Performance Improvement** provides enterprise-wide expertise and training for improving organizational performance and results in state government agencies.
- ◆ The **Environmental Quality Board** develops policy and reviews proposed projects that could significantly affect the environment. Admin provides staff and administrative support.
- ◆ **Fleet and Surplus Services** provides fleet management services to state agencies, including long-term vehicle leasing, and manages government surplus property acquisition, storage, and disposal.

At A Glance

- ◆ Leads the state's Drive to Excellence initiative.
- ◆ Coordinates state fleet activities, including the use of alternative fuels.
- ◆ Oversees more than \$1.8 billion in goods and services purchases.
- ◆ Manages over 350 building projects valued at more than \$260 million.
- ◆ Develops standardized grant policies for more than 30 executive branch agencies.
- ◆ Maintains the State Capitol and state buildings and grounds in the Capitol area.
- ◆ Processes more than 20 million pieces of mail and 3.3 million warrants and checks annually.
- ◆ Assists other agencies with process improvement projects.
- ◆ Provides financial and human resource business services for small agencies.
- ◆ Processes more than 1,800 tons of waste paper and other materials for recycling.
- ◆ Operates as the state's internal risk manager and insurance company and provides workers' compensation and safety services to 57,000 state employees.

- ◆ **Information Policy Analysis Division** promotes the understanding of and compliance with the Minnesota Government Data Practices Act, the Open Meeting Law, and other government-information policy laws.
- ◆ The **Land Management and Information Center** provides data, software, project consultation, and coordination services that promote the effective use of geographic information and technology.
- ◆ **Materials Management Division** purchases more than \$1.8 billion in goods and services annually for state agencies, operates Minnesota's Bookstore and the state's office supply store, and directs the Minnesota Multi-State Contracting Alliance for Pharmacy purchasing cooperative.
- ◆ The **Office of State Archaeologist** sponsors, conducts, and directs research into the prehistoric and historic archaeology of Minnesota, and enforces state laws concerning archaeological sites.
- ◆ **Plant Management Division** maintains 3.7 million square feet of space in 21 state-owned facilities, operates the state recycling center, and provides mail processing and delivery services.
- ◆ **Real Estate and Construction Services** designs, acquires, leases, and disposes of office and other space, and manages remodeling and construction projects.
- ◆ **Risk Management Division** operates the state's insurance program and manages the state workers' compensation and safety programs.
- ◆ The **Small Agency Resource Team** (SmART) program offers professional human resources services and financial management services to state agencies, boards, and councils.
- ◆ The **STAR Program** helps people of all ages with disabilities acquire, use, and re-use assistive technology for maintaining, improving, or increasing their functional capabilities at home, school, and work.
- ◆ The **State Demographic Center**, Minnesota's liaison to the U.S. Census Bureau, estimates, forecasts, and investigates changes in the state's population, analyzes census data, and distributes information.

Admin Management Services:

- ◆ **Executive Support** provides project management and communications expertise for the Drive to Excellence; and communications, legislative, emergency preparedness planning and support, and data practices compliance services for the department.
- ◆ **Financial Management and Reporting Division** provides financial management support for the department and carries out the department's Fiscal Agent function.
- ◆ **Human Resources Division** provides training, safety, and personnel services to employees; administers labor agreements; and is responsible for department payroll and employee benefit services.

Budget

Admin is funded through a variety of sources including general, special revenue, federal, gift, and internal service/enterprise funds:

- ◆ **Internal service/enterprise funds** are the largest source of funding for the agency. Internal service funds raise revenues through fees charged to users of primarily internal support services such as insurance, fleet management, office supplies, mail services, and facility leases. These activities prepare annual business plans and develop rate structures for product and service offerings. Enterprise funds are generated through the purchase of goods and services by government entities and the public. They include the bookstore, surplus property, and purchasing cooperatives.
- ◆ **General Funds** are primarily used for operations with statewide significance including procurement, resource recovery, real estate and construction services, information policy analysis, geographic data coordination and documentation, central mail delivery, and pass-through grants.
- ◆ **Special revenue funds** are fee-based and include land management information services, parking, and workers' compensation.
- ◆ **Federal and gift funds** comprise the smallest segment of the agency's funding. The Developmental Disabilities Council and the STAR Program secure federal funds through the U.S. Department of Health and Human Services and the U.S. Department of Education. Gift funds are donations accepted for the Governor's Residence Council.

Contact

Department of Administration
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Office of the Commissioner: (651) 201-2555
Website: www.admin.state.mn.us

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	36,518	21,053	21,053	21,053	42,106
Forecast Base	36,518	21,053	20,938	20,858	41,796
Change		0	(115)	(195)	(310)
% Biennial Change from 2008-09					-27.4%
<u>Expenditures by Fund</u>					
Carry Forward					
Miscellaneous Special Revenue	0	6	0	0	0
Direct Appropriations					
General	33,055	26,047	21,006	20,858	41,864
Open Appropriations					
General	408	625	655	688	1,343
Statutory Appropriations					
Miscellaneous Special Revenue	34,784	42,127	43,464	44,943	88,407
Federal	2,597	2,154	1,646	1,499	3,145
Risk Management	13,158	12,459	12,980	12,858	25,838
Gift	6	210	4	4	8
Plant Management	46,841	45,813	48,612	50,001	98,613
Documents And Publications	1,477	1,759	1,806	1,853	3,659
Central Motor Pool	16,237	15,519	15,629	15,901	31,530
Central Stores	6,811	6,720	6,870	7,023	13,893
Materials Distribution	8,370	10,643	11,653	11,789	23,442
Central Mailing	8,574	8,893	8,909	8,949	17,858
Total	172,318	172,975	173,234	176,366	349,600
<u>Expenditures by Category</u>					
Total Compensation	32,583	35,024	36,603	37,523	74,126
Other Operating Expenses	106,638	112,746	113,801	116,378	230,179
Capital Outlay & Real Property	1,314	2,580	202	70	272
Local Assistance	14,721	3,736	2,924	2,867	5,791
Other Financial Transactions	17,062	19,229	20,050	19,874	39,924
Transfers	0	(340)	(346)	(346)	(692)
Total	172,318	172,975	173,234	176,366	349,600
<u>Expenditures by Program</u>					
Govt And Citizen Services	149,008	160,320	161,551	164,683	326,234
Administrative Mgmt Services	1,732	2,112	1,840	1,840	3,680
Fiscal Agent	21,578	10,543	9,843	9,843	19,686
Total	172,318	172,975	173,234	176,366	349,600
Full-Time Equivalents (FTE)	497.4	516.5	523.1	519.6	

Program Description

Government and Citizen Services provides a broad range of services to state agencies, local units of government, and citizens of Minnesota. Each activity is focused on providing services, products, advice, and expertise that help customers succeed.

Budget Activities

This program includes the following budget activities:

- ◆ Developmental Disability Council
- ◆ Enterprise Performance Improvement
- ◆ Environmental Quality Board
- ◆ Fleet and Surplus Services
- ◆ Information Policy Analysis
- ◆ Land Management Information Center
- ◆ Materials Management Division
- ◆ Office of State Archaeologist
- ◆ Plant Management
- ◆ Real Estate and Construction Services
- ◆ Risk Management
- ◆ SmART (Small Agency Resource Team)
- ◆ STAR (System of Technology to Achieve Results)
- ◆ State Demographer

Further detail on each of these Budget Activities is included in subsequent pages of this budget document.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	12,341	9,215	9,215	9,215	18,430
Technical Adjustments					
Approved Transfer Between Appr			150	150	300
Current Law Base Change			20	(60)	(40)
One-time Appropriations			(130)	(130)	(260)
Forecast Base	12,341	9,215	9,255	9,175	18,430
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	10,403	13,471	9,323	9,175	18,498
Open Appropriations					
General	408	625	655	688	1,343
Statutory Appropriations					
Miscellaneous Special Revenue	34,773	42,061	43,464	44,943	88,407
Federal	1,950	2,154	1,646	1,499	3,145
Risk Management	13,158	12,459	12,980	12,858	25,838
Gift	6	203	4	4	8
Plant Management	46,841	45,813	48,612	50,001	98,613
Documents And Publications	1,477	1,759	1,806	1,853	3,659
Central Motor Pool	16,237	15,519	15,629	15,901	31,530
Central Stores	6,811	6,720	6,870	7,023	13,893
Materials Distribution	8,370	10,643	11,653	11,789	23,442
Central Mailing	8,574	8,893	8,909	8,949	17,858
Total	149,008	160,320	161,551	164,683	326,234
<u>Expenditures by Category</u>					
Total Compensation	31,033	33,470	35,133	36,039	71,172
Other Operating Expenses	98,543	104,255	105,543	108,134	213,677
Capital Outlay & Real Property	1,312	2,580	202	70	272
Local Assistance	1,058	1,126	969	912	1,881
Other Financial Transactions	17,062	19,229	20,050	19,874	39,924
Transfers	0	(340)	(346)	(346)	(692)
Total	149,008	160,320	161,551	164,683	326,234

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<i>Expenditures by Activity</i>					
Developmental Disability Council	1,539	1,442	1,290	1,233	2,523
Enterprise Perf Improvement	358	436	335	335	670
Environmental Quality Board	686	618	553	553	1,106
Fleet And Surplus Services	17,967	17,112	17,103	17,287	34,390
Information Policy Analysis	505	543	483	483	966
Land Management Info Center	1,617	1,864	1,633	1,557	3,190
Materials Management	17,086	20,211	20,933	21,353	42,286
Office Of State Archaeologist	198	210	210	210	420
Plant Management	61,495	65,541	66,921	68,391	135,312
Real Estate And Constr Service	6,583	9,069	5,586	5,828	11,414
Risk Management	39,875	41,788	45,088	46,117	91,205
Smart	171	364	275	275	550
Star	414	456	456	456	912
State Demographer	514	666	685	605	1,290
Total	149,008	160,320	161,551	164,683	326,234
<i>Full-Time Equivalent (FTE)</i>	475.0	496.0	503.6	500.7	

Activity Description

The Governor's Council on Developmental Disabilities (GCDD), authorized under the Federal Developmental Disabilities Assistance and Bill of Rights Act (DD Act)(P.L. 106-402), works to assure that people with developmental disabilities, and their families, receive the necessary support/services to increase their independence, productivity, self-determination, integration, and inclusion in the community (IPSII). The governor appoints members; 60% are people with disabilities and family members.

Population Served

The GCDD's primary customer group is comprised of people with developmental disabilities who make up about 1.13% of the state's population, about 58,140 individuals, and their families. A developmental disability is a significant lifelong disability.

Services Provided

The GCDD is not a direct service provider. The GCDD's business is information, education, and training for knowledge building, skills development, and attitude changes that lead to measureable IPSII results. The GCDD is involved in several collaborative activities such as MNDisability.Gov and making state E-government services accessible and usable for people with disabilities. The GCDD also works on public policy issues and serves on interagency committees. At least 70% of the federal funds that GCDD receives each year are awarded as grants.

Leadership Training - Partners in Policymaking

- ◆ Partners Program: Competency/value based leadership training program for adults with disabilities and parents of young children with developmental disabilities; teaches how to develop positive partnerships with elected officials for systems change. The GCDD also funds Partners in Policymaking graduate workshops, evaluation studies, and cultural outreach programs.

Employment and Document Imaging

- ◆ Legislation was passed by the 2007 Minnesota Legislature to promote the employment of people with developmental disabilities in scanning government records.
- ◆ In SFY 2008, a total of 263 people with developmental disabilities were employed in document imaging positions in public and private sector businesses because of GCDD activities.
- ◆ A DVD on document imaging, *The Changing Face of Technology*, was produced and received two awards – International Summit Creative Award and Communicator Award.

Communications and Training

- ◆ Education/resource materials on best practices are available to citizens through print and web based formats. GCDD and Partners in Policymaking websites are maintained and new products and services are added on an ongoing basis. The Partners curriculum was converted to e-learning modules. A national Best of Web Digital Government Achievement Award was received in 2007 for the online training courses.

Customer Focus and Quality Improvement

- ◆ Customer Research: Annual research studies are conducted on issues such as employment practices, health care, and electronic government services.
- ◆ Application of Malcolm Baldrige Quality Management Framework: Increases knowledge, understanding, and application of the Baldrige Criteria to GCDD's business.

Self Advocacy

- ◆ The 2007 legislature appropriated \$274,000 for the 2008-09 biennium to establish a statewide self advocacy network – Self Advocates Minnesota (SAM). Self advocates are people with developmental disabilities who speak up for themselves, make choices/changes in their own lives, and make their voices heard and views

Activity at a Glance

- ◆ More than 15,000 Partners in Policymaking® program graduates nationally/internationally since 1987; including 731 graduates from Minnesota.

During SFY 2008:

- ◆ A total of 290,176 publications disseminated (print and downloads).
- ◆ A total of 195,462 unique website visitors.
- ◆ A total of 263 people with developmental disabilities employed in the area of digital imaging in public/private sector businesses.
- ◆ A total of 743 self advocates trained.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: DEVELOPMENTAL DISABILITY COUNCIL

Narrative

known about policies and practices that affect them. During the first year, 743 self advocates attended 42 training sessions on housing, transportation, employment, and leadership.

The GCDD does not regulate activities, or set or enforce standards.

Key Program Goals

Accessibility/Usability Working Group, an outgrowth of the Drive to Excellence MNDisability.Gov project, was created to improve accessibility and usability of E-government services including hardware, software, and websites.

MNDisability.Gov, a first-stop website for Minnesota state agency programs, products, and services devoted to disability issues, was created in collaboration with a Drive to Excellence team of disability agencies. There are 4,000 visitors a month to the site.

Employment/Document Imaging: This topic addresses indicator 32 of Minnesota Milestones. People with developmental disabilities are working in document imaging jobs, providing a valuable service to public and private sector businesses using current technology to conserve space and related costs, and preserve business records.

Key Measures

The GCDD tracks and reports the results of dozens of performance measures for the Department of Administration and the federal Administration on Developmental Disabilities. A few examples for SFY 2008:

- ◆ Number of website visitors = 195,462,
- ◆ Total of 290,176 publications disseminated – 264,684 downloads and 25,492 print publications,
- ◆ This activity supports Minnesota Milestone's goal that Minnesotans will have the economic means to maintain a reasonable standard of living. In FY 2008 a total of 263 people with developmental disabilities were employed in digital imaging positions in public and private sector businesses, (which exceeded our goal of 150), and
- ◆ Total of 3,307 individual technical assistance requests received and addressed.

Performance measures for the next fiscal year are established by the GCDD, identified in Requests for Proposals, and contained in GCDD's contracts. Performance goals are tracked for each fiscal year for each supplier, and over time, through dashboards, IPSII measures, customer satisfaction, cycle time for reporting, progress meetings that correspond with quarterly reporting deadlines, mid-year performance reviews, and final reports.

Activity Funding

The GCDD's annual allocation is part of a congressional appropriation for the U.S. Department of Health and Human Services. The federal fiscal year (FFY) 2008 allocation was \$1,025,295. Level funding is anticipated for FFY 2009. A required 25% non-federal match, is acquired through a general fund appropriation and in-kind contributions. The GCDD has also received \$230,000 in federal funds for a Family Support 360 grant, with match provided by the grantee, and a state appropriation of \$274,000 for the 2008-09 biennium for a statewide self advocacy network.

Contact

Director

Phone: (651) 296-9964

MN Relay (800) 627-3529 or 711

admin.dd@state.mn.us

www.mnddc.org

www.partnersinpolicymaking.com

www.mncdd.org

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: DEVELOPMENTAL DISABILITY COUNC

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	214	208	208	208	416
Forecast Base	214	208	208	208	416
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	214	208	208	208	416
Statutory Appropriations					
Federal	1,325	1,234	1,082	1,025	2,107
Total	1,539	1,442	1,290	1,233	2,523
<u>Expenditures by Category</u>					
Total Compensation	187	247	228	235	463
Other Operating Expenses	395	134	153	146	299
Local Assistance	957	1,061	909	852	1,761
Total	1,539	1,442	1,290	1,233	2,523
Full-Time Equivalents (FTE)	2.7	3.4	2.6	2.6	

Activity Description

The Office of Enterprise Performance Improvement reflects the department's and state government's increased emphasis on improving organizational performance. The office has four primary purposes:

- ◆ Help all cabinet level agencies develop the knowledge and skills to create an integrated continuous improvement philosophy and infrastructure using the time-tested Lean approach to organizational improvement;
- ◆ Assist agencies in identifying key systems and process improvement opportunities, and provide support, including training, resources, and expertise to define and implement solutions to improve the efficiency and effectiveness of their business processes; and
- ◆ Provide a reporting mechanism, available in real-time, to monitor and display the performance and status of improvement efforts within individual state agencies.
- ◆ Simplify the business processes of government for citizens and employees.

Activity at a Glance

- ◆ Provided Lean training to more than 250 state agency staff during FY 2008;
- ◆ Facilitated 15 Kaizen (rapid improvement events) in ten agencies to reduce costs, processing time, and improve quality;
- ◆ Developed an Enterprise Lean website that is being used to monitor and report on results, share information, and serve as an online library for teaching tools, and training materials.
- ◆ Provides leadership, coordination, and support for reporting state agency goals, priorities, and progress to the public via the Department Results website (Accountability Minnesota beginning October 2008).

Population Served

These activities serve the citizens of Minnesota through enhanced or re-engineered processes that reduce processing time, improve efficiency, reduce cost, and improve quality.

Services Provided

Lean Methodology Training – to provide training to interested state leaders and staff within all cabinet-level departments to help them understand Lean continuous improvement methods and how they can be implemented within their agency.

Kaizen Improvement Event Facilitation – to provide Kaizen (rapid process improvement events) facilitation for key service processes within state agencies to improve the speed, accuracy, efficiency, and customer service of those processes.

Continuous Improvement Infrastructure – through training, coaching, and material support, develop the infrastructure and culture within each agency to sustain and expand initial continuous improvement efforts.

Reporting of Results – Publish online, the results of individual improvement efforts completed by each agency.

Sustainment of Results – Monitor and report on sustainment of these improvements through the collection and dissemination of data, and implementation of action plans.

Coordination with Other Public Agencies – Share and compare efforts and results with government agencies in other states, and other levels of government, to benchmark results, and learn from other efforts.

Department Results Reporting – Assists 25 cabinet-level agencies with reporting goals, measures, and performance through the Governor's Results website, including requesting, organizing, and publishing information from each of the agencies.

Enterprise Synchronization – Work across state enterprise to develop or improve common processes, procedures, and policies, with the objective of simplifying government business processes for citizens and employees.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: ENTERPRISE PERF IMPROVEMENT

Narrative

Key Program Goals

- ◆ The office will be a role model of customer service by being responsive, flexible, and reliable in anticipating and providing customers with the best products, and services possible.
- ◆ All appropriate continuous improvement tools will be utilized in assisting agency leaders and staff in bringing innovative approaches to defining and managing key business processes. By the end of calendar year 2010, all cabinet level agencies will become involved in Lean improvement activities.
- ◆ Through the use of Lean and other process improvement tools, assistance will be provided to agencies in identifying and improving processes that cross agency boundaries, improving enterprise efficiency, reducing redundancy, and improving processing time.

Key Measures

The following can be considered programmatic measures of success:

- ◆ All cabinet-level state agencies will have staff trained, and utilizing Lean process improvement tools within their individual agencies;
- ◆ All state agencies will have invested time, money, and priority in supporting or creating internal expertise and structure into the sustainment and growth of a continuous improvement program within their agency.

Activity Funding

This activity is funded through a general fund appropriation.

Contact

Continuous Improvement Program Leader

Phone: (651) 201-2560

www.lean.state.mn.us

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: ENTERPRISE PERF IMPROVEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	234	436	335	335	670
Statutory Appropriations					
Miscellaneous Special Revenue	124	0	0	0	0
Total	358	436	335	335	670
<u>Expenditures by Category</u>					
Total Compensation	190	161	161	161	322
Other Operating Expenses	168	275	174	174	348
Total	358	436	335	335	670
Full-Time Equivalents (FTE)	2.2	1.9	1.8	1.8	

Activity Description

The Environmental Quality Board (EQB) draws together the Governor's Office, five citizens, and the heads of nine state agencies in order to coordinate the development of environmental policy and plans, and review proposed projects that would significantly influence Minnesota's environment and development. Minnesota Statutes, Chapters 103A, 103B, 116C and 116D provide for the Environmental Quality Board to:

- ◆ ensure compliance with state environmental policy;
- ◆ oversee the environmental review process;
- ◆ coordinate environmental agencies and programs;
- ◆ develop the state water plan and water policy reports;
- ◆ study environmental issues;
- ◆ convene environmental congresses; and
- ◆ advise the governor and the legislature.

Population Served

EQB represents the long-term environmental and economic interest of all Minnesota citizens, including those involved with or affected by development requiring environmental review, and those interested in the coordination of environmental policy and sustainable management of the state's water resources.

Services Provided

EQB provides the public with an accessible forum for raising and discussing state environmental policies and decisions. EQB oversees the statewide environmental review program (M.S. 116D.04-.06); including the preparation of environmental impact statements, environmental assessment worksheets, alternative urban area wide reviews, and generic environmental impact statements. The board coordinates state water planning activities and develops the state water plan and water policy reports for the governor and legislature (M.S. 103A.204, 103A.43, and 103B.151). The board also has authority concerning the release of genetically modified organisms (M.S. 116C.91-.98), the designation of state critical areas (M.S. 116G), the study of significant interagency environmental issues (M.S. 116C.04), the convening of environmental congresses to exchange information and ideas about environmental improvement (M.S. 116C.04), and development of an energy and environment strategy report (M.S. 116D.10-11).

Historical Perspective

EQB was established in 1973 as the state's environmental coordinating body. Over the last 30 years it has undertaken a broad range of environmental studies, from barge fleetings on the Mississippi River to animal agriculture, forestry, urban development, copper-nickel mining, genetically modified organisms, land use management, water management, and sustainable development. Major changes came to board programs in 1980 (decentralization of environmental review), 1983 (addition of water planning duties), 1987 (environmental review and siting requirements for large natural gas and petroleum product pipelines), 1991 (energy and environment strategy reporting), 1995 (siting of large wind energy conversion systems), and 2005 (transfer of energy facilities siting to the Department of Commerce and the Public Utilities Commission). The Department of Administration provides the board with the staff necessary to carry out its statutory responsibilities.

Activity at a Glance

In FY 2007 and 2008, EQB:

- ◆ Proposed rule revisions to streamline and clarify environmental review in Minnesota;
- ◆ Published new online guidance documents for citizens, local government, and consultants;
- ◆ Published 52 issues of the EQB Monitor;
- ◆ Addressed 2,000 calls for technical assistance;
- ◆ Processed 65 citizen petitions, 267 environmental assessment worksheets, 41 alternative urban area wide reviews, and 30 environmental impact statements; and
- ◆ Adopted two major reports on Minnesota's water resources, addressing sustainability of the state's water supplies and the need for clean water funding.

Key Program Goals

EQB's broad focus on coordinating state involvement in environment and development activities supports the environmental cluster of Minnesota Milestones goals—*Minnesotans will conserve natural resources to give future generations a healthy environment and a strong economy; improve the quality of the air, water and earth; restore and maintain healthy ecosystems that support diverse plants and wildlife; and have opportunities to enjoy the state's natural resources.*

Goals for the coming biennium are to:

- ◆ complete a state water plan that sets the agenda for the next ten years of water management in Minnesota;
- ◆ introduce a framework for the sustainable allocation of water supplies that meets the long-term needs of Minnesotans;
- ◆ develop an energy and environment strategy report that helps the public understand state efforts and that addresses land use aspects of climate change;
- ◆ provide citizens and local governments the assistance they need to participate in meaningful environmental review; and
- ◆ adopt rule changes that streamline and clarify environmental review in Minnesota.

Key Measures

- ◆ Adoption and publication of:
 - ⇒ a new state water plan;
 - ⇒ a water allocation framework;
 - ⇒ an energy and environment strategy report; and
 - ⇒ a revised environmental review rule.
- ◆ Publication of monthly issues of the EQB Monitor;
- ◆ Timely assistance to citizens and local governments (measured by client surveys);
- ◆ Stakeholder satisfaction with EQB products and services (measured by client surveys).

Activity Funding

EQB programs are supported by a general fund appropriation.

Contact

Director

Phone: (651) 201-2475

www.eqb.state.mn.us

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: ENVIRONMENTAL QUALITY BOARD

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	686	618	553	553	1,106
Total	686	618	553	553	1,106
<u>Expenditures by Category</u>					
Total Compensation	628	503	495	502	997
Other Operating Expenses	58	115	65	58	123
Transfers	0	0	(7)	(7)	(14)
Total	686	618	553	553	1,106
Full-Time Equivalent (FTE)	6.7	5.5	5.2	5.1	

Activity Description

The Fleet and Surplus Service Division (FSS) supplies vehicles to state programs and political subdivisions for use in the conduct of official business. Fleet Services supplies support services for these vehicles including maintenance support, fuel, and insurance. FSS oversees the disposal of state, federal, and local government vehicles and other surplus property using methods that ensure the best value is returned to the state.

Population Served

Fleet Services provides vehicles to all branches of state government and to political subdivisions including cities, counties, and school districts. Surplus Services serves a population including state agencies, political subdivisions, various nonprofit organizations, and the public.

Services Provided

The division provides a mix of direct services and compliance activities.

- ◆ Fleet Services operates a long-term rental program providing a wide variety of passenger vehicles and light trucks. These vehicles are packaged with vehicle services to provide a complete, easy to use transportation solution.
- ◆ Surplus manages the disposal of state and federal surplus property.
- ◆ Surplus provides assistance to local units of government in the disposal of their surplus property.

Historical Perspective

Fleet Services was established in 1961 to help state agencies effectively meet transportation needs. It has grown and evolved over the years to more effectively address the changing needs of state government. Fleet Services has expanded the types of vehicles provided, moving into a greater variety of light trucks. Vehicle life cycles are now monitored closely and tailored to better meet varying customer work requirements.

The Federal Surplus Property (FSP) Program was created and operates under the Federal Property and Administrative Services Act of 1949, as amended. Authority was established by an act of the state legislature, first enacted as Minnesota Session Laws of 1957, Chapter 808, which became effective 7-1-57. The FSP Program and State Surplus Property (SSP) Program were combined on 7-1-86 in an effort to maximize resources.

The Surplus Services unit merged with the Fleet Services unit in FY 2008 to become a single division within Administration. This merger opens many new opportunities for both units. The merger will promote efficient and effective operations. The combined unit co-located to a state-owned facility in Arden Hills in FY 2009, saving the cost of leasing facilities. This co-location will provide opportunities to streamline operations and share support services.

Key Program Goals

To provide our customers with valuable services, products, advice, and expertise:

- ◆ Fleet Services provides state agencies a service that furnishes customers with a complete vehicle package including acquisition, insurance, maintenance/repair, fuel, and disposal. Providing this complete service allows agency customers to focus more attention on their core missions and less attention on transportation support service issues.

Activity at a Glance

- ◆ Provides state programs and political subdivisions with long-term rental vehicles and vehicle support services including fuel, insurance, and maintenance/repair.
- ◆ Assists state agencies and political subdivisions with fleet management planning, implementation, and ongoing review.
- ◆ Coordinates with other state agencies to implement consistent, cost effective fleet management practices throughout the state.
- ◆ Provides state agencies with guidelines and assistance in the disposal of surplus property.
- ◆ In FY 2008, returned in excess of \$7 million to agencies through auction sales and distributed federal surplus property valued at nearly \$1.8 million.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: FLEET AND SURPLUS SERVICES

Narrative

- ◆ Surplus Services will provide information and recommendations for the correct method of disposal to obtain the greatest return for the agency while addressing environmental objectives. Surplus Services offers flexibility to state agencies and local units of government by offering several disposal methods for surplus items.
- ◆ The Auction Program returns needed revenue to participating state agencies and local units of government to aid them in replenishing their equipment budgets. In the current economic climate, organizations are turning more to Surplus Services for used equipment to meet their property needs, since dollars are limited and purchasing new may not be a viable option.

To reduce costs by working across government:

- ◆ The physical co-location of the new Fleet and Surplus Services Division enhances efficient sale of used vehicles. Vehicles will no longer need to be moved from the Fleet Services site to the Surplus Services site for disposal. In the past vehicles have been transported between locations prior to live auctions. Co-location will allow vehicles to be offered for sale as soon as they are physically present at the co-located site. Vehicle sales include on-line auctions as well as live auctions.
- ◆ While the merger of these two units is primarily an end-to-end merger, with each unit doing unique work, there will be opportunities for combining some of the activities of the units. Financial support, IT support, and clerical support, along with the combined facility support, are all areas that are candidates for improved efficiency and cost effectiveness.

To offer a safe environment where people thrive and enjoy their work:

- ◆ Building restoration at the Surplus Services building provides a clean, safe environment accommodating both the Fleet and Surplus operations.

Key Measures

Fleet Services strives to keep state fleet equipment in good operating condition and available for use. Fleet Services has tracked vehicle out-of-service time over the last year. Fleet vehicles have been available for use over 98% of the time.

Fleet Services reviews the use patterns and corresponding life cycles for state agency leased vehicles. Fleet Services recommends lease changes to the agencies to better align vehicle use with assigned life cycle.

Fleet Services monitors and reports the amounts of alternative fuel used by state agencies.

Surplus Services tracks the effectiveness in reuse of government property by ensuring recycled surplus property meets both environmental and fiscal objectives.

Activity Funding

Fleet Services operates as an internal service fund. Surplus Services operates as an enterprise fund. No money is appropriated to FSS from the state's general fund.

As of 7-01-2008, Fleet Services had 10.5 full-time employees.

General Fund Loans:

General Fund loans are used to refinance the master lease so that the repayment schedules work within Fleet Services' cash flow constraints. Fleet Services purchases new vehicles on a regular replacement schedule throughout the year. Cash flow issues arise due to the need to pay for the purchase of fleet vehicles when received, but receiving reimbursement for use of the vehicle over an extended period of time. Fleet Services' general fund loan balance as of 6-30-08 is \$1,750,000 with payments scheduled through March 2009.

Operating Losses/Increases in Retained Earnings:

FY 2008 retained earnings increased by approximately \$448,000. Increased retained earnings are used to improve cash flow and reduce general fund debt.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: FLEET AND SURPLUS SERVICES

Narrative

History of Rate Changes:

Fiscal Year	2005	2006	2007	2008	2009
Change	5.4%	4.3%	3.5%	3.5%	0%

Vehicle rates are calculated on an individual vehicle basis, taking into account acquisition cost, fuel economy, and life cycle. This rate structure offers Fleet Services customers flexibility in managing vehicle expenses. Rates are designed to charge fairly for many different vehicle types, sizes, and uses. Along with improving customer satisfaction, this enables Fleet Services to keep better pace with costs in the automotive industry.

Impact of Rate Changes:

Assuming the same volume and mix of goods/services as used in FY 2008, Fleet Services' customers will pay no more in FY 2009 since rates did not change.

Contact

Director

Phone: (651) 201-2511

www.fss.state.mn.us

ADMINISTRATION DEPT
Program: GOVT AND CITIZEN SERVICES
 Activity: FLEET AND SURPLUS SERVICES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Miscellaneous Special Revenue	113	5	4	0	4
Central Motor Pool	16,237	15,519	15,629	15,901	31,530
Materials Distribution	1,617	1,588	1,470	1,386	2,856
Total	17,967	17,112	17,103	17,287	34,390
<u>Expenditures by Category</u>					
Total Compensation	1,143	1,287	1,296	1,334	2,630
Other Operating Expenses	15,338	14,795	15,757	15,903	31,660
Capital Outlay & Real Property	1,147	870	50	50	100
Other Financial Transactions	339	160	0	0	0
Total	17,967	17,112	17,103	17,287	34,390
Full-Time Equivalents (FTE)	17.3	18.8	18.8	18.8	

Activity Description

The Information Policy Analysis Division (IPAD) is where government entities, private sector organizations, the legislature, and citizens come for answers to data practices questions; consultation on data practices issues; help with public policy development; assistance in understanding and complying with complex legislation regulating information; dispute resolution services as they relate to data practices appeals; and assistance in exercising rights regarding access to information, protecting privacy, and challenging inaccurate or incomplete data.

Both the Minnesota legislature and the federal government have either enacted statutes or promulgated extensive rules that deal with a variety of information-related issues. These statutes and rules include, among others, the Minnesota Government Data Practices Act, the federal Family Educational Rights and Privacy Act and related rules, M.S. 144.335 (the Medical Records Act), the federal Health Insurance Portability and Accountability Act of 1996 and related rules, the federal Freedom of Information and Privacy Acts, the Minnesota Official Records Act, and the Minnesota Open Meeting Law Act. Historically, the executive branch and the legislature informally agree that expertise concerning these and other related laws should be available at no charge to government entities and citizens. As a general fund activity, IPAD offers that expertise to government entities and citizens through a variety of functions and services.

Population Served

IPAD serves personnel of state and local government entities, private citizens, private sector organizations, public and private attorneys, and the legislature.

Services Provided

IPAD provides these services to the population served: answering questions about rights under and requirements of various information laws; consulting on difficult information policy issues; providing staff services to the commissioner of Administration (Admin) in performing statutory duties that include issuing data practices and open meeting law advisory opinions, acting on appeals to challenges to government data, acting on applications for temporary classification of data, and requests to make new uses of data; preparing and distributing training, model compliance, and informational materials; developing, updating, and operating a publicly accessible website that contains all advisory opinions and all informational materials prepared by the division; offering training to state and local government entities; offering information sessions to citizens; providing training materials to enable government entities to do their own training; assisting citizens with answers to their inquiries and advice on how to exercise their rights; and working with the legislature, citizens, private sector groups, and state and local government agencies on the development of new information policy laws and changes to existing laws.

Historical Perspective

The Minnesota Government Data Practices Act was enacted in 1974. Since that time, M.S. Chapter 13 has grown through many revisions and additions as data practices discussions evolve. Issues of information policy, such as data privacy, fair information practices, genetic privacy, identity theft, security breaches, and the need for government-computer-based systems to comply with the law continue to receive widespread attention. Statewide responsibility for establishing and maintaining the infrastructure that assists government entities and the public in dealing with these issues has been assigned to the commissioner of Administration and delegated to IPAD.

Activity at a Glance

On average, over the last three years, IPAD has annually:

- ◆ issued 34 advisory opinions;
- ◆ resolved questions or requests for assistance from 8,799 citizens, government entities, and attorneys; and
- ◆ sponsored and participated in 26 continuing education events and conferences and trained over 1,000 attendees.

For the period 1-01-2007 through 6-30-2008, IPAD's website had 256,926 visits.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: INFORMATION POLICY ANALYSIS

Narrative

Key Program Goals

To provide our customers with valuable services, products, advice and expertise. IPAD achieves this Departmental goal in the following way:

- ◆ in FY 2008 provided technical assistance to over 12,000 citizens, members of the media, state and local government entities, and private attorneys, and
- ◆ produced webinars, quarterly electronic newsletters, Power Point presentations and other informational materials for citizen and government customers.

Key Measures

Over the last year, IPAD focused on the advisory opinion process to evaluate our customer service efforts.

Two key measures of IPAD's effectiveness:

- ◆ The first measure was that parties to an advisory opinion would be treated in a respectful and professional manner. In FY 2008, IPAD set a goal that 90% of survey respondents would feel they had been treated respectfully and in a professional manner. IPAD achieved 100% each quarter in FY 2008 from survey respondents.
- ◆ The second measure attempts to quantify the effectiveness of the advisory opinion by measuring whether government entities act in accordance with an opinion. In FY 2008, the goal was set at 75% of survey respondents. The majority of citizen and government survey respondents were unsure whether the government entity would follow the opinion. Approximately 35% of those surveyed responded that the government entity would act in accordance with the opinion.

Activity Funding

This activity is funded through a general fund appropriation. Special revenue funds are used for seminar activities and collaborative agreements.

Contact

Director

Phone: (651) 201-2501

www.ipad.state.mn.us

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: INFORMATION POLICY ANALYSIS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	79	0	0	0	0
Technical Adjustments					
Approved Transfer Between Appr			40	40	80
Forecast Base	79	0	40	40	80
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	468	500	465	465	930
Statutory Appropriations					
Miscellaneous Special Revenue	37	43	18	18	36
Total	505	543	483	483	966
<u>Expenditures by Category</u>					
Total Compensation	453	419	427	425	852
Other Operating Expenses	52	124	56	58	114
Total	505	543	483	483	966
Full-Time Equivalents (FTE)	5.3	4.8	4.4	4.2	

Activity Description

The Land Management Information Center (LMIC) provides services and products that promote the effective and efficient use of geographic data and information technology. LMIC serves as a focal point for Geographic Information Systems (GIS) within Minnesota, coordinating many of the state's GIS activities and providing geospatial data services and project consulting services that help organizations use GIS to improve their effectiveness. LMIC is authorized by M.S. 4A.05, subd. 2 and supports and receives advice from the Minnesota Governor's Council on Geographic Information, authorized by Executive Orders since 1991.

Activity at a Glance

During FY 2008, LMIC services included:

- ◆ 25,000 downloaded GIS data sets;
- ◆ 550,000 user sessions providing maps, reports, data, and information about the state;
- ◆ 3.8 million customer requested map images delivered through web services;
- ◆ 28 contracts for GIS project services; and
- ◆ a Drive to Excellence project to provide coordinated enterprise GIS services.

Population Served

LMIC serves the entire state's population, primarily by supporting state agencies and local government units. LMIC also serves elected officials, federal agencies, non-government organizations, educators, and citizens.

Services Provided

GIS Coordination: LMIC serves as the state's de facto coordinator for geographic information technology. In this role, LMIC promotes coordinated applications of GIS by developing, promoting, and implementing standards; representing the state in national organizations; serving as the state's liaison with federal agencies; supporting coordination among local governments; and staffing the Minnesota Governor's Council on Geographic Information. In FY 2008-09, LMIC brought together seven state agencies and two federal offices to support a \$1.3 million statewide aerial photography program, leveraging a \$405,000 state contribution by more than 2:1. LMIC also coordinates the Drive to Excellence Enterprise GIS initiative. Although LMIC does not have explicit legislative authority for its coordination role, it has served in this capacity for almost 30 years.

Data Services: LMIC serves as the state's steward of publicly funded spatial data. In this role, LMIC is responsible for organizing, safeguarding, and improving the value of these public investments by ensuring their availability and supporting their effective use. The Geographic Data Clearinghouse emphasizes services that promote access to data maintained by state agencies through web portals and web services. Clearinghouse services support organizations throughout Minnesota, reducing their costs while improving their effectiveness.

Project Services: The Project Service Bureau assists state agencies and other government clients by designing and implementing projects that use GIS for analysis, planning, program operations, and decision-support. Unlike other LMIC functions, which are supported by the general fund, the Service Bureau is entirely funded by project revenues. During FY 2008, LMIC conducted 28 projects for clients with a total contract value of nearly \$500,000.

Historical Perspective

LMIC was created in 1978 to promote the introduction and development of technology for analyzing and mapping the use of land and natural resources within the state. As the state's first organization devoted to using geographic information systems, LMIC served all of the state's GIS needs for some time. LMIC's role has evolved as the technology has been adopted by many state agencies and local governments. Rather than serving as a centralized GIS program, LMIC now focuses on coordination of geospatial technology, promoting access to standardized geospatial data, developing GIS-based decision support tools that help organizations improve their effectiveness, and consulting with other agencies that need assistance with GIS technology. LMIC is recognized within the state and around the nation for leadership and creativity in the GIS field.

Key Program Goals

Goal 1: LMIC provides high quality services that satisfy the data, information, and analysis needs of its customers.

Goal 2: LMIC provides effective and efficient access to useful data, information, and analysis.

Goal 3: LMIC's Service Bureau maintains high-quality GIS project consultation services to state agencies at cost-effective rates that fully cover the cost of providing those services.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

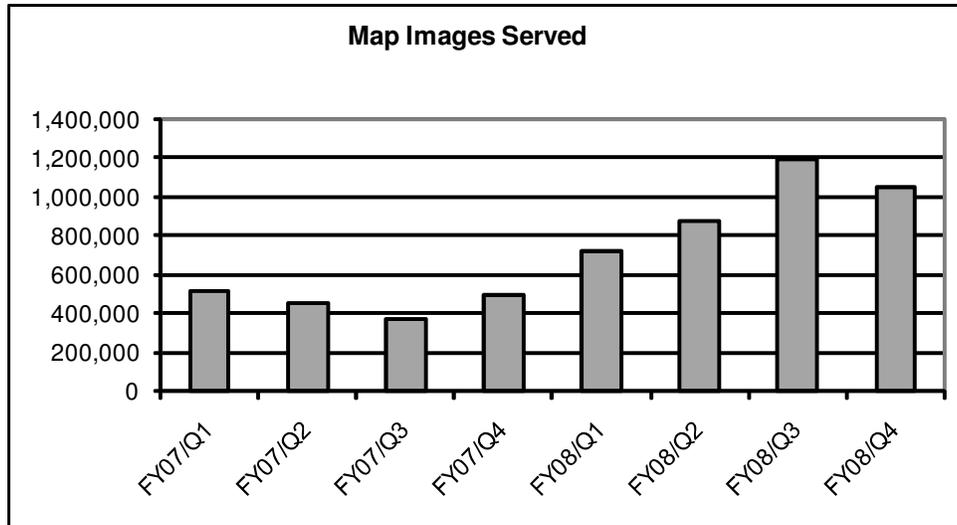
Activity: LAND MANAGEMENT INFO CENTER

Narrative

Key Measures

Measure for Goal 1: The average *quality of service* score on LMIC's quarterly customer satisfaction surveys based upon a 5-point scale where 4 = Good and 5 = Excellent. For FY 2008, those scores averaged 4.5, with 93% of the evaluations rated as Good or Excellent. Quality of service grades received by LMIC's customers consistently rank highest among the department's activity areas.

Measure for Goal 2: The number of map images served by LMIC web mapping services designed to effectively deliver data directly to requests by GIS users and web mapping applications. During FY 2008, map images served totaled: 719,528 for Quarter 1; 875,693 for Quarter 2; 1,193,318 for Quarter 3 and 1,049,980 for Quarter 4.



LMIC's internet services are delivered through the Minnesota Geographic Data Clearinghouse, the state's principal source for geographically referenced data – data that organizations use with mapping and GIS technology to support their activities. In FY 2008, users directly downloaded 25,000 data files from LMIC. Web mapping service technology enhanced and implemented by LMIC last year provided access to valuable image data in a just-in-time environment – one that minimizes time and resource investments by LMIC's customers and eliminates needless data duplication. More than 3.8 million customer-accessed map views were served during FY 2008.

Measure for Goal 3: Maintain adequate "Retained earnings" for LMIC's Project Service Bureau. The Service Bureau operates as a business and depends entirely upon revenues from client projects. Rates are set annually to provide value to LMIC customers while generating enough revenues to cover operations. Standard "business" accounting conventions are used to monitor the financial health of this activity. The goal is to maintain "retained earnings" that cover two months of operations. Lower than expected demand in FY 2008 resulted in year-end negative retained earnings but booked work for FY 2009 already exceeds FY 2008 revenue. Retained earnings will be monitored through financial statements and at quarterly operations review with management.

Activity Funding

LMIC is funded by a general fund appropriation for GIS coordination and geographic data clearinghouse services. Activities are also supported by federal grants, contracts for services, and product sales. This hybrid funding structure provides a base level of support to sustain core functions while encouraging entrepreneurial behavior that has characterized LMIC since its creation.

Contact

Director

Phone: (651) 201-2460

www.lmic.state.mn.us

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: LAND MANAGEMENT INFO CENTER

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	889	864	864	864	1,728
Technical Adjustments					
One-time Appropriations			(50)	(50)	(100)
Forecast Base	889	864	814	814	1,628
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	887	866	814	814	1,628
Statutory Appropriations					
Miscellaneous Special Revenue	519	683	711	725	1,436
Federal	211	315	108	18	126
Total	1,617	1,864	1,633	1,557	3,190
<u>Expenditures by Category</u>					
Total Compensation	1,198	1,247	1,308	1,313	2,621
Other Operating Expenses	419	612	325	244	569
Local Assistance	0	5	0	0	0
Total	1,617	1,864	1,633	1,557	3,190
Full-Time Equivalentents (FTE)	13.8	14.2	15.1	14.7	

Activity Description

The Materials Management Division (MMD) acquires goods and services using methods that ensure the best value for the taxpayers' dollars and conform to the highest ethical standards of public procurement. The division facilitates and oversees an average of more than \$1.8 billion in state government purchases each year. The statutory framework for the division's activities is M.S. Chapter 16C – State Procurement.

In addition to its procurement role the division also manages two business operations. Office Supply Connection (OSC) and Minnesota's Bookstore provide publishing, retail, and distribution services to state and local government. Statutory framework for these activities are M.S. 14.46 (*State Register*), 16B.51 and 16B.52 (Minnesota's Bookstore), and 16C.03 (OSC).

Population Served

MMD operates in close partnership with state agencies to achieve a productive balance of centralized and delegated purchasing. Statewide and multi-state contracts negotiated by MMD currently serve more than 600 local units of government and other authorized entities. MMD also works with Minnesota and out-of-state businesses to ensure fair competition and to resolve vendor performance issues.

MMD's business operations, OSC and Minnesota's Bookstore, also provide services to state government, local governments, school districts, and higher education entities. In the case of Minnesota's Bookstore, its retail services are available to the general public.

Services Provided

The division provides a mix of direct services and compliance activities:

- ◆ purchasing and contracting for goods, services, utilities, and construction;
- ◆ recruiting and managing vendors;
- ◆ promoting environmentally responsible purchasing;
- ◆ managing procurement functions through Minnesota Accounting and Procurement System (MAPS);
- ◆ reviewing and overseeing professional/technical contracts;
- ◆ monitoring compliance with state procurement law and policy, including training and auditing of state agencies;
- ◆ conducting other training for agency customers, vendors, and cooperative purchasing members on topics including local purchasing, effective negotiations, and doing business with the state;
- ◆ operating a cooperative purchasing program for Minnesota's local units of government and other authorized entities and a pharmaceutical purchasing program on behalf of 45 states and the cities of Chicago and Los Angeles;
- ◆ managing a centralized publishing house for state agency-produced materials (Minnesota's Bookstore is located in the Williams Hill Business Center at 660 Olive Street in St. Paul and handles online, phone, mail, and fax orders and also operates a walk-in location that is open to the public 8 a.m. - 5 p.m. Monday - Friday);
- ◆ operating the state of Minnesota Mailing List Service – a centralized production and distribution outlet for the sale of selected state public licensing data to a national customer base;
- ◆ publishing the *State Register* – the state's official publication of record; and

Activity at a Glance

- ◆ Oversees an average \$1.8 billion annually in state government purchasing.
- ◆ Negotiates and manages approximately 1,400 enterprise contracts offering volume discounts to state agencies. Over 800 of these contracts are available for use by more than 600 local units of government and other authorized entities. Purchases from these contract vendors exceed \$850 million annually.
- ◆ Reviews an average of more than 4,000 professional/technical contracts and related documents per year.
- ◆ Negotiated in excess of \$20 million in contract savings and cost avoidance for government entities in FY 2008.
- ◆ Serves more than 70,000 Minnesota's Bookstore customers annually.
- ◆ Provides financial incentives for customers to purchase environmentally responsible office supplies and paper.

- ◆ operating an office supply distribution business through an in-house warehouse consisting of approximately 1,000 commonly used products (located at 321 East Grove Street in St. Paul) and a non-stocked office supply contract of approximately 3,000 products.

Historical Perspective

Minnesota's procurement laws attempt to balance numerous interests, including those of state agencies, vendors, small businesses, minority- or female-owned or economically disadvantaged businesses, environmental advocates, rehabilitation facilities, correctional industries, the visually impaired, and others. The legislature re-wrote Minnesota's procurement laws in 1998, reducing the number of mandates and moving from a "low-bid" to "best value" philosophy of procurement. MMD concurrently shifted to a less centralized approach where unlimited authority can be delegated to purchasing staff within agencies if they have demonstrated their competence and adherence to state standards. These changes have allowed MMD to reduce its role with respect to one-time, low-dollar-value purchases and to concentrate on the more complex and enterprise procurements, including contracts that aggregate public purchasing dollars to achieve volume discounts for standard items.

In 2007, the legislature further amended state procurement laws to support strategic procurement "best practices" that assure the highest value to the state and its taxpayers. Examples of division activities consistent with this new legislative direction and the department's strategic goals are described in "Key Goals" below.

Executive branch agencies have been required to obtain office supplies and paper from OSC with some exceptions since January 2006. The increased volume of goods purchased resulted in the average percentage discount for non-stocked products to increase from 46% to 52% off list price, resulting in significant savings for all customers. An assessment of OSC's future role is currently underway. Several business models are being considered including the use of a private-sector contract for the distribution of supplies and paper that could lead to the closure of the operation if justified by economics or deficiencies.

Key Program Goals

- ◆ Goal: To be recognized for our innovation and efficiency. Minnesota is the first state to implement "spend intelligence" software, providing a previously unavailable level of detail regarding the state's purchase of goods and services. In recognition of this initiative, Minnesota was awarded the 2007 George Cronin Award for Procurement Excellence – the highest honor in public sector procurement – by the National Association of State Procurement Officials. Additionally, Minnesota's procurement innovations, with an emphasis on negotiating contracts, were featured in the August 2007 issue of **Government Procurement** magazine.
- ◆ Goal: To provide our customers with valuable services, products, advice, and expertise. The division has assisted agencies with the state's most complex, high-stakes acquisitions including enterprise-wide e-mail and property management systems, a "bio-safety level 3" lab, and reconstruction of the 35W bridge in Minneapolis using a "design/build" contracting process.
- ◆ Goal: To reduce costs by working across government. By developing commodity standards in conjunction with the Office of Enterprise Technology and other agencies, substantially reduced pricing has been obtained for frequently purchased items such as computers, servers, cell phones chairs, and office furniture. MMD has also launched an effective negotiation strategy. (See "savings and cost avoidance on behalf of state agencies" below under key measures.) Similarly, Minnesota's Bookstore works with state agency representatives to offer centralized publishing, retail, and distribution services for maps, manuals, forms, handbooks, and other materials that can be easily purchased by the general public. These activities directly support Minnesota Milestones by providing cost-efficient government.
- ◆ Goal: To be recognized for our environmental stewardship. OSC promotes the use of 100% white recycled content copier paper across state government by offering competitive pricing when compared to either virgin or 30% recycled content paper.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: MATERIALS MANAGEMENT

Narrative

Key Measures

Savings and cost avoidance on behalf of state agencies: MMD aggressively negotiates state contracts to achieve price reductions below the best competitive offer initially received. In FY 2008, this strategy yielded savings or cost avoidance valued at \$16.5 million on goods and services contracts and \$3.9 million on professional and technical contracts.

Use of innovative procurement tools: As noted above, MMD's "spend intelligence" system won the 2007 Cronin Award for Procurement Excellence.

Efficiency in reviewing and approving contracts: MMD attempts to review professional/technical contracts, certifications, amendments, and related documents within three days of receipt. The average was 2.9 days in FY 2007 and 2.8 days in FY 2008.

Competitive paper pricing combined with environmental stewardship: 100% recycled copier paper was the most cost-effective option for state agencies during FY 2008 when compared to virgin and 30% recycled paper. Because of this pricing advantage and through promotion of its use, nearly 182,000 reams of 100% recycled paper were purchased during FY 2008 compared to only 19,000 reams during FY 2007. During FY 2008, 100% paper represented 39% of all white copier paper sold – the goal is to increase this to 50% by the end of the FY 2010-11 biennium.

Activity Funding

MMD's general fund appropriation covers costs associated with delivery of centralized procurement services as well as oversight of delegated purchasing and professional/technical contracts. The division's cooperative purchasing program and Minnesota's Bookstore are self-sustaining enterprise funds. OSC operates through an internal service fund.

Minnesota's Bookstore is projected to generate annual revenue of approximately \$182,000 for the *State Register* during FY 2009. The revenue is generated from state agencies publishing material as well as a small number of enhanced electronic subscribers. Minnesota's Bookstore and the Mailing List Service are projected to generate approximately \$1.4 million in revenue during FY 2009. Most of this revenue is from the general public. The number of FTEs within Minnesota's Bookstore is 10.8 on 7-1-08.

Operating Losses/Increases in Retained Earnings: FY 2008 retained earnings for the *State Register* increased by \$82,000. Minnesota's Bookstore retained earnings decreased by \$79,000 during FY 2008.

History of Rate Changes (State Register):

Fiscal Year	2004	2005	2006	2007	2008	2009
Change	8.90%	0.00%	0.00%	0.00%	0.00%	0.00%

Impact of Rate Changes:

Assuming the same volume and mix of goods/services as used in FY 2008, the *State Register's* largest customers (Pollution Control, Natural Resources, Human Services, Transportation, and Labor & Industry) will pay no more in FY 2009 since rates did not change.

OSC is projected to generate annual net revenue of approximately \$6.8 million during FY 2009 from state agencies and local government. The number of FTEs within OSC is 9.1 on 7-01-2008.

Operating Losses/Increases in Retained Earnings: FY 2008 retained earnings for OSC increased by approximately \$114,000.

History of Rate Changes:

Fiscal Year	2004	2005	2006	2007	2008	2009
Change	(0.82%)	0.82%	See note	0.00%	0.00%	See note

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: MATERIALS MANAGEMENT

Narrative

Note: During FY 2006, OSC changed its pricing structure from discount off list price to a cost plus model on non-stock inventory. No pricing changes were made on stocked inventory. During FY 2009, OSC cut the mark-up on stocked products from 28.5 to 27 percent.

Impact of Rate Changes:

Assuming the same volume and mix of goods/services as used in FY 2008, OSC's five largest customers (Human Services, Corrections, Transportation, Employment & Economic Development, and Natural Resources) will pay less based on the stocked product mark-up reduction.

Contact

Director

Phone: (651) 201-2400

www.mmd.admin.state.mn.us

ADMINISTRATION DEPT
Program: GOVT AND CITIZEN SERVICES
 Activity: MATERIALS MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	500	0	0	0	0
Forecast Base	500	0	0	0	0
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	2,045	2,613	2,074	2,074	4,148
Statutory Appropriations					
Miscellaneous Special Revenue	0	64	0	0	0
Documents And Publications	1,477	1,759	1,806	1,853	3,659
Central Stores	6,811	6,720	6,870	7,023	13,893
Materials Distribution	6,753	9,055	10,183	10,403	20,586
Total	17,086	20,211	20,933	21,353	42,286
<u>Expenditures by Category</u>					
Total Compensation	5,354	6,072	6,364	6,524	12,888
Other Operating Expenses	8,587	9,710	9,360	9,529	18,889
Capital Outlay & Real Property	10	0	0	0	0
Other Financial Transactions	3,135	4,429	5,209	5,300	10,509
Total	17,086	20,211	20,933	21,353	42,286
Full-Time Equivalent (FTE)	71.5	77.6	79.3	79.3	

Activity Description

The Office of the State Archaeologist (OSA) helps manage the state's archaeological resources, including sites and data under provisions of the *Field Archaeology Act* (M.S. 138.31-138.42) and the *Private Cemeteries Act* (M.S. 307.08). In addition to federal legislation addressing cultural heritage resource management, state statutes including the *Outdoor Recreation Act* (M.S. 86A) and the *Minnesota Environmental Rights Act* (M.S. 116B) also speak to issues of archaeological resource management.

OSA reviews under these statutes are critical to preserving Minnesota archaeological resources and controlling impacts to public and private development costs. The processes involve identifying, evaluating, and, in some cases, preserving archaeological sites, including unplatted burial sites over 50 years old.

Held annually each spring, Minnesota Archaeology Week is a key component of the OSA's public participation and education programming. The OSA assumes the lead role in organizing, coordinating, and promoting this statewide series of events that celebrate Minnesota's archaeological heritage. In 2007, an estimated 1,600 plus individuals attended Minnesota Archaeology Week activities.

Population Served

OSA clients include: local, state, and federal agencies; representatives of Minnesota's tribal communities; builders and development associations; cultural resource management firms; county historical societies; private homeowners; professional and avocational archaeologists; local heritage preservation commissions; educators and school districts; and other public and private agencies and individuals.

Services Provided

Major service categories include data management; consultation; licensing and project review; compliance enforcement; research; and information dissemination. Both integrated and interdependent, these program services function as a whole. As an example, the scheduling, cost, and progress of both public and private development projects depend on accurate and timely consultative services, which in turn require comprehensive data management, information dissemination, and research capabilities.

Historical Perspective

The State Archaeologist was created in 1963 by the *Field Archaeology Act*. In 1996, Executive Reorganization Order 175 established OSA as a division within the Department of Administration. OSA is currently administered as a unit of the Office of Geographic and Demographic Analysis.

Studies by the Management Analysis Division and the Office of the Legislative Auditor explored alternative funding options for the OSA. The Office of the Legislative Auditor's April 2001 OSA program evaluation report concluded that "... *the Office of the State Archaeologist should continue to receive its funding primarily from a General Fund appropriation, (and) the legislature should direct the office to determine the feasibility of charging fees to supplement its budget.*" In the March 2002 assessment of the feasibility of supplementing OSA's budget with fee-for-service funds, the Management Analysis Division concluded that "... *a fee-for-service model does not appear to be in the best interest of the Office of the State Archaeologist or the state.*"

Activity at a Glance

Key activity statistics related to OSA program for FY 2007 include:

- ◆ reviewed/licensed 199 archaeological projects;
- ◆ evaluated/accepted 256 site data forms;
- ◆ completed 20 burial site investigation cases; and
- ◆ Over 1,600 participants at Minnesota Archaeology Week events.

Key Program Goals

Minnesota Milestones statewide goals

- ◆ *Community and Democracy*: The State Archaeologist has worked to increase satisfaction with and reduce the cost of government services through clarification and simplification of M.S. 307.08 in FY 2007 and the issuance of written M.S. 307 standards in FY 2008.
- ◆ *Environment*: The State Archaeologist was added to the list of Environmental Assessment Worksheet reviewers in FY 2007 to help preserve archaeological sites that may be impacted by land development. Increased review of public projects under M.S.138.140 is a key goal for FY 2010 - 2011.

Agency strategic goals

- ◆ The State Archaeologist will increase *Customer Value* and *Innovation and Efficiency* by providing additional online services to professional archaeologists and public agencies, including archaeological resource locations and predictive models.

Key Measures

Turnaround time for issuing archaeological licenses: target is within ten days of receipt of application. (Note: OSA response time is not the sole variable in determining turnaround time as the Minnesota Historical Society must sign the licenses). In FY 2007, the turnaround goal was met 100% of the time. A new streamlined process was implemented in May 2006, reducing the total number of licenses issued. In most cases, licenses are now issued on a yearly basis to qualified archaeologists rather than for each project.

Turnaround time for review/correction of site data forms and issuance of Smithsonian Site Designation Numbers (SSDN): target is within seven days of receipt of correctly completed site forms. Actual average turnaround time met the goal 100% of the time.

The most comprehensive assessment of OSA's performance is described in the Office of the Legislative Auditor's 2001 OSA program evaluation report, which thoroughly documents the base of support for OSA program activities.

Activity Funding

The program operates through a general fund appropriation.

Contact

State Archaeologist
Phone: (612) 725-2411
www.osa.admin.state.mn.us

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: OFFICE OF STATE ARCHAEOLOGIST

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	196	196	196	196	392
Technical Adjustments					
Approved Transfer Between Appr			10	10	20
Forecast Base	196	196	206	206	412
 <u>Expenditures by Fund</u>					
Direct Appropriations					
General	196	206	206	206	412
Statutory Appropriations					
Gift	2	4	4	4	8
Total	198	210	210	210	420
 <u>Expenditures by Category</u>					
Total Compensation	169	174	179	182	361
Other Operating Expenses	29	36	31	28	59
Total	198	210	210	210	420
 Full-Time Equivalents (FTE)	 2.1	 2.0	 2.0	 2.0	

Activity Description

Plant Management (PMD) delivers consistent, quality services to ensure cost-effective, clean, safe, and environmentally sound buildings, grounds, and operations and provides recycling and mail distribution services to state and local government through Resource Recovery and Central Mail. Division work is outlined in several sections of Minnesota Statutes: M.S. 16B.24, 16B.48, 16B.49, 16B.58, and 115A.15.

Population Served

The majority of PMD's customers are state agencies and the legislature. Non-state agency customers include visitors and event participants, as well as:

- ◆ organizations leasing space or needing parking;
- ◆ state agencies located in St. Paul, State Health Boards located in Minneapolis, and the Department of Education in Roseville for mail services; and
- ◆ state and regional units of government requesting resource recovery services.

Activity at a Glance

Plant Management maintains:

- ◆ 4.3 million square feet;
- ◆ 21 buildings;
- ◆ 24 monuments/memorials;
- ◆ 31 parking facilities;
- ◆ 1,846 tons of material recycled in FY 2008;
- ◆ 619 special event permits issued for public use of state Capitol and grounds; and
- ◆ \$800,000 in postage savings in FY 2008 through automated mail services.

Services Provided

Services provided by PMD include:

- ◆ housekeeping, engineering, building management, waste removal, grounds maintenance, snow removal, trade and repair services, event permitting and coordination, cafeteria oversight, energy management and environmental and fire/life/safety systems;
- ◆ maintenance of ceremonial grounds, monuments, and memorials as a showplace for all Capitol complex tenants, visitors, and Minnesota citizens;
- ◆ metering and processing outgoing federal mail and inter-office mail services for state agencies located in St. Paul, processing incoming federal mail for Capitol complex agencies, addressing, inserting services, and bar-coding for state agencies resulting in reduced postage costs;
- ◆ operating the State Recycling Center to prepare recyclables for market and administering the state Government Resource Recovery Program providing waste reduction and recycling assistance and education;
- ◆ moving, equipment rental, and delivery services; and
- ◆ maintaining and managing parking facilities and contracts and providing alternative transportation services.

Historical Perspective

PMD ensures that all facilities are operated, repaired, and maintained in a cost-effective manner to preserve the integrity of the state's assets and provide a safe and comfortable environment for building tenants. As part of this goal, PMD maintains an Asset Preservation Program outlining necessary repairs for facilities. If due to insufficient or restricted funding the state fails to address deferred maintenance, serious structural damage, deterioration, and reduction in the life expectancy of buildings should be expected.

State agencies within the boundaries of St. Paul are required to use Central Mail for handling and processing of outgoing mail. This centralized operation allows small and large agencies collectively to achieve postage savings through the use of Central Mail's bar-coding and ink-jet addressing equipment and also helps to realize operational efficiencies such as staffing, equipment, and space.

Key Program Goals

Goal: To be recognized for our innovation and efficiency through conservation of natural and economic resource
 Division Objective: Reduce Capitol complex energy consumption in non-computer server facilities by at least 10% compared with FY 2006 actual consumption.

Measure: Less than 472,500 MMBtu

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: PLANT MANAGEMENT

Narrative

Goal: To be recognized for our innovation and efficiency through conservation of natural and economic resource
Division Objective: Achieve an absolute reduction in disposed waste over FY 2008 actual.

Measure: Less than 654 tons

Goal: To be recognized for our innovation and efficiency through conservation of natural and economic resource
Division Objective: Reduce Capitol complex irrigation water consumption over the FY 2008 actual.

Measure: Less than 4.8 million gallons

Key Measures

Service delivery accomplishments include the following:

- ◆ *Leases* provided well-maintained facilities and supported a quality environment for building tenants through building tours, facility condition audits, and computer-assisted facilities management program.
- ◆ *Resource Recovery Program* continued to meet or exceed the 60% recycling goal in the Capitol complex in FY 2007 and FY 2008 as required by M.S. 115A.15.
- ◆ Central Mail automated at least 90% of all state agency permit and metered letter mail during FY 2008. For FY 2008, the actual figure was 92.4%.

Activity Funding

PMD's internal service fund (ISF) is made up of three activities: Leases, Repair and Other Jobs, and Materials Transfer. The predominant customers are state agencies located in custodial control buildings that pay for space through lease rental rates. Central Mail has a separate ISF whose primary customers are state agencies located in St. Paul. The goal of the ISFs is to set rates as close to break-even as possible, while maintaining two-month working capital funds. Expenditures include salaries/benefits, utilities, operating expenses, bond interest, building depreciation, and debt service.

Full-time employees, as of 7-01-2008 were 226 for Leases, 13 for Materials Transfer, three for Repair and Other Jobs, and eight for Central Mail's ISF.

PMD does not have a loan from the general fund nor proposed investment in technology or equipment of \$100,000 or more.

Operating Losses/ Increases in Retained Earnings:

Retained earnings for Leases decreased in FY 2007 and FY 2008 due in part to higher than anticipated repair and maintenance expenses. These changes in retained earnings will be reflected in Lease rates for FY 2010 and FY 2011.

Retained earnings for Repair and Other Jobs activity increased in FY 2007 due to higher than anticipated billable hours and decreased in FY 2008 due to higher than anticipated expenses.

Retained earnings for the Materials Transfer increased in FY 2007 due to lower than anticipated expenses and decreased in FY 2008 due to planned losses.

Retained earnings for Central Mail increased in FY 2007 and FY 2008 due to higher than anticipated sales.

History of Rate Changes:

Fiscal Year	2004	2005	2006	2007	2008	2009
Leases	(8.16%)	0.00%	(4.79%)	4.61%	(1.04%)	0.72%
Repair and Other Jobs	30.00%	5.00%	10.41%	0.00%	9.17%	0.00%
Materials Transfer	0.59%	0.00%	1.90%	0.00%	0.00%	0.00%
Central Mail	0.00%	0.00%	1.40%	0.00%	0.00%	0.00%

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: PLANT MANAGEMENT

Narrative

Impact of Rate Changes:

Assuming the same volume and mix of goods/services as FY 2008, the five largest Lease customers will pay 0.06% less in FY 2009. The five largest customers are the departments of Human Services, Health, Revenue, Agriculture and the Minnesota Historical Society.

Assuming the same volume and mix of goods/services as FY 2008, the five largest Repair and Other Jobs customers will pay the same amount in FY 2009. The five largest customers are the Office of Enterprise Technology, departments of Health and Administration, St. Paul Port Authority, and the Minnesota Historical Society.

Assuming the same volume and mix of goods/services as FY 2008, the five largest Materials Transfer customers will pay the same amount in FY 2009. The five largest customers are the departments of Administration, Human Services, Office of Enterprise Technology, Revenue and Education.

Assuming the same volume and mix of goods/services as FY 2008, Central Mail's five largest customers will pay the same amount in FY 2009. The five largest customers are the departments of Public Safety, Human Services, Public Employees Retirement Association, Revenue and Health.

In addition to the ISF, PMD receives general fund appropriations for Resource Recovery and the mail delivery portion of Central Mail. PMD also receives revenue from parking fees.

Contact

Director

Phone: (651) 201-2350

www.admin.state.mn.us/pmd

ADMINISTRATION DEPT
Program: GOVT AND CITIZEN SERVICES
 Activity: PLANT MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	443	443	443	443	886
Technical Adjustments					
Approved Transfer Between Appr			20	20	40
Forecast Base	443	443	463	463	926
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	961	1,056	1,004	1,004	2,008
Statutory Appropriations					
Miscellaneous Special Revenue	5,119	9,779	8,396	8,437	16,833
Plant Management	46,841	45,813	48,612	50,001	98,613
Central Mailing	8,574	8,893	8,909	8,949	17,858
Total	61,495	65,541	66,921	68,391	135,312
<u>Expenditures by Category</u>					
Total Compensation	15,381	16,226	17,438	18,122	35,560
Other Operating Expenses	32,428	36,384	36,415	37,219	73,634
Capital Outlay & Real Property	98	0	0	0	0
Other Financial Transactions	13,588	13,271	13,407	13,389	26,796
Transfers	0	(340)	(339)	(339)	(678)
Total	61,495	65,541	66,921	68,391	135,312
Full-Time Equivalents (FTE)	274.7	282.3	290.5	291.0	

Activity Description

This activity provides a broad range of real estate services and construction services to achieve facility solutions that help state agencies deliver efficient and effective services. Real Estate and Construction Services are provided in accordance with M.S. 16A.28, 16A.632, 16A.69, 16B.24, 16B.05, 16B.25, 16B.26, 16B.281, 16B.282, 16B.283, 16B.284, 16B.285, 16B.286, 16B.287, 16B.30, 16B.305, 16B.31, 16B.32, 16B.325, 16B.33, 16B.335, 16B.35, 16C.08, 16C.095, 16C.10, 16C.14, 16C.32, 16C.33, and 16C.34.

Population Served

The activity provides services to state agencies with custodial control of state-owned buildings and to approximately 100 state agencies, divisions, boards, and councils located in leased facilities. Property types include office, storage, warehouse, workforce centers, residential facilities, treatment centers, emergency services, training centers, environmental services, communication facilities, laboratory testing, probation offices, driver vehicle services, health programs, and licensing centers.

Services Provided

The activity:

- ◆ manages and oversees building planning, design and construction for new, remodeling, and asset preservation building projects;
- ◆ manages statewide Capital Asset Preservation and Replacement funds;
- ◆ manages hazardous materials surveys and abatement projects;
- ◆ manages statewide Predesign program, maintains Predesign Manual, and reviews/approves submittals;
- ◆ provides oversight of the statewide Facility Condition Audit;
- ◆ provides staff support and Admin's member for the State Designer Selection Board (SDSB);
- ◆ develops and maintains Building Design Guidelines;
- ◆ oversees Minnesota Sustainable Building Guidelines and Benchmarking Tool (B3) programs;
- ◆ manages and oversees newly created Energy Improvement Financing Program;
- ◆ provides leadership for implementation of Drive to Excellence Real Property Governance and Total Infrastructure Facility Management System (E-TIFM);
- ◆ identifies state-owned and nonstate-owned real property that efficiently and functionally meets agencies' space needs;
- ◆ negotiates and drafts leases of state-owned and nonstate-owned real property to house state agencies in quality spaces at the most economical rent;
- ◆ provides space programming and monitoring of leasehold improvement construction;
- ◆ manages leases to assure compliance with terms and conditions including resolving day-to-day issues;
- ◆ provides relocation assistance including budgeting, preparing capital budget requests, managing budgets, processing relocation requests, and coordination;
- ◆ generates revenue by leasing state-owned real property temporarily not needed for state use;
- ◆ assists agencies in site selection, oversees the due diligence process (appraisals, surveys, inspections, environmental assessments, and geo-technical reports), and negotiates acquisition of real property;
- ◆ manages the disposition of state surplus real property in manner that maximizes return to the state;
- ◆ develops and issues easements and permits, and transfers custodial control of real property between agencies; and

Activity at a Glance

The Real Estate and Construction Services:

- ◆ maintains a total of 962 leases of nonstate-owned and state-owned real property;
- ◆ leases 3.5 million useable square feet of nonstate-owned space and other real property at an annual cost of \$58.6 million;
- ◆ leases 2.1 million useable square feet of state-owned space under the custodial control of Administration;
- ◆ manages over 340 remodeling/repair projects and several major new building projects; and
- ◆ oversees over \$120 million in 2008 capital appropriations.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: REAL ESTATE AND CONSTR SERVICE

Narrative

- ◆ maintains databases of leases, floor plans, space management inventories, and state-owned land inventories for internal and external use.

Historical Perspective

Minnesota state agencies have extensive and diverse real estate needs. The state owns a total of 29 million square feet in more than 5,000 buildings. This real estate is managed by 20 custodial agencies. In addition, Admin currently leases 3.5 million useable square feet of nonstate-owned space for over 100 state agencies.

Real Estate Services (RES) and the State Architect's Office (SAO) combined in FY 2008 to form the Real Estate and Construction Services Division. RES and SAO, as general fund operations, were under tremendous financial pressure due to successive budget reductions. Combining the two organizations is intended to strengthen office support and facilitate comprehensive end-to-end services to statewide customers. As part of the 2008 supplemental budget process, budget reductions for the department resulted in a permanent reduction in resources available for providing Energy Management Services to state agencies. However, the balance of the general fund appropriation for Energy Management Services was transferred to Real Estate and Construction Services to continue support for energy related projects and initiatives.

Implementation of the Real Property Enterprise System, a Drive to Excellence project, will provide the state with a web-enabled, state-hosted, shared facility condition audit and project management system that facilitates more efficient and effective oversight and decision-making on state building projects.

Case-by-case life-cycle cost analyses of owning and leasing facilities have been historically used and will continue to be used to determine the most economic manner of providing space for state agencies.

Consolidation and co-location of agencies remains a priority. The result of these efforts has been to conserve resources by sharing space, equipment, and staff. Consolidation and co-location also offer the public the ability to obtain products and services and to conduct more than one transaction at a visible, accessible, easily identifiable location. Consolidation and co-location also facilitate transportation pools that lead to conserving resources, better accessibility, reducing pollution, and controlling parking development costs.

Key Program Goals

Reduce costs by working across state government

- ◆ reduce rent costs by negotiating leases effectively.

Provide customers with valuable services, products, advice and expertise

- ◆ develop and implement tools to more effectively and efficiently prioritize capital investments and manage construction projects;
- ◆ improve energy conservation and efficiency in state buildings;
- ◆ increase use of clean energy sources; and
- ◆ reduce greenhouse gas emissions from state-owned facilities.

Key Measures

Measure: lease rates for nonstate-owned property will not exceed an average of 2% per year.

Performance Measure	FY 2006	FY 2007	FY 2008	FY 2009
	1.09%	2.0%	1.0%	2.0%

Measure: All Project Management and support staff will complete training on new system in FY 2009; E-TIFM Facility Condition Audit and Project Management Modules will be ready for implementation by 6-30-2009.

Measure: Develop program to identify and implement energy improvement projects for state buildings. Identify and implement up to three pilot projects by 6-30-2009.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: REAL ESTATE AND CONSTR SERVICE

Narrative

Activity Funding

This activity is funded through a general fund appropriation. Funding for projects managed by RECS is from general obligation bonds, general funds, special revenue funds, federal funds, matching grants, and gift funds. RECS also assists agencies with repair and restoration projects that are funded through agency operating budgets.

Contact

Director

Phone: (651) 201-2548

www.admin.state.mn.us/recs

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: REAL ESTATE AND CONSTR SERVICE

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	2,500	80	80	80	160
Forecast Base	2,500	80	80	80	160
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	4,037	5,963	2,729	2,661	5,390
Statutory Appropriations					
Miscellaneous Special Revenue	2,542	2,758	2,857	3,167	6,024
Federal	0	149	0	0	0
Gift	4	199	0	0	0
Total	6,583	9,069	5,586	5,828	11,414
<u>Expenditures by Category</u>					
Total Compensation	2,042	2,438	2,449	2,428	4,877
Other Operating Expenses	4,484	4,921	2,985	3,380	6,365
Capital Outlay & Real Property	57	1,710	152	20	172
Total	6,583	9,069	5,586	5,828	11,414
Full-Time Equivalents (FTE)	24.0	26.9	25.9	24.7	

Activity Description

The Risk Management Division (RMD), operating under legislative authority of M.S. 16B.85 and M.S. 176, provides two basic areas of service.

- ◆ The division provides multiple lines of property and casualty insurance coverage and other insurance programs to state agencies at below market cost through the Risk Management Fund (RMF).
- ◆ The division administers the workers' compensation program for all state employees.

Population Served

The division's property and casualty insurance program serves state agencies, boards, commissions, and political subdivisions.

The division's workers' compensation program serves state employees in the executive, legislative, and judicial branches and in quasi-state agencies such as the Minnesota Historical Society and the Minnesota State Fair.

Services Provided

The division offers five major lines of insurance:

- ◆ auto liability,
- ◆ auto comprehensive and collision,
- ◆ general liability,
- ◆ property,
- ◆ boiler and machinery; and
- ◆ worker's compensation.

The division also offers other miscellaneous lines that are customized to meet specific agency needs. When unique types of coverage are required, the division assists state agencies with purchasing appropriate insurance if self-insurance of the risk is not deemed appropriate for the RMF. Reinsurance is purchased to protect the RMF against catastrophic or annual aggregation of property and extra-territorial liability losses.

Under M.S. 16B.85 the division has other responsibilities such as evaluating risk exposures, statewide risk management coordination, and identifying ways to eliminate redundant efforts in risk management and insurance programs.

The workers' compensation program provides services through four distinct units: claims management, legal services, disability management, and safety and loss control.

- ◆ The claims management unit works with injured employees, agencies, the Department of Labor and Industry, rehabilitation and vocational specialists, medical providers, and others to determine compensability, administer the law, and resolve state employee workers' compensation claims.
- ◆ The legal services unit represents state agencies in workers' compensation court cases.
- ◆ The disability management unit works with injured employees, agencies, rehabilitation and vocational specialists, medical providers and others to help state workers who have been hurt or disabled on the job to return to active employment as quickly and safely as possible.
- ◆ The safety and loss control unit works with the statewide safety committee and individual agency safety committees to address widely varied workplace safety and health issues. These include materials handling, air quality, hazardous materials, blood-borne pathogens, biological hazards, and office ergonomics.

Activity at a Glance

- ◆ Property values insured totaling more than \$10 billion.
- ◆ Insured 14,000 vehicles.
- ◆ Served approximately 59,000 employees in the executive, legislative, and judicial branches of state government and in quasi-state agencies such as the Minnesota State Fair.
- ◆ In FY 2007, 2,693 workers' compensation claims were filed.

Historical Perspective

The legislature created two separate funds currently administered by the division. The following provides a historical summary of each fund.

Risk Management Fund

The state's property and casualty programs are supported entirely by the RMF. The fund was created in 1986 largely due to the difficulty the state was having obtaining auto liability insurance in the commercial market. The RMF allows the commissioner of Administration to offer state agencies alternatives to purchasing conventional insurance. Historical development of the fund is as follows:

- ◆ The first general liability insurance was underwritten by the RMF in 1988.
- ◆ Automobile comprehensive and collision insurance was offered soon after.
- ◆ A full line of property and casualty insurance coverage was added with the creation of Minnesota State Colleges and Universities (MnSCU).

The fund is maintained by charging premiums for the various insurance products offered. The division has an advisory committee (composed of representatives from state agencies, academia, and the private sector) which meets regularly to review the financial condition of the fund and the insurance programs offered.

State Compensation Revolving Fund

The state's workers' compensation program is supported by the state compensation revolving fund which was created during the 1934 legislation session. Under this fund, the insured groups have one of two options.

One option allows the division to make workers' compensation payments from the fund until the fund is reimbursed by the injured employee's agency, the special compensation fund, the workers' compensation reinsurance fund, or recovered from a subrogation claim. This has become known as the "pay-as-you-go" option because agencies are invoiced for their actual benefit and related costs each month. The amount invoiced each month varies, depending on the actual monthly cost.

The second option has become known as the premium pool option. The premium pool, which started in FY 2003, allows agencies to pay annual premiums, which are based on each agency's previous five-year average agency loss experience. This option stabilizes workers' compensation costs even for the smallest agencies and precludes agencies from having to reduce budgets, services, or seek emergency legislative funding to meet their workers' compensation obligations. This option also allows claims management staff the ability to settle claims when it is in the state's best long-term financial interests.

The worker's compensation program was originally within the Minnesota Department of Labor and Industry. The program was under the Department of Employee Relations from 1984 until it became part of the Risk Management Division in the Department of Administration on 12-12-2007.

Key Program Goals

To provide our customers with valuable services, products, advice and expertise.

- ◆ Implemented the I-35W Bridge Collapse Emergency Wage Relief Fund – 34 claimants were paid a total of \$282,302 during FY 2008.

To reduce costs by working across government.

- ◆ Negotiated a reduced rate for the state's property reinsurance program while adding over \$600 million in insured value and doubling the amount of coverage for 100-year flood zones from \$5 million to \$10 million.
- ◆ Completed the first business plan for the workers' compensation program, resulting in agencies participating in the workers' compensation premium pool receiving a surplus distribution of over \$600,000. This credit reduces the premium participating agencies will pay in FY 2009.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: RISK MANAGEMENT

Narrative

- ◆ Completed the property and casualty business plan, which resulted in agencies participating in the RMF receiving a dividend pay out of approximately \$1.4 million in FY 2009. This represents a return of premium – or an additional discount on an already competitive rate – equal to 13.6%.
- ◆ The safety and loss control program coordinated registration of state employees to the Minnesota Safety Conference hosted by the Minnesota Safety Council, saving state agencies \$3,845.

Key Measures

The goal of the RMF is to provide insurance at a lower cost than the traditional insurance market. One measure is to compare industry overhead to the RMF. Over the past five years, the performance has been as follows:

Fiscal Year	2004	2005	2006	2007	2008 (Est)
Industry Average Operating Expense Ratio	29.5	30.3	30.0	30.8	31.0
RMD Operating Expense Ratio (lower is better)	14.9	13.8	15.9	18.1	20.2

The RMD operating expense ratio to the industry over the last five years is at an average of 1.8:1. That is, for every \$1.80 the industry spends on operating expenses, the RMD spends \$1.00. The increase in the RMD operation expense ratio is partly due to a change in accounting for certain reinsurance costs.

The WC Program uses industry benchmarks to measure its performance. Two of these measurements are shown below. The total cost of the state's workers' compensation expenditures has been stable during the last five years when compared to payroll costs and to the average cost of indemnity claims (loss of time from work claims) for all other Minnesota employers.

WC Costs Per \$100 Payroll

Fiscal Year	2002	2003	2004	2005	2006
State of Minnesota	\$0.96	\$1.08	\$1.12	\$1.04	\$1.07
Minnesota Self-Insured Employers	\$1.15	\$1.25	\$1.25	\$1.25	\$1.28
All Other Minnesota Employers	\$1.58	\$1.67	\$1.71	\$1.72	\$1.66

Comparison of the state of Minnesota average indemnity benefits per indemnity claim to Minnesota employers (figures adjusted for wage growth).

Average Cost of Indemnity Claims

Fiscal Year	2002	2003	2004	2005	2006
State of Minnesota	\$10,200	\$10,900	\$10,800	\$11,100	\$11,900
All Other Minnesota Employers	\$15,500	\$15,200	\$15,200	\$15,200	\$15,100

Activity Funding

The division's property and casualty program operates as an internal service fund charging fees based on insurance options requested by customers. The property and casualty program has 11.75 full-time employees on 7-1-08.

The division's workers' compensation program operates as a special revenue fund. The cost to administer the program is allocated across all state agencies based on the number of employees, open claims, and transactions for each agency. This fee covers all of the administrative costs for claims management, administrative support, disability management services, and safety and loss control services.

The workers' compensation program also receives a general fund appropriation to pay the state's annual Workers' Compensation Reinsurance (WCRA) premium.

Operating Losses/Increases in Retained Earnings:

Retained earnings for the property and casualty program increased by \$1,672,291 in FY 2007. The \$8.3 million is the highest the policyholder surplus has been, which is primarily due to the FY 2007 positive loss results.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: RISK MANAGEMENT

Narrative

Dividends represent the return of premium for superior loss and expense experience. Premiums collected are invested by the State Board of Investment (SBI). The difference between premium and investment, less deductions for losses incurred and administrative expenses, equals the amount of funds that are eligible for dividend declaration. In the event of unsatisfactory experience, it is possible that no dividend would be declared.

In FY 2008, the Advisory Committee approved a dividend payment of \$1,875,409. The RMF has returned more than \$14 million in dividends to policyholders over the last 20 years.

Agencies participating in the workers' compensation premium pool will receive a surplus distribution of \$608,252 based on the actuarial analysis completed in FY 2007.

History of Rate Changes:

Fiscal Year	2004	2005	2006	2007	2008	2009
Rate Change (by line)						
Auto Liability	.00%	.01%	7.47%	8.24%	10.67%	.00%
Auto Physical Damage	.00%	.00%	.00%	1.37%	(2.81%)	.00%
General Liability	.00%	.00%	.00%	.00%	.00%	.00%
Property	.00%	.00%	(21.05%)	.00%	.00%	.00%
Other	.00%	.00%	.00%	.00%	.00%	.00%
Rate Change Average	.00%	.00%	(13.80%)	2.37%	2.43%	.00%

Factors contributing to changes in premium rates:

- ◆ loss experience variation;
- ◆ increased claim potential due to additional volume;
- ◆ increased risk management, safety and loss control; and
- ◆ fluctuations of the reinsurance marketplace.

The Workers' Compensation Program's administrative fee has remained unchanged since FY 2004.

Fiscal Year	2004	2005	2006	2007	2008	2009
Administrative Fee	\$2.5M	\$2.5M	\$2.5M	\$2.5M	\$2.5M	\$2.5M

Contact

Director

Phone: (651) 201-2585

www.mainserver.state.mn.us/risk

Property and Casualty annual reports online:

www.mainserver.state.mn.us/risk/Division_Reports/division_reports.html

Workers' Compensation annual reports online:

www.risk-workerscomp.admin.state.mn.us/reports.htm

ADMINISTRATION DEPT
Program: GOVT AND CITIZEN SERVICES
 Activity: RISK MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Expenditures by Fund</u>					
Open Appropriations					
General	408	625	655	688	1,343
Statutory Appropriations					
Miscellaneous Special Revenue	26,309	28,704	31,453	32,571	64,024
Risk Management	13,158	12,459	12,980	12,858	25,838
Total	39,875	41,788	45,088	46,117	91,205
<u>Expenditures by Category</u>					
Total Compensation	3,524	3,710	3,812	3,887	7,699
Other Operating Expenses	36,351	36,709	39,842	41,045	80,887
Other Financial Transactions	0	1,369	1,434	1,185	2,619
Total	39,875	41,788	45,088	46,117	91,205
Full-Time Equivalents (FTE)	44.9	45.9	45.8	45.4	

Activity Description

SmART (Small Agency Resource Team) delivers consolidated and streamlined human resources and financial management services to small agencies, boards, and councils. The legislature began funding this activity through the Laws of 2007, Chapter 148, Article 1, Section 12, Subd. 4.

Activity at a Glance

- ◆ Human resource services to 13 small agencies, boards, and councils.
- ◆ Financial management services to nine small agencies, boards, and councils.

To increase SmART's effectiveness, team personnel strive to learn and understand the business needs of the groups they serve, enhancing opportunities for providing leadership and guidance. SmART also emphasizes providing sound policy advice, enabling effective informed decision-making by the small agencies, boards, and councils this activity serves.

Served

The Department of Administration's (Admin) SmART activity provides small agencies, boards, and councils with timely, professional business support services, enabling recipients of the services to focus on their core business functions.

Services Provided

SmART business support services provided include:

- ◆ position filling;
- ◆ classification determinations;
- ◆ payroll;
- ◆ advising on labor contract provisions;
- ◆ benefit administration;
- ◆ overseeing Family Medical Leave Act requests;
- ◆ labor relations;
- ◆ purchasing;
- ◆ payment processing;
- ◆ cash receipts;
- ◆ employee expense report processing;
- ◆ expenditure corrections/expense transfers;
- ◆ financial report distribution and review assistance;
- ◆ annual and biennial budget assistance; and
- ◆ training.

Historical Perspective

SmART was initially provided a general fund appropriation in FY 2007. This funding along with other collaborative agreements has enabled SmART to provide several agencies, boards, and councils with financial and human resource services. Consolidation of these services provides:

- ◆ centralized service delivery to achieve economies of scale and skill;
- ◆ efficient and cost effective business support functions;
- ◆ common processes and a culture of continuous improvement;
- ◆ service levels that support small agencies, boards, and councils needs; and
- ◆ the opportunity for customers served to leverage SmART services to improve their operations and business discipline.

Key Program Goals

SmART delivers accounting and human resource services to small agencies, boards and councils, allowing them to focus on their core business functions. SmART supports Admin's mission of helping customers succeed by providing valuable services, expertise, and advice to agencies where it is generally not practical for them to

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: SmART

Narrative

develop and maintain the breadth of knowledge needed. As SmART expands, it has the opportunity to reduce the cost of government by serving a diverse set of customers through one center of expertise.

Key Measures

SmART delivers best practices in human resources and financial management. Customer-specific services, levels of service, and turnaround time are determined through service level agreements. Accuracy and timely provision of services are performance attributes that are key to the success of SmART. Further, SmART should help agencies served to better understand and more uniformly comply with a complex array of statutes, principles, and other authoritative requirements. Given the newness of the program, metrics that track organizational performance and customer satisfaction are currently under development and are planned to be reported beginning in the next biennium.

Activity Funding

Funding for SmART comes from the general fund appropriation dedicated to this activity, Admin's general fund operating budget, and reimbursement by some customers, such as the Minnesota State Retirement Association, through a special revenue fund.

Contact

Director

Phone: (651) 201-2609 or (651) 201-2563

www.admin.state.mn.us/fmr

ADMINISTRATION DEPT
Program: GOVT AND CITIZEN SERVICES
 Activity: SMART

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	250	250	250	250	500
Forecast Base	250	250	250	250	500
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	161	339	250	250	500
Statutory Appropriations					
Miscellaneous Special Revenue	10	25	25	25	50
Total	171	364	275	275	550
<u>Expenditures by Category</u>					
Total Compensation	155	253	231	241	472
Other Operating Expenses	16	111	44	34	78
Total	171	364	275	275	550
Full-Time Equivalent (FTE)	2.3	3.5	3.1	3.1	

Activity Description

The Minnesota System of Technology to Achieve Results (STAR) is federally funded by the Rehabilitation Services Administration in accordance with the Federal Assistive Technology Act of 1998, as amended (P.L. 108-364). The mission of the STAR program is to help all Minnesotans with disabilities gain access to and acquire the assistive technology (AT) they need to live, learn, work, and play. An AT device is any piece of equipment, or product system, whether acquired commercially off the shelf, modified or customized, that is used to increase, maintain, or improve the functional abilities of a person with a disability. The governor appoints the advisory council members; 68% of the members are individuals with disabilities or have a family member with a disability.

STAR works with consumers and providers to develop a statewide network of resources related to AT and assures that Minnesotans have access to AT for demonstration and loan prior to selecting the most appropriate device for purchase. STAR also provides AT training, technical assistance, public awareness, and statewide information and referral services.

Population Served

According to the 2000 Census, nearly one in six, or 15.8%, of Minnesota's population has at least one form of disability. Approximately 426,000 Minnesota adults between the ages of 18 and 64, representing 14% of this age group, had one or more disabilities and approximately 240,000 Minnesota adults 65 years old or older, representing 40.4 % of this age group, had one or more disabilities. These individuals need some assistance in performing daily activities or participating in community life. STAR conducts activities promoting the availability and benefits of AT devices and services for these populations.

Services Provided

STAR works to build collaborative relationships in the AT community. STAR, along with its nonprofit partners, is working to assure statewide coverage of services. In addition, STAR works with state agencies and others in serving as a central clearinghouse for AT information.

Device loan, device demonstration, device reuse:

- ◆ During SFY 2008, STAR's nonprofit partners loaned 85 AT devices to anyone in Minnesota with a disability, regardless of age or diagnosis. Individuals with cerebral palsy, autism, cancer, or stroke survivors benefited from using the loan programs.
- ◆ Over 30 individuals received a demonstration of AT equipment in order to make a decision regarding the appropriateness of a piece of AT.
- ◆ In November 2006, STAR launched a website, www.mnstarte.org, where individuals may post AT for sale, donation, or exchange. In SFY 2008, there were 17 pieces of equipment listed for sale. Four individuals purchased or received equipment listed on the website and saved \$1,850.

Collaboration, training and technical assistance:

- ◆ STAR participated in collaborative efforts to increase awareness and access to AT. STAR's collaborative efforts include working with the Minnesota Department of Education, Assistive Technology Leadership Team; the Minnesota Disability Law Center Advisory Council; and the Minnesota Regions Assistive Technology Collaborative.
- ◆ In SFY 2008, STAR attended ten community events and provided information to over 1,430 individuals.

Activity at a Glance

- ◆ More than 40 individuals received awards for excellence for their work with Assistive Technology at an April 2008 Award Ceremony.

During SFY 2008:

- ◆ A total of 43,151 individuals visited the STAR website.
- ◆ A total of 85 individuals borrowed assistive technology to determine whether or not a piece of assistive technology would meet their needs.
- ◆ The website www.mnstarte.org was developed to exchange assistive technology between individuals.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: STAR

Narrative

- ◆ STAR conducted five training sessions for 125 individuals on the use of specific work related AT and software.

Public awareness and information and referral assistance:

- ◆ STAR provided information about AT to over 250 individuals who contacted STAR.
- ◆ STAR publishes a bi-annual statewide directory of AT funding resources and services. Over 2,000 directories were distributed in SFY 2008.
- ◆ During an award ceremony in April 2008, more than 40 Minnesotans were recognized for their commitment to removing barriers to independence for people with disabilities through the use of AT.

Key Goals

- ◆ To be recognized for innovation and efficiency, STAR provided leadership in AT reuse by hosting a conference on reuse, refurbishment, and recycling. In addition, STAR created www.mnstarte.org as a resource for individuals buying, selling, exchanging, or donating AT.
- ◆ Under the Drive to Excellence, STAR provided technical assistance to the Accessibility/Usability Workgroup that was created to improve accessibility and usability of E-government services. STAR was a sponsor of www.MNDisability.gov, a first-stop for all state level disability services and programs.
- ◆ To improve customer service and the products created by STAR, a focus group reviewed and recommended improvements to the STAR Funding Directory.

Key Measures

STAR monitors the satisfaction level of individuals participating in device loan and demonstration programs, as required by the federal government.

- ◆ There were 43,151 visitors to the STAR website.
- ◆ Of the 85 individuals who borrowed communication devices, 66% were satisfied with the loan program.
- ◆ There were 2,000 individuals who received funding directories; 190 people were surveyed and, of that number, 74% said the directory met their needs.

In accordance with federal law, the Assistive Technology Advisory Council has established measurable goals for improving access to and acquisition of education, employment, community living, information technology, and telecommunications.

Activity Funding

Funding for the STAR Program is obtained from the Rehabilitation Services Administration under the Assistive Technology Act of 1998, as amended by P.L. 108-364. Funding is currently \$456,418 per federal fiscal year. STAR does not receive a general fund appropriation.

Contact

Program Manager

Phone: (651) 201-2295

TTY (Metro) MN Relay 711

(Non-metro) (888) 234-1267

Email: star.program@state.mn.us

Website: www.starprogram.state.mn.us

ADMINISTRATION DEPT
Program: GOVT AND CITIZEN SERVICES
 Activity: STAR

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Federal	414	456	456	456	912
Total	414	456	456	456	912
<u>Expenditures by Category</u>					
Total Compensation	178	208	208	208	416
Other Operating Expenses	135	188	188	188	376
Local Assistance	101	60	60	60	120
Total	414	456	456	456	912
Full-Time Equivalent (FTE)	2.6	3.1	3.0	2.8	

Activity Description

The State Demographer provides demographic services as outlined in M.S. 4A.02. The State Demographic Center collects and analyzes demographic data; makes estimates and projections of population and population characteristics; identifies and monitors population trends; identifies demographic issues of potential policy implication; reviews and comments on estimates and projections made by other governmental organizations; aids the legislature in preparing the census data plan for redistricting and related purposes; and provides demographic data and information to the public. The State Demographic Center also serves as the state liaison to the U.S. Census Bureau.

Beginning in FY 2008 and continuing through FY 2011, the State Demographic Center is preparing for and promoting the 2010 Census. The State Demographic Center works with the Census Bureau to correctly specify geographic boundaries of cities and special enumeration areas, reviews and comments on initial census results, assists local governments in their review of results, promotes census related jobs, and identifies potentially difficult to enumerate populations. Additional efforts include promoting the Census and responding to questions and concerns about the 2010 Census.

Allocation of funds for many federal and state programs as well as congressional reapportionment and congressional and legislative redistricting depend on the outcome of the Decennial Census. Forecasts indicate that Minnesota could lose one congressional seat after the 2010 Census. Funding for a number of federal programs, ranging from transportation to housing, will depend on the quality of the 2010 Census count. The State Demographic Center will work to achieve a complete count for Minnesota in the 2010 Census.

Population Served

The State Demographic Center serves state elected officials, state government departments and agencies, legislators, local governments and local government officials, private citizens, and private sector organizations.

Services Provided

Major service categories include:

- ◆ Prepare annual population and household estimates of counties, cities, and townships;
- ◆ Prepare or review other estimates, as needed, including estimates of school districts for community education purposes, estimates for municipal boundary changes, and other special estimates;
- ◆ Periodically prepare population and related projections for the state and specific areas of the state;
- ◆ Act as liaison with the U.S. Bureau of the Census;
- ◆ Continuously monitor demographic data and trends and prepare reports;
- ◆ Work with the U.S. Census Bureau and legislature on the data for 2010 redistricting; and
- ◆ Provide demographic and related information on request.

Historical Perspective

The Minnesota State Demographer was created in 1973 by statute. Over the last 30 years, the State Demographic Center has provided early identification of critical trends and their implications on subjects such as aging, rural population decline, workforce supply issues, K-12 enrollment, higher education enrollment, infrastructure needs, changing diversity, state government workforce, housing and households, revenue collections, people with disabilities, and structural issues in the state budget.

Activity at a Glance

- ◆ Prepares annual population and household estimates for counties, cities, and towns outside the Metropolitan Council region.
- ◆ Plans for 2010 Census data for legislative and congressional redistricting.
- ◆ Projects population by age and sex, births and deaths, labor force and household type by county, and high school graduates by region.
- ◆ Prepares reports and articles on demographic change and education, housing and housing prices, income, migration, foreign-born population, and aging.
- ◆ 150 presentations made in FY 2008.
- ◆ Serves in federal/state leadership positions giving Minnesota input on technical matters involving federal demographic programs.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: STATE DEMOGRAPHER

Narrative

Annual population and household estimates made by the State Demographic Center are a major component in a number of state government programs and funding formulas, including local government aid, transportation aid, levy limits, and community education levy. Population estimates and projections are also used to site and size major government infrastructure investments including roads, water treatment, schools, and other facilities.

Key Program Goals

The State Demographic Center provides customers with valuable services, products, advice and expertise. Accurate estimates of existing population will provide the basis for a fair and efficient allocation of resources through various funding formulae and effective decision-making. Forecasts of population and related characteristics will establish a basis for more effective, efficient, and informed decisions about major projects and policy directions.

Efforts by the State Demographic Center over the next two years, working with the U.S. Census Bureau to achieve a full and accurate count in the 2010 Census, will return dividends over the next decade by ensuring a fair allocation of federal program dollars for Minnesota, fair representation in the U.S. House of Representatives, and accurate foundation for state decision-making.

Key Measures

- ◆ Estimates prepared accurately and delivered in a timely manner.
- ◆ Information provided accurately in a timely manner.
- ◆ Projections and trend analyses providing critical information to state government operations.
- ◆ Reports, articles, and presentations on demographic trends and their implications informing decision-making in Minnesota.

Activity Funding

The program operates through a general fund appropriation.

Contact

State Demographer

Phone: (651) 201-2461

Helpline: (651) 296-2557

www.demography.state.mn.us

ADMINISTRATION DEPT
Program: GOVT AND CITIZEN SERVICES
 Activity: STATE DEMOGRAPHER

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	60	230	230	230	460
Technical Adjustments					
Current Law Base Change			20	(60)	(40)
Forecast Base	60	230	250	170	420
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	514	666	685	605	1,290
Total	514	666	685	605	1,290
<u>Expenditures by Category</u>					
Total Compensation	431	525	537	477	1,014
Other Operating Expenses	83	141	148	128	276
Total	514	666	685	605	1,290
Full-Time Equivalent (FTE)	4.9	6.1	6.1	5.2	

Program Description

Administrative Management Services provides internal leadership in the areas of financial management, human resources, communications, and legislative support. A driving strategy is ensuring statewide leadership that supports both the diverse activities in the agency as well as support of initiatives that promote delivering effective, efficient, and economical government.

Budget Activities

- ◆ Executive Support
- ◆ Financial Management and Reporting
- ◆ Human Resources

Further detail on each of these Budget Activities is included in subsequent pages of this budget document.

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	1,933	1,995	1,995	1,995	3,990
Technical Adjustments					
Approved Transfer Between Appr			(150)	(150)	(300)
Pt Contract Base Reduction			(5)	(5)	(10)
Forecast Base	1,933	1,995	1,840	1,840	3,680
<u>Expenditures by Fund</u>					
Carry Forward					
Miscellaneous Special Revenue	0	6	0	0	0
Direct Appropriations					
General	1,721	2,040	1,840	1,840	3,680
Statutory Appropriations					
Miscellaneous Special Revenue	11	66	0	0	0
Total	1,732	2,112	1,840	1,840	3,680
<u>Expenditures by Category</u>					
Total Compensation	1,539	1,542	1,470	1,484	2,954
Other Operating Expenses	191	570	370	356	726
Capital Outlay & Real Property	2	0	0	0	0
Total	1,732	2,112	1,840	1,840	3,680
<u>Expenditures by Activity</u>					
Executive Support	418	627	493	493	986
Financial Mgmt And Reporting	864	993	866	866	1,732
Human Resources	450	492	481	481	962
Total	1,732	2,112	1,840	1,840	3,680
Full-Time Equivalent (FTE)	22.2	20.5	19.5	18.9	

Activity Description

Executive Support serves the numerous needs of the department in the execution of its responsibilities as the primary administrative/operations agency of the executive branch. In addition to the traditional needs of a state agency, the Department of Administration's (Admin) Executive Support coordinates the state's Drive to Excellence initiative and the governor's Department Results/Accountability Minnesota website.

Population Served

Executive Support serves numerous populations: the department and its 500 employees; all executive branch agencies, boards and commissions; the Drive to Excellence Sub-Cabinet and the more than 900 state employees who have been involved in Drive to Excellence; media; the legislature; and the citizens of Minnesota.

Services Provided

- ◆ Executive management support
- ◆ Internal and external communications
- ◆ Project management
- ◆ Legislative coordination
- ◆ Data Practices compliance
- ◆ Intra- and Inter-agency coordination
- ◆ Media assistance
- ◆ Website management
- ◆ Executive Branch agency performance reporting
- ◆ Continuity of operations planning for emergency preparedness

Activity at a Glance

- ◆ Provides project management and communications for the Drive to Excellence which has involved over 900 state employees.
- ◆ Produces and distributes monthly 'Excellence Report' newsletter to over 1,200 subscribers.
- ◆ Assists with the governor's environmental initiatives including reducing energy consumption in state-owned buildings by 10%, increasing the use of alternative motor fuels by the state fleet, increasing recycling, and reducing waste disposal.
- ◆ Produces and distributes bimonthly customer service newsletter for all state agency executive managers and other customers, Admin employees, and the public.
- ◆ Coordinates department data practices policy and responds directly to approximately 30 data practices requests annually.

Historical Perspective

The Executive Support activity to a large degree reflects the projects, objectives, and goals of the commissioner of Admin. A prime example is the state's Drive to Excellence initiative, launched by the governor in early 2005 with the mission of enabling the effective, efficient, and economical delivery of state government services. A second example is the commissioner's work on environmental programs under the umbrella of the governor's energy initiatives, which includes reducing the use of petroleum products by state fleet vehicles, cutting energy consumption in state-owned buildings, and implementing the Clean Computing initiative.

Key Program Goals

Executive Support assists the department with delivering on its mission of helping its customers succeed by providing customers with valuable services, products, advice, and expertise, and by recognizing innovation and efficiency through communications with customers and others. Admin Executive Support also helps the Drive to Excellence achieve its goals of increasing quality, increasing customer service, and reducing costs of state government services.

More generally, Executive Support aids the department with programs and activities that have an influence on five Minnesota Milestones statewide goals: Satisfaction with Government Services, Price of Government, Air Pollutants, Solid Waste Reduction and Recycling, and Urban Air Pollution.

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: EXECUTIVE SUPPORT

Narrative

Key Measures

Executive Support activities touch on nearly every aspect of the department; however, the largest single share of its work concerns the Drive to Excellence. Since its launch in early 2005, Drive to Excellence has maintained a minimum of six active projects. Of the initiative's 15 total projects, ten are active as of August 2008 and five have been completed. Among Drive's achievements:

- ◆ Direct cost reductions on goods and services purchases by the state because of the adoption of strategic sourcing concepts that include enterprise contracts, negotiations, spend analysis, and increased oversight of agency purchasing;
- ◆ The consolidation of state construction codes oversight and regulation from five agencies to one agency;
- ◆ The creation of the Office of Enterprise Technology with expanded legislative authority for managing the state's technology policy and infrastructure;
- ◆ Increased coordination of state fleet business, technology, and operational functions through the implementation of a statewide fleet management information system;
- ◆ The creation of a single web portal (www.mndisability.org) for quick and easy access to state government-agency programs, products, and services dedicated to disability issues;
- ◆ The launch of License Minnesota, a one-stop online gateway to over 600 types of state licenses that are administered by more than 40 state agencies;
- ◆ The creation of the Office of Grants Management (www.admin.state.mn.us/ogm), which is developing standard grants policies for all state agencies and, in early 2008, launched the Minnesota Grants website (www.grants.state.mn.us) first-stop resource for the public for state grant opportunities and information;
- ◆ The implementation of Enterprise Lean, a coordinated state government-wide initiative for improving the organizational performance and results in executive branch agencies (see www.lean.state.mn.us);
- ◆ The development and adoption of a State Workforce Planning Policy and Guidelines.

Additional information about the Drive to Excellence is online at www.excellence.state.mn.us.

Activity Funding

This activity is funded through a general fund appropriation.

Contact

Director

Phone: (651) 201-2563

www.admin.state.mn.us

ADMINISTRATION DEPT
Program: ADMINISTRATIVE MGMT SERVICES
 Activity: EXECUTIVE SUPPORT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	0	0	0	0	0
Technical Adjustments					
Approved Transfer Between Appr			(150)	(150)	(300)
Pt Contract Base Reduction			(5)	(5)	(10)
Forecast Base	0	0	(155)	(155)	(310)
<u>Expenditures by Fund</u>					
Carry Forward					
Miscellaneous Special Revenue	0	6	0	0	0
Direct Appropriations					
General	418	621	493	493	986
Total	418	627	493	493	986
<u>Expenditures by Category</u>					
Total Compensation	310	336	350	355	705
Other Operating Expenses	108	291	143	138	281
Total	418	627	493	493	986
Full-Time Equivalents (FTE)	4.3	4.3	4.3	4.2	

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: FINANCIAL MANAGEMENT AND REPORTING

Narrative

Activity Description

Financial Management and Reporting Division (FMR) provides all aspects of financial management for the Department of Administration (Admin) and assigned boards and councils.

Population Served

Financial services, information, and transactions are provided to all divisions within the agency, five boards and councils, the Department of Finance, the Legislative Auditor, the legislature, and vendors.

Services Provided

Services provided include all aspects of budgeting, accounting, transaction processing, financial reporting, policy development and financial analysis. FMR staff act as liaisons and financial consultants for Admin's divisions and other customers. This activity strives to provide timely financial services and support while conforming to Generally Accepted Accounting Principles (GAAP). Effective financial management facilitates fiscally responsible management of available resources as governed by applicable laws, policies, and procedures. FMR is also responsible for the development of the agency's biennial, supplemental, and capital budgets and oversees the fiscal note process for the agency. FMR organizes and assembles data for the Commissioner's quarterly operations review of each Department activity, including metrics reporting.

Activity at a Glance

- ◆ Administers agency budget - FY 2008 approximately \$272 million.
- ◆ Supports 34 divisions, agencies, boards, and offices in all aspects of financial management.
- ◆ Produces 110 monthly, quarterly, and annual financial statements each year providing reporting on the financial condition of enterprise, internal service, and special revenue funds.

Key Program Goals

To provide our customers with valuable services, products, advice, and expertise.

- ◆ Implement financial information system that provides easily accessible budget, expenditure, receipt, payroll, cost projection, and planning information for managers, supervisors, and end users. This tool will assist decision-makers by providing current, easily accessible information.
- ◆ Update and maintain the FMR website as a resource tool for financial information for FMR customers. This website provides access to FMR policies and procedures, forms, biennial budget process, fiscal note process, capital budget process along with links to other resources within the state.

Key Measures

Agency Prompt Payment: M.S. 16A.124 requires state agencies to pay valid obligations to vendors within the vendor's early payment discount period, or in the absence of a stated period, within 30 days following receipt of the invoice for the completed delivery of the product or service.

Fiscal Year	2006	2007	2008	2009 (Est)
Prompt Payment goal: 97%	98.44%	98.37%	98.37%	98.40%
Number of payment transactions:	20,196	21,198	22,110	23,000

Activity Funding

This activity is funded through a general fund appropriation.

Contact

Director

Phone: (651) 201-2563

www.admin.state.mn.us/fmr

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: FINANCIAL MGMT AND REPORTING

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	125	0	0	0	0
Forecast Base	125	0	0	0	0
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	853	927	866	866	1,732
Statutory Appropriations					
Miscellaneous Special Revenue	11	66	0	0	0
Total	864	993	866	866	1,732
<u>Expenditures by Category</u>					
Total Compensation	851	816	750	747	1,497
Other Operating Expenses	11	177	116	119	235
Capital Outlay & Real Property	2	0	0	0	0
Total	864	993	866	866	1,732
Full-Time Equivalents (FTE)	11.6	10.5	9.6	9.1	

Activity Description

The Human Resources Division provides human resources services to the employees, prospective employees, and management of the Department of Administration (Admin) and the Office of Enterprise Technology (OET) by actively recruiting, hiring, developing, and retaining a productive, diverse, and highly competent workforce. The division's work is subject to compliance with federal and state law as well as internal policies and procedures.

Activity at a Glance

- ◆ 150 new hires per fiscal year;
- ◆ 98% of labor grievances per fiscal year are resolved without arbitration; and
- ◆ 60% of employees provided onsite or offsite training per fiscal year.

Population Served

The Human Resources Division serves 500 employees of Admin, 300 employees of OET, and 18 employees of various boards and councils.

Services Provided

The Human Resources Division provides the following services:

- ◆ recruitment and staffing;
- ◆ fringe benefits enrollment and administration;
- ◆ labor contract administration/employee relations;
- ◆ employee training and development;
- ◆ performance management and wage/compensation administration;
- ◆ Worker's Compensation, Occupational Safety and Health Administration (OSHA) compliance, and general safety/wellness program administration;
- ◆ Affirmative Action/ADA (Americans with Disabilities Act) and Family Medical Leave Act (FMLA) oversight and administration; and
- ◆ consultation on human resources management issues.

Key Program Goals

To offer a safe environment where people thrive and enjoy their work:

- ◆ Human Resources strives to attract and retrain well qualified employees. The division has been conducting interviews of newly hired employees to determine what they see as positive and negative aspects of working in Admin. The training and Human Resources staff has provided classes for supervisors on the approaches to integrating younger employees into their work units.

To provide our customers with valuable services, products, advice, and expertise:

- ◆ Efforts are being made to increase employee safety and reduce number and severity of injuries and related costs. The Human Resources Division is assisting a team of managers to analyze safety factors and workers' compensation costs. The committee has reviewed and recommended changes to the agency's pre-employment physical process.

To reduce costs:

- ◆ In an effort to increase employee attendance rates, the Human Resources Division provides managers and supervisors advice on coaching employees, defining overuse and misuse of leave, and taking disciplinary action when appropriate. HR has worked with one of the divisions to develop coaching methods that establish better, more frequent communication between supervisors and employees.

Key Measures

Human Resources strives to provide hiring supervisors and managers with resumes of qualified candidates for their vacancies within 48 hours of the application closing date. Human Resources staff work with supervisors and managers to establish appropriate qualifications for every vacancy filled.

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: HUMAN RESOURCES

Narrative

An additional performance measure includes ensuring that all Admin employees' performance appraisals are current so that each employee in the agency has an annual review. Managers and supervisors who do not comply with this measure do not receive their performance increases.

Activity Funding

This activity is funded through a general fund appropriation.

Contact

Director

Phone: (651) 201-2609

www.admin.state.mn.us

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: HUMAN RESOURCES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	450	492	481	481	962
Total	450	492	481	481	962
<u>Expenditures by Category</u>					
Total Compensation	378	390	370	382	752
Other Operating Expenses	72	102	111	99	210
Total	450	492	481	481	962
Full-Time Equivalents (FTE)	6.3	5.7	5.6	5.6	

Program Description

The purpose of the Fiscal Agent Program is to meet the administrative needs of the grant and other monies the Department of Administration (Admin) receives on behalf of multiple stakeholders. These funds are typically appropriated by the legislature for special projects. Admin distributes these funds to recipients, based on laws, statutes, policies, and procedures.

Budget Activities

- ◆ Public Broadcasting
- ◆ In-Lieu of Rent
- ◆ Misc. Grants/Studies/Other

Further detail on each of these Budget Activities is included in subsequent pages of this budget document.

ADMINISTRATION DEPT
 Program: FISCAL AGENT

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	22,244	9,843	9,843	9,843	19,686
Forecast Base	22,244	9,843	9,843	9,843	19,686
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	20,931	10,536	9,843	9,843	19,686
Statutory Appropriations					
Federal	647	0	0	0	0
Gift	0	7	0	0	0
Total	21,578	10,543	9,843	9,843	19,686
<u>Expenditures by Category</u>					
Total Compensation	11	12	0	0	0
Other Operating Expenses	7,904	7,921	7,888	7,888	15,776
Local Assistance	13,663	2,610	1,955	1,955	3,910
Total	21,578	10,543	9,843	9,843	19,686
<u>Expenditures by Activity</u>					
Public Broadcasting	12,319	2,605	1,955	1,955	3,910
In Lieu Of Rent	7,888	7,888	7,888	7,888	15,776
Misc Grants/Studies/Other	1,371	50	0	0	0
Total	21,578	10,543	9,843	9,843	19,686
Full-Time Equivalents (FTE)	0.2	0.0	0.0	0.0	

Activity Description

Public broadcasting is the grant administration program carried out for the legislature under specific appropriation language and M.S.129D.11-16. The program oversees this grant authority, disbursing funds in accordance with legislative appropriations and direction, and ensures compliance with statutory requirements.

Population Served

Television viewers and radio listeners throughout Minnesota are served by this activity.

Services Provided

Public Television

State funds are used by six recipient stations to sustain their ability to serve as a major community resource providing educational, cultural, economic development, public affairs, and children’s programming to the public, governmental agencies, nonprofit organizations, business corporations, and educational facilities. State grants are made in a direct and matching basis, consistent with the criteria established in M.S. 129D.11-16. Public Television signals cover approximately 98% of the state. State grants provide between three and 21% of individual stations’ operating budgets.

Public Radio

State funds are used to support the capital and operating needs of Association of Minnesota Public and Education Radio Stations (AMPERS) and capital projects (but no operating costs) for Minnesota Public Radio (MPR). Biennial grants to public radio stations are made pursuant to the underlying program established by M.S. 129D.14-16.

AMPERS - State funds are used to support radio stations operated by the 12 organizations belonging to AMPERS. These organizations serve Minnesota residents through radio programming that is local, unique in their communities, broadly educational, and serves underserved audiences. They provide programming designed to appeal to audiences not generally served by commercial broadcasters. In addition to their 12 main stations, they operate nine translators at other locations.

The AMPERS stations cover approximately 95% of the population and 90% of the geography of the state and serve 293,000 unique listeners per week. State grants provide between four and 60% of the individual stations’ total annual budget.

MPR – State funds are used to maintain, improve, and expand the Minnesota Public Radio Network (the “Statewide Network”), which provides virtually the entire state with both news/information and classical music programming. A third service, the Current, is broadcast in the Twin Cities and Rochester, providing new music programming with an emphasis on civic engagement and music by Minnesota artists. MPR’s three program services are also available online at www.mpr.org.

MPR broadcasts on 34 stations and 19 translators in Minnesota, reaching 750,000 listeners each week.

This network is unique as a broadcast service because it is relied upon by the state to provide vital security, safety, and public services including:

Activity at a Glance

- ◆ 1.2 million people per week view programming of the Minnesota Public Television Association.
- ◆ Public Radio stations provide news, information, cultural programming, and public services.
- ◆ Approximately 293,000 people listen one or more times per week to AMPERS public radio stations.
- ◆ 750,000 people listen to MPR stations weekly. Programming distributed by MPR reaches 15.4 million people nationally each week.
- ◆ MPR provides the state with infrastructure and services for the Emergency Broadcast System, for the Amber Alert System, and for the blind and visually impaired.
- ◆ Metro Cable Network reaches 600,000 cabled households in the seven-county metro area.

ADMINISTRATION DEPT

Program: FISCAL AGENT

Activity: PUBLIC BROADCASTING

Narrative

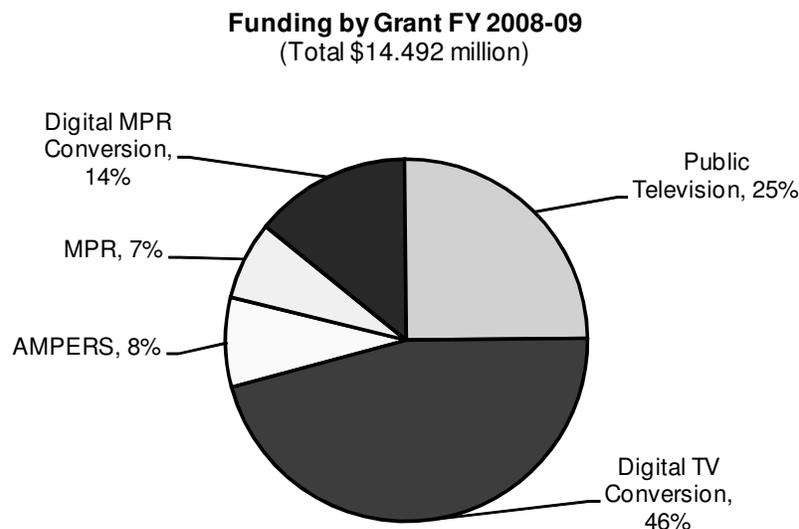
- ◆ The backbone of the statewide **Emergency Broadcast System (EBS)** providing emergency signals to all other radio, television, and cable stations in Minnesota;
- ◆ The backbone of the statewide **AMBER alert** system (child abduction warning system);
- ◆ The statewide broadcast infrastructure for **The Radio Talking Book** – a reading service for blind and visually impaired persons in the state – in cooperation with Minnesota State Services for the Blind;
- ◆ **New Hybrid Digital (“HD”) services**, including a Spanish language channel and programming for children and young families (limited currently to Twin Cities stations until distribution of HD to other stations is funded); and
- ◆ **Hmong Language Service**, serving the Hmong language population (on a subcarrier of KCMP in the Twin Cities) – in cooperation with Hmong Minnesota Radio.

Support from the state provided approximately 2% of MPR’s total capital and operating revenue during the FY 2007-08 biennium.

In addition to its regular capital and operating needs, public radio faces the immediate technical and ongoing financial challenge of converting to HD broadcasting. MPR has completed the digital conversion of 27 Minnesota stations, utilizing a \$2 million investment from the state matched by federal funds. MPR hopes to convert the seven remaining stations to HD during the FY 2009-10 biennium, also using state funds to match federal funds.

Twin Cities Regional Cable Channel

State funds are used to provide grant-in-aid to Twin Cities Regional Cable Channel, Inc., a nonprofit organization operating the Metro Cable Network. These state funds provide for approximately 5% of the Metro Cable Network operating budget. The network appears on Channel 6 on all metropolitan area cable systems presenting a wide range of programs about issues and activities of regional interest and significance as mandated by state statutes and designated by the Minnesota Cable Communications Board in 1985.



Activity Funding

This activity is funded through a general fund appropriation.

Contact

Director
Phone: (651) 201-2563
www.admin.state.mn.us

ADMINISTRATION DEPT
Program: FISCAL AGENT
 Activity: PUBLIC BROADCASTING

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	12,971	1,955	1,955	1,955	3,910
Forecast Base	12,971	1,955	1,955	1,955	3,910
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	12,319	2,605	1,955	1,955	3,910
Total	12,319	2,605	1,955	1,955	3,910
<u>Expenditures by Category</u>					
Other Operating Expenses	(2)	0	0	0	0
Local Assistance	12,321	2,605	1,955	1,955	3,910
Total	12,319	2,605	1,955	1,955	3,910

ADMINISTRATION DEPT

Program: FISCAL AGENT

Activity: IN LIEU OF RENT

Narrative

Activity Description

This activity serves as a pass-through account for legislative general fund appropriations for entities that do not directly pay for their leased space. *Ceremonial Space* – space in the Capitol Building such as the Rotunda, the governor’s residence, ceremonial grounds and monuments/memorials in the Capitol area; *Services for the Blind* – space occupied by blind vending operators in buildings (eight sites) under Plant Management Division’s custodial control (MS 248.07, subd. 7); and *Rent Waived* – space occupied in the Capitol, State Office Building, and Veterans Service Building by the house of representatives, senate, Revisor of Statutes, Legislative Reference Library, and congressionally chartered veterans’ organizations (MS 197.55 to 197.58).

Activity at a Glance

- ◆ 370,844 square feet of space maintained;
- ◆ 20 monuments and memorials maintained; and
- ◆ 28.3 acres of ceremonial grounds maintained.

Population Served

Services and support are provided to the legislature and constituents, Services for the Blind vending operators, congressionally chartered veterans’ organizations, and visitors.

Services Provided

Services provided include janitorial, maintenance, repair, trades, engineering, grounds, and utilities for the buildings and grounds identified above. The following is the breakdown of space (362,817 total square feet) serviced under this activity:

- ◆ Ceremonial Space – 37,120 square feet
- ◆ Services for the Blind – 4,267 square feet
- ◆ Rent Waived – 329,457 square feet

Key Measures

Provide well-maintained facilities and grounds that support a quality environment for building tenants through building tours, facility condition audits, and computer-assisted facilities management program.

Activity Funding

This activity is funded through a general fund appropriation.

Contact

Director

Phone: (651) 201-2350

Email: www.admin.state.mn.us/pmd

ADMINISTRATION DEPT
Program: FISCAL AGENT
Activity: IN LIEU OF RENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	7,888	7,888	7,888	7,888	15,776
Forecast Base	7,888	7,888	7,888	7,888	15,776
 <u>Expenditures by Fund</u>					
Direct Appropriations					
General	7,888	7,888	7,888	7,888	15,776
Total	7,888	7,888	7,888	7,888	15,776
 <u>Expenditures by Category</u>					
Other Operating Expenses	7,888	7,888	7,888	7,888	15,776
Total	7,888	7,888	7,888	7,888	15,776

ADMINISTRATION DEPT

Program: FISCAL AGENT

Activity: MISC GRANTS/STUDIES/OTHER

Narrative

Activity Description

This activity has been established to administer certain grants and other monies the agency receives through legislative appropriations.

Activity at a Glance

- ◆ Six construction grants currently in process

Population Served

Various grant recipients are served based on specific legislative intent.

Services Provided

Each of the activities within this program is established and operated under specific state legislation. Emphasis is placed on fulfilling the intent of the specific legislation, which varies with each activity. Processes are established and maintained for handling financial transactions, tracking information, and reporting the information. Contracts and agreements are an integral function of this activity. Administration (Admin) receives no operating funds for the administration of these grants and studies.

Construction Grants to Political Sub-Divisions

The legislature appropriates state funding to Admin for grants to local governments for a variety of capital projects. Funding may be approved through the state bonding bill or other state appropriation bills in the form of bond proceeds or general fund appropriations. Capital projects are subject to requirements of the Minnesota Constitution, state statutes, language contained in the appropriation bill, and state accounting policies. Current construction grants include:

- ◆ Eden Prairie - Veterans memorial (\$100,000);
- ◆ Hennepin County Medical Center – Predesign/design outpatient clinic and health education facility (\$820,000);
- ◆ Minneapolis - All wars memorial (\$100,000);
- ◆ Richfield - All veterans memorial (\$100,000);
- ◆ Virginia - Veterans memorial (\$100,000); and
- ◆ Washington County - Disabled Veteran's Rest Camp (\$500,000).

Governors Residence Council Gift Fund

Based on M.S. 16B.27, the council develops an overall restoration plan for the governor's residence and surrounding grounds and approves alterations in the existing structure. The council may solicit and accept donated money to maintain and improve the quality of furnishings for the public areas of the building. The Governor's Residence Council was established in 1980.

Legislative Commission on Minnesota Resources (LCMR) Project Grants

Based on M.S. 4.071, "Oil overcharge money" received by the state as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations is used for projects recommended by the LCMR, and appropriated by the legislature. Admin has been administering grants through this program since 1988. Currently there are no projects in process.

Activity Funding

This activity distributes a mix of state, gift, and bonded funds.

Contact

Director

Phone: (651) 201-2563

www.admin.state.mn.us

ADMINISTRATION DEPT

Program: FISCAL AGENT

Activity: MISC GRANTS/STUDIES/OTHER

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	1,385	0	0	0	0
Forecast Base	1,385	0	0	0	0
 <u>Expenditures by Fund</u>					
Direct Appropriations					
General	724	43	0	0	0
Statutory Appropriations					
Federal	647	0	0	0	0
Gift	0	7	0	0	0
Total	1,371	50	0	0	0
 <u>Expenditures by Category</u>					
Total Compensation	11	12	0	0	0
Other Operating Expenses	18	33	0	0	0
Local Assistance	1,342	5	0	0	0
Total	1,371	50	0	0	0
 Full-Time Equivalents (FTE)	 0.2	 0.0	 0.0	 0.0	

ADMINISTRATION DEPT

Agency Revenue Summary

Dollars in Thousands

	Actual FY2008	Budgeted FY2009	Current Law		Biennium 2010-11
			FY2010	FY2011	
<u>Non Dedicated Revenue:</u>					
Departmental Earnings (Inter-Agency):					
General	196	200	200	200	400
Other Revenues:					
General	450	500	0	0	0
Other Sources:					
General	1	0	0	0	0
Taxes:					
General	115	0	0	0	0
Total Non-Dedicated Receipts	762	700	200	200	400
<u>Dedicated Receipts:</u>					
Departmental Earnings (Inter-Agency):					
Miscellaneous Special Revenue	3,662	4,223	3,790	3,818	7,608
Risk Management	11,522	11,308	11,532	11,875	23,407
Plant Management	63,080	64,258	65,257	65,922	131,179
Documents And Publications	1,542	1,621	1,653	1,686	3,339
Central Motor Pool	13,724	12,912	13,867	14,352	28,219
Central Stores	6,643	6,728	6,863	7,000	13,863
Materials Distribution	10,762	10,432	11,087	11,430	22,517
Central Mailing	825	840	918	958	1,876
Departmental Earnings:					
Miscellaneous Special Revenue	421	691	720	730	1,450
Grants:					
Federal	1,996	2,014	1,646	1,499	3,145
Other Revenues:					
Miscellaneous Special Revenue	25,643	27,987	29,363	29,559	58,922
Federal	7	0	0	0	0
Risk Management	796	625	600	600	1,200
Gift	176	5	5	5	10
Plant Management	54	40	44	45	89
Central Motor Pool	2,850	1,875	1,875	1,875	3,750
Materials Distribution	115	146	101	101	202
Central Mailing	7,873	7,991	7,991	7,991	15,982
Other Sources:					
Miscellaneous Special Revenue	2,881	4,304	4,504	4,504	9,008
Materials Distribution	1	0	0	0	0
Total Dedicated Receipts	154,573	158,000	161,816	163,950	325,766
Agency Total Revenue	155,335	158,700	162,016	164,150	326,166