

ADMINISTRATION DEPT

Agency Profile

Agency Purpose

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

At a Glance

Facilities management services

- 4.4 million square feet of space cleaned, repaired, and maintained
- 22 facilities involved in improving energy efficiency
- 18 million pieces of mail processed

Procurement services

- \$2.1 billion in state purchases annually
- Approximately 1,500 goods and services contracts negotiated and managed
- Over 900 local government and other eligible members in Cooperative Purchasing Venture
- 46 states are members of Minnesota's pharmaceutical and medical supply purchasing cooperative

Government-to-government services

- \$12 billion in property and 13,400 vehicles insured
- 60,000 employees served through workers' compensation program
- 145 rapid improvement events at 18 agencies
- \$18.4 million in state agency surplus goods sold
- 15 small agencies, boards, and commissions served by SMART
- 92 development projects reviewed for archaeological significance

Construction and space leasing services

- 400-plus building projects and \$166 million in capital appropriations under management
- Over 3.6 million square feet of non-state space leased
- Provides guidance to ensure state-funded capital improvements achieve sustainability objectives

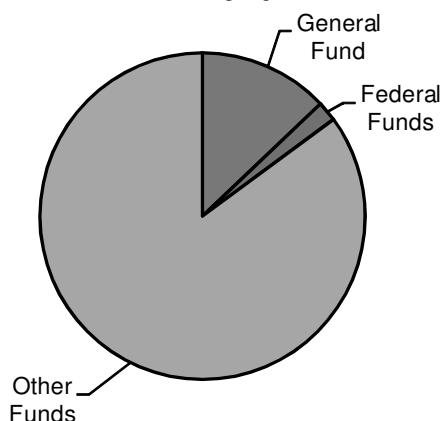
Government management services

- 17% of state agency motor fuel purchases are E85
- 14% decline in energy consumption in two years at 17 state-owned buildings
- 31% lower workers' compensation costs for state employees compared to other employers
- 98% of labor grievances resolved before arbitration

Citizen services

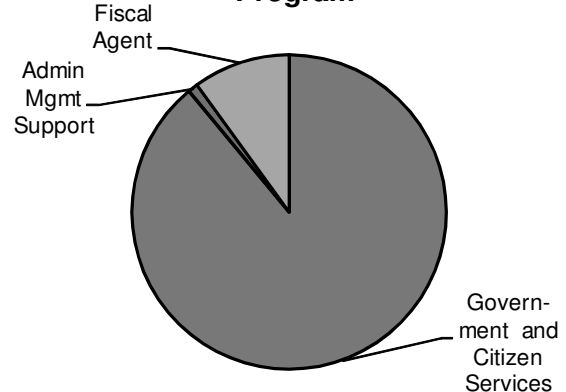
- Second-highest Census 2010 state response rate
- 25 cabinet-level agencies report goals, measures, performance at www.accountability.state.mn.us
- 578 Capitol-area public rallies and other events
- 789 Minnesota graduates of Partners in Policymaking leadership training program
- 1,146 assistive technology devices loaned to citizens through five non-profit partnerships

Est. FY 2010-11 Expenditures by Fund



Source data is the Minnesota Accounting and Procurement System (MAPS) FY 2010 expenditures and encumbrances as of 8-20-10. FY 2011 is based on current budget as of 8-20-2010.

Est. FY 2010-11 Expenditures by Program



Source data is the Minnesota Accounting and Procurement System (MAPS) FY 2010 expenditures and encumbrances as of 8-20-10. FY 2011 is based on current budget as of 8-20-2010.

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.

Although the agency primarily serves other state agencies, some activities serve many other populations as well. For example, Materials Management Division assists local governments, the education community, and other states to achieve best value in the procurement of goods and services. The Developmental Disabilities Council and the System of Technology to Achieve Results (STAR) Program assist government and the public by working to ensure that persons with disabilities are fully engaged in society. The Minnesota Geospatial Information Office coordinates the development, implementation, support, and use of geospatial information technology among state agencies; between the state and other units of government; and among non-government stakeholders.

Strategies

The agency's primary strategies are to:

- Ensure the wise use, allocation, and maintenance of existing structures and make sustainable investments in new facilities that support the mission and service delivery of the agencies we serve;
- Conserve natural and economic resources through the wise use of energy, sustainable design, and environmentally responsible purchasing;
- Offer customers sound policy and organizational advice, based on well-grounded research and experience, for better state decision-making;
- Build and sustain a continuous improvement culture in the delivery of government services; and
- Manage the state's procurement process to achieve enterprise-wide economies of scale.

Operations

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

Government and Citizen Services

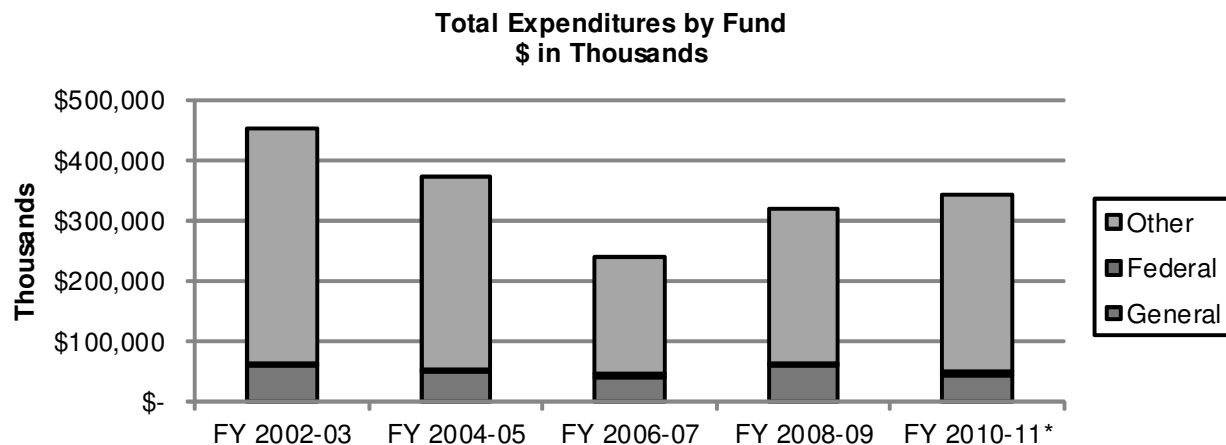
- The **Developmental Disabilities Council** seeks to assure that people with developmental disabilities receive necessary services and support for achieving increased independence, productivity, integration, and inclusion into the community.
- The **Environmental Quality Board** develops policy and reviews proposed projects that could significantly affect the environment. In addition, staffing and administrative support are provided to the board.
- **Fleet and Surplus Services** provides fleet management services to state agencies, including long-term vehicle leasing, maintenance support, fuel, and insurance. The division also assists in the acquisition, storage, disposal, and reuse of federal, state, and local surplus government goods.
- **Information Policy Analysis Division** advances understanding of and compliance with the Minnesota Government Data Practices Act, the Open Meeting Law, and other government-information policy laws.
- **Materials Management Division** acquires goods and services via methods that ensure the best value for the state's dollars and that conform to the highest ethical standards of public procurement. The division facilitates and oversees an average of \$2.1 billion in state agency purchases annually and administers three statewide and/or national cooperative purchasing programs.
- The **Minnesota Geospatial Information Office** (MnGeo) provides leadership and coordination for the effective use of geographic information and technology tools and systems across the state enterprise.
- The **Office of Enterprise Continuous Improvement** provides enterprise-wide expertise and training for improving organizational performance and results in state government agencies.
- The **Office of Grants Management** is responsible for standardizing, streamlining, and improving statewide grant-making practices and for increasing public access to information about state grant opportunities.
- The **Office of State Archaeologist** helps manage the state's archaeological resources, sponsors, conducts, and directs research into prehistoric and historic archaeology, and enforces laws concerning archaeological sites.

- **Plant Management Division** maintains 4.4 million square feet of space in 22 state-owned facilities, ensures the efficient use of energy in these facilities, works to reduce disposed waste, provides grounds maintenance, mail processing, and delivery services; manages parking services for employees and visitors in the Capitol complex; and operates Minnesota's Bookstore.
- **Real Estate and Construction Services** manages state remodeling and construction projects; ensures the sustainable design, construction, and operation of state facilities; and designs, acquires, leases, and disposes of office and other space.
- **Risk Management Division** operates the state's insurance program and manages the state workers' compensation and safety programs.
- The **Small Agency Resource Team (SmART)** delivers consolidated and streamlined human resources and financial management services to small state agencies, boards, and councils.
- The **State Demographer's Office** estimates, forecasts, and investigates changes in the state's population, analyzes census data, and distributes information. Serves as Minnesota's liaison to the U.S. Census Bureau.
- The **STAR Program** helps people of all ages with disabilities gain access to and acquire assistive technology that will maintain, improve, or increase their functional capabilities at home, school, and work.

Admin Management Services

- **Executive Support** provides leadership, communications, legislative, emergency preparedness planning and support, and data practices compliance services for the agency.
- **Financial Management and Reporting Division** provides financial management support, coordinates agency internal control activities, and performs fiscal agent functions.
- **Human Resources Division** provides training, safety, and personnel services to employees; administers labor agreements; and is responsible for agency payroll and employee benefit services.

Budget Trends



Source data is the Minnesota Accounting and Procurement System (MAPS) expenditures as of 8-20-10 for FY 2002-09. FY 2010 is based on MAPS expenditures and encumbrances as of 8-20-10. FY 2011 is based on current budget as of 8-20-2010 less the lease rate savings reduction.

Contact

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Strategic Plan: http://www.admin.state.mn.us/admin_strategicplan.html

Department Results: <http://www.accountability.state.mn.us/Departments/Administration/>

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	21,638	20,864	20,864	20,864	41,728
Forecast Base	21,638	20,864	20,511	20,511	41,022
Change		0	(353)	(353)	(706)
% Biennial Change from 2010-11					-3.5%
Miscellaneous Special Revenue					
Current Appropriation	250	0	0	0	0
Forecast Base	250	0	0	0	0
Change		0	0	0	0
% Biennial Change from 2010-11					-100%
Arts And Cultural Heritage					
Current Appropriation	6,500	7,900	7,900	7,900	15,800
Forecast Base	6,500	7,900	0	0	0
Change		0	(7,900)	(7,900)	(15,800)
% Biennial Change from 2010-11					-100%
<u>Expenditures by Fund</u>					
Carry Forward					
General	279	561	10	0	10
Direct Appropriations					
General	20,428	21,291	20,511	20,511	41,022
Miscellaneous Special Revenue	0	250	0	0	0
Arts And Cultural Heritage	6,305	7,831	0	0	0
Clean Water	0	70	70	0	70
Open Appropriations					
General	842	2,468	1,942	1,990	3,932
Statutory Appropriations					
Miscellaneous Special Revenue	37,741	46,888	42,486	43,950	86,436
Federal	1,849	1,810	1,581	1,507	3,088
Federal Stimulus	216	2,751	4,237	0	4,237
Risk Management	10,347	12,482	12,866	13,155	26,021
Gift	67	3	0	0	0
Plant Management	43,753	48,396	46,454	47,758	94,212
Documents And Publications	1,227	1,374	1,362	1,391	2,753
Central Motor Pool	14,729	16,795	17,499	18,344	35,843
Central Stores	2,811	1,056	0	0	0
Materials Distribution	11,318	13,771	14,564	14,942	29,506
Central Mailing	9,102	8,878	9,114	9,411	18,525
Total	161,014	186,675	172,696	172,959	345,655
<u>Expenditures by Category</u>					
Total Compensation	33,051	34,609	33,981	34,926	68,907
Other Operating Expenses	97,935	119,260	115,829	114,849	230,678
Capital Outlay & Real Property	1,088	390	85	75	160
Local Assistance	8,923	10,328	2,431	2,429	4,860
Other Financial Transactions	20,017	22,088	20,705	21,015	41,720
Transfers	0	0	(335)	(335)	(670)
Total	161,014	186,675	172,696	172,959	345,655

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Expenditures by Program</u>					
Govt And Citizen Services	142,855	167,079	160,888	161,151	322,039
Administrative Mgmt Services	1,526	1,905	1,718	1,718	3,436
Fiscal Agent	16,633	17,691	10,090	10,090	20,180
Total	161,014	186,675	172,696	172,959	345,655
<i>Full-Time Equivalents (FTE)</i>	480.7	489.7	479.7	481.5	

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 Disabilities Council
- Environmental Quality Board
- Fleet and Surplus Services
- Information Policy Analysis
- Materials Management Division
- Minnesota Geospatial Information Office
- Office of Enterprise Continuous Improvement
- Office of Grants Management
- 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

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	9,509	8,884	8,884	8,884	17,768
Technical Adjustments					
Current Law Base Change			(31)	(31)	(62)
Operating Budget Reduction			(31)	(31)	(62)
Transfers Between Agencies			(119)	(119)	(238)
Forecast Base	9,509	8,884	8,703	8,703	17,406
Miscellaneous Special Revenue					
Current Appropriation	250	0	0	0	0
Forecast Base	250	0	0	0	0

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Expenditures by Fund</u>					
Carry Forward					
General	279	540	10	0	10
Direct Appropriations					
General	8,564	9,429	8,703	8,703	17,406
Miscellaneous Special Revenue	0	250	0	0	0
Arts And Cultural Heritage	23	121	0	0	0
Clean Water	0	70	70	0	70
Open Appropriations					
General	842	2,468	1,942	1,990	3,932
Statutory Appropriations					
Miscellaneous Special Revenue	37,741	46,888	42,486	43,950	86,436
Federal	1,849	1,810	1,581	1,507	3,088
Federal Stimulus	216	2,751	4,237	0	4,237
Risk Management	10,347	12,482	12,866	13,155	26,021
Gift	54	0	0	0	0
Plant Management	43,753	48,396	46,454	47,758	94,212
Documents And Publications	1,227	1,374	1,362	1,391	2,753
Central Motor Pool	14,729	16,795	17,499	18,344	35,843
Central Stores	2,811	1,056	0	0	0
Materials Distribution	11,318	13,771	14,564	14,942	29,506
Central Mailing	9,102	8,878	9,114	9,411	18,525
Total	142,855	167,079	160,888	161,151	322,039
<u>Expenditures by Category</u>					
Total Compensation	31,714	33,255	32,636	33,574	66,210
Other Operating Expenses	89,410	110,594	107,298	106,325	213,623
Capital Outlay & Real Property	1,088	390	85	75	160
Local Assistance	626	752	499	497	996
Other Financial Transactions	20,017	22,088	20,705	21,015	41,720
Transfers	0	0	(335)	(335)	(670)
Total	142,855	167,079	160,888	161,151	322,039
<u>Expenditures by Activity</u>					
Developmental Disability Council	1,082	1,375	1,099	1,099	2,198
Environmental Quality Board	520	584	551	551	1,102
Fleet And Surplus Services	15,822	17,998	18,889	19,805	38,694
Information Policy Analysis	2,302	2,513	2,404	2,404	4,808
Materials Management	13,132	13,745	13,185	13,492	26,677
Mn Geospatial Info Office	1,739	2,727	1,674	1,540	3,214
Office Of Enterprise Cont Impr	133	138	135	135	270
Office Of Grants Management	97	199	125	125	250
Office Of State Archaeologist	204	211	206	206	412
Plant Management	60,731	71,686	65,614	67,332	132,946
Real Estate And Constr Service	4,146	7,967	8,091	3,795	11,886
Risk Management	41,572	46,539	47,592	49,344	96,936
Smart	207	293	248	248	496
Star	501	484	482	482	964
State Demographer	667	620	593	593	1,186
Total	142,855	167,079	160,888	161,151	322,039
Full-Time Equivalents (FTE)	461.8	470.5	461.0	463.1	

Activity at a Glance

- More than 16,000 Partners in Policymaking program graduates nationally/internationally since 1987; including 789 graduates from Minnesota
- 738,787 publications distributed (print and downloads)
- A total of 273,212 unique website visitors
- More than 600 people with developmental disabilities employed in the area of digital imaging in public/private sector businesses
- 40 students learned document imaging skills
- 800 self advocates attended 49 training sessions on housing, transportation, employment, and leadership

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 or family members of people with disabilities.

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, or about 59,500 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 to and usable by 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 passed by the Minnesota Legislature calls on state government to promote the employment of people with developmental disabilities in scanning government records.
- Information and training sessions about the concept of document imaging, the capabilities of individuals with developmental disabilities to work in scanning/document imaging positions, and the scanning technology available are arranged with businesses and day programs throughout Minnesota.

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 and updates to each of the five courses are being made.

Customer Focus and Quality Improvement

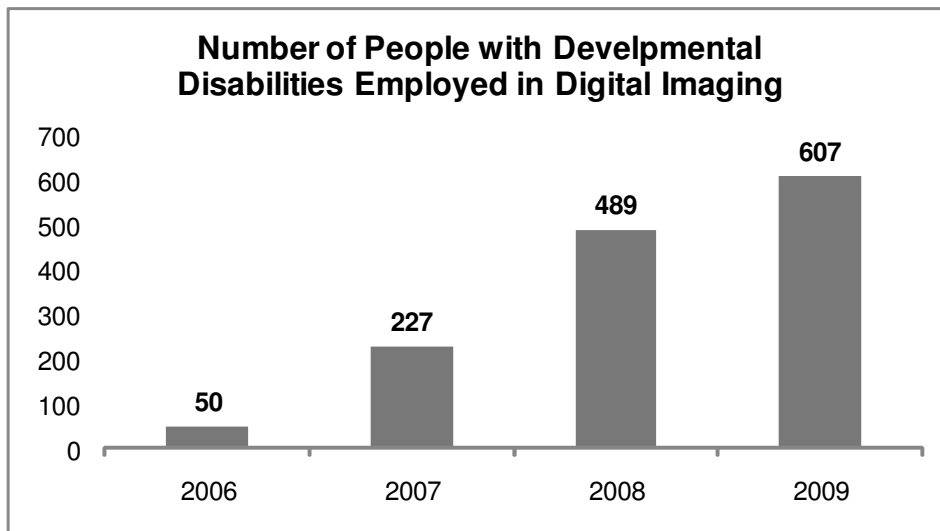
- Customer Research: Annual research studies are conducted on issues including the impact of the Americans with Disabilities Act on Minnesota businesses, use and benefits of information technologies on Minnesota households, and attitudinal changes of the general population about people with developmental disabilities during the past 45 years.
- Application of Malcolm Baldrige Quality Management Framework: Increases knowledge, understanding, and application of the Baldrige criteria to GCDD's business.

Key Activity Goals & Measures

Minnesota Milestones Statewide Goals - All people will be welcomed, respected, and able to participate fully in Minnesota's communities and economy

(<http://server.admin.state.mn.us/mm/goal.html>)

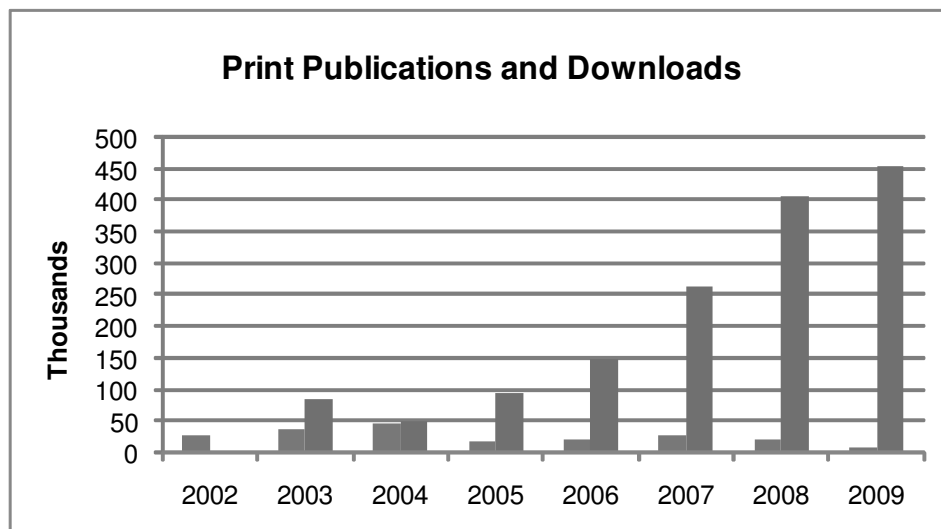
Goal 1) Employment/Document Imaging: This topic addresses Minnesota Milestones indicator 32: Employment of People with Disabilities. Over 600 people with developmental disabilities are working in document imaging jobs in public and private sector businesses that are using current technology to conserve space and preserve business records. Direct employment of people with developmental disabilities in a broad range of businesses, with pay at least at the minimum wage level, is a priority.



NOTE: Employment can be full time, part time, intermittent, or temporary.

Goal 2) Information/Education/Training: Over 500,000 GCDD publications and documents will be distributed.

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.



ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: DEVELOPMENTAL DISABILITY COUNCIL

Narrative

Activity Funding

The GCDD's annual allocation is part of a congressional appropriation to the U.S. Department of Health and Human Services. The federal fiscal year (FFY) 2010 allocation was \$1,025,295. Level funding is anticipated for FFY 2011. A required 25% non-federal match is acquired through a state General Fund appropriation and in-kind contributions from grantees.

Contact

Director

Phone: (651) 296-9964

MN Relay (800) 627-3529 or 711

Web sites: <http://www.mnddc.org>
<http://www.partnersinpolicymaking.com>
<http://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
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	201	193	193	193	386
Technical Adjustments					
Transfers Between Agencies			(119)	(119)	(238)
Forecast Base	201	193	74	74	148
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	74	74	74	74	148
Statutory Appropriations					
Miscellaneous Special Revenue	0	210	0	0	0
Federal	949	950	1,025	1,025	2,050
Federal Stimulus	59	141	0	0	0
Total	1,082	1,375	1,099	1,099	2,198
<u>Expenditures by Category</u>					
Total Compensation	246	214	289	289	578
Other Operating Expenses	338	524	415	415	830
Local Assistance	498	637	395	395	790
Total	1,082	1,375	1,099	1,099	2,198
Full-Time Equivalents (FTE)	3.5	3.0	3.9	3.9	

Activity at a Glance

In FY 2009 and 2010

- Rules revised to streamline and clarify environmental review in Minnesota
- Electronically published the *EQB Monitor* bi-weekly
- Addressed 1,525 calls for technical assistance
- Processed 22 citizen petitions, 180 environmental assessment worksheets, 27 alternative urban area wide reviews, and 36 environmental impact statements
- Adopted water resources report, addressing sustainability of state water supplies
- Developed an innovative Geographic Information System (GIS) web tool to help prospective water users evaluate impacts
- Contributed to four state reports on water sustainability
- Initiated collaborations to streamline state mandates for local land and water planning and assist local governments
- Convened a committee to identify future steps for fulfilling the board's environmental policy planning and coordination mandates.

Activity Description

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

- Administer the statewide environmental review program
- Coordinate state environmental policies and programs
- Develop the state water plan and water policy reports
- Study environmental issues
- Convene environmental congresses
- Advise the governor and the legislature

EQB staff is a unit within the Office of Geographic and Demographic Analysis.

Population Served

EQB serves executive branch agencies, the legislature, and Minnesota's citizens, focusing on those involved with or affected by development, and those interested in coordinated environmental policy and sustainable management of the state's natural resources.

Services Provided

EQB provides a public forum for discussing state environmental policies and decisions. EQB writes rules and provides guidance about the statewide environmental review program (M.S. 116D.04-.06), including 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. Chapter 116G), the study of 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

The EQB was established in 1973 as the state's environmental coordinating body. Since then, it has undertaken a broad range of environmental studies, including Mississippi River barge fleetings, animal agriculture, forestry, urban development, copper-nickel mining, genetically modified organisms, land use management, water management, and sustainable development. Major changes to board programs occurred 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).

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: ENVIRONMENTAL QUALITY BOARD

Narrative

Key Activity Goals & Measures

Minnesota Milestones Statewide Goals – Supports Environmental Cluster

(<http://server.admin.state.mn.us/mm/goal.html>)

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.*

Goal 1) Improve the efficiency and effectiveness of environmental review for project proposers, responsible governmental units, and the general public.

Measure: Adoption of improved environmental review forms and guidance. The 2010 legislature mandated the Department of Natural Resources (DNR), Minnesota Pollution Control Agency (MPCA), and EQB periodically examine environmental review and customize forms used for certain types of projects. EQB staff and member agencies have initiated a comprehensive review of forms and guidance typically used in environmental review with the objective of improving efficiency and effectiveness.

Goal 2) Move toward sustainable water management.

Measure: Adoption and initial implementation of decadal state water plan in 2010. Together with the University of Minnesota's Water Sustainability Framework and Clean Water Council recommendations, this plan will articulate state agency directions for the coming decade.

Measure: Substantial progress toward development of a decision support system for the Minnesota River Basin. The EQB is coordinating nonfederal partners and co-leading a state-US Army Corps of Engineers project to identify opportunities to restore ecosystem and economic vitality and water quality in the basin.

Goal 3) Streamline mandates for local land and water planning and integrate assistance to local governments.

Measure: Implementation of measures that streamline local government implementation of state land and water planning requirements, provide assistance and foster local-state partnerships. The EQB has convened interagency working groups to study and recommend improvements.

Goal 4) Undertake and participate in important environmental policy strategic planning and coordination.

Measure: The number of environmental policy strategic planning and coordination efforts that the EQB leads, or in which it participates. The EQB has led major efforts in recent years and has convened a committee of EQB citizen members to identify future actions for continuing to fulfill EQB's mandates. In addition to EQB-led efforts, participation by EQB staff in efforts led by other agencies and entities helps ensure that environmental policy-making is coordinated, comprehensive, and properly considers long-term implications.

	Efforts Led	EQB Participation
FY 2006-07	7	14
FY 2008-09	5	17
FY 2010-11	9	15

Activity Funding

EQB programs are supported by a general fund appropriation.

Contact

Executive Director

Phone: (651) 201-2462

Web site: <http://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
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	520	584	551	551	1,102
Total	520	584	551	551	1,102
<u>Expenditures by Category</u>					
Total Compensation	457	482	484	485	969
Other Operating Expenses	63	102	67	66	133
Total	520	584	551	551	1,102
Full-Time Equivalents (FTE)	4.8	4.9	4.6	4.5	

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 19 state agencies and numerous political subdivisions with fleet management planning, implementation, and ongoing review
- Implement enterprise-wide, cost effective, fleet management practices
- Provides assistance in the disposal of nearly \$20 million annually in surplus property

Activity Description

The Fleet and Surplus Services Division (FSS) supplies vehicles to state agencies and political subdivisions for use in the conduct of official business. Support services including maintenance, fuel, and insurance are also provided. FSS assists in the disposal and reuse of state, federal, and political subdivision 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 state agencies, political subdivisions, various nonprofit organizations, and the public.

Services Provided

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

- operates a long-term rental program providing a wide variety of passenger vehicles and light trucks
- assists state agencies in meeting the state and federal requirements for alternative fuel vehicle acquisition
- assists agencies in decreasing dependence on petroleum fuels
- monitors and adjusts leases to help customers realize best value from fleet equipment
- manages the disposal of state surplus property
- provides assistance in the re-use of government surplus items
- provides storage and handling services for state agencies

Historical Perspective

Fleet Services was established in 1961 to help state agencies effectively meet transportation needs. The program has evolved over the years to address more efficiently the changing needs of state government. Vehicle life cycles are monitored closely and tailored to best meet the work requirements of customers.

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. The FSP Program and State Surplus Property (SSP) Program were reorganized under one division in 1986 to maximize resources.

The Surplus Services unit merged with the Fleet Services unit in FY 2008 to become a single division within the Department of Administration (Admin). This co-location has provided opportunities to streamline operations and share support services.

Key Activity Goals & Measures

Admin Goal – To provide our customers with valuable services, products, advice, and expertise
(<http://www.admin.state.mn.us/admin.html>)

Goal 1) Fleet Services provides state agencies with a complete vehicle package including acquisition, insurance, maintenance/repair, fuel, and disposal. This allows customers to focus on their governmental missions.

Measure: Fleet Services reviews the use patterns and corresponding life cycles for state agency leased vehicles and adjusts leases to better align vehicle use with assigned life cycle.

Measure: Fleet Services facilitates the move away from petroleum dependency by increasing the use of alternative fuels. State fleet use of E85 fuel has increased by approximately 780 percent from calendar year 2005 to 2010.

Goal 2) Surplus Services provides information and recommendations for the optimal method of disposal to obtain the greatest return while addressing environmental objectives.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: FLEET AND SURPLUS SERVICES

Narrative

Measure: The Auction Program and Surplus Exchange Program return revenue to participating state agencies and political subdivisions (cities, counties, school districts, and others) to aid customers in replenishing equipment budgets.

Measure: Minnbid online auction software provides a public forum for state agencies and political subdivisions to sell their surplus items from their locations, avoiding time delays and transportation costs associated with transporting items to alternative locations.

Admin Goal – To reduce costs by working across government

(<http://www.admin.state.mn.us/admin.html>)

Goal 1) The physical co-location of the new Fleet and Surplus Services Division enhances the efficient sale of used vehicles. Co-location allows vehicles to be offered for sale as soon as they are physically present at the combined site. Vehicle sales include online auctions and live auctions.

Measure: The average number of days that a vehicle is not in use/assigned to a customer is 30 days or less.

Goal 2) In the current economic climate, government organizations are turning more to Surplus Services for used equipment to meet their needs because purchasing new items may not be a viable option.

Measure: The Property Exchange Program provides a common forum for state agencies and political subdivisions to reuse surplus property.

Measure: The Surplus Store maintains an inventory of usable state and federal surplus property for redistribution to eligible organizations.

Activity Funding

Fleet Services operates as an internal service fund that primarily provides services to state agencies. Surplus Services operates as an enterprise fund that provides services to a variety of customers. No money is appropriated to FSS from the state's general fund. Vehicle lease rates are calculated on an individual vehicle basis and take into account acquisition cost, fuel economy, and life cycle. This rate structure offers customers flexibility in managing vehicle expenses. As of 7-01-10, Fleet Services had eight full-time employees.

General Fund Loans:

General fund loans are used to refinance master lease loans so that the repayment schedules work within cash flow parameters. New vehicles are purchased 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, while reimbursement for the vehicle occurs over the life cycle of the vehicle. No general fund loans were used in FY 2010.

Operating Losses/Increases in Retained Earnings:

FY 2010 retained earnings increased due to lower than anticipated expenses. Retained earnings are used to improve cash flow and reduce the amount borrowed from the general fund.

History of Rate Changes:

Fiscal Year	2007	2008	2009	2010	2011
Change	3.5%	3.5%	0%	(3.0%)	(3.0%)

Impact of Rate Changes:

Assuming the same volume and mix of goods/services as in FY 2010, Fleet Services' customers will pay 3% less in FY 2011 than in FY 2010 because rates were reduced.

Contact

Director

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

Narrative

Fleet Services
Internal Service Fund
Fund Financial Statement
*** OPERATIONS DATA ***

	ACTUAL FY 2010	ESTIMATED FY 2011	PROJECTED FY 2012	PROJECTED FY 2013
OPERATING REVENUES:				
NET SALES	13,840.2	14,699.0	15,901.0	16,341.0
LESS: COST OF SALES				
GROSS PROFIT ON SALES	13,840.2	14,699.0	15,901.0	16,341.0
OTHER REVENUE				
NET REVENUES	13,840.2	14,699.0	15,901.0	16,341.0
LESS: OPERATING EXPENSES:				
SALARIES	644.5	655.9	767.2	786.8
SUPPLIES & EXPENSES	6,758.1	8,635.7	8,797.0	9,022.0
INDIRECT COSTS	331.4	435.0	435.0	435.0
AMORTIZATION & DEPRECIATION	4,897.6	5,458.0	5,488.0	5,518.0
TOTAL OPERATING EXPENSES	12,631.6	15,184.6	15,487.2	15,761.8
OPERATING INCOME (LOSS)	1,208.6	(485.6)	413.8	579.2
NON-OPERATING REVENUES (EXPENSES)	113.6	(210.0)	(50.0)	(50.0)
NET INCOME (LOSS)	1,322.2	(695.6)	363.8	529.2
BEGINNING RETAINED EARNINGS	8,329.5	9,617.6	8,922.0	9,285.8
PRIOR PERIOD ADJUSTMENT	(34.1)	0.0	0.0	0.0
ENDING RETAINED EARNINGS	9,617.6	8,922.0	9,285.8	9,815.0
RATE INCREASE/(DECREASE):	-3.00%	-3.00%	3.50%	3.50%
FTE	7.5	9.4	10.2	10.2
Expenditure Reconciliation to BBS				
Operating Expenses			15,487.2	15,761.8
Less amortization & depreciation (non cash)			(5,488.0)	(5,518.0)
Plus interest expense and purchase of vehicles and capital assets			7,500.0	8,100.0
Total cash payments			17,499.2	18,343.8
BBS Amounts - Financing by Fund				
Travel Management			17,499.0	18,344.0
Receipt Reconciliation to BBS				
Net Revenues			15,901.0	16,341.0
Interest Income from Non operating revenue/expenses			300.0	300.0
Sale of used vehicles and miscellaneous revenue			1,300.0	1,300.0
			17,501.0	17,941.0
BBS Amounts - Revenue Collected				
Travel Management			17,501.0	17,941.0

Note: Non-operating revenue/expenses generally includes interest revenue, interest expenses, gains/losses on sale of capital assets

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

Narrative

Fleet Services
Internal Service Fund
Fund Financial Statement

* FINANCIAL DATA *		
	ACTUAL FY 2010	ESTIMATED FY 2011
ASSETS:		
CURRENT ASSETS:		
CASH	2,205.3	2,719.6
OTHER CURRENT ASSETS	1,704.5	2,146.6
TOTAL CURRENT ASSETS	3,909.8	4,866.2
NON-CURRENT ASSETS:	17,730.9	18,009.4
TOTAL ASSETS	21,640.7	22,875.6
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0.0	0.0
MASTER LEASE - CURRENT	2,294.5	3,117.2
OTHER CURRENT LIABILITIES	321.5	326.2
TOTAL CURRENT LIABILITIES	2,616.0	3,443.4
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	8,809.4	9,902.6
OTHER NON-CURRENT LIABILITIES	95.7	105.6
TOTAL NON-CURRENT LIABILITIES	8,905.1	10,008.2
TOTAL LIABILITIES	11,521.1	13,451.6
FUND EQUITY:		
CONTRIBUTED CAPITAL-GENERAL FUND	502.0	502.0
RETAINED EARNINGS	9,617.6	8,922.0
TOTAL FUND EQUITY	10,119.6	9,424.0
TOTAL LIABILITIES & FUND EQUITY	21,640.7	22,875.6

ADMINISTRATION DEPT**Program: GOVT AND CITIZEN SERVICES****Activity: FLEET AND SURPLUS SERVICES****Narrative**
Surplus Services
Internal Service Fund
Fund Financial Statement

(Dollars in thousands)

* OPERATIONS DATA *				
	ACTUAL FY 2010	ESTIMATED FY 2011	PROJECTED FY 2012	PROJECTED FY 2013
OPERATING REVENUES:				
NET SALES	1,293.1	1,291.8	1,275.0	1,275.0
LESS: COST OF SALES	154.3	200.0	175.0	200.0
GROSS PROFIT ON SALES	1,138.8	1,091.8	1,100.0	1,075.0
OTHER REVENUE	0.0	0.0	0.0	0.0
NET REVENUES	1,138.8	1,091.8	1,100.0	1,075.0
LESS: OPERATING EXPENSES:				
SALARIES	488.5	477.4	532.0	543.6
SUPPLIES & EXPENSES	356.6	448.7	605.0	637.4
INDIRECT COSTS	75.2	76.0	78.0	80.0
AMORTIZATION & DEPRECIATION	95.4	89.5	69.5	69.5
TOTAL OPERATING EXPENSES	1,015.7	1,091.6	1,284.5	1,330.5
OPERATING INCOME (LOSS)	123.1	0.2	(184.5)	(255.5)
NON-OPERATING REVENUES (EXPENSES)	10.5	0.0	0.0	0.0
NET INCOME (LOSS)	133.6	0.2	(184.5)	(255.5)
BEGINNING RETAINED EARNINGS	1,257.6	1,407.4	1,407.6	1,223.1
PRIOR PERIOD ADJUSTMENT	16.2	0.0	0.0	0.0
ENDING RETAINED EARNINGS	1,407.4	1,407.6	1,223.1	967.6
RATE INCREASE/(DECREASE):	0.00%	0.00%	0.00%	0.00%
FTE	7.4	7.2	7.7	7.7
Expenditure Reconciliation to BBS				
Operating Expenses			1,284.5	1,330.5
Less amortization & depreciation (non cash)			(69.5)	(69.5)
Plus purchase of items for resale (cost of goods sold)			175.0	200.0
Total cash payments			1,390.0	1,461.0
BBS Amounts - Financing by Fund				
Materials Distribution - Surplus Property			1,390.0	1,461.0
Receipt Reconciliation to BBS				
Net Sales			1,275.0	1,275.0
BBS Amounts - Revenue Collected				
Materials Distribution - Surplus Property			1,275.0	1,275.0

Note: FY08 change of 3.7% for storage and forms fees only. FY09 - 2% auction admin fee decrease on sale of items with revenue of more than \$4,000.

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

Narrative

**Surplus Services
Internal Service Fund
Fund Financial Statement**

* FINANCIAL DATA *		
	ACTUAL FY 2010	ESTIMATED FY 2011
ASSETS:		
CURRENT ASSETS:		
CASH	757.4	828.3
OTHER CURRENT ASSETS	87.1	85.7
TOTAL CURRENT ASSETS	844.5	914.0
NON-CURRENT ASSETS:		
	818.7	728.7
TOTAL ASSETS	1,663.2	1,642.7
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0.0	0.0
MASTER LEASE - CURRENT	0.0	0.0
OTHER CURRENT LIABILITIES	53.4	32.7
TOTAL CURRENT LIABILITIES	53.4	32.7
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	0.0	0.0
OTHER NON-CURRENT LIABILITIES	80.4	80.4
TOTAL NON-CURRENT LIABILITIES	80.4	80.4
TOTAL LIABILITIES	133.8	113.1
FUND EQUITY:		
CONTRIBUTED CAPITAL-GENERAL FUND	122.0	122.0
RETAINED EARNINGS	1,407.4	1,407.6
TOTAL FUND EQUITY	1,529.4	1,529.6
TOTAL LIABILITIES & FUND EQUITY	1,663.2	1,642.7

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: FLEET AND SURPLUS SERVICES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Miscellaneous Special Revenue	2	0	0	0	0
Central Motor Pool	14,729	16,795	17,499	18,344	35,843
Materials Distribution	1,091	1,203	1,390	1,461	2,851
Total	15,822	17,998	18,889	19,805	38,694
<u>Expenditures by Category</u>					
Total Compensation	1,023	1,133	1,299	1,330	2,629
Other Operating Expenses	14,799	16,318	17,515	18,400	35,915
Capital Outlay & Real Property	0	50	75	75	150
Other Financial Transactions	0	497	0	0	0
Total	15,822	17,998	18,889	19,805	38,694
Full-Time Equivalents (FTE)	14.9	16.6	17.9	17.9	

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: INFORMATION POLICY ANALYSIS

Narrative

Activity at a Glance

On average, the Information Policy Analysis Division (IPAD) has annually

- Issued 30 advisory opinions
- Resolved questions or requests for assistance from more than 12,000 citizens, media professionals, government entities, and attorneys
- Sponsored and participated in 32 continuing education events and conferences and trained over 1,150 attendees

For the period 7-01-2008 through 6-30-2010, IPAD's website had 281,968 visits.

Activity Description

The Information Policy Analysis Division (IPAD) provides government entities, private sector organizations, the legislature, and citizens with information and training on the Open Meeting Law and 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.

Government information is regulated by extensive rules. These include the Minnesota Government Data Practices Act, the federal Family Educational Rights and Privacy Act and related rules, M.S. 144.291 (the Minnesota Health 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. 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 state and local government entities, private citizens, the media, private sector organizations, public and private attorneys, and the legislature.

Services Provided

IPAD services include: answer questions about rights under and requirements of various information laws; consult on difficult information policy issues; provide staff services to the commissioner of Administration (Admin) in performing statutory duties that include issuing data practices and open meeting law advisory opinions, act on appeals to challenges to government data, act on applications for temporary classification of data and requests to make new uses of data; prepare and distribute model compliance and informational materials; develop, update, and operate a publicly accessible website that contains all advisory opinions and all informational materials prepared by the division; conduct training for state and local government entities; conduct information sessions for citizens; provide training materials that enable government entities to conduct their own training; answer citizen inquiries and advise on how to exercise their rights; and work 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 experienced numerous revisions and additions. Issues of information policy, such as data privacy, fair information practices, genetic privacy, identity theft, security breaches, and government-computer-based systems complaint with the law continue to receive widespread attention.

Key Activity Goals & Measures

Admin Goal – To provide our customers with valuable services, products, advice, and expertise
(<http://www.admin.state.mn.us/admin.html>)

Measure: Assess IPAD-sponsored training effectiveness. A high goal was set that 90% of training respondents definitely would utilize the training provided by IPAD in their job. In FY 2010, this goal of was achieved.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: INFORMATION POLICY ANALYSIS

Narrative

Measure: Assess the effectiveness of reactive trainings provided as a part of another organization's larger agenda or program. When IPAD does not control the overall curriculum nor the audience, it is expected that a smaller percentage of training participants (75%) would definitely utilize the training in their work. In FY 2010, the goal was exceeded slightly with 77%.

Minnesota Milestones Statewide Goals - Government in Minnesota will be cost-efficient, and services will be designed to meet the needs of the people who use them.

(<http://server.admin.state.mn.us/mm/goal.html>)

Measure: IPAD provides technical assistance on complex data practices and Open Meeting Law issues to citizens, members of the media, state and local government entities, and private attorneys each year.

Measure: IPAD produces webinars, quarterly electronic newsletters, Power Point presentations, and other informational materials for citizen and government customers.

Measure: IPAD continues to develop and implement new training programs on the Open Meeting Law and data practices.

Activity Funding

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

Contact

Director

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ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: INFORMATION POLICY ANALYSIS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	2,292	2,503	2,394	2,394	4,788
Statutory Appropriations					
Miscellaneous Special Revenue	10	10	10	10	20
Total	2,302	2,513	2,404	2,404	4,808
<u>Expenditures by Category</u>					
Total Compensation	2,116	2,189	2,163	2,198	4,361
Other Operating Expenses	186	324	241	206	447
Total	2,302	2,513	2,404	2,404	4,808
Full-Time Equivalents (FTE)	25.4	25.2	25.5	25.3	

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: MATERIALS MANAGEMENT

Narrative

Activity at a Glance

- Oversees an average \$2.1 billion annually in Minnesota state agency purchasing
- Negotiates and manages approximately 1,500 enterprise contracts offering volume discounts to state agencies. Over 800 of these contracts are available for use by more than 900 local units of government and other authorized entities
- Reviews an average of approximately 6,000 professional/technical contracts and related documents per year
- Negotiated in excess of \$60 million in contract savings and cost avoidance for government entities in FY 2009 and FY 2010

Activity Description

The Materials Management Division (MMD) acquires goods and services using methods that ensure the best value for taxpayers' dollars and that conform to the highest ethical standards of public procurement. The division facilitates and oversees an average of \$2.1 billion in state agency purchases each year. The statutory framework for the division's activities is M.S. Chapter 16C – State Procurement.

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 900 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.

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 the Minnesota Accounting and Procurement System (MAPS);
- partnering with Minnesota Management & Budget in the development of Statewide Integrated Financial Tools (SWIFT) procurement functions;
- 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; and
- operating a cooperative purchasing program for Minnesota's local units of government and other authorized entities and the Minnesota Multi-State Contracting Alliance for Pharmacy (MMCAP), a pharmaceutical purchasing program on behalf of 46 states and the cities of Chicago and Los Angeles.

Historical Perspective

Minnesota's procurement laws seek 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, persons with disabilities, 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 in which 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 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 legislative direction and the department's strategic goals are described in "Key Activity Goals & Measures" below.

In December 2009, to reduce costs, gain efficiencies, and provide best value to customers, MMD transitioned its long-standing, in-house office supply operation to contracts with the private sector and a private, non-profit Day

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: MATERIALS MANAGEMENT

Narrative

Training and Habilitation provider licensed by the Department of Human Services. This change has resulted in cost reductions for office supply purchases by state agencies and other purchasers, along with increased employment opportunities for persons with disabilities.

Key Activity Goals & Measures

Admin Goal – To reduce costs by working across government

(<http://www.admin.state.mn.us/admin.html>)

Measure: MMD aggressively negotiates state contracts to achieve price reductions below the best competitive offer initially received. In FY 2009, this strategy yielded an estimated savings or cost avoidance valued at \$27.8 million on goods and services contracts and \$7.3 million on professional and technical contracts over the life of the contracts. In FY 2010, it yielded \$9.9 million on goods and services contracts and \$15.7 on professional/technical contracts.

- MMD awards and manages approximately 1,500 contracts for use by state agencies and other units of government. These contracts cover frequently-purchased goods (e.g., vehicles, heavy equipment, food, uniforms, computers, cell phones, industrial supplies, furniture), services (e.g. janitorial, interpretation, equipment maintenance, technology consulting) and construction. By utilizing state contracts, local units of government benefit from both the state's aggregated buying power and the assurance that contracts have been lawfully awarded.

Admin Goal – To provide our customers with valuable services, products, advice, and expertise

(<http://www.admin.state.mn.us/admin.html>)

Measure: MMD attempts to review professional/technical contracts, certifications, amendments, and related documents within three days of receipt. The average for the approximately 6,000 documents processed annually has steadily improved over the past five years

FY	2006	2007	2008	2009	2010
Days	2.83	2.58	2.39	1.81	1.44

- MMD promotes and oversees procurement practices that 1) provide the best value to the taxpayers, 2) are open, fair and competitive, and 3) adhere to the highest ethical and legal standards.
- MMD assists agencies with the state's most complex, high-stakes acquisitions including a new accounting/procurement system (SWIFT), Public Safety's Minnesota Licensing and Registration System (MnLARS), a 50-state computer contract managed by Minnesota, telecommunications systems, procurement cards and, in conjunction with the Office of Enterprise Technology, a new program that places technical resources in agencies within 48 hours of the identified need (ASAP-IT).
- MMD trains and certifies state employees who are then authorized to make purchases on behalf of their agencies within designated dollar levels. Currently, 661 state employees are so certified. Additionally, the division offers training for state employees on a variety of procurement issues. In FY 2010, approximately 1,600 individuals, primarily state and local government employees and vendors, attended classes, workshops and other presentations on priority topics such as bidding for conference facilities and effective negotiation practices.

Admin Goal – To be recognized for our innovation and efficiency

(<http://www.admin.state.mn.us/admin.html>)

Measure: To continue innovative procurement performance worthy of national recognition from objective parties as a "best practices" state.

- MMD received the 2010 George Cronin Award for Procurement Excellence. The Cronin Award is presented by the National Association of State Procurement Officials who describe it as "the premier award for innovations in state government procurement." The 2010 award is shared between Minnesota and

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: MATERIALS MANAGEMENT

Narrative

Wisconsin and recognizes this two-state partnership for its inventiveness, costs savings, transferability to other governments, and enhanced services for customers. The initiative was also documented in the August 2010 issue of Governing as "The Great 'Minnesconsin' Adventure."

- MMD was further recognized for leadership in strategic procurement by the Pew Center on the States in a study and white paper issued in May 2010 entitled "States Buying Smarter: Lessons in Purchasing and Contracting from Minnesota to Virginia."

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 programs are self-sustaining enterprise funds.

Contact

Director

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

Narrative

Cooperative Purchasing
Internal Service Fund
Fund Financial Statement
(Dollars in thousands)
*** OPERATIONS DATA ***

	ACTUAL FY 2010	ESTIMATED FY 2011	PROJECTED FY 2012	PROJECTED FY 2013
OPERATING REVENUES:				
NET SALES	11,513.4	13,949.0	14,296.0	14,701.0
LESS: COST OF SALES	0.0	0.0	0.0	0.0
GROSS PROFIT ON SALES	11,513.4	13,949.0	14,296.0	14,701.0
OTHER REVENUE	0.0	0.0	0.0	0.0
NET REVENUES	11,513.4	13,949.0	14,296.0	14,701.0
LESS: OPERATING EXPENSES:				
SALARIES	3,153.8	4,014.0	4,185.0	4,282.0
SUPPLIES & EXPENSES	1,141.2	1,758.0	1,866.0	1,866.0
INDIRECT COSTS	77.4	98.0	98.0	98.0
AMORTIZATION & DEPRECIATION	0.0	0.0	0.0	0.0
TOTAL OPERATING EXPENSES	4,372.4	5,870.0	6,149.0	6,246.0
OPERATING INCOME (LOSS)	7,141.0	8,079.0	8,147.0	8,455.0
NON-OPERATING REVENUES (EXPENSES)	(6,698.3)	(6,698.0)	(7,025.0)	(7,235.0)
NET INCOME (LOSS)	442.7	1,381.0	1,122.0	1,220.0
BEGINNING RETAINED EARNINGS	3,151.5	2,389.0	3,770.0	4,892.0
PRIOR PERIOD ADJUSTMENT	243.4	0.0	0.0	0.0
ENDING RETAINED EARNINGS	3,837.6	3,770.0	4,892.0	6,112.0
RATE INCREASE/(DECREASE): *	0.00%	0.00%	0.00%	0.00%
FTE	37.2	45.6	47.0	47.0
Expenditure Reconciliation to BBS				
Operating Expenses			6,149.0	6,246.0
Less amortization & depreciation (non cash)			0.0	0.0
Plus cash payment of rebate in Non-operating revenues/expense			7,025.0	7,235.0
Total cash payments			13,174.0	13,481.0
BBS Amounts - Financing by Fund				
Materials Distribution			13,174.0	13,481.0
Receipt Reconciliation to BBS				
Net Sales			14,296.0	14,701.0
Total cash receipts			14,296.0	14,701.0
BBS Amounts - Revenue Collected				
Materials Distribution			14,296.0	14,701.0

* Note: Contract fees paid by vendors are determined on a case-by-case basis and may either increase or decrease as specific contracts are negotiated.

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

Narrative

**Cooperative Purchasing
Internal Service Fund
Fund Financial Statement**

* FINANCIAL DATA *		
	ACTUAL FY 2010	ESTIMATED FY 2011
ASSETS:		
CURRENT ASSETS:		
CASH	8,943.1	8,641.6
OTHER CURRENT ASSETS	2,435.7	2,799.0
TOTAL CURRENT ASSETS	11,378.8	11,440.6
NON-CURRENT ASSETS:	0.0	0.0
TOTAL ASSETS	11,378.8	11,440.6
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0.0	0.0
MASTER LEASE - CURRENT	0.0	0.0
OTHER CURRENT LIABILITIES	7,222.3	7,345.6
TOTAL CURRENT LIABILITIES	7,222.3	7,345.6
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	0.0	0.0
OTHER NON-CURRENT LIABILITIES	318.9	325.0
TOTAL NON-CURRENT LIABILITIES	318.9	325.0
TOTAL LIABILITIES	7,541.2	7,670.6
FUND EQUITY:		
CONTRIBUTED CAPITAL-GENERAL FUND	0.0	0.0
RETAINED EARNINGS	3,837.6	3,770.0
TOTAL FUND EQUITY	3,837.6	3,770.0
TOTAL LIABILITIES & FUND EQUITY	11,378.8	11,440.6

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

Narrative

**Office Supply Connection
Internal Service Fund
Fund Financial Statement**

(Dollars in thousands)

*** OPERATIONS DATA ***

	ACTUAL FY 2010	ESTIMATED FY 2011	PROJECTED FY 2012	PROJECTED FY 2013
OPERATING REVENUES:				
NET SALES	2,830.1	(10.6)	0.0	0.0
LESS: COST OF SALES	2,320.3	0.0	0.0	0.0
GROSS PROFIT ON SALES	509.8	(10.6)	0.0	0.0
OTHER REVENUE	0.0	0.0	0.0	0.0
NET REVENUES	509.8	(10.6)	0.0	0.0
LESS: OPERATING EXPENSES:				
SALARIES	295.6	(19.2)	0.0	0.0
SUPPLIES & EXPENSES	256.4	0.0	0.0	0.0
INDIRECT COSTS	154.5	11.0	0.0	0.0
AMORTIZATION & DEPRECIATION	0.5	0.0	0.0	0.0
TOTAL OPERATING EXPENSES	707.0	(8.2)	0.0	0.0
OPERATING INCOME (LOSS)	(197.2)	(2.4)	0.0	0.0
NON-OPERATING REVENUES (EXPENSES) *	(147.2)	(812.2)	0.0	0.0
NET INCOME (LOSS)	(344.4)	(814.6)	0.0	0.0
BEGINNING RETAINED EARNINGS	1,159.0	814.6	0.0	0.0
PRIOR PERIOD ADJUSTMENT	0.0	0.0	0.0	0.0
ENDING RETAINED EARNINGS	814.6	(0.0)	0.0	0.0
RATE INCREASE/(DECREASE):	0.00%			
	<i>on stocked products</i>			
FTE	4	0	0	0

Expenditure Reconciliation to BBS

Operating Expenses	0.0	0.0
Less amortization & depreciation (non cash)	0.0	0.0
Plus purchase of inventory for stock	0.0	0.0
Plus purchase of items for resale (cost of goods sold)	0.0	0.0
Total cash payments	0.0	0.0

BBS Amounts - Financing by Fund
MMD Office Supply Connection

0.0 0.0

Receipt Reconciliation to BBS

Net Sales	0.0	0.0
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BBS Amounts - Revenue Collected
MMD Office Supply Connection

0.0 0.0

* The operations closed in December 2009. The retained earnings have been distributed to the fund from which purchases have been made. These distributions are included in the Non-operating revenues (expenses) amounts in this statement for BBS reporting purposes only.

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

Narrative

**Office Supply Connection
Internal Service Fund
Fund Financial Statement***** FINANCIAL DATA ***

	ACTUAL FY 2010	ESTIMATED FY 2011
ASSETS:		
CURRENT ASSETS:		
CASH	1,256.6	0.0
OTHER CURRENT ASSETS	15.2	0.0
TOTAL CURRENT ASSETS	1,271.8	0.0
NON-CURRENT ASSETS:	0.0	0.0
TOTAL ASSETS	1,271.8	0.0
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0.0	0.0
MASTER LEASE - CURRENT	0.0	0.0
OTHER CURRENT LIABILITIES	173.8	0.0
TOTAL CURRENT LIABILITIES	173.8	0.0
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	0.0	0.0
OTHER NON-CURRENT LIABILITIES	18.4	0.0
TOTAL NON-CURRENT LIABILITIES	18.4	0.0
TOTAL LIABILITIES	192.2	0.0
FUND EQUITY:		
CONTRIBUTED CAPITAL-GENERAL FUND	265.0	0.0
RETAINED EARNINGS	814.6	0.0
TOTAL FUND EQUITY	1,079.6	0.0
TOTAL LIABILITIES & FUND EQUITY	1,271.8	0.0

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: MATERIALS MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Miscellaneous Special Revenue	22	11	11	11	22
Federal Stimulus	72	110	0	0	0
Central Stores	2,811	1,056	0	0	0
Materials Distribution	10,227	12,568	13,174	13,481	26,655
Total	13,132	13,745	13,185	13,492	26,677
<u>Expenditures by Category</u>					
Total Compensation	3,551	4,099	4,185	4,282	8,467
Other Operating Expenses	3,586	1,884	1,975	1,975	3,950
Other Financial Transactions	5,995	7,762	7,025	7,235	14,260
Total	13,132	13,745	13,185	13,492	26,677
Full-Time Equivalents (FTE)	41.2	46.8	47.0	47.0	

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: MN GEOSPATIAL INFO OFFICE

Narrative

Activity at a Glance

- Coordinates state Geographic Information Systems (GIS) support for response to floods
- Negotiates and manages enterprise GIS software license agreement benefiting 14 agencies
- Provides 14.4 million requested map images through web services in 2010
- 28 GIS consulting projects valued at more than \$600,000 of services in 2010
- Coordinates acquisition and management of data valued at more than \$3 million in 2010
- Coordinates Minnesota interactions with federal programs involving GIS issues

Activity Description

The Minnesota Geospatial Information Office (MnGeo) coordinates the state's development, management, and use of geospatial information technology, including Geographic Information Systems (GIS). With broadly defined responsibilities authorized by M.S. 16B.99, MnGeo works closely with state agencies and stakeholders to improve services statewide through the coordinated, affordable, reliable, and effective use of GIS. Headed by the state's first Geospatial Information Officer, MnGeo works closely with the Office of Enterprise Technology and is guided by advisory councils established to represent state agencies and organizations throughout Minnesota. MnGeo is a unit within the Office of Geographic and Demographic Analysis.

Population Served

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

Services Provided

GIS Coordination: MnGeo works with stakeholders throughout Minnesota to coordinate GIS, develop and implement standards and shared services; and integrate GIS with other technologies. For example, MnGeo has negotiated an enterprise license agreement that standardized GIS software among state agencies, expanding its use at savings up to 80% of the previous cost. MnGeo also coordinated statewide programs to acquire high-resolution imagery and elevation data (LiDAR), benefitting state agencies and local governments throughout Minnesota. MnGeo also represents the state's GIS interests nationally as the state's liaison with federal agencies.

Data Services: MnGeo serves as the state's steward of publicly funded spatial data. In this role, MnGeo 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, and 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 MnGeo functions, which are supported by the general fund, the Service Bureau is entirely funded by project revenues.

Historical Perspective

MnGeo succeeds the Land Management Information Center (LMIC), which was established 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 during the early years. As state agencies and local governments adopted the technology, LMIC's role shifted to coordination of geospatial information technology, promoting access to standardized geospatial data, developing GIS-based decision support tools that help organizations improve their effectiveness, and consulting with agencies in need of GIS assistance. Supported by stakeholders who participated in an extensive statewide assessment of GIS use, 2009 legislation established MnGeo with a broad and comprehensive mandate to coordinate Minnesota's geospatial information technology. MnGeo is recognized within the state and around the nation for leadership and creativity in the GIS field.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: MN GEOSPATIAL INFO OFFICE

Narrative

Key Activity Goals & Measures

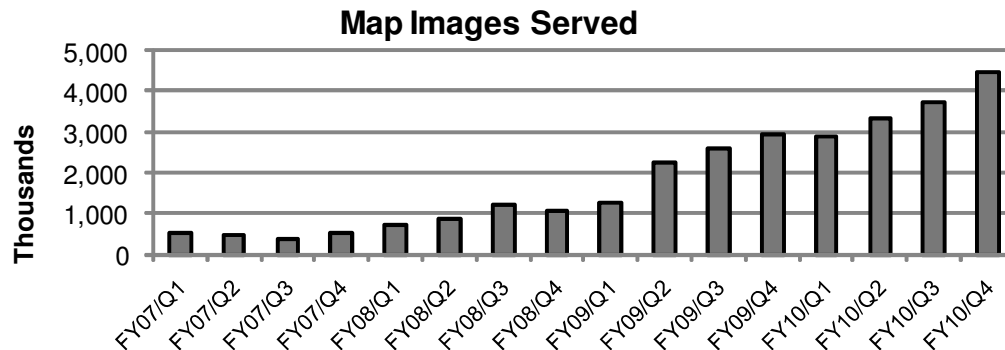
Admin Goal – To provide our customers with valuable services, products, advice, and expertise
(<http://www.admin.state.mn.us/admin.html>)

Measure: The average *quality of service* score on MnGeo's customer satisfaction surveys based upon a five-point scale where four = Good and five = Excellent. For FY 2010, those scores averaged 4.6, with 94% of the evaluations rated as Good or Excellent.

Admin Goal – To be recognized for our innovation and efficiency

(<http://www.admin.state.mn.us/admin.html>)

Measure: The number of map images served by MnGeo web mapping services designed to deliver data effectively and directly to GIS users and web mapping applications. During FY 2010, more than 14.4 million map images were served in "real time" to state agencies, local governments and other users throughout Minnesota. This number will continue to grow as MnGeo acquires and hosts new imagery.



Admin Goal – To reduce costs by working across government

(<http://www.admin.state.mn.us/admin.html>)

Measure: Continued agency demand for MnGeo's Project Service Bureau consulting that is self-supporting at below market rates.

Activity Funding

MnGeo depends upon a general fund appropriation to support its core coordination activities. These are supplemented by grants, generally from federal agencies, that involve coordination between the state and federal programs. Project services are funded through contracts with agencies with fees based on rates established through an annual review process with Minnesota Management & Budget (MMB).

Contact

Chief Geospatial Information Officer

Phone: (651) 201-2460

Web site: <http://www.mngeo.state.mn.us>

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: MN GEOSPATIAL INFO OFFICE

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	802	802	802	802	1,604
Technical Adjustments					
Operating Budget Reduction			(2)	(2)	(4)
Forecast Base	802	802	800	800	1,600
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	788	814	800	800	1,600
Clean Water	0	70	70	0	70
Statutory Appropriations					
Miscellaneous Special Revenue	706	1,467	730	740	1,470
Federal	245	376	74	0	74
Total	1,739	2,727	1,674	1,540	3,214
<u>Expenditures by Category</u>					
Total Compensation	1,175	1,473	1,323	1,272	2,595
Other Operating Expenses	564	1,229	351	268	619
Local Assistance	0	25	0	0	0
Total	1,739	2,727	1,674	1,540	3,214
Full-Time Equivalents (FTE)	13.3	16.4	14.4	14.4	

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: OFFICE OF ENTERPRISE CONT IMPR

Narrative

Activity at a Glance

- Over 145 rapid process improvement events (Kaizen) at 18 agencies held since program's beginning in November 2007, realizing:
 - 68% average lead-time reduction
 - 44% average task time reduction
 - \$85,000 average cost-avoidance per event
- Over 2,000 state agency staff have participated in Lean training
- Lean website monitors and reports results, and serves as an online resource for information, teaching tools, and training materials

Activity Description

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

- Simplify the business processes of government for citizens and employees
- Reduce costs and increase the productivity of state government administrative responsibilities
- 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 process improvement opportunities; and provide training, resources, and expertise to implement efficiency solutions

- Provide a reporting mechanism to monitor and publish performance and status of improvement efforts within agencies

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

Kaizen Improvement Event Facilitation – 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 – Develop the infrastructure and culture within each agency to sustain and expand initial continuous improvement efforts through training, coaching, and material support.

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

Reporting Results – Publish the results of individual improvement efforts completed by each agency through the Lean website.

Sustainment of Results – Monitor and report on sustainment of 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, benchmark results, and learn from other efforts.

Department Results Reporting – Assist 24 cabinet-level agencies with reporting goals, measures, and performance through the Lean Results website, including requesting, organizing, and publishing information from each of the agencies.

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

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: OFFICE OF ENTERPRISE CONT IMPR

Narrative

Key Activity Goals & Measures

Admin Goal – To reduce costs by working across government

(<http://www.admin.state.mn.us/admin.html>)

Through the use of Lean and other process improvements tools, agencies will identify and improve existing business processes to realize measureable reductions in lead time, increased efficiency, and cost savings, while improving enterprise efficiency, reducing redundancy, and improving processing time.

Measure: To date, 18 agencies have completed over 145 Kaizen or rapid process improvement events that have reduced lead time by an average of 68%, reduced the amount of task time by an average of 44%, and reduced processing costs by an average of \$85,000 per event.

Admin Goal – To provide our customers with valuable services, products, advice, and expertise

(<http://www.admin.state.mn.us/admin.html>)

Continuous process improvement tools and methods will be understood by agency leaders and staff, and recognized as valuable tools for reducing waste and improving services.

Measure: Nearly 3,000 state leaders and employees have participated in Lean training, through direct participation in process improvement teams, Lean 101, Kaizen facilitator, and other training opportunities, and through leadership symposiums.

Activity Funding

This activity is funded through a general fund appropriation.

Contact

Continuous Improvement Program Leader

Phone: (651) 201-2560

Web site: <http://www.lean.state.mn.us>

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: OFFICE OF ENTERPRISE CONT IMPR

Budget Activity Summary

	<i>Dollars in Thousands</i>				
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	133	138	135	135	270
Total	133	138	135	135	270
<u>Expenditures by Category</u>					
Total Compensation	114	120	120	120	240
Other Operating Expenses	19	18	15	15	30
Total	133	138	135	135	270
Full-Time Equivalents (FTE)	1.3	1.3	1.3	1.2	

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: OFFICE OF GRANTS MANAGEMENT

Narrative

Activity at a Glance

- 13 comprehensive grant policies to improve grant-making
- 2 websites to provide information and assistance to grant-makers and grant-seekers
- 175,000 visitors to grant-seeker website annually/average visit 40 minutes
- 450 state employees participated in 12 training sessions

Activity Description

The Office of Grants Management (OGM) provides policy leadership and direction to foster consistent, streamlined interaction between executive agencies, funders, and grantees. This enhances access to grant opportunities and information and leads to greater program accountability and transparency. OGM is the central point of contact for allegations of state agency violations and “fraud and waste” in grant processes in accordance with M.S. 16B.98.

Population Served

OGM provides leadership on state grants management policies and procedures to executive agencies, boards, commissions, councils, and task forces. The public has increased access to grant opportunities and information.

Services Provided

The mission of OGM is to standardize, streamline, and improve state grant-making practices and to increase public information about state grant opportunities. OGM works closely with organizations on standardizing practices, policies, procedures, and on increasing public information about state grant opportunities, information, and resources. Standard policies for grants management in the executive branch that create greater oversight, consistency, and transparency for state grant expenditures have been implemented since the creation of this office. Training is provided to state employees on grant management policies and effective financial management of state grants. An informational website (<http://www.admin.state.mn.us/ogm>) for state grant-makers features legislation, policy, forms, templates, federal grants resources, best practices, training, and development links. In addition, a one-stop website (<http://www.grants.state.mn.us>) links all competitive state grant opportunities, providing increased access to grants. OGM works across executive branch agencies to provide public outreach and information on state grants for applicants and ensures the investigation of public complaints about fraud and waste in state grants. A variety of training courses on grant monitoring, outcomes, and policies are also provided. OGM also works with state agencies, boards, commissions, councils, and task forces to provide continuous improvement events (Lean) that lead to improving state grant-making practices.

Historical Perspective

Executive branch agencies in FY 2006 granted \$1.2 billion to nonprofits and local units of government as a mechanism to deliver programs, services, and other public benefits. OGM was created with a one-time appropriation in FY 2008; its creation responded to a January 2007 Office of the Legislative Auditor report on state grant-making that called for greater consistency and oversight in state grants. In July of 2010, OGM began receiving a general fund appropriation. Legislation was also passed that requires the commissioner of Administration (Admin) to recover the amount of the appropriation through deductions in state grants. State agencies now pay a share of OGM costs to Admin and these funds are returned to the general fund to offset the general fund appropriation. OGM is governed by a Grants Governance Committee that includes representatives from state agencies, the Minnesota Council of Nonprofits, and the Association of Minnesota Counties.

Key Activity Goals & Measures

Admin Goal – To provide our customers with valuable services, products, advice, and expertise
(<http://www.admin.state.mn.us/admin.html>).

Measure: OGM provides customers with valuable services, products, advice, and expertise by increasing the transparency of government for citizens. Through its grant opportunities website, OGM provides information about state grant opportunities, as well as extensive information on state grants policies and best practices. The successful resolution of public complaints about fraud and waste in state grants is also a key outcome for the office.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: OFFICE OF GRANTS MANAGEMENT

Narrative

Admin Goal – To reduce costs by working across government

(<http://www.admin.state.mn.us/admin.html>)

Measure: OGM reduces costs by providing training through a centralized office. OGM also works with the Enterprise Grants Management Community, a professional network of state grants administrators, to facilitate communication and sharing of best practices in grants management. Adding consistency to policies and procedures and using the Lean process to reduce inefficiencies in grant-making, OGM helps reduce costs and improve the quality of service of all state agencies.

Activity Funding

This activity is funded by a general fund appropriation. Legislation requires recovery of the appropriation to offset the general fund appropriation.

Contact

Director

Phone: (651) 201-2569

<http://www.admin.state.mn.us/ogm>

<http://www.grants.state.mn.us/public/>

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: OFFICE OF GRANTS MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	150	125	125	125	250
Forecast Base	150	125	125	125	250
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	74	78	125	125	250
Arts And Cultural Heritage	23	121	0	0	0
Total	97	199	125	125	250
<u>Expenditures by Category</u>					
Total Compensation	83	106	69	72	141
Other Operating Expenses	14	93	56	53	109
Total	97	199	125	125	250
Full-Time Equivalents (FTE)	1.2	1.6	1.0	1.0	

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: OFFICE OF STATE ARCHAEOLOGIST

Narrative

Activity at a Glance

For FY 2009

- Reviewed and licensed 56 archaeological projects
- Evaluated/accepted 203 archaeological site data forms
- Completed 12 burial site investigation cases
- Reviewed 92 development projects

Coordinated Archaeology Week, involving 23 events in 17 counties, attended by more than 1,300 individuals

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, OSA is responsible for archaeological resource management as specified in the *Outdoor Recreation Act* (M.S. 86A) and the *Minnesota Environmental Rights Act* (M.S. 116B).

OSA reviews 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.

Population Served

OSA clients include government 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, 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 (Admin). OSA is a unit within 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." The rationale for the conclusion was based primarily on the state's obligation to ensure that archaeological resources are protected and that funding the office's operations through fees was not feasible. 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."

Key Activity Goals & Measures

Admin Goal – To provide our customers with valuable services, products, advice, and expertise
(<http://www.admin.state.mn.us/admin.html>)

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: OFFICE OF STATE ARCHAEOLOGIST

Narrative

Measure: OSA will review and issue licenses to qualified applicants within ten days of receipt of application. In FY 2010, 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. (Note: OSA response time is not the sole variable in determining turnaround time as the Minnesota Historical Society must sign the licenses.)

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

Admin Goal – To be recognized for our innovation and efficiency

(<http://www.admin.state.mn.us/admin.html>)

OSA will be recognized for its innovation and efficiency in protecting Minnesota archaeological resources.

Measure: OSA will provide additional online services to professional archaeologists and public agencies, including archaeological resource locations and predictive models.

Minnesota Milestones Statewide Goals – Government in Minnesota will be cost-efficient, and services will be designed to meet the needs of the people who use them

(<http://server.admin.state.mn.us/mm/goal.html>)

Measure: Success in clarifying and implementing state statutes regarding protection of archaeological resources and burials sites. In FY 2007 and 2008, the State Archeologist worked to clarify and simplify M.S. 307.08 through statutory changes and revised procedural guidelines to increase customer satisfaction and reduce the cost of government services. In FY 2010, the State Archaeologist intensified efforts to map unplatted pioneer cemeteries and to assess remotely burial mound conditions to assist landowners, developers, and planning agencies in avoiding adverse impacts to cemetery sites thus reducing development costs and more rapidly providing essential information.

Activity Funding

The program operates through a general fund appropriation.

Contact

Archaeologist

Phone: (612) 725-2411

<http://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
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	206	206	206	206	412
Forecast Base	206	206	206	206	412
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	201	211	206	206	412
Statutory Appropriations					
Gift	3	0	0	0	0
Total	204	211	206	206	412
<u>Expenditures by Category</u>					
Total Compensation	177	176	176	176	352
Other Operating Expenses	27	35	30	30	60
Total	204	211	206	206	412
Full-Time Equivalents (FTE)	2.1	2.0	2.0	2.0	

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: PLANT MANAGEMENT

Narrative

Activity at a Glance

- Maintains 4.4 million square feet of office, ceremonial, meeting room, and other space in 22 buildings
- Maintains 25 monuments and memorials and 32 parking facilities
- 578 special event permits issued for public use of State Capitol and grounds in FY 2010
- \$945,000 in postage savings in FY 2010 through automated mail services
- more than 70,000 Minnesota's Bookstore customers annually

Activity Description

Plant Management Division (PMD) delivers consistent, quality services to ensure cost-effective, clean, safe, and environmentally sound buildings, grounds, and operations. PMD provides mail distribution services and publishing and distribution services to state and local government through the central mail unit and Minnesota's Bookstore. Division work is outlined in M.S. 16B.24, 16B.48, 16B.49, 16B.58, 14.46, and 16B.51.

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. Minnesota's Bookstore also

provides services to state government, local governments, school districts, higher education entities, and the general public.

Services Provided

Services provided by PMD include:

- housekeeping, engineering, building management, waste removal, general recycling, 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 area tenants, visitors, and Minnesota citizens
- mail services including metering, processing, addressing, inserting, and bar-coding for state agencies, with the result of reduced postage costs
- moving, equipment rental, and delivery services
- maintaining and managing parking facilities and customer contracts, and providing alternative transportation services
- 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

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 and visitors. As part of this goal, PMD maintains an Asset Preservation Program outlining necessary facility repairs. Failure to address deferred maintenance issues will result in serious structural damage, deterioration, and reduction in the life expectancy of buildings.

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

Key Activity Goals & Measures

Admin Goal – To be recognized for our innovation and efficiency

(<http://www.admin.state.mn.us/admin.html>)

Goal 1: Reduce energy consumption in non-computer server facilities compared with FY 2008 actual consumption. Reduction of 12.0% in FY 2011, 13.5% in FY 2012 and 15.0% in FY 2013.

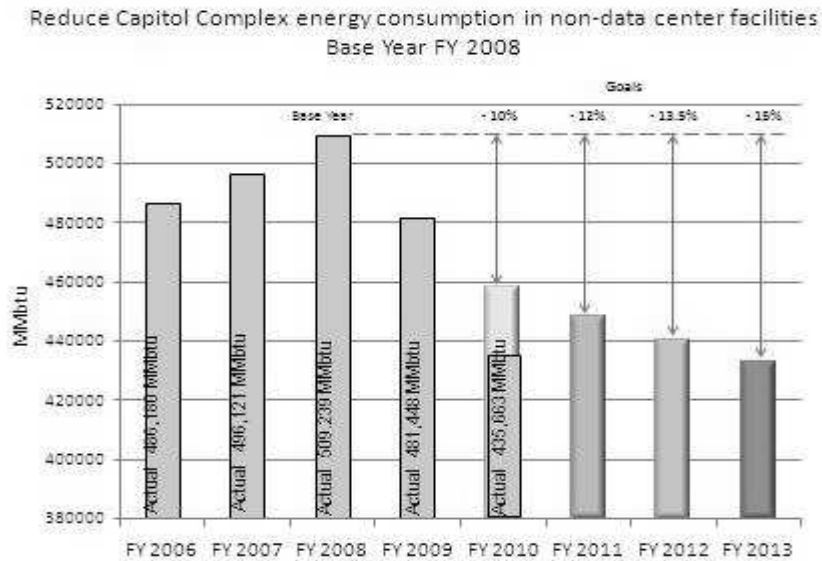
ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: PLANT MANAGEMENT

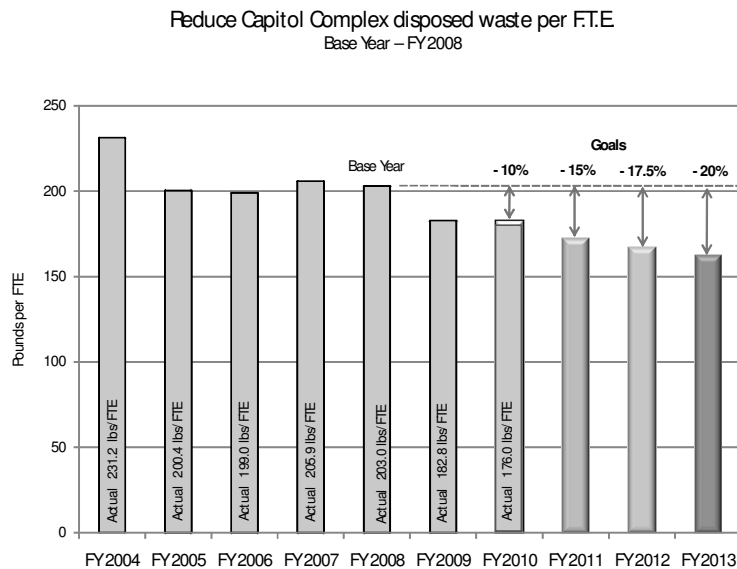
Narrative

Measure: Less than: 449,000 MMbtu in FY 2011, 441,000 in FY 2012, and 433,000 in FY 2013.



Goal 2: Achieve an absolute reduction in disposed waste per FTE over FY 2008.

Measure: Less than 173 pounds per FTE in FY 2011, 168 in FY 2012 and 163 in FY 2013



Goal 3: Reduce unleaded fuel consumption over 2010 actual by 5%.

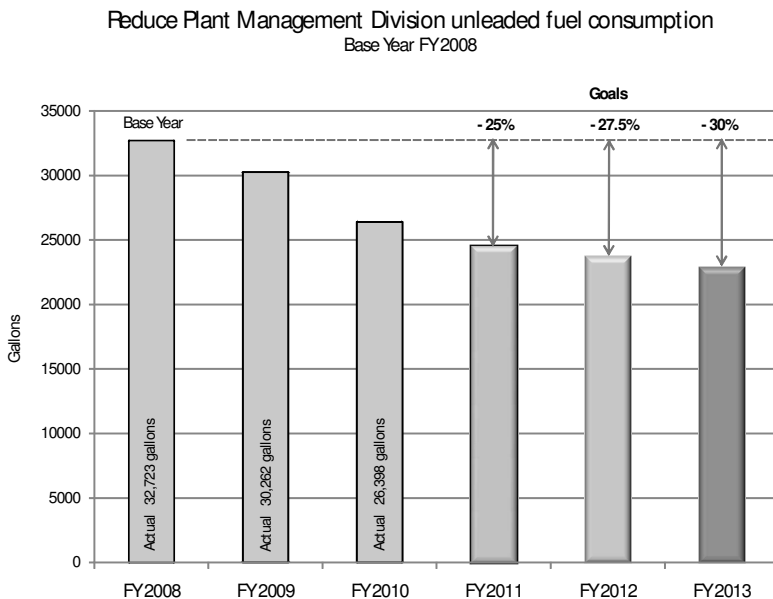
Measure: Less than 25,000 gallons

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: PLANT MANAGEMENT

Narrative



Activity Funding

The PMD 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. The central mail unit has a separate ISF with state agencies located in St. Paul as its primary customers. Minnesota's Bookstore is an enterprise fund with the primary function of providing publishing and retail services to state agencies, publish the *State Register*, and manage the sale of public data from select state agency licensing files. The goal of an ISF is to set rates as close to break-even as possible while maintaining limited working capital funds. Expenditures include salaries/benefits, utilities, operating expenses, bond interest, building depreciation, and debt service.

The number of full-time employees, as of 7-01-10, for each activity: 226.27 for leases, 8.38 for materials transfer, 1.83 for repair and other jobs, 7.09 for central mail, and 8.98 for Minnesota's Bookstore.

Operating Losses/Increases in Retained Earnings:

- Retained earnings for the lease activity increased in FY 2009 and FY 2010 due in large part to reduced utility usage. These changes in retained earnings will be reflected in lease rates for FY 2012 and FY 2013.
- Retained earnings for the repair and other jobs activity increased in FY 2009 due to lower than anticipated expenses and decreased in FY 2010 due to planned losses.
- Retained earnings for the materials transfer decreased in FY 2009 and FY 2010 due to lower than anticipated billable hours.
- Retained earnings for the central mail activity increased in FY 2009 due to higher than anticipated sales and increased in FY 2010 due to lower than anticipated expenses.
- Retained earnings for Minnesota's Bookstore decreased in FY 2009 and FY 2010 due to lower than anticipated sales.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: PLANT MANAGEMENT

Narrative

History of Rate Changes:

Fiscal Year	2006	2007	2008	2009	2010	2011
Leases	(4.79%)	4.61%	(1.04%)	0.72%	0.31%	(0.69)%
Repair and Other Jobs	10.41%	0.00%	9.17%	0.00%	4.80%	0.00%
Materials Transfer	1.90%	0.00%	0.00%	0.00%	3.90%	57.3%
Central Mail	1.40%	0.00%	0.00%	0.00%	0.00%	0.00%
Minnesota's Bookstore (State Register)	0.00%	0.00%	0.00%	(5.56%)	0.00%	0.00%

Impact of Rate Changes:

- Assuming the same volume and mix of goods/services as FY 2010, the five largest Lease customers will pay 0.23% less in FY 2011.
- Assuming the same volume and mix of goods/services as FY 2010, the five largest Repair and Other Jobs customers will pay the same amount in FY 2011.
- Assuming the same volume and mix of goods/services as FY 2009, the five largest Materials Transfer customers will pay approximately 38% more in FY 2011. (Materials Transfer rates became effective November 1, 2010.)
- Assuming the same volume and mix of goods/services as FY 2010, Central Mail's five largest customers will pay the same amount in FY 2011.
- Assuming the same volume and mix of goods/services as FY 2010, the State Register's five largest customers will pay the same amount in FY2011.

In addition to the ISF, PMD receives a general fund appropriation for mail delivery services. PMD also receives revenue from parking fees.

Contact

Director

Phone: (651) 201-2350

Web site: <http://www.admin.state.mn.us/pmd>

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: PLANT MANAGEMENT

Narrative

Plant Management Internal Service Fund Fund Financial Statement

(Dollars in thousands)

* OPERATIONS DATA *

	ACTUAL FY 2010	PROJECTED FY 2011	PROJECTED FY 2012	PROJECTED FY 2013
OPERATING REVENUES:				
NET SALES	63,565.5	64,471.6	61,295.0	61,700.0
LESS: COST OF SALES				
GROSS PROFIT ON SALES	63,565.5	64,471.6	61,295.0	61,700.0
OTHER REVENUE	1,182.3	1,182.4	1,354.0	1,432.0
NET REVENUES	64,747.8	65,654.0	62,649.0	63,132.0
LESS: OPERATING EXPENSES:				
SALARIES	14,722.2	14,692.0	13,994.0	14,669.0
SUPPLIES & EXPENSES	14,291.0	19,566.2	19,052.0	19,808.0
INDIRECT COSTS	674.1	1,104.8	1,057.0	1,073.0
AMORTIZATION & DEPRECIATION	313.2	209.8	183.0	223.2
TOTAL OPERATING EXPENSES	30,000.5	35,572.8	34,286.0	35,773.2
OPERATING INCOME (LOSS)	34,747.3	30,081.2	28,363.0	27,358.8
NON-OPERATING REVENUES (EXPENSES)	(28,213.3)	(28,055.9)	(27,720.4)	(27,733.5)
NET INCOME (LOSS)	6,534.0	2,025.3	642.6	(374.7)
BEGINNING RETAINED EARNINGS	10,490.7	20,785.5	22,810.8	23,453.4
PRIOR PERIOD ADJUSTMENT	3,760.8	0.0	0.0	0.0
ENDING RETAINED EARNINGS	20,785.5	22,810.8	23,453.4	23,078.7
RATE INCREASE/(DECREASE):				
Leases	0.31%	-0.69%	-2.40%	0.60%
Materials Transfer	3.90%	57.30%	0.00%	0.00%
ROJ	4.80%	0.00%	0.00%	0.00%
FTE	242.6	240.4	231.9	235.4
Expenditure Reconciliation to BBS				
Operating Expenses			34,286.0	35,773.2
Less amortization & depreciation (non-cash)			(183.0)	(223.2)
Plus payments for debt service and equipment			12,686.0	12,543.0
Less adjustment for inter-agency transfer in			(335.0)	(335.0)
Total cash payments			46,454.0	47,758.0
BBS Amounts - Financing by Fund				
Plant Management			46,454.0	47,758.0
Receipt Reconciliation to BBS				
Net Sales			61,295.0	61,700.0
Plus Other Revenue			1,354.0	1,432.0
Less adjustment for inter-agency transfer in			(335.0)	(335.0)
Total cash receipts			62,314.0	62,797.0
BBS Amounts - Revenue Collected				
Plant Management			62,314.0	62,797.0

Note: The Non-operating revenues/expenses relate to building depreciation and bond interest which are transferred out.
It also includes debt service, and gain/loss on sale of capital assets.

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

Narrative

**Plant Management
Internal Service Fund
Fund Financial Statement***** FINANCIAL DATA ***

	ACTUAL FY 2010	ESTIMATED FY 2011
ASSETS:		
CURRENT ASSETS:		
CASH	19,730.0	19,720.9
OTHER CURRENT ASSETS	744.8	1,000.0
TOTAL CURRENT ASSETS	20,474.8	20,720.9
NON-CURRENT ASSETS:	4,885.1	4,925.5
TOTAL ASSETS	25,359.9	25,646.4
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0.0	0.0
MASTER LEASE - CURRENT	0.0	0.0
OTHER CURRENT LIABILITIES	2,480.3	1,374.7
TOTAL CURRENT LIABILITIES	2,480.3	1,374.7
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	0.0	0.0
OTHER NON-CURRENT LIABILITIES	1,583.2	950.0
TOTAL NON-CURRENT LIABILITIES	1,583.2	950.0
TOTAL LIABILITIES	4,063.5	2,324.7
FUND EQUITY:		
CONTRIBUTED CAPITAL-GENERAL FUND	510.9	510.9
RETAINED EARNINGS	20,785.5	22,810.8
TOTAL FUND EQUITY	21,296.4	23,321.7
TOTAL LIABILITIES & FUND EQUITY	25,359.9	25,646.4

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: PLANT MANAGEMENT

Narrative

**Minnesota's Bookstore
Internal Service Fund
Fund Financial Statement**

(Dollars in thousands)				
	* OPERATIONS DATA *			
	ACTUAL	PROJECTED	PROJECTED	PROJECTED
	FY 2010	FY 2011	FY 2012	FY 2013
OPERATING REVENUES:				
NET SALES	1,117.3	1,382.7	1,409.0	1,436.0
LESS: COST OF SALES	257.6	336.9	338.2	344.6
GROSS PROFIT ON SALES	859.7	1,045.8	1,070.8	1,091.4
OTHER REVENUE	0.0	0.0	0.0	0.0
NET REVENUES	859.7	1,045.8	1,070.8	1,091.4
LESS: OPERATING EXPENSES:				
SALARIES	659.5	748.4	723.0	740.0
SUPPLIES & EXPENSES	243.0	239.2	247.8	252.4
INDIRECT COSTS	50.7	51.7	53.0	54.0
AMORTIZATION & DEPRECIATION	7.2	6.8	6.8	6.8
TOTAL OPERATING EXPENSES	960.4	1,046.1	1,030.6	1,053.2
OPERATING INCOME (LOSS)	(100.7)	(0.3)	40.2	38.2
NON-OPERATING REVENUES (EXPENSES)	0.0	0.0	0.0	0.0
NET INCOME (LOSS)	(100.7)	(0.3)	40.2	38.2
BEGINNING RETAINED EARNINGS	708.0	609.0	608.7	648.9
PRIOR PERIOD ADJUSTMENT	1.7	0.0	0.0	0.0
ENDING RETAINED EARNINGS	609.0	608.7	648.9	687.1
FOOTNOTES TO STATEMENTS:				
Statements include both the Bookstore and the State Register.				
RATE INCREASE/(DECREASE):	0.00%	0.00%	0.00%	0.00%
FTE	10	11	10.7	10.7
Expenditure Reconciliation to BBS				
Operating Expenses			1,030.6	1,053.2
Less amortization & depreciation (non cash)			(6.8)	(6.8)
Plus purchase of items for resale (cost of goods sold)			338.2	344.6
Total cash payments			1,362.0	1,391.0
BBS Amounts - Financing by Fund				
Minnesota's Bookstore			1,362	1,391
Receipt Reconciliation to BBS				
Net Sales			1,409.0	1,436.0
BBS Amounts - Revenue Collected				
Minnesota's Bookstore			1,409.0	1,436.0

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

Narrative

**Minnesota's Bookstore
Internal Service Fund
Fund Financial Statement**

	* FINANCIAL DATA *	
	ACTUAL FY 2010	ESTIMATED FY 2011
ASSETS:		
CURRENT ASSETS:		
CASH	545.0	547.7
OTHER CURRENT ASSETS	541.7	550.0
TOTAL CURRENT ASSETS	1,086.7	1,097.7
NON-CURRENT ASSETS:	38.9	32.1
TOTAL ASSETS	1,125.6	1,129.8
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0.0	0.0
MASTER LEASE - CURRENT	0.0	0.0
OTHER CURRENT LIABILITIES	93.0	94.9
TOTAL CURRENT LIABILITIES	93.0	94.9
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	0.0	0.0
OTHER NON-CURRENT LIABILITIES	130.6	133.2
TOTAL NON-CURRENT LIABILITIES	130.6	133.2
TOTAL LIABILITIES	223.6	228.1
FUND EQUITY:		
CONTRIBUTED CAPITAL	293.0	293.0
RETAINED EARNINGS	609.0	608.7
TOTAL FUND EQUITY	902.0	901.7
TOTAL LIABILITIES & FUND EQUITY	1,125.6	1,129.8

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: PLANT MANAGEMENT

Narrative

**Central Mail
Internal Service Fund
Fund Financial Statement**

(Dollars in thousands)				
	* OPERATIONS DATA *			
	ACTUAL FY 2010	ESTIMATED FY 2011	PROJECTED FY 2012	PROJECTED FY 2013
OPERATING REVENUES:				
NET SALES	8,807.5	8,806.3	9,114.0	9,411.0
LESS: COST OF SALES	0.0	0.0	0.0	0.0
GROSS PROFIT ON SALES	8,807.5	8,806.3	9,114.0	9,411.0
OTHER REVENUE				
NET REVENUES	8,807.5	8,806.3	9,114.0	9,411.0
LESS: OPERATING EXPENSES:				
SALARIES	395.5	425.0	443.0	474.0
SUPPLIES & EXPENSES	8,254.6	8,410.9	8,628.0	8,893.0
INDIRECT COSTS	41.6	42.4	43.0	44.0
AMORTIZATION & DEPRECIATION	23.6	23.6	23.6	23.6
TOTAL OPERATING EXPENSES	8,715.3	8,901.9	9,137.6	9,434.6
OPERATING INCOME (LOSS)	92.2	(95.6)	(23.6)	(23.6)
NON-OPERATING REVENUES (EXPENSES)	0.0	0.0	0.0	0.0
NET INCOME (LOSS)	92.2	(95.6)	(23.6)	(23.6)
BEGINNING RETAINED EARNINGS	1,447.2	1,539.6	1,444.0	1,420.4
PRIOR PERIOD ADJUSTMENT	0.2	0.0	0.0	0.0
ENDING RETAINED EARNINGS	1,539.6	1,444.0	1,420.4	1,396.8
RATE INCREASE/(DECREASE):	0.00%	0.00%	7.95%	5.64%
FTE	6.9	7.3	7.5	7.8
Expenditure Reconciliation to BBS				
Operating Expenses			9,137.6	9,434.6
Less amortization & depreciation (non cash)			(23.6)	(23.6)
Plus inventory				
Total cash payments			9,114.0	9,411.0
BBS Amounts - Financing by Fund				
Central Mail			9,114	9,411
Receipt Reconciliation to BBS				
Net Sales			9,114.0	9,411.0
Plus interest revenue from Non-operating revenue/expenses			0.0	0.0
Total cash receipts			9,114.0	9,411.0
BBS Amounts - Revenue Collected				
Central Mail			9,114	9,411

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

Narrative

Central Mail
Internal Service Fund
Fund Financial Statement

	* FINANCIAL DATA *	
	ACTUAL	ESTIMATED
	FY 2010	FY 2011
ASSETS:		
CURRENT ASSETS:		
CASH	33.2	20.0
OTHER CURRENT ASSETS	1,619.7	1,600.0
TOTAL CURRENT ASSETS	1,652.9	1,620.0
NON-CURRENT ASSETS:	74.1	50.5
TOTAL ASSETS	1,727.0	1,670.5
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0.0	0.0
MASTER LEASE - CURRENT	0.0	0.0
OTHER CURRENT LIABILITIES	62.9	105.5
TOTAL CURRENT LIABILITIES	62.9	105.5
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	0.0	0.0
OTHER NON-CURRENT LIABILITIES	58.5	55.0
TOTAL NON-CURRENT LIABILITIES	58.5	55.0
TOTAL LIABILITIES	121.4	160.5
FUND EQUITY:		
CONTRIBUTED CAPITAL	66.0	66.0
RETAINED EARNINGS	1,539.6	1,444.0
TOTAL FUND EQUITY	1,605.6	1,510.0
TOTAL LIABILITIES & FUND EQUITY	1,727.0	1,670.5

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: PLANT MANAGEMENT

Budget Activity Summary

	<i>Dollars in Thousands</i>				
	Current FY2010	FY2011	Forecast Base FY2012	FY2013	Biennium 2012-13
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	871	521	457	457	914
Statutory Appropriations					
Miscellaneous Special Revenue	5,778	12,517	8,227	8,315	16,542
Plant Management	43,753	48,396	46,454	47,758	94,212
Documents And Publications	1,227	1,374	1,362	1,391	2,753
Central Mailing	9,102	8,878	9,114	9,411	18,525
Total	60,731	71,686	65,614	67,332	132,946
<u>Expenditures by Category</u>					
Total Compensation	16,398	16,788	16,048	16,784	32,832
Other Operating Expenses	30,040	41,528	36,921	37,903	74,824
Capital Outlay & Real Property	876	0	0	0	0
Other Financial Transactions	13,417	13,370	12,980	12,980	25,960
Transfers	0	0	(335)	(335)	(670)
Total	60,731	71,686	65,614	67,332	132,946
Full-Time Equivalents (FTE)	279.1	274.5	265.8	269.3	

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: REAL ESTATE AND CONSTR SERVICE

Narrative

Activity at a Glance

Real Estate and Construction Services

- Manages 996 nonstate-owned and state-owned real property leases
- Leases 3.6 million useable square feet of nonstate-owned space and other real property at an annual cost of \$63.4 million
- Leases 2.1 million useable square feet of state-owned space under the custodial control of Administration (Admin)
- Manages over 430 remodeling/repair/new building projects
- Oversees over \$166 million in capital appropriations

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. The following are key Minnesota Statutes (M.S.) citations applicable to Real Estate and Construction Services (RECS): 16A.632, 16B.05, 16B.24, 16B.25, 16B.26, 16B.281, 16B.282, 16B.283, 16B.284, 16B.286, 16B.287, 16B.30, 16B.305, 16B.31, 16B.32, 16B.322, 16B.325, 16B.33, 16B.335, 16B.35, 16C.08, 16C.095, 16C.10, 16C.14, 16C.32, 16C.33, 16C.34, and 216B.241.

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, correctional facilities, emergency services, training centers, environmental services, communication facilities, laboratories, driver vehicle services, licensing centers, and state veterans homes.

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 the statewide predesign program, maintains the predesign manual, and reviews/approves submittals
- Provides oversight of the statewide facility condition audit
- Provides staff support for, and is a member of, the State Designer Selection Board (SDSB)
- Develops and maintains building design guidelines
- Oversees Minnesota Sustainable Building Guidelines and Benchmarking Tool (B3) programs
- Manages Public Buildings Enhanced Energy Efficiency Program (PBEEEP)
- Administers the Enterprise Total Infrastructure Facility Management System (E-TIFM)
- Participates in enterprise real property governance initiatives
- 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 rental rates
- 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 preparing funding requests, managing budgets, 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 coordinates transfers custodial control of real property between agencies
- Maintains databases of leases, floor plans, space management inventories, and state-owned land inventories for internal and external use

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: REAL ESTATE AND CONSTR SERVICE

Narrative

Historical Perspective

Minnesota state agencies have extensive and diverse real estate needs. The state owns 30 million square feet in more than 4,000 buildings and managed by 20 custodial agencies. In addition, Admin currently leases 3.6 million useable square feet of nonstate-owned space for over 100 state agencies, boards, and councils.

Real Estate Services (RES) and the State Architect's Office (SAO) combined in FY 2008 to form RECS. Combining the two organizations created efficiencies in support functions and facilitated comprehensive end-to-end services to statewide customers. The Department of Administration previously provided more energy management services to state agencies. While these efforts have been scaled back in recent years, RECS continues to receive a small appropriation to support a limited number of energy related projects and initiatives.

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.

The Enterprise Total Infrastructure Facility Management (E-TIFM) system is providing the state with a web-enabled, shared repository to facilitate more efficient and effective oversight and stewardship of the state's real estate assets.

Key Activity Goals & Measures

Admin Goal – To reduce costs by working across government

(<http://www.admin.state.mn.us/admin.html>)

RECS Goal: Reduce rent costs by negotiating leases effectively.

Measure: lease rates on average for nonstate-owned property will not increase more than 2% per year.

FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
1.09%	2.0%	1.0%	2.0%	1.0%

Admin Goal – To provide our customers with valuable services, products, advice, and expertise

(<http://www.admin.state.mn.us/admin.html>)

RECS Goal: Improve energy conservation and efficiency in state buildings.

Measure: Conduct energy audits in at least 5% of state-owned buildings each fiscal year.

Activity Funding

This activity is primarily funded through general fund appropriations. In addition, some funding is received by charging direct project management services to projects. 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

<http://www.admin.state.mn.us/recs>

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: REAL ESTATE AND CONSTR SERVICE

Budget Activity Summary

Dollars in Thousands					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
Miscellaneous Special Revenue					
Current Appropriation	250	0	0	0	0
Forecast Base	250	0	0	0	0
<u>Expenditures by Fund</u>					
Carry Forward					
General	279	540	10	0	10
Direct Appropriations					
General	2,753	3,598	3,120	3,120	6,240
Miscellaneous Special Revenue	0	250	0	0	0
Statutory Appropriations					
Miscellaneous Special Revenue	838	1,079	724	675	1,399
Federal	140	0	0	0	0
Federal Stimulus	85	2,500	4,237	0	4,237
Gift	51	0	0	0	0
Total	4,146	7,967	8,091	3,795	11,886
<u>Expenditures by Category</u>					
Total Compensation	2,081	2,021	2,015	2,018	4,033
Other Operating Expenses	1,853	5,606	6,066	1,777	7,843
Capital Outlay & Real Property	212	340	10	0	10
Total	4,146	7,967	8,091	3,795	11,886
Full-Time Equivalents (FTE)	22.7	21.8	21.3	20.6	

Activity at a Glance

- More than \$12 billion in property values insured
- 13,400 vehicles insured
- Approximately 60,000 employees served in the executive, legislative, and judicial branches of state government and in quasi-state agencies such as the Minnesota State Fair
- 2,691 workers' compensation claims were filed in FY2009
- Co-sponsors an annual State Safety and Loss Control Conference for state agencies and MnSCU.

Activity Description

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

- Multiple lines of property and casualty insurance coverage and other insurance programs for state agencies at below-market cost through the Risk Management Fund (RMF)
- 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 RMF offers five major lines of insurance:

- auto liability
- auto comprehensive and collision
- general liability
- property
- boiler and machinery

The RMF 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, coordinating statewide risk management, 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 (DLI), 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.

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 state's difficulty obtaining auto liability insurance in the commercial market. The RMF allows the commissioner of Administration (Admin) to offer state agencies alternatives to purchasing conventional insurance. Historical development of the fund is as follows

- First general liability insurance underwritten by the RMF in 1988.
- Automobile comprehensive and collision insurance available soon after.
- Full line of property and casualty insurance coverage added with the creation of Minnesota State Colleges and Universities (MnSCU).

The fund is maintained by charging premiums for the various insurance products. The RMF has an advisory committee, composed of representatives from state agencies, academia, and the private sector, that 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 covered groups have one of two options.

The first 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 is known today as the premium pool option. The premium pool, started in FY 2003, allows agencies to pay annual premiums, 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 DLI. The program was under the Department of Employee Relations (DOER) from 1987 until it became part of the Risk Management Division in Admin in December 2007.

Key Activity Goals & Measures

Admin Goal – To provide our customers with valuable services, products, advice, and expertise
(<http://www.admin.state.mn.us/admin.html>)

Admin Goal – To reduce costs by working across government
(<http://www.admin.state.mn.us/admin.html>)

Goal 1) The RMF provides insurance coverage for the state at a lower cost than the traditional insurance market.

Measure: Compare industry overhead to the RMF. Performance over the past five years is as follows

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

Narrative

Fiscal Year				2005	2006	2007	2008	2009
Industry Average Operating Expense Ratio				30.3	30.0	30.9	32.6	32.7
RMF Operating Expense Ratio (lower is better)				13.8	15.9	18.1	20.5	20.1

Measure: The RMF operating expense ratio compared to the industry average operating expense ratio over the past five years is 1.8:1. That is, for every \$1.80 the industry spends on operating expenses, RMF spends \$1.00. The RMF operating expense ratio is stabilizing after prior increases caused by sharp increases in reinsurance costs.

Goal 2) The Workers' Compensation program uses industry benchmarks to measure its performance. Two of these measures follow. The total cost of the state's workers' compensation expenditures is stable over the last five years when compared to payroll costs and to the average cost of indemnity (loss of time from work) for all other Minnesota employers.

Measure:

WC Costs per \$100 Payroll

Fiscal Year	2004	2005	2006	2007	2008
State of Minnesota	\$1.06	\$.99	\$1.01	\$1.00	\$.93
Minnesota Self-Insured Employers	\$1.24	\$1.25	\$1.26	\$1.27	\$1.21
All Other Minnesota Employers	\$1.72	\$1.69	\$1.60	\$1.52	\$1.35

Data Source: DLI System Report (released 2010)

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

Measure:

Average Cost of Indemnity Claims

Fiscal Year	2004	2005	2006	2007	2008
State of Minnesota	\$13,200	\$12,000	\$12,700	\$12,000	\$12,600
All Other Minnesota Employers	\$17,100	\$17,200	\$17,400	\$17,600	\$18,100

Data Source: DLI System Report (released 2010)

Activity Funding

The property and casualty program operates as an internal service fund, charging fees based on insurance options requested by customers. No money is appropriated for division operations from the general fund. The property and casualty program has 10 full-time employees on 7-1-10.

The 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, and safety and loss control services.

An open general fund appropriation pays for the state's annual Workers' Compensation Reinsurance (WCRA) premium.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: RISK MANAGEMENT

Narrative

Operating Losses/Increases in Retained Earnings:

Retained earnings for the property and casualty program decreased by \$1,607,666 in FY 2009. This decrease is due to large property claim losses and large dividend payments over the biennium. The FY 2009 policyholder surplus is \$6.3 million.

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 2010, the Advisory Committee approved a dividend payment of \$605,233. The RMF has returned more than \$16 million in dividends to policyholders over the past 22 years.

The workers' compensation premium pool experienced a deficit of \$119,268 in FY 2009. This amount will be added to the premiums paid by agencies participating in the pool in FY 2011.

History of Rate Changes:

Fiscal Year	2006	2007	2008	2009	2010	2011
Rate Change (by line)						
Auto Liability	7.47%	8.24%	10.67%	.00%	11.60%	.00%
Auto Physical Damage	.00%	1.37%	(2.81%)	.00%	(12.55%)	.00%
General Liability	.00%	.00%	.00%	.00%	.00%	.00%
Property	(21.05%)	.00%	.00%	.00%	5.00%	.00%
Other	.00%	.00%	.00%	.00%	.00%	.00%
Rate Change Average	(13.80%)	2.37%	2.43%	.00%	4.50%	.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
- fluctuations of the reinsurance marketplace

The workers' compensation program's administrative fee has remained unchanged since FY 2004.

Fiscal Year	2006	2007	2008	2009	2010	2011
Administrative Fee	\$2.5M	\$2.5M	\$2.5M	\$2.5M	\$2.5M	\$2.5M

Impact of Rate Changes:

Assuming the same volume and mix of services as FY 2010, customers will pay the same amount in FY 2011.

Contact

Director

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Annual reports online: <http://www.admin.state.mn.us/risk/publications.html>.

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

Narrative

**INTERNAL SERVICE FUND
FINANCIAL STATEMENT**

(DOLLARS IN THOUSANDS)

*** OPERATIONS DATA ***

	ACTUAL FY 2010	PROJECTED FY 2011	PROJECTED FY 2012	PROJECTED FY 2013
OPERATING REVENUES:				
NET SALES	12,163.5	11,995.5	12,204.0	12,459.0
LESS: COST OF SALES				
GROSS PROFIT ON SALES	12,163.5	11,995.5	12,204.0	12,459.0
OTHER REVENUE				
NET REVENUES	12,163.5	11,995.5	12,204.0	12,459.0
LESS: OPERATING EXPENSES:				
CLAIMS	5,353.9	5,726.6	6,024.0	6,174.0
SALARIES	848.0	941.0	945.0	964.0
SUPPLIES & EXPENSES	5,086.6	5,099.3	5,114.0	5,134.0
INDIRECT COSTS	63.6	83.0	83.0	83.0
AMORTIZATION & DEPRECIATION	0.0	61.7	62.0	62.0
TOTAL OPERATING EXPENSES	11,352.1	11,911.7	12,228.0	12,417.0
OPERATING INCOME (LOSS)	811.4	83.9	(24.0)	42.0
NON-OPERATING REVENUES (EXPENSES)	(456.1)	(307.0)	(550.0)	(650.0)
NET INCOME (LOSS)	355.3	(223.1)	(574.0)	(608.0)
BEGINNING RETAINED EARNINGS	6,298.5	6,653.8	6,430.7	5,856.7
PRIOR PERIOD ADJUSTMENT	0.0	0.0	0.0	0.0
ENDING RETAINED EARNINGS	6,653.8	6,430.7	5,856.7	5,248.7
RATE INCREASE/(DECREASE):	4.50%	0.00%	2.00%	2.00%
FTE	10.1	11.7	11.7	11.7

Expenditure Reconciliation to BBS

Operating Expenses	12,228.0	12,417.0
Less amortization & depreciation (non-cash)	62.0	62.0
Plus dividend expense paid in same FY as declared	700.0	800.0
Total cash payments	12,866.0	13,155.0

BBS Amounts - Financing by Fund

Risk Management	12,866.0	13,155.0
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Receipt Reconciliation to BBS

Net Revenues	12,204.0	12,459.0
Interest Income from Non-operating revenue/expenses	150.0	150.0
Total cash receipts	12,354.0	12,609.0

BBS Amounts - Revenue Collected

Risk Management	12,354.0	12,609.0
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ADMINISTRATION DEPT**Program: GOVT AND CITIZEN SERVICES****Activity: RISK MANAGEMENT**

Narrative

**INTERNAL SERVICE FUND
FINANCIAL STATEMENT***** FINANCIAL DATA ***

	ACTUAL FY 2010	ESTIMATED FY 2011
ASSETS:		
CURRENT ASSETS:		
CASH	18,150.6	17,575.0
OTHER CURRENT ASSETS	3,042.3	1,050.0
TOTAL CURRENT ASSETS	21,192.9	18,625.0
NON-CURRENT ASSETS:	594.2	634.3
TOTAL ASSETS	21,787.1	19,259.3
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0.0	0.0
MASTER LEASE - CURRENT	0.0	0.0
OTHER CURRENT LIABILITIES	15,042.5	12,733.6
TOTAL CURRENT LIABILITIES	15,042.5	12,733.6
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0.0	0.0
MASTER LEASE - NON-CURRENT	0.0	0.0
OTHER NON-CURRENT LIABILITIES	90.7	95.0
TOTAL NON-CURRENT LIABILITIES	90.7	95.0
TOTAL LIABILITIES	15,133.2	12,828.6
FUND EQUITY:		
CONTRIBUTED CAPITAL-GENERAL FUND	0.0	0.0
RETAINED EARNINGS	6,653.8	6,430.7
TOTAL FUND EQUITY	6,653.8	6,430.7
TOTAL LIABILITIES & FUND EQUITY	21,787.1	19,259.3

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: RISK MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Expenditures by Fund</u>					
Open Appropriations					
General	842	2,468	1,942	1,990	3,932
Statutory Appropriations					
Miscellaneous Special Revenue	30,383	31,589	32,784	34,199	66,983
Risk Management	10,347	12,482	12,866	13,155	26,021
Total	41,572	46,539	47,592	49,344	96,936
<u>Expenditures by Category</u>					
Total Compensation	3,423	3,567	3,588	3,669	7,257
Other Operating Expenses	37,544	42,515	43,304	44,875	88,179
Other Financial Transactions	605	457	700	800	1,500
Total	41,572	46,539	47,592	49,344	96,936
Full-Time Equivalents (FTE)	40.9	44.5	44.5	44.5	

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: SMART

Narrative

Activity at a Glance

- 13 small agencies, boards, and councils receive human resource services
- 11 small agencies, boards, and councils receive financial management services

Activity Description

The Small Agency Resource Team (SmART) delivers consolidated and streamlined human resources and financial management services to small agencies, boards, and councils. SmART's personnel strive to learn and understand the business needs of the groups they serve, enhancing opportunities for providing leadership and guidance. SmART provides sound policy advice, enabling

effective informed decision-making by the small agencies, boards, and councils it serves.

Population Served

Professional business support services are provided to small agencies, boards, and councils which enable them to focus on their core business functions.

Services Provided

SmART business support services provided include

- position filling
- classification determinations
- bi-weekly payroll processing
- advising on labor contract provisions
- benefit administration
- Family Medical Leave Act administration
- 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
- training

Historical Perspective

SmART began receiving General Fund appropriations in FY 2007 to provide human resource and financial services to several agencies, boards, and councils. 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 the needs of small agencies, boards, and councils; and
- the opportunity for customers served to leverage SmART services to improve their operations and business discipline.

Key Activity Goals & Measures

Admin Goal – To provide our customers with valuable services, products, advice, and expertise

(<http://www.admin.state.mn.us/admin.html>)

Measure: Smart customers will rate the SmART Human Resources program at four or higher on a scale of one to five, with five as the highest value. SmART provides comprehensive human resource services to agencies that cannot afford their own human resource staff. As part of the SmART program, these agencies, boards, and councils will receive the same level of expertise as larger agencies and will have access to information to follow legal, contract, and Office of the Legislative Auditor guidelines. For FY 2010, SmART received an average score of 4.8.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: SMART

Narrative

Measure: SmART customers will receive at least three training opportunities each year in order to remain current on human resource practices integral to their work. In the past year, customers have been invited to training sessions for the Department of Administration supervisors on interviewing, generational differences, Family and Medical Leave Act and Americans with Disabilities Act updates, and preventing sexual harassment.

Measure: Purchase orders will be issued within two days of receipt of the purchase request from customers on no-bid purchases.

Fiscal Year	2008	2009	2010	2011 (est.)
Days to Issue Purchase Order	1.7	1.8	2.2	1.5

Activity Funding

This activity is funded through a general fund appropriation. This activity also receives funding through payments from agencies with collaborative agreements for SmART services.

Contact

Director

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

Website: <http://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
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	205	293	248	248	496
Statutory Appropriations					
Miscellaneous Special Revenue	2	0	0	0	0
Total	207	293	248	248	496
<u>Expenditures by Category</u>					
Total Compensation	180	199	204	204	408
Other Operating Expenses	27	94	44	44	88
Total	207	293	248	248	496
Full-Time Equivalents (FTE)	2.9	3.3	3.4	3.3	

Activity at a Glance

- 1,146 Assistive Technology (AT) devices were loaned in 28 counties
- 584 individuals received AT demonstrations
- 381 Minnesotans saved \$37,122 by purchasing used rather than new AT
- Four citizens saved \$8,390 by purchasing used AT from www.mnstarte.org
- 2,418 citizens received AT information at 24 community events
- 372 consumers, professionals, and family members attended 22 training sessions
- Over 2,330 Funding and Resources Directories distributed
- Technical assistance was provided to the Technology Accessibility Advisory Committee (TAAC) for Web Accessibility and Accessible Information Technology Procurement
- 14 Minnesotans received Awards for Excellence for their work with or use of AT during an event at the capitol

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 (PL 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; 71.4% 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 AT resources and provides Minnesotans access to AT for demonstration and loan prior to purchasing a device. STAR also provides AT training, technical assistance, public awareness, and statewide information and referral services.

Population Served

According to 2004 Census estimates, nearly one in eight, or 12.2%, of Minnesota's population has at least one form of disability. Approximately 566,000 Minnesotans between the ages of five and 64 had one or more disabilities and approximately 217,000 Minnesota adults 65 years old or older had one or more disabilities. These individuals often need assistance in performing daily activities or participating in community life. STAR conducts activities that promote the availability and benefits of assistive technology devices and services for these populations.

Services Provided

STAR works to build collaborative relationships in the AT community and, along with its nonprofit partners, is working to provide 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

- STAR's five nonprofit partners loan AT devices to individuals with disabilities regardless of age or diagnosis. Individuals with cerebral palsy, autism, cancer, or stroke survivors benefit from using the loan programs. Devices are loaned so individuals may try an AT device prior to purchase.
- STAR and five nonprofit partners provide AT demonstrations to individuals with disabilities, their families and the professionals who work with them. A demonstration compares features of similar AT devices in order to make a decision regarding the appropriateness of a specific AT device.
- When appropriate, STAR encourages the reutilization of AT and provides a website, www.mnstarte.org, where individuals may post AT for sale, donation, or exchange. STAR also contracted with five community organizations to refurbish gently used AT devices for reuse throughout Minnesota.

Collaboration, training, and technical assistance

- STAR participates in collaborative efforts to increase awareness of and access to AT. Collaborative efforts include working with the Department of Education's Assistive Technology Leadership Team; the Department of Health's Emergency Preparedness Committee; the Minnesota Disability Law Center Advisory Council; and the Minnesota Regions Assistive Technology Collaborative.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: STAR

Narrative

- STAR exhibits at community events, provides information to individuals and families, and conducts training sessions about using AT to live, learn, work, and play.

Public awareness and information and referral assistance

- STAR provides information about AT to individuals who contact STAR either by phone or the web.
- STAR publishes a biennial statewide directory of AT funding resources and services. This directory provides consumers of AT and professionals with information about AT, who provides evaluations and assessments to determine a need for AT, and where and how to obtain funding to purchase AT.
- STAR sponsors an awards ceremony each spring which creates awareness of AT and recognizes individuals for their commitment to removing barriers to independence for people with disabilities through the use of AT.

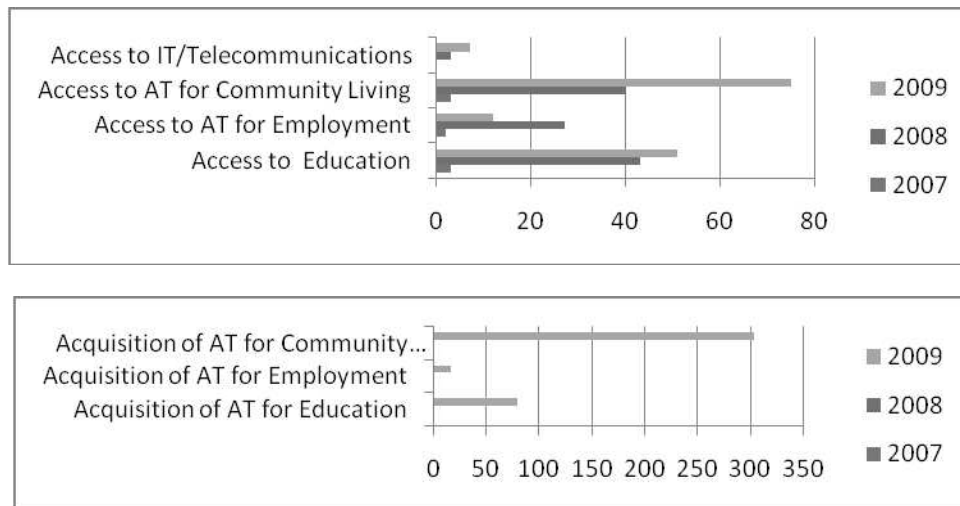
Key Activity Goals & Measures

Minnesota Milestones Statewide Goals - All people will be welcomed, respected, and able to participate fully in Minnesota's communities and economy
(<http://server.admin.state.mn.us/mm/goal.html>)

STAR works to achieve the Minnesota Milestone for Community and Democracy that all people will be welcomed, respected, and able to participate fully in Minnesota's communities and economy. In order to live as independently as possible and to live, learn, work and play, people with disabilities and senior citizens may need AT for hearing, vision, mobility, or to accomplish a task. Consistent with STAR's federal mandates, the STAR Advisory Council recommended two goals for the STAR Program. These goals are

- STAR will provide AT device loan and demonstration services to improve access to AT education, employment, community living and information technology (IT)/telecommunications.
- STAR will provide support for the exchange or reutilization of AT to improve acquisition of AT in education, employment, and community living.

Measures (graphs represent individuals):



Activity Funding

Funding for the STAR Program is obtained from the U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration under the Assistive Technology Act of 1998, as amended by PL 108-364. Funding is currently \$475,163 per federal fiscal year (FFY). Level funding is anticipated for FFY 2011. STAR does not receive a general fund appropriation.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: STAR

Narrative

Contact

Program Manager

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<http://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
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Federal	501	484	482	482	964
Total	501	484	482	482	964
<u>Expenditures by Category</u>					
Total Compensation	209	209	215	217	432
Other Operating Expenses	164	183	163	163	326
Local Assistance	128	90	104	102	206
Other Financial Transactions	0	2	0	0	0
Total	501	484	482	482	964
Full-Time Equivalents (FTE)	3.0	3.1	3.1	3.0	

Activity at a Glance

- Prepares annual population and household estimates for counties, cities, and towns
- Plans for 2010 Census data for legislative and congressional redistricting
- Prepares 10 and 50 year population projections and budget impacts of trends
- 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 Minnesota's population, education, housing, income, migration, foreign-born population, and aging.
- Updates Minnesota Milestones indicators
- Prepares report on Minnesota state plan in odd numbered fiscal years
- Makes more than 100 presentations annually
- Provides Minnesota input on technical matters involving federal demographic programs

Activity Description

The State Demographer's Office provides demographic services as outlined in M.S. 4A.02 and below in "Services Provided." This program is a unit within the Office of Geographic and Demographic Analysis.

Beginning in November 2010, the State Demographer will prepare annual long run projections of population and demographic characteristics and project the budget impact of major demographic changes.

The State Demographer's Office also annually updates Minnesota Milestones indicators and prepares a biennial report on the state plan.

Population Served

The state demographer serves state elected officials, state agencies, legislators, local governments, 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, including for school districts and municipal boundary changes
- periodically prepare population and related projections for the state and sub areas
- analyze the impact of demographic change on state government budgets and programs
- act as liaison with the U.S. Census Bureau
- continuously monitor demographic data and trends and prepare reports
- work with the U.S. Census Bureau and legislature on the data for 2010 redistricting
- provide demographic and related information on request.

Historical Perspective

The State Demographer's Office was created in 1973 by statute. For over 37 years, the state demographer 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, households, revenue collections, people with disabilities, and structural issues in the state budget.

Annual population and household estimates made by the state demographer are a major component in a number of state 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 Activity Goals & Measures

Admin Goal – To provide our customers with valuable services, products, advice, and expertise
(<http://www.admin.state.mn.us/admin.html>)

Measure: The state demographer provides official statistics and estimates that are used in funding formulas and other operational efforts necessary for efficient and effective government operations.

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: STATE DEMOGRAPHER

Narrative

Measure: The state demographer makes between 100 and 150 public appearances per year, at the request of customers, to explain demographic trends and their impact on government operations.

Measure: The state demographer provides, on request, estimates and forecasts of demographic characteristics to departments of state government, to meet their operational needs.

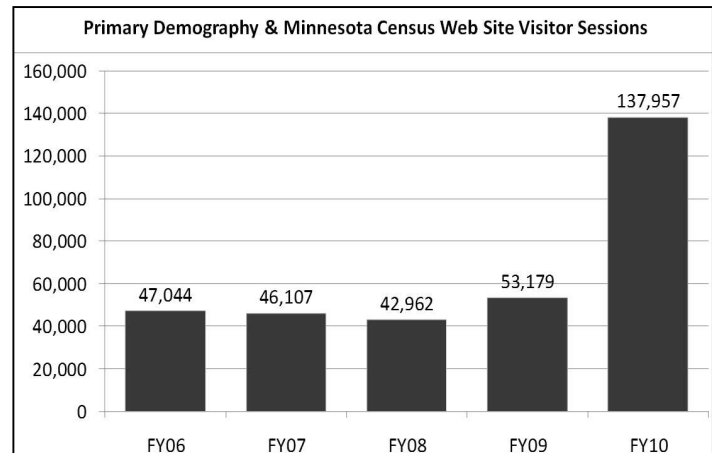
Minnesota Milestones Statewide Goals - Government in Minnesota will be cost-efficient, and services will be designed to meet the needs of the people who use them.

(<http://server.admin.state.mn.us/mm/goal.html>)

Measure: The state demographer makes forecasts of population and demographic characteristics to guide funding for major capital expenditures and to anticipate the financial impact of existing and proposed programs

Measure: The state demographer anticipates changes in major demographic trends and their future impact on state government budgets.

Measure: The state demographer makes information available to all Minnesotans by updating Minnesota Milestones, maintaining a website, preparing publications, responding to phone requests, and outreach.



Activity Funding

The program operates through a general fund appropriation.

Contact

State Demographer

Phone: (651) 201-2461

Helpline: (651) 296-2557

<http://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
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	250	170	170	170	340
Technical Adjustments					
Operating Budget Reduction			(2)	(2)	(4)
Forecast Base	250	170	168	168	336
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	653	615	593	593	1,186
Statutory Appropriations					
Miscellaneous Special Revenue	0	5	0	0	0
Federal	14	0	0	0	0
Total	667	620	593	593	1,186
<u>Expenditures by Category</u>					
Total Compensation	481	479	458	458	916
Other Operating Expenses	186	141	135	135	270
Total	667	620	593	593	1,186
Full-Time Equivalents (FTE)	5.5	5.5	5.3	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

This program includes the following 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

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	1,726	1,726	1,726	1,726	3,452
Technical Adjustments					
Operating Budget Reduction			(8)	(8)	(16)
Forecast Base	1,726	1,726	1,718	1,718	3,436
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	1,526	1,905	1,718	1,718	3,436
Total	1,526	1,905	1,718	1,718	3,436
<u>Expenditures by Category</u>					
Total Compensation	1,337	1,353	1,345	1,352	2,697
Other Operating Expenses	189	552	373	366	739
Total	1,526	1,905	1,718	1,718	3,436
<u>Expenditures by Activity</u>					
Executive Support	431	495	467	467	934
Financial Mgmt And Reporting	736	920	827	827	1,654
Human Resources	359	490	424	424	848
Total	1,526	1,905	1,718	1,718	3,436
Full-Time Equivalents (FTE)	18.9	19.2	18.7	18.4	

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: EXECUTIVE SUPPORT

Narrative

Activity at a Glance

- Project management for statewide efficiency initiatives
- Assisted with a variety of statewide efforts, including alternative fuels, building energy efficiency, and government reform
- Addressed 135 media inquiries in FY 2010
- Addressed 88 data practices requests in FY 2010
- Maintained five websites
- Published 18 newsletters focusing on government efficiency and agency services
- Reviewed 26 issues of division newsletters

Activity Description

Executive Support serves the numerous needs of the Department of Administration (Admin) in the execution of its responsibilities as the primary administrative/operations agency of the executive branch. These include agency and executive leadership and management and program support. Executive Support also coordinates the Department Results/Accountability Minnesota website (www.accountability.state.mn.us), which helps citizens follow the progress of 26 state agencies/offices toward specific goals in eight categories.

Population Served

Executive Support serves numerous populations: the agency and employees; the governor's office; all executive branch agencies, boards and commissions; media; the

legislature; and citizens.

Services Provided

- Executive management support
- Intra-agency and inter-agency coordination
- Internal and external communications
- Data practices compliance
- Legislative coordination
- Media relations
- Website management
- Executive branch agency performance reporting
- Continuity of operations planning for emergency preparedness

Key Activity Goals & Measures

Admin Goal – To provide our customers with valuable services, products, advice, and expertise

Admin Goal – To be recognized for our innovation and efficiency

(<http://www.admin.state.mn.us/admin.html>)

Executive Support assists the agency in delivering on its mission of helping customers succeed by providing valuable services, products, advice, and expertise, and by recognizing innovation and efficiency through communications with customers and others.

Measure:

Publication of a semi-monthly online newsletter for customers across state government. In FY 2010, the department published five newsletters, one less than the goal of six per year.

Measure:

Assisting agency programs with a variety of communications, including online and print newsletters, memoranda, policies, news releases, and other documents. In FY 2010, five divisions/units received assistance with all 38 issues of their respective newsletters.

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: EXECUTIVE SUPPORT

Narrative

Measure:

Responding to data practices requests. The agency's data practices compliance function strives to acknowledge requests for data within 24 business hours and to provide the requested data, if any is maintained, within 10 business days. In FY 2010, the department's data practices compliance function received 88 requests for which the department maintained responsive data. The responsive data were made available to the requestor within 10 business days 88.2% of the time, slightly under the goal of 90 percent.

Minnesota Milestones Statewide Goals

(<http://server.admin.state.mn.us/mm/goal.html>)

More generally, Executive Support aids agency 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.

Activity Funding

This activity is primarily funded through a general fund appropriation.

Contact

Director

Phone: (651) 201-2563

Website: <http://www.admin.state.mn.us>

Strategic Plan: http://www.admin.state.mn.us/admin_strategicplan.html

Performance Goals, Measures and Results: <http://www.accountability.state.mn.us/Departments/Administration/>

ADMINISTRATION DEPT**Program: ADMINISTRATIVE MGMT SERVICES**

Activity: EXECUTIVE SUPPORT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	431	495	467	467	934
Total	431	495	467	467	934
<u>Expenditures by Category</u>					
Total Compensation	319	302	305	310	615
Other Operating Expenses	112	193	162	157	319
Total	431	495	467	467	934
Full-Time Equivalents (FTE)	4.2	3.9	3.9	3.9	

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: FINANCIAL MGMT AND REPORTING

Narrative

Activity at a Glance

- Administers agency budget - FY 2010 approximately \$161 million
- Supports agency divisions in all aspects of financial management
- Produces 75 monthly, quarterly, and annual financial statements each year providing reporting on the financial condition
- Coordinates internal control activities

Activity Description

Financial Management and Reporting Division (FMR) provides financial management support, coordinates internal control activities, and performs the fiscal agent function for the Department of Administration (Admin).

Population Served

Financial support, information, and transactions are provided to all divisions within the agency, Minnesota Management and Budget (MMB), the Legislative Auditor, the legislature, and vendors.

Services Provided

FMR serves as the agency's financial liaisons and consultants conforming to Generally Accepted Accounting Principles (GAAP). Fiscally responsible utilization of available resources, as governed by applicable laws, policies, and procedures, are achieved through effective financial management. FMR provides the following agency services:

- annual, biennial, and supplemental budget preparation
- purchasing
- transaction processing
- financial reporting
- internal control coordination
- financial statement preparation
- business plan and rate review oversight
- fiscal note management
- policy and procedure development and training
- financial analysis
- assurance review
- financial verification
- state accounting/procurement system coordination, implementation, and maintenance
- quarterly operations review oversight and metrics reporting
- capital budget assistance

Key Activity Goals & Measures

Admin Goal – To provide our customers with valuable services, products, advice, and expertise

(<http://www.admin.state.mn.us/admin.html>)

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.

Measure: 98% of payments will be made within 30 days.

Fiscal Year	2007	2008	2009	2010	2011 (est.)
Prompt Payment goal - 98%	98.37%	98.37%	98.22%	96.85%	98.00%
Number of payment transactions	21,198	22,110	20,058	14,815	14,500

Measure: Purchase orders will be issued within two days of receipt of the purchase request from customers on no-bid purchases.

Fiscal Year	2007	2008	2009	2010	2011 (est.)
Days to Issue Purchase Order	1.7	1.7	2.2	1.4	1.5

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: FINANCIAL MGMT AND REPORTING

Narrative

Activity Funding

This activity is primarily funded through a general fund appropriation.

Contact

Director

Phone: (651) 201-2563

Web site: <http://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
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	736	920	827	827	1,654
Total	736	920	827	827	1,654
<u>Expenditures by Category</u>					
Total Compensation	762	779	750	747	1,497
Other Operating Expenses	(26)	141	77	80	157
Total	736	920	827	827	1,654
Full-Time Equivalents (FTE)	10.8	11.2	10.4	10.1	

ADMINISTRATION DEPT

Program: ADMINISTRATIVE MGMT SERVICES

Activity: HUMAN RESOURCES

Narrative

Activity at a Glance

- 118 vacancies filled per calendar year
- 98% of labor grievances per fiscal year are resolved without arbitration
- 60% of employees provided onsite or offsite training per fiscal year
- 898 individual payroll timesheets processed bi-weekly

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.

Population Served

The Human Resources Division serves both Admin and OET.

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
- bi-weekly payroll processing
- performance management and wage/compensation administration
- Worker's compensation administration, Occupational Safety and Health Administration (OSHA) compliance, and general safety/wellness program administration
- Affirmative Action, Americans with Disabilities Act (ADA), and Family and Medical Leave Act (FMLA) oversight and administration
- consultation on human resources management issues

Key Activity Goals & Measures

Admin Goal – To provide our customers with valuable services, products, advice, and expertise
(<http://www.admin.state.mn.us/admin.html>)

Measure: Managers and supervisors will receive a list of qualified applicants for positions within 48 hours of the closing of the announcement. It is critical that supervisors receive applications as soon as possible to diminish the length of time positions are vacant.

Measure: Average sick leave in the agency will be reduced to 30 hours per year or less. The agency is actively seeking to improve attendance so that its resources can be used most effectively. The number of sick leave hours does not include hours used under the Family and Medical Leave Act. In the past three years, the agency has averaged 42, 34, and 37 hours.

Measure: A collaborative effort between Admin and the Department of Transportation will reduce the time to train a new employee in the accounting series by 35%. Because of the complexity of the accounting system and its multiple demands, supervisors have been reluctant to hire candidates without state accounting experience. A training program being developed now will train new accounting staff across the state so that each accounting supervisor will have to spend less on-the-job training time.

Activity Funding

This activity is primarily funded through a general fund appropriation.

Contact

Director

Phone: (651) 201-2609

<http://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
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	359	490	424	424	848
Total	359	490	424	424	848
<u>Expenditures by Category</u>					
Total Compensation	256	272	290	295	585
Other Operating Expenses	103	218	134	129	263
Total	359	490	424	424	848
Full-Time Equivalents (FTE)	3.9	4.1	4.4	4.4	

Program Description

The purpose of the **Fiscal Agent** is to meet the administrative needs of grant and other funding 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

This program includes the following budget activities

- Public broadcasting
- In lieu of rent
- Miscellaneous 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

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	10,403	10,254	10,254	10,254	20,508
Technical Adjustments					
Biennial Appropriations			66	66	132
Operating Budget Reduction			(230)	(230)	(460)
Forecast Base	10,403	10,254	10,090	10,090	20,180
Arts And Cultural Heritage					
Current Appropriation	6,500	7,900	7,900	7,900	15,800
Technical Adjustments					
One-time Appropriations			(7,900)	(7,900)	(15,800)
Forecast Base	6,500	7,900	0	0	0
<u>Expenditures by Fund</u>					
Carry Forward					
General	0	21	0	0	0
Direct Appropriations					
General	10,338	9,957	10,090	10,090	20,180
Arts And Cultural Heritage	6,282	7,710	0	0	0
Statutory Appropriations					
Gift	13	3	0	0	0
Total	16,633	17,691	10,090	10,090	20,180
<u>Expenditures by Category</u>					
Total Compensation	0	1	0	0	0
Other Operating Expenses	8,336	8,114	8,158	8,158	16,316
Local Assistance	8,297	9,576	1,932	1,932	3,864
Total	16,633	17,691	10,090	10,090	20,180
<u>Expenditures by Activity</u>					
Public Broadcasting	7,064	8,301	1,932	1,932	3,864
In Lieu Of Rent	8,323	8,091	8,158	8,158	16,316
Misc Grants/Studies/Other	1,246	1,299	0	0	0
Total	16,633	17,691	10,090	10,090	20,180
Full-Time Equivalents (FTE)	0.0	0.0	0.0	0.0	

ADMINISTRATION DEPT

Program: FISCAL AGENT

Activity: PUBLIC BROADCASTING

Narrative

Activity at a Glance

- 1.2 million people per week view programming of the Minnesota Public Television Association
- Approximately 276,000 people listen one or more times per week to the Association of Minnesota Public Educational Radio Stations (AMPERS) radio programming with signal coverage reaching 95% of the state of Minnesota
- Over 900,000 Minnesotans listen to MPR stations weekly. Programming produced and distributed by MPR reaches 16 million people nationally each week
- MPR provides the state with infrastructure and services for the Emergency Broadcast System, the Amber Alert System, and the blind and visually impaired
- MPR's three program services are also available online at www.mpr.org
- Metro Cable Network reaches over 600,000 cabled households in the seven-county metro area

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. Public television also provides statewide over-the-air broadcast coverage of the House and Senate floor sessions and major committee hearings. In addition to over-the-air broadcast, all stations provide a variety of web services and video streaming. 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 95% of the state. State grants provide between three and 21% of individual stations' operating budgets.

The *Clean Water, Land, and Legacy Amendment* through the Laws of 2009, Chapter 172, Article 4, Sec. 2, Subd. 5, appropriated funding from the arts and cultural heritage fund to the Department of Administration (Admin) for public television grants related to production and acquisitions (\$6,300,000). This funding enabled recipient stations to develop and broadcast numerous hours of arts, cultural, and history programming.

Association of Minnesota Public Educational Radio Stations (AMPERS)

State funds are used to support radio stations operated by the 12 organizations belonging to the Association of Minnesota Public and Education Radio Stations (AMPERS). These organizations serve Minnesota residents through radio programming that is local, unique in their communities, broadly educational, reaching underserved audiences. One AMPERS station is the only local radio service in the community and assists in times of county emergencies or 911/Internet technology failures. The stations provide programming that is a diverse mix of community news, public affairs programming, and music designed to engage, inform, and interact with listeners. In addition to their 12 main stations, they operate ten translators/repeaters at other locations and one station broadcasts HD Digital radio.

The AMPERS stations cover approximately 95% of the population and 90% of the geography of the state serving 276,000 unique listeners per week. State grants provide between four and 60% of the individual stations' total annual budget.

The *Clean Water, Land, and Legacy Amendment* through the Laws of 2009, Chapter 172, Article 4, Sec. 2, Subd. 5, appropriated funding from the arts and cultural heritage fund for grants to AMPERS for production and acquisitions (\$2,650,000). This funding allowed AMPERS stations to collaborate and share programs to reach new audiences, develop and deploy a new website that gives the public free access to programming, and build a vast archival source of arts, cultural, and history programming spotlighting the stories of Minnesota's rich heritage.

ADMINISTRATION DEPT

Program: FISCAL AGENT

Activity: PUBLIC BROADCASTING

Narrative

Minnesota Public Radio (MPR)

Through its 41 stations and 39 translator stations, Minnesota Public Radio (MPR) provides a broadcast signal to more than 95% of the state's population and most of its geography. Every week, 900,000 people tune into one of MPR's three regional services (News, Classical Music, and The Current) for an average of six hours. Collectively, Minnesotans spend 5.7 million hours listening to MPR each week.

MPR's general fund investments – MPR's network is unique as a broadcast service because Minnesotans through the state can rely on MPR to provide vital security, safety, and public services including:

- the backbone to the statewide Emergency Broadcast System providing emergency signals to all other radio, television, and cable stations in Minnesota;
- the backbone to 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 the Minnesota State Services for the Blind;
- *Hmong Language Services*, serving the Hmong language population (on a subcarrier of KCMP in the Twin Cities) – in cooperation with Hmong Minnesota Radio;
- *Hybrid Digital (HD) Services*, including programming for children and young families (limited currently to Twin Cities stations until distribution of HD to other stations is funded).

Support from the state provides less than 2% of MPR's total capital and operating revenue during the FY 2010-2011 biennium. Over the past several years, state General Fund support has enabled MPR to build and maintain critical infrastructure in Greater Minnesota communities where population density is not amenable to other fundraising. Some of these communities include St. Peter, Roseau, Warroad, Granite Falls, Saint James, Windom, and several others.

The *Clean Water, Land, and Legacy Amendment* through the Laws of 2009, Chapter 172, Article 4, Sec. 2, Subd. 5, appropriated funding from the arts and cultural heritage fund to Admin for grants to MPR to create new programming and events, expand regional news service, amplify Minnesota culture, and document Minnesota's history (\$2,650,000). This funding enabled MPR to expand its arts and cultural programming in innovative ways. With these funds, MPR has brought Minnesota artists and performers to the attention of previously underserved communities across the state. Measured by audience, MPR is the state's largest cultural nonprofit. Through its broadcast and web audiences, MPR is uniquely positioned to engage Minnesotans in art, arts education, and the preservation of Minnesota's history and cultural heritage. Since first receiving *Clean Water, Land, and Legacy Amendment* funds, MPR has developed 15 unique projects that focus on expanding Minnesotans' access to art, arts education, Minnesota's history, and Minnesota's cultural heritage.

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 and some of the entities receive funding, beginning in FY 2010, through the *Clean Water, Land, and Legacy Amendment*.

Contact

Director

Phone: (651) 201-2563

Website: <http://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
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	2,015	1,866	1,866	1,866	3,732
Technical Adjustments					
Biennial Appropriations			66	66	132
Forecast Base	2,015	1,866	1,932	1,932	3,864
Arts And Cultural Heritage					
Current Appropriation	5,100	6,500	6,500	6,500	13,000
Technical Adjustments					
One-time Appropriations			(6,500)	(6,500)	(13,000)
Forecast Base	5,100	6,500	0	0	0
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	2,015	1,866	1,932	1,932	3,864
Arts And Cultural Heritage	5,049	6,435	0	0	0
Total	7,064	8,301	1,932	1,932	3,864
<u>Expenditures by Category</u>					
Local Assistance	7,064	8,301	1,932	1,932	3,864
Total	7,064	8,301	1,932	1,932	3,864

ADMINISTRATION DEPT

Program: FISCAL AGENT

Activity: IN LIEU OF RENT

Narrative

Activity at a Glance

- 371,562 square feet of space maintained
- 21 monuments and memorials maintained and
- 28.3 acres of ceremonial grounds maintained

Activity Description

This activity serves as a pass-through account for legislative general fund appropriations for entities that do not directly pay for 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 (12 sites) under the Plant Management Division's custodial control (MS 248.07, subd. 7)

- *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)

Population Served

Services and support are provided to the legislature and constituents, vending operators with Services for the Blind, 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 (371,562 total square feet) serviced under this activity

- Ceremonial Space – 36,519 square feet
- Services for the Blind – 5,308 square feet
- Rent Waived – 329,735 square feet

Key Activity Goals & Measures

Goal: 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

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

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	8,388	8,388	8,388	8,388	16,776
Technical Adjustments					
Operating Budget Reduction			(230)	(230)	(460)
Forecast Base	8,388	8,388	8,158	8,158	16,316
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	8,323	8,091	8,158	8,158	16,316
Total	8,323	8,091	8,158	8,158	16,316
<u>Expenditures by Category</u>					
Other Operating Expenses	8,323	8,091	8,158	8,158	16,316
Total	8,323	8,091	8,158	8,158	16,316

ADMINISTRATION DEPT

Program: FISCAL AGENT

Activity: MISC GRANTS/STUDIES/OTHER

Narrative

Activity at a Glance

- \$14,400,000 in Arts and Cultural Heritage grants
- Six construction grants currently in process

Activity Description

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

Population Served

Various grant recipients are served based on specific

legislative intent.

Services Provided

Each of the activities is established and operated under specific state legislation. Emphasis is placed on fulfilling the intent of the specific legislation, which varies with each activity.

Arts and Cultural Heritage Fund

The Laws of 2009, Chapter 172, Article 4, Sec. 2, Subd. 5, appropriated funding from the arts and cultural heritage fund for grants to specified organizations for specified purposes. These include the following for FY 2010 and FY 2011

- Zoos - programmatic development of Minnesota's zoos (\$900,000)
- Minnesota Children's Museum - arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage (\$500,000)
- Duluth Children's Museum - arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage (\$500,000)
- Science Museum of Minnesota - arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage (\$900,000)

Construction Grants to Political Subdivisions

The legislature appropriates state funding to the Department of Administration (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

- 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)
- Ramsey County – design, construct, furnish, and equip capital improvements for Gillette Children's Specialty Health Care (\$10,000,000)
- Hennepin County - design, construct, furnish, and equip a hyperbaric oxygen facility for Hennepin County Medical Center (\$5,000,000)

Governor's Residence Council Gift Fund

Based on M.S. 16B.27, the Governor's Residence Council develops an overall restoration and maintenance 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.

ADMINISTRATION DEPT

Program: FISCAL AGENT

Activity: MISC GRANTS/STUDIES/OTHER

Narrative

Key Activity Goals & Measures

Key goals for this activity are timely distribution of funding and effective grants management. Processes are established and maintained for handling financial transactions, tracking information, and reporting the information. Contracts and agreements with recipients of the funding are an integral function of this activity.

Activity Funding

This activity distributes a mix of funding from the arts and cultural heritage funds, gifts, bond proceeds, and other funds.

Contact

Director

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ADMINISTRATION DEPT

Program: FISCAL AGENT

Activity: MISC GRANTS/STUDIES/OTHER

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
Arts And Cultural Heritage					
Current Appropriation	1,400	1,400	1,400	1,400	2,800
Technical Adjustments					
One-time Appropriations			(1,400)	(1,400)	(2,800)
Forecast Base	1,400	1,400	0	0	0
<u>Expenditures by Fund</u>					
Carry Forward					
General	0	21	0	0	0
Direct Appropriations					
Arts And Cultural Heritage	1,233	1,275	0	0	0
Statutory Appropriations					
Gift	13	3	0	0	0
Total	1,246	1,299	0	0	0
<u>Expenditures by Category</u>					
Total Compensation	0	1	0	0	0
Other Operating Expenses	13	23	0	0	0
Local Assistance	1,233	1,275	0	0	0
Total	1,246	1,299	0	0	0
Full-Time Equivalents (FTE)	0.0	0.0	0.0	0.0	

ADMINISTRATION DEPT

Agency Revenue Summary

Dollars in Thousands

	Actual FY2010	Budgeted FY2011	Current Law		Biennium 2012-13
			FY2012	FY2013	
<u>Non Dedicated Revenue:</u>					
Departmental Earnings (Inter-Agency):					
General	175	33	0	0	0
Other Revenues:					
General	140	0	0	0	0
Other Sources:					
General	19	0	0	0	0
Taxes:					
General	124	0	0	0	0
Total Non-Dedicated Receipts	458	33	0	0	0
<u>Dedicated Receipts:</u>					
Departmental Earnings (Inter-Agency):					
Miscellaneous Special Revenue	3,749	3,707	3,769	3,847	7,616
Risk Management	12,642	11,996	12,204	12,459	24,663
Plant Management	64,166	65,609	62,267	62,750	125,017
Documents And Publications	1,145	1,383	1,409	1,436	2,845
Central Motor Pool	13,865	14,696	15,900	16,340	32,240
Central Stores	2,821	4	0	0	0
Materials Distribution	12,626	15,241	15,571	15,976	31,547
Central Mailing	849	855	923	975	1,898
Departmental Earnings:					
Miscellaneous Special Revenue	591	907	730	730	1,460
Grants:					
Miscellaneous Special Revenue	263	532	0	0	0
Federal	1,711	1,808	1,581	1,507	3,088
Federal Stimulus	85	2,500	4,237	0	4,237
Other Revenues:					
Miscellaneous Special Revenue	27,088	30,509	31,571	32,821	64,392
Federal Stimulus	131	251	0	0	0
Risk Management	149	150	150	150	300
Gift	22	0	0	0	0
Plant Management	49	125	47	47	94
Central Motor Pool	1,664	1,603	1,601	1,601	3,202
Materials Distribution	83	0	0	0	0
Central Mailing	8,101	7,952	8,191	8,436	16,627
Other Sources:					
Miscellaneous Special Revenue	2,558	2,400	2,400	2,400	4,800
Total Dedicated Receipts	154,358	162,228	162,551	161,475	324,026
Agency Total Revenue	154,816	162,261	162,551	161,475	324,026