



August 16, 2016

To: Governor Mark Dayton
Legislative Reference Library

From: Myron Frans, Commissioner

Subject: FY2016 report shows state achieved 97.3% on-time payments to vendors

Attached is the Prompt Payment Report for fiscal year 2016. The report shows agency vendor payment information and the interest paid to state vendors for late payments.

State laws (MS 16A.124) requires state agencies to pay vendors within the vendor's early payment discount period, or within 30 days following receipt of the invoice or the completed delivery of the product or service. In fiscal year 2016, MMB set a goal to achieve 98% prompt payment compliance with state vendors.

I'm pleased to report that we are very close to reaching our goal. In fiscal year 2016, 97.3% of payments were made within 30 days. Below are key findings from the report.

- 63% of agencies met our 98% compliance goal
- Interest on late payments for fiscal year 2016 was \$4,634.82.

We remain committed to improving the compliance of individual agencies so that we reach our 98% statewide goal. MMB regularly monitors state agency payment status. We provide training, suggest business process improvements, and offer quick reference guides to assist agencies in meeting the statewide goal.

Please contact me if you have any questions or would like more information about this report.

State Of Minnesota
Payment Record by State Agency
Fiscal Year 2016 (July 1, 2015 -June 30, 2016)
As of June 30, 2016

State Agency	Fiscal Year 2015			Fiscal Year 2016			Variance
	Total Payments	Paid W/I 30 Days	% Paid W/I 30 Days	Total Payments	Paid W/I 30 Days	% Paid W/I 30 Days	
Accountancy Board	170	168	98.82%	161	160	99.38%	0.56%
Administration Department	26,475	26,007	98.23%	25,906	25,398	98.04%	-0.19%
Administrative Hearings	874	859	98.28%	921	870	94.46%	-3.82%
Agriculture Department	7,221	7,178	99.40%	8,591	7,881	91.74%	-7.67%
Amateur Sports Commission	63	59	93.65%	66	65	98.48%	4.83%
Animal Health Board	562	542	96.44%	484	473	97.73%	1.29%
Architecture, Engineering Bd	362	361	99.72%	383	382	99.74%	0.02%
Arts Board	542	481	88.75%	653	525	80.40%	-8.35%
Asian Pacific Council	215	209	97.21%	193	190	98.45%	1.24%
Attorney General	2,910	2,904	99.79%	2,479	2,456	99.07%	-0.72%
Barber Examiners Board	115	114	99.13%	104	104	100.00%	0.87%
Behavioral Health & Therapy Bd	279	263	94.27%	332	324	97.59%	3.33%
Black Minnesotans Council	316	309	97.78%	226	213	94.25%	-3.54%
Campaign Finance Board	263	263	100.00%	195	195	100.00%	0.00%
Capitol Area Architect	122	107	87.70%	118	118	100.00%	12.30%
Chicano Latino Affairs Council	173	161	93.06%	132	124	93.94%	0.88%
Chiropractic Examiners Board	250	222	88.80%	225	206	91.56%	2.76%
Commerce Department	3,882	3,839	98.89%	4,381	4,340	99.06%	0.17%
Corrections Department	46,129	45,278	98.16%	47,348	46,206	97.59%	-0.57%
Cosmetologist Examiners Board	258	253	98.06%	298	292	97.99%	-0.08%
Court of Appeals	280	269	96.07%	287	282	98.26%	2.19%
Dentistry Board	633	620	97.95%	476	448	94.12%	-3.83%
Dietetics & Nutrition Practice	68	67	98.53%	77	74	96.10%	-2.43%
Education Department	3,361	3,130	93.13%	3,191	3,029	94.92%	1.80%
Emergency Medical Services Off	368	326	88.59%	400	395	98.75%	10.16%
Employment & Economic Develop	12,614	12,366	98.03%	12,214	12,056	98.71%	0.67%
Explore Minnesota Tourism	1,444	1,435	99.38%	1,438	1,425	99.10%	-0.28%
Gambling Control Board	378	351	92.86%	388	377	97.16%	4.31%
Governors Office	493	488	98.99%	391	389	99.49%	0.50%
Health Department	11,735	11,457	97.63%	10,681	10,416	97.52%	-0.11%
Housing Finance Agency	2,585	2,581	99.85%	2,460	2,460	100.00%	0.15%
Human Rights Department	506	468	92.49%	457	447	97.81%	5.32%
Human Services Department	59,103	53,062	89.78%	61,020	51,872	85.01%	-4.77%
Indian Affairs Council	264	250	94.70%	274	246	89.78%	-4.92%
Investment Board	459	431	93.90%	491	480	97.76%	3.86%
Iron Range Resources	2,105	2,037	96.77%	2,290	2,263	98.82%	2.05%
Judicial Standards Board	242	237	97.93%	223	218	97.76%	-0.18%
Labor and Industry Department	6,001	5,980	99.65%	5,977	5,948	99.51%	-0.14%

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	Total Payments	Paid W/I 30 Days	% Paid W/I 30 Days	Total Payments	Paid W/I 30 Days	% Paid W/I 30 Days	
Legislative Auditor	550	542	98.55%	426	424	99.53%	0.99%
Legislature Coordinating Comm	1,355	1,354	99.93%	1,507	1,502	99.67%	-0.26%
Lottery	160	160	100.00%	155	150	96.77%	-3.23%
Marriage and Family Therapy Bd	251	242	96.41%	280	272	97.14%	0.73%
Mediation Services Department	277	272	98.19%	302	294	97.35%	-0.84%
Medical Practice Board	1,271	1,266	99.61%	1,206	1,194	99.00%	-0.60%
Military Affairs Department	12,489	12,291	98.41%	11,570	11,431	98.80%	0.38%
Minn State Retirement System	21,194	21,166	99.87%	20,471	20,452	99.91%	0.04%
Minnesota Management & Budget	3,174	3,138	98.87%	2,867	2,848	99.34%	0.47%
Minnesota State Academies	2,472	2,464	99.68%	2,488	2,486	99.92%	0.24%
MMB Debt Service	124	124	100.00%	113	113	100.00%	0.00%
MMB Non-Operating	1,339	1,331	99.40%	669	668	99.85%	0.45%
MN Insurance Marketplace	2,063	1,602	77.65%	1,358	1,075	79.16%	1.51%
MN State Colleges/Universities	185,042	184,859	99.90%	180,284	180,220	99.96%	0.06%
MN State Council on Disability	389	370	95.12%	354	334	94.35%	-0.77%
MN.IT	9,666	8,796	91.00%	10,246	9,545	93.16%	2.16%
Natural Resources Department	63,958	61,793	96.61%	60,057	59,070	98.36%	1.74%
Nursing Board	928	908	97.84%	870	853	98.05%	0.20%
Nursing Home Admin Board	390	381	97.69%	376	358	95.21%	-2.48%
Office of Higher Education	1,653	1,634	98.85%	1,770	1,761	99.49%	0.64%
Office of State Auditor	643	538	83.67%	784	696	88.78%	5.11%
Ombudsman MH/DD	207	199	96.14%	311	310	99.68%	3.54%
Ombudsperson for Families	130	124	95.38%	119	118	99.16%	3.78%
Optometry Board	76	76	100.00%	83	81	97.59%	-2.41%
Peace Officers Board (POST)	210	206	98.10%	236	232	98.31%	0.21%
Perpich Ctr For Arts Education	2,425	2,314	95.42%	2,445	2,341	95.75%	0.32%
Pharmacy Board	505	496	98.22%	490	473	96.53%	-1.69%
Physical Therapy Board	349	346	99.14%	393	374	95.17%	-3.98%
Podiatric Medicine	83	82	98.80%	71	71	100.00%	1.20%
Pollution Control Agency	9,186	8,964	97.58%	8,864	8,641	97.48%	-0.10%
Private Detectives Board	39	39	100.00%	40	36	90.00%	-10.00%
Psychology Board	358	334	93.30%	391	366	93.61%	0.31%
Public Defense Board	5,401	5,385	99.70%	5,842	5,833	99.85%	0.14%
Public Employees Retire Assoc	30,908	30,906	99.99%	30,285	30,283	99.99%	0.00%
Public Facilities Authority	481	476	98.96%	613	608	99.18%	0.22%
Public Safety Department	29,199	27,709	94.90%	29,932	27,796	92.86%	-2.03%
Public Utilities Commission	560	528	94.29%	574	551	95.99%	1.71%
Racing Commission	803	782	97.38%	984	966	98.17%	0.79%
Revenue Department	6,538	6,465	98.88%	5,933	5,773	97.30%	-1.58%
Revenue Intergovt Payments	78,896	76,707	97.23%	83,938	83,517	99.50%	2.27%
Secretary of State	1,049	1,042	99.33%	955	946	99.06%	-0.28%
Sentencing Guidelines Comm	136	133	97.79%	164	164	100.00%	2.21%
Social Work Board	276	263	95.29%	362	336	92.82%	-2.47%

State Agency	Fiscal Year 2015			Fiscal Year 2016			Variance
	Total Payments	Paid W/I 30 Days	% Paid W/I 30 Days	Total Payments	Paid W/I 30 Days	% Paid W/I 30 Days	
State Guardian Ad Litem	2,705	2,395	88.54%	2,336	2,270	97.17%	8.63%
Supreme Court	5,214	4,947	94.88%	4,664	4,386	94.04%	-0.84%
Tax Court	163	161	98.77%	159	158	99.37%	0.60%
Teachers Retirement Assoc	28,603	28,588	99.95%	27,730	27,715	99.95%	0.00%
Transportation Department	131,577	128,091	97.35%	127,783	124,916	97.76%	0.41%
Trial Courts	93,582	89,925	96.09%	91,962	88,731	96.49%	0.39%
Uniform Laws Commission	9	9	100.00%	8	8	100.00%	0.00%
University of Minnesota	15	11	73.33%	12	12	100.00%	26.67%
Veterans Affairs Department	14,399	14,083	97.81%	15,473	15,154	97.94%	0.13%
Veterinary Medicine Board	165	162	98.18%	167	164	98.20%	0.02%
Water and Soil Resources Board	1,822	1,757	96.43%	1,669	1,595	95.57%	-0.87%
Workers' Comp Court of Appeals	169	168	99.41%	204	202	99.02%	-0.39%
Zoological Board	4,663	4,562	97.83%	5,493	5,356	97.51%	-0.33%
Totals For The State:	954,109	928,798	97.35%	944,769	919,576	97.33%	-0.02%

State Of Minnesota
Interest On Late Payments Paid to Vendors by State
Fiscal Year 2016: July 01, 2015 through June 30, 2016
As of: June 30, 2016

State Agency	Fiscal Year 2015	Fiscal Year 2016
Administration	\$121.59	\$143.52
Department of Natural Resource	\$498.46	\$508.75
Human Services Department	\$80.74	\$634.89
MnSure	\$728.00	\$325.68
MN State Colleges/Universities	\$3,743.08	\$1,963.86
Public Safety	\$7.00	\$0.00
State Guardian Ad Litem	0.00	18.00
Transportation Department	\$600.68	\$945.14
Trial Courts	\$0.00	\$79.98
Veterans Affairs	\$0.00	\$15.00
Totals For The State:	<u>\$5,779.55</u>	<u>\$4,634.82</u>