



October 31, 2012

Prompt Payment Report

**To: Governor Mark Dayton
Members of the 2012 Legislature**

Minnesota Statutes Section 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. The Commissioner of Minnesota Management & Budget is responsible for monitoring state agencies to ensure the prompt payment of vendor obligations. Annually, the Commissioner is required to report to the legislature the state's payment record for the previous year. The state goal for agency compliance is 98 percent.

In fiscal year 2012, 91.95 percent of payments were made within 30 days, after adjustment for items contested or subject to audit prior to payment. This compares with 98.73 percent reported for fiscal year 2011. Fiscal Year 2012 was unusual for two reasons. First, the state's new Accounting and Procurement System was implemented July 1, 2011, requiring accounting staff statewide to learn entirely new ways of doing business including processing payments for vendors. Timely payments were also impacted by a nearly three-week state government shutdown at the start of the fiscal year. While the state's record of prompt payments was affected by both disruptions in 2012, recent improvement is evident as the new system has stabilized and agencies have learned to work effectively in the system. The prompt payment rate improved to 93.34 percent in September 2012 (percentages exclude MnSCU). The prompt payment rate including MnSCU (which was not previously available) was 94.91% for FY12.

The enclosed reports show individual agency comparisons for fiscal years 2011/2012 including interest paid on late payments to state vendors.

Minnesota Management & Budget is committed to working with state agencies to maintain and improve individual agency compliance with a statewide goal of 98 percent. We monitor payment performance monthly and provide monthly performance reporting to all state agencies. Agencies not meeting targeted performance are required to provide a written response on their performance. Our staff also provides guidance to agencies on proper use of the new Accounting and Procurement System to ensure timely payment of obligations.

Questions about this report may be directed to Ron Mavetz, Director of Agency Support, 651-201-8204.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Schowalter", is written over a horizontal line.

Jim Schowalter
Commissioner



State Of Minnesota
Payment Record By State Agency
Fiscal Year: 2012 - July 01, 2011 through June 30, 2012
As Of: June 30, 2012

State Agency	Fiscal Year 2011			Fiscal Year 2012			Variance
	Adjusted Total Payments	Paid W/ 30 Days	% Paid W/ 30 Days	Adjusted Total Payments	Paid W/ 30 Days	% Paid W/ 30 Days	
Accountancy Board	152	150	98.68%	123	110	89.43%	-9.25%
Administrative Hearings	954	948	99.37%	1,111	1,102	99.19%	-0.18%
Agriculture Department	9,003	8,864	98.46%	6,549	3,964	60.53%	-37.93%
Amateur Sports Commission	4	4	100.00%	18	7	38.89%	-61.11%
Animal Health Board	787	785	99.75%	704	674	95.74%	-4.01%
Architecture, Engineering Bd	175	173	98.86%	280	248	88.57%	-10.29%
Arts Board	766	745	97.26%	807	472	58.49%	-38.77%
Asian Pacific Council	146	145	96.77%	141	126	89.36%	-7.41%
Attorney General	1,748	1,748	100.00%	2,274	2,258	99.30%	-0.70%
Barber Examiners Board	130	130	100.00%	103	95	92.23%	-7.77%
Behavioral Health & Therapy Bd	167	167	100.00%	171	160	93.57%	-6.43%
Black Minnesotans Council	438	431	98.40%	376	322	85.64%	-12.76%
Campaign Finance Board	179	178	99.44%	186	175	94.09%	-5.35%
Capitol Area Architect	88	88	100.00%	73	65	89.04%	-10.96%
Center for Arts Education	2,392	2,307	96.45%	1,986	1,614	81.27%	-15.18%
Chicano Latino Affairs Council	122	119	97.54%	175	154	88.00%	-9.54%
Chiropractic Examiners Board	194	193	99.48%	193	182	94.30%	-5.18%
Combative Sports Commission	29	28	96.55%	51	42	82.35%	-14.20%
Corrections Department	51,596	51,180	99.19%	43,744	42,215	96.50%	-2.69%
Cosmetologist Examiners Board	256	251	98.05%	248	228	91.94%	-6.11%
Court of Appeals	332	329	99.10%	252	233	92.46%	-6.64%
Dentistry Board	338	331	97.93%	507	451	88.95%	-8.98%
Department of Administration	12,528	12,221	97.55%	28,379	25,110	88.48%	-9.07%
Department of Commerce	3,715	3,645	98.12%	3,999	3,206	80.17%	-17.95%
Department of Education	4,164	4,107	98.63%	4,351	3,327	76.47%	-22.16%
Department of Health	12,494	12,397	99.22%	10,618	8,267	77.86%	-21.36%
Department of Labor and Indust	8,703	8,595	98.76%	6,569	6,491	98.81%	0.05%
Department of Natural Resource	73,693	71,997	97.70%	50,262	40,923	81.42%	-16.28%
Dietetics & Nutrition Practice	108	107	99.07%	56	54	96.43%	-2.64%
Emergency Medical Services Off	597	594	99.50%	410	376	91.71%	-7.79%
Employment & Economic Develop	15,577	15,360	98.61%	13,827	12,412	89.77%	-8.84%
Explore Minnesota Tourism	1,347	1,339	99.41%	1,191	1,129	94.79%	-4.62%
Gambling Control Board	223	217	97.31%	294	233	79.25%	-18.06%
Governors Office	592	585	98.82%	423	407	96.22%	-2.60%
Housing Finance Agency	1,647	1,647	100.00%	2,590	2,588	99.92%	-0.08%
Human Rights Department	408	407	99.75%	322	288	89.44%	-10.31%
Human Services Department	50,309	48,490	96.38%	52,577	45,731	86.98%	-9.40%
Indian Affairs Council	263	242	92.02%	362	280	77.35%	-14.67%
Investment Board	345	342	99.13%	292	202	69.18%	-29.95%
Iron Range Resources	3,005	3,004	99.97%	2,301	2,272	98.74%	-1.23%
Judicial Standards Board	166	166	100.00%	162	153	94.44%	-5.56%
Legislative Auditor	427	423	99.06%	411	384	93.43%	-5.63%
Legislature Coordinating Comm	917	912	99.45%	1,140	1,040	91.23%	-8.22%
Lottery	4	4	100.00%	101	79	78.22%	-21.78%
MMB Debt Service	8	8	100.00%	90	90	100.00%	0.00%
MMB Non-Operating	63	62	98.41%	824	819	99.39%	0.98%
MN State Colleges/Universities	0	0	0.00%	424,143	423,641	99.88%	99.88%
MN State Council on Disability	402	391	97.26%	291	244	83.85%	-13.41%
Marriage and Family Therapy Bd	146	141	96.58%	189	184	97.35%	0.77%
Mediation Services Department	169	168	99.41%	179	174	97.21%	-2.20%
Medical Practice Board	787	787	100.00%	1,122	1,099	97.95%	-2.05%
Military Affairs Department	17,897	17,795	99.43%	10,090	9,923	98.34%	-1.09%
Minn State Retirement System	902	901	99.89%	24,130	24,098	99.87%	-0.02%
Minnesota Management & Budget	3,235	3,222	99.60%	2,678	2,578	96.27%	-3.33%
Minnesota State Academies	2,820	2,820	100.00%	2,549	2,494	97.84%	-2.16%
Nursing Board	718	718	100.00%	611	581	95.09%	-4.91%

State Agency	Fiscal Year 2011			Fiscal Year 2012			Variance
	Adjusted Total Payments	Paid W/ 30 Days	% Paid W/ 30 Days	Adjusted Total Payments	Paid W/ 30 Days	% Paid W/ 30 Days	
Nursing Home Admin Board	281	281	100.00%	276	257	93.12%	-6.88%
Office of Enterprise Tech	8,008	7,750	96.78%	9,120	5,937	65.10%	-31.68%
Office of Higher Education	1,667	1,665	99.88%	1,679	1,650	98.27%	-1.61%
Office of State Auditor	675	670	99.26%	616	593	96.27%	-2.99%
Ombudsman MH/DD	160	158	98.75%	189	132	69.84%	-28.91%
Ombudsperson for Families	165	165	100.00%	131	113	86.26%	-13.74%
Optometry Board	126	125	99.21%	82	78	95.12%	-4.09%
Peace Officers Board (POST)	241	239	99.17%	173	167	96.53%	-2.64%
Pharmacy Board	298	292	97.99%	331	300	90.63%	-7.36%
Physical Therapy Board	141	141	100.00%	187	183	97.86%	-2.14%
Podiatric Medicine	100	100	100.00%	73	69	94.52%	-5.48%
Pollution Control Agency	9,666	9,621	99.53%	8,606	7,911	91.92%	-7.61%
Private Detectives Board	56	56	100.00%	13	13	100.00%	0.00%
Psychology Board	290	286	98.62%	393	365	92.88%	-5.74%
Public Defense Board	5,353	5,327	99.51%	4,237	4,194	98.99%	-0.52%
Public Employees Retire Assoc	979	979	100.00%	36,524	36,496	99.92%	-0.08%
Public Facilities Authority	99	98	98.99%	762	753	98.82%	-0.17%
Public Safety Department	35,595	35,313	0.00%	29,885	24,442	81.79%	81.79%
Public Utilities Commission	409	409	100.00%	489	464	94.89%	-5.11%
Racing Commission	768	738	96.09%	662	623	94.11%	-1.98%
Revenue Department	8,272	8,158	98.62%	6,874	6,621	96.32%	-2.30%
Revenue Intergovt Payments	12	12	100.00%	58,982	58,654	99.43%	-0.57%
Secretary of State	1,274	1,274	100.00%	879	841	95.68%	-4.32%
Sentencing Guidelines Comm	141	141	100.00%	152	137	90.13%	-9.87%
Social Work Board	251	251	100.00%	235	223	94.89%	-5.11%
State Guardian Ad Litem	2,655	2,619	98.64%	2,348	2,182	92.93%	-5.71%
Supreme Court	5,153	5,130	99.55%	4,143	3,791	91.50%	-8.05%
Tax Court	53	50	94.34%	42	42	100.00%	5.66%
Teachers Retirement Assoc	615	612	99.51%	32,202	32,049	99.52%	0.01%
Transportation Department	128,788	128,019	99.40%	116,086	109,697	94.50%	-4.90%
Trial Courts	39,702	38,269	96.39%	92,617	85,773	92.61%	-3.78%
Uniform Laws Commission	8	8	100.00%	9	9	100.00%	0.00%
University of Minnesota	0	0	0.00%	1	1	100.00%	100.00%
Veterans Affairs Department	14,931	14,783	99.01%	13,780	12,255	88.93%	-10.08%
Veterinary Medicine Board	118	118	100.00%	94	90	95.74%	-4.26%
Water and Soil Resources Board	1,088	1,053	96.78%	1,402	1,326	94.58%	-2.20%
Workers' Comp Court of Appeals	156	156	100.00%	146	137	93.84%	-6.16%
Zoological Board	5,130	5,127	99.94%	4,799	4,618	96.23%	-3.71%
Totals For The State:	562,617	554,118	98.73%	1,136,824	1,078,960	94.91%	-3.82%



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State Of Minnesota
Interest On Late Payments, Paid to Vendors
by State
 Fiscal Year: 2012 - July 01, 2011 through June 30, 2012
 As Of: June 30, 2012

State Agency	Fiscal Year 2011	Fiscal Year 2012
Corrections Department	0.00	365.01
Department of Administration	447.00	131.00
Department of Natural Resource	22.00	8,705.50
Human Services Department	0.00	5,575.57
MN State Colleges/Universities	0.00	6,021.96
Minnesota Management & Budget	0.00	120.00
Public Safety Department	0.00	9,205.32
Trial Courts	54.00	22.80
Veterans Affairs Department	14.00	13.00
Totals For The State:	<u>537.00</u>	<u>30,160.16</u>